

They're not on the Best 200 list and may never get there, but these three immigrants have shown that America is still the land of opportunity.

Imported entrepreneurs

By Joel Millman

CONVENTIONAL WISDOM has it that you can't make money running public housing projects, that ghetto businesses are more headache than they are worth and that small farmers are doomed.

If the three immigrant entrepreneurs whose stories follow thought that way, they wouldn't have been able to build the thriving businesses that they have. There was something in their experience that enabled them to see opportunity where no one else could. And, of course, there was something in America—opportunity—that was denied them in their homelands.

Take Dilip Barot, a 37-year-old Gujarati Indian who manages 2,000 public housing apartments in four states from Florida to Nevada.

Public housing? Last year Barot's Palm Beach-based Naimisha Group earned a tidy \$10 million on revenues of \$50 million, mostly from privatized public housing projects that other private owners had given up on.

Urban planners have long dreamed of privatizing such projects and making them safe facilities. Barot has done it by applying lessons he learned running motels: keep expenses to the minimum, get high occupancy rates and make sure security is good.

Arriving in the U.S. in 1983, Barot originally intended to become a pharmacist, a profession he'd trained for back home. But while waiting to be licensed here, he took a job running a small motel in Hopatcong, N.J. Lucrative? For the owner, a fellow Gujarati, but not for Barot. "I managed 26 rooms for \$100 a week," Barot recalls. "Plus a free place to stay."

So when a chance came a year later to buy an 18-room motel called the Rock Garden, some 60 miles north of Miami in Riviera Beach, Barot didn't hesitate. Putting in \$8,000 of his own savings, Barot raised the rest of the \$60,000 down payment informally from other Gujaratis, a doctor and an engineer.

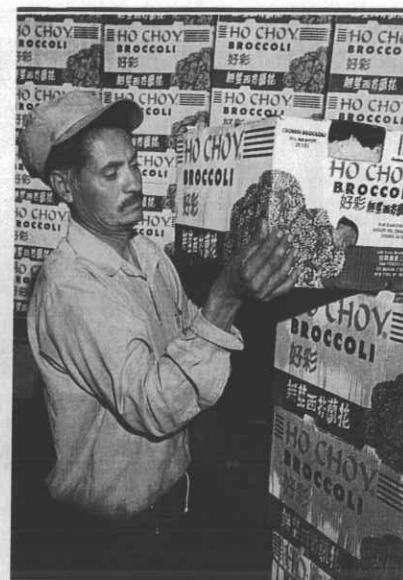
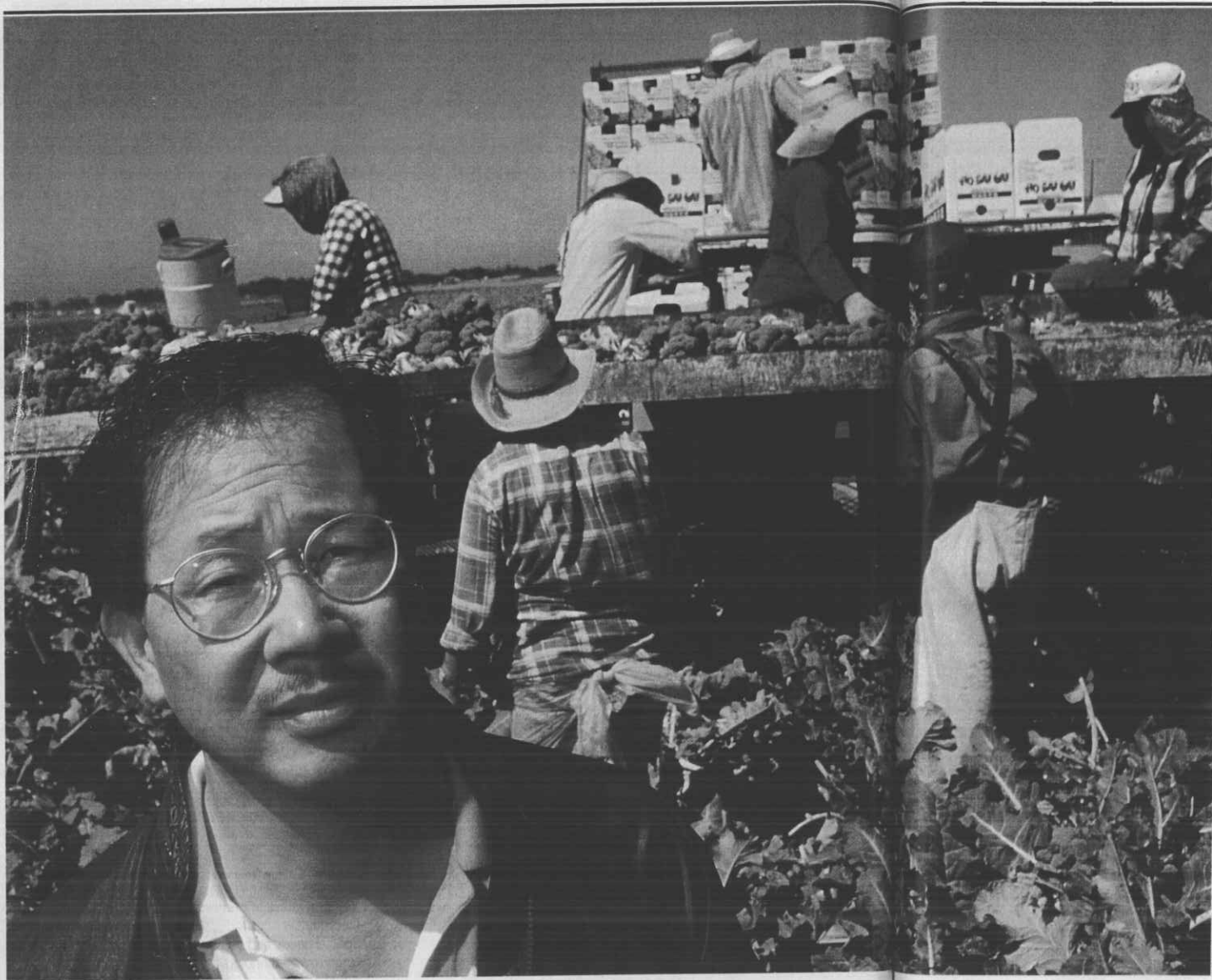
Living on the premises, Barot did most of the work himself. He even remodeled the motel himself—for about \$50 a room, buying used fixtures from other Indians.

To attract customers, Barot made the rounds of local employers, dropping off handmade brochures targeting workers who couldn't afford an apartment but would pay \$75 to \$100 a week for a clean room. He offered discounts on rooms booked for a month or more and to tenants who brought in friends. Filling up the Rock Garden, Barot bought six more motels for \$2.1 million, again tapping his informal Gujarati financial market

Naimisha Group's Dilip Barot at his Key West housing project
"We didn't invent this system, we just manage properties right."

The Key West project before renovation
Using techniques learned in the roadside motel business.





Tom Lam, left, in his Oxnard, Calif. broccoli patch; field hand, above
Packing broccoli crowns for export.

for the \$500,000 down payment. In 1989 Barot spotted a newspaper ad placed by the city of Key West looking for a developer to rebuild an abandoned housing project. Now here was an opportunity wrapped in a problem. To get rid of the 52-unit Bahama Village, the Housing & Ur-

ban Development Agency made a commitment to subsidize rents at market rates—\$5,000 a year for low-income tenants. Barot realized that if he could keep expenses below that per unit amount, he had a guaranteed, no-risk profit. Even better, as builder, he was entitled to a \$500,000 developer's

fee from the city, a 10% profit margin just for starting the project.

The price was a hefty \$5 million, but by now Barot knew all the angles. Taking advantage of "minority" set-asides, he got a \$1.5 million loan from the state of Florida and wrung another \$2.3 million grant out of HUD. For

his own contribution he pledged the \$500,000 developer's fee, essentially agreeing to build Bahama Village for nothing. For the rest of the financing, about \$500,000, he sold equity shares to his trusty motel backers.

Now for costs. Barot cut the on-site staff from three to one, hiring a retired

Navy officer to manage the facility with the same deal he used in his motels: a free place to live, plus a modest salary. Today many maintenance chores at Bahama Village are done by residents, who receive rent vouchers instead of cash. To deter crime, Barot convinced the Key West police department to put a training facility on the grounds—which meant at times there were 100 police officers on the site.

Barot has repeated the same deal in slightly different form many times since, buying up abandoned projects in three states, financed when needed through the tried and true immigrant network. He plows earnings back into the network, and on occasion goes back to India if he needs backing in a pinch.

He even tackled a housing project in Las Vegas that had once been listed by the General Accounting Office as among the nation's worst projects. At the Carey Arms project today, tenants help screen new applicants and weed out occupants with known drug or gang ties.

Barot has raised his sights. Miami

has over 11,000 public housing units to redevelop. Barot hopes to bid on new projects in California and Texas. "I didn't invent this system; we just manage property right," says Barot. "It is unbelievable growth in this business."

What Dilip Barot has done in public housing. Thomas Lam has done with vegetables. Lam arrived in California a year out of high school, in 1969. Many immigrants head right for the bustle of the big city. Lam's passage to America took him from teen Hong Kong into Oxnard, Calif.'s farm fields. "When I got to Los Angeles Airport at midnight," he says. "At 6:00 the next morning, I was picking cucumbers."

An avid student, Lam studied the Mexican market. He learned the business side of vegetable

wholesaling from older Asian growers, Japanese who had been in Oxnard since the 1920s. Moving his way up, Lam worked as a laborer and a foreman, then became a naturalized U.S. citizen in 1975, and after attending Ventura Junior College, became sales manager for an Oxnard vegetable wholesaler, Seaboard Produce.

By 1985 Lam was selling his board's vegetables to Chinatown wholesalers in New York. One night he got a call from a regular customer with a problem. "We used to ship broccoli whole, bound in rubber bands," Lam recalls. "But Chinatown restaurants use only the tops. So ten boxes of broccoli, ten boxes of garbage go on the street."

Garbage haulage is expensive. In New York, his customer complained. Lam realized that in Chinatown, where restaurants line every street, a common problem offered a common solution. Why not ship crowns of broccoli and charge more?

It was an obvious solution that nobody else had thought of yet. Lam soon found he could charge as much as \$13 a box for broccoli crowns