

# Viewpoint: Atlanta developer David Allman talks about his latest project – in Nicaragua

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In late summer 2015, the Pacaya Ecolodge in Nicaragua will open its doors. The resort is my latest real estate venture, 26 luxury villas tucked into the lush rim of Laguna de Apoyo, a picturesque volcanic lake overlooking the historic city of Granada. The complex will include a three-meal restaurant specializing in local and Pan-American cuisine, a cascading pool and spa, and meeting rooms to accommodate business groups. The site is a convenient drive (less than one hour) from Augusto C. Sandino International Airport in Managua. Managua is a direct Delta Air Lines flight from Hartsfield-Jackson Atlanta International Airport, the same flight time as a trip to Vegas yet crossing fewer time zones.



DAVID ALLMAN

We've assembled a blue-ribbon team of seasoned hospitality experts to produce a first-rate experience at the Pacaya Ecolodge. A special thanks goes out to our partners, Cooper Carry, the Atlanta-based architecture firm who designed the resort, as well as the Atlanta office of Morris Manning Martin LLP, who handled our legal work. After seven years of planning, complex zoning challenges, and delicate political maneuvering, we are excited to finally see the vision becoming reality.

You may be wondering why a veteran commercial real estate developer would spend seven years developing a model for a relatively small-scale boutique resort destination in Latin America. Obviously the return on investment isn't worth the opportunity cost. And from a pure business perspective, my time could certainly have generated more wealth elsewhere. But profit isn't my primary motivation on this project. It has a dual-impact bottom line. While generating revenue for its investors, it also aims to economically impact the region. The resort will fund a technical high school that we have created to prepare young Nicaraguans to succeed in the hospitality and agricultural industries. The project will also provide both training and employment opportunities for students within the designated social enterprise zone.

I've always believed that a true test of a man's character is what he does for those who can't repay his kindness. Though I aspire to make a passing grade on that test, I must admit that I find it challenging to achieve in the business environment. The pressure to turn a profit, to negotiate a favorable share of the bottom line, is relentless. And that system certainly works. But I've struggled with a nagging feeling that there was more I should be doing for those excluded from the opportunities of the capitalistic system that provides so amply for me.

I've wrestled with the most effective way to improve the daily lives of the world's impoverished. I've seen well intentioned charitable efforts flounder for lack of a sound business plan. I've also seen churches and non-profits create unhealthy dependency among the poor they are trying to help. I've questioned if giving resources directly to those in need might be more effective. On the surface this may sound good, but does this kind of one-way charity really move the poverty needle? What happens when that hand-outs run out? Does this empower or create a culture of dependency? Is there a sustainable way to address these problems?

As I have pondered these questions, I have come to realize a few things: I'm not particularly good at hand-mixing concrete, or teaching English to Spanish-speaking kids, and my painting skills are no better than the average home owner. But I am uniquely experienced in commercial real estate. I know how to see a development project through from start to finish. I know how to pool capital from investors in order to get a project going. And I know what will work on a big scale. My decades as CEO of Regent Partners and my experience building big buildings like the 50-story Sovereign in Buckhead have taught me a lot. I also have discovered deep within me a passion to make a lasting difference in the lives of the poor. The Pacaya Ecolodge and the economic development model it embodies represent the intersection of my passion and my skills. As Frederick Buechner once said, "The place God calls you to is the place where your deep gladness and the world's deep hunger meet."

To me the model makes sense. It's a common sense business solution to address poverty. We are launching into Nicaragua's two most promising industries – agriculture and hospitality – and affecting entire communities by investing capital in market-ready businesses. The Pacaya Ecolodge will run just like any high-end destination resort, and a portion of the profits will be reinvested in the local community by funding education. The students in turn learn about hospitality, receive training and employment experience and most importantly a paycheck.

In addition to our hospitality initiative, we have engaged agricultural and marketing experts to develop a vertically integrated farm-to-market yucca business. Yucca is staple of the Nicaraguan diet and is in demand throughout Central America and globally as well. It also has countless industrial uses. The model takes a best practice approach to business and applies it to create sustainable wealth in the midst of the second poorest nation in the western hemisphere.

The for-profit sector has much to offer the developing world, including infrastructure and capital investments along with professional opportunities for the local population. Through our project, we are shifting the conversation from mere subsistence to true human flourishing. We are providing work experience in emerging industry sectors, access to quality technical education, and loans to local entrepreneurs to grow their own businesses. Pacaya Ecolodge is but one example of how a for-profit business investment can have dramatic, long-term impact on an entire region that years of charity work alone would never achieve.

The model is disruptive, in the best sense of the word; it disrupts the generational cycles of poverty by providing education, integrated employment opportunities, and practical assistance in growing new local businesses. It does this through the engine of economic enterprise. It embraces the highest form of charity – making money with the poor (not for the poor or on the poor) and in the process empowers community members and leaders. And when the model proves out, there's potential to replicate it in other scenic developing locations. We'd like to build a business brand that does good while doing well.