



U-T ECONOMETER

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SECTION **C**

The San Diego Union-Tribune

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# BUSINESS **SUN DAY**

## RICH HOME BUYERS ARE TEST-LIVING MANSIONS

Luxury developers using 'try before you buy' tactic to land wealthy clients

BY HEIDI MITCHELL

When San Diego residents Marty Smith and Tracy Park realized they'd soon be empty-nesters, they began an international hunt for a beach house.

"I had been traveling to the Caribbean for 20 years, but it wasn't until I saw a show on TV about Placencia that I even considered Belize," says Smith, 53, founder of RMS Capital Solutions, a direct lender to California real estate investors.

The couple did some Googling, found a development that looked promising, then made a call to one of the agents they'd seen on television. "It turned out he offered a four-night 'discovery tour' to a new place called Itz'ana, so we booked it," Smith recalls.

The couple's April 2016 stay included a jungle tour to see jaguars, river tubing, and a romantic dinner on the beach. They spent nights in a temporary waterfront bungalow, 75 feet from the Caribbean. "After that first dinner, we made a deposit on a 3,375-square-foot two-bedroom with two pools," Smith says. The house will be built on precisely the same spot where they spent those first nights.

"Try before you buy" was once a persuasion tactic employed almost universally by down-market timeshare agents. Now, in a second-home market awash in inventory, developers are using it to induce buyers.

Tina Necrason, vice president for residential at the hotel management company Montage International, has worked in time-shares, fractional ownership "and every sort of second-home venture imaginable," she says.

Necrason says that before the  
SEE LUXURY • C6

LIZ WESTON

Money Talk

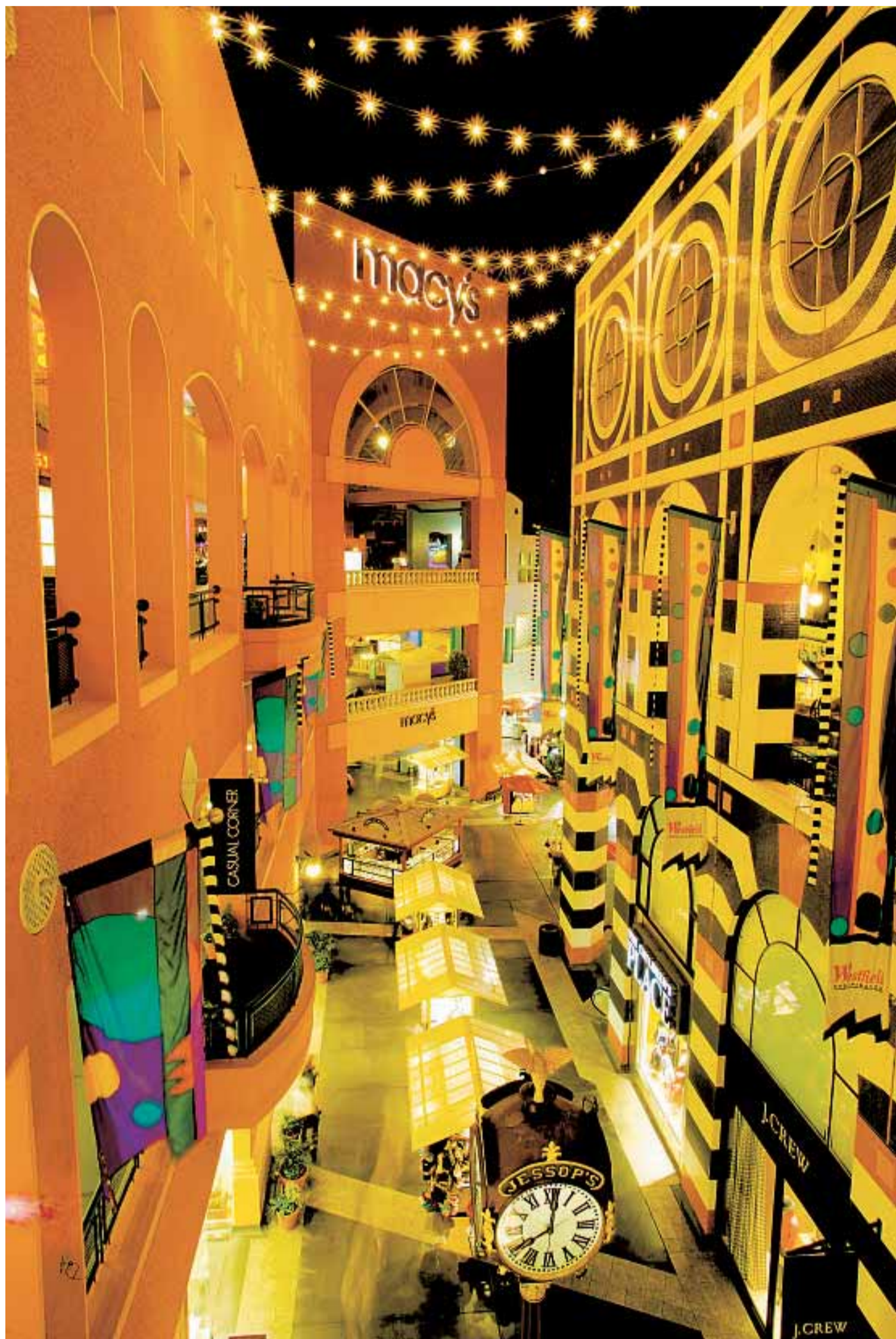
## What to do when you're mad at your credit card company

**Dear Liz:** This past summer I was traveling in a foreign country and the email alert that a credit card payment was due did not reach me. Upon returning to the U.S. and attempting to use the card, I was verbally assaulted over the phone by a credit card company representative demanding payment. I'm 80 and have never missed paying off any credit card charge at the end of the billing cycle or paid a penny in credit card interest. The card company reported the missed payment, lowering my credit score 133 points.

This is no way to run a business! I've cut up both cards and closed all accounts I had with this company. I had no problem getting a card from another issuer. I'd think that best practice in my case would have been a flag raised on their computers that the missed payment was unusual. A polite contact could have been made, the check would have been in the mail the next day and the company would still have a customer.

**Answer:** Being "verbally assaulted" after a one-time lapse suggests either a poorly trained representative or a company that doesn't care much about customer service. Unfortunately, your leverage to get the missed payment taken off your credit reports pretty much disappeared when you closed your accounts. Some card issuers will make such "goodwill" adjustments to keep longtime customers, but others won't. It's always worth asking before you take your business elsewhere.

Now that you have your new card, please consider setting up some kind of automatic payment so this doesn't happen again.  
SEE DEAR LIZ • C5



RON NIEBRUGGE

# SHOULD HORTON PLAZA BE PRESERVED?

Under new ownership, the nearly defunct mall's next act is as a tech office campus, but historians are fighting to save the mall's postmodern hallmarks

BY JENNIFER VAN GROVE

**E**veryone agrees, Horton Plaza is dead. Whether or not the center's postmodern essence should live on for the sake of posterity, however, is a matter that's creating animus between historians, city staffers and the plaza's new owner, Stockdale Capital Partners.

In recent weeks, esteemed members of San Diego's architectural groups have raised the volume on their complaint: That an important piece of San Diego's history will be lost forever if someone doesn't act fast and declare Horton Plaza a historical building.

"(The developers) are throwing out something that has value under the guise that (Horton) needs to be new and shiny to be attractive to tech companies," said Diane Kane, an architectural historian and a former city planner who is working to corral influential voices to press the city on the issue.



U-T FILE

Horton Plaza was designed by the late Los Angeles architect Jon Jerde who also oversaw the design of the 1984 Olympics.

Opened in August 1985, Horton Plaza represented the work of distinguished developer Ernest Hahn and famed architect Jon Jerde. The retail center, now viewed by historians as an archetype of postmodern design, was a much ballyhooed attraction that drew 25 million visitors in its first year, changed how the world thought about malls and worked to revitalize San Diego's then-troubled downtown.

Horton's postmodern hallmarks include bright colors, level changes, interrupted paths, oblique views and forced perspectives. It was seen as public art — and not the exclusive, stuffy kind that can only be appreciated by a select few. The success of the project, alongside Jerde's work on the 1984 Olympics, helped catapult the Jerde Partnership onto the world's stage.

"Horton Plaza was one of the first major projects of that time to get away from the big, monotonous beasts that shopping centers had become," said  
SEE PLAZA • C5

# PLAZA • Some against changes that stamp out uniqueness

**FROM C1**  
John Gish, an architect who worked with Jerde on the center's design. "It broke the ground for the way people look at shopping centers."

The Horton Plaza of 2018, however, is a retail wasteland where all but a few tenants — namely Jimbo's, Macy's and 24 Hour Fitness — have closed up shop. They left after years of indecision on the part of former owner-operator Westfield, which had repeatedly weighed investing in a major renovation.

Enter Stockdale Capital Partners.

The real estate investment firm purchased the 900,000-square-foot property in August for \$175 million with the sole intention of switching things up. The company plans to transform the dated downtown blocks into what it's calling "The Campus at Horton," an ultra-modern office park — with some millennial-friendly food and beverage options — made specifically for top technology firms and their workers. To do so, Stockdale said it will strip the mall down to the studs, open up the winding path that weaves through the site and use department store shells for light-filled workplaces with 40,000-square-foot floors.

If all goes as planned, the developer believes its downtown tech campus could open to tenants in two years.

In other words, the Horton of the not-so-distant future will look nothing like it does at present.

And that's a problem, Kane said, because Horton Plaza is just one of three signature buildings in San Diego that is recognized by scholars internationally.

"The renderings strip out everything that is currently there," she said of Stockdale's drawings.

Stockdale Capital Partners turned down requests to participate in this story. It has described The Campus at Horton as a job creation center that would, as envisioned, stimulate \$1.8 billion in annual economic impact. Kane isn't against the



**Stockdale plans to transform Horton Plaza into what it's calling "The Campus at Horton," an ultra-modern office park — with some updated food and beverage options — made specifically for top technology firms.**

firm's adaptive reuse, but she would like to see the building facades preserved to pay homage to postmodernism.

"I'm aware that the post-modern style is not in fashion," said David Marshall, owner of Heritage Architecture and Planning, and the preservation committee chair for San Diego's chapter of the American Institute of Architects. "Victorian houses were out of fashion in the '40s, '50s and '60s, and many were demolished. Today, they are appreciated. It's a matter of these buildings surviving those times when they're not in fashion."

Marshall, who is working alongside Kane, is specifically advocating to keep architect Jerde's circulation corridor intact. The corridor, although it does little to connect point A to point B, was a deliberate machina-

tion by Jerde, who took inspiration from Italian hill cities, to get people lost in the setting and create surprises around every corner.

More important than saving any one feature, Kane and Marshall just want someone to hit the pause button on redevelopment so that the city can consider the historical significance — or lack thereof — before Horton Plaza is razed beyond recognition. Except city processes may not allow anything of the sort.

Buildings are automatically reviewed for historical designation during an applicant's permitting process only when they are 45 years or older. Horton Plaza is 33 years old. Otherwise, the only other path that would force historical consideration would occur during an environmental review, and only then in very

specific cases.

"The bar is pretty high for something under 45 years old," said Gary Geiler, who works in development services for the city.

As it stands, the city's hands are somewhat tied, by Geiler's account. Civic San Diego and the city are currently in private negotiations around the project, presumably discussing what to do about Horton-related agreements, including a land entitlement that requires a minimum of 600,000 square feet of the site be used for retail. Stockdale hasn't detailed the exact

square footage for its office and retail components, but its campus vision falls well short of the 600,000-square-foot retail threshold.

"The project hasn't been submitted to Civic San Diego for review," Geiler said. "There has been no (historic) evaluation because we don't know what the project is."

It is this type of response that has Kane and Marshall troubled. They fear the project will fly under the public radar until it is much too late. The pair believe the city could — but won't without proper prompting — compel

the developer to prepare a historical research report for presentation to San Diego's Historical Resources Board. The board is the city's governing body for assigning historical significance to buildings, and development restrictions by association.

"Requiring a report for a building less than 45 years is the exception and not the rule," Marshall admitted. "But it is an option."

Kane and Marshall recently made their pleas for a research report during the non-agenda public comment period at the Nov. 15 Historical Resources Board meeting. A majority of board members seemed to agree with the petitioners, though there's little the board can do before a report is a prepared and presented. Thus, after a confused discussion around what can and cannot be done right now, six of the 11 board members voted in favor of a motion to have city staff look into the historical significance, and "express our interest in the matter, for it to come before us, if possible."

The vague motion gives the preservationists little confidence. They're exploring preparing a report of their own, possibly with support, financial or otherwise, from a coalition of scholars and architectural experts who have already written letters of concern.

Gish, the aforementioned Jerde apprentice, is one of those letter writers.

"There has to be some sort of the meeting of the minds," he said. Horton Plaza, he added, changed the history of San Diego. "What part of that do we need to retain to remember that?"

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## DEAR LIZ • Scan important documents

**FROM C1**  
Credit card companies typically offer the option to have your minimum payment, your full balance or a dollar amount in between pulled from your checking account. Making sure that at least the minimum is paid can prevent further damage to your credit scores.

### The gift of organization

**Dear Liz:** You recently responded to a widow whose pension income stopped on her husband's death. She was told the company had no record that he had chosen a "joint and survivor" option that would have continued the pension for her lifetime. This is outright fraud and elder abuse. My mother was given the same answer by an insurance company when my father died after collecting his pension for 25 years. If someone signs up for a "single life" pension that ends at death, the company

will always have a record.

If you select the surviving spouse option, their standard operating procedure is to say they have no record. They prey on the elderly hoping the surviving spouse has dementia or lost their contract. Before my father died, other surviving spouses told my parents and me about this practice, so my parents kept all their retirement papers in a safe place. When I told the insurance company representative that I had the contract in front of me, her attitude changed from combative to helpful. She said, "I will mail you the paperwork to sign, and include a copy of the contract when you mail it back."

**Answer:** Having a copy of the contract seems to be key in getting such conflicts resolved. Let's hope the original letter writer still has this essential document that can prove her case.

Many people hang on to way too much paperwork

because most of it will never be needed or can be retrieved or re-created. Documents relating to pension choices are among the exceptions. To be useful, though, important documents must be not only kept but also accessible. A contract buried in a pile of utility bills may never be found. Having an organized filing system and keeping it maintained can be a gift to yourself and your family.

This year's natural disasters, including hurricanes and fires, remind us that just having paper versions of documents isn't enough. It's a good idea to scan important documents and store copies at another site, on a secure internet site or (preferably) both.

Weston is a certified financial planner. Questions may be sent to her at 3940 Laurel Canyon, No. 238, Studio City, CA 91604, or by using the "Contact" form at asklizweston.com. Distributed by No More Red Inc.

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As you plot out what you'd like to invest in CDs and for what duration, you'll likely think of one year, two years, three years, etc. And what you find may fall into those tidy increments. But being flexible will open you up to opportunities that could boost your earnings.

Flexibility allows you to capitalize on promotional CDs that may have unconventional terms. Banks and credit unions tend to have a standard menu of traditional-duration CDs always on tap. But many will offer a special certificate from time to time, one with a much better rate and perhaps an unusual term. It's not uncommon to see promotions

Being open to odd-term CDs and adjusting your plan based on what you unearth will help you build a CD portfolio that may not look like what you originally plotted out, but will maximize what you earn from your CD investments.

Another kind of flexibility is also useful, and that's flexibility of timing. Promotional CDs tend to pop up without warning, and are often available for a limited time. So patiently shopping over time, instead of on a single day, will lead you to more special offers. Funds flexibility will then enable you to jump on a great deal when you find one.

The most lucrative CD portfolios are seldom predictable, perfectly tidy collections. But for savers willing to shop over time and move when they turn up a winner, bottom lines are not rewarded.

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