

From The Locker Room To The Boardroom

An Interview with Mike Tepedino, Founder and Managing Partner, Blue Light Capital

EDITORS' NOTE Mike Tepedino has been in the real estate industry for 38 years. Prior to founding Blue Light Capital, he was an original partner at HFF and was part of the executive/management team that took the company public in 2007. He was also part of the executive/management team that completed the sale of HFF to JLL in 2019 for \$2 billion. Most recently, Tepedino ran the capital markets business for JLL in the Northeast with direct management responsibility for over 300 employees. During his 26 years at HFF/JLL, he completed over \$51 billion in transactions and was widely recognized as one of the leading intermediaries in the U.S. Prior to HFF/JLL, he spent six years at Travelers Insurance Company and four years at Legg Mason Real Estate Services. Tepedino graduated from Skidmore College and has an MBA from Fordham University.



Mike Tepedino

FIRM BRIEF Blue Light Capital (bluelightre.com) specializes in flexible, execution-driven real estate financing. Leveraging over 100 years of investment experience and over \$60 billion of real estate transactions, the firm's fully integrated platform enables it to provide solutions for borrowers with real estate opportunities that either fall outside the realm of traditional and/or larger institutional lenders or simply require a more flexible and straightforward capital solution.

Will you highlight your career journey?

Growing up as a child I always used to stare at big buildings, and I had an infatuation with real estate. My father would take me into Manhattan, and I was fascinated with skyscrapers and knew that I wanted to get into the real estate business. After college and business school, I asked myself how all of these developers were getting the capital to build the skyscrapers that I had been so enamored with as a child. I went into the finance part of the business and started as a lender for six years which is where I learned the fundamentals of the business, including real estate valuation and underwriting. At the age of 29, I decided to get into the brokerage business and never really looked back. I became an original partner at HFF working with Mark Gibson who is an amazing salesman, businessman, and an even better person. We and others grew the business substantially over the years and eventually sold it to JLL. I stayed on at JLL for four years and then retired at the age of 59. I went

home and thought to myself, what now? This led to the idea of creating BL Next, which focuses on four areas that were important to me – real estate, sports, kids, and education. I had a vision that the DNA of an athlete was really special for all the reasons everyone knows: teamwork, collaboration, work ethic, resiliency, time management, and athletes are highly competitive. These are the characteristics that corporate America wants, needs and looks for when hiring talent. The challenge that athletes faced was that they did not have the technical skills

to compete with the students who took traditional business classes. BL Next was created to fill this void by offering free technical CRE training, resume building and interview prep, live monthly webinars, job and internship placement, mentorship programs, and industry connections. The focus is to supplement the athlete with the technical skills needed to succeed, provide mentorship, and then help with job placement. We are one year into this effort and have 140 student-athletes participating in the program.

I have been loving the nonprofit work, but was missing the for-profit part of the business, so I launched a credit platform. I have always believed that you need three things to succeed in business: you need a great business plan; you need capital; and you need a best-in-class team to execute your business plan. The business idea was to fill the void in the market by buying distressed debt and doing first mortgages for the middle market, lending between \$15 million and \$50 million – which is a less competitive space. I saw a market opportunity and had spent my entire life in credit, so it made sense to get into the business. We went out and formed a partnership with a very large insurance company who committed \$500 million to our idea which was great, and then we built the team around the idea. We have been fully operational for about six months, and have been actively closing transactions.

How do you balance your time between building the business while building BL Next?

The reality is that you need to have a great team of people around you, and you have to be willing to delegate and trust others. This has always been a part of my management style.

What are your plans on how to scale BL Next?

That is an important question. I have learned in the year that I have been doing this

that there is an insatiable demand on both sides of the equation – there is unlimited demand from the student-athletes for the technical skills, and there is unlimited demand from the corporations who are interested in hiring student-athletes who possess these technical skills. If you asked me how big we can make BL Next, I would say that we can do 500 kids a year if we had the resources and capital. This is our goal, and it is part of the reason we are having an event, The Starting Block, to help make people aware of what we are doing. The vision for the event is to merge the world of real estate with the world of sports, and my hope is that when people go home they say that it was a valuable experience with great people, and that they like what we are doing and that supporting student-athletes is a cause they may want to be involved with moving forward.

Do you approach the nonprofit work the same way you approach your business?

I do look at it like a business and am always focused on how many schools we have, how many student-athletes we have, how many corporations we have, how much money did we raise. I am a scoreboard watcher – this is just how I am wired.

Are you able to take moments to reflect on the impact that BL Next has made in a short period of time, and do you take time to celebrate the wins?

I look at what I refer to as the small wins, and then there are the big wins. The small wins we get every day when we receive a note from a kid telling us that they completed our program and how grateful they are to have learned the skills needed to put them in a position for success. We get these testimonials almost every day, and it is really gratifying. The big wins are when someone gets hired because they came through the program. The really big wins will be when we have more kids participating which means we will have more people behind us because ultimately, we will need more financial support and corporate partners to hire our kids.

When you look at building more awareness for BL Next, what would you want people to know about its mission?

BL Next is helping student-athletes become better real estate professionals by taking the DNA of the athlete and providing them with the technical skills and mentoring opportunities to succeed in business. We want that kid to excel in the real estate business, just as they excelled on the field. ●