

Regional Oral History Office  
The Bancroft Library

University of California  
Berkeley, California

Gerson Bakar  
REAL ESTATE DEVELOPER AND PHILANTHROPIST

Interviews conducted by  
Lisa Rubens with Elizabeth Castle  
in 2006-2007

Copyright © 2010 by The Regents of the University of California

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the nation. Oral History is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is bound with photographs and illustrative materials and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

\*\*\*\*\*

All uses of this manuscript are covered by a legal agreement between The Regents of the University of California and Gerson Bakar, dated October 9, 2009. The manuscript is thereby made available for research purposes. All literary rights in the manuscript, including the right to publish, are reserved to The Bancroft Library of the University of California, Berkeley. Excerpts up to 1000 words from this interview may be quoted for publication without seeking permission as long as the use is non-commercial and properly cited.

Requests for permission to quote for publication should be addressed to The Bancroft Library, Head of Public Services, Mail Code 6000, University of California, Berkeley, 94720-6000, and should follow instructions available online at <http://bancroft.berkeley.edu/ROHO/collections/cite.html>

It is recommended that this oral history be cited as follows:

Gerson Bakar, "Real Estate Developer and Philanthropist" conducted by Lisa Rubens with Elizabeth Castle, 2006-2007, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 2010.



**Gerson Bakar**



## Table of Contents

Preface by Robert Birgeneau	ix
Introduction by Earl F. Cheit	xi
Interview History by Lisa Rubens	xiii
Interview 1: March 24, 2006	1
<p>Family background and birth in Petaluma, California, 1938—Chicken farming in Petaluma during the Depression and World War II—A student at UC Berkeley 1945-1948—Entering the real estate business.</p>	
Interview 2: July 17, 2006	36
<p>Learning real estate with Uncle Max in Oakland—Family values, practices, and life in Petaluma and the Bay Area—Buying property: building homes and small apartment houses in the East Bay—Jewish identity—Family relationships—Undertaking larger developments: Lake Royal and Jackson Lake Apartments in Oakland—Memories of San Francisco's 1939 World's Fair and the founding of the United Nations.</p>	
Interview 3: July 20, 2006	83
<p>Building Woodlake—Working with Don Emmons, William Wurster, and Lawrence Halprin—Woodlake and the broader real estate community; influences and imitators.</p>	
Interview 4: July 26, 2006	124
<p>Advertising Woodlake—Discovering North Point in San Francisco—Planning the Northpoint development—Distinguishing between tourist and commercial development—Northpoint as an extension of the Telegraph Hill neighborhood.</p>	
Interview 5: July 31, 2006	158
<p>Northpoint as a long term investment—Reflections on and comparison to building in the East Bay in the 1960s and early 1970s—Designing Northpoint—Building Oak Creek on the Stanford campus: issues of leased land and traffic—Conflicts with Stanford and encountering NIMBYism in subsequent years—Insurance companies become active in real estate—Renegotiating Oak Creek with Stanford University—More on working with Wurster, Bernardi, and Emmons—Beginning Park Newport in Southern California: reckoning with multiple architects, NIMBYism, and opposition to development.</p>	
Interview 6: September 7, 2006	195
<p>Park Newport continued—Problems with Park Newport: The Coastal Commission, multiple architects, fire code issues and cost overruns—Further reflections on Oak Creek</p>	

and Woodlake: role of landscape architect Larry Halprin; financing; the role of health clubs and community in tenant retention—Meeting Ted Dienstfrey and working with Ray Watson—Ned Eichler's Seminar on New Towns—Linda Zeller: managing the Park Newport fitness club; marketing and longevity of tenants at Park Newport and Oak Creek—Aside on politics, social life, and locus of San Francisco's future expansion—Considering other development projects—Buying Doelger apartments and developing property at Lake Merced Country Club—Reflections on relationship to the Wilsey family—Buying the Eichler Summit apartment building—Reviewing Bakar's private homes.

Interview 7: September 11, 2006 245

Advisor to ACORN Development in Oakland—Aside on Mort Bakar's interest in building health facilities—Buying Carmel Plaza—Friendship with William Coblentz—Reviewing Westlake: buying apartments with no equity; employee participation; responding to a tenant union and low occupancy—Keys to Bakar's success—Assessing real estate development in the 1980s: stock market downturn and changes in tax laws.

Interview 8: September 28, 2006 290

Separating the Bakar and Wilsey business—Environmental opposition to Lake Merced Hill—Encountering increased regulations—Political opposition to development—Considering Greenwich Square and Levi's Plaza—Securing ABC Television and Mastercharge as tenants and dealing with competition—Serving on Dominican College Board of Trustees—Reflections on political opposition to development in San Francisco—Personal anecdotes.

Interview 9: October 9, 2006 324

More on San Francisco politics—Traveling to Israel—Serving on Bill Graham's Board of Advisors—Creating the California Housing Council: a response to rent control and no-growth policies—Background to developing Levi's Plaza: North Waterfront Associates; acquisition of land by Travelers Insurance; Mel Swig and Greenwich Park; a fateful fishing trip with Walter Haas, CEO of Levi Strauss & Company; Jim Joseph and covering the cost of the Levi lease at Embarcadero Two—Envisioning Levi's Plaza: designs for office space, condominiums, parking, commercial enterprises; permitting.

Interview 10: November 6, 2006 348

Building affordable housing and accommodating parking at Levi's Plaza—Landscaping the Filbert Steps as a gift to the city—Changing Bakar Management Associates—Turning Woodlake into a condo; selling Carmel Plaza, diversifying portfolio—Developing 101 Lombard Street as condos—Founding Bridge Housing to build affordable housing.

Interview 11: December 6, 2006 380

More on working with Lawrence Halprin—Honors and philanthropy at UC Berkeley: 1978 commencement speaker at Haas School of Business; 1991 Haas School of Business

Alumnus of the Year; helping to found the Fisher Center for Real Estate and Urban Economics at the Haas School of Business; serving on the Haas Advisory Council.

Interview 12: January 10, 2007

404

Envisioning an Executive Real Estate Center—Endowing faculty at the Haas School of Business—Critical involvement with the location and land planning design of UC's Mission Bay Campus—Bay Area Life Sciences Associates and participating in the UCSF Foundation—Serving on the architectural committee for the Mission Bay Campus—Involvement with the San Francisco Jewish Community Center—Creating the Gerson Bakar Foundation—On Barbara Bakar's Achieve Scholarship program.

Interview 13: March 14, 2007 [Video Interview]

425

Developing an interest in art—Serving on the Board of Trustees of the San Francisco Museum of Modern Art—Chair of museum building committee: initial efforts to relocate the museum in existing buildings—Negotiations with Olympia and York—Acquiring SF Redevelopment property south of Market Street—Creating an endowment fund—Working with outstanding trustees and establishing an executive building committee—Raising money for the new building—Choosing an architect—Traveling to and evaluating other museums—Reflecting on a fortuitous economic climate for building and Tom Swift's management of construction—Reflecting on the design process—Building SFMOMA's garage and sculpture garden—Reflecting on SFMOMA as a cultural hub and on the Contemporary Jewish Museum, the Mexican Museum and the Museum of the African Diaspora.



## Preface

Gerson Bakar is one of UC Berkeley's most distinguished alumni. Born on a modest egg ranch in Petaluma, California in 1928, he came to Cal as a young man to study real estate. Graduating in 1948, Gerson went on to become one of the Bay area's most successful real estate developers. He and his wife Barbara Bass Bakar have shared their success generously with Cal and with many other charitable organizations.

This oral history provides some of the source material for a history of how our community was able to significantly improve housing for so many Californians, after the difficult years of the Great Depression and World War II. By building thousands of rental units in the post-War era, Gerson Bakar made a major contribution to improving housing. His real estate developments were trend setting, both in design and management, and he has received national and international recognition for the aesthetics, high standards and success of his developments.

Throughout the years, Gerson has maintained a close relationship to UC Berkeley and has become one of its most generous advisers and philanthropists. Among his contributions are grants to bioscience, the library, intercollegiate athletics, the computer lab at the Haas School of Business, and an endowed scholarship in honor of Don Turner, the founder of BRIDGE, a non-profit housing corporation. In 2007, Gerson and his wife Barbara made a major gift to the Haas School to endow five new faculty positions. This transformative gift to increase faculty adds significantly to the School's competitiveness. On his 80<sup>th</sup> birthday, Gerson's friends created an endowed scholarship in his honor.

Gerson has given generously of his time to Cal. He served for many years, at the invitation of the Dean, on the Haas School's advisory board. He was also one of the founders of, and has remained a sustaining contributor to, the Fisher Center for Real Estate and Urban Economics, for which he continues to serve on its policy advisory board. To recognize his leadership and honor his service, the Haas School chose him as the Alumnus of the Year in 1991. Gerson is currently a member of the Chancellor's Executive Advisory Committee.

Besides his contributions to Cal, Gerson was a founding director of BRIDGE, one of the nation's leading non-profit housing corporations. He was the Chairman of the Building Committee for the new San Francisco Museum of Modern Art and one of the four individuals who created the UCSF Mission Bay campus. For years, he was head of the Development Committee of the Endowment Fund at the SF Jewish Federation, and has played a role in countless other community efforts.

Gerson, always shy about his own accomplishments, is very proud of his wife, who is equally accomplished. Barbara Bass Bakar has been CEO of several major retail firms and currently sits on the boards of Starbucks, DFS Group Limited and bebe stores, inc. She has been recognized as an outstanding community leader committed to quality healthcare, education and the performing arts. In 1997 she created and oversees ACHIEVE, a very successful high school scholarship and support program to help improve academic success for low-income and minority youth.

The University is indebted to Gerson and Barbara Bakar for their active involvement in the first two capital campaigns at the University: "Keeping the Promise" and "The Campaign for the New Century." They serve as two of the co-chairs for "The Campaign for Berkeley," the campus's current capital campaign.

I am delighted that this oral history of Gerson Bakar captures some of the outstanding insights and great character of this very talented and generous couple who have contributed so much to our community.

Robert J. Birgeneau  
Chancellor

## Introduction

Over his long career developing real estate, Gerson Bakar created a compelling American success story, project by project. In its bare outline it is an enchanting narrative: young man, son of a chicken farmer, grows up in modest circumstances—in a house, for his first five years, with no indoor plumbing—makes his way to a land grant college. There he learns about real estate, graduates, starts small, works hard, and develops good judgment. He becomes a highly acclaimed real estate developer whose projects attract the participation of leading architects and investment by major financial institutions.

This narrative invites comparison with the "strive-and-succeed" way to financial success, as promoted by the Horatio Alger stories. But as a collector of Horatio Alger stories, I know that Gerson's story is more interesting and instructive than the Alger narrative, where success comes primarily from luck. In contrast, Gerson's success grew primarily from his character and self-knowledge.

It's a story that resonates with the young. In 1978, on the 30<sup>th</sup> anniversary of his own graduation from UC Berkeley's Business School, Gerson was selected by its students to be their commencement speaker. They were interested in hearing about his career and in his views on accessibility of housing for moderate-income people. As Dean of the School, it was my job to persuade this very private man, who avoids personal publicity, to accept this invitation.

The students gave him an unusually warm welcome. He gave them a cogent statement of the case that the key to extending the availability of housing for people of modest means was economic growth that produced upward mobility. He also told the graduates to get to work on society's problems and to produce that growth. "After all," he said, "society has spent up to a quarter of a million dollars on sustaining and educating each of you. It's now time for you to start amortizing this social investment." Had I not described some of his projects and honors in my introduction, they would not have been mentioned at all. Now, three decades later, we have Gerson Bakar's oral history. It tells us what an entrepreneurial developer actually does. In illuminating detail, it tells the important story of how his career developed during a period of growth in the Bay Area and California.

Gerson learned about real estate through his course work at the Berkeley Business School. And in real estate development, he found direction for his life's work. He started by acquiring two lots and building adjacent houses in the East Bay. His next project was a 21-unit apartment building, and the one after that was 48 units. Today, about 20,000 people live in his apartment developments.

His two iconic projects—Woodlake, a pioneering development in San Mateo that took the concept of garden apartments to a new level, and Levi Plaza in San Francisco, a project that Gerson describes as a campus setting in an urban environment—continue to attract attention and critical acclaim.

Gerson himself avoids attention. In the summer of 2009, Levi-Strauss and Co. announced that after an extensive search it would renew its long-term lease and stay in Levi Plaza in San Francisco. Coming as it did in the midst of a recession, this was a decision of considerable importance to the city and the media. At the news conference, the mayor had a lot to say. But not Gerson, the developer (and major owner) who conceived, planned, organized, and carried

through to completion this spectacular project, with a magnificent public open space, twice the size of Union Square.

Contrary to the stereotype about successful people, as Gerson's real estate projects succeeded, so did his self-knowledge. He developed a strong sense of who he is. Like Benjamin Franklin, who famously preached the gospel of getting ahead and developed a plan to guide his conduct based on 13 rules, Gerson, so far as I can tell, made do in his real estate endeavors with about five rules. Notable for their direct real-world application, they reflect his character, who he really is:

1. Keep off the front page by never doing anything that couldn't be on the front page.
2. In real estate transactions, a deal isn't a good deal unless it's a good deal for everyone involved.
3. Build relationships wisely, so that in entering partnerships, a handshake is enough to seal the deal.
4. Build to keep.
5. Keep control and maintain standards.

How well have these rules served him? Consider three facts: no one has ever sued Gerson as a result of a business transaction; Gerson has never sued anyone; no partner or lender has ever lost money in a real estate transaction with Gerson Bakar.

Today, he oversees his business, Gerson Bakar & Associates; however, he transferred the property management entity to two long-term female employees. He does his philanthropic work quietly. In the mid-1990's he helped create the student computer lab in the new Haas School of Business. Ever the real estate developer, he inspected the completed lab and found it fully satisfactory in all respects but one: his name at the entrance was too large. He asked that the letters be replaced with smaller ones and moved to a side location. They were.

Recently he made a large gift to the school and asked that it remain anonymous. When the Dean pleaded that his important relationship to the School should be permanently reflected in its structure, this time he relented. Happily, the result is that the faculty offices now have a new and more complete address: the Barbara and Gerson Bakar Faculty Building at the Haas School of Business, UC Berkeley.

Earl F. Cheit  
Dean and Edgar F. Kaiser Professor Emeritus  
Haas School of Business

## Interview History

Before she accepted a teaching post at the University of South Dakota, my colleague Elizabeth Castle had begun one interview with Gerson Bakar. It was my privilege to conduct the next twelve interviews. Between 2006 and 2008, Gerson and I met for eleven two-hour sessions in a conference room at Gerson Bakar Management offices, 201 Filbert Street. Bakar's office affords a stunning panoramic view of the Golden Gate Bridge and much of San Francisco Bay, and of Levi's Plaza, which he developed in the 1980s—a complex of open space, restaurants and shops that Alan Temko, the architectural critic for the *San Francisco Chronicle*, called "a gift to the city." The final interview, which focused on Bakar's interest in art and his role with the San Francisco Museum of Modern Art, took place in his home.

We met at irregular intervals—Mr. Bakar's calendar is exceedingly full—sandwiched between the demands of his thriving business and his philanthropic and other civic and community activities. The office phone is rarely silent; analysts and marketers hustle in and out; a hum of activity emanates from offices laid out along pleasingly curved walls—on which hang outstanding works of modern art that he has been given or collected.

Ted Dienstfrey, Mr. Bakar's long-time executive assistant, sat in on most of the interviews and occasionally added helpful detail and analytic background. Bakar's memory is extraordinary: he has an uncanny ability to recall addresses and names, precise costs of construction, loan amounts, the details of complex transactions, and, of necessity, local politics. With the aid of old-fashioned tracing paper, maps, and project plans, which he pulled from his files, he walked me through one project after another. He's a natural teacher.

While the interviews follow a chronological evolution of Bakar's career, conversation is often informal, sometimes meandering over current events or points of interest to which the three of us are drawn. The patient reader will learn as much about American cultural life as well as about politics and business in the San Francisco Bay Area and California, as well as the specifics of Bakar's career. Oral history does not always produce a tidy, linear story. But it does serve especially well to bring to life—and particularly in the seasoned and wise voice of Gerson Bakar—the extensive social and professional network that supported his success. Bakar's attention to industry scuttlebutt, his keen eye for opportunity, and his occasional good luck all factor into the growth of his business and are discussed in the interviews. Some of his transactions began with "good faith" agreements and a handshake. Many of them are the product of working for years with the same bankers, architects, and builders.

You don't build a long career in industry without making a few enemies, or at least arousing some opposition. But Bakar is proud of his deserved reputation for honor and integrity. As he said in one of our interviews while discussing options for development near the Port of San Francisco: "You can put in your record, there's nothing in my dealings with the waterfront that can't be in the front page of the newspaper. There was never anything that I would be embarrassed by. I had the ability to talk to some of these [inside] people, but they were, in my opinion, all good public servants."

Gerson himself can be called a public servant as well. Long-time reporter for San Francisco's *Examiner*, Gerald Adams—who dogged meetings at the City Planning Department and Redevelopment—observed, "I went after him at times; but when I saw him pick up debris as he walked by Levi's Plaza, it gave me chills. It gave me a real sense of the measure of a man."

Gerson Bakar and his wife Barbara have been extremely generous in their philanthropy, particularly to the San Francisco Museum of Modern Art and the University of California. Yet Mr. Bakar remains a modest man. Not recounted in this oral history are several awards from civic organizations and industry associations honoring Bakar's contributions. Gerson Bakar is a formidable businessman who eschewed opportunities to join large development companies and to build outside California because, as he says, "I know my own comfort level." He is a generous patron; not eager to have his name mounted in large letters on a gallery or building he has funded. Gerson Bakar is a man genuinely interested in people and ready to learn from and respect their interests and achievements. It was my distinct pleasure to be part of the process of making his story available.

Lisa Rubens  
Historian  
Regional Oral History Office



**Interview 1: March 24, 2006**

Begin Audio File 1

01-00:00:00

Castle: Let's start at the beginning: when you were born and where you were born.

01-00:00:14

Bakar: March 12<sup>th</sup>, 1928, Petaluma, California.

01-00:00:24

Castle: And could you tell me how your family came to live in Petaluma?

01-00:00:28

Bakar: My grandfather was an immigrant who had come to San Francisco. I have been told through an agency of the Jewish community, many of the immigrants were resettled, and he was resettled in Petaluma. They kind of gave him a stake to get started. And my mother and father—and my grandfather had a chicken ranch as a product of that grant from the Hebrew Free Loan Society—and this I believe was kind of common in many of the communities in America where there were a lot of Jewish immigrants. But my grandfather was resettled in Petaluma and he started in the chicken business. When my mother and dad got married, whether it was a present or getting rid of a problem, my grandfather gave my dad, or got my dad involved in, the chicken ranch. And they went to live there, my dad having been from Oakland, my mother from San Francisco.

01-00:01:38

Castle: Your grandfather's name?

01-00:01:44

Bakar: His name was Abram Kurtzman.

01-00:01:49

Castle: And where did he come from?

01-00:01:50

Bakar: You know, I'm not sure. I believe Vilna in Lithuania.

01-00:01:57

Castle: And he came through San Francisco?

01-00:01:58

Bakar: I don't know how and why he ended up in San Francisco. He probably came through New York.

01-00:02:05

Castle: Then he settled in Petaluma—

01-00:02:09

Bakar: Well what they did, they gave him a—I don't know all the particulars—

01-00:02:12

Castle: Sure, sure.

01-00:02:15

Bakar: But it was the Hebrew Free Loan Society—and the local Hebrew Free Loan Society helped people and they helped them financially to get started.

01-00:02:31

Castle: I wonder, do you have a sense of why Petaluma?

01-00:02:40

Bakar: No. But there was a significant Jewish community there. Whether it was because of the Hebrew Free Loan Society or because they were there and that's why the Hebrew Free Loan Society did it, but that's—

01-00:02:59

Castle: That is a kind of a chicken and the egg, pun intended, as it ends up. What year are we talking about here?

01-00:03:11

Bakar: Well I can tell you what year my dad went there. My father was married in 1920. I believe he and my mother went up there in '22 or '23.

01-00:03:23

Castle: All right. So your grandfather left the land to your father in Petaluma?

01-00:03:30

Bakar: He made him a partner and they went broke together.

01-00:03:34

Castle: [laughter] I'm sorry, that's not funny, but just the way you said it.

01-00:03:37

Bakar: They did go broke.

01-00:03:39

Castle: What are your parents' names?

01-00:03:42

Bakar: My dad's name was Gottlieb Louis Bakar. My mother is Cecelia. My dad was known as Louie Bakar.

01-00:03:57

Castle: Do you know where the family name Bakar comes from?

01-00:04:02

Bakar: I think it's an Ellis Island production. I don't think in Vilna, Lithuania, the name was Bakar: but my grandfather changed it, my dad's father, not the one who went to Petaluma but my paternal grandfather, who was a butcher, and he was one of the early, if not the first, kosher butchers in Oakland. And there's a word, I believe in Yiddish, that relates to meat and I'm not that conversant

with the language but my guess is that he mentioned a word that sounded like Bacar or Bakar: and therefore the unusual spelling.

01-00:04:47

Castle: Do you know how your parents met?

01-00:04:50

Bakar: I don't. Oh, yes I do. My mother had a blind date. My dad was an identical twin and my mother had a blind date with my dad's identical twin and although they were identical in all physical characteristics, they weren't in personality. And she didn't care much for Uncle George but for some reason or another, my dad and my mother connected, and so that's how they met. I have no idea who made the blind date.

01-00:05:18

Castle: That's a great story. You don't often, you know, have someone you might physically like but you can trade personality.

01-00:05:29

Bakar: Well Uncle George was a lot different than my dad.

01-00:05:33

Castle: What do you think are elements, or what about your father, his character, that maybe attracted your mother? Do you know?

01-00:05:42

Bakar: Oh, that I couldn't tell you. I don't know what makes one person attracted to another.

01-00:05:46

Castle: True.

01-00:05:47

Bakar: My dad had a very pleasing personality. That I remember well. And then after they went up to Petaluma and after my dad went broke, he started again, in Petaluma; and his brother came up and they became known in Petaluma as the Bakar brothers.

01-00:06:05

Castle: What business venture was your dad engaged in?

01-00:06:10

Bakar: They were chicken farmers and chicken dealers. They would buy and sell chickens and they were farmers for eggs, not for meat.

01-00:06:20

Castle: Was that a business decision?

01-00:06:25

Bakar: I have no idea.

01-00:06:27

Castle: So growing up in Petaluma—you're born in Petaluma?

01-00:06:39

Bakar: We lived on a farm outside of Petaluma.

01-00:06:42

Castle: Can you describe, what do you remember about the farm? What was it like?

01-00:06:46

Bakar: Well my earliest memories—we had a fairly primitive house. I think my dad paid something like \$2,500 for the entire chicken ranch when he bought it with the help of the Bank of America, and that was Mr. Giannini's time when, the legends have it, if he liked the look of somebody, he would lend to them, on just the sense of the character of the person. But anyhow, they bought a chicken ranch—my dad bought a chicken ranch after he went broke with my grandfather, my grandfather having gone back to San Francisco. Then his brother came up and my earliest memories were living in one of these very bare buildings; we had outdoor plumbing. And when I was about five years old, my earliest memory, the earliest memory I have of Petaluma is walking from the house to the outhouse—and all the things you have to do out there. And then it was a huge luxury when, at about age five, my dad built the house that I was raised in, which is still up there.

01-00:08:05

Castle: My dad has said his earliest memories are also about the outhouse and the Sears Roebuck catalog.

01-00:08:19

Bakar: I remember the catalog. I don't know how much of it my family used, but that and Montgomery Ward.

01-00:08:30

Castle: [laughter]I think my dad also connects to the cold. This was in Ohio. You didn't have snow, but still that morning when you wake up really early, or late at night, I imagine that's a hard journey to contemplate.

01-00:08:43

Bakar: We didn't take the journey.

01-00:08:45

Castle: You didn't?

01-00:08:47

Bakar: We used a chamber pot.

01-00:08:50

Castle: What else do you remember about your early house then?

01-00:08:59

Bakar:

I remember that it was a huge house, or so I thought when I was little. And when you go back, the house shrinks in size. It was a rather small house but my memory of it as a kid, it was a great big house. My memory of our front lawn was that it was as big as Cal's Memorial Stadium and it was probably 15 feet wide and 50 feet long.

01-00:09:28

Castle:

Who were you sharing the house with other than your parents at the time? Had you siblings?

01-00:09:31

Bakar:

My sister. I have an older sister.

01-00:09:33

Castle:

And what's her name?

01-00:09:34

Bakar:

Barbara.

01-00:09:38

Castle:

And how much older is she than you?

01-00:09:41

Bakar:

She was born in 1923, so she'd be four and a half years older.

01-00:09:50

Castle:

So at age five your father builds the house that you then grow up in until you leave home?

01-00:09:58

Bakar:

Yes.

01-00:09:59

Castle:

And how is that house different from the one that—did it have indoor plumbing?

01-00:10:02

Bakar:

Oh, it had indoor plumbing. We had central heat but it was fired with coal. My memory of the Saturday night bath was in the middle of the kitchen in the galvanized tub. How was it different? It was kind of a Spanish look, a stucco house. The original house was just a wooden-sided house. I don't know what else I can say about the house.

01-00:10:37

Castle:

Tell me how the chicken ranch works—where are the chickens? What happens? How are they housed?

01-00:10:53

Bakar: The house, the ranch was about a twelve-and-a-half-acre ranch. And my memory tells me that my dad had about, by the time my memory kicked in, about 20,000 chickens in large chicken houses.

01-00:11:16

Castle: And this was all on the property?

01-00:11:17

Bakar: All on the property.

01-00:11:18

Castle: What kind of noise came from it? Was it just a very big presence having all the chickens?

01-00:11:25

Bakar: The noise at night was deafening. I mean there was almost no noise. It was very quiet. But you know, we had cows, we had some horses. I don't have any memory of noises to speak of.

01-00:11:43

Castle: What kind of chores did you have to do and at what age?

01-00:11:50

Bakar: Oh, when I was a kid I would go with the people that worked on the ranch, pick up the eggs. I would help clean the eggs. As I got a little bit older, I didn't like it and didn't do it very often, but I'd help clean the chicken houses. When the war came, in '41, I was 13 and a byproduct that became very valuable during the war was chicken manure for nitrates. So when the war came and I remember my dad was able to sell the chicken manure but it had to be shoveled out of the chicken house. I did that a little bit and I managed to not do it very much more.

I remember some male cousins came to visit one summer and we had this manure pile where we would store the manure. We were playing king of the mountain and as we came back to the house my mother got the drift of us, meaning that she smelled us coming back.

01-00:13:09

Castle: You played king of the mountain on the manure pile?

01-00:13:10

Bakar: Absolutely. I mean the ranch didn't have very many hills to it [laughter]. And we had a basement in the stucco house that I mentioned and we had the old large tubs where you would scrub your laundry and my mother put my cousin and myself in these tubs and put the hose on us. That's one memory that I do have.

01-00:13:47

Castle: Was your father around often? Was he working on the farm?

01-00:13:54

Bakar:

My dad didn't really work on the farm much. My dad, in addition to having the farm, would buy and sell chickens. And he would go I guess as far away as Sacramento and maybe even a little bit east of Sacramento. Also he went to the Napa Valley. He would go all over to buy chickens. And my dad's operation was, again, for eggs, not for meat. So he'd buy chickens that were ending their laying cycle and he'd buy 1,000 chickens that were laying maybe 250 eggs a day where the farmer couldn't make it. They were selling the chickens and my dad would go through and cull them, separate the layers from the non-layers so he'd end up, maybe, with as many as 500 or 600 chickens where the previous farmer was feeding 1,000 to get his 250 eggs. My dad would feed only maybe 600 chickens to get the same amount of eggs and he would take the difference to the market for meat. So my dad was kind of always buying or selling, as the case might be, but he would have hired help to work on the farm itself.

01-00:15:10

Castle:

So quite entrepreneurial from the start.

01-00:15:15

Bakar:

Yes, I guess that'd be appropriate.

01-00:15:18

Castle:

I recall hearing that your father had a special skill when it came to determining the gender—

01-00:15:28

Bakar:

No.

I don't know. Teddy [Dienstfrey] and I were talking about that the other day. I don't know where that came from but it takes a special—we didn't buy chicks. My dad would buy eggs in the manner that I just described. So when he bought his chickens, they were anywhere from three to four years old and they were kind of at the end of their producing cycle; and he would go through the process I just described. There was a business and/or an art to sexing chickens, but we didn't have, we didn't have baby chicks on the ranch. We had none of that. When they're just hatched—before the buyer buys them, (whoever that might be), to take them to grow them for the time necessary, (depending on the kind of chickens they are), but they'd have to go through that sexing process.

01-00:16:25

Castle:

Who were your nearest neighbors?

01-00:16:30

Bakar:

Probably within a couple hundred yards, there were neighbors. I don't remember anybody my age. The kids that I played with in those early years were typically the children of the people that worked on the farm, and my dad would have as many as maybe three or four couples that would work on the

farm. Probably three is the right number and often, they would have children, and those kids would be my playmates.

01-00:16:58

Castle: Where did those people live?

01-00:17:01

Bakar: In houses on the farm. The house that I talked about, that initial house, became a house for some of those people. And these were Depression days, right in the heart of the Depression. My dad would put an ad in for a couple and the ad would always read, "housing, milk, eggs and salary." The wife would clean the eggs. The husband would work with the chickens and clean the chicken houses and so forth. The salary during the Depression for a couple was \$40 a month and he could only put ads in with a mail address box. There would be so many applicants for the job. This was '32, '33, '34, '35, '36 and those were my childhood years.

01-00:17:54

Castle: That would, I imagine, be a tremendously appealing offer.

01-00:18:00

Bakar: And if you think in terms of the migration from the Midwest, the word Okie was a word I remember early on.

01-00:18:08

Castle: Really?

01-00:18:09

Bakar: Oh, sure. Oklahoma, they had their problems so there was a huge—if you remember *The Grapes of Wrath*?

01-00:18:15

Castle: Yes.

01-00:18:18

Bakar: These were the *Grapes of Wrath* folks. I know some were from Oklahoma. I can remember some were from Indiana. Some were from Arkansas. And you know, they would stay a period of time. One couple I remember, in particular, was there for a long time, and the children became our playmates. My sister had a girlfriend that was one of those kids. You know that last scene in *The Grapes of Wrath* where they don't know where they're going to go? Well, some ended up in Petaluma through the ads. Then my dad over the years bought another chicken ranch and we didn't live there. And he had maybe capacity for another 15,000 chickens, so.

01-00:19:29

Castle: Where did he put the ads?

01-00:19:33

Bakar:

In the Petaluma *Argos Courier*. Maybe he put them in the San Francisco papers. You know, those days we had four or five papers in San Francisco. But I think, again my memory is, and I don't know how accurate that is, they would be in the Petaluma paper and in the Santa Rosa paper.

01-00:19:51

Castle:

But today it's always hard for people to remember what it would be like at that time, to find that information, you know, news. No internet. [laughter] You know, there are many generations of technology that are missing so that's—people are really looking hard if they're finding these ads in the Petaluma paper. It'd be interesting to find, to figure out how people, for example, starting on a journey, you know, how people communicated these things with each other.

01-00:20:39

Bakar:

Well I don't know that any of the people were fresh from Oklahoma or Arkansas. They may have had other jobs and decided to try Petaluma but I just don't know that. I just don't remember it.

01-00:20:53

Castle:

What are your earliest memories of school?

01-00:21:01

Bakar:

My earliest memories were being driven to school in a little town called Penngrove which is—calling it a town is being generous. And it was the Eagle Grammar School in Penngrove and the schoolhouse had no kindergarten but it went from the first grade to the ninth grade. And the entire school was probably under 300 people. Classes were 25 or 30. In my earliest days, I was driven. And by the way, when the uncle that I alluded to came up, he had two children, two daughters, and they were about the age of my sister and myself. So we were driven in the earliest days and then I guess—I can't tell you where the line broke, but somewhere in the third, fourth or fifth grade we walked. It was a little over a mile, it wasn't that long.

01-00:22:10

Castle:

Do you remember liking school?

01-00:22:11

Bakar:

Yes.

01-00:22:14

Castle:

And what kind of things did you do? I mean, it sounds like it's a pretty small school—were there sports or other activities you could get involved in at school?

01-00:22:23

Bakar:

Well there were just sports at recess, whatever you call it, there was no gym. I didn't know that a gym was for showering or anything like that until I got to

high school. But you had recesses where you played but when school was over, you went home. Everybody went home.

01-00:22:42

Castle: Were a lot of people at the school from farming communities?

01-00:22:48

Bakar: Yes—or the town.

01-00:22:55

Castle: So you're five, you're in this new house. What kind of things went on in the house in terms of, like what food you ate? Do you remember anything particular that your mother prepared that you enjoyed?

01-00:23:07

Bakar: Well she liked to bake pies and I remember coming home after school when she baked a pie. But she was just a journeyman cook, she wasn't a gourmet cook. There weren't gourmet cooks—we didn't know what that word meant. It wasn't particularly ethnic. It was just old-fashioned home cooking.

01-00:23:33

Castle: Right. Were there other languages spoken in your home other than English? Was Yiddish spoken?

01-00:23:40

Bakar: They would speak Yiddish when they didn't want my sister or me to know what they were talking about. But other than that it was all English. They were both born here. And I can't, I wasn't and nor would I be qualified today to say how good their Yiddish was, but it was good enough for them to communicate in.

01-00:24:00

Castle: But they didn't try to pass it on to you in particular.

01-00:24:06

Bakar: No.

01-00:24:07

Castle: Did they have any discussions about the language? I'm just thinking about how one passes on identity to your children.

01-00:24:16

Bakar: Well their social lives were pretty much involved in the Jewish community, primarily. And at some point I'll talk about another family that interfaced with our family, sometime probably when I was maybe ten or 12. There's a family that comes into play named Wilsey, and during this entire session he became my partner and that's another story—Irish Catholic.

01-00:25:00

Castle: So you're in a farming community, you know, the sports you play were maybe—in maybe physical education classes—is what I think sometimes

they're called. Who are your friends once you start to be a school going young man?

01-00:25:15

Bakar: They were pretty much the kids on the ranch, until I got to high school.

01-00:25:22

Castle: Is the high school in the same place?

01-00:25:23

Bakar: No. The high school was in the metropolis of Petaluma, which is four miles away. And that was the tenth grade. I stayed in Penngrove through the ninth grade.

01-00:25:37

Castle: And what was that transition like?

01-00:25:45

Bakar: Oh, it was a tiny little school to a slightly larger school. My life with the kids in high school, or my life with the kids didn't change that much because after school, you got on the bus and you went back to the farm. I didn't have a big social life with the kids in high school.

01-00:26:05

Castle: There's not a lot of time for hanging around, it sounds like.

01-00:26:18

Bakar: Well because it was the war and because rules changed. I had a driver's license when I was 13 or 14 and I remember my dad bought me my first car in 1941 and it was a '29 model A and he paid \$35 for it. So most of the kids had to have cars, there was no other way to make it. When you went to Petaluma—well you went back and forth on a school bus. But if there was any social life at all, the bus didn't serve that purpose—although we would frequently hitchhike. Hitchhiking then was a very common thing and the concerns about hitchhiking of today didn't exist then. Everybody hitchhiked then.

01-00:27:09

Castle: There are a couple of important historical events going on here because we're moving from Depression and then war time and you graduated school early.

01-00:27:25

Bakar: I started school when I was five, and I graduated in January of '45 so when I graduated I was only 16, when I graduated high school. And then I was 17 when I was—I guess I was 16 when I started Cal but I was 17 two or three weeks later.

01-00:27:48

Castle: Your parents, their social lives or religious lives were with the Jewish community in Petaluma?

01-00:28:06

Bakar:

They didn't have much of a religious life in Petaluma. They were, obviously, Jewish. They weren't secular Jews and they observed some of the Jewish rituals and some of the high points of the Jewish calendar because of their parents and I had a grandfather who was very religious. That was my mother's dad.

01-00:28:34

Castle:

How often did you see you grandfather and your other relatives?

01-00:28:37

Bakar:

You know, I don't remember—probably at least once a month. One of the things that my dad did during most of my childhood, in addition to buying chickens, he would sell them and he would typically go to the market on Saturday to San Francisco and I guess negotiate the sale of chickens that he would deliver during the week. So when we came to San Francisco it was always a family outing. My mother would—and that's the only grandparent I remember is my mother's father—but my mother would always see her dad. My paternal grandfather died 12 days before I was born and that's how I got the name.

01-00:29:21

Castle:

I was going to ask where Gerson comes from. So that comes from your paternal grandfather?

01-00:29:27

Bakar:

His name was Philip Gerson and they named me Philip Gerson, and at some point, before my memory kicks in, somebody said, why don't you call him Gerson Philip. Years later I picked up my birth certificate and it had been registered Philip Gerson. But I went by the name Gerson Philip all my life.

01-00:29:58

Castle:

So you did leave Petaluma and you saw big-city life in San Francisco?

01-00:30:04

Bakar:

Well big-city life for us was Saturday night. My dad would have gone to market during the day to see some of the wholesalers where he sold his chickens and my mother would visit people or go shopping. My sister and I would get divided one way or another, sometimes we'd both go with my mother. Sometimes I would go with my dad and my sister would go with my mother. And my grandfather ended up, the one that had been in Petaluma, ended up with a candy store in the Jewish neighborhood and they were closed during the day because of the Sabbath. But he would open it—he would open in the evenings and we'd always go out and visit grandpa.

01-00:30:48

Castle:

And with grandpa came candy?

01-00:30:51

Bakar:

Well I don't remember that so much. But it was a candy store. He also sold religious items. I remember old people playing cards in this back room and it was in the Jewish neighborhood of San Francisco, which would have been near the intersection of McAllister and Fillmore Streets.

01-00:31:18

Castle:

I see. So Saturday nights were pretty exciting then?

01-00:31:25

Bakar:

I guess you can call it that. They were a little different. Then we'd end up driving back to the ferry. There was no bridge in those days. And my memory frequently would be awakening, I'd go to sleep, waking up to get out of the car and go to bed.

01-00:31:45

Castle:

You drove home that night?

01-00:31:46

Bakar:

My dad did, yes, obviously.

01-00:31:47

Castle:

That'd be pretty late wouldn't it?

01-00:31:52

Bakar:

You know, I guess it was 8:30—9:00, 9:30. In those days, it was probably an hour and a half or two hours.

01-00:32:00

Castle:

To get home?

01-00:32:03

Bakar:

Yes.

01-00:32:04

Castle:

How would your parents be described in terms of kind of class status or income at that time?

01-00:32:36

Bakar:

I never had the sense that we were poor. My dad was a very hard working man and money was very important. He was driven to make a good living and his brother as well. He had a work ethic, not to be believed. And my sense is that what was pretty much the order of the day for everybody and it was very important for my dad to make a good living. He measured so many things by financial results. And my dad was never, I think by any stretch, wealthy. But I have no sense that he was ever poor in my memory. Notwithstanding the outhouse.

01-00:33:23

Castle:

When you mention getting a car but it was also something that—

01-00:33:29

Bakar: It was a necessity. Absolutely. They bent the rules during the war and I think they allowed you to have a driver's license at age 14.

01-00:33:43

Castle: I recall that, you know, if you made—it was kind of a hardship case—if you needed it to drive, you know, for work or for family or for school.

01-00:33:48

Bakar: And they winked at 13, I'm sure.

01-00:33:58

Castle: Driving at 13, that's pretty impressive.

01-00:34:00

Bakar: Everybody did it. And we had gear shifts.

01-00:34:09

Castle: I think it's hard to drive my standard car in San Francisco. I can image that would be challenging back then to do the same. So your parents, I'm just getting a sense of your parents' acquaintances—did they ever entertain in the house?

01-00:34:25

Bakar: Yes.

01-00:34:27

Castle: And was it family or just friends from the community? Do you remember?

01-00:34:30

Bakar: Well, my dad and his twin were born on November 25<sup>th</sup> so the big party for the family, once a year, with all the extended family, the cousins and everyone would be Thanksgiving. And Thanksgiving served as his birthday party every year for the twins.

01-00:34:51

Castle: OK, what special thing did you do on that day?

01-00:34:54

Bakar: Oh, all my dad's cousins and their children would come up. My memory is about 25 or 30 people. Some kids my age, most of the people my parents' age and it was turkey day. It was the Bakar brothers' birthdays but with respect to social life, the big social life that I remember that they had were poker games. Poker was a big thing and I remember they belonged to a couple of Jewish organizations and they'd have their picnics and get-togethers. But the family social life was pretty much a Jewish social life.

01-00:35:45

Castle: What other holidays did you celebrate?

01-00:35:49

Bakar: We celebrated the High Holidays. The Jewish New Year period, the period of Passover. There was always some kind of celebration for a birthday. Just typical.

01-00:36:10

Castle: Other than, you know, classic moments like playing king of the mountain on manure.

01-00:36:18

Bakar: That's a memory I'll never forget. [laughter]

01-00:36:20

Castle: [laughter] I don't think I'll ever forget it. What other things did you do in terms of what might be considered hobbies?

01-00:36:28

Bakar: Well in the summer nights, there was always a softball game with my dad and the family and the people on the ranch. I have fond memories of that. I have fond memories, there were always horses around, and on Sunday mornings there would be the gathering of a bunch of people for a lazy horseback ride. And I remember Pearl Harbor day, being involved in that, in doing that morning when we heard all the news.

01-00:37:09

Castle: What, I was going to ask you what you were doing that day? What do you recall from it?

01-00:37:14

Bakar: What I recall, I was over at the Wilsey ranch which is about a mile from our ranch, and at some point I'll tell you about the Wilses, because they were kind of part of our extended family. And Al Wilsey's wife, his first wife, had been from Honolulu so she was terribly concerned. So the memory I have of Pearl Harbor was really the terrible anxiety that Doris, Al's wife, had about her father, and it turned out that he was affected.

01-00:37:55

Castle: Do you recall your parents' reaction to it?

01-00:37:58

Bakar: Not really. I remember shortly after that we had to black out the chicken houses. There was great concern about submarines off the coast and everybody operated at night under the concerns of the lights providing a silhouette for submarines to see a ship so we had dim-outs. Dim-outs, where you just had to make sure that no light, or tried to make sure that no light escaped from the chicken houses that were lit at night or your homes. That was on the farm. I remember the influx as a youngster of the military in the community, there was a significant airbase at Hamilton Field. For some reason, which I don't remember or understand, there was a naval base between Petaluma and the coast. There may be another base or two that I don't

remember but I do remember the military being around and people entertaining the military.

01-00:39:36

Castle:

Well, I just have a few more questions before we introduce your relationship with the Wilseys and one of them just had to do with this experience you have growing up on the ranch and living with other families. In some ways that's, I mean, that's kind of a built-in smaller community that gives you, you know—you won't be lonely as much out on the ranch.

01-00:39:59

Bakar:

If I were to add our family, my uncle's family, probably three more couples, people that worked on the farm, you'd have five families.

01-00:40:14

Castle:

And as kids, were the relationships kind of equal between you? I mean, because technically you're kind of the boss's son. Do you recall if that reflected itself in your relationships with them?

01-00:40:25

Bakar:

No, and there was only one family that I remember that was there for an extended period and that was a family called Robertson and they had a son named Johnny. They had several children but Johnny was my age so we were friends for many years but I'd be hard put to tell you how many.

01-00:40:44

Castle:

And as you recall it, I mean most of these, were there any families that weren't what you'd consider to be from a European American, a white background?

01-00:40:53

Bakar:

There was one man. He was—my sister was born in '23 and I was always told that he came within a month or two of my sister's birth, and he was single. He he was Portuguese and he was from the Azores and his name was Manuel Mancebo and you can spell it anyway you chose. I think M-A-N-C-E-B-O. And Manuel became the pied piper. When we'd come home from school, we'd all follow Manuel. Manuel never worked with the chickens. He was the handyman on the ranch. He'd fix things. He'd help build chicken houses and Manuel, I don't remember, I was talking about him just yesterday or the other night to somebody, but Manuel would have dinner every night in either our home or my uncle's home and always did. And I guess I had left Petaluma and I was out of college by the time Manuel got too old to do whatever he was doing and he was really part of our extended family. And I remember my dad and my uncle put him in a rest home and all the kids, everybody would go to visit him regular, because we perceived him as part of the family. And I think in that book, there's a picture of Manuel. Wonderful person. But I have great memories of him. And interestingly enough, most of the Portuguese who became immigrants in Provincetown, you know, back east, there's a Portuguese community, most of them came from the Azores. Manuel had never been to Portugal, I remember that.

01-00:42:45

Castle: But he was clearly, I mean, fully a part of the family it sounds like.

01-00:42:50

Bakar: Absolutely.

01-00:42:55

Castle: And your memories of your parents, you've described your dad as having a work ethic like no other. What are your memories of the kind of the character of your parents and how they shaped you? I mean were they disciplinarians?

01-00:43:10

Bakar: You know when I hear parents talk about raising their kids, and Barb and I have no children, and they talk about the lessons they taught their kids or you read it somewhere. I don't remember any of that. They were good parents. My dad, as I said, was always busy working. My mother's activities were kind of, I guess, typical of the area and I'm assuming fairly typical of those suburban wives. She was active in the PTA.

01-00:43:46

Castle: It sounds like what you learned from your father was more by, you know, example.

01-00:42:53

Bakar: The one thing clearly that my father instilled in me, or that I got by osmosis, whatever, I don't remember a lesson about it at all. It was very important for my dad, because he had been very poor, that my dad makes a living. And he measured so much, my dad did, which as I got older I think how fallacious it is, but he measured people so often by how much money they made.

01-00:44:27

Castle: Did you find yourself carrying that on for a time?

01-00:44:31

Bakar: Well I'm sure. I don't know how you rinse it out. But I'm sure it was part and parcel of whatever drive I have.

01-00:44:49

Castle: So we've mentioned the Wilsey name before and I was wondering if you could tell me about how you first met Alfred Wilsey and about that relationship?

01-00:45:01

Bakar: Yes, Al was one of three children and Al and Jack, sometime probably in the mid-1930s, '37, '38, thereabouts, their father died. And their father, my dad knew their father. I don't remember their father. His name was Hayes Wilsey and Al's brother's name was Jack. And when Hayes died, and I won't bore you with all the circumstances, but the boys sold the house that their father left them to give the money to their sister and she was married by that time with children. And they were both single. And they went to live in the chicken

ranch near us and they had no money but they had a chicken ranch and they had a business in San Francisco, a butter business.

01-00:45:58

Castle: And how old are they?

01-00:46:01

Bakar: At the time, probably 16 and 18, 17 and 19, somewhere in that range. And my dad used to tell me that he liked their father, the man that I don't remember, and my dad kind of took the boys under his wing. My dad and my uncle. And here they had a chicken ranch but they had no money. My dad was able to stock the chickens on their ranch and I really don't remember whether it became something of a sharing relationship where he sold them the chickens and gave them credit or what. But he was kind of the godfather to these two kids in the business of making their livelihood. And the war came and butter was a very important product for the military so neither one went into the military because they were deemed to be essential, between the chicken ranch and the butter business. The butter business was in San Francisco, chicken ranch in Petaluma. They were both single, they commuted. One would go in and one would stay on the ranch. I mean I could go on, the ties were all over the place. My mother was very ill around 1937, 38 when I was about ten or 11 or 12. My dad was very fond of one of her nurses. My dad introduced the nurse to Al's brother, she became his wife, they've had six, seven children. So the families were really involved and then Al married a lady from Honolulu that I mentioned. Her father was over there at Pearl Harbor and Al and his new wife, probably when the war was over, they lived on the farm for a while, moved down to Marin County and the two boys, when they lived in Petaluma, like Manuel, ate in our home. Sometimes we'd have them both at our house. Sometimes both at my uncle's house, sometimes they'd be split. But we were, my parents and my uncle and his wife, were extended family to Al and Jack, and to this day, albeit with the going down a few generations, it's changing. But for a long time it was one big extended family. Very, very close. And then at some point, and I don't know if it's appropriate today, I can talk about how I got started and the impact that my dad had on me starting and then the impact the Wilseys had and I can go from there.

01-00:48:45

Castle: We'll definitely spend some time talking about that because in some ways, you know, it's quite a story that your father, I mean, technically he's in competition with these young men, isn't he?

01-00:48:59

Bakar: No.

01-00:49:00

Castle: I mean business-wise?

01-00:49:01

Bakar:

Oh, no, they became customers. First of all, he was very fond of them. There was a closeness that I remember from day one and he did help them. He was their mentor in the chicken business and interestingly, in the butter business, they had a couple of mentors in San Francisco. It was interesting, they were both Jewish as well, one in particular. But I never perceived them as competitors to my dad.

01-00:49:34

Castle:

I just was trying to get a sense—it's still with running your own business and your family, it's not a small task to take on unrelated Irish Catholics, and bring them into your family like that.

01-00:49:49

Bakar:

I don't remember any issue about them not being Jewish or their being Irish Catholic. I mean that was—I don't remember that ever being discussed. I remember them going to church but they weren't competitors at all. If anything, in addition to my dad liking them, they became customers, I guess you can say. They certainly had a business relationship.

01-00:50:15

Castle:

Right. I mean the point, the only reason I shaped it that way is because it is just—it's important to recognize that your father did this and, you know, it was it was a kind gesture when you—

01-00:50:30

Bakar:

Was it? It may have been a kind gesture and I don't question that but it was also a business relationship. And there was a graying of where one started—the friendship and the business started and ended, but there was certainly a big overlap.

01-00:50:46

Castle:

But the way you described that too is how most of all our relationships are, aren't they, in a lot of ways? When it comes to business and friendship, they intersect.

01-00:50:55

Bakar:

It's nice when they do.

01-00:51:00

Castle:

So there's Al and there's Jack and you and what's the age difference between all of you?

01-00:51:09

Bakar:

Jack was older by two years than Al and Al was between eight and nine years my senior.

01-00:51:20

Castle:

And so Al's the person you end up having a particularly long relationship with?

01-00:51:24

Bakar: Well Jack died.

01-00:51:27

Castle: And how old was he when he passed?

01-00:51:28

Bakar: 48.

01-00:51:29

Castle: So when you first start spending time with him, are you in the same school as Al?

01-00:51:40

Bakar: Oh, no. They were finished. Al had graduated high school. Jack obviously had graduated. He was two years older. The only thing that I remember is that Al had a four-year scholarship at USF but he quit and came up to Petaluma when his dad died. I don't know if Jack went to college at all, I just don't know, I don't remember.

01-00:52:11

Castle: Well we'll come back to talking more about that but I was just thinking, I didn't connect up you having a car and being a young man and how that allowed you a certain amount of social life. When did you start dating?

01-00:52:28

Bakar: I did almost no dating in high school.

01-00:52:30

Castle: And when do you feel that you began to develop, or did you, a kind of a sense of business acumen? When did you think of yourself as thinking about it?

01-00:52:48

Bakar: Well I never thought about it, but looking back from that car that my dad gave me and the war had come on and serviceman were being called away and I followed the newspapers, and I found myself buying cars and I traded that '29 Model A, I remember, for a '32 or '33 Chevy. And I sold the Model A and I worked my way all the way up to because the war had come and cars weren't produced during the war—I worked myself all the way up to I think a '40 or '41 Pontiac convertible. Which was—I was king of the mountain with a red convertible. But I kept trading cars. So I kind of, and you know this business of junctions in your life, maybe I could have ended up in the car business if it hadn't been real estate. But I found myself buying and selling cars, constantly trying to get a better car.

01-00:53:53

Castle: Starting at what, 14?

01-00:53:55

Bakar: No—well maybe. I don't remember when I sold the Model A, but between then and college, I had gotten up to that Pontiac convertible.

01-00:54:05

Castle: But that's significant because I don't think a lot of people that age are thinking that way. You know, about commerce, if you will.

01-00:54:15

Bakar: Well I don't know that I was thinking about it. I just always, I kind of liked the idea of having a better car, and whether I thought of myself as having business acumen or not, I don't have any memory of that.

01-00:54:33

Castle: But you did end up with a red convertible.

01-00:54:34

Bakar: I ended up with a red convertible.

01-00:54:36

Castle: When did you have your first job paying job?

01-00:54:48

Bakar: Oh, I can't remember. I do remember the Wilseys had the butter business in San Francisco and I would work for them. The first couple of years of college I went straight through to school but I would work for them on vacations. I didn't really have a job in Petaluma but I would work for the Wilseys.

## Begin Audio File 2

02-00:00:00

Castle: So before we move into your big transition into college, let's take another look at your life and some of the memories you have growing up in Petaluma. In particular, could you describe to me your memories about the relationship and the tensions between the different ethnic groups in Petaluma and who they were and what you recall from that?

02-00:00:32

Bakar: I have the sense that there was anti-Semitism. The sense of being called a dirty Jew, and I don't think anyone of my era, and my age, wasn't the recipient of that slur at one time or another. I got into one fight when I first got into high school because of it and it wasn't—they didn't say it to me, they said it to one of my cousins. She came home and told the story and the next day I had to defend her honor. The Japanese weren't really there much after the spring of '42 because they were relocated. The relationship I remember that my dad had with the German community was first-rate. I don't remember particular slurs coming from any particular group.

02-00:01:40

Castle: The person who insulted your cousin, do you remember who they were?

02-00:01:47

Bakar: I remember his name but I don't want to—

- 02-00:01:48  
Castle: Sure, but I guess I'm just asking—
- 02-00:01:50  
Bakar: Just a kid in school.
- 02-00:01:51  
Castle: A kid in school—was he from a particular ethnic background that was remarkable in that—
- 02-00:01:54  
Bakar: No, no, no. I mean, his name was Jim Muirhead, but I have no idea what his background was.
- 02-00:02:02  
Castle: Tell me the different ethnic groups that made up Petaluma at the time that you remember.
- 02-00:02:12  
Bakar: Well I think I just did. The Jewish community was a very close-knit community and there's a book that's been written, in fact I think I have it here, called *The Jews of Petaluma—Jewish Chicken Farmers in Petaluma*. And there were about 250 families, according to the book. But the Jewish community was part of it. There was also a German community, Japanese, Italian.
- 02-00:02:48  
Castle: And you mentioned the Italians were dairy farmers?
- 02-00:02:49  
Bakar: Well, I think of the major dairy farms, they were all Italian.
- 02-00:02:56  
Castle: So when the war breaks out, and as we're discovering more and more history, in a larger sense about Japanese relocation, a lot of what we don't know is how it affected individual families on both those who lived near newly relocated Japanese families like yours and others. What were some of the things that were done with the lands that these people were living on?
- 02-00:03:20  
Bakar: I think I mentioned that, my memory is the feed companies were named trustees. And I don't know, the word "trustee" has an implication because I don't think they were holding this land in trust. They doled it out. They were confiscated but I don't know the details of that and I do know that my dad ended up with a ranch a little smaller than ours. I remember people that had worked for us, good hard-working people, had managed to get some of the ranches and prospered because of it. But I don't remember the details of how that worked. But looking back on it, it seems blatantly unfair.
- 02-00:04:04  
Castle: How did people feel about it then and then how do you look at it now?

02-00:04:16

Bakar:

I don't remember, oh, I guess I heard the term, dirty Jap. I'm sure I heard it. But I don't remember in my family any sense of anger at these, at any of these groups. One name sticks in my mind, he was one of my dad's best customers. My dad would buy his chickens every year, a man named Heiney Bahnsen. And he was as German as anybody that I remember and they were good friends. So I don't remember those tensions. Generally, anti-Semitism was out there, but I don't remember it coming from a block of people.

02-00:05:01

Castle:

There's just a way in which, I wonder because of the size of Petaluma, in which you recall being, you know, around 5,000 or 6,000 at the time, you know, that's your sense of it. And then you have, it's kind of a little microcosm, I mean you have in this community, Italian, German, Japanese, Jewish, and who's involved in the conflict and then you have the relocation of the Japanese. At the time, it's one of those interesting things, was there any talk about anything happening to any German-Americans?

02-00:05:28

Bakar:

No, nothing I can think of.

02-00:05:34

Castle:

Because that's very tied to Pearl Harbor and the evasiveness of that attack.

02-00:05:36

Bakar:

Yes.

02-00:05:39

Castle:

But it's that racial element, you know, why one group and not another.

02-00:05:41

Bakar:

Well in my memory, nothing pops up. I'm sure there were things going on, I just don't remember them.

02-00:05:49

Castle:

But there was an incident that is reflective of anti-Semitism that occurred with an organizer that came into the community. Could you describe that to me?

02-00:06:00

Bakar:

Well I think he lived in the community. I remember the name was Nitzberg and I don't remember this but I remember reading about it much later in the book that I mentioned, *The Jewish Farmers of Petaluma*, and I recalled it. It brought it back to my mind. But he was trying to organize the workers in the canneries and if I hadn't read it in the book, whenever the book came out, five or ten years ago, I only had the memory that there was a Jewish fellow named Nitzberg that was tarred and feathered. So the book put it into focus for me.

02-00:06:37

Castle:

So what you carry with you is that memory of someone being tarred and feathered, basically for being Jewish.

02-00:06:45

Bakar:

Well I think the terrible fear, and this is a judgment call on my part, if he had been anything else and he tried to organize a union, would he have been tarred and feathered? I don't know. Probably, I think I can add that to what you said but I don't know that it was because he was Jewish. I'm sure that had a big role in it. I just don't have that memory. He was a communist, and on top of that he was a Jew.

02-00:07:29

Castle:

Right. So, in moving from—and also, so part of the Jewish, I mean the fact that there's a book called *The Jewish Chicken Farmers of Petaluma* indicates that that was—

02-00:07:43

Bakar:

Made a movie out of it.

02-00:07:44

Castle:

What were the names of the local Jewish groups that help people in Petaluma?

02-00:07:59

Bakar:

You mean organizations?

02-00:08:02

Castle:

Yes.

02-00:08:03

Bakar:

Well, there'd be the B'nai Brith. You've heard that term?

02-00:08:05

Castle:

Yes.

02-00:08:18

Bakar:

And the other organization that I remember was the Jewish Community Center and my guess is that the Jewish Community Center was built in the '20s, and there's a story in connection with it that's kind of funny. The Jews of Petaluma, many of them, were socialists, were totally irreligious, and there was a big discussion of whether they should put a synagogue or a shul, a word more commonly used in my childhood, in this JCC building, this Jewish Community Center building, and legend has it that it decided to put in a synagogue, not because they were religious, they put in a synagogue so they wouldn't have real estate taxes. And that's in the book. I have no memory of that. I just read it in the book.

02-00:10:05

Castle:

All right. So we were talking about your trajectory being about—

02-00:10:06

Bakar:

By the way, the guy that wrote the book is named Kenneth Kann. [*Comrades and Chicken Ranchers: The Story of a California Jewish Community*]

- 02-00:10:14  
Castle: Yes, the Petaluma chicken farmers. So you were saying that because you were born in March, you started school young and then, in some ways, were kind of rushed.
- 02-00:10:32  
Bakar: Rushed only through high school. So I started six months ahead. And I finished high school six months early. Well, whatever, half a year early.
- 02-00:10:46  
Castle: And where did you finish high school?
- 02-00:10:47  
Bakar: Petaluma.
- 02-00:10:48  
Castle: In Petaluma. And where were your parents at the time?
- 02-00:10:50  
Bakar: Petaluma.
- 02-00:10:52  
Castle: Who was in Oakland? You mentioned something about—
- 02-00:10:55  
Bakar: My mother and father decided to move to Oakland. So they wanted me to finish high school.
- 02-00:11:01  
Castle: Why did they decide to make that move?
- 02-00:11:03  
Bakar: They wanted to make a home I think for my sister, to meet a nice Jewish boy.
- 02-00:11:11  
Castle: It was time to get her married.
- 02-00:11:13  
Bakar: I think my mother wanted to go back also.
- 02-00:11:19  
Castle: Tell me how do you end up in college after your high school years, what were the discussions? Did you parents encourage you?
- 02-00:11:30  
Bakar: I don't remember any discussion. There was no question I was going to go to college. There was no question it was going to be Cal. And there was no question—I had good grades in high school—that I'd be able to go there, though it was much easier then than it is today. And I went to Cal and that was it. My dad had siblings in addition to his twin and in the entire family there's only one other male and it was my dad's older brother's son. His name was

Mort, Morton Bakar, and he had gone to Cal and he was kind of like an older brother, big-city hero, in the family to me, so it was Cal.

And you asked about my dating in high school. It was almost non-existent. Maybe a couple of dates in high school, but all of a sudden I discovered girls.

02-00:12:37

Castle: That happened at Cal?

02-00:12:39

Bakar: At Cal, and I never had to study in high school. Petaluma High School was a breeze for me. I didn't know how to study and I came as close to flunking out of college as anybody could and still stay there after the first couple of years. My grades were just awful because of a newly discovered social life and my inability to really study at the college level. So I kind of got my act together and managed to stay and pass, but I was not one of the shining students, and that's why Budd Cheit made that comment, when I gave the commencement speech in 1978.

02-00:13:18

Castle: Right, right. Where did you live when you first got there? Do you remember?

02-00:13:25

Bakar: I lived in Oakland. My parents had moved to Oakland, and I lived at home. I remember the address. 1207 Trestle Glen Road.

Do you know Oakland?

02-00:13:40

Castle: I know it a little bit.

02-00:13:42

Bakar: Do you know the Lakeshore District?

02-00:13:44

Castle: Yes.

02-00:13:45

Bakar: One of the streets that comes down the hill into to Lakeshore is Trestle Glen.

02-00:13:49

Castle: OK, and how did you get back and forth to University?

02-00:13:54

Bakar: I was in a car pool. I remember being in a car pool.

02-00:13:57

Castle: Did you have your red convertible at that time?

02-00:14:00

Bakar: I don't think so.

- 02-00:14:03  
Castle: That might have helped with the girls.
- 02-00:14:05  
Bakar: No, I don't think it did.
- 02-00:14:06  
Castle: So you drove back and forth to classes in this car pool. What are some of the things, when it comes to social life—where did you meet people? Did you join a fraternity? What were the elements that comprised your social life at that time?
- 02-00:14:28  
Bakar: I don't remember how the connections were made but I gravitated toward Jewish kids and I had a bunch of new friends, almost none from high school, new friends, they were mainly Jewish.
- 02-00:14:46  
Castle: What kind of things did you all do together? Did you go to sporting events?
- 02-00:14:49  
Bakar: Oh, yes. I would say the typical things.
- 02-00:14:53  
Castle: Well what are the typical things during that time other than, you know, are they similar to now? Because people get involved in all kinds of different extra-curricular activities in college. Were there any things that you did in particular?
- 02-00:15:05  
Bakar: Well during the day, I became kind of a gym rat, if you've heard that expression. I was a gym rat and I got involved in a few intramural sports, mainly basketball. But you know, there's a Jewish organization on the campus called Hillel which is still there. So because we didn't belong to a fraternity, Hillel became the hubcap of the softball league, we represented Hillel. Touch football, we represented Hillel. They have an intramural league at Cal. And I played in the noon league and the team was called the Schmerks and as far as I know, it may still be there, I don't know.
- The only other team I remember is the law school. They were the Legal Eagles. Schmerks were half schmucks and half jerks. And we were the Schmerks. [laughter]
- 02-00:16:13  
Castle: That's good. Were there some of the hangouts—like did students hang out at coffee places, or beer places—I mean, I'm trying to get a sense of it when you were there compared to, you know, some of the businesses that have changed over time. What was Telegraph Avenue like then?

- 02-00:16:32  
Bakar: Oh, nothing like it is today, at all. I'm trying to think of it, it's kind of a blank, that part. What the hangouts may have been. I remember, you know, there was an ice cream parlor on [Shattuck] called Edy's but I think that was after college.
- 02-00:16:55  
Castle: But you could actually hang out at Hillel?
- 02-00:17:00  
Bakar: A little bit.
- 02-00:17:03  
Castle: Where did you eat on campus?
- 02-00:17:06  
Bakar: Well I remember living on Haste Street in a rooming house. And then the next block further west, we went—I bought my meals there by the semester. That's the memory of an organized eating place.
- 02-00:17:25  
Castle: When did you move into a place of your own and stop living with your parents?
- 02-00:17:34  
Bakar: Oh, shortly after I started college. I went out—and my parents went back to Petaluma as well—probably at the end of the first year, if not sooner.
- 02-00:17:48  
Castle: That's got to be a big transition; it's always a big deal to live on your own. What was it like to come from Petaluma? I mean you had known San Francisco so was it that big of a shock to kind of—
- 02-00:17:59  
Bakar: Oh, yes, it was awesome. And when I went to college, I went with a wave, it was a kind of a double enrollment because you had the fellows coming out of the service that came out, that were three or four years older. The war ended in '45. I can remember being at the pool at Harmon on a spring day in I guess April something of '45 when a big burly fellow came out and he said, "My boss just died." He was kind of yelling, "My boss just died." And Cal had naval programs on the campus during the war and I didn't know what he meant and somebody said, somebody asked him, he said, "Well Roosevelt just died." So, one of those moments you never forget. I want to say April 12<sup>th</sup> of '45. I don't know if that's the date, but that's the date that I remember, at least a moment that I remember well.
- 02-00:19:02  
Castle: What year did you start school?
- 02-00:19:06  
Bakar: I started March of '45. And the war ended that year.

- 02-00:19:13  
Castle: How did the war ending change the culture of the campus—for instance an influx of servicemen?
- 02-00:19:29  
Bakar: Well that's the only campus I knew.
- 02-00:19:32  
Castle: Right, so it's hard to know the comparisons but you do remember the presence?
- 02-00:19:34  
Bakar: Well, one thing the fraternities had pretty well shut down during the war so I just—answering your question, the fraternity life, which I was not part of, all the fraternities started to open up.
- 02-00:19:50  
Castle: I see. So you were, that's right, you just turned 17 when you got into college. Did you have any idea what to expect?
- 02-00:20:00  
Bakar: No.
- 02-00:20:04  
Castle: Where there moments of naiveté where you just had to watch someone else do something because you had no idea how to do it?
- 02-00:20:23  
Bakar: You know when you're thrown in a swimming pool and you've never swum, you how most other people are going to survive somehow. I don't remember the shock. I do remember that it was awesome in its size, awesome in its scale. I remember taking a course that I think everybody took, Geology II. And it was in Wheeler. Wheeler was 600 kids, 500, whatever it is. I never had a class bigger than 22 or 23. But I just remember the awesome scale of it.
- 02-00:21:02  
Castle: Was it intimidating at all?
- 02-00:21:04  
Bakar: Yes, I was kind of overwhelmed. The one thing that really affected me was I discovered a social life. And I didn't know how to study. And it was a constant scramble.
- 02-00:21:19  
Castle: So when you mentioned that you discovered girls, were you dating a lot then?
- 02-00:21:23  
Bakar: Yes.
- 02-00:21:25  
Castle: Did you want to settle down, to find somebody that you'd stay with?

02-00:21:35

Bakar: No.

02-00:21:38

Castle: You just were enjoying yourself?

02-00:21:40

Bakar: Yes.

02-00:21:42

Castle: What kind of things would you do if you went on a date?

02-00:21:45

Bakar: Oh, the Saturday night thing was the Claremont Hotel. Yes, that was a big deal. I can remember the bands that used to play there—Freddie Martin for one, Jack Fina. Going back to the Petaluma days, when I got out of high school, the Russian River was a place where everybody would go. Also there was a resort up in Lake County, Hobergs, where everybody would go. I remember those kinds of things.

02-00:22:18

Castle: Did you have a job when you were in college? How did you get money to socialize?

02-00:22:25

Bakar: I don't know if they still have it, they had a Bureau of Occupations and I can kind of remember where it was and I listed myself. "What can you do?" I said, "I can drive." And I chauffeured a good part of my college life.

02-00:22:43

Castle: What would you be doing?

02-00:22:47

Bakar: There were two little ladies. I think one was a widow and one was an old maid. They lived in that kind of nice area between the California School for the Deaf. What do they call it now? The Clark Kerr Campus. Just adjoining the Clark Kerr houses, those big houses. For two or three years I chauffeured for a couple of ladies up there. What I remember, and I think it's accurate, I got a dollar an hour and I'd make \$10, \$15, \$20 a week. That was the principal job I had, plus the summers working at Wilsey's butter plant.

02-00:23:25

Castle: So, did you have to contribute towards college or was that just free of charge?

02-00:23:30

Bakar: My dad gave me what the GIs got. For some reason, he felt that was his responsibility or contribution, whatever. And what I remember is that they got books, tuition and \$60.

02-00:23:47

Castle: That's interesting that he would choose that.

02-00:23:51  
Bakar: That's what he chose. I don't remember the thought process but I remember that's what I got.

02-00:23:57  
Castle: Did you have to pay your own rent?

02-00:24:00  
Bakar: Yes.

02-00:24:02  
Castle: So the money you earned allowed for that?

02-00:24:05  
Bakar: Well, what he gave me pretty well covered the basics.

02-00:24:07  
Castle: I see. And you lived in a rooming house then? Was it all other boys that lived in the rooming house?

02-00:24:16  
Bakar: I think it was all guys.

02-00:24:24  
Castle: Did you become friends with the person you shared the room with?

02-00:24:29  
Bakar: Not really.

02-00:24:31  
Castle: So you said you made new friends in college. Are there some that you're still friends with today or people that you remember that you want to recall?

02-00:24:41  
Bakar: All I can remember is some names but none of those friends really lasted in the years following.

02-00:24:53  
Castle: You mentioned that there was kind of explosion of social life and how Petaluma hadn't prepared you. The fact that it was not a challenge for you in high school meant that studying was difficult. Did you have a sense of what you wanted to study? Of what your major would be when you started?

02-00:25:15  
Bakar: Yes. Kind of a role model for me was the cousin I alluded to, Mort. And Mort's father, the elder of the Bakar family, whose name was Max. He was in the real estate business. So I kind of always thought I was going to go into real estate. But one thing I knew, Beth—the one thing I knew—was that I didn't want to be a chicken farmer.

02-00:25:48

Castle: [laughter] You recall taking one of those huge survey courses like geology with all of these students. Do you have any other memories of classes that you took or professors that had an impact on you?

02-00:26:11

Bakar: Yes, one named Harold Furst. He taught an advanced course in economic theory, upper division. I don't know how advanced it was. He was good. He got me interested in something that I hadn't been interested in before, and by a wild coincidence later in my business life, he became my banker. Totally by coincidence. And I took as a minor within the undergraduate business curriculum, real estate and insurance.

02-00:27:10

Castle: Did you declare a major?

02-00:27:15

Bakar: I don't remember that. I just know that I took those courses.

02-00:27:19

Castle: But you're undergraduate degree was in business administration, with a minor in real estate and insurance?

02-00:27:33

Bakar: And I was very fortunate on the real estate side. When I enrolled at Cal and as I was approaching the ability to take courses of my choosing, they had no real estate courses and there was a man in Berkeley who headed up the largest real estate firm in Berkeley, [which] was called Mason-McDuffie. I think the firm still exists. His name was Maury Reed, Maurice Reed, and he decided that real estate should be a profession. That he wanted to elevate the sense of the real estate business or people in it and he was the moving force to get real estate as part of the curriculum. And on that note, at some point down the road, the real estate curriculum is key to something I recently did, which we can discuss later. And they had nobody that was qualified to teach real estate. And I was very fortunate that they chose a professor who knew nothing, and his brilliance was that he knew that he knew nothing. And he became a student along with all of us that took it. There were probably ten of us and some of the names I remember. And every speaker was a guest speaker. So the real estate industry profession, whatever you chose to call it, all jumped on the band wagon to help Paul Wendt. And every single speaker, he was a student along with us. So I had probably three semesters of that and it was a marvelous opportunity for the guys that were there and then subsequent to that. Remind Ted to ask Ken the professor's name, you know, the name Ken Rosen. But he preceded Ken and he retired from the University after many years, good guy.

02-00:29:59

Castle: Was this your final year in school?

02-00:30:03

Bakar: Well, final four semesters.

- 02-00:30:04  
Castle: Final four semesters. So the fact was that the real-estate aspect of the program hadn't been developed and was being developed kind of on you all.
- 02-00:30:19  
Bakar: Exactly.
- 02-00:30:20  
Castle: Turned out to be a great benefit.
- 02-00:30:22  
Bakar: Very fortuitous.
- 02-00:30:24  
Castle: It seems like the fact that you were able to hear directly from practitioners meant that you didn't have an academic interpreting it, which can be good sometimes and not so good sometimes.
- 02-00:30:32  
Bakar: Well it was very good. For me, it was very good.
- 02-00:30:36  
Castle: And at that point, did that really seal the deal in terms of you thinking about your future?
- 02-00:30:43  
Bakar: That in part, but it was clear that Mort and I had talked about doing something together. And Mort was in the service. I was too young for it. Mort wasn't. He didn't go back to college, he went directly to his dad's real estate office. So when I finally finished college on Friday, on Monday I started at Uncle Max's office.
- 02-00:31:11  
Castle: Well let's transition into talking about that in terms of ending at college. So at some point, you know, in maybe your last year there, you can correct me, you shore up and determine—what was it that helped you focus and study in a way that would allow you to get your degree? Do you remember?
- 02-00:31:34  
Bakar: It wasn't easy. No I just, I guess buckled down, if you want to call it that. And you know, did I get a lot of A's, no. But I think I may have gotten one or two and I got a bunch of B's. I was kind of a solid B student but I knew that I had to do that if I was going to go through and get a degree.
- 02-00:31:56  
Castle: So how long were you in and when did you graduate then?
- 02-00:32:05  
Bakar: I actually finished college in '48 but I was six units short so I took six units in summer session in '48 and I think summer session was six weeks, maybe less. And I got the six units and that was it. I had 120 units and I said goodbye to

the campus and went down to Oakland. You know, I'm going to have to go pretty soon.

02-00:32:33

Castle: So, it's 1948. You took some classes, a class in summer session but you also went through your graduation ceremony?

02-00:32:48

Bakar: I did.

02-00:32:49

Castle: Could you describe that to me—what you remember feeling, and significant memories on that?

02-00:32:53

Bakar: It was a university-wide graduation, which I think they don't do any longer. It was all the schools. They used the floor of the Memorial Stadium and my memory was it was a blanket of people on the floor. The speaker was Harry Truman. He was about to run that fall against Dewey in '48. Because it meant something to my folks, I went through the ceremony in the cap and gown. Don't remember a lot about it, just what I described.

02-00:33:33

Castle: Right. Well, and I think that, and we'll come back to it because I do recall when you gave your own commencement speech in 1978, which I've had the opportunity to read, you then both evoked that you remember it and then go back and take a look at the speech, which, of course, is kind of symbolic because when you're that age, you're thinking about your own life specifically and not necessarily the politics of the day or the symbolism of the speech. But tell me, you say that you end on a Friday and start on a Monday?

02-00:34:01

Bakar: Yes, literally.

02-00:34:05

Castle: Can you tell me about that?

02-00:34:14

Bakar: Can we start with that next time?

02-00:34:15

Castle: Sure.



**Interview 2: July 17, 2006**

Begin Audio File 3

03-00:00:16

Rubens: As you know, I'm taking over for Beth Castle who has taken a faculty position at the University of South Dakota. When you read the transcript, you can amend, change, erase. And you can also seal. Many, many people seal portions of the interview because they don't want to talk about who was in the room when "that particular deal" was made, for example.

03-00:01:27

Bakar: Can they seal it for a period of time?

03-00:01:29

Rubens: For whatever length, you can say, until all relations are gone—for twenty years, and that means that the tape and transcript are not available with those sections. There is a tape in the Bancroft vault that has it on it but no one looks at those. Those are never the ones that are used in the library.

03-00:01:50

Bakar: I can't think of much in my life that is going to have to be sealed but as we go through it, I may have some seconds thoughts on that.

03-00:02:01

Rubens: And that's fair.

03-00:02:05

Bakar: The other thing that I asked the previous interviewer, have you done any with businessmen?

03-00:02:11

Rubens: I have.

03-00:02:13

Bakar: And to what measure do many of them, and I've had some good financial things happen, do they get into the detail of their deals?

03-00:02:23

Rubens: The better interview does deal with those issues and seals some portions of it. I've done a bit with redevelopment in San Francisco and there was some sharp bargaining that went on there and interviewers have said, let's not make this available now but of course it's part of the record and it should be recorded. For businessmen there might be legal recriminations or it's a matter of how they go down in history, personally. But what I'm interested in and what I think the greatest use of these oral histories provide other historians, is a look at how things work. What the social networks are, how decisions are made at the club or, in your case, around a campfire. And understanding how processes work. So the goal isn't to nail somebody or to go back in history and look to see was something done that wasn't kosher. But that's a personal decision.

03-00:03:29

Bakar:

The area of the personal stuff with me is or really has to do with one personal relationship in particular and he's passed away. But he was a partner with whom we had a lot of good things happen and I had some negatives and his kids are around.

03-00:03:53

Rubens:

I know that Sean Wilsey wrote a book about his own life.

03-00:03:57

Bakar:

I come out in the book very, I mean, in an unobtrusive way. The title is *Oh the Glory of It All* and it was published in 2005. I'm just a guy that was there on a number of occasions. And there's nothing in the book that bothered me.

03-00:04:10

Rubens:

Good.

03-00:04:11

Bakar:

There's a funny line in the book. I gave a eulogy for Al.

03-00:4:14

Rubens:

I've read your eulogy.

03-00:04:19

Bakar:

In the book, Sean objected to something I said in the eulogy. I was in St. Ignatius church. I said we all should be thankful to Dee Dee for the love and care she gave Al in his last year. In the book, Sean said, "Of course, Gerson had to say that because now she is his partner." But I did have some negative happenings with my partner but I don't know that it has any relevance.

03-00:04:56

Rubens:

Well let's worry about that when we get to that point in time. We're not going to be there for a while and I consider this a conversation that can be amended and changed.

03-00:05:06

Bakar:

In the first one—have you listened to the first one?

03-00:5:08

Rubens:

Yes, I have.

03-00:05:10

Bakar:

The only thing in it that I thought was so irrelevant is when I mentioned my mother being part of the, being active in the B'nai Brith in Petaluma and then I mention a current event about a bus crash with B'nai Brith travelers. It was a bit of a non-sequitur.

03-00:05:26

Rubens:

We can take that out, if you wish, but it's innocuous and reflects the news of the day. I don't want your oral history to read in any way like a memoir or a diary; it's a conversation and no doubt it will be repetitive at times, especially

if we have breaks between interviews. But if something is totally irrelevant, because we chitchat about current events, then we'll cut.

03-00:05:39

Bakar: The only thing that I was doing was—it happened that day. But other than that there's nothing in the first one that bothered me.

03-00:05:54

Rubens: It was a wonderful beginning. I want to be mindful of your time, today. You ended the last interview with your graduating from Cal on a Friday and you're going to start with Uncle Max on Monday. And that is a wonderful picture in the album that Barbara, your wife, made for your seventieth birthday. I'm so grateful to have this book which documents much of your life so nicely and so personally. I wish I had a Barbara!

03-00:06:24

Bakar: Isn't she terrific.

03-00:06:28

Rubens: My God she seems like an amazing woman and perhaps we could do a joint interview at some point. Let's basically talk about the period up to 1960 when you move to San Francisco. Until that time, are you working outside of Oakland?

03-00:06:51

Bakar: No the residential move had nothing to do with the business activities. Which I can share with you—I had a Jewish mother.

03-00:07:02

Rubens: [laughter] Yes.

03-00:07:03

Bakar: And they lived in Petaluma and I lived in Oakland. They moved to Oakland and I said my life is going to be a lot simpler if I move to San Francisco. So that was the reason for the move. She would have wanted me over for dinner eight nights a week.

03-00:07:16

Rubens: Yes, well we'll get to that. I actually drove by the house last night on Trestle Glen that you said—

03-00:07:20

Bakar: 1207 Trestle Glen?

03-00:07:22

Rubens: Yes, on the corner, it was a house on the corner?

03-00:07:24

Bakar: Absolutely.

- 03-00:08:17  
Rubens: Before we discuss your initial real estate activities, I have a few follow-up questions in order to flesh out the temper of the times in which you grew up and entered business. Were your parents particularly political? Were they Democrats or Republicans?
- 03-00:09:35  
Bakar: My parents, in my mind, my memory, were kind of apolitical. Except Roosevelt could do no wrong. Yes, Roosevelt could do no wrong and in my life, having been born in '28 and Roosevelt coming in in '33, Roosevelt was really the only president I knew all the way through. I mentioned in the first interview his death.
- 03-00:09:57  
Rubens: Yes, someone said, "My boss is dead, my boss is dead."
- 03-00:09:59  
Bakar: Yes.
- 03-00:10:01  
Rubens: And so, I realize though that I had no sense in the interview—did you listen to the fireside chats? Did your parents talk about Roosevelt? Did any of the agricultural adjustment acts impact them? Did they have strong feelings about that?
- 03-00:10:19  
Bakar: No, I don't remember anything relative to politics with respect to my parents except they were for Roosevelt. Were they registered Republican or Democrat? I honestly don't know.
- 03-00:10:29  
Rubens: And how would you know that they were for Roosevelt?
- 03-00:10:32  
Bakar: Just memory.
- 03-00:10:33  
Rubens: Nothing you can particularly think of?
- 03-00:10:35  
Bakar: No, and in any of the elections—in '44, I guess I was 16.
- 03-00:10:43  
Rubens: You weren't voting yet.
- 03-00:10:44  
Bakar: No, no, I wasn't voting. But I don't have any memory.
- 03-00:10:48  
Rubens: Did you have any general sense of or particular interest in Roosevelt or the New Deal? You weren't a particularly politically conscious person?

03-00:11:02

Bakar: Not at all.

03-00:11:05

Rubens: You mentioned that Truman spoke at your graduation from Cal in 1948. That was a highly contested election. Leon Litwack, I don't know if you know his name, a Pulitzer Prize-winning professor of U.S. history at Cal, was then the chair of the Wallace [Henry A. Wallace] for President Club at Berkeley.

03-00:11:30

Bakar: I remember Wallace speaking off-campus. I don't remember the reason, but he did give a talk off-campus, and I didn't run down to hear it. It was somewhere west of the campus.

03-00:12:02

Rubens: All right, so, again politics was not something that you were particularly aware of in California or in any of those elections at that time.

03-00:12:12

Bakar: I have a vague memory of the election in the '30s with Sinclair running for governor—that he was kind of considered a maverick, you know, I don't remember the specifics of Sinclair but it was a free lunch for everybody.

03-00:12:27

Rubens: But you may know more about that as having looked back at history than even—or do you think that's a memory of the time?

03-00:12:37

Bakar: Very meager memory.

03-00:12:41

Rubens: Fine. I just happen to be interested in FDR, and it's because of the Sinclair candidacy that California was one of the only states that didn't have a Democrat for governor, riding on Roosevelt's popularity; Sinclair split the Democrats. So on to 1948 and your graduation. Is it true that on Friday you finish school and Monday you go to work?

03-00:12:58

Bakar: It is. The graduation was six weeks prior to that Friday, or around six weeks, but because my parents were kind of proud of having a son in a cap and gown, the university allowed me to go through the commencement exercise and, as you know, nobody gets the degree at the actual exercise. You get a piece of paper that explains how it will be mailed to you, or something to that effect. I went through the commencement exercise in '48 but I needed six more units.

And I took those six units during summer session. And again, I think there were three two-unit courses or two three-unit courses, and at the end of that, I remember walking out of Wheeler Hall with my last exam and being in such a wonderful mood. I remember throwing my book up in the air and not looking

back and just continuing to walk. That is when I was through with my educational process.

03-00:14:03

Rubens: What turned you on to real estate?

03-00:14:13

Bakar: I was turned on to real estate by the fact that cousin Mort and Uncle Max were in it. But I got doubled turned on by a professor, Paul Wendt.

03-00:14:31

Rubens: You also mentioned there was someone at Mason-McDuffie who had a strong impact on you.

03-00:14:38

Bakar: Mr. Reed. He was the driving force to get real estate in the curriculum at Cal.

03-00:14:46

Rubens: To professionalize the business? Did you maintain a relationship with him?

03-00:14:49

Bakar: Not really, although I did some business with him over the years.

03-00:14:51

Rubens: Mort had come back from the war by then, and had decided not to go continue with school.

03-00:15:02

Bakar: Right, he probably came back in '45 or '46.

03-00:15:06

Rubens: So you knew that you were going to have a desk in Mort's office. Would you describe it, please. There's a picture of the office in Barbara's book, I think it had tile framing a store-front window.

03-00:15:14

Bakar: Yes, well I remember the address: 333 14<sup>th</sup> Street.

03-00:15:19

Rubens: What was that area like at the time?

03-00:15:22

Bakar: Probably not much different than it is today.

03-00:15:25

Rubens: Close to city hall?

03-00:15:27

Bakar: Well the county seat, no, it was kind of in between. If you think in terms of Oakland with the city hall at one end of the point and the county seat at the other. It was probably smack in the middle—14<sup>th</sup> Street I think runs just below the city hall. And just below 14<sup>th</sup> Street is the county courthouse. And Uncle

Max's office was 333 14<sup>th</sup> Street and he shared the office with another old timer by the name of George Dowling.

03-00:16:08

Rubens: How long had Max been in real estate?

03-00:16:14

Bakar: I don't know when he started but all of my lifetime. He had had a kind of success prior to '29 and then he basically went broke in '29. He was over-extended in real estate.

03-00:16:34

Rubens: Was this residential?

03-00:16:35

Bakar: Yes, all residential.

03-00:16:38

Rubens: OK. By the way, were you required to get a real estate license?

03-00:16:45

Bakar: No. I got one later.

03-00:16:50

Rubens: What did you think you were going to do? And what did you want to do?

03-00:16:53

Bakar: First of all, the office was a sidewalk real estate office and he was, and I think I can appropriately describe him as a small-time speculator, and he followed estates, probate sales of real estate. When there was a notice in the paper that an estate was selling a piece of property, he would follow up and then Mort had learned how to do that and that was one of my early learning experiences. He would follow foreclosures. He would make small loans and occasionally buy loans from people that had made them, but the word small-time would be appropriate.

03-00:17:37

Rubens: Where did they live?

03-00:17:38

Bakar: Uncle Max and his wife lived in an area in Oakland called Adams Point, which is just off Lake Merritt.

03-00:17:50

Rubens: And did they live particularly well? Was it a big house?

03-00:17:58

Bakar: Well, as I said in the first interview, I have no sense that anybody was poor. But they weren't by any means people of wealth. He had built an apartment house, five-unit apartment house on Lenox Avenue, and he, somewhere along the way, acquired the adjoining lot and one of the decisions that he made in

my earliest days in the office—I'm getting ahead of my first development—was to improve that lot next door to where he lived. But backing up in the context of the small-time speculator, he bought, I believe, from an estate, two residential lots in Piedmont and it really was physically in Oakland, or it had the character of Oakland. But Piedmont starts—do you know Oakland? Well it starts on Grand Avenue, and Lower Grand. 1417 and 1419—the street that runs over to Linda [Avenue]. Between Oakland Avenue and Linda. It's only one block. So there are two twin houses that face each other, well they don't face each other but they're side by side. Uncle Max had bought the lots, maybe when I was in the office, probably during that early period and he was having trouble selling it and he paid the atrocious price of \$3,000 per lot in Piedmont. So because he had done a modest amount of building in his very active days and he couldn't sell the lots, he decided that we would build on the lots. The "we" being Uncle Max and cousin Mort and myself. I got the assignment and I was boy builder. We hired a carpenter foreman and we got a set of plans that probably, if I can remember the designer's name—that probably cost about a \$100 a house, the plans.

03-00:20:35

Rubens: What was the designer's name?

03-00:20:35

Bakar: Clay Burrell. He was not an architect, just a draftsman and an older man. But I think Uncle Max had used him before.

03-00:20:51

Rubens: How soon after you start working there are you doing this assignment?

03-00:20:55

Bakar: Probably within the first two years. I can't be specific.

03-00:21:00

Rubens: So during those first two years, anything particular to point out?

03-00:21:07

Bakar: Well we built those two houses.

03-00:21:10

Rubens: You're learning his business.

03-00:21:13

Bakar: We hired a carpenter foreman and got an inexpensive set of plans and built two houses. My sister bought one of them and we were able to sell the other one. My memory is that we made a total of about \$400 but we got rid of the lots.

03-00:21:34

Rubens: You said at one point, in fact, that your parents moved to Oakland so that your sister could meet a nice Jewish boy. Were they successful?

03-00:21:42

Bakar:

Yes. She married a man named Shupin, and this was their first home. She lived in a rented bungalow before. She had her first child in the rented bungalow. The second child was born when she lived in that house on Grand Avenue.

03-00:22:14

Rubens:

How developed was Grand Avenue at that point?

03-00:22:15

Bakar:

Oh, almost fully developed. Again, from memory, that avenue hasn't changed much in the 50 or 60 years since.

03-00:22:27

Rubens:

Where were you living?

03-00:22:30

Bakar:

I think I was living in an apartment house that my dad owned on Piedmont Avenue, 3459 Piedmont Avenue.

03-00:22:41

Rubens:

And are you making the phone calls to get the designer, to get the carpenter in, to get the permits?

03-00:22:52

Bakar:

Well, we had a set of plans for two houses. One house and then just reversed. They were mirrors of each other and with the carpenter foreman's help, we just took bids from all the subcontractors and then the carpenter foreman ran the framing of the house and the finish trimming out of the house.

03-00:23:20

Rubens:

And the days went well? I mean, you sort of liked to get up and do this?

03-00:23:24

Bakar:

Yes, it was kind of fun. An interesting thing: my father, who really wanted me to be successful, but he would come to the job very, very frequently and he would make sure that nobody was taking anything off the job. And that story is relevant when I go further because when I got started having my dad help me was very tough because he was just watching everything and that's [when] I just happen to go to the Wilseys for help. But anyhow, from building those two houses, I mentioned that Uncle Max had built a five-unit building on Lenox Avenue and had, again, before I was around, acquired the lot next door. So Uncle Max decided we were going to build next door which was really, he was going to build a building, but I was going to be the guy kind of running the job. And the process was a rather quick process, probably about six months and it was a four-unit building next door to his five. And probably the trigger point that drove me out of Uncle Max's office is that he never paid me for running this job and there's a long story but I never was paid.

- 03-00:24:54  
Rubens: For that particular job? What was your pay arrangement for it?
- 03-00:25:00  
Bakar: Well I was kind of a partner in the operation and I got some percentage of the deals that Uncle Max had, which were few and small.
- 03-00:25:10  
Rubens: You weren't on a regular salary?
- 03-00:25:13  
Bakar: No, never had a salary.
- 03-00:25:15  
Rubens: How were you paying your rent and bar bill or dance club bills?
- 03-00:25:22  
Bakar: Well, the rent is kind of a cute story. I lived in a building that my dad owned. And I must have lived there a month or two and the rent was \$30 a month or \$35 and somebody said, why are you paying rent to your dad? And I thought it was a pretty good question, and I stopped paying. And he and his twin brother, my Uncle George never charged me, so I lived rent-free. I guess I had a draw from Uncle Max but I really don't remember it. But there was enough deal flow that I must have, you know—I made somewhere near a living.
- 03-00:26:03  
Rubens: You were solvent, at least.
- 03-00:26:05  
Bakar: I was solvent. I didn't have much money to spare but—
- 03-00:26:08  
Rubens: What was your relationship with Mort at that time?
- 03-00:26:11  
Bakar: It was fine.
- 03-00:26:14  
Rubens: I'm sorry, I meant was he making more significantly?
- 03-00:26:15  
Bakar: No, I don't remember the numbers but I do remember that when I didn't get paid for that building, that it was time for me to leave and my relationship with Uncle Max remained good. I stayed in the office. I had a desk there and I teamed up with a fellow, and this is relevant, named Gene Falaschi. Eugene, but everybody called him Gene. And we were out one day, riding around.
- 03-00:26:54  
Rubens: Where had you met him?

03-00:26:57

Bakar:

Just in Oakland, he was a tile contractor. I guess I met him because he did the tile work in those houses in Uncle Max's apartment house. And we were in the car one day and said, "Boy, if we could buy that lot!" It was on the corner of Bellevue and Staten Avenues. No, it wasn't, it wasn't Bellevue and Staten—anyhow it was a lot in Adams Point—and he said, if we could buy that lot for "x" we should build a building. So I just ran out and got an agreement from the seller (the owner) to sell the lot to me, and I guess my dad signed a note for me for my half, and Gene and I became partners. I still had my office with Uncle Max and I built a building with Gene Falaschi and that was the beginning of my being an entrepreneur myself, albeit I was in a partnership.

03-00:28:05

Rubens:

It was an apartment building?

03-00:28:07

Bakar:

Yes, a 21-unit apartment building.

03-00:28:09

Rubens:

That's pretty big. Was that bigger than anything Max had done?

03-00:28:14

Bakar:

No. Max in the '20s had built a 30-unit building out on Oxford in Berkeley. He went broke in the Crash.

03-00:28:31

Rubens:

But during your tenure with him over those two years, he wasn't working at that large a scale.

03-00:28:36

Bakar:

Uncle Max? No.

03-00:28:39

Rubens:

I have to interrupt you just for a moment. Was Max an older brother?

03-00:28:44

Bakar:

Yes. My dad had an identical twin, George.

03-00:28:50

Rubens:

Yes, with whom your mother was fixed up on a blind date. I love that story. George moves up to Petaluma.

03-00:28:56

Bakar:

In the '20s.

03-00:29:01

Rubens:

And was he the oldest?

03-00:29:04  
Bakar: That's kind of a family question. They had an old-maid sister, Betty, I think she was the oldest but Uncle Max protected her and said she was younger. We never learned her real age.

03-00:29:18  
Rubens: So there's Betty, Max, George—

03-00:29:22  
Bakar: Louie, my dad, and a younger sister named Gertrude or Gussie.

03-00:29:29  
Rubens: And where did she live?

03-00:29:32  
Bakar: She lived in a building that my dad built, and when I say my dad built, Uncle Max probably had it built sometime in the '30s, in Adams Point but that was before I was around. So Aunt Gussie and her husband and the spinster aunt, who was called Betty, lived in this apartment house.

03-00:30:04  
Rubens: I see. And when you graduated from Cal, did your parents move down to Oakland?

03-00:30:13  
Bakar: No. They had moved down prior.

I think they lived in Trestle Glen for two years. During that period, my sister got married. And after she got married, they went back to Petaluma.

03-00:30:30  
Rubens: And for how long did they go back to Petaluma?

03-00:30:34  
Bakar: They stayed there until 1960.

03-00:30:35  
Rubens: Did they keep an apartment in Oakland?

03-00:30:47  
Bakar: No. In 1960 when they came back I had built a, I'm trying to remember, a 13-story building in Oakland.

03-00:31:07  
Rubens: I just wanted to have the family relationships clear. Now, how did you go into business on your own?

03-00:31:17  
Bakar: I got teamed up with this fellow Falaschi and we bought a lot in Adams Point on Bellevue, 405 Bellevue was the address, I think. And that was the 21-unit building. Then from that, in the meantime Falaschi was kind of my mentor.

03-00:31:43  
Rubens: How much older was he?

03-00:31:44  
Bakar: Oh, much older. If I was in my early '20s, Gene was probably 55 or 60.

03-00:31:52  
Rubens: An Oakland boy?

03-00:31:55  
Bakar: I guess. Yes, he wasn't from Italy. Gene had had another customer for whom he did some tile work named Mark Wallock, and Gene was his mentor, Gene was my mentor. Gene had a brother who came along and the brother went into business with Gene and there was really no reason for Gene to be involved with me or with Mr. Wallock. But he suggested that he and I team up and we did. And we became Wallock and Bakar. And the Wallock was first because he ordered the stationery.

03-00:32:48  
Rubens: [laughter] And I think at that point you're leaving your uncle's office, is that right?

03-00:32:58  
Bakar: Yes. When I teamed up with Wallock we built several buildings together and in one of them we put a nice office in for ourselves.

03-00:33:07  
Rubens: Where was that?

03-00:33:10  
Bakar: On Linda Avenue, as a matter of fact.

03-00:33:16  
Rubens: So you're with your uncle for about three or four years. Two years you are working for him and then maybe two years you have a desk there. And the relationship remains good?

03-00:33:26  
Bakar: Good.

03-00:33:27  
Rubens: He had the attitude of, more power to you, sort of?

03-00:33:30  
Bakar: Right, right.

03-00:33:32  
Rubens: And he's not trying to get in on it either?

- 03-00:33:35  
Bakar: No, Mort at one point, wanted to get involved with Falaschi and I objected to it and he backed off. But Falaschi really got me started, from the standpoint of, you know, building a building.
- 03-00:33:53  
Rubens: Why did you want Mort to back off? Two of you was enough?
- 03-00:33:57  
Bakar: Yes.
- 03-00:33:58  
Rubens: Yes, you were kind of learning the business and if you wanted to make decent money which you had not done before, than this was the way to do it.
- 03-00:34:05  
Bakar: But that time was the beginning of my kind of formal—formal may be a poor choice of words, but it was the beginning of me being entrepreneurial, being out of Max's office.
- 03-00:34:18  
Rubens: Is this the point you want a real estate license?
- 03-00:34:23  
Bakar: You don't need a real estate license at all and you don't really need a contractor's license, or you didn't then. To get a contractor's license, you need a real estate license if you were hoping to make commissions, which I never did. And you needed a contractor's license if you were building for somebody else.
- But I think, to this day, if you want to build your own home, you don't need a license.
- 03-00:34:46  
Rubens: And so the only thing you had to do was register your business.
- 03-00:34:50  
Bakar: I guess we registered the name. I don't even remember if we were registered as Wallock and Bakar.
- 03-00:34:55  
Rubens: In terms of all of the connections that you start to make—banking, insurance and then contractors and designers, I mean, are you starting to get a sort of a stable of people that you are working with?
- 03-00:35:10  
Bakar: Yes.
- 03-00:35:11  
Rubens: Or probably at the same time you're looking for who's going to give you the best rate. I guess here's what I'm asking, are you needing to borrow money?

03-00:35:19

Bakar:

Oh yes. And my dad helped me at the beginning. And the father/son relationship got strained by my needing my dad and by my dad's concern that I was going to go broke, and by guaranteeing these loans for me he was concerned that I would really hurt him financially. And Uncle Max, because he had crashed in the Depression, was negative about everything. And when Wallock and Bakar was formed, one of our first deals together was a building on East 15<sup>th</sup> Street in Oakland. And we bought a lot and planned on building and did build 48 apartments.

03-00:36:05

Rubens:

How would you describe East 15<sup>th</sup>?

03-00:36:08

Bakar:

Second Avenue and East 15<sup>th</sup>. East 15<sup>th</sup> is one way going east, it's on the other side of the lake. When you leave the lake, if you're coming down from the Lakeshore side, you come down and there's a couple of tennis courts, and then you go around them and then East 15<sup>th</sup> goes one way.

03-00:36:30

Rubens:

How would you characterize that neighborhood then?

03-00:36:32

Bakar:

At that time, I have to laugh, it was a poor man's Lake District and the building we built, the apartments started at \$69.50 a month.

Rubens:

You're going to build 48 units; you're going from 21 to 48 and are you considering that there is such a thing as an economy of scale?

03-00:37:03

Bakar:

I never thought of it in those terms.

03-00:37:05

Rubens:

But the lot was big enough that you thought it could hold 48.

03-00:37:07:

Bakar:

No, well one bit of background. I remember with the little bit of experience I had, looking at a pair of buildings on Telegraph Avenue, there were two motel-type buildings where the second floor has a balcony, like a cheap motel. And the balconies were facing each other and they weren't very far apart. The entrance of the door was opposite the door of another. And I went down to the title company or I went to the county seat, I was just curious to see how much of a loan they got. And I realized that these were very cheap buildings. That whoever built them didn't have to put up much money, and I guess [Wallock?] and me, I think this was our first deal together, and anyhow we looked at it and realized that you didn't need much money. You needed seed money to get started, and we built those buildings on East 15<sup>th</sup> Street. They were two pairs of 12-unit buildings. So we had a 12-unit building facing a 12-unit building and another set next door of the same. And I can remember the buildings.

03-00:38:28

Rubens: That's what makes the 48?

03-00:38:29

Bakar: Yes.

So there were two pairs. And I can remember the numbers because they were just startling. The buildings cost us \$176,000 for everything.

03-00:38:47

Rubens: You mean plumbing, electricity, walls.

03-00:38:50

Bakar: I mean everything. Interest on our construction loan, carpet in the apartments.

03-00:38:55

Rubens: Permits couldn't have taken too long then.

03-00:38:56

Bakar: Everything, everything. And we borrowed \$181,000 so we had \$5,000 left over and we owned a building. After we paid all of our operating expenses, and paid the lender who was Travelers Insurance Company—and I'll come back to them in a minute—and paid the lender their monthly payments, we ended up with about \$1,500 a month or \$18,000 a year of what we call spendable cash. So here, albeit we needed some money to buy those lots—but once we got the thing built, whatever we borrowed to buy the land, we were able to pay off, build the buildings, have \$5,000 left over, and have the cash flow of \$18,000 a year.

03-00:39:47

Rubens: The \$18,000 was coming from the rents?

03-00:39:49

Bakar: That was the excess of the rents, less all the expenses, less our mortgage payments. And we ended up selling that building or those two pair of buildings for about \$300,000.

03-00:40:02

Rubens: How much later?

03-00:40:06

Bakar: I don't remember, we maybe held on to them for two years.

03-00:40:08

Rubens: That's all together, pretty quick.

03-00:40:10

Bakar: Oh, very quick.

03-00:40:15

Rubens: And so, this was good times.

- 03-00:40:17  
Bakar: They were great times.
- 03-00:40:20  
Rubens: So we're not talking about '52, '53.
- 03-00:40:25  
Bakar: Yes. Maybe '54.
- 03-00:40:29  
Rubens: You're probably not paying much taxes?
- 03-00:40:34  
Bakar: Not paying; the only thing when we would sell a property there were some taxes. But in those days, the tax laws were such that all the income was sheltered. So you had to operate in tax losses.
- 03-00:40:51  
Rubens: And is this coming kind of naturally to you? In other words, you have the experience with Falaschi and now you're seeing how these processes are working.
- 03-00:41:03  
Bakar: Well when I saw those buildings on Telegraph Avenue, and my guess is if I were driving, I could probably find them. But I realized that if I looked up the record that whoever built them didn't need any money, once he got it built. So we took that lesson, that model, and we bought this property, this vacant lot. And by the way, Uncle Max, when I agreed to buy the lot, called my father at home, and said, your son is going to break you. Because Uncle Max was convinced that we couldn't make this deal work, and of course the deal was almost like discovering gold.
- 03-00:41:42  
Rubens: Did your father contact you?
- 03-00:41:45  
Bakar: Oh, sure. By the way, the pressures from my dad, and there were some real pressures, father/son pressures, and those pressures drove me to seek financial help from Wilsey, or the Wilsey brothers, there were two of them at that time.
- 03-00:42:06  
Rubens: Did you need to pay your father back?
- 03-00:42:10  
Bakar: My father never lent me any money, he guaranteed the loans. And I paid the lender back. But had I not paid the lender back, then my father would have been responsible as the guarantor.
- 03-00:42:28  
Rubens: You find yourself just saying, leave me alone, I can do this, etc. Would your mother call and plead with him?

03-00:42:33

Bakar: No, I don't remember her taking any role in it.

03-00:42:39

Rubens: What a success story. Who did you sell it to, by the way?

03-00:42:45

Bakar: Oh, I don't remember. I have no idea.

03-00:42:58

Rubens: Maybe we'll stay with the family expectations and pressures for a minute. Were you being encouraged to marry and to settle down?

03-00:43:08

Bakar: No.

03-00:43:12

Rubens: Your father, then, was more interested in you really becoming a successful businessman?

03-00:43:17

Bakar: Yes, there were never really any pressures. My dad used to say, moving forward for many, many years, he had a couple of clichés when people would say, why doesn't your son get married? But one of the lines I remember he used to say to people—I mean, he had a cute sense of humor—why should my son make one woman miserable when he can try to make ten happy? He used to say that all the time.

03-00:43:47

Rubens: Was your parents' marriage particularly good, or was it better than OK—how would you characterize their marriage?

03-00:43:53

Bakar: There was a lot of tumult in the marriage. My mother was never really happy living in Petaluma and at one point before I was born, my mother left my dad. But it was kind of interesting, where do you think she went? To live with my dad's father, her father-in-law.

03-00:44:13

Rubens: Really, the one that had given the land in the first place?

03-00:44:14

Bakar: No, no, no, that was her dad. No, my mother just didn't want to live in Petaluma and my dad was stubborn and when my mother left to live with her father-in-law, and I guess my sister was born then, my dad was stubborn and held his ground and my mother went back. But I don't think she was ever happy in Petaluma.

03-00:44:42

Rubens: It did seem as if the family did have quite a bit of coming and going. I mean, whether it was birthdays or holidays or coming to market.

- 03-00:44:54  
Bakar: Oh yes. Not in the sense coming and going with domestic travail.
- 03-00:45:00  
Rubens: How often would you go up to visit? Did mom want you to come and see her during those first years before she moved down?
- 03-00:45:09  
Bakar: You mean out of college time?
- 03-00:45:11  
Rubens: Yes.
- 03-00:45:16  
Bakar: I probably went back at least one weekend a month. I'd drive up on a Friday night. But they also came in town. And by this time, they had a grandchild, so they came in to see their grandchild.
- 03-00:45:29  
Rubens: Sure, of course. You had also mentioned in the first interview that your entrepreneurial career may have started with buying and selling better and better cars; were you still interested in cars by then?
- 03-00:45:43  
Bakar: No, I think the entrepreneurial career was just something that I had mentioned in the first interview. The environment in which I was raised was a family, mainly my dad, just trying to make a living in those Depression days, and he made a damn good living.
- He was uneducated. He only had six years of education.
- 03-00:46:06  
Rubens: That wasn't said. And your mom, I assume, didn't go to college?
- 03-00:46:09  
Bakar: No, she graduated high school, I think it was Commerce High in those days, which doesn't exist anymore. And I think she went to work for the telephone company and I just remember her mentioning that. And when my folks got married my mother was only 20.
- 03-00:46:35  
Rubens: When were your parents born?
- 3-00:46:38  
Bakar: He was born in '96. My mother in 1900.
- 03-00:46:47  
Rubens: I want to go back to those Telegraph apartments that sparked you. Were you saying or implying, maybe I should just ask you straight out—were they cutting corners when you said they did it very cheaply?

- 03-00:47:02  
Bakar: No, they were just cheap buildings.
- 03-00:47:04  
Rubens: Were you putting up cheap buildings?
- 03-00:47:07  
Bakar: Physically cheap, they were very inexpensive buildings to build.
- 03-00:47:10  
Rubens: OK, we're not saying there was any—
- 03-00:47:14  
Bakar: Oh, no, they passed all the building codes.
- 03-00:47:18  
Rubens: No one was trying to cut corners in that sense?
- 03-00:47:18  
Bakar: No, they were just inexpensive buildings to build in relative terms.
- 03-00:47:23  
Rubens: At one point does your father start acquiring property in Piedmont?
- 03-00:47:30  
Bakar: Well it was interesting. My dad made a good living, I mentioned in the first interview. I never had the sense that we were poor.
- 03-00:47:39  
Rubens: Anyway, he was a businessman, right? He didn't actually work with his hands, but rather he bought and sold.
- 03-00:47:42  
Bakar: He bought and sold chickens. Layers. He bought and sold white leghorns, egg-producing chickens (as opposed to Rhode Island reds) and he also ran a chicken ranch for the eggs. And I covered that I think in the first interview.
- 03-00:48:06  
Rubens: Yes, of course. Now you're telling me it's a cute story about how he comes to buy property.
- 03-00:48:12  
Bakar: Well legend has it—because I obviously wasn't around or it was when I was too young—he bought the apartment house on Piedmont Avenue because Uncle Max needed an operation. And Uncle Max said if you buy that building, I can make a commission which will get me through my operation, and that's how my dad bought the building.
- And again, before my memory kicked in but the story I was told, my dad bought a 30-unit apartment house for \$25,000, \$5,000 down, and out of that Uncle Max got a commission. It was I guess, around \$1,000 or \$1,200 and got him his operation. And my dad had an apartment house and because he was

making a living in the chicken business, he took all of the income to pay off the mortgage. So my dad owned that building with no debt on it after just a few years.

03-00:49:17

Rubens: And were you aware of this? Or did you learn this later?

03-00:49:18

Bakar: No, learned it later.

03-00:49:20

Rubens: So did he buy up any more property?

03-00:49:24

Bakar: The building on Lenox Avenue where his sister, Gertrude or Gussy, lived.

Uncle Max I think built it for him before I was around. Again, I think there was an 8-unit building. And then there was the Bungalow Courts, my dad had several, maybe three or four pieces of property that Uncle Max over the years had found for him that he had bought, and Uncle Max made his commissions and my dad had a small portfolio of buildings.

03-00:49:59

Rubens: I see. And that was his egg in the basket. Did he have stocks and bonds as well?

03-00:50:05

Bakar: No. He never owned any stocks.

03-00:50:09

Rubens: And did Max oversee them?

03-00:50:14

Bakar: No my dad, depending on the building, would hire a manager. He had one 6-unit building where there was no manager.

03-00:50:25

Rubens: I know a few times you did travel with your father, not too far, but to buy chickens.

03-00:50:30

Bakar: Yes.

03-00:50:32

Rubens: Did you ever come down to look at the properties ever?

03-00:50:34

Bakar: No, no. Well, I'd go with him if he was going to them but I never—

03-00:50:38

Rubens: But you weren't being trained to—

03-00:50:39  
Bakar: No, no.

03-00:50:41  
Rubens: So did your father ever encourage you with Max? By the way, I can see he's all along afraid of getting his hands in and questioning.

03-00:50:51  
Bakar: No, he never said, why don't you do something else. No I don't remember that.

03-00:50:58  
Rubens: So, we're up to '53 and '54. Oakland's beginning to change pretty significantly.

03-00:51:05  
Bakar: I don't think of it in those terms. Now I'm with Wallock and we're building a bunch of buildings.

03-00:51:13  
Rubens: You must have been aware that times seem to remain good and it looked like growth, land is going up in value.

03-00:51:19  
Bakar: But I never thought in a macro sense. It was always finding a lot, building a building, moving to the next one.

03-00:51:26  
Rubens: I love how you discovered girls in college. Did you continue to have a nice social life?

03-00:51:37  
Bakar: Hmm, hmm.

03-00:51:39  
Rubens: Where would you say that was centered? Were you coming to San Francisco? Was it Oakland? How would you meet people once you were out of college?

03-00:51:45  
Bakar: Oh, I don't remember how I met them necessarily.

03-00:51:46  
Rubens: Would you say you had a gang, a crowd?

03-00:51:50  
Bakar: Well, I had a few friends. But I don't think in terms of—I think part of my social life, albeit he was five years older, was tied into cousin Mort's social life, and that was primarily in Oakland.

03-00:52:23  
Rubens: Did Mort get married?

03-00:52:31  
Bakar: Mort married twice. The first time he got married was sometime in probably the early '60s.

03-00:52:41  
Rubens: All right, so that's really what I'm asking. So you've got a buddy to be with.

03-00:52:45  
Bakar: Yes, yes.

03-00:52:46  
Rubens: So you got to be a single person throughout the 1950s. And what kind of things would you do, by the way? I loved how you said, you would go to the Claremont when you were in college. There were big bands and dancing. Would you come to San Francisco much?

03-00:53:14  
Bakar: Oh, sure.

03-00:53:16  
Rubens: When you say, "Oh, sure," what's drawing you to San Francisco?

03-00:53:19  
Bakar: There's just more activity in the city.

03-00:53:24  
Rubens: Were you interested in art by that time?

03-00:53:27  
Bakar: No.

03-00:53:28  
Rubens: So it isn't the museums.

03-00:53:31  
Bakar: No, none of the arts. That came later.

03-00:53:33  
Rubens: It's the Top of the Mark maybe on a special occasion or something like that. Were you particularly running with a Jewish crowd?

03-00:53:45  
Bakar: Probably, probably.

03-00:53:49  
Rubensr: And in business, were you aware of any or was there any attention paid to whether you were Jewish or not, or whether other people were Jewish.

03-00:54:01  
Bakar: From a business standpoint, I don't think it made any difference.

03-00:54:03

Rubens:

It seemed to not make any difference. Beth did ask you that question about whether you experienced anti-Semitism and you mentioned a few stories in defending your cousin's honor.

One of the things that I had wanted to ask you in terms of your rearing, were you either instructed directly or did you get the sense that as a Jew you had to monitor your behavior? You had to be aware of how you presented yourself?

03-00:54:41

Bakar:

That was something with my family, it was just very key in their rearing. Well, I do remember an expression, "That's the shonda for the goyim."

03-00:54:58

Rubens:

What does "shonda" mean? "Goyim" means non-Jewish people.

03-00:54:58

Bakar:

"Shonda" means shame.

03-00:55:01

Rubens:

Are you involved in any Jewish activities per se at this time? I assume you're not going to services, but you probably go back home for Passover.

03-00:55:19

Bakar:

No, the High Holidays were always spent in either San Francisco or Oakland.

03-00:55:22

Rubens:

What synagogues would you go to?

03-00:55:25

Bakar:

Well for the High Holidays, Temple Sinai, in Oakland.

03-00:55:29

Rubens:

And in San Francisco?

03-00:55:31

Bakar:

Remember my father's family were all from Oakland and so Oakland was really kind of the base when my grandfather was alive. He died when I was nine or ten. He was my father's father, the only grandparent I ever knew and we observed the holidays at his synagogue.

03-00:55:51

Rubens:

Which was?

03-00:55:52

Bakar:

I don't remember the name of it. It was on Webster Street in what was then the Jewish neighborhood of San Francisco.

03-00:55:58

Rubens:

Yes, I didn't know that was considered the Jewish neighborhood.

03-00:56:00  
Bakar: I know that shul [synagogue] was a very orthodox shul—women sat upstairs.

03-00:56:05  
Rubens: Did your parents attend shul regularly?

03-00:56:09  
Bakar: No.

03-00:56:10  
Rubens: But they observed. They were culturally identified as Jews but they weren't particularly religious?

03-00:56:12  
Bakar: Well culturally is a stretch. There is no question they identified as Jews, always. And they observed the High Holidays but that was about it.

03-00:56:59  
Rubens: I assume you registered to vote?

03-00:57:09  
Bakar: Oh, sure. Do I remember the act, no.

03-00:57:14  
Rubens: When you say, "oh, sure," that's because that was just what one did?

03-00:57:16  
Bakar: Oh yes, it was an exciting moment to be able to vote.

03-00:57:20  
Rubens: Were you a Democrat or Republican?

03-00:57:26  
Bakar: Democrat.

03-00:57:27  
Rubens: Did your mother vote?

03-00:57:28  
Bakar: I'm sure she did.

03-00:57:36  
Rubens: You mentioned that she drove you to the Bancroft School every day. Not all women drove from her generation. In Oakland, by the way, when one of the freeways is built, one of the synagogues has to be moved—is it Jacobs?

03-00:57:55  
Bakar: That's one of my first, not the shul had to be moved, it happened to be up near where the shul is. But one of the first deals on my own, when I left Uncle Max and before I actually teamed up with, I'm glad you reminded me of that, was because of Park Boulevard being straightened out, not the freeway. Do you know where you go under the freeway on Park Boulevard?

03-00:58:23

Rubens: Yes.

03-00:58:25

Bakar: Well, Park Boulevard curved around. When they took the big part of the curve out, there were only two lanes; they made it, I think, four lanes. There was a 6-unit apartment house that the city offered up for sale and you could buy the building; you could buy the building that sat here. And the way the street was reconfigured there was a parcel that you could put it on over here. So I went to my dad for help. That was the first deal by myself and my dad signed a note for me and I bought that. Again, I think I paid \$15,000 for the building to be moved and that included the lot to which it was going to be moved, and I think my memory is right on that. I think it cost me \$10,000 to move it and I think I sold that and made about \$10,000 profit. That was my first deal that was totally alone. I'm still in the office with Uncle Max. And maybe that's where I met Falaschi. No I think I met Falaschi on the earlier thing doing the tile work. But that was my first, by myself.

03-00:59:51

Rubens: By the way, were you aware of covenants in real estate that restricted where African Americans could live?

03-00:60:04

Bakar: I never faced that.

03-00:60:05

Rubens: And in terms of lenders, it just never was an issue that you were Jewish? Your name didn't particularly ring out as a Jewish name?

03-00:60:20

Bakar: But in my time, I don't remember that there was any inability to borrow money because you were Jewish. I don't have any memories of that.

03-00:60:29

Rubens: And you were going to mention, when you were borrowing money, are you regularly borrowing it from Travelers Insurance?

03-00:60:37

Bakar: No, no, Travelers was the first deal with Mr. Wallock?

03-00:60:47

Rubens: Let's stop for a minute while I change the tape.

Begin Audio File 4

04-00:00:22

Rubens: I meant to ask you earlier about whether the Korean War affected you, or whether you were in the military?

04-00:00:31  
Bakar: I was in the Navy Reserve. It was the Korean War, and I joined the Navy Reserve.

04-00:00:44  
Rubens: Why? Was it your patriotic duty to do that?

04-00:00:46  
Bakar: No. I didn't particularly want to be drafted. I joined the Navy Reserve. And I was in it for six years. I was never called up.

04-00:00:56  
Rubens: What did it mean to be in the Navy Reserve?

04-00:00:57  
Bakar: It meant going to meetings. I think there were either one or two a month. And they were both at Treasure Island, and then, at the foot of Fifth Avenue and Oakland. There was a Navy training base there.

04-00:01:17  
Rubens: Did you, during the summer, or at any point, go out on a ship or—

04-00:01:22  
Bakar: I never even did a weekend.

04-00:01:24  
Rubens: What did they train you to do?

04-00:01:27  
Bakar: I was a clerk typist. But the Korean War was not a popular war. And the memory I have was everybody was trying to avoid it if they could.

04-00:01:42  
Rubens: Did you have any interest in Truman, particularly, because you had heard him speak or anything like that?

04-00:01:49  
Bakar: No.

04-00:02:32  
Rubens: Where were you living at the time?

04-00:02:56  
Bakar: I lived in Berkeley with a fellow named Mark Hoffman.

04-00:02:59  
Rubens: In a note to you, your sister says that Mark introduced you to the world of art collecting. One of the very first pieces of art that you purchased was from an art sale held at San Quentin prison.

04-00:03:12  
Bakar: Could be.

- 04-00:03:12  
Rubens: If you'll forgive me for a second. In my notes I've got a wonderful piece from your Aunt Mildred and Uncle Matt. How were they related—
- 04-00:03:33  
Bakar: My mother's sister. All you've heard of so far are my dad's siblings.
- 04-00:03:37  
Rubens: That's right. How big a family did your—
- 04-00:03:40  
Bakar: Both my parents were one of five.
- 04-00:03:43  
Rubens: And why is it that we hear mostly about your dad's family?
- 04-00:03:53  
Bakar: Because they were all around in Oakland. All of my mother's families were in Los Angeles.
- 04-00:03:59  
Rubens: There is a note in your birthday album in which a cousin talks about you driving down to see them.
- 04-00:04:07  
Bakar: I had cousins down there. It wasn't necessarily to see any particular one. There were lots of vacations spent in Los Angeles.
- 04-00:04:14  
Rubens: Did you like Los Angeles?
- 04-00:04:17  
Bakar: Yes, I did, as a kid. I went to the beach all the time. But this was when I was maybe eight, twelve, thirteen, fourteen. In those years.
- 04-00:04:26  
Rubens: All right. And where did Mildred and Matt live?
- 04-00:04:29  
Bakar: They lived in West Los Angeles. They lived on Parnell Avenue, just off little Santa Monica. Just opposite the Mormon Temple. I had cousins that lived just off Pico and I would go down, my summers, and again, I don't think that has any relevance anyway, but my cousins—I had first cousins in Los Angeles, and we would spend the better part of the summers together. Where the first cousins in LA would come up to the farm in Petaluma, and the farm boy would go down to the city. So, we'd probably spend close to a month together over the summer. In ages, maybe, I'd be guessing, eight or nine to maybe thirteen or fourteen, maybe fifteen.
- 04-00:06:11  
Rubens: And would you take the train down or would you drive?

- 04-00:06:14  
Bakar: Either I would go down by myself on the train, which was a huge adventure—then the boys would come back with me—or they'd come up first and I'd go back with them. It was an adventure. We went in the daylight. We never took the Lark.
- 04-00:07:24  
Rubens: Well getting back to your early business adventures and maybe interest in art, I want to know if you were interested in design?
- 04-00:07:34  
Bakar: No. I mean, I get introduced to the world of architecture in '58 or so. After I built a building called the Lake Royal.
- 04-00:07:44  
Rubens: All right. I'm not quite there yet. Yes, we'll try to finish the interview today with that. But, so this is not something you're paying attention to, particularly. You're trying to—
- 04-00:07:53  
Bakar: I'm getting the cheapest set of plans that were going to work. And typically—not typically, always, in the pre-Jackson Lake era, almost always with draftsmen. Not licensed architects or AIA architects.
- 04-00:08:13  
Rubens: When you found out about those Telegraph Avenue apartments, it was more the process. Not necessarily the style of what they were?
- 04-00:08:23  
Bakar: They were terribly inexpensive; you could borrow 100% of your cost off.
- 04-00:08:30  
Rubens: Well, and of course there was a relationship between borrowing and conservative design; there was a fear of something too modern or different.
- 04-00:08:38  
Bakar: The lenders at that niche of the market just wanted to see what the thing could produce economically. There was never an issue about design.
- 04-00:08:49  
Rubens: I also am thinking back a little bit about when you were at Berkeley. Wurster was still there, and Kathryn Bauer was still alive.
- 04-00:09:01  
Bakar: Yes, but they were just names.
- 04-00:09:09  
Rubens: Did you know Howard Friedman? He was the Dean of the School of Architecture?

04-00:09:16

Bakar:

No. I didn't know him. But he just passed away. He was one of the—his wife was a Koshland which was part of the Levi Strauss family. That's not relevant.

04-00:09:16

Rubens:

One more question about the past: you mentioned the impact of the war on your father's business—and I wanted to know if you kept track of how chicken farming changed after the war; it becomes a larger scale business. The small farms start to be bought up by corporations like Foster Farms.

04-00:13:02

Bakar:

I remember two things. One: that my dad ended up with a second chicken ranch that he got from the feed company. And then we had a couple named Jensen that worked for my dad, and they got a chicken ranch. And they became very well-to-do people, hard-working people who got their start because of the internment of the Japanese. And I don't have really any memory of the Japanese coming back.

The chicken business changed, however. And whether it was driven by technology or just the experience—

04-00:14:17

Rubens:

The scale is getting larger.

04-00:14:17

Bakar:

Whatever. But it changed where an economic unit that made sense for the farmer who was in the business for eggs—which my dad was—as opposed to meat. I think the number that's in my mind was two to two hundred fifty thousand chickens. That was the smallest economic unit that made sense. They built these huge chicken houses, each one was in an individual pen, so they didn't have to go through the culling, because the eggs would roll out of their cages and they knew which chickens were laying and which ones weren't.

The scale of chicken farming was now very big. There are still some of those super chicken houses up there. If you drive from Napa over to Sonoma, there's a cut off, and you look to your right. There's a bunch of these jumbo chicken houses that my dad had never got, never did that.

04-00:15:27

Rubens:

And so, I'm wondering if you're aware of this transformation of the business process?

04-00:15:32

Bakar:

Not really.

04-00:15:32

Rubens:

Is your dad's talking about it or is he's getting out largely because of age in '60?

- 04-00:15:42  
Bakar: Yes, I guess he was just tired of it. And I think the business had changed. In 1960 he would have been 64, so it was time to move.
- 04-00:15:55  
Rubens: Did he sell his property too?
- 04-00:15:57  
Bakar: Not then. But sometime in the next five, six, seven years they did. My uncle moved back to Oakland.
- 04-00:16:04  
Rubens: So no one stayed up there?
- 04-00:16:06  
Bakar: No.
- 04-00:16:07  
Rubens: And I don't think I ever heard how many kids—
- 04-00:16:10  
Bakar: My uncle had two daughters. Marilyn, the oldest, was about a year older than I, and Gerry, Geraldine, the youngest was probably a year and a half younger than I. We lived on the same ranch. Our houses were probably the equivalent of three city blocks apart in distance. The ranch that I was raised on had my Dad's house and my uncle's house. And we both—
- 04-00:16:59  
Rubens: And then, the workers' housing was there.
- 04-00:17:01  
Bakar: Workers' houses.
- 04-00:17:03  
Rubens: So, again, your father's not talking so much about the business or not. You don't think that's what caused him to be such an eagle hawk on your own work, his concern about what's happening up there?
- 04-00:17:21  
Bakar: No, they were driven, the Bakar brothers, to make money, they were very penurious, coming from—starting with zero and going through the Depression. And whatever drove my father to be that—what's the word that I'm looking for? To have concern with everything that I did, was just his nature.
- 04-00:17:43  
Rubens: So, in terms of your own work, we're up to Lake Royal, I think.
- 04-00:18:08  
Bakar: Yes. Well, Wallock and I built a bunch of buildings together. Most of them we ended up selling or all of them we ended up selling. And we were making

some pretty good money. Then Wallock and I continued for years to share the office where he did his thing and I did mine.

04-00:18:27

Rubens: And where was that?

04-00:18:28

Bakar: In Oakland. We were together on East 14<sup>th</sup> Street, 153 East 14<sup>th</sup> Street. And there's a picture of that in there [Gerson's birthday book], too. And then, after the Lake Royal, I built a building, and I put some nice offices in there for myself on Jackson Street.

04-00:18:50

Rubens: Let's talk about how Lake Royal came about.

04-00:18:55

Bakar: You know, a developer ceases to become a developer if he's not developing. If he doesn't have a piece of land to move onto. His developing career stops.

04-00:19:06

Rubens: Were you calling yourself a developer?

04-00:19:09

Bakar: Yes. And this lot by the lake came up for sale, 19<sup>th</sup> and Jackson. I don't remember who the seller was. And I was then involved with the Wilseys. And we bought that with the idea of building the building which is now the Lake Royal. I think the address—well, it's the corner of 19<sup>th</sup> and Jackson Street.

[Looking at pictures and a news clipping] But this is the building I built with the Wilseys that was meant to be a rental apartment house. And this news story is when I realized that it wouldn't work as a rental, that the rents that I could get wouldn't justify what the building was costing me. It was costing me far more than I thought. So, I decided to convert it for ownership, which today would be a condo.

04-00:20:22

Rubens: Right, although, that was not the word used then.

04-00:20:23

Bakar: There were no condominiums until 1960 in California. And the form of tenant ownership was through a legal form called a co-op. So, I made a co-op out of that building and I believe it is still a co-op.

04-00:20:43

Rubens: Let's back up a minute. So, Wallock and you separated amicably.

04-00:20:49

Bakar: Yes.

04-00:20:49

Rubens: He wants to do other things.

04-00:20:50

Bakar:

Our last, we had had our eye on a property on 39<sup>th</sup> Street. And I had my eye on this property, and we kind of agreed to buy 39<sup>th</sup> Street. So, I said, "Mark, you take 39<sup>th</sup> Street. I don't want anything out of it. And I'm going to go over and build this building." So, Mark did 39<sup>th</sup> Street without me as a partner. I did this without Wallock as a partner.

04-00:21:15

Rubens:

How is it that you decided to turn to the Wilseys for financing?

04-00:21:20

Bakar:

Well, I need to back up also, and I'm trying to remember the first time. The Wilseys financed, early on, some of the Wallock and Bakar transactions—one or two. And we would be partners, Wallock and Bakar, who did the developing, Wilseys who provided the financing. And the reason for it was my inability to work with my Dad. I don't know how to say it, exactly.

04-00:21:51

Rubens:

You just wanted to be independent of him.

04-00:21:53

Bakar:

Well, I wanted to be independent. That puts it very well. And given his style and his wanting control would drive me crazy. So, I turned to the Wilseys, who my father had helped get started. And I think that's in the first interview.

04-00:22:08

Rubens:

Yes.

04-00:22:09

Bakar:

The Wilseys had financial resources sufficient to guarantee some of my loans.

04-00:22:16

Rubens:

Had they remained up in Petaluma?

04-00:22:19

Bakar:

Jack did. Al, I think, just before the war, built a house in Kentfield.

04-00:22:27

Rubens:

So, your father helped them grow and they did pretty well then.

04-00:22:30

Bakar:

Yes.

04-00:22:30

Rubens:

They had a natural instinct to—how to keep it going.

04-00:22:33

Bakar:

Well, they were making money in the chicken business in Petaluma.

04-00:22:37

Rubens:

And the war years were great.

- 04-00:22:37  
Bakar: And the war years were great for their butter business. Their biggest customer for butter was the government.
- 04-00:22:42  
Rubens: They already had that butter business in San Francisco because you worked at it during the summer. Did it have a name?
- 04-00:22:50  
Bakar: Wilsey-Bennett Company. And there still is a Wilsey-Bennett Company, but there's no Bennett. Their father had had a partner named Bennett, but I don't remember any of those details. In my lifetime, it was Wilsey-Bennett Company, owned by the Wilsey brothers.
- 04-00:23:09  
Rubens: Just to be clear, are you looking for actual money or for a guarantee?
- 04-00:23:18  
Bakar: No, I just needed help, financial help. Some of it came in direct loans. Some of it came in guarantees.
- 04-00:23:25  
Rubens: And so, when you know you don't want to be with your father, you're thinking about, who do I know who has some money?
- 04-00:23:32  
Bakar: No, I wasn't pausing and thinking. It was just a natural evolution; the relationship with the Wilseys was so close. So, in talking to them, they said, "We'll help you."
- 04-00:23:43  
Rubens: I didn't know if you turned to them for counsel, sort of. Were they a team?
- 04-00:23:53  
Bakar: Yes, very much so.
- 04-00:23:55  
Rubens: Just in everything they did, they were close.
- 04-00:23:56  
Bakar: Very much so, until Jack died in 1965.
- Rubens: Your father played some role in Jack's marriage?
- 04-00:24:11  
Bakar: My mother was very sick in about 1938. She had an attending nurse and my dad liked her and wanted to introduce her. And to make a long story short, my dad introduced Jack Wilsey to his wife Olga.
- 04-00:24:36  
Rubens: And then Al married the woman from Hawaii. How did he meet her?

04-00:24:42  
Bakar: I have no idea.

04-00:24:43  
Rubens: When you said she was from Hawaii, was she Hawaiian?

04-00:24:46  
Bakar: No. Her father's name was Duisenberg. He was shell-shocked from the attack on Pearl Harbor. He never recovered.

04-00:24:56  
Rubens: Really? He didn't say what it was that had happened. So, they were married. They had families, but your family is still just very close.

04-00:25:05  
Bakar: Well, in the first interview I talk about them eating at our home all the time. It was an extended family on both sides.

04-00:25:13  
Rubens: You talk about Al knowing Yiddish, learning Yiddish.

04-00:25:16  
Bakar: Well, yes. He liked it.

04-00:25:20  
Rubens: So when it comes to Lake Royal, that's where you really need—

04-00:25:35  
Bakar: Well, I needed it prior to that, as well. But the Lake Royal was important. We built it. We determined early on that it wasn't going to work out economically as a rental. So, we made it into a for-sale project using the co-op form of ownership. And I did my own contracting, which was the last time I ever did—well, I take it back. I did one more building. Jackson Lake. But it was one of the last times I did my own contracting. And the building with me as a contractor, was a first-rate building when it was finished, except it leaked like a sieve and the heating didn't work.

04-00:26:22  
Rubens: You had not had these problems before?

04-00:26:23  
Bakar: No.

04-00:26:24  
Rubens: Everything had worked out?

04-00:26:26  
Bakar: Well, the other ones were simpler buildings. And I had no high-rise experience. This was fifty-five units.

04-00:26:35  
Rubens: And that's a pretty modern looking building. Was there an architect for this?

04-00:26:38  
Bakar: There was. It was the first time I had ever used an architect, but it was basically designed by—well, it was an architect. Walter Harada, I think his name was that. He was Japanese.

04-00:26:53  
Rubens: Was it unusual that you would—

04-00:26:55  
Bakar: No, I don't remember how I got him.

04-00:26:57  
Rubens: And any issues about permits and insurance?

04-00:27:05  
Bakar: No.

04-00:27:06  
Rubens: And all this was just, again, just a much bigger.

04-00:27:09  
Bakar: The business of getting building permits at that time in most communities, the word NIMBY didn't exist.

04-00:27:17  
Rubens: This is a pretty modern design. But, again, it's not—you're not interested in that part.

04-00:27:22  
Bakar: No.

04-00:27:22  
Rubens: You're letting them do it. And then, let me just hear it one more time, the financing was such that the rents would not cover?

04-00:27:32  
Bakar: The economics were such that if we were successful in renting every apartment, we wouldn't have enough money left to pay the loan off. So, we decided to sell it, in the form of individual ownership. Co-op.

04-00:27:52  
Rubens: Were there many co-ops around? I mean, this was—

04-00:27:53  
Bakar: Interesting, the only—one of the great buildings in Oakland is two doors to the west. I've forgotten the name of it, but it is a classic building built in the '20s, it's a co-op, to this day. Henry Kaiser lived there. Mr. Bechtel lived there. No, I take that back. Mr. Bechtel bought it. It was a co-op that went broke. You know, I could be wrong. I don't want to pretend to be an authority on that building. There were no condominiums.

04-00:28:32

Rubens: For the record, the difference is?

04-00:28:32

Bakar: In a condominium, you own your unit. You own it just like you own a home. In a co-op, a corporation owns the building. And they lease it to the people that own the individual apartments. So, the ownership of the individual apartment is through the 99-year lease that you get from the corporation that owns the building, and then you own a portion of the corporation. So the corporation owns the building, and they lease a unit to you for 99 years.

04-00:29:01

Rubens: And if you want to move—

04-00:29:05

Bakar: You can sell your stock. And your lease stops.

04-00:29:11

Rubens: Were there co-ops in Oakland?

04-00:29:17

Bakar: Yes, I think there were one or two, but most of the high-rises out on Pacific and Jackson, and the Pacific Heights in San Francisco, to this day, are still co-ops.

04-00:29:35

Rubens: And some of those did go up in the '30s, didn't they?

04-00:29:37

Bakar: Most of them were built in the '20s and '30s.

04-00:29:39

Rubens: At this point, are you getting legal advice?

04-00:29:48

Bakar: Well, at that point, I engaged a lawyer who did affect me in a material way, named Tevis Jacobs.

04-00:29:57

Rubens: How did you find him?

04-00:29:59

Bakar: He was considered to be the finest real estate lawyer, or one of the finest, in the Bay area. And I went to him because I needed all the pieces to have a ring of authority or whatever. I needed the prestige of Tevis's firm. I couldn't just hire some little attorney to do the co-op.

04-00:30:22

Rubens: Where was he located?

- 04-00:30:23  
Bakar: In San Francisco. And he was, again, generally considered, at that time, to be the outstanding real estate lawyer.
- 04-00:30:32  
Rubens: And he helped set up this?
- 04-00:30:34  
Bakar: He did set it up.
- 04-00:30:36  
Rubens: And then, you're out of the picture?
- 04-00:30:40  
Bakar: Well, when the building was finished, we hadn't sold all of the apartments. It took a couple years to sell them all. And the building had many problems. The water proofing didn't work and the heat didn't work. And recognizing that we, as the developer, had significant responsibility, a board of directors of the corporation that owned it, the co-op was in place. I went to the board and I said, "Hire a water-proofing expert. Hire a mechanical engineer expert. Tell us what we have to do and we'll fix it." We were never sued.
- So, we fixed it, and when all the dust settled and we sold all the units, we lost a few hundred thousand dollars, which, at that time, was a lot of money, and had a lot of headaches.
- 04-00:31:40  
Rubens: I bet. Was this a moral position? Could you have stiffed them?
- 04-00:31:46  
Bakar: I couldn't have. No, I would have been sued. But I was never sued.
- 04-00:31:51  
Rubens: So this was your first mess. And first loss.
- 04-00:31:59  
Bakar: Good way to put it. Yes.
- 04-00:31:59  
Rubens: What do you feel you learned from that?
- 04-00:32:05  
Bakar: I learned to get a good bunch of professionals, and I learned, basically, that my contracting days—that contracting is not where the big profit is in real estate. The profit's on the entrepreneurial side of development. And contracting is kind of a mechanical function. So, a prudent developer would have a good design team and hire a good contractor.
- 04-00:32:33  
Rubens: While you were doing this, were you already—

04-00:32:36

Bakar:

No. Down the street was a, I believe, an osteopathic hospital in an old, old mansion that had been converted to a hospital. And it became for sale. And I bought it. And that's when I discovered the real world of architects. And Don Emmons. Does that name mean anything to you?

04-00:32:59

Rubens:

Yes. A partner at Wurster.

04-00:33:01

Bakar:

Wurster and Bernardi and Emmons. Don Emmons came over to see me. He had read that I had bought this lot, and I was very impressed with Don, and obviously, at the office, Wurster and Bernardi and Emmons. And they designed the building. It was my first real experience with a good architectural design team. And they designed a building that became known as the Jackson Lake Apartments, and that's down the street from the Lake Royal. It's still a fine looking building. It's four lobbies. The building has four separate lobbies, but it's one building.

04-00:33:45

Rubens:

And it's down the street from Lake Royal?

04-00:33:47

Bakar:

Yes, on Jackson Street. And in it, there was a spot for a grocery store which I put in. And then that same spot, because it was a series of identical buildings, is that office I alluded to. And that's where Wallock and I had offices for several years, in the Jackson Lake Apartments.

04-00:34:08

Rubens:

And at that point, Wallock is not your partner, but your associate.

04-00:34:12

Bakar:

Right.

04-00:34:18

From this point, I've stepped up to another league. It's a good way to put it.

04-00:34:29

Rubens:

How big is that Jackson Street apartment, by the way?

04-00:34:31

Bakar:

It was 192 units.

04-00:34:32

Then I did—which really changed my life—then I did a project called Woodlake.

04-00:34:49

Rubens:

Yes. So, just to finish up this part, do you remain the contractor on this one? On the Jackson?

- 04-00:34:59  
Bakar: You know, it's interesting. For the garage, which was a concrete garage that runs the length of the building, I hired an outside contractor. And I had crews that finished the more simple part of the building. But then, when I moved to the next project, which we'll start with on our next session, which was 1,000 units—that's when I stopped contracting.
- 04-00:35:29  
Rubens: Is it Emmons who makes the decision to go for 192 units? Is it that the lots are big enough?
- 04-00:35:36  
Bakar: Well, the plan just developed. That's the way it developed.
- 04-00:35:40  
Rubens: So, despite some loss, you still had a good reputation, and could get the financing.
- 04-00:35:46  
Bakar: Yes.
- 04-00:35:47  
Rubens: And the Wilseys are a partner?
- 04-00:35:48  
Bakar: Not by this time. And I think it's a good place to start next time. And that's when Travelers or Met financed Jackson Lake.
- 04-00:36:02  
Rubens: Very quickly. Just to fill in, where on Jackson Street?
- 04-00:36:12  
Bakar: It's Jackson Street between 15<sup>th</sup> and 17<sup>th</sup>. And it's the west side of Jackson Street.
- 04-00:36:19  
Rubens: All right. I'll go. I want to see that. You're not going to move to San Francisco until 1960.
- 04-00:36:26  
Bakar: Right.
- 04-00:36:25  
Rubens: So, these opened before?
- 04-00:36:27  
Bakar: Yes.
- 04-00:36:28  
Rubens: I have a question mark in my notes regarding gambling debts.

04-00:36:39  
Bakar: Oh, I lost. I thought I was a big shot, and I liked to gamble. And I lost more than I could, which is the best thing that ever happened to me.

04-00:36:46  
Rubens: Did that fix you?

04-00:36:47  
Bakar: Yes.

04-00:36:49  
Rubens: Where did you like to gamble?

04-00:36:50  
Bakar: Well, I used to go to Lake Tahoe, every weekend in the summer time.

04-00:36:53  
Rubens: And you had buddies you went with? Did you go with Mort?

04-00:36:58  
Bakar: Yep, all of us.

04-00:37:00  
Rubens: Were there a group of girls that would go there or you'd meet girls up there?

04-00:37:04  
Bakar: Meet them up there.

04-00:37:07  
Rubens: What did you like to do particularly? I mean, it was cards and—

04-00:37:13  
Bakar: Craps, Black Jack.

04-00:37:15  
Rubens: I'm sure your dad didn't know about that. You didn't want to—

04-00:37:24  
Bakar: Well, he heard about it. But, by that time, it was my money. It wasn't my dad's.

04-00:37:33  
Rubens: What did you like about the gambling? I mean, gambling—you were gambling in terms of the work you were doing?

04-00:37:39  
Bakar: That's a different kind of gambling.

04-00:37:41  
Rubens: OK. How so?

04-00:37:44  
Bakar: Well, that's a business. If you don't take any risk, or if you're risk-averse, you're not going to be necessarily a successful entrepreneur. You have to take some risks.

04-00:37:53  
Rubens: Right. Your father wasn't willing to take those risks.

Bakar: No, he was very conservative. And Uncle Max had taken his and went broke in the '20s. Late '20s, early '30s.

04-00:38:05  
Rubens: Yes. Well that's the Depression generation. But, you're saying gambling wasn't—what did you like about the gambling?

04-00:38:12  
Bakar: Oh, that whole life. I mean, it's a terrible, terrible environment. But it was fun.

04-00:38:18  
Rubens: Did you see shows too, when you were there?

04-00:38:21  
Bakar: Well, Cal-Neva was the big resort on the north side.

04-00:38:25  
Rubens: Did you get interested in buying property up there?

04-00:38:28  
Bakar: Never.

04-00:38:28  
Rubens: Or developing or—

04-00:38:29  
Bakar: No. It's kind of a shame. My entire life, I've never tried to get involved in real estate where I had a vacation interest.

04-00:38:39  
Rubens: I was going to ask you if anyone held on to anything in Petaluma. Of course this becomes a second-homes area, also vineyards.

04-00:38:47  
Bakar: The answer is no. Some time in the—and I don't know exactly when, in the '60s—my dad and my uncles sold the farm. I think my dad was still alive when they sold it.

04-00:39:07  
Rubens: When did your dad die?

04-00:39:10  
Bakar: He died in October of '72.

04-00:39:14  
Rubens: Oh, he lived a long time. And your mother?

04-00:39:16  
Bakar: In October of '81. So, my dad was 76 when he died, and my mother was 81 when she died.

04-00:39:25  
Rubens: Are you going to Palm Springs in this period?

04-00:39:34  
Bakar: Yes, it starts. Palm Springs starts around '65.

04-00:39:36  
Rubens: So, let me just look at my check list. Had you been in the newspaper before? You were near the Bechtel building?

04-00:39:43  
Bakar: Oh, I don't remember about being in the newspaper. The Lake Royal was two buildings over from the Bechtel.

04-00:40:06  
Rubens: So, you knew who the elite of Oakland was, but were you—

04-00:40:08  
Bakar: Yes.

04-00:40:08  
Rubens: Who's selling these apartments?

04-00:40:12  
Bakar: Coldwell Banker.

04-00:40:15  
Rubens: You're not. You're not selling them.

04-00:40:17  
Bakar: No.

04-00:40:36  
Rubens: And in this period of your life, are you getting interested in art. It's not Mark Hoffman.

04-00:40:43  
Bakar: No. The lawyer that I mentioned, Tevis Jacobs, was the one that got me interested in art. He had been the attorney for the Steins, the great patrons of the San Francisco Museum of Art.

04-00:40:55  
Rubens: I assume he was Jewish?

04-00:41:00  
Bakar: Oh very.

- 04-00:41:15  
Rubens: There are a few notes I've made to ask you about. For example, someone mentions that one of your favorite sayings is, "I'd rather owe it to you than cheat you out of it."
- 04-00:41:29  
Bakar: That was my dad's favorite expression. That was said always with a touch of humor. For instance, if you made a friendly bet. "I'll bet you a million dollars you can't remember this or that." My dad would always say, if he lost, "I'd rather owe it to you than cheat you out of it." He didn't mean it in the literal sense of owing people money and not paying them.
- 04-00:41:54  
Rubens: That's what I was wondering. Did he particularly speak about morality in business?
- 04-00:41:59  
Bakar: No, no, no. That was purely part of his sense of humor.
- 04-00:42:04  
Rubens: Here is a left over: I see you had a bar mitzvah. Was that a big thing?
- 04-00:42:20  
Bakar: No, it was just the thing to do.
- 04-00:42:21  
Rubens: OK. So, even if you're not going to go to a synagogue every night, the young boy is going to have a bar mitzvah.
- 04-00:42:34  
Bakar: It was very important to my mother and father that their son was a bar mitzvah.
- 04-00:42:38  
Rubens: Was their daughter, your sister, bat mitzvah-ed?
- 04-00:42:39  
Bakar: No.
- 04-00:42:40  
Rubens: I wondered if your family talked about the fate of the Jews during the war?
- 04-00:43:18  
Bakar: You know, I really don't remember any of that. I do remember that the day of my physical examination, which was scheduled, the Selective Service Act expired. And I remember calling down, and I said, "What do I do?" They said, "You got to be some kind of a nut. It's over."
- 04-00:44:07  
Rubens: Mort, of course, is in the—

- 04-00:44:12  
Bakar: Navy, the Navy air, but I don't think Mort ever served overseas.
- 04-00:44:54  
Rubens: Just a couple more odd-ball questions. I have a particular interest in the 1939 World's Fair on Treasure Island. Do you have any memory of the '39—
- 04-00:45:06  
Bakar: Oh, I have a lot of memories. I mean, it was a big thing among your peers. Bear in mind, I was eleven years old, and they had the fair for two years. So, I was eleven and twelve. "How many times have you been?" "How many times have *you* been?" And we used to go all the time. We drove down to take the ferry over. Do you know the amusement area, the Coney Island?
- 04-00:45:28  
Rubens: The Gay Way, it was called. And when you said "we," did you mean as a family, or even just boys.
- 04-00:45:37  
Bakar: Oh, I went over there with the family. I went over there with kids my age. But I remember, it was a big thing: how many times have you had been to the fair?
- 04-00:45:45  
Rubens: Is there anything at the fair that particularly stood out in your mind? Richard Reinhardt has a memoir about the fair and he talks about trying to sneak into Sally Rand's nude ranch.
- 04-00:45:58  
Bakar: When I did Woodlake I got to know Sally Rand, but, no, the only thing I remember about the fair of a very personal nature is that my mother was a preemie, and they had the weirdest exhibit, an exhibit of premature babies. And I remember my mother saying to somebody there, "Oh, I was premature." So, she was premature in 1900. And she would tell the story that they kept her, like, in a cigar box, lined with cotton. I guess they didn't have access to incubators.
- 04-00:46:29  
Rubens: But you know they did exhibit the new invention, incubators, at the 1915 Pan-American Exhibition. It was a big show.
- 04-00:46:40  
Bakar: Well, they had it on Treasure Island.
- 04-00:46:41  
Rubens: Yes, so, that's why they had it again at Treasure Island. And they also had a reunion of the incubator babies on 1915.
- 04-00:46:44  
Bakar: How do you know that?

04-00:46:50

Rubens:

I'm writing a book about the fair. I'm using it as a demarcation of, prior to the war, San Francisco pushing to be a really modern, cosmopolitan center. Historians primarily argue that World War II transformed California, which one can't deny. But I think the infrastructure's all there in 1939—Treasure Island is an example of it; the island was to become the airport. Swinerton was one of the big construction companies at the fair.

04-00:47:46

Bakar:

They built Levi's Plaza.

04-00:48:47

Rubens:

Yes, of course. Do you have any memorabilia from the fair? It's so valuable now.

04-00:48:57

Bakar:

No.

04-00:49:06

Rubens:

The UN. Were you aware of the UN?

04-00:59:08

Bakar:

Oh, very much. When I was in college, I remember one personal experience. They had, in the Greek theater, some kind of a ceremony honoring the principal people that were there—it was 1945—when the charter was drafted in San Francisco. And when I was in college, I went to the Greek theater, and my memory of it is I ran up on the stage when it was over, and I grabbed the name plates. There were envelopes about this big. "Mr. Molotov sits here." "Mr. Stettinius sits here." For each of the foreign ministers, the people that were doing the drafting.

04-00:49:59

Rubens:

So that got your attention. You know, I asked you, a few different times, if you were aware of politics.

04-00:50:04

Bakar:

I was never much involved.

04-00:50:06

Rubens:

But that is a momentous time in history.

Bakar:

Well, when you're 17, I don't know how much you get moved. Again, in the first interview, I mentioned that my life changed when I went to Berkeley. Here was a shy country boy getting involved in this hectic life in every way. And I damn near flunked out of Cal. I came awfully close to it.



**Interview 3: July 20, 2006**

Begin Audio File 5

05-00:00:00

Rubens: There are a few left-overs from our last interview. I know Ken Kahn, who wrote two books on the Jewish Petaluma chicken farmers and he recalls interviewing you and that it was a good interview.

05-00:00:41

Bakar: I think I remember that. I also recall the name of the man at Swinerton that you were trying to think of, Ben Raffin.

05-00:00:43

Rubens: That's exactly right.

05-00:00:47

Bakar: Barrett and Hilp you mentioned built many of the structures at the 1939 World's Fair in San Francisco. There was Rothschild, and Raffin. And they merged with Swinerton and Walberg.

05-00:01:35

Rubens: Our last interview ended with Lake Royal and with Jackson Lake. And, it was a big leap. Not the same kind of leap you're going to make with Woodlake that we'll discuss in just a minute. You're increasing the size of your buildings: Lake Royal was 55 units. Jackson was 192 units.

05-00:01:56

Bakar: Right.

05-00:01:57

Rubens: The financing of Lake Royal we didn't talk about particularly, but to build it was about, so a newspaper article at the time stated, \$1.3 million dollars.

05-00:02:07

Bakar: Yes. That was probably our guess at the time, and it cost significantly more. And that's why we made it—we originally wanted it to be a rental project. And because it cost so much, we really couldn't make an economic deal out of it—make it work economically. So, we chose early on to make it into a for-sale project, where the tenants, rather than the rental tenants, were the owners. The occupants were the owners.

And until 1960, the building I started in '58—there was no provision for condominiums. That's my memory. When I did the Lake Royal—which I did with not very sophisticated architects—during that process, the newspapers announced I had purchased this property, which became Jackson Lake. And one day, two gentlemen came over to see me, called up and asked if they can come over. And it was Don Emmons and William Wurster, a well-known name on the Berkeley campus, Wurster Hall was named for him. And he was a highly respected and revered architect. And the firm was, as well. So, I

engaged them. They presented their case that they'd like to be the lead designers for this next building. And I engaged them to do Jackson Lake and they did. And they did an excellent job. And Jackson Lake was built. Ted, you know, you might get the brown book. You know, where I keep that brown book on Woodlake, that planning book.

05-00:04:25

Rubens:

I have it. You gave it to me. Let's look at that together.

05-00:04:34

Bakar:

So, anyhow, I engaged Wurster, Bernardi and Emmons for Jackson Lake. And Jackson Lake was a large building. It was very successful as a rental. I was still partners with Mr. Al Wilsey and the two Wilsey brothers. And my thought was, you know, a developer stops to be a developer if he's not developing. Call him whatever you want, but he's not a developer. And I was looking for my next—which is what I was always doing. As I built one project, I was looking for the site for my next. And I thought, "Gee, if I could only find a site where I can build a whole bunch of Jackson Lakes." And all of a sudden, I got a phone call from a friend. I remember his name was Sandy Weiss from LA. And he says, "Are you looking at the College of San Mateo?" And the College of San Mateo had announced they were abandoning their campus in San Mateo at that time, and building a new one in the hills above San Mateo. And I should look at it. And that started the journey that became Woodlake.

05-00:05:53

Rubens:

May I interrupt you here for a moment?

05-00:05:55

Bakar:

You can interrupt me any time.

05-00:05:56

Rubens:

How did you know Sandy Weiss?

05-00:06:02

Bakar:

Just a long-standing friend. A developer from Los Angeles. He was just a social friend. I can't remember how I met him.

So, when the Lake Royal was finished, my parents bought an apartment and moved there.

05-00:06:33

Rubens:

And there is a news story about groundbreaking for Jackson Lake. This clipping doesn't say which newspaper. Perhaps it's the *Oakland Tribune*. It mentions Pacific Queen, headed by Bakar—

05-00:06:49

Bakar:

No, well, that's not so. Pacific Queen was the investment arm of the Wilsey brothers.

05-00:06:55  
Rubens: Oh. They already had something in place?

05-00:07:00  
Bakar: Yes, they had a company called Pacific Queen Investment Company and that was the vehicle they used for the real estate activities.

05-00:07:10  
Rubens: We did talk about how you had turned to them. You didn't want to be connected with your father. But I didn't hear, had they already set up some real estate investment?

05-00:07:20  
Bakar: No.

05-00:07:21  
Rubens: It was through you that they became interested in this and then set up a financial arm and mechanism.

05-00:07:28  
Bakar: Correct.

05-00:07:30  
Rubens: That's important. And one other thing. I don't want to go too quickly over someone of the stature of Don Emmons coming to you. He read that you're doing interesting things. I guess the firm had some apartments in San Francisco, but they didn't do many apartments.

05-00:07:49  
Bakar: I don't know that they did any apartments. Architects solicit business. And good architectural firms, the larger firms, have developed the people to solicit business. But in this case, it was Mr. Emmons and one of his assistants.

05-00:08:07  
Rubens: That's impressive. Did you know who they were, I mean their stellar reputation?

05-00:08:16  
Bakar: Oh yes. They were a well-known firm.

05-00:08:23  
Rubens: So, you knew you were being recognized?

05-00:08:27  
Bakar: No. The potential of a new development was being recognized. I could have been John Smith. But the newspaper article says a large piece of property is going to be developed.

05-00:08:38  
Rubens: Well, but they knew you had a track record.

05-00:08:40

Bakar: I don't know. I have no idea what they knew.

05-00:09:36

Rubens: OK. I wonder if any of the problems at Lake Royal are going to hang over you when you now move into San Mateo. You said you'd fixed the problems and were never sued.

05-00:09:44

Bakar: No. But as I said, by that time, I realized that I wasn't a contractor, and when I went down to San Mateo I decided that I had to engage a contractor. As I said last time, after Jackson Lake I thought if I can only find a place where I can build a bunch of Jackson Lakes. And then, low and behold, Sandy Weiss called. We drive down to see the campus. And then we come to the beginnings of negotiations to buy the campus, which took a while. I don't remember how long, and we bought the campus.

05-00:10:38

Rubens: And when you say "we," you mean still your—

05-00:10:40

Bakar: Myself and the two Wilsey brothers.

05-00:10:42

Rubens: And did that require then going also to a lending agency?

05-00:10:49

Bakar: Oh, in all these projects there was always a third-party lender.

05-00:11:11

Rubens: All right. So then, once you decide you're going to buy the property what do you do?

05-00:11:22

Bakar: I then engaged Wurster, Bernardi and Emmons. I then went to the lenders and at the same time, you go to the city hall and talk about the zoning problems that you might have. And you create a plan that hopefully matches what you hear at the city hall. Or it doesn't always.

05-00:11:47

Rubens: So, how do you even begin to scope out and envision what you want to do? How big was that property?

05-00:11:55

Bakar: Thirty acres.

05-00:11:56

Rubens: Did you plan to build on only 30% of the land—I thought I read that?

05-00:12:06

Bakar: No, that's the actual coverage of the land. The whole 30 acres were used. Twenty-five of them, approximately, for the Woodlake Apartment project. And five acres, approximately, were used for a neighborhood shopping center.

05-00:12:23

Rubens: What I'm trying to get at is where does the vision come from then of how to use this property?

05-00:12:31

Bakar: Well, remember what I said a few moments ago. If I can find a property where I can build a bunch of Jackson Lakes. At the same time, if you're going to build a bunch of buildings, you got to think more in terms of just the buildings. I was aware of a large project in Seal Beach in Southern California, and I think the name of it was Leisure World. And the developer was a man named Ross Cortese. Mr. Cortese just—a foot note for the moment—was the developer of Leisure World and Rossmoor in Walnut Creek. And Ross is his name. Ross Cortese. But that was a follow-up with the Seal Beach development. And my memory of the Seal Beach development is that it was about a five- or six- or seven-year program with about 5,000 apartments or units. And they weren't necessarily apartment houses. They may have been detached, too. And he sold it out in about a year. It was an enormous success. Or I perceived it as a success. I never saw any numbers.

05-00:13:57

Rubens: Early '60s?

05-00:14:04

Bakar: Yes. And he had an enormous amenity package. It was a full lifestyle project. It was targeted for senior citizens, and he also had a medical program that went with it. I think they had it at Rossmoor, possibly. But it had an enormous amenity package. All sorts of amenities. Club houses, et cetera. But you had to be over some age. I don't remember the threshold age. My guess is it was 62, but that's a guess. And I thought, why do you have to be old to live in a project with all these amenities? Why can't I build a project that can appeal to the entire rental market and put amenities that will appeal to older, middle, younger. And, so that was the genesis of my thinking when I went down to give the architects a program for the Woodlake, for the San Mateo property. And the only segment of the market that we didn't try to appeal to was, I didn't think that a large project with adults, albeit young, middle age, and older adults, should have a lot of kids in it. So, the only thing we didn't appeal to were the young marrieds with children. In those days, you didn't have to rent to children. Nowadays you have to.

05-00:15:41

Rubens: I would assume you thought that those people with children might be going into the suburbs or into single-family dwellings.

05-00:15:47

Bakar: Well, this was the suburbs, but in any event, the project appealed, and was meant to appeal to the entire rental spectrum. Young singles, young marrieds, to older people. And everything in between. So, I built a project that encompasses these 30 acres. There would be a neighborhood shopping center, and in round numbers—1,000 apartments, a lake, a big club house, tennis courts, seven swimming pools.

05-00:16:23

Rubens: Seven?

05-00:16:24

Bakar: No, I'm thinking of another project, but swimming pools, tennis courts, and a gymnasium. Just everything. You know, in our next meeting, I think I can have—hopefully I can have some brochures of all my projects.

05-00:17:13

Rubens: I loved also that you built it around the automobile, as well. You planned for more parking spaces.

05-00:17:21

Bakar: No, less. Let me explain.

[Looking at plans] This is the shopping center. This was a jumbo Safeway. And it didn't turn out exactly like this. Bear in mind, this is an early plan. Here's the service station, Safeway, a drug store. And smaller stores. This building turned out to go over more.

This whole area had been the College of San Mateo. The only thing left of the college was what they called Faculty Glade. And those trees are still there.

Here's the high school. This is an aerial view of the little model the architects designed for me.

05-00:18:19

Rubens: It allows to superimpose, to overlay the plans.

05-00:18:21

Bakar: Exactly.

Rubens:

You called this a suburb—where did you envision most of the people would work?

05-00:19:40

Bakar: You're playing with words. It's a community. It's certainly a suburb of San Francisco. But it's a self-contained community.

- 05-00:19:55  
Rubens: So, what I was trying to get to was if there was anything in Palo Alto to draw and employ your tenant? Had the Stanford Shopping Center been created, or Town and Country?
- 05-00:20:02  
Bakar: You know, I think Town and Country might have been. I don't remember the chronology of the shopping center. I just don't.
- 05-00:20:16  
Rubens: It sounds to me that this is coming from you. That this is—Emmons isn't saying, "This is what I want."
- 05-00:20:37  
Bakar: That's true.
- 05-00:20:39  
Rubens: You are developing this concept of garden apartments.
- 05-00:20:40  
Bakar: That's the function of an entrepreneurial developer.
- 05-00:20:43  
Rubens: I can see where Leisure World, maybe, is giving you a few ideas.
- 05-00:20:49  
Bakar: Well, let me pick up on your word "idea." I don't think I've ever done anything truly original. But I think I've taken the best of lots of other things, put them together in a combination, the combination of which became something perceived to be original. The Woodlake concept, just going back to Jackson Lake. I mean, it was an apartment house. And all of a sudden, I had enough land to create a total environment. I went into an area in San Mateo, which many people were afraid of because it was twilight, meaning it had been a white neighborhood and it was turning colored, as the term was used at the time.
- It was. And there was a question. I mean, people didn't build projects like this in what was perceived to be a ghetto environment or a colored environment. This 30 acres was big enough that I felt I could create my own environment. And I think we did. When you go down there and see it, it's a community by itself.
- 05-00:22:11  
Rubens: I think that's right around the time, maybe a little earlier, that Ken Behring is starting his retirement homes in Florida. But they're homes. They're single-family homes and it's buying into a community. But it's not big garden apartment units. No one else is doing this?
- 05-00:22:20  
Bakar: No, I think that's the significance.

If I may. If you forgive my lack of modesty. I think Woodlake was an eye-opener to a different level of garden apartments. This was garden apartments that provided a lifestyle. And there were, at that time, apartment houses that had a swimming pool.

There may have been apartment houses that had a room that they called a gym. I don't even remember. When you go down there and if you go into the club house and you go down stairs, you'll see the men's side, the women's side of the gym. They join in the big room with the weights. And when you go down there, you're going to see a project that was conceived 46 years ago. It was conceived in the early '60s. And at that time, it was just developers and builders from all over the country. And I had many visitors from distant shores who came to see Woodlake. There was a buzz about Woodlake.

05-00:23:38

Rubens:

Do you remember what you paid for it?

05-00:23:43

Bakar:

Yes, I do. I paid for the land, two million—this is from memory, but I think—\$2,160,000 for the entire land. Today it would be as much as \$100,000,000. If you divide that by 30, that was \$70,000 an acre. So, for suburban land, \$70,000 an acre was an extraordinarily high price at that time.

But I looked at it, not as 70,000 an acre. I had 1,000 apartments, and if I allocated some of the cost of that for the shopping center. Three or four hundred thousand. I was paying—to do my arithmetic. I was paying about \$1800 for each apartment. The appropriate allocation of land cost to each apartment was only about \$1800.

05-00:24:44

Rubens:

And then, the case that you're making to the city is how much of the tax base they're going to get, there will be a multiplier effect.

05-00:24:53

Bakar:

Well, sure. If this had been single-family, and I had a competitor, which I'll tell you about in a minute. But if the competitor had bought it, it probably would have had about 150 houses. About five to the acre. That's a guess.

05-00:25:12

Rubens:

And this must have been after Eichler already built there?

05-00:25:14

Bakar:

Yes. And there's a cute story. We knew Mr. Eichler because he had done some work in Petaluma. He had been in the egg business. So, we knew him, and we met with him. And he showed us a plan he had to create single-family dwellings.

05-00:25:35

Rubens:

You knew that he was interested in that land?

05-00:25:36

Bakar:

Yes, we heard about it. I don't remember it well. We could have heard about it from the seller of the College of San Mateo. But in any event, we heard about it, and we had lunch with him one day, and we asked him if he would not bid on it, because we really wanted it. And he agreed, but he said he had these expenses and he had to recover his expenses. And they were very nominal in the context of the two million. It was about \$20,000. And he said he wouldn't bid on it, but he'd like to be reimbursed for the 20, which we did. It turned out, within a month or two, he went bankrupt.

He never would have bought the property.

05-00:26:30

Rubens:

Had he already built the—

05-00:26:33

Bakar:

Eichler Summit at 999 Green in San Francisco.

05-00:26:40

Rubens:

Yes, and had he done anything else in the Stanford area?

05-00:26:51

Bakar:

I have no idea. He had done some apartments at Stanford. That I knew. Not apartments, houses.

05-00:26:55

Rubens:

Housing tracts.

05-00:26:57

Bakar:

Houses. And he had done some in Marin County. But he was at the twilight of his career.

05-00:27:05

Rubens:

So, do you think that's why he agreed? He would recoup from you—

05-00:27:09

Bakar:

No, I'll never know. Would he have bid on it? Maybe, probably not. Because we didn't know he was going broke. But, no comment on that. But he was a good poker player.

05-00:27:22

Rubens:

All right. So, what I'm also trying to ask is when you go to the lender to get financing for buying the property, have you, by that time, already developed the concept?

05-00:27:34

Bakar:

Yes. That book was used for both zoning, or what we call entitlements. And also as a vehicle, or an exhibit to show the lenders what I intend to do.

05-00:27:46

Rubens: Could you tell me just a little bit about your work process? Emmons was your key person?

05-00:27:52

Bakar: Yes.

05-00:27:53

Rubens: Tell me just a little bit about, how would that start? Did you say, "I want this and this on the property. This is my vision."

05-00:28:01

Bakar: I had bought the property. Obviously I didn't start planning it until I controlled the property. I had bought the property. I knew that what I wanted was Jackson Lake Apartments. I wanted to build several Jackson Lakes in a single environment. And—I'm repeating myself—create my own environment because basically the project, when you go down to see it, though it relates nicely to the neighborhood, it's an internal project. And when you drive to where the rental or sales office would be today, and then you walk back to the lake, past the lake, you'll see that the neighborhood is really ignored, once you're inside the project. So—but I knew what I wanted to do. And I hire Larry Halprin, who was an integral part of creating this land use plan. So, it's the land use plan, and then a building, itself, plan. The brick and mortar that gets planned. So, the idea was kind of mine. And I'm sure it merged with a bunch of meetings with Larry and Don. And they shared—they were in the same office building, just a few blocks from here. So, we would meet and what came out of it was the plan that later became this book.

05-00:29:37

Dienstfrey: Gerson, did you have an option on the land, or actually buy it?

05-00:29:41

Bakar: No, we bought it with no zoning.

05-00:29:46

Rubens: So when you bought it, you presented a case that this was what you wanted to do with it. But you didn't have a finished plan.

05-00:29:55

Bakar: I didn't even have a beginning plan. I just saw it, and if I come back to that arithmetic that if I bought it for roughly that, I was paying \$1800 a unit for my land. And apartment people, such as myself, were paying three, four, five, thousand a unit for their land. So, it was a very inexpensive piece of land.

The land was a bargain for the purpose that I had. Not a bargain, necessarily, for Mr. Eichler who may have built five units per acre. But I built 40 units per acre. It's a huge difference.

05-00:30:42

Rubens: And this had good access to the freeway and thus to San Francisco.

05-00:30:45

Bakar: Yes, it was just a few blocks from the freeway.

05-00:30:48

Rubens: That's right. I mean, it seemed to me that was quite a selling point. And so—but you're working with some pretty eminent people I just wondered if you had any tales to tell about them. Would Halprin sketch? Did Emmons sketch?

05-00:31:04

Bakar: Yes. In fact, that's the design Larry did. [Points to a framed sketch on the wall.] Larry did everything by sketching. Larry never drew. His office never drew the working drawings. They always would engage another landscape architect of record to do the working drawings. Larry conceived through the sketch process.

He's somebody you might want to visit. His offices are in Marin County. And he's no youngster. So, if you're going to visit him, I would visit him sooner rather than later.

05-00:31:40

Rubens: I think he's 90. They're proposing that an oral history be done with him.

Last time we talked about the influence of Tevis Jacobs on your interest in art. And now I'm wondering how much are you being schooled while you're meeting with Halprin and Emmons? Do they talk about other buildings?

05-00:33:06

Bakar: Oh sure.

05-00:33:07

Rubens: Do they send you to see something?

05-00:33:08

Bakar: A bunch. And I went with them, particularly Don Emmons. I can remember going with Don Emmons to look at the latest apartment houses that were being built. Not just for their land planning, but for the units. So, we spent a lot of time. And I built in their offices because I was going to build a thousand apartments. I tried to create as much repetition as I could for economic scale. I wanted the kitchen to be perfect. So, we built the kitchen, which is the predominant kitchen in the project, in their office. I gave the architects a kitchen. And then I had a whole bunch of women come in because in my mind, the woman rented the apartment. If a man was single, it was either his girl—

05-00:34:05

Rubens: Where did you get women?

05-00:34:06

Bakar: Oh, I don't remember. Everybody that I knew, I asked to go in there.

05-00:34:13

Rubens: Did you know people who had done that?

05-00:34:19

Bakar: No, no. You didn't have to be a rocket scientist, or at least, that was my sense looking back on it. You're going to build a kitchen. Women are going to use the kitchen. Let's get women to think that the kitchen works.

05-00:34:41

Rubens: Wurster, I know, was particularly interested in that because he was—had connections to GE. That's another thing at the '39 fair I talked about earlier, that's being demonstrated. The modern kitchen and appliances. Did you actually work with Wurster?

05-00:34:54

Bakar: Oh sure. Bill was in many, many meetings.

05-00:34:58

Rubens: Did you notice a kind of synergy between him and Emmons or did they have different styles?

05-00:35:04

Bakar: Oh, everybody deferred to Mr. Wurster. There was no question he was the senior partner.

05-00:35:10

Rubens: Is there anything you can see or remember where he was pushing the project a certain way?

05-00:35:16

Bakar: Well, I have one anecdote that I can tell, that I love to tell, because everybody did defer, as the project was almost ready to open, and the apartments were all basically painted the same color, an off-white, in public areas. But the clubhouse, there was particular attention paid to the design of the club house. And it was a very important part of the project for me. And I don't know how much you know about Mr. Wurster's last years, but he had Parkinson's, and at the very end, was pretty feeble, physically. I think mentally he was fine all the time. But we were about to open the project and Don Emmons had basically been the point person for the colors within this club house—because the apartments were all very neutral in color. But the entire—the interior of the club house was all redwood. And the building was basically all redwood. So, Don put some pigment in the—Don was my reference and consultant relative to the colors that we should finish this with. And then the day came for Mr. Wurster to see the club house. They brought him down and I think they had to move him around in a wheel chair. Don had come down the day before to make sure where to park Mr. Wurster's car. He was concerned about how we were going to move Mr. Wurster around, because he wasn't very strong. And Don went crazy when he saw the color inside the club house. He really said, "That's not the color I wanted." He was very angry, and Mr. Wurster was coming the next day. So, there was nothing we could do about it between then

and the next day. Mr. Wurster came down. This is one of my favorite stories, and he was bent over. He may have been walking. I don't remember the wheel chair. He looked and his head was shaking quite a bit, and he looked at the redwood that Don Emmons had suggested and gotten mad about the day before because they didn't do what he wanted. "Finest color I've ever seen."

So, I don't know when you go into the club house. It's 40 years later, they must have painted it by now.

05-00:38:20

Rubens: Did you ever intend to sell these apartments?

05-00:38:26

Bakar: No, no, rent them. They were always rental.

05-00:38:29

Rubens: And you're not a single proprietor because you're invested with the Wilsey brothers. But, basically it's a partnership and you're going to maintain ownership of it.

05-00:38:46

Bakar: Yes.

05-00:38:47

Rubens: And at what point do you start marketing them? The permit took how long?

05-00:39:00

Bakar: Six weeks. It was a very short period. Not more than three months, anyhow. Six weeks to eight or ten weeks. Very short.

05-00:39:11

Rubens: Were there any hoops, particularly, that you had to jump at that point?

05-00:39:16

Bakar: No. The project was well presented by Mr. Halprin, by Mr. Emmons, and hopefully by myself.

05-00:39:26

Rubens: Did you literally meet with the planning commission?

05-00:39:28

Bakar: Oh yes. Absolutely. A man named Everett Kincaid was the planning director.

05-00:39:37

Rubens: What was his, or the city's response? Were they excited or were they—

05-00:39:49

Bakar: No, they responded very positively.

05-00:39:50

Rubens: Very positively. They saw this as something—

05-00:39:53  
Bakar: Right.

05-00:39:53  
Rubens: Very imaginative.

05-00:39:55  
Bakar: And I don't remember anybody at the public hearings being against it.

05-00:40:00  
Rubens: So, there's some buzz starting already.

05-00:40:05  
Bakar: Well, it's a large project in a relatively small community.

05-00:40:07  
Rubens: Yes, Ted wanted me to ask could you have gotten the permit in six to ten weeks now?

05-00:40:18  
Bakar: Oh no. And I can be even more specific to your question. If the high school—which is right behind them—were abandoned, and I wanted to take that park and just run the park all the way through and build more apartments, these people would be lined up at the city hall to fight it for years.

05-00:40:49  
Rubens: That's the NIMBY [Not In My Back Yard] phenomenon.

05-00:40:51  
Bakar: That's the NIMBY. And I believe there's—in that speech I gave, where I talk about an environmentalist—if you remember the speech, I say, a developer wants a cabin in the woods and the environmentalist has a cabin in the woods, but the NIMBY—the NIMBYs really hadn't appeared on the scene yet.

05-00:41:23  
Rubens: OK. You are generating the plan. How long did it take to come up with this, about?

05-00:41:29  
Bakar: Oh, I can't remember. I bought the land in '62, and I think we started building—well we opened in 1965.

05-00:41:54  
Rubens: But in your mind, I mean, did this drag on or did this happen pretty quickly?

05-00:42:05  
Bakar: It did not drag on. And, of course, when you're developing something, you're never doing it fast enough. But by today's standards, it was a jet airplane. It moved so quickly.

05-00:42:21

Rubens: Also, at this point, are you reading magazines or journals about real estate development?

05-00:42:29

Bakar: I don't remember.

05-00:42:32

Rubens: I ask because I wonder if you were starting to look at markets in a more global sense. Also, I wanted to know if you started traveling at all. I never asked you if you—

05-00:42:48

Bakar: To look at projects? No. Other than the Seal Beach episode.

05-00:42:52

Rubens: You did go down and see it.

05-00:42:53

Bakar: Oh yes. And then I remember driving back from a vacation in Palm Springs. And I can't remember the project, but there was a project that had a lot of advertising somewhere around Santa Barbara. And I stopped to see it. It was a project, I remember it—I remember the town now. I don't know how the hell the memory works. Port Hueneme.

And there was a project in Port Hueneme that I—it was a Christmas holiday. I remember I had a girlfriend and we were driving back together and I wanted to stop at that project in Port Hueneme. And they had a very sophisticated sales pavilion. And almost all the ideas that I got for how to market these apartments when I got ready were from that trip. And I visited Port Hueneme and I don't know the name of the development—who it was. And it could have been—it could have been single-family. About that time, single-family developers were building—if you can imagine the cul de sac, where they would have, at the mouth of the cul de sac, they would have a model house. And you see the other house—I don't know if you ever visited one of those. You'd walk through the model, and the only way you can get to see all the models down this little cul de sac was to walk back through the sales office, so the sales people got two hits on you. Have you ever seen one of those?

05-00:44:47

Rubens: I think I have.

05-00:44:49

Bakar: Because I can sketch it very quickly. And so I said I want to do the same thing. And I created—again, with the thought that I've never done anything original—I took the idea that the single-family people were doing, and I said I have to get to a plan. I took the idea that the single-family people were doing, and I built it here. You drove in, and this became the rental office. And the first phase built was basically this. I have to get to a plan.

[Pointing to the plan.] OK. So, the people came here. And so this wing, under my finger, the first floor wing here, this apartment I gutted and that became the rental office. And then, to get into the model apartments, you had to go through the rental office. And you saw this one, this one, this one, and this one. And then this one became the business office. So, I created the same kind of thing that the single-family developers did, forcing people through my rental office. Forget the 2E. The 2E apartment, which I can show you somewhere, I gutted, so it just became a shell. Wherever it is. 2D. This next page.

It's a two-bedroom apartment. I took everything out of it, and that became the rental office. I had a model of the thing. Now, that office today is still there. And I believe the—because it's now a condominium. But the condominium people still have to rent apartments from their owners and sell apartments when they want to be sold. So, I believe—I don't know that I'm correct—they still maintain that office.

05-00:47:19

Rubens: Is that a kind of sales mentality or—

05-00:47:20

Bakar: The average person in California lives in a unit six or seven years. That's kind of the accepted arithmetic. So, if you decide to follow that, it means 14%, 140 apartments are going to be sold every year just in normal turnover. So, it's to the condominium's best interest to help their owners when they go to sell. Now, I don't know. I don't have anything to do with that condo anymore, but I would imagine they still maintain some semblance of a sales office there. They may not.

05-00:48:18

Rubens: Also what I'm trying to keep on top of is roughly how long you think it took to come up with this plan. How long to get the pieces?

05-00:48:33

Bakar: Well, I did it rather quickly. I knew the basic building, which was Jackson Lake. And there's a huge similarity between the buildings there and the physical building in Oakland.

05-00:48:43

Rubens: Did I ask you how tall Jackson Lake was?

05-00:48:46

Bakar: It was basically three stories over a garage. And in a couple of areas, it was four stories. So, it was three and four stories over a concrete garage. This project is basically the same.

There were two-story town houses, which we don't have in Oakland, at Jackson Lake. Jackson Lake is just a building. This has detached or has

separate town houses on the perimeter. This was something the city wanted us to do, to relate to the single-family dwellings across the street.

05-00:49:35

Rubens: Along Peninsula. Along the whole outer perimeter.

05-00:49:38

Bakar: Everything. Yes. So, the city wanted me to build something in scale that met or that kind of matched that. So, across from these houses are these town houses. So, these are just row townhouses. And if you look at the plan—

05-00:49:58

Rubens: That's an example where the city did have some—

05-00:50:00

Bakar: Oh yes. You work with the city to do that.

Then if you look at the plan, the floor plan. I guess, they're here in the back. This is the first plan of the whole project. So, at the ground level, there's parking. Here's the first floor of these town houses. Here's the first floor of that wing where the rental office is, that little 2E that we never found. Here's the second floor. Now, you'll notice when you go to the next page for the third level, there's nothing here.

05-00:50:35

Rubens: Because there aren't three levels.

05-00:50:37

Bakar: You've got it. They disappeared. So, if you go page by page you'll get to the top. And these—these are bridges that connect these buildings. And then that's it. There are no more levels.

05-00:50:53

Rubens: Do you know the apartment buildings in Emeryville? The older ones that run along the bay west of the freeway, where Trader Vic's used to be.

05-00:51:00

Bakar: Yes. That's an absolute copy of Woodlake. And Woodlake, you know the highest compliment is—

05-00:51:08

Rubens: Copying. Sure.

05-00:51: 08

Bakar: I'm trying to think. It's called Watergate. When Watergate was built, they hired the same team. They hired Wurster, Bernardi, and Emmons. And a man named Pierce something. I can't think of his last name. The developer of Watergate acknowledged. He went down and hired the team that I had. And that's a knock-off of Woodlake.

05-00:51:34  
Rubens: Well yours looks like it's more beautiful, more carefully scaled. I look forward to seeing it in person.

05-00:51:37  
Bakar: Oh, it is. And I preceded it by five years. Maybe more.

05-00:51:47  
Rubens: We established that the city asked you for some modification.

05-00:51:53  
Bakar: Oh yes. The city didn't want an abrupt change from single-family. Interestingly enough, on the north side, which would be this side right here on Peninsula. Across the street is another city. That's Burlingame. The property is bounded—the middle of that street is the boundary between Burlingame and San Mateo.

05-00:52:21  
Rubens: Now, so, just to finish this up, how long do you think 'til you—

05-00:52:37  
Bakar: I would guess, earlier than six months we had the material for that book.

05-00:52:46  
Rubens: And then before building starts—

05-00:52:56  
Bakar: I had to get plans done. I had to get working drawings. And then I had to get financing.

05-00:53:08  
Rubens: All right. Well, should we move to that then. Regarding the working drawings, I imagine, you go Wurster, Bernardi?

05-00:53:19  
Bakar: They did the drawings.

05-00:53:20  
Rubens: And now the financing. Same brochure.

05-00:53:27  
Bakar: Same brochure was used. And I, for the years, preceding this, I banked at a small independent bank in Oakland called the Oakland Bank of Commerce and though the Oakland Bank of Commerce provided the financing for the Jackson Lake Apartments, they were a rather small bank and they placed part of the loan, or had another bank, a bigger bank come with them. And the bigger bank was Wells Fargo in San Francisco.

The project—again, back to Jackson Lake—was of such scale, that though it was big for me at the time, it wasn't big for the banks. So, it wasn't too big for the Bank of Commerce to do a loan. They brought in the bank of—Wells

Fargo Bank, which was their associate bank, they had some kind of a relationship. But the associate bank deferred to the Oakland Bank of Commerce. So, it was a rather simple process. The Oakland Bank of Commerce comes over with a thousand units. Meaning Jackson, meaning Woodlake. And all of a sudden, I didn't negotiate anymore with the Oakland Bank of Commerce.

The negotiations were taken over by the Wells Fargo Bank. So, the financing, the first thing a developer does, one of the very early things, is get permanent financing, as opposed to construction financing or interim financing. I had done a lot of business with Travelers. And I went to a friend of mine, by the name of Jack Opperman. I went to several mortgage brokers. And the Travelers Insurance Company made me the best proposal for the permanent financing. And bear in mind, at this time, it's simply a rental project that's going to be held for investment. It's not a condo or a co-op, but it's just an apartment house the two Wilseys and I hoped to build and hoped to own as an investment. So the Travelers gave me a commitment that when the thing was built, they would lend me, and I remember the amount, \$12,600,000. And they wouldn't make that loan until I had rented 60%—if I remember correctly, approximately 60%—of the apartments. And they had nothing in there. And this is really where I'm getting into some business now. If you don't follow me—

05-00:56:39

Rubens:

I'll tell you. I think I'm following you.

05-00:56:40

Bakar:

They said, "OK, when this project's done, Gerson, we'll lend you \$12,600,000, but you have to have 60% of the apartments rented." That was the occupancy provision, as it's called. But they weren't very sophisticated. And if you stop and think about it, I want to rent the apartments—in those days, well, we'll get back to what the rent would be— but they didn't say what they had to be rented for.

So, in theory I could have rented them for \$50 a month and I would have met that clause. So, I kind of laughed at the occupancy clause, and didn't think of it as an occupancy clause. It was so easy to qualify. Now, I start looking for the construction financing. Construction lenders want to lend during the construction period. They make some fees. They take a lot more risk than the permanent lenders. The risk of the development going broke. The risk of what happens if it doesn't rent and so forth. And, again, because of the size of this loan, it was all Wells Fargo. The Bank of Commerce would be part of it; Wells Fargo was calling the shots. And the project was going to cost me about \$15 million.

And, so how was I to pay for the land, build the buildings, landscape and everything? Interest during the construction period, architects' fees,

everything—\$15 million. It was \$2.4 million difference between the \$12.6 million that I get when I finish it, forgetting that occupancy cause for a moment, and the \$15 million it's costing. There's \$2.4 million. How was I going to make that up? So, I had in my mind two ways. One, I would sell off the shopping center site. Because my goal was to own a thousand apartments. I didn't care about the shopping center. And, again, I don't remember the numbers, but I had in mind a number. It was a few hundred thousand dollars. And it was part of the cash I would raise. But the rest of it, I had to create—how the hell do I do it? We don't have the money.

The Wilseys don't have that kind of money. I got from—I got a construction loan of three years, of interest only. Or the permanent loan. I guess it was the permanent loan. Once it was put on, there were three years of interest only. I had no principle payments to make. And I'm going to be renting part of that project while I'm building part of it, because I don't want to build the whole thing at one time. I can't rent that fast. I figure I can rent 25 or 30 apartments a month.

So, I put together a cash flow program. And I describe it, at least if I may, I describe it as a salad bowl. And the salad bowl, when all the dust settles, has to be a finished project. So, what comes out—what has to come in the salad bowl? All the cost, the land cost. Everything goes in that salad bowl. What comes out of it? The interest on the loan during construction. What comes out of it is because I have a staged project. I'm going to be building it in stages, and I can come back and show you how that was done. I'm going to have rental income coming for at least two years before I finish the project. So, part of the stuff that's coming out of the salad bowl is this income, this rent, less the expenses to operate the project. And I had a program that said, at the end of the day, I'm going to sell the shopping center, and I'm going to have excess cash during the construction period. I'm going to have cash—I'm making money on this building while I'm pouring the foundation for this building. And it came out about even, but nobody would believe it. Wells Fargo didn't believe it. I had a terrible time. And so the one major problem I had with this project was getting the construction loan. Not the permanent loan. That was easy. I had to finish the—

05-01:01:40

Rubens:

But the permanent loan wasn't for construction, right?

05-01:01:43

Bakar:

No, the permanent loan was not for construction. And it wasn't enough to pay for the whole project. So, accepting the fact that the permanent loan came in after I built it and after I rented 60% of it, and to make a long story short, I all of a sudden was stymied.

05-01:02:03

Rubens:

So what did you do?

05-01:02:06

Bakar:

I went all over. I went to every bank I could think of. And I struck out. I had a terrible time. I went to the Bank of America. I went to Crocker. There were banks I tried, I guess. If there was a fourth, I can't think of it. In any event, none of them would buy—I had a terrible time of it.

05-01:02:48

Rubens:

You're not going to go to Los Angeles.

05-01:02:52

Bakar:

No. Construction lending is pretty much—at that time, construction was a local thing. And basically, we were turned down all over. Nobody believed this cash flow that I put together—that I could do it. And the Bank of America, still, at that time, in 1961 or 62 had vestiges of the greatness of Giannini. And Giannini was a banker. I never met Mr. Giannini. I think he was dead by this time, but I'm not sure. But there were people who were still in the bank that were of his ilk and of his era. And they were almost all—the senior officers of the Bank of America were almost all Italians. Mr. Ferragerra and Lloyd Mazerra was, I think, the chief financial officer.

And after wandering around, peddling my wares for several months, I finally got a meeting with Mr. Mazerra. And he sat me down in a room, and he said, "Gerson, can you make this thing work?" As I imagine Mr. Giannini might have done in another time. And I said, "Lloyd," and Lloyd knew my father and he knew my uncle. And he knew them to be honest, hard-working people. He knew Uncle George and he knew my dad. And I'll circle back to that later. And he said, "Gerson, can you make this thing work?" And I remember saying to him with great conviction, "Lloyd, it's going to work. I can make it work. I'll rent those apartments. I'll sell that shopping center. I'll make it work." And he says, "I'm going to give you the loan."

They then did an appraisal. Now, bear in mind, I had to borrow \$15 million. I was going to pay it back with the Travelers loan plus this cash that I was going to create during the three years of building. And they then had to get an appraisal. The bank operates under rules by the—whoever. And the project was appraised for less than the loan. Less the loan. The appraiser didn't believe I could do it. And Lloyd had said, "Mazerra, we're going to make this loan." I found out later they buried the loan. Bank of America buried the loan in the international division of the bank, hoping the bank examiner would never catch up. It was a non-conforming loan by banking rules. From a business stand point, they didn't think of it in those terms, but they knew you can't lend more than an appraisal. You have to lend some percentage of the appraisal. And it turned out that the international division of the Bank of America made the construction loan, though I never knew that.

05-01:06:13

Rubens:

How did—you found it out later?

05-01:06:14

Bakar: I just dealt with the bank. And I—every month, I'd put my requisitions in, and every month they'd send me the money. I didn't realize it was the international division.

05-01:06:24

Rubens: Could that kind of thing happen today?

05-01:06:25

Bakar: No, I don't think so. I don't know. I can't answer that. But here was a bank that believed in the borrower.

05-01:06:36

Rubens: A bank whose leaders knew the borrower's reputation, their family.

05-01:06:37

Bakar: Right. Family. My dad's reputation. My uncle's reputation. My—I'd just been in business a few years. But they believed in the project. And they believed in the developer.

05-01:06:50

Rubens: They knew the architects of the Bank of America Building?

05-01:06:51

Bakar: It turned out that the project rented so quickly, and the monies generated were much more than I even programmed, that we paid them off much quicker than we had scheduled to pay them off.

### Begin Audio File 6

06-00:00:00

Rubens: When you go to get the loan to buy the land—you own the land before you went through and developed it, and what do you have to say to them to convince them to make the loan.

06-00:00:22

Bakar: Oh, no, that's where Tevis Jacobs comes in. That's a really interesting part of the business deal. Bear in mind, the cost of the land is part of this total package.

06-00:00:32

Rubens: Right, when you have the 15 million.

06-00:00:35

Bakar: That includes the land. But you raise a very good question. We don't have the money to pay for the land to start out with. Tevis Jacobs, the attorney that was a meaningful part of my background, Tevis Jacobs said, "Let's get the seller, San Mateo, to carry some of the mortgage for you." But they said subordinate. Subordination means that the lender of the land—I don't know how far you want to get into this kind of detail.

06-00:01:14 114

Rubens: As much as you'd like.

06-00:01:17

Bakar: When you buy a piece of property, and if the seller carries the mortgage, it's called a purchase money mortgage. But if you—and I'll try to use a house for an example, or this property.

06-00:01:34

Rubens: Use this property.

06-00:01:37

Bakar: This property: they can't legally—the College of San Mateo—as a public institution cannot subordinate, and give me a mortgage that is subordinate to the construction loans, because if something happened, they'd have to take over the whole project, and they're not equipped for that. The law doesn't allow the college of San Mateo, the seller, to do a subordinated mortgage. And yet, I got to pay them. So, with Tevis' help and myself, we did it together, and I won't say that it was my idea or Tevis', but it came out of the process. We had to get them to carry the mortgage on the land. So, we came up with an idea. If we could provide a guarantee to the College at San Mateo to their satisfaction—we get somebody to guarantee the loan, they can release the land free and clear. They just—if we didn't pay our payments—then they go to the guarantor. So, the guarantee that we came up with was an idea that our lender, whoever it would be—we didn't know who the lender would be at that point—would get a letter of credit guaranteeing the mortgage to the seller. Do you want me to repeat that?

06-00:03:009

Rubens: No. I think I got it.

06-00:03:11

Bakar: We buy the land. They give us the mortgage. We release the land free and clear.

06-00:03:17

Rubens: Right, but no money has exchanged?

06-00:03:19

Bakar: No, no, we've made a down payment. We made a down payment of, I think, \$500,000, which we were able to raise. They then gave us a mortgage to pay off over four or five years with a low interest rate, but if we didn't pay it, the bank had to pay it. They wouldn't do that until they got the guarantee. So, they had a first mortgage on the land, and then once we started this whole process, they ended up with basically a second mortgage. They basically ended up with no security. But, they had a letter of credit from the bank. No question the Bank of America could pay off the debt.

06-00:04:03

Rubens: The letter of credit meaning once Bank of America agreed to the 15 million?

06-00:04:11

Bakar: Part of my loan application to get the construction loan included a letter of credit. We actually never took down the full 15, because part of it was sitting over with an obligation.

06-00:04:25

Rubens: But it just sounds to me like there's some carrying—that you're owning that land or you have rights to that land, anyway, before you get the 15 million?

06-00:04:35

Bakar: Yes. So I haven't done anything. We bought it again from my memory for \$500,000 down, and we had a loan, then, of about a million six, whatever the difference was, and we had—That was guaranteed. We had three, four, or five years. I've forgotten the term to pay them off. So, going back to the salad bowl, part of the stuff that came out of the salad bowl were payments. They were payments to the college. So, that was all in that \$15 million package.

06-00:05:08

Rubens: So, it sounds to me like the district, the community college district is carrying you. They've got your down payment, and they've got your promise that you will have—they all know you're going to have to have the financing to build it, and that part of the financing will be—

06-00:05:28

Bakar: All they know is they will never have anything less than the guarantee from a major bank before they release that land. I can't do anything on that land. I have title to it subject to the bank's guarantee. But the day that they remove that land security instead of it, a little courier comes running down with a guarantee from Bank of America.

06-00:05:58

Rubens: What's your collateral?

06-00:06:04

Bakar: It was a guarantee from the bank. The collateral's the land. But once they start building, they lose that collateral, because somebody else will have a mortgage on the land, and then just look to the guarantor.

06-00:06:16

Rubens: And similarly, once Bank of America says, "OK, I'll give you—" You said they didn't give you 15 million but they gave you a goodly amount?

06-00:06:25

Bakar: Well, they gave me whatever I needed. The project was costing 15.

06-00:06:30

Rubens: Right, and I think you needed 12.6 or something?

06-00:06:31

Bakar: Part of the eventual difference is paid by the income generated by the project.

By the way, I think from the business school standpoint, if I may, this part of what you're doing is really pretty meaningful to somebody in the future.

06-00:06:48

Rubens: I think so. That's why I'm staying with it.

06-00:07:04

Bakar: This is a very important part.

06-00:07:04

Rubens: Yes, and it's fascinating. And so when you say that you're developing this cash-flow plan and no one's buying it until the Bank of America, you have consulted with the lawyer. Are you getting help with any other number-cruncher people, or do you have the kind of mind that starts to visualize this?

06-00:07:31

Bakar: Well, we didn't have computers in those days. But I had a man who was part of this project working for me named John Blaisdell. He would just sit at that calculator by the hour to run these cash flows. And, if we remember one of the early cash flows, I had a projection of my number one from memory—22 or 23 apartments a month I could rent. And the thing wasn't working. I say, "John, we'll rent 30 a month."

06-00:08:05

Rubens: I wanted to know how you came up with it, a pure number, thinking what we need and—

06-00:08:12

Bakar: Pure judgment.

06-00:08:12

Rubens: You think you're going to be able to rent 25-30. You're developing this. You're getting the money. Did any of the financing of the Bank of America depend on who you were going to use as contractors, builders?

06-00:08:29

Bakar: No. The contractor was on board early on. So I had a responsible contractor.

06-00:08:35

Rubens: And you presented that, then?

06-00:08:36

Bakar: Well, I can tell that part of it. Early on, I realized this project was too good for me to build as a contractor. But that would be far better served to hire a contractor. There was a company around with a marvelous reputation called Williams & Burrows. And, I had heard of them, and I went in to see Mr. Burrows one day.

06-00:09:03

Rubens: A local company?

06-00:09:05

Bakar:

Yes, northern California, but they were big buildings. And I went in to see Mr. Burrows, and this was the beginning of a relationship that went through many projects, and I had never met him. And I went into to see him. It was a pretty good-sized company, but the actual physical construction was around \$11 million. The difference was interest, architect's fees, land, other costs. It took it up to the \$15 million. And I went in to see Mr. Burrows. And, I found myself waiting what I thought was a little bit too long. So I went to the receptionist, and I can remember the building. It was just off the old Bay Shore Highway. I said, "Would you tell Mr. Burrows somebody's here that wants to give him an \$11 million contract?" And he was a marvelous human being, and he was tall, and he just strode down the steps, and he came and introduced himself, and in a rather short period, we negotiated a contract.

06-00:10:13

Rubens:

So he's on board when you're going for this, and they have a reputation. What have they built that you knew?

06-00:10:18

Bakar:

I can't tell you. But I knew they were major builders in the Bay Area. They may have been as big as Barrett. I don't remember. They weren't Bechtel.

06-00:10:30

Rubens:

So, you've got them on board. Now, I need to, in my own mind, just to clarify, is Lake Royal behind you?

06-00:11:07

Bakar:

Well, we may have still had some headaches from—

06-00:11:10

Rubens:

And you're having to attend to that? But all your energy is basically in this?

06-00:11:15

Bakar:

At this point, all my energy is on this.

06-00:11:16

Rubens:

At what point are you thinking that you have to begin marketing and renting the space?

06-00:11:40

Bakar:

Well, the easiest issue to address is the marketing of apartments. It's a very simple process. I could train you how to rent apartments. I mean, that's very simple, and I have rented apartments. I have rented Jackson Lake, and all the other apartments I may have built prior to the Lake Royal. Marketing is the easiest.

06-00:12:14

Rubens:

So it was not a problem. And, just in terms of you personality and your psyche and well-being, you're at such a high level. Are you nervous, or are you excited, or you're just moving ahead?

- 06-00:12:28  
Bakar: Well, I'm charged up and I'm moving ahead.
- 06-00:12:29  
Rubens: You had had this small little thing with gambling debts. That doesn't undo you. The Lake Royal business doesn't undo you. You're just pretty young, I mean, but you've just got that enthusiasm—
- 06-00:12:44  
Bakar: There's one story in there where the reporter called me a boy wonder. I was 37.
- 06-00:12:50  
Rubens: Indeed. Do you remember the groundbreaking? Oh no, I'm so sorry. I need to ask one more thing. At what point did you line up Safeway? I mean, that must have been a pretty big tenant.
- 06-00:13:11  
Bakar: It was interesting. The Lake Royal, one of the buyers of an apartment of Lake Royal was a man by the name of George Boughers. George was head of real estate for Safeway. So, I had a contact.
- 06-00:13:45  
Rubens: I guess so. Safeway's pretty big in the early '60s? They're headquarters were in—
- 06-00:13:55  
Bakar: Oakland. And George directed me to whoever I should have been directed to, to negotiate that because—
- 06-00:14:09  
Rubens: Yes, so how early are they giving you an indication that they're interested?
- 06-00:14:14  
Bakar: I can't remember the time.
- 06-00:14:17  
Rubens: All right, but from a kind of early point on?
- 06-00:14:18  
Bakar: Probably there was an overlap. I couldn't sell Safeway to put a store in if I wasn't able to build each project. So, the project was clearly underway.
- 06-00:14:30  
Rubens: Right, but also in your mind, you're thinking, "OK, to make up the difference in the money, I can sell this." So, you must have known Safeway—
- 06-00:14:37  
Bakar: But I also wanted to put a station on the corner—a service station.

- 06-00:14:51  
Rubens: I figured that's not going to be as hard as Safeway. That would have been a little easier.
- 06-00:14:53  
Bakar: No, this was a very busy street, so the Standard Oil lease was pretty easy. Standard Oil leases became almost like a treasury bond. You could sell the Standard Oil lease just like you can sell a treasury bond. So, that was all part of raising that \$2.4 million, and I sold all of that stuff.
- 06-00:15:17  
Rubens: So, groundbreaking?
- 06-00:15:21  
Bakar: I don't remember the groundbreaking per se.
- 06-00:15:24  
Rubens: But the question was, how involved were you though? Did you live down there at some point?
- 06-00:15:29  
Bakar: No, I didn't live there, but I moved my office there.
- 06-00:15:32  
Rubens: In what way literally? Did you have a trailer?
- 06-00:15:36  
Bakar: No, I'll show you if it's still there in the picture. I've got to find the early pictures.
- 06-00:15:44  
Rubens: You had already moved to San Francisco by this time.
- 06-00:15:47  
Bakar: Yes. I was living on Chestnut Street for \$175 a month is the number I remember.
- 06-00:15:57  
Rubens: Are you interested then in buying anything in San Francisco
- 06-00:16:09  
Bakar: No. I don't remember.
- In any event, one of the school buildings that didn't get torn down until much later. There were two or three school buildings that, if I can go back to it I can't find a picture that shows somewhere. I just want to get a picture of the whole site. Phase one, the buildings, shopping center, A, B, C, D, E, F—that's the way the project was described.
- 06-00:17:01  
Rubens: And we're going from left to right, around—

06-00:17:03

Bakar:

Well, what I built in the first phase was this, the central portion.

I wanted the big amenity package. This doesn't represent what you're going to see down there. The club was originally on the lake, and this all got redesigned in the final drawings. But phase one, when I opened it, I opened it with building A, clubhouse, tennis courts, and then, the other construction fence. Then we built this building second, this building third, and we had a construction fence all during that period. And I subdivided this in the event something happened. These were individual units. So I can get loans as I rolled around. So, phase one was this phase. Or, the opening was this. When I opened this for occupancy, this was under construction. This was under construction. And then we opened this, this, and this.

06-00:18:09

Rubens:

And this landscape site plan were pointing to A, having been built, but E and F being under construction.

06-00:18:16

Bakar:

Yes, when A opened, E and F were under construction. And there was nothing but a construction fence here.

06-00:18:23

Rubens:

And that's for the B, C, and D?

06-00:18:25

Bakar:

And my office, which started this discussion, was back in the building here, which we later demolished. The construction people did all that.

06-00:18:43

Rubens:

Now, one more time, when does the commercial development start?

06-00:18:48

Bakar:

I think the shopping center opened pretty much about the same time as this building. But I can't remember exactly.

By the way, in the mean time, I sold part of my program to make up the difference that you remembered. I sold the shopping center. I sold the service station. That was part of the—

06-00:19:14

Rubens:

They went in. Did Williams & Burrows build Safeway and the shopping, and the gas station?

06-00:19:23

Bakar:

Well, Standard Oil would build their own station. I don't remember the contractual part.

06-00:19:29

Rubens:

What about Safeway?

- 06-00:19:31  
Bakar: Well, Safeway didn't do it. They were tenants.
- 06-00:19:34  
Rubens: All right, because you own all this? What is this other building right over here?
- 06-00:19:39  
Bakar: It was a little building of shops. And when you go down there, in reality, this building—look at my finger. This building went like this. So, there was a series of little shops. Now, you asked about parking.
- 06-00:19:52  
Rubens: It was a rectangle building as opposed to a square that it shows here?
- 06-00:19:55  
Bakar: Yes, yes, yes. There's a restaurant there now called Woodlake Joe's I think, and there were two or three other stores. I don't know what they are today. Now, you asked about parking. This is a good time to mention. The city allowed me to have less parking in the shopping center with the theory that you're building all these apartments. People are going to walk, and this is an interesting note. People don't walk.
- 06-00:20:30  
Rubens: [laughter] Not California people.
- 06-00:20:33  
Bakar: Well, you can wheel a shopping cart back to your apartment. But California people drive. If you go back to looking at all those pages, people in this building or this building would get out and drive, and then go drive back.
- 06-00:20:49  
Rubens: But did you know that before?
- 06-00:20:50  
Bakar: No, no. It turned out the parking is a little bit inadequate just because—maybe as the years go, they walk more. I don't know.
- 06-00:21:05  
Rubens: Part of the sales plan was to emphasize pedestrian rather than vehicle circulation. So you confine the automobile to the periphery.
- 06-00:21:31  
Bakar: Well, we had a lot of open parking. My memory is that I had about 1.6 spaces or something like that per unit.
- 06-00:21:42  
Rubens: This is a car-centered development. But are you saying you wanted more space than the city allowed? Or do you think that you allowed the city to regard the shopping center—

06-00:22:06

Bakar:

No, no. They let me have less than the code required. Their building code, and why you go to have these hearings with cities when you need changes and you don't conform with the code, their building code—I can't remember the numbers—required X number of spaces per square foot of retail. They let me have less spaces because of the theory, but it turned out not in reality. The people wouldn't walk.

06-00:22:38

Rubens:

And you agreed to that because you're really kind of over a barrel and didn't know otherwise. Were there any other particular issues like that to adjust. Something about the tennis courts.

06-00:22:56

Bakar:

The tennis courts were a question of orientation to the sun. The way we finally built the tennis courts is not exactly the way they should be positioned. I compromised the morning and the late afternoon hours in the court to make the project work.

06-00:23:16

Rubens:

So you're really involved at a very detailed level of planning. You're setting up kitchens.

06-00:23:23

Bakar:

Well, I have one more anecdote. I've got showerheads in every apartment. I want the showerhead to be perfect. I had Williams & Burrows install a showerhead that I could use down in their construction yard to make sure it was the right showerhead. I mean, I got down to that level of detail.

06-00:23:44

Rubens:

What made you get into that level of detail?

06-00:23:52

Bakar:

Well, I can't tell you, but my mind says you've got to market these apartments.

06-00:23:53

Rubens:

Did you understand you were doing something of a different order than you had done before?

06-00:23:55

Bakar:

I've got to rent 1,000 apartments, and by the way, with all this paperwork and with all this borrowing we did, if the thing didn't work, we would start to go broke.

06-00:24:07

Rubens:

I actually was going to ask that. How were you literally living at the time? How were you getting a salary? Is that calculated into the loan?

- 06-00:24:18  
Bakar: Oh, I don't remember. I owned Jackson Lake by that time. Jackson Lake was producing income. I was no pauper by that time. But I wasn't somebody that could afford to lose millions of dollars either.
- 06-00:24:34  
Dienstfrey: Where did the idea of the second bar in the closet come from? The lower bar in the closet.
- 06-00:24:43  
Bakar: I don't think we did it down there, Ted.
- 06-00:24:45  
Rubens: So, showerheads, and then—
- 06-00:24:48  
Bakar: I mean, everything.
- 06-00:24:48  
Rubens: Did they come with appliances?
- 06-00:24:52  
Bakar: Oh yes, the apartments came with stove and refrigerators, dishwasher.
- 06-00:24:56  
Rubens: You said you set up a model kitchen—but did you deal with any particular dealers, GE, or—
- 06-00:25:05  
Bakar: No, no, that's a good point. One of the things that ran through my mind: I want to use products that are advertised a lot because I was riding on the back of a lot of free advertising. GE was the biggest advertiser in my mind of kitchen appliances at that time, so I bought all GE, and I piggybacked on their advertising, and anything else I could think of.
- 06-00:25:34  
Rubens: Very smart.
- 06-00:25:38  
Bakar: I don't think it was smart. I think it was common sense.
- 06-00:25:53  
Rubens: So showerheads and colors, and then you agreed it was going to be a neutral—maybe that came more from Emmons—
- 06-00:26:03  
Bakar: No, I mean the apartment's pretty much all an off-white color to and including this date, almost all apartments that we see that are new.
- 06-00:26:12  
Rubens: And then with Halprin, you left that landscaping to Halprin.

06-00:26:16

Bakar:

Well, another anecdote with Halprin. The lake was ready to have water put in it, and Larry came down one day, and if you interview Larry, it's a story we both remember. He wanted to put a lot of rocks in the lake, and I didn't want rocks in my lake, and he and I both have a great memory of fighting like two children. I wanted less rocks. He wanted more rocks. And to this day, neither one of us knows who won the battle, but there were probably more rocks than I wanted, and less than he wanted. But there are a whole bunch of rocks that you'll see that protrude out of the lake.

06-00:27:04

Rubens:

And, could you just speak to what disturbed you about the rocks?

06-00:27:08

Bakar:

Well, I just liked the tranquility of just the water. It's just a personal taste.

06-00:27:15

Rubens:

And was there any golfing?

06-00:27:18

Bakar:

Yes, we had a putting green. It doesn't show there. But we had a putting green, which turned out to be—as you wander down this path to get to the club, there was a putting green in here, but putting greens are expensive to keep up, and I have no idea if it's there anymore.

06-00:27:39

Rubens:

And did the club require membership, or did that come with the rent?

06-00:27:42

Bakar:

All free, all free.

06-00:27:42

Rubens:

That was part of the rent? OK. You were talking about the area being a twilight area.

06-00:27:51

Bakar:

Twilight ethnically.

06-00:27:52

Rubens:

Yes, I understand that. You know, I mean was it kind of the wrong side of the tracks?

06-00:27:57

Bakar:

Well, this was kind of the poorest part—and I think that's the best way to put it—the poorest part of San Mateo, which is kind of an upscale bit. I think San Mateo would be perceived as maybe upper-middle class today. I'm not sure. But in any event, the idea of building a large project of that nature in a racially diverse neighborhood was a gamble. And, if the neighborhood continued to slide or did slide, it would have a huge impact.

06-00:28:35  
Rubens: Commercially, you were banking on literally—I'm using it metaphorically—that it would turn the neighborhood the other way.

06-00:28:41  
Bakar: Well, I felt it would stabilize the neighborhood, and it did.

06-00:28:42  
Rubens: Yes, so construction begins. You don't remember exactly it being so ceremonious, but you have an office there.

06-00:28:54  
Bakar: I would go down there everyday.

06-00:28:55  
Rubens: That's what you're doing everyday. And, you probably didn't have to wear a hardhat—

06-00:29:04  
Bakar: Those days I don't think you had to.

06-00:29:05  
Rubens: Yes, and so you're saying—I'm just mindful that there's about 10 minutes left today, and then we'll pick up next time with the impact that it did have, and then we probably could fast forward a little about the change it becomes for a while—a co-op and then—

06-00:29:25  
Bakar: It became for a short period of time a co-op, and then a condominium. And then I'm out of it. The point of conversion becomes another story.

06-00:29:47  
Rubens: Fine, we'll take that up later. To finish for today, you're overseeing the construction, how long does it take for A and B to get up?

06-00:29:57  
Bakar: Oh I'd be guessing. I don't have any memory but it was probably a year.

06-00:30:04  
Rubens: And at what point are you starting to market?

06-00:30:07  
Bakar: Oh, we probably started renting two or three months before we finished.

06-00:30:12  
Rubens: Oh, that late?

06-00:30:14  
Bakar: Yes. You don't do rental apartments much more than that.

06-00:30:20

Rubens:

And, there is a fence here, and this is going to be a construction zone. These people are going to move in while this is literally being constructed. Does that affect the rents?

06-00:30:30

Bakar:

No. No, I had so much buzz when I opened it between the amenity package. Bear in mind, nobody built clubhouses so there was a huge buzz. One of the interesting things, and there may be a place to start here next week, is the marketing. I did something that now is very commonplace but I think I was the very first to ever do it, and I hope maybe we have one in the office somewhere. I did a Sunday supplement that looked like a news story, in one of the San Francisco papers.

06-00:31:16

Rubens:

Did you think that San Francisco was pretty much your market, the people to whom you were going to be selling?

06-00:31:21

Bakar:

Well, those days, that's where you did most of your advertising. You did some supplemental advertising in the local papers. But those days, the *Examiner* or the *Chronicle* were the image papers. I don't remember when they merged.

06-00:31:36

Rubens:

Oh, not so long ago. You still had the *News* I think—maybe not

06-00:31:43

Bakar:

Well, in my early time, I remember the four newspapers: *News*, *Call*, *Chronicle*, and *Examiner*.

06-00:31:49

Rubens:

At this point did you get your real estate license? Last week you told me you didn't have one in the Oakland period.

06-00:32:04

Bakar:

I don't remember when I got the license.

06-00:32:60

Rubens:

Why did you get a real estate license?

06-00:32:10

Bakar:

Well, there were times when you want to be able to legally take a commission, but I don't think I ever took a real estate commission in my life, or made a commission. And I don't have a license anymore.

06-00:32:24

Rubens:

Were the Wilseys anxious or interested? Did they come take a look?

- 06-00:32:33  
Bakar: Well, they would come down periodically, and Jack died early on. Jack died right after the—I don't remember. He died in '65. So he died after we opened the project. But I don't remember the month he died.
- 06-00:32:52  
Rubens: But Al's excited or kind of behind you the whole way, or was he worried?
- 06-00:32:57  
Bakar: No.
- 06-00:32:59  
Rubens: And so when you're down there everyday, are you in a suit and tie, or are you—
- 06-00:33:04  
Bakar: Oh, no. To this day I don't wear a suit and tie.
- 06-00:33:08  
Rubens: Well, there are some pictures of you once in a while looking pretty spiffy. By the way, in the early sixties there were a lot of demonstrations in San Francisco—later Berkeley—first protesting the House Committee on Un-American Activities, then demanding civil rights. Do you register these?
- 06-00:33:27  
Bakar: Yes, but [I was not] not focused on it.
- 06-00:33:29  
Rubens: You know about it, know there's the Auto Row sit-in here in '63.
- 06-00:33:40  
Bakar: I don't remember that.
- 06-00:33:41  
Rubens: So none of that's particularly impacting on you. The Rumford Fair Housing Act? And was the bank looking over your shoulder. Are they interested—
- 06-00:34:14  
Bakar: Oh, sure. I do remember once the clubhouse was done, the top two or three guys from the B of A would come down once a year. And they did it for three, or four, or five years. And we'd have a nice lunch and a sauna. I remember a bunch of the guys that took a sauna one day. But the bank was interested in any lenders.
- 06-00:34:44  
Rubens: Is this when you started going to Palm Springs?
- 06-00:34:54  
Bakar: Yes, I started going to Palm Springs about the same time.
- 06-00:34:57  
Rubens: Didn't you own a motel in Palm Springs?

06-00:34:58  
Bakar: We built a motel there.

06-00:34:59  
Rubens: How did that come about; why did you build a motel?

06-00:35:04  
Bakar: I was just beginning to play golf. They both played golf. We liked Palm Springs. We had a waiter from New Joe's restaurant, which doesn't exist anymore, who had lost a child, and he wanted to live in Palm Springs, and so he said, "Well let's build a motel."

06-00:35:25  
Rubens: He can manage it?

06-00:35:27  
Bakar: He managed it, and that's the story, but it's such an insignificant part. It'd be wasting a lot of energy to get into that. But we did have a motel there. We built an apartment for ourselves, "we" being the two Wilseys and myself.

06-00:35:42  
Rubens: And so how often would you get down there?

06-00:35:45  
Bakar: Oh, a lot.

06-00:35:47  
Rubens: And would you drive mostly—

06-00:35:49  
Bakar: No.

06-00:35:51  
Rubens: Who flew there, then?

06-00:35:54  
Bakar: Air California. Oh, Western Airlines was the big airline.

06-00:36:00  
Rubens: Trans Crash we used to call it, but that's not Western—someone started a \$13 plane from LA—

06-00:36:08  
Bakar: That was PSA.

06-00:36:09  
Rubens: It was PSA, yes. Which doesn't exist anymore. Yes, that's when the Oakland airport began to expand. Regarding traveling to Palm Springs and we had talked earlier about going to Tahoe, leads me to ask if you saw yourself moving into kind of a social scene—you're not a playboy, but—

06-00:36:52

Bakar: Well, everything's relative, but at the time for me, I had obtained a level of financial security that allowed me to do things that I didn't do before.

06-00:37:08

Rubens: Is this when you went onto the board of the San Francisco Chamber of Commerce?

06-00:37:53

Bakar: I think it was. But I don't remember this.

06-00:37:55

Rubens: Had you already traveled to Europe? I read in a 1974 newspaper article that the studio apartment at Woodlake was modeled on the George V Hotel in Paris.

06-00:38:16

Bakar: Al Wilsey and I, and then another fellow—three of us—went to Europe in '57.

06-00:38:23

Rubens: That's your first trip to Europe?

06-00:38:26

Bakar: Yes. And we rented a suite at the Georges V Hotel. And there were three of us, and we were told we had three bedrooms, and when we got in the suite, we couldn't find the third bedroom, and there was one wall that had a drape. And we pulled the drape open, and behind it was a bed alcove, and behind the drape was the third bed, and that's what they perceived and rightly so to be the third bedroom. So I thought it was just an ingenious idea, and if you look at my studio apartments, that's where we copied the Georges V.

06-00:39:15

Rubens: Was Al, at that time, not married when you went?

06-00:39:18

Bakar: Al was at that time not married. He was between marriages. There's the bed alcove. Here's the bed alcove, and we would put in the ceiling a track so you can put a drape, and because I had been a bachelor and I knew about how you didn't like making beds, the person that rented this apartment could pull that drape and never have to make their bed. And that's the George V layout.

Again, that story is why I said I have never done anything original. That bed alcove, which was a bit of an innovation—I don't know how much having an alcove for a bed was an innovation—but the idea of being able to use a drape was an idea that I copied from the George V Hotel.

06-00:40:12

Rubens: But you're seeing, you're applying, your mind's so alive. By the way, had you been to New York before this trip?

- 06-00:40:31  
Bakar: No. My first trip to New York was on my way home from Europe.
- 06-00:40:35  
Rubens: Were you knocked out by Paris and New York?
- 06-00:40:45  
Bakar: Oh, sure. First trip there, everybody is.
- 06-00:40:48  
Rubens: Yes. Apartments of course are so pervasive in those cities. But I was reading about New Deal Housing policy, and how it emphasized single-family dwellings rather than apartments. That's what's so, I think, innovative, and at the same time, risky about what you were doing with 1,000 units in a questionable area.
- 06-00:41:08  
Bakar: Well, I would disagree. Apartments were accepted. They may not have been as a ratio of single-family to apartment dwelling, but I was no pioneer in just simply building apartments. Apartments were all over. Park Merced, Metropolitan Life, I think, came in right after the war in the late '40s, and Park LaBrea in—
- 06-00:41:37  
Rubens: In LA. And that's insurance money isn't it?
- 06-00:41:42  
Bakar: It was. Both of them were owned by Metropolitan. And there's a story somewhere in my business life where I try to buy Park Merced, and I came very close to buying it.
- 06-00:41:52  
Rubens: I know we're going to get to that. Did you go to Palm Springs as often as you could? You like to play to golf. Do you belong to any clubs up here at this time? Are you playing golf in the city?
- 06-00:42:08  
Bakar: Yes. I joined Lake Merced Country Club in 1965.
- 06-00:42:12  
Rubens: Did you want to suggest anything else? I want to ask who was Howard Ruby? I saw his name in your birthday album.
- 06-00:42:28  
Bakar: A friend.
- 06-00:42:29  
Rubens: Is he involved in this at all?
- 06-00:42:32  
Bakar: No. He was an apartment house developer.

06-00:42:33

Rubens:

All right, because in his letter to you, he says I stole every idea that was not nailed down in—

06-00:42:40

Bakar:

Yes, well we all do.

06-00:42:42

Rubens:

But he doesn't come into the picture yet?

06-00:42:44

Bakar:

He just became a friend. Howard built apartment projects that were totally focused on young singles, and they were called the swinging singles apartments, and he built a lot of them, I think mainly in California.

06-00:43:12

Rubens:

This was an expansive time.

06-00:43:17

Bakar:

Yes. They were heady days.



**Interview 4: July 26, 2006**

Begin Audio File 7

Rubens: I saw Woodlake since our last meeting; and I thought it was just beautiful, and I wanted to know about the overpass that leads off the freeway—

07-00:09

Bakar: Oh, that was there.

07-00:10

Rubens: It lets out onto Peninsula. It had to have been there. It looks like it's from the thirties. It is a graceful sweep that then drops down—

07-00:15

Bakar: I have no idea when it was built.

07-00:18

Rubens: I think it was built in '38 and '39.

07-00:20

Bakar: Oh. Could be.

07-00:38

Rubens: Longs Drug is now an anchor store.

07-00:42

Bakar: Well, the whole thing was a Safeway.

07-00:44

Rubens: Yes, one can recognize that Safeway architecture. And I saw the gas station— but there's another little store there now that is quite a winner, and I'm wondering if you know about it. It has become quite ubiquitous and always raises the value of everything around it, and your wife has a connection to it.

07-00:01:01

Bakar: Oh, Starbucks? There's a Starbucks there?

07-00:01:05

Rubens: I thought you would enjoy that.

07-00:01:05

Bakar: Yes. Oh, I do.

07-00:01:08

Rubens: So there's a Starbucks on the corner. And I saw what you mean about people driving—very few were walking.

07-00:01:24

Bakar: Oh, certainly. Some do. And one of the problems as an owner manager that we had was collecting the shopping carts, so some people did walk, and then they would just leave their carts anywhere.

- 07-00:01:36  
Rubens: I have a few observations about Woodlake. The light standards at the main entrances—so handsome and timeless. The design of the buildings, the color—it's still a brown tone with a dark olive green trim. Very handsome and no comparison to Watergate.
- 07-00:02:14  
Bakar: And by the way, I do drive by Watergate and did so just yesterday, and I was thinking of how shoddy it looks.
- 07-00:02:23  
Rubens: The colors are distinct; there is no comparative finishing details.
- 07-00:02:24  
Bakar: Well, the colors, and they have subsidence in their soil, because that's all landfill, so some of the fences and the walls are slanting, and it just looks lousy.
- 07-00:02:37  
Rubens: Whereas yours looked gorgeous. The trees, everything well kept—
- 07-00:02:39  
Bakar: Well, that project is 40-plus years old.
- 07-00:02:45  
Rubens: You were correct originally—there are seven pools. There's a court house across the street now. I see how Woodlake backs right up onto the high school, then across the street at the east end, is this court building to note Maybe it's a superior court—
- 07-00:03:10  
Bakar: Well, it'd be a municipal court, probably, but I don't remember.
- 07-00:03:16  
Rubens: All right. I drove south then, and it didn't seem as if the housing market had gone up substantially, but if you drove north a little, you saw some remodels and two or even three floor homes.
- 07-00:03:35  
Bakar: Now, this [brochure] doesn't really tell you about the pools. One, two—I can't tell from this.
- 07-00:03:42  
Rubens: So I wanted to just finish up with Woodlake. We covered building it, getting the first part opened, the financing, because you said the innovative part wasn't the starting in phases, it was getting the community college district to basically carry—
- 07-00:04:12  
Bakar: Carry the land.

07-00:04:14  
Rubens: Yes. And then to get that wonderful deal at the Bank of America. Then we talked about your marketing ideas.

07-00:04:24  
Bakar: What did we say in the marketing?

07-00:04:26  
Rubens: Well, you had said that you had been influenced by a development in—

07-00:04:33  
Bakar: Seal Beach. What influenced me there was their sales pavilion

07-00:04:40  
Rubens: Right. And the model apartment, how to get in and go back to it.

07-00:04:47  
Bakar: And some of the ideas. Do they still have that?

07-00:04:50  
Rubens: I couldn't tell.

07-00:04:55  
Bakar: I would think they still use it as a sales office.

07-00:04:59  
Rubens: Yes, the sales office is still there.

07-00:05:05  
Bakar: The rest of the apartments on that wing were sold with the exception of—

07-00:05:11  
Rubens: It didn't remain a model. I see your point.

07-00:05:17  
Bakar: It was a single-family home builder's once they go out, they sold the houses.

07-00:05:24  
Rubens: I still want to talk about the marketing—to talk about the publicity and recognition that you got from Woodlake, and then maybe we should project ahead what happens to Woodlake before we move on to Northpoint?

07-00:05:49  
Bakar: That's your call.

07-00:05:51  
Rubens: I think we'll do that.

07-00:05:52  
Bakar: But the marketing—there's a couple of stories in the marketing.  
  
One of the things I did in marketing, and I did lots of things. I had to rent 1,000 apartments, which was, in my opinion at the time, an awesome

mountain to climb. And I had the idea of the clubhouse, and I sent the lady that I had hired to run the clubhouse up to the airport, and I said, "I want you to contact all the major airlines," because here was basically a country club that no one was using before people started moving in, "and offer," and at least for the first summer—and I may have done it for two summers, because I was renting this—at a good rate, I'd rent 35, 40 apartments a month, so I had a long way to go. But the first summer, I went up and made available the tennis courts and the swimming pools—mainly the main pool and the tennis courts—to the stewardesses and the cockpit crews, so the cabin and the cockpit crews, which in that time frame—primarily the stewardesses at that time, they had the ability those days to fire them. If they got heavier, they had the ability to fire them in that era. If they got older. They were all young, very attractive kids, the gals. And the pilots typically are nice looking fellows. So if you came down to view the apartment on a warm, sunny day, you saw sitting at the pool a gaggle of young ladies and young men, and you didn't run up to them and say, "Do you live here or not?" Most of them didn't, but you thought they did, and people liked to be around young people. Even the older people liked to be around young people, so that was a great kind of—

07-00:08:05

Rubens:

Did they pay a modest—

07-00:08:06

Bakar:

No. They paid nothing. They just came in and had the use of the pool, the use of the tennis courts.

It was free to them for that first summer, and that was the summer of '65. My guess is by the summer of '66, and I don't remember whether we did it for two years or not. I don't remember, but we had enough of our own young people, and then I think—did I tell you about the newspaper supplement?

07-00:08:33

Rubens:

Yes. But let's just review that. I think we just alluded to it.

07-00:08:38

Bakar:

Well, I had been back East, and I saw a large project. And I saw—it may have been the *New York Times* Sunday supplement—and the developer was a company called Tishman—had paid a lot of money to produce—or, you know, I shouldn't say paid a lot of money. I'll come back to the money part. But the newspaper had an insert, and if you look today at our *Sunday Chronicle*, we have so many inserts. I got the newspaper to—and when I say I got, there wasn't even a thought. I don't remember. It was basically a free insert. I had to produce the insert, and the newspapers put it in. I don't remember the financial cost of doing it, but one Sunday in the spring of 1965, there was a Sunday supplement that talked about this marvelous project called Woodlake, and I don't know. Were you able to find one?

07-00:09:49

Rubens: No.

07-00:09:51

Bakar: But it was about an eight-page supplement, and parenthetically a year or two later when I wanted to give the marketing a boost, I did a second supplement. The first one was all about this project, and the second supplement, which came out a year or so later, was about life at this project, and I had some very attractive people that were living there that offered to basically be the models for the supplement. That era, it was probably the *Examiner*. But that I don't know. I can tell you when the supplement came out that Sunday, there were cars lined up to get in to park and walk around, and it had an enormous impact.

07-00:10:57

Rubens: Were there other ways that you were marketing?

07-00:11:04

Bakar: Every way I can imagine.

07-00:11:05

Rubens: Just maybe tick off a few.

07-00:11:08

Bakar: Well, as far as the people who worked there, every time they rented 100 apartments, they'd be rewarded with all sorts of goodies.

07-00:11:14

Rubens: Well let's hear about this. So then you created a management structure?

07-00:11:19

Bakar: Yes. And I had a bunch of people renting apartments.

07-00:11:22

Rubens: Did you call them salesmen? Were they realtors? Brokers?

07-00:11:26

Bakar: No. Rental agents.

07-00:11:28

Rubens: About how many?

07-00:11:32

Bakar: Oh, probably as many as five or six, and it was a seven-day job, and I had a very sophisticated rental office, and you wandered down that hallway, as I described earlier, to see the model apartments, and I had a PR firm that was pushing a lot of publicity.

07-00:11:52

Rubens: Do you remember what that was?

07-00:11:55

Bakar:

The name of the firm? No, but it was in San Francisco. All the marketing or advertising was done with San Francisco people. There was a Circle Star theater, in Redwood City I think, that was a summer theater, and they had shows, and I made a deal with those people that their stars—"celebrities"—could use the pool, and we'd take a lot of publicity pictures. And I just publicized the heck out of the project with every gimmick that I could think of. And I had tennis exhibitions. But just everything I could possibly think of, I was doing.

07-00:12:42

Rubens:

And was it moving, in your mind, ahead well?

07-00:12:46

Bakar:

I was doing better than I had projected.

07-00:12:49

Rubens:

Were there any dicey moments besides making the original deals?

07-00:12:56

Bakar:

Other than the financing in the beginning, looking back on it, it really went extraordinarily smooth.

07-00:13:03

Rubens:

And you have an office down there. Do you have no office in San Francisco at this point?

07-00:13:08

Bakar:

No, I had no office in San Francisco. I probably still physically had the office in Oakland. I was living in San Francisco, but I was down at Woodlake all the time.

Then a building came for sale, a three-unit building. One, two, three doors away, and I bought it, remodeled the top floor, and that was 1972 that I bought the house on Pacific.

07-00:14:00

Rubens:

By the way, who remodeled? By then were you using—

07-00:14:02

Bakar:

Don Emmons.

07-00:14:03

Rubens:

So it must've looked pretty good.

07-00:14:05

Bakar:

Yes.

07-00:14:12

Rubens:

Anything you think more to say on marketing? At what point were you full? Within two years?

- 07-00:14:26  
Bakar: That'd be 24 months. Pretty close to that. Pretty close to that. Two, two-and-a-half years. And I had projected a longer period.
- 07-00:14:33  
Rubens: Now you're getting awards for this. The American Institute of Architecture gave a merit award in '66.
- 07-00:14:44  
Bakar: I don't remember much.
- 07-00:14:47  
Rubens: And that was in coordination with *House and Home* and *American Home* magazine.
- 07-00:14:52  
Bakar: I don't remember that.
- 07-00:14:54  
Rubens: I see another article where they say Woodlake became a generic term—
- 07-00:14:57  
Bakar: Yes.
- 07-00:14:58  
Rubens: I think we'll get to that, because you're going to go on to do a few others that look like Woodlake. You don't remember any other awards or citations?
- 07-00:15:08  
Bakar: No. Well the one thing I do remember, and I think I mentioned it to you in our last session, is that builders' word of mouth in the building industry and some of the publicity you allude to. Builders came from as far away as Japan—as far away as Europe—to see it.
- 07-00:15:29  
Rubens: How would that literally happen? Would they just go down there? Would they contact you?
- 07-00:15:33  
Bakar: Well, my office was there, and it's a funny thing. When a developer would wander through, you could tell they weren't somebody looking for an apartment, and I instructed our rental people that if anybody came in and they appeared to be a developer, and they can tell, to ask them, and if they were to cooperate—there's no secrets anyhow—to give them any information they wanted.
- 07-00:16:02  
Rubens: And do you remember meetings?

07-00:16:04

Bakar:

Oh, I met a number of builders. I don't remember the names of the people from Europe. I remember one comment. Our mortgage at the time—the Travelers mortgage that I talked about—the permanent loan—was at a rate of about 5.5%, and I remember a young man from France wandering through who was a developer, and I asked him what interest rates were in France, and he said at the time they were about 7%, and I made the ridiculous statement that if they ever went to 7% in America, the building industry would shut down, and obviously they went to seven and long past it later. But if you remember in our last session, part of the cash I had to create was the excess of rental income over operating expenses during that period, and because I rented at a much greater rate than I had programmed, it made it a lot easier. Going back to your question of a few minutes ago, other than a lot of hard effort and hard work, the project went extraordinarily smooth.

07-00:17:21

Rubens:

And so at some point did you refinance? Did you restructure the loan?

07-00:17:24

Bakar:

No. No.

07-00:17:28

Rubens:

Now, your operations are getting pretty big. I mean, you've got five or six rental agents.

07-00:17:41

Bakar:

You know, if you think in terms of a ten-unit apartment house where the manager does everything, including renting, you don't have to be a rocket scientist to rent apartments. People can be trained in the matter of a day or two, so I didn't have a very sophisticated organization.

07-00:17:57

Rubens:

Did you have a manager, though? Somebody who—

07-00:18:00

Bakar:

Ran the project? Yes, but I don't remember who it was in the beginning. I did.

07-00:18:06

Rubens:

And I would think also that then you had to get a more sophisticated CPA. I know you had a very top lawyer. Did you have then some—

07-00:18:22

Bakar:

No. I had an in-house man, and I think I mentioned him to you last time, named John Blaisdell, that would do all those runs to help me get the financing. There was one key lady during the rent up and the management, and her name—if you want the name—it was Mary Ann Saylor. She was hired. I didn't know what I was going to do with the clubhouse. I didn't really know how to run it, and I don't remember how Mary Ann and I connected, but she had been in the recreation department of the City of San Mateo—and did you wander through the clubhouse?

07-00:19:18  
Rubens: Yes, I did.

07-00:19:19  
Bakar: Well, the top floor was kind of the social part of it—the club part of it—and the downstairs was the gym part of it. And Mary Ann did just a great job, and one of our strong rental points was this lifestyle clubhouse.

07-00:19:39  
Rubens: So would she be the one who you had to go up to the airport?

07-00:19:44  
Bakar: Yes. She stayed with me for several years—many years.

07-00:19:51  
Rubens: And could anyone join that clubhouse from outside?

07-00:19:55  
Bakar: No.

07-00:19:55  
Rubens: No. It was only for the—

07-00:19:58  
Bakar: We thought about it, but we never did it.

07-00:20:08  
Rubens: But you then got a PR firm, too. You hadn't had a PR firm before.

07-00:20:11  
Bakar: No.

07-00:20:12  
Rubens: I noted two real estate writers in different San Francisco magazines and wondered if you had any—

07-00:20:22  
Bakar: That probably was a product of the PR firm's efforts. But the idea of the Sunday supplement came from a Tishman developer. Tishman was in New York.

07-00:20:48  
Rubens: You had said earlier that a developer's always looking to the next step, but just short of the next step, before North Port comes along, are you going east and checking out things? Are you going to conventions?

07-00:21:02  
Bakar: No. Well, I was a very popular speaker because of Woodlake. I was invited to speak at builders' conventions, and I spoke. I became kind of a ham.

07-00:21:20  
Rubens: Did you like doing that?

07-00:21:21

Bakar:

I did. There's a good story I can tell about my initial public speaking skills or lack thereof. I was an extraordinarily shy person when it came to public speaking, and when I opened Woodlake, and it was a big project, and it was news, and an organization called the Mortgage Banker's Association, which was the principal lending association, the local chapter—the head of it was a fellow named Jack Opperman. Jack and I were friends, and Jack asked if he could have a chapter meeting at Woodlake and create a panel, and the panel would then say to these 200 people that did come how we built it. The panel consisted of the planning director of San Mateo, Don Emmons the architect, Frank Burroughs the contractor, probably Larry Halprin—I don't remember—and myself. But it was how the project was put together and so forth, and everybody spoke, and I had to speak, and it was an interesting experience. I was just terrible at speaking—unbelievably shy, unbelievably nervous. I just really couldn't do it. I wrote a speech, obviously I knew the subject, and I wrote a speech and Jack came down early. He was a personal friend, and he came down in the mid-afternoon.

Did you go into the gym downstairs? Well there's three paddle ball courts, and he and I had a good workout, and then we went back to my office, and he said, "What are you going to say tonight?" and I read him the speech, and he asked me to read it again, and it was probably a ten, 12 minute speech, and I did, and while I read it the second time, he took notes. He then asked me if he could see the speech. I said sure. I didn't have a copy. I just gave it to him. Then he tore it up, and he handed me back a three-by-five card that had choosing architect, choosing contractor, getting zoning—whatever it was—and he says, "Here's your speech. This is what you talked about when you read your speech." And I was fit to be tied—angry.

07-00:24:05

Rubens:

Even more nervous now?

07-00:24:06

Bakar:

Oh terrible. And I was the cleanup speaker, so the four- or five-member panel spoke first when we finally got to the clubhouse for the dinner and the session, and then it was my turn to speak, and because I obviously knew the subject and Jack had given me this three-by-five card, which simply followed the written speech that I had done, I started talking and the words just flowed, and there's a singular point in somebody's life when something occurs that changes them. I could not do what I did that day prior to Jack tearing the speech up, and I've learned that if I know the subject material, I'm kind of a ham. If I don't know the subject material, I can revert and get nervous. So hopefully I don't speak, unless it's on a subject that I know something about, and every so often I go beyond that, and I get in trouble. But if I know the subject, that episode of Jack tearing the speech up was enormous—had an enormous impact. And then after that I enjoyed it.

07-00:25:21

Rubens: That's a good friend.

07-00:25:22

Bakar: He was. Still is. People who will take that time are rare.

Rubens:

It seems to me that on many levels—not levels, maybe, but in many areas, you are being cultivated, and you are cultivating yourself. You go to Europe and you stay at top level a hotel and get ideas. You seek out the best real estate lawyer, who stimulates your interest in art. I wondered in other ways, were you becoming conscious of a need to carry yourself a certain way and dress a certain way? What were you driving?

07-00:26:06

Bakar: No. Oh, I don't remember.

07-00:26:12

Rubens: Why were you in New York by the way, after your trip back from Europe? Were you looking at something? You said you saw—

07-00:26:24

Bakar: You know, I don't remember. I do remember the fellow's name who worked for Tishman. I haven't thought of him for years. The name was Phil Strong, and I had met him. I don't remember what the circumstances were, so I looked him up when I was in New York. He was working for Tishman. He showed me the Sunday supplement they had done. He showed me the building. It was in Fort Lee, and if you know, Fort Lee is right across the Hudson from Manhattan—Fort Lee, New Jersey, was where the apartment was.

07-00:27:00

Rubens: But do you imagine that you were in New York more for fun rather than business?

07-00:27:05

Bakar: I don't remember. Most of my trips east were—not all, but most of them—that could've even been for the World Series. I don't know. But most of them were related to visiting lenders, as time went on.

07-00:27:22

Rubens: Regarding design. I don't know how to pose this quite well, but to have had Don Emmons come to you and then to maintain this relationship with that firm and with Halprin, I would think that would've been like soaking up a pretty good education. I mean these were—

07-00:27:45

Bakar: Oh, sure. The world of good design, once you get into it, it's hard to—

- 07-00:27:52  
Rubens: And that's what I'm wondering if they are saying to you or are you saying should I go look at something or by osmosis are you picking up what they talk about?
- 07-00:28:00  
Bakar: Well, in the planning stages of Woodlake, Don and I would go out and look at just about every building that had been recently built, particularly down the peninsula, which was our market. Larry I had known before.
- 07-00:28:11  
Rubens: Oh, you had?
- 07-00:28:12  
Bakar: Oh, yes. In 1960, I built a building in San Francisco, 1650 Octavia Street.
- 07-00:28:22  
Rubens: What kind of building?
- 07-00:28:25  
Bakar: Apartment house. And I had a swimming pool in it. It may have been the first building. I'm not sure, but it might've been the first building in the city with a pool.
- 07-00:28:36  
Rubens: How many units, a rough estimate?
- 07-00:28:40  
Bakar: From memory I think I want to say 54. Three stories over a garage. Do you know the restaurant Quince? It's a great restaurant in the city now, but—it's kitty-corner from that apartment house. But I had met Larry in a social environment at a friend's house, and—
- 07-00:29:11  
Rubens: How old was he relative to you about that time?
- 07-00:29:12  
Bakar: Well I can say the same difference right now. I think Larry is 86 or 87 today. So he'd be somewhere between eight and ten years my senior.
- 07-00:29:28  
Rubens: So you met him in a social situation.
- 07-00:29:31  
Bakar: I met him in a friend's house. He had done the landscaping at a friend's house, and we were seated together at the pool one Sunday, and then I used him for the apartment house on Octavia Street.
- 07-00:29:44  
Rubens: Anything else you did in San Francisco before Woodlake that we should know about?

07-00:29:47

Bakar: No. No.

07-00:29:49

Rubens: Did you look at European gardens?

07-00:30:03

Bakar: No. The answer is I probably did have a vacation in Europe in the early sixties, but—

07-00:30:14

Rubens: I see that in 1966, you go on the board of directors of the San Francisco Chamber of Commerce; you serve until 1968. Do you remember how that came about?

07-00:30:58

Bakar: It was probably a result of the publicity I got from Woodlake. I can't remember who asked me.

07-00:31:09

Rubens: Do you remember if those meetings occupied much time, particularly?

07-00:31:24

Bakar: My guess, they met once a month, for seven or eight months of the year. But I don't remember. I have a vague memory, but I can't put a name to it—of the gentleman that invited me on. He was the executive director, Bill Daner. I think that was his name.

07-00:31:42

Rubens: But it's not something you stay on very long, so—I think you had gone—

07-00:31:45

Bakar: I don't remember how long I was on it.

07-00:31:47

Rubens: About three years according to my research notes.

07-00:31:49

Bakar: Yes.

07-00:31:50

Rubens: But you're—you must be considering yourself, you know, a player in the game now. You've got some standing, and what are you going to do next?

07-00:32:03

Bakar: Well, I said in our last session, the developer has to have some place to go to develop. But I don't remember any sense of self-image. Whatever was happening was happening.

07-00:32:14

Rubens: Just living life; pretty full, and excited, but—at what point does the next idea come to you? The next development will be Northpoint. But was there any

other casting of your eye around at all? You'd only bought one piece of property—well, you had your own personal property—but you'd only bought one piece of property in San Francisco to develop. Is that a lot that became available, the apartment building?

07-00:32:43

Bakar: No, that would have been Bush and Octavia.

07-00:32:45

Rubens: Yes, so you did that, but then—nothing else?

Bakar:

I can remember how Northpoint came about. I'd gotten friendly with a fellow who was a jogger, who loved to run. His name was Bob Fraser. And Bob was an attorney-turned-developer. And I was living up on Chestnut Street, Bob and I got friendly, and we would run in the mornings, jog in the morning. And one of the jogs—or probably several of them—took us down by a factory in the North Waterfront called the Simmons Mattress Factory.

We're looking at a map I used then. There's Northpoint Shopping Center. Anyhow, we would run by this North Point property, and it was a manufacturing facility for the Simmons Company, which produced the mattresses.

07-00:34:30

Rubens: It was still operating?

07-00:34:32

Bakar: Yes. And it consisted—I'm trying to remember the total acreage—I want to say ten acres. Anyhow, forget the acreage. It was two city blocks. First of all, the manufacturing facility consisted of five parcels. The raw material storage was a warehouse on the corner. I'm having trouble finding the corner. Anyhow, it consisted of a warehouse, at—you know, we can get the specific blocks later. But the warehouse was 100 North Point. Which—and I'll come back to it. It's currently—and we demolished the warehouse, but it was a building which is now 100 North Point.

07-00:36:19

Rubens: Which is an office building.

07-00:36:24

Bakar: And then it consisted of two complete city blocks. And the eastern part of the property—the eastern portion—was a half a block, and it butted up to the North Point sewage facility. And I'll come back to that term later. And then the fifth parcel—so, you had the warehouse, that is now 100 North Point, you had the half-block next to the sewage facility, then you had two complete blocks. And the half-block and the two complete blocks were between Bay Street and North Point Street. So from the sewage facility down to Mason Street—well, Stockton Street, pardon me—no, it's Mason, I'm sorry. Here's the half block. Next to it is a sewage facility. Right where this glass of water is

was 100 North Point, their old products building. And then right here, on this corner, which would have been the corner of Powell and Bay Street, was their office building. So they had raw materials, manufacturing, and then they had a five-story building, which was finished product storage. And then they had this five-story building. They had a loading dock where these big vans would come to take springs and mattresses from the finished product storage building to customers. And Bob Fraser and I got the idea that we should develop this, or redevelop it—Bob and I both being developers.

07-00:38:29

Rubens:

Where had he been developing?

07-00:38:31

Bakar:

He did a fair amount of developing. He had a partner named Paul Hammerberg. I don't remember the chronology, but Bob did a lot of developing. He did a big shopping center in El Cerrito. He did the Comstock Apartments up on Jones Street, the big apartment house in San Francisco. And I think he may have—he probably did that before Northpoint. But anyhow, the two of us got the idea, and I went to work, to try to figure out, "What if we can buy this property?" And the journey took me to New York, to talk to the Simmons people. And one of the heirs of the founder, a gentleman named Grant Simmons, was still running the company, still owned it. And we started a dialogue. And because they had owned it for so long, they didn't want to pay taxes. And I talked them into building—that I would build, or we would build—a new building, which would be a much more efficient operation than this spread-out factory and warehouse and everything. One floor, instead of—I don't know how many floors they had. And we ended up consummating a transaction where we—and at the time, "we" was myself, the two Wilsey brothers, and Bob Fraser—would build a new factory for Simmons. They would pick out the site, wherever they—I didn't care where it was, I didn't care what it cost; we would build it. But at the end of the—because they would pick the site, they would design it, I'd put it out to bid—we created the ability for them to trade this property in for that property. And, again, it didn't make any difference to me what this cost. And they governed all the issues that made up the cost. The design, the land, everything. But when they finished it—and they would trade, and we had an agreed price, that we would pay for all this, out of the trade. And I don't remember that number I was thinking about it, and I can't recall. So we did: we built a one-floor warehouse—I think it was about a 500,000-foot warehouse in San Leandro, which, as far as I know, they still have.

07-00:41:21

Rubens:

Literally, you weren't involved with the finding the property; they had—

07-00:41:25

Bakar:

No, they found it, they had their own broker they had their own contractor. But everything was done in the name of a partnership that we'd created, which was Wilsey and Fraser. And there's a story to be told about that partnership,

but in any event, we now controlled the North Point property. And then we had to decide, "What are we going to do with it?" And I didn't know what to do with it. I just knew it was a significant assemblage of land, in a pretty nice city called San Francisco. And because it was so big, and it impacted the area, and people thought of it as an industrial area, it was clear—much like the United Nations in New York—the old cattle stockyards—that once these "stockyards," so to speak, disappeared, the neighborhood would change. And I didn't know what to do. And one of the people I went back east to see—and I should have remembered his name, a wonderful man—who had done the financing of that Lake Royal, the apartment house I built in Oakland—Equitable had made the loan—and he was the local Equitable lender, the head of the office. I wish I could remember his name, a wonderful gentleman. He had been elevated to be the head of Equitable, during these many years. So I went back to see him, among other people.

07-00:43:07

Rubens: Again, a New York-based company?

07-00:43:09

Bakar: Yes, Equitable was based in New York. They still are.

07-00:43:11

Rubens: And he had been at the Oakland office?

07-00:43:14

Bakar: No, he had been in San Francisco. He was the head of the mortgage department here—most of these insurance companies had real estate lending activities as part of their businesses. Some did it in-house, some did it with what they call correspondents. In any event, Equitable did their own, and I got in friendly with him, and he now was the head of all real estate for Equitable. So I went back to see him, and I was concerned about the property. And he knew the property, having lived here, and he loved it. And I said—his name will pop up one of these moments—and I said to him, "But it's next door to a sewage plant." I can remember saying [that] to him, and he says, "Gerson, it's the best-looking sewage plant in America. Don't worry about the sewage plant." And he helped me overcome my concern about the sewage plant, which is still there, to this day. And our apartments are right next door. So then I decided to do apartments, and we decided we'd—Bob Fraser and myself—to do the apartments. We didn't know exactly what to do with their office building. I'll come back to that. And then we didn't know what to do with the building that they put their finished products in, this five-story building. And the one thing we did know was that the area had been down-zoned to a 40-foot height limit and it was clear that whatever we did with the five-story building, we weren't going to tear it down, because we had guaranteed views, forever, because everything around it had to be no higher than 40 feet. Or at least between it and the Bay.

07-00:45:06

Rubens: How many stories is 40 feet?

07-00:45:10

Bakar: Typical 40 feet would be about three. Sometimes there are buildings in which it could be four, but typically three stories. You could do four. In any event, we knew that the views of that building could never be impacted negatively. And we decided, finally, to do an office building, and then to do a retail center. And there was a fellow my age who, lately, has had a lot of publicity, that I'd gotten friendly with named Sheldon Gordon. And Sheldon had been working for Walter Shorenstein as a real estate salesperson. Sheldon had been involved in a shopping center in Oakland, which is a [laughter] first-class toilet today; in fact, it's going to be torn down, and become a new Kaiser medical center.

07-00:46:15

Rubens: Oh, that was a horrible development.

07-00:46:15

Bakar: Broadway and MacArthur, yes. Terrible. Kaiser will be tearing it down and building a new hospital there.

Shorenstein was the advisor to the owner of that property, who was a man named Ed Herscher. And Herscher controlled a food company, a Safeway-type food company, at the time called Mayfair. In any event, Sheldon was kind of the conceiver—while he worked for Shorenstein, they were the advisors to Mr. Herscher. So all of a sudden, I thought in terms of Sheldon to help me with the shopping center that I hoped to build. And I got Sheldon to leave Shorenstein's office, and gave him five percent of the entire project. However it turned out, he did get five percent. And we would carry his interest, so he didn't have to put up any money.

07-00:47:24

Rubens: Carry his interest means—

07-00:47:26

Bakar: Financially. The partnership—Fraser, Wilsey, Wilsey, myself—would give up a total of five percent, which Sheldon would get. And Sheldon could pay for it out of profits; he didn't have to put up any money. So that began Sheldon's career, and he then joined my team and put together the shopping center. And then we did the five-story building. So the shopping center, which was a little bit unique at the time, was San Francisco's only enclosed mall, and you can read about it in this plan book.

And Sheldon did the leasing and sat with me and with the architects.

Begin Audio File 8

08-00:00:00

Rubens: You said this gets into a very good point.

08-00:00:02

Bakar: Well, it gets into some interesting things financially. Woodlake is under construction. The plan book is dated October '64. Woodlake hasn't opened yet. Woodlake has been financed. The construction had started.

08-00:00:34

Rubens: And you're just moving on. Now, I don't mean to divert you but—what is the rest of that area looking like at this point, when there's the factory there?

08-00:00:47

Bakar: Well, the entire five parcels—the three—in fact, I think—

08-00:00:53

Rubens: Has Fisherman's Wharf been revitalized? I mean, is Cost Plus there?

08-00:00:59

Bakar: Yes. Cost Plus was there.

08-00:01:02

Rubens: And do you know if Local Ten of the I.L.W.U was there?

08-00:01:19

Bakar: Yes. I think it was. In fact, I can look at it. I can see it right here. This is going to be very helpful for you. [Looking at map] This is the five-story building. This is the factory. This is part of the factory, and here they made coils and stuff, and then that warehouse was right here.

08-00:01:53

Rubens: And where's the sewage plant?

08-00:01:54

Bakar: Right here is the sewage plant. So here's where the warehouse was, which became 100 North Point. Here's the half block of North Point. Here's the full block of North Point. Here's the five-story building, and these are the loading docks, where trucks would come to pick up the finished product. So raw material, manufacture, manufacture, finish product, products go on, and this building right here, which is on the corner of Powell and Bay Street, I tore down, and I put a theater there, which became known as the North Point Theater.

08-00:02:50

Rubens: That's right. I saw *Apocalypse Now* in rough-cut there.

08-00:02:53

Bakar: It was there. Mr. Coppola came to the theater, but I didn't know him, and the theater was leased and operated by ABC Paramount. They were our tenant, and at that time, I built offices above the theater lobby, and Mr. Coppola came one day and asked the theater people—we had nothing to do with the

operation of the theater, we were just the landlord—but Mr. Coppola came one day, and he says, "We can't really figure out how to end this movie," and again, asked the theater people if he could run it. So we were all invited down to see the movie.

08-00:03:36

Rubens: We might've been there at the same time.

08-00:03:38

Bakar: You could've been, but they had several different people come in, because they used different endings to see which ending seemed the best, so you could've been in one of those. In any event, Sheldon came in on the deal. Bob Fraser's a partner, Sheldon, owns his 5%, the Wilseys and I own I guess half of it, with Fraser owning half, and Fraser had some financial setbacks, so early on Fraser wanted to be taken out of the deal, but we really couldn't go ahead and build it, because we still had to do all the financing necessary to build a product. Along the way I got involved through Bob Fraser with John Hancock, the insurance company. John Hancock was represented locally by a firm called Norris Beggs, B-E-double G-S, and Simpson, and they represented John Hancock as what is called a loan correspondent. They did the financing—arranged loans for John Hancock. And the gentleman there was Charles Corbitt. Charles, Bob Fraser, and I went back to Boston. Probably I had this book by that time. Made our pitch, and John Hancock agreed to finance the project. They would buy the land—the initial money necessary to buy the land—lease it to us, our partnership, and give us mortgage financing to build it, but they didn't provide construction financing. I still had to get the money to build it. The Bank of America, when they made this big loan in Woodlake, had a bunch of covenants in that loan. One of the covenants, which we agreed to when we borrowed the money from the Bank of America, is that we would not do any real estate transaction or any business transaction over \$10,000 without permission from the bank.

08-00:06:29

Rubens: The covenant was on—

08-00:06:32

Bakar: The covenant was on the Woodlake loan. We had agreed to that covenant, that we couldn't do any project that involved more than \$10,000 without their permission. So I went to see the Bank of America to get their permission.

08-00:06:49

Rubens: Let me just stay focused on this for one second. Theoretically, that was regarding Woodlake, right? And what would be \$10,000.

08-00:06:59

Bakar: Anything.

08-00:07:00

Rubens: Anything. I mean your construction costs would be going over that.

08-00:07:12

Bakar: Basically the lender didn't want us exposing our time or assets to anything without their permission until Woodlake was finished.

08-00:07:19

Rubens: That was the purpose of that. OK, so not vis-à-vis Woodlake, but anything else you might do.

08-00:07:25

Bakar: No. It had nothing to do with Woodlake. But they didn't want me to whatever—

08-00:07:28

Rubens: They wanted you to just stay focused on what you were doing at Woodlake? But as you've said, a developer is always looking ahead.

08-00:07:32

Bakar: We went to them for permission, and I use an expression, which is a metaphor. They patted me on the head and said, "That's very nice." I said, "I thought we were going to be able to finance out everything with John Hancock buying the land and John Hancock making the loan to build the buildings." I didn't think we needed any money, and the bank patted me on the head and said, "That's very nice, but we'd like to see at least a million dollars cash as a contingency in your team to build the Northpoint project," and we didn't have the million dollars.

08-00:08:13

Rubens: Are you dealing with that same person at Bank of America? This is all happening within a short amount of time.

08-00:08:20

Bakar: With McCarthy, probably, but I don't remember. In any event, Jack Wilsey—he had gone to Saint Ignatius High School with a man named Alex Dreier. You're not old enough probably to remember him. He was known as "the man on the go" on the national network ABC. He was a national news broadcaster called "the man on the go", and Alex had married a very wealthy lady in Chicago, which is where he lived. But Alex had a young man working for him, and I think we started giving too many names in the hopper, and I'll leave him out of it. We went back to see Alex and his businesspeople and showed them the deal, and we said, "If you'll put up a million dollars, we'll give you a half interest in the deal." He said, "Do you need it?" I said, "I don't think we need it." So he said, "I'll give you a letter of credit." A letter of credit means that we can go and get it any time we need it. He says, "I'll get you a letter of credit," and he did, so now we had a letter of credit as additional security for the Northpoint loan. Bank of America said go ahead, so now a partnership of Wilsey, Bob [Fraser], Sheldon Gordon with his 5%, and Alex Dreier owns half, and that partnership owns the other half. And lo and behold, this marvelous developer named Bakar got in trouble. The building cost a lot more

to build than I had hoped and projected, and we had to draw on the letter of credit, and Alex Dreier said no.

08-00:10:35

Rubens: This was a—how legal is this? Well, go on. I'm sorry.

08-00:10:40

Bakar: No. No. You asked a good question. So we were sitting with a lawsuit. He refused to let us draw on the letter of credit, and I don't remember the exact way it was written.

08-00:10:50

Rubens: How much time elapsed between when he offered the credit and—

08-00:10:54

Bakar: You know, I think we had started construction, but it was clear that we were going to be in trouble, and so all of a sudden, we had a potential lawsuit, and the Wilsey brothers by this time were making some money in their butter business, and they said, "We'll put up the money and take over his interest." Out of that came an argument that I don't want to get into on this relative to my relationship with the Wilsey, but the Wileys ended up taking over Alex's interest, which was 50%, and then I was left in the partnership on the other half, so the Wileys were on both sides, and we went ahead and finished the project. Early on, Mr. Fraser got in trouble.

08-00:11:48

Rubens: Yes. That's what I want to come back to.

08-00:11:50

Bakar: And we bought him out early on for a modest sum of money. The project hadn't started yet.

08-00:11:55

Rubens: He got in trouble in other areas?

08-00:11:57

Bakar: No. He and I stayed friends for years. But anyhow, that was how Northpoint happened.

08-00:12:08

Rubens: Let me unpack this a little. How risky was it at the time? I see that your cost went over. We can talk about that. But Bank of America looks like they're pretty supportive of it. It's '64, '65, '66. Our economy's pretty good then, isn't it?

08-00:12:28

Bakar: I don't remember.

08-00:12:29

Rubens: It's the Vietnam War years. Not so much has been—

08-00:12:33

Bakar:

I never, in all of my building—I didn't build or not build because of the economy. I mean there was always a market. It varied as to demand and supply, but there was always a market for a good product in housing, so I wasn't looking to the world economy or the country's economy—we were going ahead with the project.

08-00:12:57

Rubens:

I was asking the point of view from the banker, you know, if they're going to loan money.

08-00:13:01

Bakar:

Well, the bank looks at it. They do an appraisal. They had this million dollar letter of credit, which the Wilseys, again, were able to—

08-00:13:12

Rubens:

Cover. But I mean it's not such a choice piece of property at the time. Now it's a commercial hub.

08-00:13:16

Bakar:

Well, it was marginal at the time.

08-00:13:19

Rubens:

At the time it was an industrial site.

08-00:13:20

Bakar:

If you look at this picture, it's an industrial area. I looked at it with Mr. Emmons, who I went back to talk about the apartments. We had decided that we were going to do the shopping center where the five-story building was. That was the Sheldon Gordon input. We had decided for this plan book we were going to build these apartments. I looked at the land once the factory was removed as a residential area. One of the hot residential areas in San Francisco has always been—particularly in the fifties and sixties and seventies where all the young people liked to live—called Telegraph Hill. And I looked at this sitting at the base of Telegraph Hill as an extension of Telegraph Hill, so I chose to build small apartments, which is what Telegraph Hill consisted of. I chose to build small apartment, and that's what Mr. Emmons did, and this book shows it. Here's another good picture. There's the factory. Here's the warehouse.

08-00:14:36

Rubens:

Look how close it is to the Embarcadero. I remember when you started—

08-00:14:41

Bakar:

Well, somewhere along the line, we'll pick up. I bought this building. [points to a map]

08-00:14:46

Rubens:

What was that building at the time?

08-00:14:50

Bakar: Otis Elevator's local facility, but here's basically the Simmons property. There's their office building, which became the theater. Here's the five-story building, which became offices and shopping center with parking on the roof of the shopping center. There are apartments and two levels of parking. There was a story on that lower level, which I'll get to, and more apartments, and then of course the office building. The parking is an interesting story. Here's a theater which needs parking at night.

08-00:15:35

Rubens: At what point does the theater come into your mind?

08-00:15:36

Bakar: Oh, it's early on. Sheldon with his retail expertise probably brought that. I'm sure he did.

08-00:15:43

Rubens: Is this a separate acquisition, then, to get this?

08-00:15:46

Bakar: No. I told you I bought five parcels. One, two, three, four, five. And this Sheldon brought a lease from ABC Paramount, and I was able to design some offices above the lobby for myself, which are still there. We're out of this. I mean, I'm out of it, kind of totally. We tore all this down, and that became the shopping center and a double-deck parking structure. If you go down there, you'll see the double-deck parking. Two levels of parking here, and this was an interesting deal. This was built as a P-U-D, and it's called—if you have large parcels of property, you go to cities, and you can kind of ignore the zoning laws because your property is so significant in size, and you do a planned unit development. So for a planned unit development, you have to sell the city on the idea it's a good development, but they don't hold you to all of the typical little things that you might do on an individual lot. So the double-deck parking I describe as a gallon jug, and I got about seven quarts of capacity because of the different needs and demands. The shopping center needed parking on weekends. The theater needed parking at night; the office building during the day. And because these uses were compatible and created different time demands for parking, I was required to build far less parking than the project would've needed if each use was on its own. And if you read through this, you'll see that this was the book I used to get the zoning. So the city was very cooperative. The apartments opened. They were immediately successful.

08-00:17:50

Rubens: Do you recall when they opened? By the time they opened are you through with—

08-00:17:56

Bakar: Renting Woodlake? Yes. I think so. They probably opened in 1968—somewhere around there. And they rented like hotcakes.

- 08-00:18:12  
Rubens: How diverse were they? Were there any townhouses, or were they studio—
- 08-00:18:18  
Bakar: Studio and one-bedroom. I think there were just a few twos. It was a building that had—by the way, there's the—
- 08-00:18:27  
Rubens: There's no issue about Emmons was going to be the architect?
- 08-00:18:33  
Bakar: No. No. Here. This is starting on the lowest level, much as this book. But here you have parking in the lower level. As you get to the next level, you have some apartments facing the street, and then as you go up to the following level, you can see it's all apartments, so here are the two levels.
- 08-00:18:57  
Rubens: The over-all design plan had not been done in San Francisco, but you decided to keep the bay window treatment.
- 08-00:19:03  
Bakar: Yes. That was Don [Emmons], but then one of the nice features I'm trying to get to—
- 08-00:19:08  
Rubens: And is Halprin involved in landscaping?
- 08-00:19:09  
Bakar: Yes. There were four full courtyards, much like Woodlake courtyards, and one half courtyard, which is facing the sewage plant. [pointing to the plan book] And swimming pool, swimming pool, swimming pool, relaxing courtyard—no pool. And basically what you see is what was built.
- 08-00:19:28  
Rubens: How many units?
- 08-00:19:29  
Bakar: 514.
- 08-00:19:30  
Rubens: Here is an *Examiner* story in 1968, and one of the things that it quoted you as being concerned with is diversity of space, variety of use. There's a health club there. Is this accurate, it was valued at \$100 million?
- 08-00:20:09  
Bakar: Possibly.
- 08-00:20:09  
Rubens: Again, the health club's just for the renters?

- 08-00:20:12  
Bakar: Yes. I think now they might have outside people, but in this era of very sophisticated big health clubs, this is a little bit dated.
- 08-00:20:23  
Rubens: It said the interiors were done by Beatrice Bliss Rindall. She was with Western Contract Furnishers. You had color consultants. There are more specialists coming in than for Woodlake. And I wanted to ask you were there any other unusual features?
- 08-00:20:44  
Bakar: Well, these courtyards were a little bit unique in San Francisco. The upper floors on the north side, some of them have Bay views. Again, going back to that picture with the magnifying glass—it was such a good picture. I'll find it.
- 08-00:21:14  
Rubens: Wurster died in 1973, but I assume he wasn't involved.
- 08-00:21:21  
Bakar: No, he wasn't. Here's the project, just those blocks. This piece—the bus yard is still the bus yard to and including this day. That's the Muni bus yard. It hasn't changed. This is a big, huge Sheraton hotel.
- 08-00:21:50  
Rubens: You weren't involved in that?
- 08-00:21:55  
Bakar: No. No. There's your Longshoreman's Union.
- 08-00:21:58  
Rubens: Where's pier 39?
- 08-00:22:01  
Bakar: Pier 39 would be right opposite. It's this big pier.
- 08-00:22:04  
Rubens: That's certainly not happening.
- 08-00:22:04  
Bakar: No. No. This is much earlier. One kind of anecdote that's fun to tell: carpenters use something called transits, and you'll see it when you pass a construction job—a tripod where they're looking through something like a telescope to make sure that everything's level. And the contractor Williams and Burrows had built this. The hotel used to complain because the carpenters would all get their transits out and they'd be watching these hotel rooms during the construction period. It was a game they played.
- 08-00:22:45  
Rubens: You had the same architects, landscape architects, builder.

08-00:22:47

Bakar: Yes.

08-00:22:50

Rubens: Different financier. Well, same financier, in a way—

08-00:22:51

Bakar: No. Bank of America was for construction. John Hancock was permanent loan.

08-00:22:56

Rubens: Did the partnership own the property?

08-00:23:02

Bakar: Well, no. The financing was done with a combination sale and leaseback of the land, so John Hancock bought the land and leased it back to the partnership, and then they gave us a permanent loan for the improvements. But Bank of America gave us the construction loan to get the improvements built. So Simmons is out of the picture.

08-00:23:39

Rubens: But didn't you say you would build a building for them?

08-00:23:41

Bakar: No. I built a building in my name. For Mr. Simmons' tax purposes, they didn't want to make a sale of this property, so we agreed that we would build a building. They would direct us as to the property, as to the design, as to the contractor, and the only part of the agreements is when the building is done, they could trade their property into the building, and we had an agreed upon price that we would pay for the property, which I forget.

08-00:24:18

Dienstfrey: So if the factory cost more, Simmons would have to pay more.

08-00:24:20

Bakar: Yes. And the factory did cost more. I was a nominee in name only.

08-00:24:30

Rubens: I misunderstood. I thought you had to build it.

08-00:24:36

Bakar: No. It would be—if I could make an example. If you and your husband were selling your house wanting to trade it for somebody else's house, and you said that somebody else would build your house for you. At the end of that time when it was built, you'd trade yours in. If it cost more, you'd pay more. If it cost less, they'd give you the money back.

08-00:25:27

Rubens: I know we need to stop for today soon. But I want to talk just a little bit about San Francisco between 1964 to '68, because as it turns I'm doing interviews

documenting the work of a woman architect in San Francisco named Beverly Willis.

08-00:25:48

Bakar: Oh, I knew her. I spent a week ago Saturday at her house. Well, it's now Nancy Pelosi's house. Beverly Willis had a home in Napa.

08-00:25:57

Rubens: I heard it was gorgeous.

08-00:25:58

Bakar: Well, I was there once when she owned it, but she had a home within a mile of our house. My wife and I have a home near there in Rutherford. Nancy and Paul [Pelosi] own that home today. It was Beverly Willis's house. They bought it from her.

08-00:26:25

Rubens: And did you know Willis at the time, '64 to '68?

08-00:26:32

Bakar: Yes.

08-00:26:32

Rubens: She was starting to make a name for herself doing renovations on Union Street.

08-00:26:36

Bakar: Yes. But I knew her. Don't ask me how I met her.

08-00:26:39

Rubens: I presume people encountered each other, certainly among those of you who were innovative. She was pioneering in renovating the Victorians and making them shopping areas.

08-00:26:50

Bakar: Could be. I don't know.

08-00:26:53

Rubens: Speaking of repurposing buildings for commercial use—the Ghirardelli Chocolate Factory was converted—

08-00:27:03

Bakar: Wurster Bernardi Emmons were the architects of Ghirardelli Square. Larry Halprin did the landscaping at Ghirardelli Square.

08-00:27:09

Rubens: Of course, and William Roth was the owner.

08-00:27:13

Bakar: Was the owner and developer. Do you know what's happening to it now? It's being turned into condominiums.

- 08-00:27:26  
Rubens: We had mentioned The Cannery and the development of shops in Sausalito in a previous interview.
- 08-00:27:35  
Bakar: Yes. The Cannery and this shopping center were kind of about the same time.
- 08-00:27:41  
Rubens: Do you remember going to the opening of Ghirardelli or The Cannery?
- 08-00:27:49  
Bakar: No. I don't think so. But one interesting comment. Ghirardelli was geared for tourist attraction, and the retailing was done in that context. When we did our Northpoint Shopping Center, we made a defined decision. This is not a shopping center to go after the tourists. This is a neighborhood shopping center. We became a little bit of a hybrid, because on the second floor, which was still retailing, and I think it shows well on this one drawing in here I just had. Sheldon got us a tenant for the second floor that was an attraction in themselves. See, the second floor of this building emptied out onto a parking lot, and it's still that way today. So this became retail. Underneath, the configuration is slightly different than this book, but the concept is exactly the same. Some parking here at the end of the mall, and then you go upstairs to parking. Sheldon got a tenant for this that was Akron. Do you remember Akron?
- 08-00:29:25  
Rubens: Yes. I haven't heard that name in a long time.
- 08-00:29:27  
Bakar: Yes. And I don't think they exist anymore. It was kind of a hybrid—
- 08-00:29:38  
Rubens: It was an early Target, wasn't it?
- 08-00:29:41  
Bakar: No. No. It was more of a Cost Plus with a little better merchandise. I don't know what to call that, but they came up with crazy things you could buy. Akron would kind of be like Trader Joes is to food. Trader Joes have these unique food dishes. Well, Akron had unique retailing items.
- 08-00:30:10  
Rubens: Was it an L.A. company?
- 08-00:30:10  
Bakar: They were an L.A. company. And so Akron was up here. Sheldon did all these things and basically functioned as the client to the architects.
- 08-00:30:23  
Rubens: And did Sheldon remain?

08-00:30:26

Bakar:

No. At some point down the line, Sheldon—we bought Sheldon out. Sheldon went elsewhere, on to other things. He was in *Fortune* magazine last week. He's a major developer in the country today.

08-00:30:41

Rubens:

So he recoups whatever his problems are and then moves on.

08-00:30:44

Bakar:

Yes. Well Sheldon went over to Hawaii and did a lot of development in Hawaii. That's a whole other story.

08-00:30:54

Dienstfrey:

He did the Nordstrom's store on Market Street—the San Francisco Center between 4<sup>th</sup> and 5<sup>th</sup> streets.

08-00:30:58

Bakar:

Oh yes. Thanks, Teddy. Sheldon is one of the most innovative shopping center developers in the country. Have you been to Las Vegas?

08-00:31:06

Rubens:

Yes.

08-00:31:07

Bakar:

Have you been to Caesar's Forum? Sheldon did Caesar's Forum. He brought retailing to the casinos. He married them. Sheldon did one of the most innovative deals in the country, bringing Nordstrom's on Fifth and Market. Sheldon did the San Francisco Center with Nordstrom's on the top.

08-00:31:28

Rubens:

Connecting directly to BART underneath?

08-00:31:32

Bakar:

Yep. And I just, by the way, parenthetically, I was taken last Wednesday a week ago today—the man running that whole job now is a friend—to see the new Bloomingdales shopping center. So the San Francisco Center will connect to the mall. It's enormous. It's going to have a huge impact on San Francisco retail.

08-00:31:54

Rubens:

Really? Because it's still so crowded. It's still so busy. It's amazing.

08-00:31:59

Bakar:

Well, it's going to be unreal, but that's Sheldon. Sheldon went on to become—I think the words are appropriately chosen—one of the geniuses of unique retail shopping centers of America.

08-00:32:11

Rubens:

Where is he based?

08-00:32:12  
Bakar: He's based now in New York, or he lives in Connecticut. He's doing a huge deal in Atlantic City now, which will be kind of the Caesar's Forum of Atlantic City.

08-00:32:26  
Dienstfrey: Didn't he do a big thing in Los Angeles?

08-00:32:28  
Bakar: Well, he did the Beverly Center. That's Sheldon's. So he's one of the best creative guys in the country.

08-00:32:38  
Rubens: So just to follow out his business connection to you, didn't he fall on hard times, or had a hard time at one point when he was partners with you and then gets out of this partnership.

08-00:32:45  
Bakar: Well, I can't say it was a hard time. It was just—

08-00:32:51  
Dienstfrey: Fraser got out.

08-00:32:52  
Bakar: He wanted the money.

08-00:32:57  
Rubens: And so what did Sheldon bring you?

08-00:33:02  
Bakar: He was the client to the design team of the Northpoint Shopping Center.

08-00:33:03  
Rubens: But you had already put in a Safeway. You understood in Woodlake about the importance of the shopping center.

08-00:33:11  
Bakar: Yes. But I had never done a mall, and Sheldon functioned as the client in the partnership for the retail.

08-00:33:19  
Rubens: But what I'm interested in your point—maybe just to close with this—if you had a philosophical commitment. You said we wanted to be a neighborhood-based place. Yet, was Ghirardelli on your mind?

08-00:33:33  
Bakar: We weren't going to be a tourist draw—nor is it to and including today. I still have a partnership interest in Northpoint with the Wilsey family, but for reasons that have no relevance, I have nothing to do with managing it anymore.

08-00:33:59

Rubens:

All right. But what I'm asking is have you by this point now really developed a philosophy that's interested in diversity of space, variety of use, mixed zoning? But community as opposed to shopping centers or tourist sites. I mean, this is what you liked.

08-00:34:16

Bakar:

Woodlake anchored me as a multi-family developer of garden apartments, and that became my strong suit. You can argue that these apartments are garden apartments in an urban setting.

08-00:34:32

Rubens:

I read that it introduced a suburban aesthetic into the city.

08-00:34:36

Bakar:

But basically we went after the same tenant that was living on Telegraph Hill.

08-00:34:40

Dienstfrey:

If it were a tourist-oriented commercial area, would that conflict with the residential?

08-00:34:48

Bakar:

No. But excuse me, Ted, if I may. I never thought of it in those terms. The apartments were clearly going to be an extension of Telegraph Hill.

In the retail I felt we could never compete with Ghirardelli. We didn't try, and we said this northern end of town is deserving of a neighborhood shopping center, and a neighborhood shopping center we attempted, and if you look in the book, it says drugstore. It says restaurant. It says bank. It says shops. And if you wander through it, it won't resemble this. This is now all supermarket, and there's no restaurant here, but shopping centers change. But the key to that shopping center is we were not going to try to compete with Ghirardelli.

And The Cannery, which attempted to compete with Ghirardelli, was never successful.

08-00:35:43

Rubens:

So you had a formula that you're going to go use elsewhere. This is really only your second—

08-00:35:53

Bakar:

Well, strike the word formula. I liked the apartment house business. I liked the garden apartment side of it as opposed to building high rises, and that was my *métier*. That was what I was doing.

08-00:36:04

Rubens:

And it sounds to me like mixed use, too, having some retail that would be servicing your tenants.

08-00:36:12

Bakar:

But I was smart enough to know that I didn't know anything about retailing, not withstanding a simple neighborhood shopping center in San Mateo, and this was a little more complex—the idea of parking on the second floor, etcetera.

08-00:36:25

Rubens:

And when does this open?

08-00:36:29

Bakar:

Well, I have to guess. We can look in the marker. I have to guess around '68, '69.

08-00:36:34

Rubens:

That's when this article is dated. 1968—3/24/68. And then the next big thing is going to be Oak Creek apartments. Then, you're director of Wilsey Bennett Company? How does the name—Bennett fit in?

08-00:37:44

Bakar:

Well, Wilsey's father had a company called Wilsey-Bennett at some time, and Bennett had disappeared or died or whatever. But to and including today, the Wilsey family has a company called Wilsey-Bennett.

08-00:38:00

Rubens:

But basically the organization that you create is—

08-00:38:07

Bakar:

"Gerson Bakar and Associates."

08-00:38:08

Rubens:

Then you also become an advisor to the Oakland Redevelopment Agency. This is about in this period.

08-00:38:21

Bakar:

Yes. The Acorn Project. I sat in on the selection committee that decided who the developer would be.

08-00:38:25

Rubens:

I meant to ask about that after we discussed Woodlake. Were you recruited to work with or for other developers or real-estate companies?

08-00:38:50

Bakar:

No. At one point an overture was made for me to—when corporate America was beginning to get more involved with real estate, Container Corporation of America approached me about becoming part of their conglomerate, whatever it might be called. They owned Montgomery Wards and they owned the basic name Container Corp. And I guess they had a lot of other interests. And they flew me back to Chicago with the idea of perhaps getting involved.

08-00:39:29

Rubens:

Is this before Northpoint is done?

08-00:39:30

Bakar:

You know, I don't remember when, but what I remember is I gave it a little bit of thought—not very much—and I talked to a wonderful gentleman, whose name will come up later. The name Gene Trefethen. Does that name mean anything to you?

08-00:39:45

Rubens:

Yes, of course, Eugene Trefethen. He was a senior executive with Kaiser?

08-00:39:47

Bakar:

And I'd gotten to know him in Oakland, and he said, "Gerson, you don't belong to any big corporate structure. Forget it." He just felt it would never work for me, and I spent about that much time thinking about it, but that was the only firm that made an overture.

08-00:40:04

Rubens:

Well then I think we'll stop here for today.

08-00:40:07

Bakar:

Fine.



**Interview 5: July 31, 2006**

Begin Audio File 9

Rubens: Last week we really got through most of the story of Northpoint. I have a few questions I want to ask about it, however. This is a beautiful brochure and I'm so sorry all the rest of your projects are not going to have these brochures.

09-00:02:36

Bakar: Because of these first two projects, it was only after that it became a lot easier for me. Especially the financing.

09-00:02:38

Rubens: I'd like you to reflect on working with Don Emmons again. Also, you had been so personally involved in the test kitchen for Woodlake and other things. Did you have that degree of involvement with Northpoint?

09-00:03:00

Bakar: Pretty much.

09-00:03:01

Rubens: Is there something you'd point to particularly that you were interested in that is distinctive to you?

09-00:03:10

Bakar: Well, I felt the courtyards were a good way to make the project work.

09-00:03:22

Rubens: Here's a picture of them.

09-00:03:22

Bakar: Well, if you look at this—the dimensions across the street, apartments here and apartments here. You look at those dimensions. Here's an interior courtyard with the same dimensions. So these people were no closer than the people were on the street. So basically, the courtyards gave them significant exposure and privacy.

These courtyards gave the opportunity to the inside apartments to have light and air equivalent to being on a street.

09-00:04:03

Rubens: You have a phrase in there that said, "They're like a neighborhood unto themselves."

09-00:04:07

Bakar: Yes.

09-00:04:08

Rubens: Did you ever have any concern about marketing these?

09-00:04:11

Bakar: No, never. They went like hotcakes.

09-00:04:14

Rubens: How would you compare the relative merits of Northpoint with Woodlake?

09-00:04:30

Bakar: Well, there are no significant wild innovations that I felt Woodlake had. The idea of heavy density in the suburbs—In San Francisco, they're used to very heavy density. I think it may be one of the more dense communities in America, in the people per square mile or whatever that measurement might be, New York and Chicago probably being the most. But I actually saw Northpoint from the beginning as an extension of Telegraph Hill.

09-00:05:03

Rubens: Yes, you said that. And wrapping that neighborhood around it.

09-00:05:06

Bakar: And appealing to the same demographics of Telegraph Hill had wild appeal for me. That was a place young people liked to rent.

09-00:05:16

Rubens: And did people you know actually buy in Northpoint?

09-00:05:19

Bakar: Well, it was never for sale. It was a rental.

09-00:05:22

Rubens: It was always rental.

09-00:05:25

Bakar: Yes. Always was and still is.

09-00:05:27

Rubens: Northpoint is being developed while you're in the process of literally building Woodlake. Maybe we should flash forward. I need guidance from you about what transpires both with Woodlake and then with Northpoint. You had hit upon this strategy that you would own the buildings and you would rent them.

09-00:06:00

Bakar: I built all these buildings for investment. I didn't build them for the consumer to buy or even an investor to buy. I built them for investment.

And I did tell you, I believe, in the last session, that we got John Hancock to buy the land, and lease it back. And then to make us what they call leasehold loans. The loans to build.

09-00:07:40

Rubens: And what was that arrangement? How long—was it a 99-year lease?

09-00:07:45

Bakar: Not exactly. For some strange reason—the answer's yes. It was a 32-and-a-half-year lease with a series of 12-and-a-half-year options that went onto a total of 99 years.

09-00:08:00

Rubens: And what governs that?

09-00:08:05

Bakar: I don't remember exactly why it turned out that way. But I think—you know, I just don't remember. I'd have to look back in the files. There may have been a pause at each of those options to renegotiate the terms of the lease. But I don't remember that.

09-00:08:25

Rubens: Well, how long did you hold the lease?

09-00:08:31

Bakar: Well, that's another story. I was a partner with Alfred Wilsey. I believe Jack Wilsey had died by that time. And a fellow whose name I think I mentioned, Bob Fraser—Robert Fraser. Early on we bought out Mr. Fraser's interest. And your question was what?

09-00:09:04

Rubens: Did you ever consider trying to buy the land?

09-00:09:07

Bakar: Yes. But that didn't occur for some time.

09-00:09:15

Rubens: Let's follow that one out and then we'll go back and pick up where we left off, I hope.

09-00:09:19

Bakar: Because of my other activities and Mr. Wilsey's activities, and his son was coming into business, the ongoing management of this partnership was taken over by the Wilsey family, namely Al—Alfred Wilsey and his son Michael. But later on they did negotiate—with me still retaining my interest in the partnership.

Later on they did negotiate the purchase of the John Hancock interest. So the same partnership still owns it. I'm still a partner to this day. And the land is now owned by the partnership.

09-00:10:04

Rubens: And when did that happen about?

09-00:10:10

Bakar: Our records would show that.

09-00:10:13

Rubens: The point being in the years 1965 to 1968, when you're setting this up, you're dealing with so much capital expense you don't have the money for buying the land. I mean just to get that land in the lease is good enough and you've got holds on it and you're going to go—

09-00:10:33

Bakar: Correct. Very few ground leases run to maturity. The time frames are so long that typically something happens. And in this case—and I can get the date for you. After Mr. Wilsey's son took over the management of this, they purchased the land.

09-00:10:58

Rubens: And management literally of Northpoint? That was his focus?

09-00:11:01

Bakar: Yes.

09-00:11:01

Rubens: So we had talked last week also about how the business is getting larger. And I think you're now going to start looking around for other things to develop. So Michael comes in as a pretty young man?

09-00:11:17

Bakar: No. Michael—well, I can tell you Michael today is about 62. So I'd have to do some arithmetic to figure what he was when he took over. Probably in his 40s. Maybe in the 1980s.

09-00:11:50

Rubens: But in the meantime now you have these rents coming in from Woodlake. You have the rents coming in from Northpoint, and the previous Oakland buildings.

09-00:12:03

Bakar: By the way, there's an important part of the story that—Along the way early on, very early on, we felt that we could have some significant exposure—financial exposure—in this entire project. And we sold a half interest to a gentleman whose name you'll know—and parenthetically, I never met him—Dean Martin. And we dealt with Dean Martin's business manager. Coincidentally, the person who introduced me to the Dean Martin financial people was the same person—his name is Sandy Weiss, Sanford Weiss, who was a personal friend. And he was the same person that told me one day, "Go down and look at the College of San Mateo."

I don't think any of us knew Dean Martin himself. Dean Martin ended up—and I think—I'm not sure—I think Eddie [Edward] Bracken—some other actors—were represented by the same financial advisors. And they ended up owning half of this entire project.

09-00:13:36

Rubens: What I'm trying to ask is we established last time that you had had good advice from a friend who said you're not a corporate man. You had considered a Chicago firm.

09-00:13:56

Bakar: Well, they had considered me.

- 09-00:13:57  
Rubens: They had considered you and you had said, "Well, I'll take a look."
- 09-00:14:01  
Bakar: Yes.
- 09-00:14:02  
Rubens: Similarly—well, each project needs specific financing, I mean, are you looking for more financing? Are you looking to aggregate and then go somewhere else? Is it really project driven?
- 09-00:14:20  
Bakar: Well, it's project-driven but when we get to the next project called Oak Creek, which is a project similar to Woodlake on the Stanford Campus. You know Stanford, and do you know the shopping center?
- 09-00:14:34  
Rubens: Yes.
- 09-00:14:36  
Bakar: There's a street, a big street, called Sand Hill Road, that is the northern side of the shopping center and goes up to connect with the freeway. North to 280. The northern side of that street had an apartment house. And whether this is the appropriate time or not—
- 09-00:15:00  
Rubens: Well, then let's do that. Yes.
- 09-00:15:01  
Bakar: —to introduce Oak Creek. Stanford had an apartment house and a lot of vacant land. I went down to look. And there was a real estate broker that introduced me to the property, who has since passed away, named Joe Sampson. And Joe said, "You ought to come down and look at this." I went down—and if we can pause for a second, I think I can do something to make it easier for you. Northpoint was under construction.
- Rubens: May of '69 is when the article says Oak Creek is underway.
- 09-00:15:53  
Bakar: This is the shopping center. Stanford Center. El Camino. Sand Hill Road that goes up to the freeway. There's a piece of property here.
- 09-00:16:06  
Rubens: For the record, Gerson is diagramming this on a dry erase board in his office conference room.
- 09-00:16:09  
Bakar: There's a piece of property here, the exact acreage I don't remember, that had an apartment house here that someone else built. Quite a luxury apartment house that was—another developer had built. It really was a financial failure. It was a very expensive apartment house called the Willow Creek Apartments.

And the broker that I mentioned, Joe Sampson, said I should go down and look at it. And as a result of that visit I bought—well, Stanford cannot sell any land, by the terms of the grant that Mr. Stanford made many, many years ago. Somebody had built an apartment house on their land, on leased land.

09-00:17:04

Rubens: Is all of this leased land?

09-00:17:05

Bakar: Everything's leased.

09-00:17:05

Rubens: Even the shopping center?

09-00:17:07

Bakar: Everything. Shopping center is owned today by a REIT, but it's on leased land.

09-00:17:12

Rubens: So this is constant money for Stanford?

09-00:17:14

Bakar: Yes. And I went down, and to make a long story short, I negotiated a lease on the land that is now Oak Creek. And at the same time I purchased the apartment house that had been built, and I incorporated that apartment house into the plan.

09-00:17:35

Rubens: This strip of land that you're pointing to?

09-00:17:37

Bakar: The land that I just pointed out.

09-00:17:38

Rubens: What was particularly attractive to you about it?

09-00:17:40

Bakar: Oh, just the location; being on the Stanford campus, being on the mid-peninsula—Silicon Valley was a term that hadn't been invented yet at that time. But it was just a marvelous piece of land. The negative was I couldn't buy it, I could only lease it. And about that time I had done business with the Travelers Insurance Company that I mentioned in the past. They had financed Woodlake. They liked Woodlake. I had a good relationship with all of the people from the corporate top. The gentleman that became the head of the Travelers Insurance Company came out of the real estate lending part of Travelers, a man by the name of Roger Wilkins. And in one of my visits east, and I would go back to visit them periodically, they said, "Gerson, you scramble so much to raise money for the equity in your projects. Why don't we become your partner?" Traveler's said. "We like what you're doing, we enjoy our relationship. We'll lend you the equity so you don't have to run all

over and figure out how to do it." And they said, "We'll lend it to you at a very favorable rate of interest." And again, my memory says it was a 4% loan. So whatever equity was required over and above the real estate loan, Travelers would make available to me. And they did at Oak Creek, and when I later went to Park Newport. So Travelers became my partner, again, with Mr. Wilsey in both cases.

09-00:19:31

Rubens:

Are you getting more sophisticated lawyers at this point to write up these partnerships?

09-00:19:31

Bakar:

No, I'm still using Mr. Jacobs. Oh no, Mr. Jacobs died right after Woodlake was put together. But I still used the firm. Wilsey's still my partner. The development team was Bakar with Wilsey as a partner. The equity requirement was provided by Travelers who became a partner of my partnership with Mr. Wilsey. About that time there was no reason for Mr. Wilsey to continue as my partner except for the historical relationship that he was my partner. He was a very close friend and that partnership continued.

09-00:20:35

Rubens:

This one I'm not quite following because—

09-00:20:41

Bakar:

Well, here I am with Mr. Wilsey's my close friend. But he was my partner, and our partnership now was doing business and we didn't have to scramble for the equity. The equity was being provided by the Travelers Insurance Company. And they became a partner to our partnership.

09-00:21:04

Rubens:

Meaning Wilsey doesn't have to put up money into the partnership.

09-00:21:09

Bakar:

Nobody has to. In theory, we had total financing at that point.

09-00:21:14

Rubens:

Is that a bit unusual?

09-00:21:16

Bakar:

No. At the time—

09-00:21:18

Rubens:

Was Travelers doing that with others?

09-00:21:20

Bakar:

It was interesting. The one other person I remember was a man in Arizona named David Murdoch. He had a big write-up the other day in some—in the *Wall Street Journal*. But anyway, David Murdoch was another one of their—Travelers Developer slant partners. But it's common practice today. Very common.

- 09-00:21:45  
Rubens: And once again, Travelers is going on the record of having worked with you for a long period of time. And the success Woodlake and Northpoint—
- 09-00:21:53  
Bakar: Both our success and familiarity.
- 09-00:21:56  
Rubens: What does that literally mean? To get the lease, how much are they putting up, about?
- 09-00:22:09  
Bakar: It depended. What they were going to put up depended on how the project would appraise. They wanted to get as much into the conventional real estate mortgage investment that they could, and then which they couldn't put in that category became equity. And typically they—the insurance companies lent 65 to 70% of the value of a project. And if you were able to build it for the loan, all the better. So the difference between that loan and what the project cost became equity. Do you understand that?
- 09-00:23:01  
Rubens: Well, let's talk about it in terms of sort of how the pieces unroll here.
- 09-00:23:09  
Bakar: Let me try to simplify it. Travelers would—on an ongoing project—would lend me the maximum amount that the law allowed. Or that their investment policy would allow. And that was typically 65%—65 to 70% of the value. The VALUE. All capital letters. Not the cost.
- 09-00:23:33  
Rubens: What is the value of the project?
- 09-00:23:39  
Bakar: That's determined by an appraisal that they would make when the project is completed—here's what the revenue should be, here's what the expenses should be. They then determine—they capitalize that and they determine by appraisal when it's finished it should be worth X. And if X—
- 09-00:23:59  
Rubens: This is a business plan that's being—
- 09-00:24:00  
Bakar: Just very typical—
- 09-00:24:01  
Rubens: Designed before the thing starts.
- 09-00:24:03  
Bakar: There's nothing unique about this. If we had unlimited funds, Mr. Wilsey and I, we go to a bank. A bank would lend us 65 to 70% of its value. If we were able to build it for the same amount, we'd have to put up no equity. It meant it

was worth much more. But whatever the equity turned out to be, the difference between the appraised value, their limit of lending, 65, 70%, and the cost would be the equity.

09-00:24:33

Rubens: So, in fact, how does it work out? I mean, how do you then determine what you're going to build there?

09-00:24:45

Bakar: Oh, no, we knew what we were going to build from day one. We were going to build apartments. That was my business.

09-00:24:51

Rubens: Right. And did you know how many units? Were you then going—

09-00:24:56

Bakar: We went to the same architectural team. We put together a project, the same landscape architect, Mr. Halprin. And out of working with those people we determined how many apartments we can put there. We had a finite piece of land. We then had to go and see—given the type of construction that I wanted to do, which was the same as Woodlake, how many units could I comfortably put on that?

It was 705. Plus the 54 that I bought. That little—what I call Willow Creek Apartments, was 54 units. I purchased that subject to their ground lease and I leased from Stanford all the land. I threw that other lease in the pot and I built 705 units. When it was completed I had 759 units. The 54 I had purchased from a previous developer and the 705 I built.

09-00:26:08

Rubens: Right. And this opened, to your knowledge, in '69?

09-00:26:13

Bakar: '69 or '70.

09-00:26:14

Rubens: This is happening quick now. Did you encounter any—

09-00:26:18

Bakar: Zoning?

09-00:26:20

Rubens: Yes.

09-00:26:20

Bakar: Very little. I don't remember the time but compared to today's time requirement, it was a nanosecond. Today would take several years, if you could ever get the zoning. In fact, a better example: next door to me—I should redo this little graphic. Here I was up here. That was the units I bought and here's what I built. Next door was a piece—a large piece of land. Still owned

—everything's owned by Stanford. Stanford decided—this was a postscript to my story. Stanford decided many years later that they wanted to build apartments on their own land, for their own constituents, for post-docs, for faculty, for employees. And they proceeded to engage the city in the planning necessary to get the entitlements, as it's called, necessary to build their own project. My guess is that if I looked in the records, my total zoning efforts were probably in the three to four month timeframe. Stanford started this many—a long time after I built my project. It took 17 years to get their zoning. 17 years.

09-00:28:12

Rubens: What is accounting for this?

09-00:28:15

Bakar: The NIMBY's had gained their power. NIMBYs use every tool that they can to stop projects, including the courts. There were a lot of court actions. But Stanford stayed with it because they wanted to build this housing and they had the land. And it took them 17 years.

09-00:28:36

Rubens: Unbelievable.

09-00:28:37

Bakar: And it took me less than six months. That's how the times changed. And today, the times are still that way.

09-00:28:46

Rubens: So the model was really Woodlake? And so you had this working relationship. Was there any—I mean, the picture here shows latticework—

09-00:29:12

Bakar: I'm going to try to get you some of our brochures.

09-00:29:12

Rubens: I'm going to Stanford tomorrow, so I'll go see this for sure.

09-00:29:17

Bakar: Oh, go look at the rental office and everything.

09-00:29:18

Rubens: Of course. It looks to me like it's a shingle covering, different from what you'd done before.

09-00:29:23

Bakar: It's more—it's more suburban. There are no shingles but—

09-00:29:27

Rubens: But some lattice and—what governed that? Did you leave that up to the architects or—

09-00:29:33  
Bakar: Oh, sure. Also working with the city. But the basic plan goes all the way back to the Jackson Lake apartments, which was the basic plan that turned into Woodlake. And to some degree, Northpoint. And again, down to Oak Creek.

09-00:29:58  
Rubens: Who is your primary contact, the person you sit and work with—is it Emmons?

09-00:30:05  
Bakar: Yes. There was also in his office, a young man named Ralph Butterfield.

09-00:30:11  
Rubens: Oh, I don't know that name.

09-00:30:13  
Bakar: Well, his name never really surfaced. My guess is Ralph is still around here somewhere. But he was—he became the project architect that did all the drawings.

09-00:30:23  
Rubens: I was wondering if there's anything particular to say about the firm of Wurster Bernardi and Emmons. How it's changing as a result of its—

09-00:30:31  
Bakar: Well, it doesn't exist anymore.

09-00:30:32  
Rubens: No. But at this point, I mean—

09-00:30:36  
Bakar: Mr. Wurster died, Mr. Bernardi died. They've all passed on, including Don Emmons.

09-00:30:40  
Rubens: But this must have been a—just glory days for them.

09-00:30:44  
Bakar: They became—it was interesting. About the same time, they were the architects for the Golden Gateway, the large project with the high-rise towers. You know, at the foot of Broadway. And at the same time, they were the architects for Bank of American buildings. And their other really big client for a while was Safeway. They did a lot of Safeways. They were also the architects for the BART stations. They were a very big and busy office for a while.

09-00:31:48  
Rubens: I didn't know that they had gotten commercial in that way.

09-00:31:51  
Bakar: Yes, big-time.

09-00:31:52  
Rubens: They were known originally for—

09-00:31:54  
Bakar: Homes. Bill Wurster was known for the single-family house. But the firm, for a moment in their history, they did all of my work, they did the BART stations, they did the Safeways, and they did the B of As. Now, did they do all the B of As, I don't know.

09-00:32:18  
Rubens: And I just wondered what you observed in terms of their offices, did they swell in physical location, place?

09-00:32:24  
Bakar: No, they stayed in the same place.

09-00:32:27  
Rubens: In terms of your working relationship, you had the same access to them?

09-00:32:32  
Bakar: Yes.

09-00:32:34  
Rubens: You had it down? It was a comfortable—

09-00:32:36  
Bakar: Yes, very.

09-00:32:38  
Rubens: Conversely, were—did you get business through them?

09-00:32:41  
Bakar: No. No, not at all.

09-00:32:45  
Rubens: And what accounts for that? I mean, I don't know that I'm asking the question the way I want to but it was pretty known—you knew what you wanted to do and would move to the next thing?

09-00:32:53  
Bakar: Right.

09-00:32:54  
Rubens: It's not that they would—

09-00:32:55  
Bakar: No. They responded to me. I didn't respond to them, in the sense of moving on to the next project.

09-00:33:03

Rubens:

I just wondered if you had any other particular comment about how they worked or if you saw any changes in their process, you know, literally how they presented themselves because of this corporate—

09-00:33:19

Bakar:

No. From Jackson Lake on, it was pretty much the same. Don Emmoms lived through that entire period. There was a project architect at the Woodlake level named Karl Treffinger. He's passed away also. But Karl was the project architect for Woodlake. And a lot of the creativity at Woodlake was really Karl's. And as often as some of the lower-echelon architects don't always get the glory that the man with his name on the door gets—Karl was the project architect. It wasn't Ralph Butterfield. It was Karl again at Northpoint. It was Karl at Oak Creek. And then somewhere—somewhere in there—And I don't—it was Karl or Ralph Butterfield at Oak Creek. And then it was Karl, and then ultimately, he left the firm. And I followed him for a while but Ralph Butterfield, to the degree I continued to use Wurster, Ralph was the point man in addition to Don Emmons.

09-00:34:54

Rubens:

Halprin's getting pretty big about this point, too, right?

09-00:34:58

Bakar:

Yes, very. Big for a lot of other reasons which he can tell you about.

09-00:35:05

Rubens:

OK, back to marketing Oak Creek? Any problem at all?

09-00:35:35

Bakar:

No, it went very well. Oak Creek was one of the wonderful projects for a developer. Came in on time, came in on budget.

09-00:35:44

Rubens:

Do you remember the budget?

09-00:35:45

Bakar:

No, I don't. What I do remember is the need for equity. It turned out that we didn't need any equity because we were able to build it for the loan. And so I don't think we had any equity requirement.

09-00:36:09

Rubens:

And who was the construction company?

09-00:36:11

Bakar:

Williams and Burroughs. They did the construction.

09-00:36:25

Rubens:

These were rentals, right.

09-00:36:26

Bakar:

Still, to and including today, rental.

- 09-00:36:30  
Rubens: At the same time were you looking in the East Bay and other places in San Francisco for places to develop? I have a clipping but the article cuts off so there's no date or attribution. It mentions that a Berkeley broker accused Bakar of glutting the East Bay rental market when he built a 48-unit apartment [building].
- 09-00:36:57  
Bakar: Oh, that was way—
- 09-00:36:58  
Rubens: Yes, but how could you have flooded the market with that one building?  
09-00:37:02  
Bakar: Well, I remember somewhere in—when I went out and built units in Walnut Creek, I built 70 units way back when. When I was partners with Mr. Wallock I built a 70 unit building.
- 09-00:37:19  
Rubens: We didn't discuss this.
- 09-00:37:26  
Bakar: Somewhere in a previous interview, I talk about having a partnership with a man named Mark Wallock, and one of the buildings we built was a 70-unit building in Walnut Creek. That was before the Lake Royal—I can remember the address, 1200 Alpine Road. When I built that or when Mark and I built it, I felt I should run as fast as I could out of town because I felt that I had—I had loaded the market putting 70 additional units in the market.
- 09-00:38:05  
Rubens: We're talking 1958, '59, something like that?
- 09-00:38:09  
Bakar: Yes. And obviously, that was—looking back, that was a joke.
- 09-00:38:15  
Rubens: Again, was this land you owned?
- 09-00:38:22  
Bakar: We bought the land. And again, I can't remember what went on, but those days you were pretty well were able to build projects for the loan. So raising equity was not a big problem then.
- 09-00:38:38  
Rubens: And you retained ownership of that?
- 09-00:38:42  
Bakar: No, no, we sold it. I can't tell you when. I don't remember. My guess is we probably sold it within two or three years of building it.

- 09-00:39:05  
Rubens: You know, coincidentally—I mentioned at the end of the interview last time that I'm interviewing different people about Beverly Willis' career. You had been to her place in—And so one of the people that I interviewed just—right after you, last week, was a woman named Lorraine Legg who was the real estate development person for Boise Cascade. Apparently they were just tremendous land owners all throughout the west.
- 09-00:39:39  
Bakar: Well, they were recreational land developers
- 09-00:39:42  
Rubens: They had a lot of parcels of land. But several were out in Danville and Walnut Creek and that's where she spent some time.
- 09-00:39:48  
Bakar: I have no idea.
- 09-00:39:49  
Rubens: So Walnut Creek and Danville is starting to really—
- 09-00:39:52  
Bakar: Well, they were starting to come alive.
- 09-00:39:52  
Rubens: Ken Behring does not get in there until '72 and there's nothing really out there. So this sort of—you felt you had glutted the market?
- 09-00:40:02  
Bakar: With 70 apartments.
- 09-00:40:03  
Rubens: It took awhile to rent? Is that—
- 09-00:40:05  
Bakar: Just rent. They were very inexpensive and appropriately would be described as cheap apartments.
- 09-00:40:12  
Rubens: And, of course, that was a whole pattern you left behind once you got in with—
- 09-00:40:18  
Bakar: That was probably my last building without an architect of substance.
- 09-00:40:22  
Rubens: Yes. So that was a reference to that. You sort of went from one big project to the next.
- 09-00:40:35  
Bakar: In the era of Oak Creek and—yes.

09-00:40:37

Rubens: That's right. So after Northpoint this comes along. So, are you still looking—that's what I'm asking. Are you still looking around for property to develop?

09-00:40:45

Bakar: Right.

09-00:40:46

Rubens: In San Francisco?

09-00:40:47

Bakar: Yes.

09-00:40:47

Rubens: And are there areas that you're particularly interested in?

09-00:40:50

Bakar: Oh, around San Francisco? Well, I can't—I'm sure I was looking all the time.

09-00:40:53

Rubens: Anything you came close to?

09-00:40:57

Bakar: Well, I built one building which I think I mentioned in a previous interview, a small building.

But along—shortly after I did Woodlake, or somewhere after Woodlake was done, and before I went to Newport Beach, a fellow that I had met in college—I think I mentioned his name in a previous interview; Ray Watson?

09-00:41:26

Rubens: Yes.

09-00:41:28

Bakar: Ray, having seen Woodlake—and Ray was traveling with a group—and I would identify the group as large total community builders. They were literally building new towns, which was a word that surfaced in that era. They were new town builders and I don't remember who all of them were. Three or four or five of them came to visit Woodlake. And as a result of that visit, whether it was that day or it was later, I don't remember, Ray said why don't you come down and look at Newport Beach, or the ranch as he called it, which was Irvine. The Irvine Land Company

09-00:42:09

Rubens: And do you remember doing that?

09-00:42:11

Bakar: Well, that overlapped with the Bank of America, that man that caused me so many problems, Chuck McCarthy. By this time, Chuck and I had a better relationship and Chuck had—or the Bank of America had provided financing for a huge company called Macco. So between remembering Ray's invitation,

Chuck suggested we fly down because Macco had bought a lot of land and they were in financial trouble. They owed the bank a lot of money.

09-00:42:57

Rubens: Where had they bought land?

09-00:42:59

Bakar: In Orange County. So I flew down and Macco provided a helicopter and we toured the area. I can't remember much. Nothing came out of that tour. I can't remember why or when in a time frame I ended up calling Ray. But I also went down on a later date to see Ray, and Ray offered me several parcels to build, using the term generically, to build a Woodlake. And I chose a parcel, which became the site of Park Newport.

09-00:43:43

Rubens: Well, I want to hear about that. Did you want to add something about that Ted?

09-00:43:48

Dienstfrey: Well, first, on Oak Creek, there was an interesting aside. That Oak Creek had a prepaid lease.

09-00:43:55

Bakar: Yes, from a business standpoint. Thanks, Ted. When I leased the land from Stanford at the time Stanford, on all of their ground leases, felt that they could do better getting the rent paid for the entire lease term up front. So you paid for the use of the land one check for the 50 some odd years, 55 years, I believe. You never had to make any more rent payments, which is typically not the way ground leases are written; typically there is some payment tied to the revenue in the future years.

But in this case you just paid so much up front. And at Stanford, the number that we agreed on was \$3,000 per unit, represented prepaid rent to Stanford. That would have been two million, something of that order. And I did. I mean that was part of the Travelers financing, the money to prepay the rent. I know it no longer had any rent payments. And I had purchased that other property, so we combined the two leases, the lease for the new property and the lease for the 54 units into one lease with Stanford. And the lease term was of the order of magnitude 52, 53 years. The reason it wasn't 55 is because I picked up the remainder term of the building I bought and we merged the two leases, which caused this lease to be shortened by a couple of years.

09-00:45:49

Rubens: Is this a smart thing on Stanford's part?

09-00:45:53

Bakar: No. Not at all.

09-00:45:55

Rubens: It's an opportune thing on your—for you.

09-00:45:57

Bakar: Yes. But that was the way Stanford did all their ground leases at the time, accepting prepaid—

09-00:46:02

Rubens: Just habit? They wanted what they thought was a big capital that they could then put into something?

09-00:46:08

Bakar: They felt that they can take that money and invest it into financial assets and do better than they might do getting part of the action or a percentage of the revenues from the subject property.

09-00:46:24

Rubens: But, in fact, California real estate was just getting so much more valuable.

09-00:46:27

Bakar: Yes. That was an error on their part.

09-00:46:30

Rubens: And it leads me to a second question. I know you have another point, but I want to have a clear understanding of the role of insurance companies in real estate development in general.

09-00:46:40

Bakar: It was kind of a natural evolution in a funny kind of a way if you look back at Northpoint. We had a ground lease by the insurance company and they—that ground lease provided—

And then they did the debt for the project. But it was kind of a natural evolution. Insurance companies awoke to the point—they were putting up most of the money and they were getting a cheaper dollar back because of inflation—that they'd be better off, somehow or another, staying in the project. And there were various devices they used to stay in the project.

09-00:47:26

Rubens: I know that. So this particular period—we're talking '68 into the early '70's.—what about HUD?

09-00:47:37

Bakar: I never got involved. I never did a HUD project.

09-00:47:41

Rubens: I asked because I think low-cost housing became an opportunity for insurance companies and developers to invest.

09-00:47:59

Bakar: Well, I was not in the low-cost or affordable housing business. I was in market-rate housing. But the insurance companies were in effect—in effect, if the developer did a good job from the developer standpoint, that 65 or 70% of value became 90, 95, sometimes 100% of cost. And if you go all the way back

to that first building I built with Travelers on East 15<sup>th</sup> Street—it cost me \$176,000 and I borrowed \$181,000. So insurance companies were basically putting up all the money and getting paid back, because of inflation, with a cheaper dollar. And along the way there was a kind of natural evolution to the insurance companies saying, "Let's be on the straight up. We're putting up all the money anyhow, let's get a piece of the action."

09-00:48:59

Rubens:

And so the way they got a piece of the action was—

09-00:49:00

Bakar:

Oh, they did it various ways. In some cases they were a partner going in. In some cases they bought the land and did it with a ground lease. Those were the two principle ways.

09-00:49:19

Rubens:

So we'll get to that. Let me just stay with the business part. One more time about how they're getting a cheaper dollar.

09-00:49:24

Bakar:

Because of inflation. They lend \$100. When they get the \$100 paid back many years later, it has a purchasing value of \$85 of the original dollars. So they were getting back a cheaper dollar.

09-00:49:47

Rubens:

That's right. And basically losing money.

09-00:49:50

Bakar:

Yes, you can say that. They weren't losing dollars. They were losing the value of the dollar.

09-00:49:54

Rubens:

Did you want to add something here, Ted?

09-00:50:28

Dienstfrey:

One of the design contributions at Oak Creek had to do with saving trees.

09-00:50:40

Rubens:

Absolutely. Bakar saved 73 of 76 old oaks.

09-00:50:44

Bakar:

Right. And they're still there.

09-00:50:47

Dienstfrey:

And they take a lot of effort, you know, a lot of concern with the grass and the different plantings.

09-00:50:55

Bakar:

That's Larry Halprin.

- 09-00:51:01  
Dienstfrey: The other issue is, Gerson used to tell a story that he signed the ground lease on Stanford and then was caught on Sand Hill Road in the traffic.
- 09-00:51:12  
Bakar: Oh, yes. This is a wonderful story. After I signed the ground lease and it was clear we were going to build Oak Creek, all of my visits to Oak Creek were typically done where I would meet with the Stanford people to negotiate, or the city hall. I'd go down at nighttime. But I never went down—or never that I remember—during a commute hour. After the lease was signed and using an expression, "I was pregnant"—I was going to build a project—the baby, i.e., the apartments, were going to be built—I happened to be down there one day around five or six o'clock. And the traffic headed for the freeway, which was built by that time—280—was backed up in front of the project. And I said, "My God, how are my tenants going to get in or out of the project?" And I figured I had made a mistake. I hadn't been thorough enough to observe this problem. And I felt seriously that I was in a big dilemma. I was committed to build the project, I had my financing, I had my entitlements, and I inherited a traffic problem. Had I seen that problem earlier I would not have built the project and I—it would have been a huge financial error on my part.
- 09-00:53:01  
Rubens: Not to have done it?
- 09-00:53:02  
Bakar: Not to have done it. Because the project was singularly successful. And the location itself overwhelmed any problem relating to traffic in the commute hour. My guess is, to and including today, there's still that traffic problem and probably worse.
- 09-00:53:19  
Rubens: It's not good. By the way, who do you bring in? By then did you have people that you would bring into run the calculations.
- 09-00:53:36  
Bakar: No, that was my business as a developer and my judgment just said, "Well-designed apartments will rent here."
- 09-00:53:48  
Rubens: Right. Close to Stanford, the shopping centers.
- 09-00:53:54  
Bakar: I remember one cliché that a mortgage broker once told me: he's never seen an apartment project near a major shopping center go broke—shopping centers were huge amenities to apartment living. So the Stanford Shopping Center was a clearly successful center at that point.
- 09-00:54:19  
Rubens: And so traffic wasn't necessarily a factor that you—

09-00:54:29  
Bakar: No, if I had seen that before, I may not have done the project.

09-00:54:37  
Rubens: Yes, which is kind of interesting that you didn't. When you say "singularly successful"—

09-00:54:54  
Bakar: It was a winner.

09-00:54:55  
Rubens: Outstripping your others?

09-00:54:58  
Bakar: It came in on budget, it came in on time, it rented very quickly, we had no cost growth. The lender/partner Travelers was happy. The developer Bakar and Wilsey were happy. And we were then obviously thinking about the next project.

09-00:55:27  
Dienstfrey: You said that you were a researcher, financial analyst of a project. I don't know, when you used to say this, it was based on swag.

09-00:55:37  
Bakar: Yes.

09-00:55:38  
Rubens: Swag is?

09-00:55:39  
Bakar: You've never heard the expression? Sophisticated, wild-ass guess.

09-00:55:45  
Rubens: No, I haven't heard it. Nice.

09-00:55:48  
Bakar: It's a common term.

09-00:55:50  
Rubens: The sophisticated has to embrace a lot, you know.

09-00:55:54  
Bakar: Well, it did. But it was also a guess: "How fast could you rent them?" I mean, there were a lot of things that we knew. We knew what the project was going to look like. And hopefully the contractor gave us a number that would hold for its cost. But a lot of the aspects were sophisticated, wild-ass guesses. How fast we could rent them.

09-00:56:17  
Rubens: Late '60's Silicon not quite happening, Stanford research center really on the rise, Stanford really pushing into a more, you know, West Coast Ivy League status. It had been a kind of gentleman's place.

- 09-00:56:36  
Bakar: It was just a university and a big shopping center.
- 09-00:56:38  
Rubens: One other thing that's mentioned at the end of an article about Oak Creek is: "Will Bakar build again in Oakland? He has been asked to consider one large parcel. He's enthusiastic about the site. The next step is up to the firm owning the land."
- 09-00:56:56  
Bakar: Yes, I can remember the site.
- 09-00:56:57  
Rubens: Do you? What was it?
- 09-00:56:59  
Bakar: It was called Hiller Highlands. Yes. And I took a long look at that and backed off of it.
- 09-00:57:10  
Rubens: Do you remember why?
- 09-00:57:13  
Bakar: I think because Park Newport loomed up. I can't remember the exact timing of it but I remember that my next project looked better at the time than the Hiller Highlands.
- 09-00:57:26  
Rubens: And so what is the economy of scale that's saying, "I like moving from one substantial project to another." Some companies might have tried to do Hiller Highlands and Park Newport.
- 09-00:57:43  
Bakar: Oh, I never had a big organization.
- 09-00:57:44  
Rubens: That was your nature. Your—
- 09-00:57:47  
Bakar: My comfort zone was just looking at the next project.
- 09-00:57:50  
Rubens: Right. And yet you were working at a high level, very high level. I mean, financially successful.
- 09-00:57:56  
Bakar: Everything's relative but it was a big level for me.
- 09-00:57:59  
Rubens: And you were content at that. This is another point where we're just looking at turning points where you might have done two others.

- 09-00:58:07  
Bakar: The ideal world probably would have been marketing of the last project, planning of the next one, and then building the next one. I should say it in that order. Marketing the last project, building the next one, planning one in front of it. That probably would have been ideal but never—nothing ever worked just that smoothly.
- 09-00:58:27  
Rubens: But you were doing well enough? I mean, you must have not expected that a boy from a farming community?
- 09-00:58:36  
Bakar: Well, I wasn't thinking in those terms. All I knew was what I was doing was in my comfort level.
- 09-00:58:42  
Rubens: Continuing with this article, it says, "San Francisco doesn't have room to build any more housing. Cost is a major factor but the extra thousands working there need a place to live. Traffic is chocked north and south"—
- 09-00:58:55  
Bakar: Nothing ever changed.
- 09-00:58:56  
Rubens: The next story is started with Western Mortgage Corporation placing a loan for a hospital in San Mateo. So if you think we've done Oak Creek, '69, 70.
- 09-00:59:17**  
Dienstfrey: We've not yet talked about how Gerson acquired Travelers Equity in Oak Creek.
- 09-00:59:22  
Bakar: No, Travelers was a partner, Ted, going into Oak Creek.
- 09-00:59:26  
Dienstfrey: All right. But then you acquired their interest.
- 09-00:59:28  
Bakar: Oh, that's way down the line if you want that now.
- 09-00:59:32  
Rubens: Sure.
- 09-00:59:34  
Bakar: Parenthetically—in later years, the insurance companies got into trouble.
- 09-00:59:39  
Rubens: Why?
- 09-00:59:41  
Bakar: Insurance companies went into real estate in a big way. By the way, the entire lending fraternity got in trouble on a couple of occasions in the marketplace.

And Travelers did—Travelers got very, very aggressive and they just made a lot of bad real estate deals. And I was able to capitalize on their problems and I was able to buy, and I believe in—I'm not sure of the year. I think—I know it was '89 and—I'm getting ahead of myself. In '89 I bought the land under Park Newport.

09-00:60:30

Rubens:

Here we are then, at the next project. So Travelers is going to be your partner in Park Newport?

09-00:60:35

Bakar:

In fact, I never bought the land under Oak Creek. I couldn't. But Travelers was going to be my partner in Park Newport. And as a result of some of their difficulties, I was able to buy the land. No, it wasn't Travelers. The land—when we get to Park Newport, and if we're ready, I can—

09-00:60:53

Rubens:

Let's do that. I think this—sometimes it doesn't work to jump ahead.

09-00:60:54

Bakar:

Yes. I never bought the land. I have a story to tell if you want to come to the end of Oak Creek.

09-00:61:06

Rubens:

Let's do that.

09-00:61:09

Bakar:

I was able to renegotiate the lease under Oak Creek. I don't remember the exact number of years, but it was probably—my original 57-some-odd-year lease with Oak Creek was down to something like 38 to 40 years gone. So that I only had 38 or 40 years to go on the lease. And lenders typically will not lend loans on a ground lease if the amortization of paying off that loan can't be done in 75% of the remainder term of the lease. So if you have a 20-year lease, you've got to be able to amortize the debt with 15 years to go on the lease. And my term of the lease—bear in mind it's a prepaid lease; I don't have any rent payments.

09-00:62:14

Rubens:

Right.

09-00:62:16

Bakar:

So in later years—and it was in the '90s—I went to Stanford to renegotiate the lease, which is a very common practice with long-term ground leases. Remember, Stanford got nothing from me. So I went to Stanford and I said, "Let's negotiate an extension of the lease so that I can refinance." And what came out of the negotiation was: a percentage of the rents going forward. And we did that. And I think it was in the '96, '97 period that I—'95 to '97, well actually in 1998, I renegotiated the lease. It went from a prepaid lease to a lease with a percentage of the ongoing gross income. And I received from Stanford a new long-term lease for, I believe but I'm not sure of the term, 53

or 54 years. Once I had that long-term lease I was able, because I had a mature project in the marketing sense—there was no construction risk because it was all built, there was no marketing risk because it was all rented—I was able to refinance the project. And I refinanced it to the extent—and I can get you the exact figures and I will—of being able to take X dollars out. The excess of the new loan versus the balance on the historical loan. So this is something that was a win for both sides. Stanford going forward, now to this date, gets 9% of the gross income of the project on an annual basis and I have a longer-term lease. I was able to refinance that—again, I don't remember the exact amount—and take that money and buy something else.

09-00:64:41

Rubens: Yes. That's the goal. That's what you're looking for, some liquid capital. And Stanford had made a bad deal or—

09-00:64:51

Bakar: Wasn't a—it was just the way they did things.

09-00:64:52

Rubens: Yes. So now seeing they could make—

09-00:64:55

Bakar: They now have an income every year. And I can be specific with some of these numbers. I don't have them at my fingertips. I've forgotten in all of this discussion, the timing of another project.

#### Begin Audio File 10

Bakar: But all during this period I'm still an entrepreneur doing business deals. Now, at some point I can. I mean, it would be very hard to recall them all. But there were a lot of them and I don't recall any that I've lost any money on. But there's an important one that has to pop up somewhere in here.

10-00:01:14

Rubens: I wanted to just ask, it was with a sigh that you said—and we don't need to do this if it's not important, but you mentioned conflict with Chuck McCarthy and—

10-00:01:33

Bakar: Not a conflict. I mean, I just never got along with him. But it was Chuck McCarthy together with Ray Watson that got me down to Orange County, to Newport.

10-00:01:45

Rubens: And so, do you think—it sounds like Newport is on your mind and it is going to be the next big one. So San Francisco there's no real place here and the East Bay you're not going to do Hiller Highlands and so this gets your attention.

10-00:01:58

Bakar: Well, there's no place in San Francisco for my kind of project.

- 10-00:02:04  
Rubens: I have a note that in 1971 you have a \$20 million apartment community under way.
- 10-00:02:14  
Bakar: That's Newport Beach. I thought it was a little earlier.
- Dienstfrey: I thought that it was in 66 or 67 and Ray shows you six sites.
- 10-00:02:25  
Bakar: Right. In the late '60s I went down to Orange County and I visited with Ray Watson. I had taken the helicopter with Chuck McCarthy to look at the Macco Properties. In that '66-'67 period I went down and visited with Ray and picked out the site that became Park Newport.
- 10-00:02:54  
Dienstfrey: There's a story aside—Ray comes back from the trip with you and I'm working for Ray at this time and he said, this is why we wanted Gerson. I showed him six sites and he immediately picked the best site.
- 10-00:03:07  
Rubens: Immediately you did that. You didn't need to study or—
- 10-00:03:11  
Bakar: Well, in all fairness, to Ray's nice comment, you didn't have to be a rocket scientist to see this was the best one.
- 10-00:03:18  
Rubens: What is there already? How much of Irvine is—
- 10-00:03:24  
Bakar: Irvine was—they had started Fashion Island which became a multi-use project that, today, has everything from rental apartments to office buildings to a huge shopping center. But they had started it.
- Dienstfrey: There were two buildings in Newport Center—the medical building was under construction and the Irvine corporate headquarters was under construction.
- 10-00:03:57  
Rubens: But was there already housing?
- 10-00:04:00  
Bakar: No.
- 10-00:04:01  
Dienstfrey: Not in there. There was University Park and there was East Bluff. The university is already open.
- 10-00:04:10  
Rubens: I think it opens in 1966.

- 10-00:04:15  
Dienstfrey: In 1963 they're building.
- 10-00:04:16  
Rubens: So, what was it about the property that was attractive?
- 10-00:04:24  
Bakar: It was on a very busy street called Jamboree. It was at a good intersection, the intersection of Jamboree and San Joaquin Hills Road. It was basically across the street, meaning Jamboree, from the location that was to become Fashion Island with office buildings and a shopping center and Jamboree had a hotel at the time called the Newporter Inn. It was kind of ground zero for the town of Newport Beach. And it was on the bay. On the back bay.
- 10-00:05:07  
Rubens: You already experienced this traffic in Stanford—was traffic a consideration at all?
- 10-00:05:19  
Bakar: Oh, it was better. It's very important to a developer to have a window because most people, or many people, rent. When you ask them why, they'll say [they were] driving by and this had a great window, as Oak Creek did, as Woodlake did, with busy streets.
- 10-00:05:38  
Rubens: Sure. But you had now had the—well, it's a mixed lesson isn't it, in a way? That what you're saying, had you considered traffic you might not have built but, in fact, that would've been a mistake.
- 10-00:05:54  
Bakar: No. No, what I said if I had known how bad the traffic was at the commute hour. I mean, traffic is important for a developer, particularly of garden apartments because drive-by is a way you get a lot of your tenants. So, every developer wants "a window." The problem with Oak Creek, which turned out in reality not to be a problem, when I saw that traffic back up that night, having gridlock isn't good for anything.
- 10-00:06:29  
Rubens: Well, but I mean, so you must've paid attention to—
- 10-00:06:32  
Bakar: But this one didn't have—
- 10-00:06:34  
Rubens: You flash forward 10-15 years and Southern California Orange County has to build private highways to manage their traffic.
- 10-00:06:42  
Dienstfrey: But there were several freeways in the planning stages, which the community then decided not to build. But when Gerson comes down there's not a major traffic problem.

- 10-00:06:51  
Rubens: And they're already anticipating—they're planning—
- 10-00:06:54  
Dienstfrey: There was going to be a coast freeway the MacArthur Freeway, which didn't all get built. So, the traffic planners knew what to build, but the people decided not to build it. But when Gerson came down—
- 10-00:07:10  
Rubens: That was not an issue, I see.
- 10-00:07:14  
Bakar: But the window was an important decision.
- Dienstfrey: And the gas station.
- 10-00:07:21  
Bakar: Well, that's a negative. The project was to be built at an intersection that I described, Jamboree Road and San Joaquin Hills Road. The bay is here and I built here, but Irvine had planned four gas stations, one on each point of the compass, and that would've meant my project would've been behind a gas station. So I said to Ray, in a later project that was built here which I had nothing to do with, I said, "Ray, I don't want to build behind the gas station" and Ray—it wasn't that simple as one conversation, but Ray readily agreed and the gas station was never built. So, we owned the corner.
- 10-00:08:16  
Rubens: Well, that's what I want to ask. So, how does this all transpire? You pick a parcel and this is for sale?
- 10-00:08:23  
Bakar: No, this is a rental—Irvine owns the ground. Bakar and Wilsey have a partnership that leased the property with—Travelers is our backer. They are our partner.
- 10-00:08:45  
Rubens: And so, financing you've got this terrific record now.
- 10-00:08:49  
Bakar: Yes.
- 10-00:08:50  
Rubens: Who are the architects that you used for this?
- 10-00:08:53  
Bakar: The same, joined with another architect named Karl Treffinger. Karl, by that time, left WB&E and had his own firm.
- 10-00:09:06  
Rubens: Based in Northern California?

10-00:09:08  
Bakar: In Marin County.

10-00:09:09  
Rubens: You want him but you also want the firm? What is the story?

10-00:09:20  
Bakar: They had the ability. WB&E was a big firm by that time, Karl was a small firm. Karl did the basic layout and the design, WB&E produced the drawings. And it was a forced marriage and forced marriages don't work too well, and that'll come up as I continue talking about Park Newport.

10-00:09:41  
Rubens: Well then why don't you talk about it at your own rate. Emmons and Karl come down and look at the site and—

10-00:09:49  
Bakar: Right. Right.

10-00:09:50  
Rubens: Figure out the lay out and—

10-00:09:51  
Bakar: Well, it turned out Karl kind of did the big layout together with Larry Halprin again, and Emmons did the rental pavilion and the clubhouse, the spa, the big administration building, which was quite large, and Larry Halprin did the landscape planning again.

10-00:10:17  
Rubens: And is this fellow, I wish I remembered his name, the one who had the 5% interest in—

10-00:10:26  
Bakar: He only had an interest because of his shopping center knowledge that he brought to that partnership.

10-00:10:31  
Rubens: Right. And so he's not a part of—

10-00:10:32  
Bakar: Yes, nothing. And he has no interest in Oak Creek, Mr. Gordon. He starts and ends at Northpoint. And, I think I told you, at some point we also bought him out.

10-00:10:46  
Rubens: Yes. Well, that's why I keep asking about him because he then, you said, goes on to build notable shopping centers. When do you get to construct?

10-00:10:59  
Bakar: I started in with a Southern California firm that, I can picture the guy—

10-00:11:31  
Rubens: My notes say, contacts are Brock and Sons.

Bakar: They started out.

10-00:11:49  
Rubens: Plans for the self-contained community were drawn by Arthur Gensler Associates

10-00:11:53  
Bakar: Yes, Arthur—well, that's where I made a mistake. Arthur did the production drawings. I committed about every mistake that a developer could do at Park Newport. I had three architectural firms in a forced marriage—Karl did the basic layouts, Gensler did the production drawings and—

10-00:12:14  
Rubens: Where did Gensler come from?

10-00:12:16  
Bakar: He came—the both of them came out of WB & E. Gensler today is the largest architect in the world.

10-00:12:22  
Rubens: Oh, really? Based where?

10-00:12:25  
Bakar: San Francisco.

10-00:12:26  
Rubens: Largest architect in the world?

10-00:12:28  
Bakar: Yes, in fact, the two largest firms in the world are firms that I did business with, Arthur Gensler who, if you interview him, and I think he would be one worth while interviewing. And, HOK, from San Francisco

Bakar: We did Levi's Plaza already, didn't we?

10-00:12:51  
Rubens: No.

10-00:12:54  
Bakar: Anyhow, HOK and Arthur Gensler are the two largest architectural firms in the world.

10-00:13:02  
Dienstfrey: Gensler is doing—coordinating a \$7 billion project in—

10-00:13:06  
Bakar: In Las Vegas.

- 10-00:13:07  
Dienstfrey: Las Vegas now, 1,000 acres in St. Petersburg and his most important project is a building on the Berkeley campus.
- 10-00:13:15  
Bakar: Yes, which we'll get to.
- 10-00:13:20  
Rubens: You had known him from working with—
- 10-00:13:23  
Bakar: Way back when I did Northpoint if you remember, Northpoint has a five-story building and then they made it into offices. Arthur designed those offices.
- And I think if you go back to Levi, I did an office building at 100 North Point and Arthur designed that building and it was his first architectural commission. He had done interiors—Arthur Gensler started out as an interior designer, but the first building he ever did as an architect was 100 North Point, which I think you'll have in your notes for Northpoint.
- 10-00:14:20  
Rubens: Northpoint, yes. You were saying you're committing this error that—
- 10-00:14:32  
Bakar: I've never had a project with 1,300 units to build at one time. I never had a project that far away from home.
- 10-00:14:39  
Rubens: But you were also loyal to the people you worked with before, from up North.
- 10-00:14:55  
Bakar: I think the one—I know there are exceptions to what I'm going to say, but forced marriages between architects isn't a sought after or an often practical solution, though many marriages do work. The Bank of America building was a marriage between two firms and it worked. But, in any event, I think the thing that I always say about Park Newport, and you've heard the story about Murphy's Law, whatever can go wrong does. O'Brien's Law is it's 10 times worse than Murphy's Law, or whatever. I've forgotten how you connect the two.
- 10-00:15:44  
Rubens: But you haven't had this experience before?
- 10-00:15:48  
Bakar: No. First time.
- 10-00:15:51  
Rubens: Are you saying now, looking back, you maybe shouldn't have put these three architects together?

10-00:15:58

Bakar: Oh, I made so many mistakes.

10-00:16:00

Rubens: Why you did put them together?

10-00:16:04

Bakar: I had a lot of drawings to draw and a lot of buildings to build.

10-00:16:08

Rubens: You'd work with these people.

10-00:16:09

Bakar: I'd work with them all. We had another problem at Park Newport. Park Newport was consistent with Oak Creek and Northpoint and Woodlake. Basically three stories of—three or four stories of wood framing and both had a concrete garage. I was back east and I happened to be in Travelers office on a trip and Park Newport had seven major buildings plus a clubhouse, plus the rental pavilion and the rental pavilion had a little bit of retail in it, and we numbered seven apartment buildings, 1A and B, two through six and if you add that up, it's seven buildings. I was going to say we don't have one of these for Park Newport, do we?

10-00:17:13

Rubens: We'll need more time on this topic, and I know we have to end soon.

10-00:17:19

Bakar: I can just tell you that one of the terrible problems that would happen, and we had many problems, is I was back east when I got a phone call from somebody in Newport. We were finished with our first building, we were renting our first building, and the city declared the buildings to be illegal from a building code point of view. Very small communities don't have sophisticated building departments, they give you your building permits as opposed to your planning permit. They're two different permits. Park Newport, when I started, had no building department.

10-00:18:13

Rubens: The town is?

10-00:18:14

Bakar: Newport Beach. Newport Beach farmed out, which is a very common practices with communities that aren't equipped to check plans, farmed out the plans to—there was a place in Pasadena that did this for cities all over California.

10-00:18:36

Rubens: Private firm?

10-00:18:39

Bakar: I don't remember. But they were equipped and they did the plan checking and our plans were obviously approved. We went for our certificate of occupancy

on our first building, we were renting apartments already, and the—that's the phone call I received, that the city decided that the fire protection didn't meet their interpretation of the code, and they said we couldn't occupy the buildings and here I had built 1A, 1B and building two. The garages were built already.

10-00:19:27

Rubens: People are living in 1A?

10-00:19:29

Bakar: Nobody's moved in yet. You need to get a certificate of occupancy to allow tenants to move in. And this is one of many problems I had down there. So, I went to the city and they said, well, we'll let people move in but you can't put any cars in the garage because if there's a fire in the garage, which could've started by a car, they declared that the concrete portion wasn't adequate to stop a fire by interpretation of the new building department that they had created. So, it was accepted by this organization that did it for many towns. So, it was a nightmare. We finally agreed on a solution where we had to spray a fire retardant material and they would spray it on the underside of the garage so that, God forbid, if there were a fire it would give the city three hours that they required. They needed a three-hour fire separation.

10-00:20:43

Rubens: Was one spraying enough or did it have to be done—

10-00:20:45

Bakar: No, one. They just needed that extra level of protection. I could've gone to the, I think it's called ULI, Underwriters Lab Inc., it's a national organization to do a fire test but it would've taken months and I had tenants ready to move in.

So, I did the mitigating things that they required. I don't remember how we settled it on the future buildings. I think we had to do it all, but in any event, it was just one of many problems.

10-00:21:29

Rubens: Where are you literally? Are you spending a considerable amount of time down south when you were putting this together?

10-00:21:35

Bakar: I was probably down there two or three days a week.

10-00:21:38

Rubens: And you fly down to, where, Ontario?

10-00:21:42

Bakar: At that time you flew, not to Ontario, you flew to Long Beach. The airport at Santa Ana didn't have any commercial flights at that point. But long before I finished the project I could fly directly to the Santa Ana Airport which is only two or three miles from the project.

10-00:22:06

Rubens: And then stuff is just expanding everywhere there. Where did you live while you were there then?

10-00:22:12

Bakar: Oh, I just stayed in a local—there was a hotel right down the street called the Newporter Inn.

10-00:22:20

Rubens: And would someone pick you up or did you rent a car or how would you?

10-00:22:23

Bakar: Oh, I don't remember. I'm sure one of my employees would pick me up. I had several people working down there.

10-00:22:29

Rubens: You had an office. Where were these people based? Well, probably right on the construction site you had—

10-00:22:36

Bakar: The construction site, and there were construction trailers.

10-00:22:44

Rubens: This is sort of an example of how the whole permit process is going to start to get more cumbersome.

10-00:22:49

Bakar: Well, they're two separate things. The building department doesn't really interface with the NIMBY side of things. And did I tell you the story of walking down a street in England?

10-00:23:00

Rubens: No.

10-00:23:01

Bakar: Well, at some point during construction—this is just a story about the NIMBY's—I was walking down Bond Street in London and I went into a shoe store. I was by myself, and there were two men, father and son, that just looked American as it turned out they were, blond, tan. So, I said, "Hi, where are you guys from?" and they said, "California," and we exchanged [details] and it turned out they were from Newport Beach. They were very friendly. And, at one point, I said, "I'm building a project in Newport Beach," and he said, "Really, what is it?" And I said, "Park Newport." They stopped talking to me.

But the NIMBY move was afoot by that time. I don't remember, and maybe Teddy can find out, I don't remember the time frame from filing for an application to getting the zoning, but it wasn't very long.

- 10-00:23:57  
Rubens: During this period you're still going to—you have the apartment building motel that you own in Palm Springs, had you started Seven Lakes?
- 10-00:24:12  
Bakar: I never built Seven Lakes.
- 10-00:24:13  
Rubens: You were never involved with Seven Lakes in Palm Springs?
- 10-00:24:15  
Bakar: I had a condominium there after I sold the motel. Though it is interesting you say Seven Lakes. When I went to Palm Springs after we sold the motel where we had an apartment for ourselves. I liked it and I bought a condominium at a place called Seven Lakes.
- 10-00:24:39  
Rubens: This is a good time to stop, but when did you sell the motel?
- 10-00:24:51  
Bakar: Well, I used to charter a plane and go over there. I would drive sometimes and I would charter—
- 10-00:24:57  
Rubens: Who built Seven Lakes?
- 10-00:25:03  
Bakar: Johnny Dawson. You have a place at Seven Lakes?
- 10-00:25:06  
Rubens: Well, someone in my family does.
- 10-00:25:08  
Bakar: Johnny Dawson, who did Silverado Country Clubs, did Seven Lakes. All I remember was I paid \$40,000—no, I sold it for \$40,000. I don't remember what I paid.
- 10-00:25:42  
Rubens: Where was yours? My uncle had a place there; you turned to the left when you came in the gate, and I can vividly see Bob Hope's huge place up on the hill facing my uncle's back entrance. I never saw Hope's place inside.
- 10-00:26:03  
Bakar: Nor did I, but it was impressive. Well, when you drove into Seven Lakes I turned right. I was on that road, whatever road that was about three-quarters of the way down.
- 10-00:26:113  
Rubens: How long did you have that?

10-00:26:24

Bakar:

Well, I had it, I think—oh, I can tell you exactly, because I then bought a home in Palm Springs. So, in 1972 I bought the house. I don't remember when I bought Seven Lakes. I bought a motel because I had no place to stay and I would stay at the motel, but as just a paid customer for about a year, and then I wanted my own place and I bought Seven Lakes, and then I wanted my own tennis court, and I bought a home and built a tennis court.

10-00:26:50

Rubens:

And where was your home when you moved from Seven Lakes?

10-00:26:52

Bakar:

The other end of town.



**Interview 6: September 7, 2006**

Begin Audio File 11

11-00:00:03

Rubens: We left off the previous session with the beginning of Park Newport.

11-00:01:26

Bakar: Did you go down and look at it Oak Creek?

11-00:01:27

Rubens: Yes, I did.

11-00:01:28

Bakar: Nice, wasn't it?

11-00:01:29

Rubens: Yes, and I asked—I have a cousin who's a realtor in the area and she said, "Oh, those apartments are always full."

11-00:01:39

Bakar: As I said, I was very concerned about the traffic then. How would my tenants get in and get out, because at 4:00 to 5:30, and to this day, it's still backed up.

11-00:05:51

Dienstfrey: As to Park Newport, you had talked about the problems of using three architects, how you and your partners dealt with them.

11-00:06:03

Bakar: I remember saying this before. I certainly had a private thought about it for years. There's a cliché about Murphy's Law, that everything that can go wrong does go wrong, and I always add a footnote to that, O'Brien's Law, that Murphy was an optimist. Because at Park Newport, I probably committed almost every sin a developer can commit.

11-00:06:51

Rubens: We have had a break since we last met, and, I wanted to say something in general because I thought it would get us up to speed again. I have, since I've talked to you, subsequently read Ray Watson's oral history, and have talked to Ray Watson. Firstly, Ray Watson said to send his regards, and he said, secondly, just as you were talking about your role with the museum, being the liaison with the city, he said that's one of the reputations that you developed that was just extraordinary: that you were known as someone who could get along with boards, foundations, city officials, and that it didn't seem to trouble you. I was asking him if any of the issues with the Coastal Commission bore on Newport Park, and he said no, not at all.

11-00:07:46

Bakar: They did, in a funny sort of way, but very insignificantly. Park Newport had an administration building and the first floor of it was our rental office. We had a grocery store, a beauty parlor, and then the rental office itself. And then

you walked upstairs from the rental office to look at, I think, five model apartments. Park Newport, from a rental and tenant acceptance standpoint, was a total success. They rented very, very quickly and I found that I didn't need the model apartments. So here I had four or five apartments where you would go up and they were furnished and what have you, and I decided to get the revenue out of them and rent them. I had to go to the Coastal Commission. The building was built, the model apartments were totally furnished but I had to go through the bureaucracy of having hearings on allowing those to be occupied by tenants. It's a great example of the almost foolishness that gets into some of our bureaucratic maze and governmental regulations. Here's a building built, totally built, apartments are totally furnished, but to occupy them—

11-00:09:15

Rubens: To occupy, that was the last hoop.

11-00:09:18

Bakar: Yes, and I had to go through hearings.

11-00:09:23

Rubens: That cleared it for the whole building project?

11-00:09:26

Bakar: Just that building.

11-00:09:27

Rubens: These five were being occupied ahead of time in a certain sense?

11-00:09:30

Bakar: No, no. They weren't occupied, they were model apartments. If you remember the story of Woodlake.

You walk through the rental office to see the models—and I took that same idea down to Newport—you walk through the rental office and you walked up a stairway to look at the models, and the only way to get up is through the rental office, but the project was full. I think early on, it had a waiting list. So I didn't need five empty apartments and whatever they were worth, using today's dollars, they would have been worth upwards of close to \$6,000 a month in revenue. Today's dollars, not 30 years ago. So here they were built, physically built. You can go in, touch them, sit down. So to get somebody to be allowed to live there, I had to have hearings because whatever number of units I had a permit for, I was adding.

The project was built, it was finished.

11-00:10:40

Dienstfrey: There were 1,300 units. We're talking about 1,300 units at Park Newport. Suddenly, you don't need the models and you want to rent the models. The buildings are built.

- 11-00:10:51  
Rubens: So for five extra apartments. I'm having trouble understanding it, as you can see.
- 11-00:10:56  
Bakar: You're having trouble understanding why the Coastal Commission might balk. It has nothing to do with access. It has nothing to do with an environmental issue. Why is this in the purview of the Coastal Commission, that they can say yes or no?
- 11-00:11:13  
Dienstfrey: What public purpose is served?
- 11-00:11:14  
Rubens: But nevertheless, you did it.
- 11-00:11:16  
Bakar: We had to.
- 11-00:11:17  
Rubens: OK. There was a prior story also, that Watson mentioned. He had been attending a series of seminars that were part of a study—that's where Watson actually met you, Ted—that had to do with "new towns".
- 11-00:11:43  
Bakar: That's how I got reacquainted with Ray.
- 11-00:11:46  
Rubens: And he said that they took this series of field trips, one of which included Woodlake and he was absolutely knocked out by it. The Irvine group had already been talking about community development, mixed use, but they had not seen anything in operation, and that was actually why he invited you to come. That story wasn't there.
- 11-00:12:06  
Bakar: I thought I'd mentioned it.
- 11-00:12:07  
Rubens: Not in much detail. I think that's an important story.
- 11-00:12:08  
Bakar: As a result of just happenstance, of coming upon Ray with a group of four, five, or six people, on that trip that you're describing, he then said why don't you come down to Irvine. And that's when I went down and that's when I met Ted.
- 11-00:12:29  
Rubens: So, he said that what you accomplished there far exceeded what they had hoped and what they expected. He thought it was a total success and in the end, of course.

- 11-00:12:40  
Bakar: Woodlake or Park Newport?
- 11-00:12:41  
Rubens: Park Newport.
- 11-00:12:43  
Bakar: Park Newport, from a critical standpoint, was a total success, not from an economic standpoint.
- 11-00:12:49  
Rubens: That's the story we need to hear.
- 11-00:12:51  
Dienstfrey: From the Irvine Company's point of view, they wanted Park Newport because they felt they needed rental units there, for Newport Center.
- 11-00:12:59  
Rubens: Right. What he said was that he had made a commitment to the University of California to build a community around it. Fashion Island was there, as you've pointed out.
- 11-00:13:07  
Bakar: It had just been started. It wasn't open yet.
- 11-00:13:15  
Rubens: In fact, they'd even planned a gas station.
- 11-00:13:19  
Bakar: There were four gas stations planned for that intersection and I told Ray, I'm not building a project behind a gas station, and that was the full extent of my request, to remove it. They responded, and I can't tell you the timeframe, but I would imagine within a couple weeks they said we're taking it out. Parenthetically, they took out one in the next project. So there was obviously an intersection, it had four corners. The Park Newport corner, and one called The Bluffs. It wasn't The Bluffs, I forgot the name of it, but right next door, and I can show it to you on the map.
- 11-00:13:58  
Rubens: There's a nice map. Now, this is a later brochure, right, because this is talking about internet and fax.
- 11-00:14:05  
Bakar: Well, that's obviously later, but here, this gives me the intersection. In Ray's plan, he had a gas station here, a gas station here, and they're there today. He had a gas station here on his plan and one here, and I said no. So he removed this and he never built this one and by the way, didn't remove it, just never built it. So, I didn't want to put my project behind a gas station.

11-00:14:32

Rubens:

I can see that, of course not. He said that every single step of the way had to go through the Irvine, and he said but that was absolutely no problem.

11-00:14:45

Bakar:

I don't remember any problems and I honestly don't remember any entitlement problem, meaning the City of Newport. I can later, and maybe it's the appropriate time, when I talk about everything that went wrong with O'Brien and Murphy.

The project followed Oak Creek and Oak Creek, as I mentioned in our last meeting, became a partnership with the Travelers Insurance Company. I mentioned where they said to me back in Hartford, "Why should you struggle for your cash equity. We'll lend it to you and become your partner." So we did it together—we being Travelers on one side of the partnership, Bakar and Wilsey on the other side of the partnership, did Oak Creek in a partnership. As we discussed, Oak Creek is on Stanford land and we, to this day, don't own that land.

11-00:15:51

Rubens:

But you changed the land lease.

11-00:15:53

Bakar:

We extended the lease, which is another business story. So that same partnership, Travelers, TIC, Travelers Insurance Company and Bakar Wilsey on the other side, went down to do Park Newport and again, relative to the land, the policy at the time, I don't think it was mandated in any law, which Stanford was, by the gift from Mr. Stanford, but Irvine at that time, had a policy. They didn't sell any land, they only leased it. So, we leased the land. Everything that could go wrong went wrong. The project was originally budgeted to cost \$23 million, the entire project. When the dust settled, after several years of all kinds of heartache of getting it built and cost overruns and interest rates going up, and all the negative things that could happen to a developer. It ended up costing \$31 million. So, \$8 million of increased costs was almost 30%, maybe a little over 30%. In fact, it's a little bit over 30% of cost overruns, and that was tough. Again, if this is the appropriate time, I can kind of walk through how we handled that.

11-00:17:27

Rubens:

Let's do that.

11-00:17:27

Bakar:

I would go back to Travelers on intervals of probably every six months and get them up to date. By the way, I think I mentioned to you that Oak Creek came in on budget and on time. It was unreal how well and effectively and efficiently Oak Creek was built. We had one architect, we had one contractor, and everything just went swimmingly well. Park Newport, everything just went the other way, and [I'll describe things] not in order of priority but as they come in my mind. I told you earlier, I made a marriage of three

architectural firms, which is something that no developer ever should do. If they do, at least they should have one architect totally in charge of coordinating it, but I didn't. Each one was kind of doing their thing with all sorts of follow-up problems. I had a contractor who really—I think it was MJ Brock & Sons, a contractor with a good reputation, but he really hadn't done this kind of a project and between the lack of coordination of these architects and a contractor really not used to it, the cost just kept going up. So, I would go back to Hartford, which is Travelers home office, on a fairly frequent basis, as I mentioned, probably twice a year, to give them the bad news. Finally, it really got quite bad. I think I may have explained to you how, on these large projects, I managed to create cash during the building of the project because if you think in terms—if I can have that brochure—if you think in terms of this, and this is a really good way to make my point. When I started the project, this was building 1A, 1B, 2, 3, 4, 5, 6.

11-00:19:39

Rubens: Going clockwise around the—

11-00:19:40

Bakar: This way. When I started the project, I was renting and occupying these apartments as this was still being built. I don't know that I had started this one yet but my concept to finance these projects is part of the equity was produced by the excessive rental income over operating expenses during the entire construction period. That's what I called, and I think I used that term with you before, the salad bowl. The salad bowl was a mythical container. What came out of the salad bowl were the costs of the project, and add some money. What went into the salad bowl were loans for me to build it, which typically a construction loan where the permanent lender when the project is done, the permanent lender will provide the funds to pay off the construction loan. But then I would put into the salad bowl the revenue from the apartments I'm building during this two or three year construction period. You don't just come out of the ground and have 1,300 units built. I probably—and I don't remember the dates—had an overall construction period of 24 to 36 months.

11-00:21:09

Rubens: That's what I wanted to know. This salad bowl was a word you used.

11-00:21:17

Bakar: It was a method that if I had a loan, just to use an example, if I had a loan of \$10 million when the project was finished and the project was going to cost me \$11 or \$12 million, it was my hope they'd pull out of the salad bowl, excess dollars from revenue from renting the apartments less the cost of operating those apartments. At Park Newport the salad bowl didn't work too effectively. They didn't rent quite as quickly, certainly not as quickly as Oak Creek. The expenses were much more. The biggest expense in that salad bowl concept was the physical cost of building it. I don't remember what happened to interest rates during that period but if interest rates went up, that was another increased cost.

11-00:22:13

Rubens: They were going up?

11-00:22:14

Bakar: Well they could have. I just don't remember. Interest rates have always swung high and low and I can't remember that time frame, though the record would show what it was. In any event, all these things, renting a little bit slower and maybe, on my salad bowl projections, my pro forma that I took back originally to Travelers because Woodlake was such a success, Oak Creek ran so smoothly that Travelers and Gerson Bakar believed these numbers. As the costs would go up, I'd say well, we can rent them faster. So we figured that we could rent not 25 a month but 28 a month, and then we'd do another run that says we can rent them at 30 a month. I think I actually pushed the rental side to 37 a month or something at one point and obviously, didn't make it.

11-00:23:07

Rubens: Were you increasing the rents as well?

11-00:23:08

Bakar: No. We just wanted to get those apartments rented. Bottom line, bad coordination with the architects, contractor not totally qualified, construction costs going up during the period, and I can go on and on and on. But layers of issues came up that drove the cost from \$23 million to \$31 million. One trip east, where Mr. Wilsey almost never was involved in any of this, I needed moral support and said, "Al, you've got to go back with me." At kind of the ultimate or the penultimate meeting, the one near the end, Travelers said, "Hey Gerson, every time you come back—" By the way, in my early trips back, they'd put their arm around my shoulder and they'd say, "Gerson, we love you. Keep your head down, keep plugging, we're with you." But after a while, as those numbers got up approaching the high '20s and low '30s they said, "Wait a minute, we can't give you a blank check." So at one of the meetings when we went east, the one that Mr. Wilsey went with me, they said, "We're not going to commit any more money to you today. You"—meaning Wilsey and I— "have to put up the next \$500,000. After that, we will match you for every million dollars it goes up after that number." I don't remember when the trip east was made but they said, "We'll go 50/50 with you, and those will all be loans to the partnership and when and if the partnership is financially successful, those monies will come out first."

So now we had a rapprochement with Travelers. I was never sued. They never tried to push me into a negative place. Parenthetically, and it's a lesson to anybody that has these kind of projects, the reason that Travelers didn't foreclose on me—and they could have foreclosed—they absolutely could have foreclosed and said we're not going to put any money in—if we're putting all this money in, we might as well own the project, goodbye, even though we were starting to put money in it—was a product of a good relationship. I had had a long relationship with Travelers. I have borrowed from them over the years, paid it back. They watched me at Woodlake, where

they were simply the lender. They liked what they saw, much like Ray Watson liked what he saw. They were my partner in Oak Creek and Oak Creek went swimmingly well. So Travelers and Bakar had a good relationship and that good relationship was a huge lesson to pass on, that if you're totally honest with a partner and you particularly come to them with a good track record and you get in trouble, a reasonable lender isn't going to force you out of the project. There was another builder, there was a firm called Interland, that went down. The fellow that owned it was somebody I knew and he followed me down to Orange County. He made a partnership in one of the neighboring communities with an insurance company called Connecticut General. He got in the same kind of problems I did. Connecticut General foreclosed and he lost the project.

11-00:26:38

Rubens:

Was it in Irvine?

11-00:26:40

Bakar:

No. It was in Santa Ana, I believe, a neighboring community. I remember the name of it, Vista Del Lago. But he lost it and he didn't have what I had. I had a personal relationship with the Travelers people. I had been borrowing from them over a period, I don't know, ten-plus years. They saw, loved, and lent me the money for Woodlake. They were my partner in Oak Creek and everything went well. I can remember the chairman of the board. His name was Roger Wilkins, who had come out of the real estate side of the company but went on to become chairman of the board. He walked me to the window, put his arm on my shoulder and showed me a building that he was responsible for in Hartford, Connecticut, the new Travelers building, and he said, "Gerson, that building was supposed to cost me X," whatever it was, "and it cost Y." About the same kind of growth that I had out in Newport at Irvine. He said, "We're with you, keep your head down, keep swinging."

So they never threatened to foreclose on me and I believe, absent that good relationship, absent that personal contact, it would have just been a statistical numbers game and somebody in the hierarchy of the lender, Travelers, or the partner, would have said, "Let's get rid of this guy." But they stuck with me and of course time validated it. Time cures lots of ills, and the message, I guess, in the oral history or this history, is that if you made mistakes in California and you had the financial wherewithall to hold on, time cured a lot of ills because our population kept growing, housing is a necessity. A well-planned project in a good community, notwithstanding temporary setbacks, will, over a period of time, prevail. Just a footnote on this. I think in 1989, Travelers wanted out. They were in trouble. New people had come into Travelers at Harford. They had gotten very, very aggressive, and they got in financial trouble. They had to sell out to me and they sold out. I don't remember the numbers but they made a very, very significant profit on Newport and they lent me the money, interestingly enough, so that I could pay

them and get them out. In other words, whatever monies it took to buy them out, they could legally lend me.

11-00:29:34

Dienstfrey: They had had a lot of losses and they wanted some reportable gains to match that.

11-00:29:37

Rubens: Yes, I understand that. So, one side of the company loans to the other.

11-00:29:41

Bakar: The lending side lent me the money. I think I took that money and bought their investment side out, and I only had to pay 10% down and they financed 90% of it. To and including this date—and there's another footnote to the story—along the way, Mr. Bren had some financial—

11-00:30:33

Rubens: That's a great story because I don't know if Travelers remained a business partner of yours with other things.

11-00:30:41

Bakar: No.

11-00:30:42

Rubens: Was that the end of the—

11-00:30:43

Bakar: No. Again, my dates may be a little off—

11-00:30:46

Dienstfrey: No, it was the earthquake. You made the deal just the day of the earthquake.

11-00:30:52

Rubens: The day of the earthquake?

11-00:30:54

Dienstfrey: This is the Loma Prieta over here, and you took them to the ballpark.

11-00:30:58

Bakar: That's right. But in any event, in '89, Travelers—in the whole lending world, there was a huge financial downturn in real estate in '89, and Travelers wanted out. The project was successful enough to support the debt that they lent me so that I can buy them out. Later, Irvine, who never would sell, Irvine needed some money and I was able to again—the project had been so successful—borrow the additional monies to pay Mr. Bren of the Irvine Company, and I think I paid them, if I remember correctly, \$11 million. So I ended up owning the land. Now today, Mr. Wilsey's widow and I own the project. I would guess the project is worth today probably in excess of \$300 million.

11-00:32:27

Rubens: Because the land alone was—

- 11-00:32:30  
Bakar: Well, the land is now paid for and everything but bear in mind this project, without the land, cost \$31 million. Today—and that project was finished in 1970 I think.
- 11-00:32:43  
Dienstfrey: A little later.
- 11-00:32:44  
Bakar: '72 or '73. In the early '70s, it cost \$31 million and it probably wasn't worth \$31 million the day it was finished because the income really didn't support it but some 30 plus years later, meaning today, 2006, I think the project is worth in excess of \$300 million. Approximately \$300 million would be a better way to say it.
- 11-00:33:12  
Rubens: So that's longevity.
- 11-00:33:16  
Bakar: That's the story of good real estate in a well-placed, well-designed, in a state where the population is constantly growing.
- 11-00:33:25  
Rubens: So let's unpack that for a minute. The figures for when Irvine started, for the first few years it was the fastest growing county in the country.
- 11-00:33:38  
Bakar: Could be.
- 11-00:33:39  
Rubens: That's what Watson claims.
- 11-00:33:41  
Dienstfrey: It had started with a low population of 120,000.
- 11-00:33:45  
Rubens: That's right. So that accounts for a lot of it, is that right?
- 11-00:33:50  
Dienstfrey: That, and then they figured out how to get water.
- 11-00:33:54  
Rubens: One of the attractions about the site is that you were given 50 acres, I think. Is that right?
- 11-00:34:03  
Bakar: Approximately.
- 11-00:34:04  
Rubens: Was there already water and sewage because it had been built for Fashion Island?

11-00:34:27

Bakar:

Well, you know, I can't answer that. I don't recall. I think a better way to say it, I projected such fast numbers to make the project work on a piece of paper, to get Travelers to continue to help me fund it, that originally, I was going to rent 25 apartments a month, and I got it up to 37 on a projection, not fact. Well obviously, 25 a month was a good number and I'm sure I did somewhere north of 25, but I sure didn't do 37. It rented well but it didn't rent with the rose-colored projections I had put together when I was in trouble.

11-00:35:12

Rubens:

The expenses are more in part because there is—

11-00:35:15

Bakar:

The cost of building it.

11-00:35:17

Rubens:

Yes, the cost of building it because of—did you retain the three architects?

11-00:35:23

Bakar:

Oh yes, they finished the project but the contractor didn't finish. I replaced him with Williams & Burrows, a firm that had built Woodlake and built Northpoint, had built Oak Creek, and I said to the owner, his name was Frank, I said Frank, "I need some help in Southern California." He came down and in the second half of the project, I severed my relationship with Brock and Williams & Burrows finished it.

11-00:35:54

Rubens:

No suit or payoff?

11-00:35:55

Bakar:

No. One of the things that the record would show, if anybody were to look it up: I've been involved in almost no litigation all my business life. I've had nuisance lawsuits, slips and falls that you'll have in any bit of real estate, but from a contractual standpoint, I've had almost no litigation.

11-00:36:22

Rubens:

Then maybe I wrote this down wrong because I just don't want to—they didn't rent as quickly. The expenses were more.

11-00:36:27

Bakar:

It didn't rent as quickly as my rose-colored projections.

11-00:36:30

Rubens:

Right. That the physical cost of building went up, and I thought there was a third but maybe you were just qualifying it.

11-00:36:39

Bakar:

Well, interest rates may have been rising. I don't remember that.

11-00:36:42

Rubens:

Was Larry Halprin in the—

- 11-00:36:45  
Bakar: Yes.
- 11-00:36:47  
Rubens: He remained. I'm trying to get a hold of him. I want to talk to him.
- 11-00:36:49  
Bakar: I've been thinking about going over to have lunch with him. He's well into his 80s.
- 11-00:36:54  
Rubens: I heard he was turning 90.
- 11-00:36:55  
Bakar: Well he could be. About five, six, seven years ago, he had an operation that didn't go well and his vocal cords were damaged. So he talks in a very high pitched, very soft volume, so it's not easy to have a long conversation with him. His mind is terrific. I will call him to pave the way.
- 11-00:37:22  
Rubens: I think it would help if you asked.
- 11-00:37:30  
Bakar: Oh, I'd be happy to do that. I'm sure Larry will see you.
- 11-00:37:35  
Rubens: Thank you. I was a little anxious about asking him. I had heard he was sick.
- 11-00:37:38  
Bakar: Oh, no. I'm even thinking, because I haven't seen him for a while. I was going to do it yesterday and I did something else, but riding over and having lunch with him one day.
- 11-00:37:47  
Rubens: I know that the university wants—to that, is the architectural documents curator at UC—is trying to put together the funding to do a life oral history but talking to him about working with you would cover a lot.
- 11-00:38:07  
Bakar: Larry has committed all of his papers to, I believe, to the Library of Congress. Larry is an icon in the world of design.
- 11-00:38:29  
Rubens: Oh, absolutely, absolutely. Someone had intimidated me, saying well, he only wants certain kinds of people to do his oral history.
- 11-00:38:46  
Bakar: I think you can do an interview, there's no question.
- 11-00:38:59  
Rubens: Thank you. Now back to Newport and using three architects.

11-00:39:45

Bakar: You know, I can't remember a juncture in the project. It was so big.

11-00:39:50

Rubens: Was it too big for Emmons?

11-00:39:52

Bakar: Right. Well, the production of the drawings was voluminous. I mean, it was just pounds and pounds and pounds of drawing, given the amount of square footage and everything. So the production of the drawings went to Art Gensler's office. Karl Treffinger, who had come out of the Wurster's office and was very instrumental in Woodlake, was one of the architects. So there was Karl. There was Larry on the basic land planning and the landscaping design. There was Gensler on the production of the drawings. Don Emmons was kind of from Wurster Bernardi & Emmons, did the clubhouse and what we called the spa building. So again, the general production of the drawings was Gensler. This building right here, which is the rental office, a beauty parlor, a grocery store and it has a nice little reflecting pond in front of it, but that building and this building, which is the clubhouse, were done by WB & E, Wurster Bernardi & Emmons. Clubhouse/spa, we called it, was WB & E. The administration building, which is what we call it, was done by WB & E. Gensler and Larry were all involved in the general planning and Gensler did the production drawings, but the whole coordination did not work too well.

11-00:42:04

Rubens: But there was nothing to be done about it—that was cast.

11-00:42:07

Bakar: Oh yes. That was part of the Murphy and the O'Brien syndrome.

11-00:42:13

Dienstfrey: What happens sometimes when you do that is each firm thinks the other firm is taking care of one of the detail problems. The big pictures work but it's when you're trying to get, where does this line go and where does it come from.

11-00:42:28

Rubens: What's happening to you. Well maybe I should ask something prior to that. How hands on were you again, with this design. I mean, some of this was your basic tried and true, to have a spa, to have the administration building with the models, to have the park-like setting, to have a community that was almost self-sufficient.

11-00:42:55

Bakar: If you'll forgive, and I don't know whether it's modesty or not, but if you forgive my lack of modesty, I was involved in every detail. It's just my nature.

11-00:43:07

Rubens: You had set up test kitchens.

11-00:43:11

Bakar: That was Woodlake, that was a long time before.

11-00:43:12

Rubens: That's right, and you didn't do it with Northpoint and you didn't do it again. You felt you had it?

11-00:43:18

Bakar: Well, the apartments had a different design. Kind of interesting, in Southern California, I learned a few things that are just kind of generic to the area. They, the tenants, would accept an open kitchen. It was a lifestyle, it was just there. I think the single family homes had open kitchens. Northern California at that time would not accept open kitchens. The kitchen had to be hidden and you'd have a kitchen and then you'd have a little dining area but from the living room, you couldn't see the kitchen. Southern California, much more relaxed. From the living room you can see the kitchen. So that was one significant difference. In Northern California, you can rent a two-bedroom apartment with one bathroom. In Southern California, you just had to have two baths. There's a lesson to be learned for any developer, and I obviously didn't learn them all and there are many that I'm sure I missed, but housing is a regional thing, relative to likes and dislikes. I'm sure the same house built in the suburbs of San Francisco wouldn't necessarily sell in the suburbs of New Jersey. They're just different markets.

11-00:44:38

Rubens: So how did you learn this? Who were you talking to?

11-00:44:42

Bakar: Well, trial and error. The answer was I had a good feeling for Northern California when I did Woodlake and Oak Creek. Again, part of Murphy and O'Brien. Part of it was trial and error, but I did learn and it's still my sense to go around. I saw kitchens in Southern California that I didn't think I could ever rent in Northern California. The lifestyles are much more relaxed down there.

11-00:45:15

Rubens: Now, when you say going around, I want to get to that you did seem to develop—you had a home in Palm Springs and you were developing more affiliations and connections in Southern California, but did you systematically go around?

11-00:45:29

Bakar: Oh, sure.

11-00:45:30

Rubens: You had some friends who were developers?

- 11-00:45:31  
Bakar: No, no. I mean, as a prudent developer, which I hope I can be identified as, I did things that may have been innovative but as a prudent developer, you looked at your competition and you learned from your competition.
- 11-00:45:48  
Rubens: Did you literally go to—one of the people who had inspired you was the originator of Leisure World?
- 11-00:45:54  
Bakar: No, not from the standpoint—they went after a different tenant.
- 11-00:45:58  
Rubens: So there was no one person that you saw as an inspiration or a touchstone?
- 11-00:46:20  
Bakar: No.
- 11-00:46:22  
Rubens: Never had an impulse to get a Southern California architect?
- 11-00:46:30  
Bakar: No, and that was probably a mistake. Maybe, I don't know.
- 11-00:46:37  
Rubens: Now, one of the things that Ray Watson thought was so interesting about you is while you may not have articulated a communitarian vision, you had a very full developed sense of what a community was like. That was evidenced at Woodlake.
- 11-00:47:03  
Bakar: Add a descriptor to that, a rental community.
- By the way, I think that might be interchanged with a home owner community, but my focus was totally rental. I think today, large-scale projects are built that resemble the Woodlakes and the Park Newports. There are, from day one, condominiums but at that time, I wasn't even thinking that way.
- 11-00:47:29  
Rubens: Because this had been what was financially a winner for you.
- 11-00:47:34  
Bakar: Exactly.
- 11-00:47:39  
Rubens: Did you do any market surveying yourself?
- 11-00:47:43  
Bakar: Well, to use the term market surveying, I'm sure I did. I'm sure I visited apartments in every area. I do remember Woodlake, I just visited every apartment that I could find that had—that was relatively new and that was successful. I tell the story, and I tell it to and including today, I don't think I've

ever done anything original. I think I've taken the best of many, many ideas and in putting them all together, it came out as a bit of originality.

11-00:48:18

Rubens: So it's you talking to Wurster, Bernardi & Emmons, mainly Emmons, to Treffinger that this is Southern California, we can go with an open kitchen plan. You're the one who is saying this and they're the ones who are designing it.

11-00:48:38

Bakar: Right.

11-00:48:41

Rubens: The pools, the land in between, the low density relatively, these were—how many stories were these? Three?

11-00:48:47

Bakar: There were three stories of frame construction over concrete podiums.

11-00:48:56

Dienstfrey: You might say they're low density but it would be hard put to get approval for this density again.

11-00:49:02

Bakar: By the way, good point. Woodlake, Oak Creek and Park Newport would be monumental struggles in the context of today's entitlement process. The density would just be a screaming no-no to the NIMBY world. I told you my story on Bond Street in England. Do you remember the father and son that turned their backs on me in the shoe store?

11-00:49:33

Rubens: At this point you're more than ten years past Woodlake. Did you have some kind of data on the longevity of tenants at Woodlake?

11-00:49:57

Bakar: No.

11-00:49:59

Rubens: If you'd look back now, thinking about Woodlake, Northpoint and here, do you have any data at all or sense that people stayed longer in these places?

11-00:50:10

Bakar: Oh, no question about it. By the way, that's a visceral comment. We have people at Oak Creek—and Oak Creek is 30-plus years old—we have people who have lived there that whole entire time. Do you want to hear something interesting? Probably Woodlake as well, even though they're owners today and not rentals. Ted, is Linda Zeller in today?

11-00:51:16

Diesnfrey: She is.

11-00:51:16

Bakar: Would you ask her to come for just a minute? Linda handles the marketing of all the apartments and you'll hear from her, just about the longevity.

11-00:51:30

Dienstfrey: Linda's career is sort of interesting, starting at Park Newport.

11-00:51:37

Bakar: That's another issue. The lady that's coming in, she'll answer the question when she walks in, has been with me the past probably 26, 27 years. She started in the clubhouse at Park Newport and ended up now, that she and another lady run the management of all the apartments. I used to manage them and everybody reported to me. Almost no one reports to me any more.

11-00:55:38

Dienstfrey: Irvine wanted to do all the apartment rentals. The Irvine Company was not interested in selling the land for the retail and it was not interested in selling the land for the apartments.

11-00:55:47

Rubens: When I talked to Ray Watson, he said they were not interested in having anyone but Gerson come in.

11-00:55:54

Dienstfrey: At that point, they had started to do the apartments themselves. They went into the apartment business. Mariners Point, a small apartment building on the other side of the Bay, was their first. At the time Gerson was doing Park Newport, they were doing Promontory Point. One of the things Gerson wanted was a six month lead time on rental and the Irvine people said "No, no, no, we can't do that," and Ray Watson said, "Yes, we can do that, don't worry. Gerson, you can have six months." I think Gerson had about two years lead time because Promontory just took longer and longer to figure out. It was a much more complicated construction project. But then after that, a guy named Bill Watt was in charge of building the Irvine Apartments. They were selling single-family residential land, so they had to reinvest the money somewhere, and they would reinvest it in the multifamily.

11-00:56:51

Rubens: When you say Promontory, did you go on to do something else down there?

11-00:56:55

Dienstfrey: No, no, no. Irvine did Promontory.

11-00:56:57

Bakar: And Promontory was a different price point than Park Newport. I think they may be closer today but they were much more expensive than we were.

11-00:57:08

Rubens: Why don't you summarize, I don't think we have it on the record. What was your target community, your renters?

11-00:57:17

Bakar:

Basically, the same target community as Woodlake. I didn't build them any differently at Oak Creek but there was no question, the university, and not necessarily students but the faculty and so forth, were part of our target. My sense was I really wasn't building a senior citizen project and I wasn't building projects that were well designed for family living, but it was basically the historical apartment house renter. Cutting off the seniors, I mean. I didn't focus on the senior and I never focused on the family. Something just popped in my mind that I may have missed on the renting. Did I talk about the marketing of Woodlake?

11-00:58:17

Rubens:

Oh, sure.

11-00:58:17

Bakar:

Did I talk about the shills that I used? Well, I'll just tell you. I had 1,000 apartments for rent at Woodlake and I obviously wanted to appeal to that huge young market. I told you the story of going to the airlines?

11-00:58:34

Rubens:

Yes, yes. Of course. I didn't think of them as shills but having the—

11-00:58:39

Bakar:

Well they weren't tenants. Do you know who a shill is in a gambling casino?

11-00:58:46

Rubens:

Well maybe not.

11-00:58:46

Bakar:

They're employees of the casino who stand by a gaming table; black jack, roulette, dice, and they're playing with the house money to get the games going. They're called shills. They're not customers gambling and when you go, you really can't tell, but that's where the shill term comes from I think.

11-00:59:10

Rubens:

Did you need to do any of that for Park Newport?

11-00:59:13

Bakar:

No.

11-00:59:14

Rubens:

I wouldn't think so. At what point did it kind of pick up?

11-00:59:17

Bakar:

Well it never was bad. I just didn't make these rose-colored projections, which caused the salad bowl to need more money.

11-00:59:27

Rubens:

And by the way, how are you literally, sort of emotionally and intellectually handling it at this time? Are you getting nervous? Are you anxious?

11-00:59:36

Bakar:

Oh yes, it was a strain. You know, pain has no memory. The nights I may have tossed and turned, I don't remember those nights. I told you and I'll repeat myself. Everything that could go wrong went wrong and I think I told you in a previous session, about the buildings were declared illegal.

11-00:59:58

Rubens:

Right, because of the fire retardant. You had to come up with that innovation.

11-00:60:02

Bakar:

Whatever could happen, happened down there.

11-00:60:05

Rubens:

Just to keep in mind the time frame. I figure this has to start—you're looking at it has to start in '69 and then '70 is when you're going ahead with it, and it's opening in '71.

11-00:60:21

Deinstfrey:

It was under construction in '70 and the Irvine Company moved their offices from the ranch to the Newport Center. Gerson had sent a pair of binoculars to Ray and said—

11-00:60:33

Bakar:

Did Ray remember that?

11-00:60:34

Rubens:

Yes, he did. That was the last story he told me. And he said they weren't very good binoculars.

11-00:60:41

Bakar:

That's embarrassing. I've got to kid Ray when I see him, about that.

11-00:60:50

Rubens:

No, it was a joke. I think it was part of the job, but he had just told me that story and I was going to say it and you said it. These are very heady years for you. I made a list of what else seems to be going on and as you pointed out, a developer never is just focused on one project, but you had to be pretty focused on this project. I mean, you were living nearby. I have written down here where you lived and now I've forgotten that. I asked you where you had lived.

11-00:61:20

Bakar:

Well, all my domiciles after 1960, personal domiciles, were on Russian Hill.

11-00:61:27

Rubens:

Yes, but you spent a lot of time down there. I think you were renting a place.

11-00:61:32

Bakar:

I would rent down the street from Park Newport at what was and still is a large hotel/motel. It's kind of a garden hotel called the Newporter Inn, and I would stay there.

11-00:61:49

Rubens: You bought a place in Palm Springs in '72. '72 is a very big year for you.

11-00:61:58

Bakar: Yes, I bought two houses, but I had a new assuredness. I had Seven Lakes before the house. I don't remember the date.

11-00:62:09

Rubens: '72 is your big house.

[Linda Zeller joins the conversation]

11-00:62:12

Bakar: Linda, this is Lisa, she's asking me about Park Newport.

11-00:62:16

Zeller: Linda Zeller, very pleased to meet you.

11-00:62:25

Bakar: The question that I called to ask you in about and I gave Lisa the answers. Obviously yes, that people live in our projects longer than the average apartment. So going back, I think, there may be somebody at Woodlake from the original group, but there certainly are at Oak Creek aren't there?

11-00:62:47

Zeller: Several at Oak Creek and Park Newport.

11-00:62:49

Bakar: From day one?

11-00:62:50

Zeller: Yes, original. Actually, our longest term resident at Park Newport just celebrated her 100<sup>th</sup> birthday, and you gave her the gift. She's been there since we opened the doors. I think it was '72. She had the prettiest apartment, it was on the point—she and her husband just retired—overlooking the ocean, the Back Bay and Catalina. It was quite nice. She has since moved to a smaller apartment because her husband has passed away.

11-00:63:19

Bakar: Linda came to me as a person in the clubhouse.

11-00:63:25

Rubens: You must have been pretty young.

11-00:63:28

Zeller: I actually started, I think, as the club secretary, and then shortly after that, I became the assistant manager.

11-00:63:34

Rubens: How did you find out about the job?

- 11-00:63:38  
Zeller: It was called the Swinging Singles Complex in Newport Beach at the time and I happened to be—
- 11-00:63:42  
Bakar: By the way, but I never focused on the singles. I had hopefully focused for a broader—
- 11-00:63:48  
Zeller: Yes, but it was great. I mean, there was a huge variety of everybody living there. We were young and single, and we were living down at the beach. One of my girlfriends came home. We had graduated with recreation degrees and she came home and she said, "There's this great job open at Park Newport." I'm like, "Park Newport, what is that," because I had just come to Newport Beach.
- 11-00:64:07  
Rubens: Where had you been before?
- 11-00:64:09  
Zeller: Sequoia National Park. I was working for the Park Service.
- 11-00:64:11  
Bakar: What year would that have been?
- 11-00:64:16  
Zeller: July, 1976, I'd come to celebrate my 30<sup>th</sup> birthday.
- 11-00:64:19  
Rubens: When you joined as the club secretary.
- 11-00:64:21  
Zeller: Yes, and it had been there—the original club manager was there from the beginning, Sharon, 1972.
- 11-00:64:30  
Bakar: So at some point, Lisa may want to spend a little time with you and Kathleen. Not today.
- 11-00:64:36  
Rubens: We'll just finish this one part. You had literally studied recreation?
- 11-00:64:39  
Zeller: Parks and recreation at San Jose State.
- 11-00:64:41  
Rubens: Oh, I see. Interesting.
- 11-00:64:43  
Bakar: It is a field.

- 11-00:64:45  
Rubens: And then stayed at Park Newport for how long?
- 11-00:64:49  
Zeller: About eight years and then I came up to Oak Creek. I hired myself as the club manager of Oak Creek.
- 11-00:64:56  
Rubens: Great. I will talk to you another time.
- 11-00:64:57  
Zeller: Great. Very nice to meet you.
- 11-00:64:58  
Rubens: Yes, nice to meet you. Thank you. I think Linda's story is so exemplary of your business style, Gerson. You meet people, you identify good talent, they're both attracted to you and you're attracted to them. I mean, that's the ideal. You have several people like that.
- 11-00:65:37  
Bakar: We talk about our winners. We don't talk about our losers.
- 11-00:65:45  
Rubens: There was something about the combination of entities, the style of the place, coupled with what was available.
- 11-00:66:04  
Bakar: There's no question they are lifestyle apartment houses and it's a lifestyle. I think people recognize they're paying a bit of a premium for the club facilities. They're paying a bit of a premium for a lot of the amenities and that's identified. If they were to go out and buy those on an individual basis, the club could cost several hundred dollars for initiation fees. I think the dues today at the Bay Club right down the street, a big health fitness club, I think the dues are \$170 a month. If you live in a Park Newport, with its facility, and I think I asked you, did you go through the clubhouse?
- 11-00:66:51  
Rubens: I did not go through the clubhouse.
- 11-00:66:54  
Bakar: If you ever did or any of these clubhouses, when these fitness centers didn't exist.
- 11-00:67:03  
Rubens: We had talked about that, that's right.
- 11-00:67:06  
Bakar: I was, I think and again, forgive the lack of modesty, I was out in front. Part of it, I think, I remember in 1960 was we got a President who pushed very hard on physical fitness. In all seriousness, that was part of what drove me to create. Part of it was Palm Springs, the word spa. I used to like to go to Palm

Springs, the downtown spa, and I brought that term home. I didn't go to spas in Europe or Germany. I don't know where I think it originated but physical fitness was in the papers daily in the Kennedy era. My experience in Palm Springs with The Spa. Do you know it?

11-00:67:51

Rubens: I do, absolutely.

11-00:67:53

Bakar: I used to go there all the time.

11-00:67:55

Rubens: And I agree with you. It was much more of a Southern California phenomenon. You were a runner. It seemed to me more Southern Californians ran but the way you talk about it, having spotted the Mattress Factory.

11-00:68:07

Bakar: I went through a relatively short period of jogging for whatever reason but it was a jogging experience, where I used to spend time jogging around North Point.

11-00:68:20

Rubens: So lifestyle—are you trying to say something Ted?

11-00:68:22

Dienstfrey: Yes. I wouldn't be surprised that some people might have been attracted because they would meet people. Did they?

11-00:68:29

Bakar: Oh, without question.

11-00:68:30

Dienstfrey: I mean, I don't know if we've ever looked and seen how many people got married down there.

11-00:68:35

Bakar: I had occasion to share—I got an award down at the Bay Area Council and I shared it that night with the famous attorney named Larry Sonsini. Have you heard of him?

11-00:68:49

Rubens: No, I haven't.

11-00:68:50

Bakar: He's the number-one attorney in Silicon Valley. He's a legend. Larry and I met that night—I had never met him before—at the Bay Area Council Dinner. His wife and Larry himself, I guess Larry was a product of a divorce or his wife was and when we met that night at the Bay Area Council, which was what, two years ago? She said she moved into Oak Creek to find a husband. When she made that case, Barbara, my wife Barbara and I were having drinks with Larry and his wife and had just met him, and when she realized that I had

been her landlord at one point, she says well, I moved there to meet, and I did meet Larry. So these projects were—they certainly preceded the internet as a vehicle to meet people.

11-00:69:45

Rubens: You had your finger on some pulse. I mean, you had an intuitive but also studied sense of lifestyle.

11-00:69:54

Bakar: I would call it more intuitive than studied.

11-00:69:57

Rubens: I meant studied in the sense that you really did go and look at places. You learned lessons based on your experiences.

11-00:70:04

Bakar: The spa at Woodlake was a knockoff, in a funny kind of way, of the spa in Palm Springs. Not physically but the word spa, steam rooms and massage rooms and everything. They had steam rooms and massage rooms.

11-00:70:26

Rubens: There's somebody that you meet, who goes down to Park Newport for nine months. You think you're going to hire him only for nine months and then he lasts—Don Wyler. And I take this only from a letter that he writes to you. Don Wyler was hired for 90 days to do something at—

11-00:71:04

Bakar: Northpoint.

11-00:71:10

Rubens: Fine, and then he's involved with you for 17 years. I want to check that off. I want to talk about a couple of other things regarding lifestyle. By '72, you've bought the house in Palm Springs.

11-00:71:28

Bakar: And I bought the house on Pacific Avenue.

11-00:71:34

Rubens: In May of '72, I think you buy Carmel Center?

11-00:71:37

Bakar: Could be.

11-00:71:38

Rubens: And in October of '72 your father dies.

11-00:71:48

Dienstfrey: When did you acquire Westlake?

11-00:71:49

Bakar: I acquired Westlake in 1972.

- 11-00:71:  
Rubens: I have a note about the Sandlers making a loan to you for Westlake?
- 11-00:71:58  
Bakar: Yes. Well, they were part. I had a package of several lenders. The Sandlers took a portion. They lent me \$5 million and Bank of America lent me twenty-some-odd million.
- 11-00:72:15  
Rubens: So as you said, a developer is always looking at his next project. By '71, Park Newport is opening. You're probably not completed until '72. You're struggling with this increase in costs and the need to borrow more money. I'm asking you really about how this is affecting you. You said, I don't remember the sleepless nights but there probably had to have been. You take Al with you, whereas you had never had him accompany you before.
- 11-00:72:43  
Bakar: Al went on this one trip to Hartford.
- 11-00:72:45  
Rubens: You must have known, this is my fourth trip or my fifth trip and I need—
- 11-00:72:50  
Bakar: Park Newport was an economic crisis for me, huge, and I wanted some support and Al, though he didn't have much of a role to play once we got back there, but Al went with me.
- 11-00:73:05  
Rubens: Is anyone else out here, Al, anyone saying Gerson, maybe you ought to get out?
- 11-00:73:12  
Bakar: No. I never thought of getting out.
- 11-00:73:15  
Rubens: And then one other about lifestyle. There's a couple things I just want to ask you. There are these wonderful pictures of you in Barbara's fantastic book, with several Hollywood people.
- 11-00:73:35  
Bakar: I hired Rogers & Cowan, that's a name that you'll want to write down. They're still in business. I think the firm is still—I saw the name not too long ago. Cowan. I was a good marketer and one of the things I learned early on is that if you get your name or the name of your project, as long as they spell it right in the paper frequently enough, it has some positive effect. I don't remember the name of the firms that I may have used at Woodlake or at Northpoint or Oak Creek, but I always kind of had a PR firm in addition to an ad agency. Sometimes they were one in the same and when I went down to L.A., I met the Rogers & Cowan people. It was Warren Cowan I dealt with. They were

my publicist. One of the things I did at Woodlake again, I was always conscious of publicity as a marketing tool, that if you can get—

## Begin Audio File 12

12-00:00:16

Rubens: Just before I ask you about this, because this is with Dianne Feinstein's think tank, I did want to say that in Ray Watson's oral history he's talking about issues he had to face and he had just become CEO of the Irvine Corp. when Nader's report came out on land use in California and that the report points to—well, it makes the claim that developers are controlling the legislature in California and that Irvine has given the most. Watson states in his oral history: "I gave \$20,000. I have no idea who else was giving what, but this doesn't seem like enough to control the legislature." So, I was wondering if at some point do we see you involved in politics.

12-00:01:16

Bakar: Well, we get to that some when we get to the museum. There was significant interface with city hall at the museum. On all these projects to some degree, I would interface with the political jurisdictions I had to deal with via the planning commission or a board of supervisors. And I did that, mainly, not by writing checks but just getting to know the people.

12-00:01:41

Rubens: Right, and that's why Watson was saying that you developed such a reputation for an ability to do that.

12-00:01:45

Bakar: Well, I'm not aware of that reputation, but I do know that I would get to know public officials if I knew I had to interface.

12-00:01:54

Rubens: But in terms of being or thinking if you're going to be a player in the Democratic Party—

12-00:01:57

Bakar: No. No. No.

12-00:01:57

Rubens: You weren't going to target Sacramento. This was not your focus.

12-00:02:03

Bakar: No, not at all.

12-00:02:03

Rubens: And I didn't think so. I have a newspaper clipping from '71 that says Dianne Feinstein's think tank was eagerly awaiting a talk from you.

12-00:02:09

Bakar:

Dianne was an aspiring politician and she had a group of young people, "the think tank," I guess, and though I only kind of remember going, I was invited as a developer to talk to them; four, five, six, seven people. I have kind of a vague memory of the talk. At the talk there was an attractive young lady named Mary Noel Pepys who I met and we became friends to including this date. She's now a woman, 61 or 62 years old, and the most interesting person, but that's how we met.

12-00:02:57

Rubens:

The point about the think tank is that you're invited to talk, you've done Northpoint, you're now a player throughout the—

12-00:03:03

Bakar:

Well, one of the things I can remember saying is that the future of San Francisco was down in what is now Mission Bay. I could remember that I'd always looked at Southern Pacific's holdings, Santa Fe's holdings as someday being the future of San Francisco and I can remember saying that.

But, again, you didn't have to be a rocket scientist to realize, you know, here was all this land not being used for the railroads anymore.

12-00:03:32

Rubens:

So, in terms of your own lifestyle then, it was not Hollywood. This is not— these are publicity stunts.

12-00:03:40

Bakar:

All publicity.

12-00:03:41

Rubens:

You're not finding yourself attracted to—

12-00:03:43

Bakar:

No, no. I may have wanted to—

12-00:03:45

Rubens:

Yes [laughing]. Alright.

12-00:03:46

Bakar:

I never dated Raquel Welch. I never dated Elke Sommer.

12-00:03:49

Rubens:

I don't know how you have much of a personal life in those couple of years, but you did.

12-00:03:54

Bakar:

Oh, sure. In the Park Newport building era I would go over to Palm Springs almost, not everybody came, but many, many would get over. I'd either drive or charter a small plane.

- 12-00:04:19  
Rubens: Shall we discuss Westlake or Pacific or Carmel Center, or what comes next?
- 12-00:04:27  
Dienstfrey: Well, there were the two large things in 1970 which were started and then they didn't work. That's when I was here.
- 12-00:04:35  
Bakar: Hiller Highlands in Alameda County.
- 12-00:04:36  
Dienstfrey: Well, I was thinking even when you were dealing with Doctor Ellinwood and when you looked at the Del Monte land and, yes, in Alameda County, in the Oakland Hills.
- 12-00:04:46  
Bakar: Well, I can talk about three projects, and I'd have trouble putting specific dates to them, that I looked at longingly and for whatever the reasons were, walked away from.
- 12-00:04:57  
Rubens: And you were saying that this is appropriate because this is about 1970.
- 12-00:05:03  
Dienstfrey: What I came up with it's probably '71 or '72. I was here for six months at that time and I remember going with you and meeting Doctor Ellinwood.
- 12-00:05:13  
Rubens: Let's back up for just one second. What was your interface with Ted in Newport? You're working for the Irvine—nothing particular to say.
- 12-00:07:30  
Bakar: No, not really. Another property I looked at that I walked away from was Hiller Highlands, in the Oakland hills.
- 12-00:07:35  
Rubens: Yes, let's hear about that because you referred to that previously.
- 12-00:07:39  
Bakar: Well, there's no need to spend much time on it. I did take a long, hard look at those hills.
- 12-00:07:46  
Rubens: Did someone come to you? You had known about it?
- 12-00:07:48  
Bakar: You know, I don't remember Lisa, how it happened. I remember on a trip I went to Europe and Mr. Hiller had a daughter that lived I think, in fact I remember, in Geneva and he thought it might make sense for me to visit with her, but while I was looking at the Hiller Highlands, somebody, my friend

Sandy Weiss, mentioned Woodlake and I dropped Hiller Highlands like a hot potato.

12-00:08:18

Rubens: Oh, yes. I wondered how much you saw him when you were in Southern California.

12-00:08:26

Bakar: Well, we were good friends. I did see him frequently.

12-00:08:30

Rubens: But that's when you dropped that. By the way, tell me about—does Justin Herman come to you regarding Hunter's Point?

12-00:08:43

Bakar: I don't remember.

12-00:08:44

Rubens: But you remembered, Ted, that Gerson wanted more time to think about it.

12-00:08:49

Dienstfrey: And Justin was angry. And it was good that you didn't go into it.

12-00:08:54

Rubens: This is now early 1970 and then Alameda Del Monte, where is Del Monte's land in Alameda?

12-00:09:00

Bakar: Right across from Jack London Square. If you go through the tube it's that big piece of land on your left. There's a lot of development out there now.

12-00:09:09

Dienstfrey: And Del Monte had passed—the city passed a moratorium on multi-family development, and Gerson was a multi-family developer.

12-00:09:21

Rubens: You knew you were going to stay in that field. And Ellinwood, where's Ellinwood?

12-00:09:25

Bakar: Ellinwood was an 80-acre parcel in Central Contra Costa County in the town of Pleasant Hill. And there was a large piece of property commonly known because of the product grown on it—it was agricultural land—as "the Cabbage Patch." And I proceeded to try to buy the cabbage patch.

12-00:09:50

Rubens: OK. Because I had asked you earlier about Ken Behring going in to the south county in 1972 and Lorraine Legg I mentioned earlier was working for that lumber company, Boise Cascade. She was selling home property and I was wondering if any—if you were interested in that area at all.

12-00:10:13  
Bakar: I've never been in what they call recreation land.

12-00:10:17  
Rubens: Right. So, but there was this cabbage patch in central—

12-00:10:23  
Bakar: Contra Costa, in the town of Pleasant Hill.

12-00:10:26  
Rubens: You must've seen all this other development going on around there and—

12-00:10:32  
Bakar: Well, this was classic in-fill.

12-00:10:33  
Dienstfrey: Behring's property is further south and not at all the same type of property.

12-00:10:40  
Rubens: I know that, but Walnut Creek is starting to pick up and that's why I was wondering if you were interested in the East Bay. So, this is one of the only times, you think, that you—

12-00:10:49  
Bakar: No, I built in Oakland. I started.

12-00:10:51  
Rubens: Your first developments.

12-00:10:52  
Bakar: And then I did build a 50- or 60-unit apartment house in Walnut Creek and I was partners with Mr. Wallok. That goes way back.

12-00:11:03  
Rubens: You're looking for your next big project and is it going to be Westlake or is it going to be Carmel?

12-00:11:16  
Dienstfrey: Well, Westlake is—you acquired.

12-00:11:18  
Bakar: It was an acquisition. Not a development area.

12-00:11:21  
Dienstfrey: And Carmel was in part an acquisition, too.

12-00:11:26  
Bakar: No, it was more development.

12-00:11:28  
Rubens: Where is Westlake?

12-00:11:30

Bakar:

Westlake is in Daly City. And Westlake is 112 apartment houses. They were owned and developed by one man named Henry Doelger. And Henry was getting along in years and Henry must've been around 75 or 76 years old. Henry was from the old school and when it became clear that he was going to have to rent to minorities, he kind of panicked. And, it was the twilight of his business career anyhow. But, he didn't want to face the issue and I was fortunate enough to be there—oh, I remember how that came about. I read in the paper Henry had developed Daly City, almost the entire community. Henry had gone over and bought, my number won't be accurate, but a couple thousand acres in the Pacifica area, Half Moon Bay, and that was going to be his next "Daly City," his next "Doelgerville." And I read in the paper where a merchant builder firm called Deane Brothers of Southern California, of Orange County in fact, had purchased it with a firm called Westinghouse. And the corporate world was getting involved at that point in the real estate development business.

And the thought came in my mind, why would Westinghouse want to buy all those apartments because Westinghouse was a public company, it was clear to me when I read the article in the paper that they were buying out the Deanes, or buying out Mr. Doelger, with the Deanes, that they wouldn't want apartments, which apartments, at that point, with tax laws as they were, were huge tax losses. Public companies don't like to report losses. Private developers like not to report income. So, these tax losses were no benefit at that time to the corporate world and I managed to get a hold of Mr. Doelger and see if he would sell me the apartments. And Westinghouse didn't want the apartments and so Mr. Wilsey and I became the negotiator with Mr. Doelger to buy his apartments. And that was a singular, good investment for me over the years, and I still own them to this day. And the lady you just met, Ms. Zeller, runs them.

12-00:14:22

Rubens:

And Doelger knew who you were by then?

12-00:14:25

Bakar:

Oh, yes. Doelger was infatuated with Woodlake and he was a developer. He built thousands of homes. And he built these apartments.

Dienstfrey:

He had 3,000 apartments.

12-00:14:37

Bakar:

There are 3,000 apartments that Henry built. If you go out there one day, and I'll be happy to go out there for maybe a subsequent interview and we could grab a room out there for the interview, none of them were like anything I've ever done. There were 112 apartments—apartment houses totaling 2,983 units that are as pedestrian apartments as you'd ever find. He wanted out, and I looked at it as an opportunity. One man's lemon is another man's, whatever the term is.

12-00:15:13  
Dienstfrey:

Lemonade.

12-00:15:14  
Bakar:

Lemonade. And I saw it as an opportunity and I set my goal to buy those units. Henry liked me because of Woodlake and we ended up—and there's another story here because Henry also had an agreement to buy—and I don't remember the acreage, but I'll make up a number, 20 acres of land that were surplus to the San Francisco Country Club. The San Francisco Country Club is in the city and county of San Francisco, but it's right next door to Daly City. The back end of it was surplus and there's a bunch of stories I can tell about that. So, Henry—I was able to be introduced to the San Francisco Country Club people who wanted to raise cash. They wanted to sell the surplus property and, kind of an interesting footnote, I was greeted out there as almost the messiah because here's a guy that might buy this extra land. Henry had introduced me to them, he wasn't going to go ahead with it, put me in the middle of it and I ended up with Mr. Wilsey agreeing to buy, I think it may have been 10 acres. I don't remember the acreage.

12-00:17:05  
Rubens:

The whole of the surplus?

12-00:17:07  
Bakar:

Yes. Here was the San Francisco Country Club

12-00:17:20  
Dienstfrey:

Out by Lake Merced.

12-00:17:24  
Bakar:

There are several clubs out there. You've got the Olympic Club, Lake Merced Country Club and this one—it's the establishment club that your father and my father could never be a member there and that, I don't want to have to say that.

But I was greeted as the messiah because here's somebody that would help raise—they needed some cash. And country clubs, when they need money, don't like to assess their members. So, I was greeted—and I say off the record, I mean, until we signed the contract, I was welcome out there for lunch. But, anyhow, that passed. I ended up buying, with Mr. Wilsey, that land.

John Fields was the architect that I used and we designed a project with, I think, 200 town homes and the project was bifurcated by a road coming off Lake Merced Drive and the project is called, to this date, Lake Merced Hill. And that's really an interesting story.

Ted, if you're able to dig it out of the archives, not my archives but the *New York Times*, it had a full page in the *New York Times*.

- 12-00:19:27  
Dienstfrey: And then the other thing that hasn't been dealt with is the—how you acquired Westlake.
- 12-00:19:32  
Bakar: Well, Westlake is a really interesting story—
- 12-00:19:33  
Rubens: Shall we save that for our next interview?
- Also we need to include that, in 1974 you're going to become a trustee of Dominican College. I was just wondering if you were serving on any other boards at this point.
- 12-00:20:41  
Bakar: Well, I was on the Chamber of Commerce Board.
- 12-00:20:43  
Rubens: Yes, in 1968 to 1972, I think. But you said you didn't have too many memories of that.
- By the way, I finally read Sean Wilsey's book; it's a very engaging, interesting book.
- 12-00:21:10  
Bakar: Well, you'll notice in all of our discussions I stay away from issues about Mr. Wilsey personally.
- 12-00:21:17  
Rubens: Of course. But I want to ask you something specifically, though, about him.
- 12-00:21:24  
Bakar: Sure.
- 12-00:21:25  
Rubens: And this has to do with flying because, I guess, it's Jack who gets Al to fly and in the book Sean states that Jack and Al would "fly out over the country with their checkbooks looking for land to buy."
- 12-00:21:41  
Bakar: No.
- 12-00:21:42  
Rubens: I'm quoting from the book "—they went as far as Oklahoma—"
- 12-00:21:45  
Bakar: That—excuse me. That sentence is totally mythical.
- 12-00:21:50  
Rubens: Fine, and he continues: "and they made it big with huge parcels north of San Francisco and south of L.A."

12-00:21:55  
Bakar: No. Sean, as a result of an inheritance from Al, owns part of Park Newport.

12-00:22:05  
Rubens: So, then, I just wanted to know about the flying. I've never heard you say that they were actively involved in—

12-00:22:14  
Bakar: They weren't.

12-00:22:15  
Rubens: OK. And were you ever interested in learning to fly?

12-00:22:17  
Bakar: Never.

12-00:22:18  
Rubens: Sean does make one other statement I'm interested in. He claims that you encouraged the Wilseys to branch out of the butter business, which—

12-00:22:36  
Bakar: No, I had no influence or impact.

12-00:22:39  
Rubens: OK.

12-00:22:40  
Dienstfrey: They came into real estate because of you.

12-00:22:42  
Bakar: Let me finish, Ted, if I may. He owned anything but real estate and going back, which I think I shared with you, way back when I first got started the problems I had with my dad helping me.

12-00:22:54  
Rubens: That's very clear—

12-00:22:55  
Bakar: And they stepped in.

12-00:22:56  
Rubens: And you were clear that you turned to them.

12-00:22:58  
Bakar: Exactly.

12-00:22:59  
Rubens: But then they weren't happy. Of course, Jack dies and they were happy to remain in the partnership.

12-00:23:04  
Bakar: Jack died during the construction of Woodlake.

12-00:23:09  
Rubens: Sean, states that the first investment partnership was called Jalson—Jack, Al and Gerson—

12-00:23:21  
Bakar: No.

12-00:23:23  
Rubens: The "son" is for Gerson.

12-00:23:26  
Bakar: Jalson is exactly what you said. It's an acronym or whatever it might be called for the three of us when we were partners. And it really became the managing entity. Jalson would get some development fees as the, you know, coordinator of these projects. Subsequently, Jalson would get management fees—

12-00:23:52  
Rubens: OK, you kept it as an entity.

12-00:23:54  
Bakar: I did.

12-00:23:56  
Dienstfrey: Jalson never owned the properties.

12-00:23:57  
Rubens: No. I understand that.

12-00:23:58  
Bakar: Yes, never owned anything. It was a management partnership.

12-00:24:09  
Rubens: Those were the only things I wanted to talk about regarding Sean's book. Well, one other thing that related specifically to you in business that I learned about in his book that I want to ask you about is that the Summit building on Green.

12-00:24:24  
Bakar: Right, 999 Green.

12-00:24:26  
Rubens: Yes, he says it was one of the first purchases of the partnership.

12-00:24:32  
Bakar: No. I bought, with Mr. Wilsey as my partner, Jack had died by that time, we bought, that is Mr. Wilsey and I bought the Eichler Summit.

12-00:24:47  
Rubens: Oh, I didn't realize it was Eichler's.

12-00:24:49  
Bakar: Yes, Joe Eichler, he built it.

And to finance the acquisition our partners became what later became known as BRE. Bank of America had an entity which morphed into a REIT, if you know that term, a real estate investment trust. The REIT became our financial partner and we took the Eichler Summit, again 999 Green, and converted it from a rental project to a condominium.

12-00:25:36

Rubens:

So, how did that come about? This is just an opportunity?

12-00:25:40

Bakar:

No, Al Wilsey was living in one of the penthouses and there are two penthouses in the building on the top, one facing north and one facing south. Al was divorced by that time, was living in the northerly of the two penthouses and had heard, however he heard I don't remember, that the owner Eichler had lost it and, I guess, through foreclosure, I'm not sure, but the owner was an insurance company called Massachusetts—Mass Mutual. And we then approached Mass Mutual and we bought it from them and we financed that acquisition of that purchase in a partnership with a REIT owned by Bank of America.

12-00:26:27

Rubens:

With whom you had already had—

12-00:26:28

Bakar:

Business relations.

12-00:26:29

Rubens:

Good business relations.

12-00:26:35

Bakar:

And they, that same REIT, became our partner and when we get into the intricacies of purchasing Mr. Doelger's 3,000 apartments.

12-00:26:44

Rubens:

Good. So, it was timely that I asked you this.

12-00:26:46

Bakar:

They became our partner in that later.

12-00:26:49

Rubens:

This is an initiation through happenstance. I mean, were there other examples at this time.

12-00:26:58

Bakar:

None that I can think of.

12-00:26:59

Rubens:

I have to go see this place.

12-00:27:08

Bakar: It's the tallest apartment house in San Francisco which it will lose that title soon. Al lived in the northerly penthouse which, today, former Secretary of State George Schultz lives there with his wife, Charlotte [Maillard Swig] Schultz.

12-00:27:21

Dienstfrey: But originally Joe Eichler did.

12-00:27:22

Bakar: Right.

12-00:27:41

Rubens: So, I think we did a lot today. I don't want to turn my machine off, because interesting things just keeping coming up.

12-00:27:49

Bakar: Oh, now we got to close this, I mean close the circle in the next meeting on Ellinwood, the purchase and disposition of Ellinwood.

12-00:27:57

Rubens: Let's write this down. We'll cover Ellinwood, Westlake, Carmel, Lake Merced.

12-00:28:18

Dienstfrey: The Boy Scout story.

12-00:28:22

Rubens: I think you come off very well in Sean's book. I have nothing I really want to ask you personally, other than this is—

12-00:28:34

Bakar: Ask whatever you want.

12-00:28:35

Rubens: It's such an innuendo at the end of the book. Sean is trying to—well, he's redeemed himself. He's gone to that last boarding school and he's now trying to write the book and he's out talking to his father who is beginning to decline and the father is saying, "I've done things I'm ashamed of," but he doesn't say what he's ashamed of.

12-00:28:59

Bakar: Nor will I.

12-00:29:02

Rubens: There's some brief reference about Al being involved with selling butter to the Mafia or whether the Mafia had any kind of—

12-00:29:22

Bakar: And I know nothing about that, very seriously.

12-00:29:28

Rubens:

You see, my understanding was that the Mafia never had a big hand in San Francisco, not in the unions, not in the laundry businesses, not in things that are more typical of Chicago and New York.

12-00:29:40

Bakar:

The only thing that I remember, and there's no relevance to this meeting, a man named Joe Ingracia owned New Joe's, a restaurant. And I became friendly with him and he had a place in Palm Springs and we played golf. He was an older gentleman and he told me about a couple of murders that were done by the Black Hand and I remember the term, that was Mafia, I think, but I don't know.

12-00:30:04

Rubens:

I know quite a bit about the Longshoreman's Union, the ILWU out here, and, you know, there just wasn't that kind of corruption and Mafia connection out here. I'm sure there was corruption, but not like—

12-00:30:18

Bakar:

Chicago?

12-00:30:19

Rubens:

No, no, no.

12-00:30:20

Bakar:

I would agree.

12-00:30:21

Rubens:

And so, I didn't quite get—I wanted to ask that question about Wilsey Bennett butter.

12-00:30:23

Bakar:

We had a few political scandals with the assessor, but I don't remember anything as egregious as the Mafia or—I just don't know.

12-00:30:36

Rubens:

By the way, did Dede Wilsey hold on to a house up in Napa?

12-00:31:12

Bakar:

Yes.

12-00:32:42

Rubens:

And did you ever have a house in the valley?

12-00:32:45

Bakar:

I do, still do. When Barbara and I got married in 1989 the house was under construction, so I must've bought it in about—1980.

12-00:33:03

Dienstfrey:

Was it your 60<sup>th</sup> birthday party?

12-00:33:05

Bakar:

I opened it for my 60<sup>th</sup> birthday party, but I must've bought it two years before that, but prior to that I owned a house in Silverado. I went up to Napa and bought a house after I sold Palm Springs. I got tired of the commute. It became really tough. So I went to Silverado, it had a golf course with homes and condo around it. I bought a house and then my friend said you should go up to Rutherford and look at this property and I ended up buying it. I bought it, probably in 1985 or 1986.

12-00:34:04

Rubens:

You never owned in Carmel, though you bought the shopping center?

12-00:34:11

Bakar:

Never. It's interesting, which is, I think, worthwhile including. I owned in Palm Springs for many years, starting—

12-00:34:23

Rubens:

With that motel.

12-00:34:24

Bakar:

With the motel, Seven Lakes and a home on Via Sol. As I made a decision, the street was called Via Sol, I made a definite decision that I would never want to do business in Palm Springs because I want to go down there and relax and play. So I never got involved in development in Palm Springs and primarily because that was a place for me to go and enjoy myself when I was building down there at Newport.

12-00:34:58

Rubens:

Here is a picture of that house; it was a modern style—anything to say about the architect, particularly?

12-00:35:05

Bakar:

No, it was a house that had been remodeled by two interior decorators and they would take—do one or two houses a year. They would remodel them, totally furnish them, so when I sold Seven Lakes I had been looking to buy a house because I wanted a tennis court and I was shown this house and I moved from Seven Lakes to this house, and I moved my—at that time, there were only phonograph records, books, and clothes to move and the house was totally furnished, totally. And I sold Seven Lakes to a friend, totally furnished.

12-00:35:51

Rubens:

How about when you bought the house in San Francisco on Pacific?

12-00:35:58

Bakar:

Both in 1972.

12-00:36:00

Rubens:

In 1972, but I would imagine that the architecture of that is very different than the Southern California.

12-00:36:04

Bakar: Oh, totally.

12-00:36:06

Rubens: Was that an architect's home?

12-00:36:08

Bakar: No, it was built by a gentleman named Louis Petrie from Petrie Wines, and there had been one owner between Mr. Petrie and myself, but the house had an indoor swimming pool. I went to a party there one night and, of course, I was a single bachelor and I said, "I have to own this house." and when it came on the market I just went out and bought it.

12-00:36:37

Rubens: It wasn't any known architect but the first person—

12-00:36:40

Bakar: I don't even know who designed it.

12-00:36:41

Rubens: Do you think the first person had put the indoor swimming pool in or did Petrie?

12-00:36:44

Bakar: Oh, I know it was there.

12-00:36:47

Rubens: That was the original.

12-00:36:47

Bakar: I didn't buy it from Mr. Petrie; he had sold it to somebody and I bought it from her. It was a 10,000-square-foot house. It was a ridiculous thing for me to buy, it was so big.

12-00:37:17

Rubens: Where was the pool literally?

12-00:37:19

Bakar: In the first floor. You came in—they've since reconfigured the entrance, but when I owned it, you came in and you faced a stairway—well, you faced a pair of doors when you came in. If you opened those doors you looked in this floor with an indoor swimming pool and there were steps to go down, but if you didn't go in those doors you went up a stairway that became a main floor. The second floor was the main floor.

12-00:44:17

Rubens: By the way, with the new house with the pool, are you acquiring art?

12-00:44:23

Bakar: Yes, but not to the degree I did later, as time went on.

12-00:44:28

Rubens:

Well, we'll dip back regarding this. I think this is fabulous because I think you've got insight into other things that are going on instead of just talking about your narrow—your own world. You're very articulate.

12-00:44:54

Bakar:

Well, I had dinner last night, just an interesting anecdote, with Dick Rosenberg and I think it was UC did his oral history. He used to be the CEO of the Bank of America and he's a close personal friend. Dick was telling me that they sent him the transcript and he said it was just voluminous and he couldn't believe how inarticulate he was and he went over to the Islands. They gave him editing rights and he went by himself and he spent a week editing about 800 pages of print, or something like that.

12-00:45:51

Rubens:

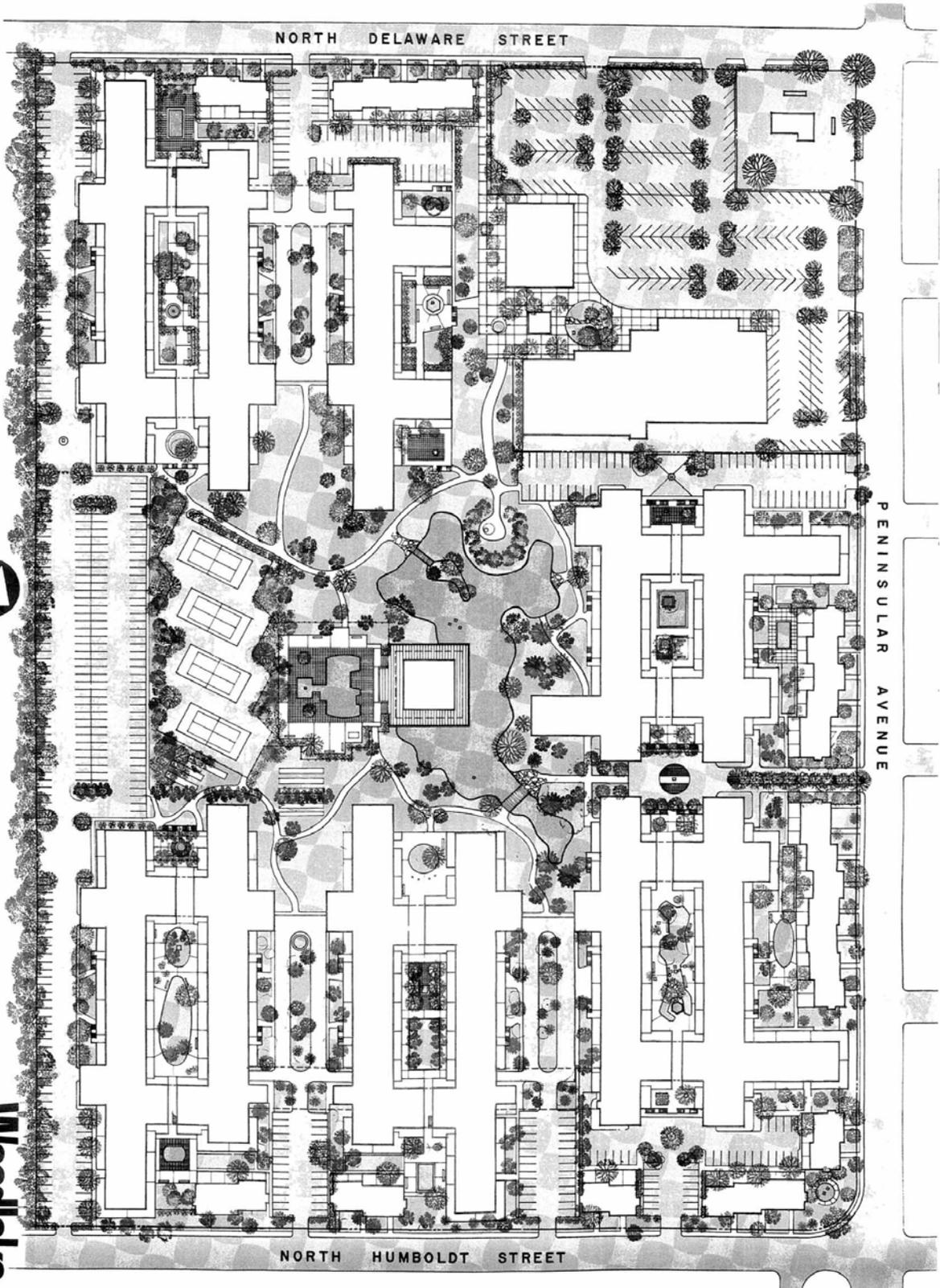
I won't give you an unedited version. I will give you a version that has been substantially cut by me and that will eliminate some of the very obvious asides. But there will still be a lot of work for you to do.



LANDSCAPE SITE PLAN



**Woodlake**



Landscape Site Plan, Woodlake





**Raquel Welch and Gerson Bakar promoting Park Newport**





**Gerson Bakar at Levi Plaza**





**Barbara and Gerson Bakar, 2009**



**Interview 7: September 11, 2006**

Begin Audio File 13

Rubens: I read that you were a consultant to the Acorn Housing Project in Oakland. Would you comment on that?

13-00:03:13

Bakar: Oh, there were different architectural plans submitted—you know, I don't remember all the details of it. I was, I guess, a volunteer consultant to the Oakland Redevelopment Agency.

13-00:03:29

Rubens: And do you know how that would've come about?

13-00:03:32

Bakar: I don't remember the—I don't remember who was chairman of that. But, it was a product, I'm sure, of my—of the reputation derived out of Woodlake and the apartments that I built in Oakland.

13-00:03:47

Rubens: I meant to ask what happens to your cousin, to Mort. Does he—I know the small steps of how you separated from him but did he remain a player in Oakland.

13-00:04:02

Bakar: No, he went into the healthcare side of real estate and was involved—and the company still exists. He founded a company called Telecare, which his daughter, Anne, currently runs. It's quite a large company, too. But the daughter is the one that grew it.

13-00:04:26

Rubens: And what was the direction of the company?

13-00:04:30

Bakar: It was a focused healthcare facility for, basically, troubled teenagers who had become, kind of, wards of political jurisdictions—counties in particular. But I'm not involved in that. I was a director of it for a while.

13-00:04:53

Rubens: Oh, you were? We don't have that on your list. That's the other thing I have to square with you and Ted is what dates and other lists we may have of personal services. You think that's in the 1980s?

13-00:05:13

Bakar: Yes.

13-00:05:14

Rubens: But I thought you used the word healthcare side of real estate when I asked you about Mort?

- 13-00:05:36  
Bakar: Mort went into the business of specialized psychiatric healthcare facilities.
- 13-00:05:50  
Dienstfrey: They're residential facilities. Residential treatments facilities.
- 13-00:05:57  
Bakar: But I have nothing to do with it other than being a director and being invited to be a director, primarily because of my family relationship. Mort died and his two daughters inherited the company.
- 13-00:06:10  
Rubens: He dies when?
- 13-00:06:15  
Bakar: Oh, I'd be hard put. He died just before I met Barbara. He died about 25 years ago.
- 13-00:06:20  
Rubens: A kind of untimely death?
- 13-00:06:23  
Bakar: He was probably in his early 60s when he died. He was born in 1923. He was the same age as my sister. So, my sister is 83. He may have been in his late 50s, I'm not sure. He was a compulsive smoker.
- 13-00:06:54  
Rubens: All of this questioning, really, was that I was asking you about Acorn and just wondering if there were people—
- 13-00:07:00  
Bakar: There was no linkage between Mort and my role at Acorn, and my role with Acorn was very short lived. I also played a very short-lived role for the redevelopment agency in San Francisco, relative to Diamond Heights. Diamond Heights was an area that was redeveloped by the SF Redevelopment Agency and, at one point, I was on a selection committee choosing the architects for that.
- 13-00:07:33  
Rubens: And, again, this is—you're asked to do it because of your position in the industry and your success and, I think, aesthetics and it's not just only—not your main focus, the aesthetics. Do you remember who was the head of the redevelopment agency?
- 13-00:07:53  
Bakar: Justin Herman.
- 13-00:07:54  
Rubens: OK. Just parenthetically, Beverly Willis' partner, David Coldoff gets very involved with some development in Diamond Heights and there ensues a big lawsuit.

- 13-00:08:17  
Bakar: I'm not aware of any—
- 13-00:08:25  
Rubens: Fine. OK, one other thing regarding Mike Wilsey—his name comes up with Northpoint, once Northpoint is established, he comes in, really, and takes over the management.
- 13-00:08:44  
Bakar: Over the years I had some differences of opinion with Al Wilsey, and we decided it was in the best interest—or I decided to withdraw from a day-to-day involvement with Northpoint and the Alfred Wilsey family, namely Mike and Al's other son, Al Wilsey Junior, took over the management of that, to and including this day. Lad Wilsey Junior died subsequently and Mike and his son Brian run it today.
- 13-00:09:18  
Rubens: And Wilsey is your financial partner—
- 13-00:09:25  
Bakar: No.
- 13-00:09:26  
Rubens: Wilsey-Bennet is—
- 13-00:09:27  
Bakar: No, no, no. That was a bit of history when I first got started, the Wilsey-Bennet Company through Al Wilsey—through the Wilsey-Bennet Company which was a financial partner way back when in the early 50s. But as a provider of financing, that role ceased to exist. He just stayed on as a partner.
- Woodlake he didn't provide any financing; Northpoint he didn't provide any financing. So, it was in the earlier days of my development activities that he provided financing. But he stayed on as a partner. There was no reason for him to continue to be my partner. But he was a friend, I considered as an older brother we had years of involvement together and it just stayed that way.
- 13-00:10:44  
Rubens: So, that meant that the returns on the investment in Northpoint is shared according to how it had been established with the partnership.
- 13-00:10:57  
Bakar: Right.
- 13-00:10:58  
Rubens: So that, in terms of actually doing business with Mike, that's what I wanted to get at, you're not—
- 13-00:11:04  
Bakar: No, to and including today, I'm very friendly with Mike, I am a partner because of the historical relationship in Northpoint, but I'm a minor partner.

- 13-00:11:15  
Rubens: OK. And, of course, he's on the board of the San Francisco Museum of Modern Art. Did you help get him on that?
- 13-00:11:27  
Bakar: You know, I might've. I don't remember. I know at one point there was a move to get some younger trustees. And I might've suggested his name, but I don't know how important—I don't think that's significant.
- 13-00:11:46  
Rubens: I have another question left over about Northpoint. Apparently, The Cannery, I think, wanted to use the term North Point.
- 13-00:12:16  
Bakar: You know why I'm smiling?
- 13-00:12:17  
Rubens: No.
- 13-00:12:18  
Bakar: I went to a big wedding over the weekend and I sat next to a very nice young man named Chris Martin. Chris Martin's father was Leonard Martin. I had never met him which is a whole other story.
- 13-00:12:32  
Rubens: You'd never met Chris?
- 13-00:12:32  
Bakar: Yes. Nice fellow. So, we did some reminiscing.
- 13-00:12:38  
Rubens: My friend worked for Leonard Martin; her name is Suzy Roff, she worked for Martin, then Redevelopment; she married Hadley Roff.
- 13-00:12:50  
Bakar: Oh, sure, I knew Hadley. I know Suzy. And her name was—what was it before?
- 13-00:12:56  
Rubens: I don't know her name before.
- 13-00:12:57  
Bakar: I knew it, but anyhow, go ahead.
- 13-00:12:58  
Rubens: She said that she remembered that Leonard wanted the name North Point.
- 13-00:13:06  
Bakar: That's what Chris told me the other night. I didn't remember that. But I do remember, which I don't think is significant, there was one tenant—we were meant to be a convenience shopping center. I believe, in my perception of The Cannery, it was meant to be a tourist destination. It was more oriented toward

the Ghirardelli Square customer. I was more interested in a convenience center for this end of town. But there was one tenant that I got that Martin resented; it was a tenant called Hickory Farms, and I think they could've fit in either center, but I got him. But that's the only—but I never had words, ever, with Leonard directly.

13-00:14:00

Rubens: No, she was—she just said she remembered there was an issue about the name and Leonard wanted—

13-00:14:04

Bakar: Well, his son is the nicest young man in the world.

13-00:14:05

Rubens: Wonderful. Is Leonard deceased?

13-00:14:07

Bakar: Yes.

13-00:14:08

Rubens: So, OK, I just wondered if you remembered where the name Northpoint came from. It must've been a reference to the area.

13-00:14:15

Bakar: There's a street. Northpoint Center runs between Bay Street and North Point. And the Northpoint sounded like a better name for a shopping center than Bay Street. The entire project bordered on the street, North Point.

13-00:14:34

Rubens: We're back in the mid to late-70s. I just want to revisit your interest in politics or policy, one more time, just because in some of my newspaper computer searches, having plugged in your name, it shows up, for instance I have an entry dated 12-2-03 that you made a donation to Gavin Newsom. I'm sure you've made many donations to people—

13-00:15:13

Bakar: Oh, sure.

13-00:15:14

Rubens: Over the years, but this shows up whereas other things don't show up. I just want to reiterate because I've asked this before, I mean, in terms of California politics, whether it's the Petaluma city limit, whether it's—

13-00:15:28

Bakar: I would never identify myself as an active player. From time to time, I would contribute towards sundry candidates. But I mean I was never what you would call a political junkie.

13-00:15:41

Rubens: Was someone like Shorenstein hitting you up or putting pressure on you?

13-00:15:46

Bakar:

Whoever it might've been, because I had my—my profile in the community was climbing just because of the level of real estate activity I was involved in and many of these projects, because of the entitlement process, gained more publicity. They'd be in the papers; zoning hearings, planning hearings. But whatever, from time to time, like everybody else in the community the phone rings requesting money for candidates.

13-00:16:13

Rubens:

I wanted to ask about the height limitation campaign here when—

13-00:16:24

Bakar:

The 40-foot?

13-00:16:25

Rubens:

I think that was it. Alvin Duskin, who first made the T-shirt and sweater dresses—women's clothes.

13-00:16:46

Bakar:

Right.

13-00:16:47

Rubens:

And then he got very involved in this height limitation.

13-00:16:50

Bakar:

Right.

13-00:16:51

Rubens:

And then from there he went onto solar power but I wondered if that ever—if that caught in your craw.

13-00:16:58

Bakar:

I was not involved in that battle. I was affected by it after the fact by virtue of building in areas that had a 40-foot height limit, but—and I just accepted it.

13-00:17:13

Rubens:

It's not something that you were enlisted in to fight against. Then I think that all of those little left-over things I wanted to ask you about. I said to Ted at times I feel a little insecure about understanding the ups and downs of the real estate market in general.

13-00:17:33

Bakar:

I feel that way all the time.

13-00:17:34

Rubens:

OK. [laughing] I read a statement of yours which said that you really never made your decisions based on what the market was doing, meaning the Dow Jones or—

13-00:17:46

Bakar:

No.

13-00:17:47

Rubens: The International—

13-00:17:48

Bakar: No.

13-00:17:48

Rubens: You went for a good situation and—

13-00:17:52

Bakar: If you build it they will come.

13-00:17:53

Rubens: OK, let's talk about Carmel. How did that come about?

13-00:18:04

Bakar: I, as I mentioned much earlier, had a lawyer—used a lawyer named Tevis Jacobs. And we became good friends, he became something of an advisor in addition to my lawyer. And he had a son who was interested in real estate. His son's name is Steven Jacobs, with a V, not a P-H. And Steve had worked for another one of Tevis Jacobs' clients, Cahill, who was a large contractor and developer in San Francisco. And young Jacobs wanted to, kind of, get on his own so he came in to see me, young Jacobs, and we agreed that if he found something, he could be a partner in it. He was bright, a very bright young man, and he found a block of property in Carmel that had been bequeathed to Stanford University. And Stanford was in the process of selling it, and he brought it to my attention, and I agreed to buy it. He would have a carried 10% interest (a carried interest means that Steve didn't have to put any money in; he received his ownership as "payment" for putting together the project), which later was increased to 15% as a product of his good performance. I bought it and I financed it with an insurance company, for the long term debt.

And by the way, the shopping center that I bought, the block that I bought, was a square block in Carmel. Do you want me to go into exactly where in Carmel? As you come down Ocean Avenue, it was the first piece of property when you hit the retail area on your left, and the shopping center that I bought, the square block, consisted—if I can use this piece of paper, of a strip of buildings on the north end and then a big vacant lot behind it, remember it had one tree in it, and that was the parking. And, historically, there had been a small theater in that property long before I bought it. The Stanford people wanted to sell it. I don't remember exactly who Steve talked to. We agreed to buy it, and I went to an insurance company—Business Men's Assurance, and that's Assurance, A, double S, based in Kansas City. I had done some business with their local representative, a man named Jack Opperman who was a mortgage broker and represented the insurance company, and they agreed to provide the equity requirement as opposed to the debt. And I think it's just easier to say that I had a third-party lender for the debt. I don't remember who that lender was. But the lender took an equity position with me; they provided the equity requirement to build the center. And do you follow that?

13-00:21:44

Rubens: Yes.

13-00:21:46

Bakar: And as such, they got 20% of the cash flow after all expenses. All the revenue was put down, all the expenses, including debt service, on the first deed trust. And they took their position in the form of a ground lease. And under the terms of the ground lease, for lending me the equity, they got 20% of the cash flow.

13-00:22:16

Rubens: Cash flow?

13-00:22:18

Bakar: It was the cash left over after we paid all operating costs and the debt service. And that was done through a ground lease.

13-00:22:29

Rubens: But you bought the property?

13-00:22:32

Bakar: Yes. But there's an escrow in which everything happens. And in that escrow, the—we had a first deed of trust. By the way, we then had a building program, so the first deed of trust ended up being—we probably negotiated a new deed of trust with an interim lender or even the same permanent lender. I don't remember that. The equity requirement they put up—the difference between the total cost and the first deed of trust, they put up. They got a preferred rate of return. And my memory says 10% for the money they put up plus 20% of the cash flow. And they became my partner. Through the form—again, I'm repeating myself—of the ground lease. Later, as time went on, I was able to refinance the project and take them out of it. Pay them off.

13-00:23:41

Rubens: So while you owned the property, a ground lease to them is a business arrangement?

13-00:23:47

Bakar: Yes. And they subordinated that ground lease, made it secondary to the first deed of trust.

13-00:23:54

Rubens: OK. And then you—

13-00:23:58

Bakar: And when the project had matured—when it was built and matured, I was able to refinance it. And they were wonderful partners, Business Men's Assurance. They were very happy it had been successful. They were happy to take a profit. We negotiated something; I don't remember how much. So they got their money back plus a profit. They got their money back plus interest on their money while it was outstanding, plus a profit. And then I owned the

entire project. But Mr. Jacobs owned 10% of it, which had been increased when the project was finished to 15%.

13-00:24:33

Rubens: Because he was doing well.

13-00:24:34

Bakar: He did a good job.

13-00:24:35

Rubens: Now what dates are we talking about?

13-00:24:38

Bakar: I don't have the dates.

13-00:24:41

Rubens: But it's while Park Newport is being constructed?

13-00:24:43

Bakar: Yes, I think so. At the same time.

13-00:24:46

Rubens: And clearly you're not going to Travelers because you're already—

13-00:24:51

Bakar: No. It was just that my friend, Jack Opperman, the man I mentioned, who represented Business Men's Assurance, brought them to me and no developer tries to wrap himself up totally with one company. And I'd done business with many different companies. I mentioned heretofore John Hancock and Northpoint, Nationwide for some of the borrowers here, Business Men's Assurance for the equity. And there's been a myriad of lenders over a period of years for different projects.

13-00:25:24

Rubens: Now, what was the building plan?

13-00:25:27

Bakar: Building plan was to fill out that block. Take that vacant portion—which was about 80% of the block. It was used as a parking lot, to take that vacant part, build it out, put parking underneath the addition because I was taking away the parking by building. The first thing I did was put a garage all the way through the remainder. And then on top of the garage built buildings which began Carmel Plaza—all retail.

And I mentioned that with Northpoint we used Sheldon Gordon. Sheldon by that time was doing some interesting things. And as a friend, he was kind of sitting by my side as we developed those plans. But he had no interest in a project.

- 13-00:26:21  
Rubens: But you consulted with him? I would imagine that's a way that you would operate if—
- 13-00:26:28  
Bakar: Well, we were good friends.
- 13-00:26:29  
Rubens: Yes. But still, Steve comes to you with a good idea. You like it but you're going to check it out in myriads of ways, I would assume, about the economy of Carmel and what did someone like Sheldon think?
- 13-00:26:44  
Bakar: I don't remember the checking out process. Carmel itself, the town, is one big shopping center. But there was no principal shopping center.
- 13-00:26:53  
Rubens: Carmel Valley was not developed.
- 13-00:26:55  
Gerson: There was a little bit of activity out there. I think the Safeway had been out there, a convenience center. But no, Carmel Valley, at that time, was not competition.
- 13-00:27:06  
Rubens: Had you spent time at Carmel? I mean, would you then go down and check it out yourself literally?
- 13-00:27:17  
Bakar: Like any San Franciscan, I had spent many weekends in Carmel.
- 13-00:27:23  
Rubens: And Sheldon Gordon remained a good friend? I thought he moved to New York?
- 13-00:27:28  
Bakar: Oh, many years later.
- 13-00:27:28  
Rubens: OK, so he's still in the Bay Area.
- 13-00:27:33  
Bakar: I think I mentioned that his big mark in San Francisco was the San Francisco Center. He did that.
- 13-00:27:41  
Rubens: Yes, absolutely. So you think, "This is a winner, I'm going to do this."
- 13-00:27:48  
Bakar: I hoped it was a winner.
- 13-00:27:50  
Rubens: There's always a gamble. Who did the construction?

- 13-00:27:55  
Bakar: Williams & Burrows, again.
- 13-00:27:58  
Rubens: And how—and who did the design?
- 13-00:28:01  
Bakar: Wurster, Bernandi & Emmons.
- 13-00:28:03  
Rubens: You stayed with them.
- 13-00:28:05  
Bakar: Now, it's kind of interesting why. Carmel was a very difficult community to get zoning and it's a very precious community; precious being defined by the people that lived there. And they're very, very concerned with design. So when I bought the property and realized what I wanted to do, I went to the city fathers, people of influence in the community, and I told them what I was going to do, and I said, "If you were to pick the architect, who would you like?" And they said WB&E. I gave them a list, I'm sure. And the office had a great reputation.
- 13-00:28:44  
Rubens: Well, and of course, you had a great reputation with them.
- 13-00:28:48  
Bakar: Well, hopefully.
- 13-00:28:49  
Rubens: Yes. I would imagine the Carmel's fathers would have been concerned about something like Park Newport coming into—
- 13-00:29:01  
Bakar: Park Newport.
- 13-00:29:02  
Rubens: Coming into Carmel.
- 13-00:29:05  
Bakar: There's a disconnect. There's no relationship between Park—
- 13-00:29:07  
Rubens: No, I know there isn't at all. But I just thought they—were they worried about what other larger plans might lay behind for—
- 13-00:29:16  
Bakar: Oh, no. Yes.
- 13-00:29:17  
Rubens: And you, yourself, since you had—you used the phrase 'comfort zone.' Your comfort zone was in developing these garden apartments.

13-00:29:26

Bakar: Right.

13-00:29:26

Rubens: With mixed use. And did you, yourself, look in the area where—for where you might do that?

13-00:29:34

Bakar: No, you didn't have to be a rocket scientist to know that Carmel was a good retail area. People went down there and what did they do when the fog rolled in? They went shopping.

13-00:29:45

Rubens: I was so happy when Carmel Plaza went in.

13-00:29:48

Bakar: Were you? Did you live there then?

13-00:29:51

Rubens: Oh no. But I week-ended there sometimes, and I just loved going to the stores, to Magnin's, to a place called Raffles in that center.

13-00:29:56

Bakar: The only place to get that variety had been in the Monterey Center. And I stole, so to speak, Sak's from the Monterey Center and brought them into Carmel.

Rubens: You knew that was a good investment. It came in, then, I guess on time and—

13-00:30:39

Bakar: I think so. I don't remember the numbers.

13-00:30:40

Rubens: Don't remember particular trouble with that?

13-00:30:41

Bakar: No.

13-00:30:42

Rubens: I was wondering if you then thought about investing in Carmel Valley?

13-00:30:46

Bakar: No.

13-00:30:46

Rubens: Did you think about other places where you might do garden apartments?

13-00:30:49

Bakar: No. You mean in the Monterey Peninsula?

13-00:30:51

Rubens: Yes.

13-00:30:51  
Bakar: No. I was just focused there. And the man that was really in charge of the project once the concept was set, and the man that ran it for years, was Steve Jacobs.

13-00:31:03  
Rubens: When it's sold, that's quite a record price, huge, yes?

13-00:31:14  
Bakar: I don't know the record.

13-00:31:1  
Rubens: There was quite a bit of press on it.

13-00:31:15  
Bakar: Do you have some information here on the sale of it?

13-00:31:18  
Rubens: I have quite a bit. But should we do that right now?

13-00:31:22  
Bakar: It's up to you.

13-00:31:24  
Rubens: I think not, because it's something that you're going to keep until way into the '90's, yes?

13-00:31:28  
Bakar: I sold it in—oh, yes, in 1995

13-00:31:34  
Rubens: So let's stay with that for a minute. Since you mentioned—I've been meaning to ask. Williams and Burrows is a construction company that you use quite regularly?

13-00:31:48  
Bakar: Yes. I was very comfortable with them.

13-00:31:49  
Rubens: Was it a union company, Williams and Burrow?

13-00:31:58  
Bakar: I think it depended on where they built. But they were basically union.

13-00:32:04  
Rubens: And I wonder, and I never asked about this before, if union issues ever arose?

13-00:32:06  
Bakar: No. If any did, I don't have recall of them.

13-00:32:12  
Rubens: Right. And it wouldn't be you, it would be Williams and Burrows that would really be dealing with them. And the other question I wanted to ask you, if

there was anything—though, again, this is a little tangential to you. Was there anything to particularly highlight about new construction techniques that happened at Carmel or at Newport?

13-00:32:33

Bakar: No.

13-00:32:34

Rubens: OK. I didn't want to miss that. So Park Newport is being finished up. You're buying Carmel and you're really getting into a pretty big league now.

13-00:32:53

Bakar: There were serious dollars. But at any given time, what any developer works on are serious dollars. I mean, the deals just kept getting a little bit larger.

13-00:33:07

Rubens: And we had talked the time before that you had bought a new home in—

13-00:33:16

Bakar: In '72 I bought two homes.

13-00:33:18

Rubens: Right, exactly. And I hope this is appropriate to ask. Are you doing any other kind of investing or buying of—

13-00:33:29

Bakar: Oh, I'm sure there were small deals that I don't have recall of. And I'd be hard put to try to remember them. A deal here and a deal there.

13-00:33:41

Dienstfrey: But—

13-00:33:42

Bakar: Go ahead, Ted.

13-00:33:43

Dienstfrey: You bought Westlake.

13-00:33:43

Bakar: Well, Westlake I bought in '72, which was not small.

13-00:33:47

Rubens: Well, that's what we have to get to because we talked about some of that last week. But I guess I'm asking—you're always staying within the real estate, primarily apartment rental market but—

13-00:34:06

Bakar: Primarily California and primarily apartments.

- 13-00:34:07  
Rubens: Right. I had asked you if you're starting to acquire art then and you said, "Well, some but that's not serious." That's not something that you're looking to for investment.
- 13-00:34:17  
Bakar: No, no, no.
- 13-00:34:18  
Rubens: You're not spanning out into Fabergé eggs.
- 13-00:34:22  
Bakar: No.
- 13-00:34:23  
Rubens: OK. And I had asked you this once before but I want to formulate this a little differently and see if you want to answer it or can answer it. At this point are you saying to yourself, "I have certain goals. I want to get so large, I want to be so diverse?"
- 13-00:34:46  
Bakar: No. I just was enjoying the entrepreneurial activity. I was—I had a goal of constantly trying to accumulate wealth through the development process and other investments I might make. I probably started to buy an occasional stock here and there.
- 13-00:35:13  
Rubens: But you're not setting some goal?
- 13-00:35:15  
Bakar: No.
- 13-00:35:16  
Rubens: Some standard that you have to achieve. By now were people coming to you and saying we want you? Did you think about joining up?
- 13-00:35:26  
Bakar: I think I mentioned to you the exploration in Chicago. Mr. Trefethen said stay away from them.
- 13-00:35:34  
Rubens: And then you realized this is what you're comfortable with working—
- 13-00:35:39  
Bakar: On my own.
- 13-00:35:39  
Rubens: On your own, having partners at different times. And so you're enjoying the enterprise ?
- 13-00:35:45  
Bakar: Absolutely.

13-00:35:46

Rubens: You like getting bigger.

13-00:35:47

Bakar: Absolutely.

13-00:35:48

Rubens: But you're not looking to become—

13-00:35:49

Bakar: I have a cliché phrase I use: "Crawl—crawl, walk, run." And if I look back on my own business life, I did the crawling, I started to walk, and then the period that we're talking about, I might be running. I never tried to fly, which would be the fourth step, maybe. And flying is having a big organization.

13-00:36:14

Rubens: Right.

13-00:36:15

Bakar: Flying is the possibility of going public.

13-00:36:18

Rubens: That's what I wanted to ask.

13-00:36:19

Bakar: And I never wanted that.

13-00:36:20

Rubens: Did you ever consider it at all?

13-00:36:21

Bakar: Well, I mentioned it to—with Mr. Trefethen. Where I could have been part of a public company, and he advised me, you know, "Don't do it. This isn't for you." Going public involves some of the same kinds of restrictions. So I never took that thought much further. So the cliché, "crawl, walk, run," is where I stopped. And the higher the plane goes, there's another cliché I use: "The easier it might be to crash." And I didn't want to ever stretch myself.

13-00:36:59

Rubens: And that explains why you stayed in California as well. It may be that's part of the—

13-00:37:02

Bakar: Well, this is my home and I was comfortable here. And looking back on it, you can make a lot of mistakes in California, historically, and if you had the wherewithal to hang on, time would cure you. And it did. Look at Carmel. That was—probably not Carmel. Park Newport. The day Park Newport was finished—and if I hadn't had Travelers as a partner, I might have lost it. The day it was finished, it was worth far less than it cost me. And by just being able to hang on—and I think I started to talk a little bit about that in the last session. Having a good relationship with a lender, a long-standing relationship

with a lender, they stood with me. And they were very patient. And time vindicated their investment in me. Time vindicated my investment in Park Newport and in Newport Beach. And today the project is a very substantial financial success.

13-00:38:04

Rubens:

I didn't realize the value had declined by the time it opened.

13-00:38:10

Bakar:

Project was budgeted to cost 23 million, as I remember it. It ended up costing about 31 million.

13-00:38:15

Rubens:

Right, I remember those numbers.

13-00:38:19

Bakar:

And we really couldn't—we were able to service all of the debt because the lender allowed me to pay interest only. I don't think I was ever squeezed, mainly because of the very cooperative and good lender/partner in Travelers.

13-00:38:41

Dienstfrey:

There's no management fee for a couple of years.

13-00:38:42

Bakar:

Yes. In all these projects, the investor—the lender—will always acknowledge to the developer—he's entitled to an ongoing development fee and he's entitled to an ongoing management fee for running the project after it's done. The project never produced enough revenue. This one and when we get to Westlake the same thing. Never produced enough revenue to pay my management fee.

13-00:39:08

Rubens:

Never? Or not within the first—

13-00:39:12

Bakar:

The first several years.

13-00:39:13

Rubens:

Five years? Seven years?

13-00:39:16

Bakar:

You know, I don't remember.

13-00:39:19

Rubens:

But for several years you were not getting the management fee?

13-00:39:21

Bakar:

Right. But what I did get during those years, which was meaningful, was—were huge tax losses. So the other income that I had was fairly protected from—or kept me from having to pay income tax; I had so many losses.

- 13-00:39:41  
Dienstfrey: That's from the depreciation?
- 13-00:39:42  
Rubens: Right. The deprecation—let's just follow that out for one minute. The depreciation means?
- 13-00:39:49  
Bakar: The government allows you to depreciate your assets as a business expense. In garden apartments, it's a meaningful number. So between the interest on the loan and the depreciation, at the end of the day I had a tax loss. And that tax loss has a value because it keeps you from paying taxes on some of your other income. Depreciation gets too technical. Let's just say that the tax losses had significance for me.
- 13-00:40:49  
Rubens: Yes. And that's what would enable you to then—that and your business connections, to go ahead with Carmel and then Westlake.
- 13-00:40:57  
Bakar: Yes.
- 13-00:40:57  
Rubens: You could not be felled by one project. There was one other question. Did you by then have—were you still using the Jacob's firm for your—  
  
You were using the same lawyers. Did you then move into a different—
- 13-00:41:23  
Bakar: Accounting firm?
- 13-00:41:24  
Rubens: Yes.
- 13-00:41:25  
Bakar: You know, I'd have to remember. I think I was with a very small firm. I can't even remember the firm's name. It was a very small firm. They recommended that John Blaisdell come to work for me as an in-house financial controller, which he did for probably 20 or 25 years. Then we also used a major accounting firm on the outside. And I think the firm we used was a firm called Haskins and Sells.
- 13-00:42:15  
Rubens: Is that a local firm?
- 13-00:42:16  
Bakar: No. They were national. And they morphed into another firm called Deloitte. Deloitte, Haskins and Sells. And I still use them.
- 13-00:42:27  
Rubens: So you have this pattern of really staying with people and institutions.

13-00:42:35

Bakar: Pretty much.

13-00:42:36

Dienstfrey: Gerson, was it John who came?

13-00:42:39

Bakar: Oh, yes. Along the way, in the Weiser-Dreiman era, they felt I needed—I guess a chief financial person. Someone with greater capacity than I had at the time. And they suggested I hire one of their employees named John Blaisdell. And John was with me for many, many years.

13-00:43:07

Rubens: He came on maybe before, with Oak Creek or—

13-00:43:13

Bakar: No. He was before even Woodlake.

13-00:43:15

Rubens: Yes. Because I had asked you that earlier. You know, you're getting big, how are you handling all this?

13-00:43:26

Bakar: Not easily.

13-00:43:27

Rubens: Yes, I can imagine.

13-00:43:29

Bakar: But I have another cliché that if I had had—I never had the ability or the desire, I guess, and I think there's a little bit of each to have a big organization. But I often think if I had had a big organization, my level of activity would have been multiplied and I probably would have gotten in trouble because there were some severe, along the way over the last 30 or 40 years—there were some severe downturns. Because my activities were fairly limited, fairly circumscribed, I could handle them.

13-00:44:07

Rubens: We haven't talked about downturns yet.

13-00:44:09

Bakar: Yes, well, the big downturn which paralleled my problems in Newport Beach was probably in the early '80's. There was a real estate down cycle of significance in the early '80's.

13-00:44:26

Rubens: Should we wait a minute and do Westlake then? Because is that what's going to be next after Carmel?

13-00:44:33  
Bakar: Well, Carmel's pretty well done. Until I dispose of it, which I have dates for you. But Carmel's pretty well done. And again, I don't remember how far we got in Newport that I had all these problems.

13-00:44:48  
Rubens: We did that.

13-00:44:48  
Bakar: Right.

13-00:44:49  
Rubens: I think we did Park Newport pretty well.

13-00:44:50  
Bakar: And how at the end Travelers said, "You have to put up some money. We did all that."

13-00:44:54  
Rubens: Yes, we did.

13-00:45:17  
Bakar: But I think if you could have a timeline for each of the major projects, that would be helpful.

13-00:45:22  
Rubens: But I want to ask you about Coblentz. Because I think he shows up in a picture in Park Newport. Now I can't remember.

13-00:45:30  
Bakar: Could have.

13-00:45:31  
Rubens: But he had been a partner in the Jacobs—

13-00:45:34  
Bakar: Jacobs—the name of the firm was Jacobs, Sills & Coblentz.

13-00:45:38  
Rubens: But he was young, yes?

13-00:45:47  
Bakar: Well, he's 83 today. So he'd be five years my senior. By the way, we both think we're very young.

13-00:45:56  
Rubens: You are very young. Did you become personal friends?

13-00:46:02  
Bakar: With Bill, yes.

13-00:46:05  
Rubens: He became a friend as opposed to your lawyer or—

13-00:46:09

Bakar:

Yes, because after awhile I went to another law firm. In '72, Tevis Jacobs passed away. So shortly after that—I'd gotten involved with another law firm in parallel with Jacobs, Sills & Coblentz. And that was a law firm that was—the senior partner was Richard Greene. Richard Greene goes back to the early days of—the early '70's sometime.

13-00:46:56

Dienstfrey:

At that point, Dick was doing mainly tax and Bill kept on the real estate for awhile longer.

13-00:47:03

Bakar:

Yes.

13-00:47:07

Rubens:

Do you say Co—that is as if it were a long-o—or Cob?

13-00:47:08

Bakar:

Cob. I say Coblentz. Like corn on the cob. But I think the city in Germany is pronounced 'Coblentz' with a K.

13-00:47:18

Rubens:

So you are staying with Coblentz as a lawyer but then you go to Dick Greene's firm?

13-00:47:25

Bakar:

Yes. When I did Woodlake it was Coblentz. But I go to Dick Greene's firm—Oh, I can't remember exactly when. Dick would know.

13-00:47:44

Rubens:

The question is for Park Newport, is he the lawyer? And therefore maybe Woodlake?

13-00:47:49

Bakar:

Dick? Well, there could have been some overlap.

13-00:47:53

Rubens:

Coblentz, anything particularly to say to him in terms of business advice or there is a friendship? This is—

13-00:48:05

Bakar:

Yes.

13-00:48:06

Rubens:

And I guess he's introduced you to—or did you already know the Haases?

13-00:48:12

Bakar:

No, I knew them in the community.

13-00:48:14

Rubens:

Doesn't Coblentz figure in the Levi's Plaza story?

13-00:48:20

Bakar:

No, he was very friendly with the Haases. And I may have gotten to know the Coblentzs better. Pardon me, strike that. I got to know the Haas family better probably because of Bill. And I can't—you know, I don't know how to totally evaluate that. But Bill had been a longtime friend of Wally and Peter Haas. And I was invited, which has significance when we get to Levi's Plaza. I was invited on a fishing trip, by Wally Haas into Montana. Bill and I were both invited. And that fishing trip is the—was the birthplace of Levi's Plaza.

13-00:49:01

Rubens:

That's right. I've heard that story, but of course, we want to have you say it. So that's why I wanted to ask you what sort of the nature of the relationship is with Coblentz.

13-00:49:10

Bakar:

Well, Coblentz became a very close friend. And there's a kind of a grey area when friendship and business relationships overlap. But his certainly was one that did.

13-00:49:25

Rubens:

And in this case business relations means introducing you to people, not necessarily him becoming a partner.

13-00:49:32

Bakar:

Right.

13-00:49:33

Rubens:

I can't remember right now what point he becomes a regent of—

13-00:49:38

Bakar:

Oh, he was a regent of the University of California—

13-00:49:39

Dienstfrey:

In the 1960's. He's a regent when I'm at the Irvine Company.

13-00:49:44

Bakar:

And when he was appointed a regent, they served for 16 years.

13-00:49:48

Rubens:

And then isn't he—this has nothing to do with anything here, but isn't he the attorney for Hearst?

13-00:49:56

Bakar:

He has done work for them.

13-00:49:57

Rubens:

When Patty Hearst was a fugitive.

13-00:49:59

Bakar:

No, no, no. He was a personal advisor of Randy [Hearst] but not the attorney. So he—and personal meaning legal as well. But he'd have to answer the

question. He may have helped them choose their attorneys during that time. But he was very close to the Hearsts.

13-00:50:19

Rubens: But you're not involved with that at all?

13-00:50:20

Bakar: Oh, not at all. No.

13-00:50:22

Rubens: You're not close to the Hearsts?

13-00:50:23

Bakar: Not at all. Bill has a huge circle of friends. And the one circle I'm involved in would maybe be his circle in San Francisco, his circle with the Haases.

13-00:50:35

Rubens: OK, that's exactly what I wanted to clear up. So should we talk about Westlake?

13-00:50:40

Bakar: If you're ready, sure.

13-00:51:32

Rubens: In our last interview, which was awhile ago, we didn't finish the story of the dispensation of the golf course.

13-00:51:54

Dienstfrey: Oh, that's Lake Merced. That's not Westlake.

13-00:51:58

Rubens: Right, but I'm trying to determine if Westlake—

13-00:52:00

Dienstfrey: It's the same time.

13-00:52:01

Rubens: I don't have anything to go by on dates.

13-00:52:03

Bakar: You know, I don't really remember the dates of that. And I can look it up. I can tell the story and then we can put it back in the right chronology. We'll talk about Westlakes from a business standpoint.

I had read in the paper—this is now the story of the acquisition of Westlake. I had read in the paper that Henry Doelger—a little bit of background on Henry. Henry was a merchant builder who built a good part of the Sunset District of San Francisco. And then he went on to buy I think around 1,500 acres—I'm not sure how many—in Daly City that became a community called Westlake. And Westlake was primarily for Henry a community of single family homes which he built. He built in the center of it a shopping center which is called

the Westlake Shopping Center today and it's been sold and significantly remodeled just recently. It's a very modern center today.

If I may? [opens a map.]

13-00:53:21

Rubens: Yes, please.

13-00:53:33

Bakar: But here's the 280 freeway. Here's John Daly Boulevard which goes down to this street that's along Highway One. This is San Francisco and the Olympic Clubs golf. This is Lake Merced. But there's some golf courses here and what have you. But all of this property Henry had built.

13-00:54:04

Rubens: And this is Daly City?

13-00:54:06

Bakar: This is all Daly City. And that's exactly what I wanted. What you're going to see here is 280. Here's the street that goes down to the ocean. You with me?

13-00:54:25

Rubens: Yes, I am.

13-00:54:31

Bakar: Here's 280. Here's the shopping center, which I have no interest in. And then these areas, this green area, the yellow area, this should have another color, some more over here consist of 112 separate apartment buildings which total 2,983 apartments.

13-00:54:58

Rubens: Your mind is so sharp for those numbers.

13-00:55:02

Bakar: And it includes one little restaurant which sits right here and that's really it. I bought that restaurant along with all the apartments. And I read in the paper that Henry Doelger was selling to Westinghouse. He had bought a huge amount of acreage, I don't remember how many, in the Half Moon Bay-Pacifica Area for his next Sunset District, his next Westlake Village and he had sold it. And he had sold it to Westinghouse. And it occurred to me that Westinghouse, a public company, would not want to buy apartments because apartments don't produce any reportable earnings and public companies like reportable earnings. Apartment houses, under the tax laws of the time, produced significant reportable losses.

13-00:56:11

Rubens: Earlier we were alluding this?

13-00:56:14

Bakar:

Because of depreciation, what have you. The tax laws were extraordinarily favorable to owning apartments. So I approached Mr. Doelger. I found somebody that knew him and I approached him. Would he want to sell? I found out that Westinghouse was not buying the apartments. Would he sell? And he said yes. I think one of the reasons that Henry was willing to sell—Henry was from another generation where people of color were possibly going to hurt the project and the laws were saying you had to rent to people of color. So Henry wanted to sell the apartments. At the time I bought them he was 76 years old, though a young 76. And he had kind of—He took an immediate liking to me, if you'll forgive the lack of modesty, because Woodlake was such an amazing project to him—Woodlake in San Mateo. And he admired it so much. And that was one of the reasons I was able to buy the land. He had the option to buy the land that became Lake Merced Hill. I think we talked about that already.

13-00:57:35

Dienstfrey:

Started to, yes.

13-00:57:35

Bakar:

In any event—But setting Lake Merced Hill aside, I entered into negotiations to buy Henry's 2,983 apartments, to buy Westlake, the apartments.

13-00:57:49

Rubens:

He owned the land and the apartments?

13-00:57:54

Bakar:

He owned everything. He subsequently sold the shopping center to somebody else, I think.

13-00:58:00

Rubens:

But you didn't want that anyway.

13-00:58:01

Bakar:

No. And at the time—he wasn't selling it at the time. I don't really remember about the shopping center. But the heavy negotiation was done in '71 to buy the apartments.

13-00:58:33

Rubens:

So these are—'71 and '72 were big years for you?

13-00:58:35

Bakar:

Very. And then we had to figure out how to pay for it.

13-00:58:47

Rubens:

Let me hear a little bit more about why this is a good investment. I understand that you're not concerned about the change in complexion of the renter.

13-00:59:00

Bakar:

Right.

13-00:59:02

Rubens: But what else is going on in your mind about—

13-00:59:05

Bakar: Well, Henry really— Henry built apartments to use as a filler for his home building business. He had a lot—large crews building all these houses. And every time he had a downturn in the marketplace where homes weren't selling well, he'd take his crews and build apartments because they kind of work— when one doesn't sell, the other one rents. So Henry built these—roughly 112 buildings—built all these apartment houses every time there was a slowdown in the single-family world. Henry would take a good crew of people he had working for him, loyal, dedicated people, and build apartments. They weren't managed very well.

13-00:59:49

Rubens: But were they constructed well-enough?

13-00:59:52

Bakar: "Well-enough" is a good way to put it. They're not Boulder Dam.

13-00:59:58

Rubens: Well, they're not Park Newport or—

13-00:60:00

Bakar: No. They're garden apartments. The bulk of them are two stories. Some are three stories over garages.

13-00:60:14

Bakar: I think of that Malvina Reynold's song about the ticky-tacky—

13-00:60:17

Dienstfrey: "Little boxes."

13-00:60:18

Bakar: Little boxes would have included his apartment houses as well. They weren't managed very well. The average rent when I bought the project was \$150 a month and it was very clear to me—and I'll later talk about when I started to raise rents. It was very clear to me that there was some money to be made by simply managing the project better. I never felt I was going to make a silk purse out of a sow's ear by remodeling all the apartments, but I did some of that many years later. But where I was going to improve the income was going to be by better management. But now Henry and I had a long negotiation. Mr. Wilsey, all during this period still being my partner. Where Henry and I had a long negotiation. And the negotiation started in '71 and concluded in the spring of '72. And my goal once we agreed on a price—and we agreed on a price, again from memory, of a little over \$31 million for the entire project. I then had to figure out how to finance it.

13-00:61:53

Rubens: That just happened to be the cost of Park Newport, right? That had gone over-

13-00:61:56

Bakar: Yes. It's just a coincidence. It's a funny coincidence. But anyway, we did pay the 31 million.

Begin Audio File 14

14-00:00:00

Bakar: In other words, Doelger had historical debt at five percent. We wrapped it. I think the story—albeit it is dated because of the practices of today—the story of how this was financed—this project for \$31 million dollars was financed with \$50,000 cash. And only because Mr. Jacobs, who was my attorney, said, "Gerson, you have to put some money in this project." He died right after the escrow closes. Within a month or two.

14-00:00:51

Rubens: As does your father, right? And your father dies in October of '72.

14-00:00:58

Bakar: You're absolutely right. He died the same time.

14-00:00:59

Rubens: So, let's go back. We've identified the properties and you are now negotiating the price.

14-00:01:10

Bakar: Well, we've negotiated the price. Now, I have to figure out how am I going to pay for it.

Historically, just as a backdrop, my lender, my chief banking relationship was Bank of America. And Bank of America had provided the financing at Woodlake and Bank of America had provided construction financing for almost all my projects. So, they were the—they were the natural bank for me to go to, to finance this. Because Henry had owned this building so long, he had a lot of historical debt on the project. The history of interest rates in the preceding 20 years—preceding 1972—was a climb from four percent loans people could get on homes to a current number, probably by this time of six and a half and as much as seven percent. I am not sure. But that information is out there to find. And so, I went to the bank for financing and Henry had, and I cannot remember the numbers, historical debt on—that he had placed when he built these projects—of—I am going to have to—well, I can do it right here. I paid \$31 million, the bank lent me \$24 million.

14-00:03:22

Rubens: Is \$24 million both the land and the debt?

14-00:03:25

Bakar: No.

14-00:03:30

Dienstfrey: Thirty-one was to buy the land and the apartments.

14-00:03:32

Bakar:

\$31 million was for the entire acquisition. And the bank appraised—I'm going to be thinking out loud with you—so when it gets to be a hard number, I'll throw it at you. The bank had appraised the project and justified a conventional loan of \$24 million. [pause] The bank had a goal for that loan of gaining the current interest rate and I don't remember what the current interest rate was.

14-00:04:11

Rubens:

I bought my home November '77 and had a seven percent loan.

14-00:04:15

Bakar:

Right. I think the bank's goal was seven and a half percent. That's my memory. But the project couldn't pay seven and a half. I had to figure out a way to—the project—the amount of money available for debt service is clearly what's left over after you pay your expenses, after you collect all the rent, pay all your operating expenses, that cash is available for debt service and the bank could only make me a loan from an appraisal standpoint for two thirds of the value. Roughly that's the \$24 million, which represents, roughly, 75% of the \$31 million and so how could we get an interest rate to satisfy their needs at roughly seven and a half from memory? Well, Westlake had a lot of old or existing debt, so Bank of America would accept the responsibility for the old debt, I would then pay them for the total debt. They would make money because of their subsidized rate for the money they borrowed to lend me. It is going to get kind of complicated and you really have to understand—

14-00:05:33

Rubens:

I want to, yes. Do you mind? Are you going to draw it?

14-00:05:35

Bakar:

I am going to draw it for you.

14-00:05:35

Rubens:

And when you are saying "paying them" are we speaking specifically of Bank of America, not Doelger ?

14-00:05:43

Bakar:

No, Bank of America.

14-00:05:44

Rubens:

Doelger's gone?

14-00:05:45

Bakar:

Doelger gets cash.

He gets his \$31 million minus the existing debt and then that's what he gets. He's gone.

I paid Doelger \$31 million and change. I think it was \$31,250,000. That's what I paid Henry Doelger. So, when we finally get to an escrow, he gets a

check for \$31,250,000 less the debt he had on the project. Henry had an existing loan—and I will take a number because I can't remember—eight or ten million. So, the bank agreed on a conventional lending basis, abiding by the limit they could lend, which I think was 75% or 80% of the value. The bank could lend me \$24 million, so that meant once they put that on the property, we had to come up with \$7,250,000 additional cash to buy the property. We had to find a way to do that, we the buyers.

I haven't gotten to the 7.5% interest the bank wanted. The bank had a desire to get a—and I'm going to pull a number up from memory—7.5% interest. It's a big payment, but the bank said, "We'll wrap—we, the bank, will take on the obligation of the existing debt." Again, I don't remember the exact number, but I'll say the existing debt was \$10 million. Now bear in mind, I'm going to owe the bank \$24 million. But if they wrap the existing debt of \$10 million, they only have to lend us \$14 million as new money because they will keep in place the existing loan of \$10 million. So the bank is paying out 5% of the existing \$10 million. So if you blend the loans and the two notes, we can then pay the bank—and I'll make up a number—6.5% on the \$24 million which is equal to 7.5% on the new money of \$14 million. Now if you don't understand this, I'll start over.

14-00:08:51

Rubens: No, I think I get it.

14-00:08:53

Bakar: Let's put it in the terms of a home. If you find a house you want to buy and the house is \$100,000 and you can afford to pay interest on \$80,000, you can afford to put up to 20,000 down. And—I don't know if I'm going to be very good at explaining it—

14-00:09:13

Rubens: Well, we can stay with these numbers.

14-00:09:14

Bakar: All right. The bank was able to wrap existing debt and by wrapping it they're—they made money on the existing debt. They were paying out at five and collecting at 6.5% which produced for them seven and a half. They are borrowing that ten because they are going to be responsible for it. I have to be responsible for paying them back the whole 24, but they are lending me 24 at an interest—

14-00:09:44

Rubens: At a higher rate, yes.

14-00:09:46

Bakar: Where they are making money on the historical debt and therefore I was able, from the standpoint of the debt—the project—not me—the project was able to service the \$24 million in debt. I haven't gotten to the equity yet. The project is able to service the \$24 million to get them their yield of seven and a half,

but I only have to pay 6.5%. Again, I don't remember the exact numbers, but by virtue of what is called a wrap, wrapping around.

: We are wrapping around this existing loan. They take on the existing obligation at the reduced rate of interest and they get from me at a higher rate, which produces for them even a higher rate because they are making money—

14-00:10:35  
Rubens: It's very smart, yes.

14-00:10:36  
Bakar: On the debt that they are responsible for.

14-00:10:42  
Rubens: The only thing I just want to get completely clear is, where's that \$24 million figure is coming from?

14-00:10:51  
Bakar: That's the maximum by appraisal that they can lend me.

14-00:10:54  
Rubens: And that's set by state law or national law?

14-00:10:59  
Bakar: The banking laws, really. Their regulations under which they operate limited their loan to a percent of the value which was approximately \$24 million.

14-00:11:09  
Rubens: Right, so—

14-00:11:12  
Bakar: So, that's all they can lend me. They are not saying the project's not worth \$31 million. They can only lend me a certain percentage of \$31 million. They can't lend it all to me. Now, I have to figure out how to pay the equity. Now, if they lent me the \$24 million and by virtue of the wrap, they were able to meet their needs—their interest rate needs—now, I'm left with a down payment of \$7,250,000.

14-00:11:39  
Rubens: OK. And you're calling that the equity.

14-00:11:42  
Bakar: Right, that is the equity. The difference between the purchase and the first loan, is the equity.

I haven't gotten to our contribution yet. The \$50,000. [laughter] So, now we went back to the bank and the bank by that time had created an REIT called—it is now called BRE, but at the time it was "Bank of America Reality Investment Trust." They changed it to BRE later. The bank had created a REIT which had latitude to do things that the bank couldn't do. They were a

separate entity owned and controlled by the bank but a separate entity. They then said, "We'll lend you the equity and we'll become your partner." How did they become our partner? Just like some of these other projects, they would buy the land and subordinate that ground lease, make it secondary to the first deed of trust, which secured the bank loan of \$24 million. The REIT would lend me, or really invest, \$7,250,000 through a "sale and lease back." The REIT would buy the land from me and lease it back to me at a rent of 10% on the investment or 25% of the gross rent that we received.

14-00:13:19

Rubens: So, they were getting a high interest rate?

14-00:13:21

Bakar: No, they were—what it amounted to is it, in theory and, by the way, in practice, too—if a hundred percent equals the total rent typically 50% on a very old project should pay all the expenses. Forget that service, so you should have 50% leftover for cash flow and then they said, "If we give you this money, we want to be your partner. We want 25% of the rent over and above, we want 10% on our money against 25% of the rent, whichever is greater." So, they're our partner. The vehicle they use is a sale and ground lease.

14-00:14:15

Rubens: Yes, I see this.

14-00:14:16

Bakar: Sale and a subordinated ground lease. Subordinated into the first deed of trust. They became our partner the same way John Hancock did in Northpoint, same way Traveler's did at Park Newport. The terms of the lease change in each of these transactions, but they are subordinated ground leases. Subordinated meaning they are second to the—

14-00:14:39

Rubens: First deed of trust.

14-00:14:40

Bakar: You got it. Perfect.

14-00:14:43

Rubens: It's a sale and leaseback.

14-00:14:45

Bakar: And it's a sale and leaseback. So, they became our partner and by putting up the \$7,250,000 and the bank lending us \$24 million. By doing that, we didn't have to put up any money, so I bought for \$31 million 2,983 apartments and my attorney said, "You should have put some money in this transaction."

14-00:15:10

Rubens: And why is that?

- 14-00:15:11  
Bakar: He wanted—the law says it has to be consideration or something. We put up \$50,000.
- 14-00:15:21  
Rubens: And what does that come out of?
- 14-00:15:24  
Bakar: It's our own cash.
- 14-00:15:24  
Rubens: I know but does it take off from the seven million?
- 14-00:15:28  
Bakar: Yes, that gets lost in the shuffle.
- 14-00:15:31  
Rubens: You only had to put up \$50,000 cash.
- 14-00:15:33  
Bakar: To buy this project and, needless to say at this point, over 34 years. Since the escrow closing and, by the way, it closed this month, September in 1972—over that 34 years we've taken out millions and millions of dollars from this project for an investment of \$50,000. And over the course of the history of it—I will press this because I don't think there is any reason to spread it out—we were able to, because rents and income went up over 34 years, we were able to refinance the project, buyout the REIT's interest and in doing so, they made a very significant profit.
- 14-00:16:34  
Rubens: Is BRE still in California?
- 14-00:16:37  
Bakar: Oh, yes.
- 14-00:16:42  
Rubens: You're buying out the REIT before it becomes a separate entity.
- 14-00:16:44  
Bakar: The REIT became independent of the bank. They are totally independent of the bank. I was able to buy them out so today the original partnership with which we bought the property owns it 100% subject to simply a loan to a lender or a series of different lenders. We broke them all out. We have a different lender here on different parts of the development. But it's basically a series of refinancings.
- 14-00:17:19  
Rubens: These calculations are all kind of done in tandem, so by the time they write the check for \$31 million or whatever less \$10 million—

14-00:17:34  
Bakar: To Henry.

14-00:17:36  
Rubens: To Henry, they know this is going to work out?

14-00:17:39  
Bakar: Oh yes. Nobody knows how well it will work in the future. Right after I have a blip that I am going to tell you about where I got into a little trouble.

14-00:17:58  
Rubens: Is part of the business plan that you will be increasing rents?

14-00:18:06  
Bakar: I am going to get to that. That's my first problem.

14-00:18:09  
Rubens: At the time that were you thinking maybe you would do some remodeling, or did you?

14-00:18:19  
Bakar: No, we didn't think of any at that time. We weren't even thinking of it then.

14-00:18:22  
Rubens: Who is the client, who are the renters? Are they working class? They're at a lower economic social scale than you've had before.

14-00:18:34  
Bakar: Yes, it's a blue-collar tenancy. Totally blue-collar. Whereas, in the Woodlakes and the Park Newports—

14-00:18:42  
Rubens: They are young professionals?

14-00:18:43  
Bakar: Would be more the yuppies. Exactly. Or even retirees.

14-00:18:48  
Rubens: I think I understand the concept. Especially the wrap and—

14-00:18:55  
Bakar: And, by the way, you were nice enough to look at the other projects. We can certainly arrange for a ride out there.

14-00:19:00  
Rubens: I really would love to do that with you one day.

14-00:19:06  
Bakar: We can have our next session out there.

14-00:19:09  
Rubens: Do you want to talk about the ownership because that's really quite unique.

14-00:19:11

Bakar: Yes, that's where I was going.

Bear in mind, \$50,000—I'll come back—bear in mind \$50,000 bought this—this holding. So, here I was with the ability, Mr. Wilsey and I, I might add, had the ability to make available for very, very little money—there was no gifting involved—to sundry relatives, to sundry employees, part of the ownership of this project because I said to Al and Mr. Jacobs again being alive at the time, "Let's spread some of this around." I gave—my mother was alive then—I gave her 4%, my sister was alive—out of my half—I gave her 4%, Al Wilsey gave his—four of his children a total of 20% form his half—

Each person paid their share of the \$50,000 so, if somebody got 4%, they put up \$2,000 for 4% of the project but, bear in mind, 4% of the project was owning 120 units of apartments for \$2,000.

14-00:20:44

Rubens: Let me go back to the concept. You're thinking, "I've only put up \$50,000—"

14-00:20:50

Bakar: Therefore, I can legally make friends, employees, whoever I chose—I wish I had done it with Ted. I can legally make the people close to me partners with no gift tax, just sell them, or let them buy at the same basis that I bought, so my Dad had passed away, so I saw that my mother got 4%, my sister—out of my half—my sister got 4%. There were a series of employees that we had that were valued employees that Al and I had that had shared in all of the effort in the—all the projects we had that got a total of—I believe 20%. One employee got 2%, several got 4%, so when the dust settled, Al and I had give away, off the top, if we had 100% of the project, Al and I gave away—I am not very good at this, so bear with me—Al and I gave 20% to valued employees off the top. That left us 80%, 40 for me, 40 for Al. Then each of us—I, again gave—let my mother buy—my mother got part of my 40, my sister got part of my 40, Al's children got 20% of his, I mean, got half of his 40, so we spread the ownership of this project, which at the time had no significant meaning to any of the recipients—economic meaning other than a tax loss and the law at that time, which this is not the case anymore—allowed you to deduct from your income tax, losses from a project like this. Today, the law has narrowed, you can't do that. So, all they really got were some potential tax losses in the ensuing years.

14-00:23:03

Rubens: Who foresees this? Who says this is the time to do this?

14-00:23:08

Bakar: Oh, it's not very often that you have a project where you don't put up any money. Basically, \$50,000 was not any real money. So, it was an opportunity to allow people that we cared about, either employees or family, we allowed

one of those two categories to come in and participate. And the participation over the 34 years has been very, very meaningful in dollars.

14-00:23:36

Rubens: I can imagine.

14-00:23:43

Bakar: Well, at one point, to tell you how significant it was, we did a refinancing a few years ago for \$100 million and every percentage point of ownership, whoever it might be, my sister, Al's children, grandchildren, got a million dollars, tax-free.

14-00:24:02

Rubens: Per point?

14-00:24:04

Bakar: Per point. We took out, on a refinancing, several years ago and we can get the date, exact date, \$100 million that's in addition to any distributions before or since from operating—from the operating income. We are simply refinancing.

14-00:24:23

Rubens: This is a generous concept. I mean, not everyone does this when it, I mean, you may not know what it's going to be and—

14-00:24:31

Bakar: Well, generous is—is compared to what? There are other people that have done wonderful things such as that. Companies today do stock options, but we were allowed, because of this extraordinary leverage in buying it because of the extraordinarily small investment necessary, 50,000 we were able to spread the ownership. None of us knew how good it was going to be, and I would like to move—

14-00:25:00

Rubens: Yes, let's go.

14-00:25:01

Bakar: Right after we bought it, it was clear to us that we had to raise the rents, so we had to make a choice. Do we raise them a little bit at a time, or do we raise them a bunch. The average rent was only \$150 a month. So Al and I made the decision, rightly or wrongly, let's raise them now. And we raised them from average rent of 150 to an average rent of 180. We raised the rents 20% and all of a sudden we had 300 plus vacancies. All of a sudden, we had a tenants union being organized. All of a sudden Mr. Wilsey and myself were picketed at our homes.

14-00:25:52

Rubens: Really?

14-00:25:53

Bakar:

And the chant was "2, 4, 6, 8, Bakar won't negotiate." That was the chant and the union organizers, which—again, it's another kind of interesting story looking back on it. Fun, but not fun at the time. The union organizer picketed my home, called the newspapers, stayed in front of the house picketing for about 15 minutes, long enough for the TV cameras to get it on the evening news. Picketed Mr. Wilsey home in an apartment house he lived in, for 15 minutes, so they had these two shots on the evening news about Bakar and Wilsey refusing to negotiate. They've—they attempted to form a tenant's union and the committee—we agreed to meet and a committee of five or six people met with us who didn't represent 3,000 tenants. They represented themselves. They—and what we did was try to find out what did each of them really care about and it was interesting, it was not rent. They weren't picketing us because of our rent increases. We had a policy of no pets. One lady had cats who we later called the "Cat Lady." We had another policy of the limited number of people that can live in an apartment.

14-00:27:25

Rubens:

One of my questions was on that.

14-00:27:27

Bakar:

And one lady had, I think, two small children and—whatever, that our number of people so, each of them when we—

14-00:27:39

Rubens:

Were these new policies?

14-00:27:41

Bakar:

Our management policies, yes, were new to Westlake. But none of them were Draconian. And we can meet almost every one of the objections: we could allow cats, we could allow small children, and the tenant union effort just disappeared after the meeting. We were able to separate the people and meet with their individual issues.

14-00:28:06

Rubens:

Who literally met with the people.

14-00:28:07

Bakar:

Oh, Al and myself.

14-00:28:08

Rubens:

You did?

14-00:28:08

Bakar:

Yes, we did. And—but what happened by raising the rents, not the—the tenant union thing—we lost about 10% of our tenancy. We lost about 300 tenants when we raised the rents, so the income was sadly depleted for a short period of time and we couldn't even get our management fee. The partnership that we had with the BRE allowed us to take a management fee as one of our expenses. We couldn't collect the management fee for several years and the

project never threw any cash off to myself, Mr. Wilsey or any of our related parties for about five or six years. And we had to forego management fees, we didn't get any compensation out of the partnership. I use the word partnership, but I mean the sale and leaseback. BRE was our partner through the form of that sale and leaseback. I don't remember when, but we made some adjustment for a few years with BRE, some reduction of even their minimal rent for a very short period of time. But then, as I mentioned in maybe one or two other interviews, California is a state with continuing growth, continuing demands on housing, project matured, we smoothed out the management and the rest of it is history.

14-00:29:51

Rubens: And at some point it really starts—

14-00:29:54

Bakar: Well, it started—I don't think we distributed cash to anybody for six years. The owners were able to get their tax losses, which sheltered their other income, which is not possible today, but was then and I don't think we distributed—my memories—any cash to anybody for six years.

14-00:30:13

Rubens: And you're dealing with maybe a 10% vacancy rate for a couple of years?

14-00:30:19

Bakar: Yes, it took a while. I don't remember.

14-00:30:21

Rubens: Did you do some new marketing?

14-00:30:25

Bakar: No. I mean we think we did better marketing than Mr. Doelger did and we think we had better management. I brought in some good people. But the—you know—we aren't—we're no miracle people. We probably maxed what could be gotten out of the project.

14-00:30:45

Rubens: And did things come up in terms of repairs, significant repairs?

14-00:30:51

Bakar: Oh, we were able to handle that.

14-00:30:52

Rubens: That's not cutting in particularly.

14-00:30:56

Bakar: Bear in mind that the excess rent the BRE got was after all those expenses. So, the first thing we paid were all of our expenses. We never abused the property.

14-00:31:07

Rubens: OK. You know, Gerson, you have never talked about the Marines.

14-00:31:14

Bakar:

Well, I think it may be a quick—this can fit anywhere. I kind of knew how to build these projects, but I didn't really know how to manage them that well. And I don't ever to and including this date, pride myself on any great administrative management skills and I think I said in one of our other meetings, had I had a lot of good management and organizational skills I may have built a huge organization and then gone broke in one of the down cycles, which happened to a lot of people. But along the way I got a—after I built Oak Creek—I received a letter from the commanding officer of Quantico, which is a significant Marine base on the east coast of Virginia and his name was General Banning. General Virgil Banning. And Virgil wrote me a letter and said, "I drove by your project"—he was retiring from the Marine Corps—"I drove by Oak Creek. My wife's family lives in the area. I'd be interested in interviewing with you for a job." I wrote him back, "The next time you're out here, please call me."

He came the next day, or within a day or two. He commandeered a plane from the Marine Corps because he was, you know, the commanding officer of the base, flew out, I interviewed him and I hired him. And his first assignment was Oak Creek. And I called him up, probably within 60, 90, 120 days, I can't be sure, or I can't remember. Called him up to see me in my office in San Francisco and I said, "Virg, you're fired." He said, "What do you mean?" I say, "You're fired from Oak Creek. I want you to run everything." And the Marines, as it turned out, because I subsequently, through Virg, hired several retired Marine officers, were extraordinarily good at creating teams and creating, following through with the policies that I was able to set out. But they gave me good management and it was management that I never really had prior to the involvement in the—with the Marines. And at one point, I probably had at least two and maybe three generals and a couple of colonels working for me. All retired. Even one gentleman that had been a steward, which is the kind of the personal attendant's to the generals. I hired him for my own home, but the Marines are just a wonderful bunch of people and I had great luck with them.

14-00:34:10

Rubens:

That's so interesting. So, was that true of Newport?

14-00:34:16

Bakar:

I brought in a Marine down in Newport. All of the projects had Marines. A Marine in Northpoint, a Marine in Newport, a Marine in Westlake and they were all—I think the lowest rank I had was Colonel.

14-00:34:33

Rubens:

Now, I don't have this at the tip of my finger and I should. You had a management firm?

- 14-00:34:41  
Rubens: Is that right? You were the management firm. You had a separate—and it was a separate entity from your partnership?
- 14-00:34:47  
Bakar: It was called Jalson.
- 14-00:34:48  
Rubens: That's right. That's the management firm we spoke of earlier.
- 14-00:34:52  
Bakar: But the projects would pay for their own manager on the field. And then I would be paid from the various partnership through Jalson for overseeing of everything. But none of the law firms, including Dick Greene to this date—they implemented the programs but I created those programs.
- 14-00:35:46  
Rubens: You created those programs. And then—and so, it seems to me that maybe the only advice that you are getting is the CFO who comes on.
- 14-00:35:55  
Bakar: Blaisdell. He was very helpful.
- 14-00:35:58  
Rubens: Because I asked you earlier last week, I ask you this often, you know, where are some of these ideas coming from? Are you—obviously you are reading the *Wall Street Journal* and industry magazines but management and development—
- 14-00:36:14  
Bakar: It was all primarily, again, forgiving my lack of modesty, it was myself. Lots of observations. I said to you in one or two other meetings, I never did anything original, but I try to copy the best of everything I saw. I may have done some original marketing ideas. When you open a 1200-unit or 1300-unit project you got a lot of vacancies to rent So we used every device we could to get them rented.
- 14-00:36:44  
Rubens: You are running a lot of projects, so this isn't a time when you would necessarily go to a week at a Harvard Business School; you had people to call, you had your observations, and it's coming from you. You seem very creative and trenchant about how to do these things.
- 14-00:37:19  
Bakar: Oh, I'm not going to be saying that, but the facts are that it was myself that arranged the financing. It was myself that negotiated the acquisitions, it was myself that dictated the marketing program.
- 14-00:37:33  
Rubens: You find yourself.

14-00:37:34

Bakar: Hopefully, in that process each of them have specialists out there. In the advertising world, hopefully I hired some good advertising/PR people, good lawyers, had a balanced and a pretty good contractor in Williams & Burrows.

14-00:37:50

Rubens: And so are these numbers kind of—during the period of negotiation, which was a long period, these numbers kind of running in your head? I mean, these are things you think about and I am just trying to think about how your mind works in terms of just, you know, at some point you sit and think out the different categories.

14-00:38:07

Bakar: It would be hard for me to really answer that. There were tasks to do and I was committed to—dedicated to getting them done.

14-00:38:14

Rubens: Right. It just seems that this is a trenchant opportunity.

14-00:38:19

Bakar: I don't—what does "trenchant" mean?

14-00:38:20

Rubens: Well, insightful. That this is, you know, that you just see, almost in a gut sense—

14-00:38:26

Bakar: Well, if you take the \$31 million story, that I had to finance and convert it to today's numbers, I think it would be fair to say it was \$150 or \$250 million deal in today's numbers. And I had never done anything that big. I had never done anything in 31. I had to figure out how to do it. And I did have a good attorney in Coblenz later in—pardon, me—it was really Tevis—I mean he provided that gimmick on the financing of Woodlake's land acquisition where I was able to use the land twice for security. But I had a lot of good people helping me.

14-00:39:06

Rubens: Yes. I think that is probably one of your real fortes, the sharpness with—

14-00:39:13

Bakar: Well, whatever you put to that I'll leave to somebody else's judgment, but the story that I can tell at all points, at all points I was a salesman. And I would sell the bank so that I can get something done. I would come up with the idea and sell the people that had to be involved in it on the financing and I did have some good professionals.

14-00:39:41

Rubens: And so it's five or six years, so we're saying '72 to '78—

14-00:39:49

Bakar: Westlake did not produce any cash.

14-00:39:52  
Rubens: And at what point did the shopping center get—

14-00:39:55  
Bakar: Well, the shopping center was there all the time.

14-00:39:57  
Rubens: Did it get remodeled? You said it got remodeled.

14-00:39:58  
Bakar: Just this past year.

14-00:40:00  
Rubens: Oh, just recently, this isn't—

14-00:40:02  
Bakar: No.

14-00:40:03  
Rubens: I forget when highway 280 went in?

14-00:40:06  
Bakar: Oh, it went in the early—I joined, let's see—280 here. I joined a country club, which is right here. Lake Merced Country Club right after this went in because they built a new clubhouse with the government's money when they condemned the golf course. So this was in by '65. BART comes a little later. There used to be a BART stop right here.

14-00:40:41  
Rubens: So, that's going to really—

14-00:40:43  
Bakar: If you really like our next meeting can be out there, if you want it to.

14-00:40:46  
Rubens: I'd love it. I'd love to take a drive. Let's talk about what we need to go through next. When does corporate headquarters of Blue Shield—

14-00:41:19  
Bakar: And Mastercharge

14-00:41:20  
Rubens: And then, of course, then there will be Levi's Plaza.

14-00:41:22  
Bakar: Mastercharge was part of Northpoint. Western States Bank Card Associates.

14-00:41:30  
Rubens: We mentioned the Sandlers, just remind me one more time.

14-00:41:33  
Bakar: Oh, yes, good point. In putting all that financing together—I'm glad you mentioned it. I realized that I had another source to make up that 31 million. I

had forgotten that. That was the Sandlers. Henry owned a bunch of these apartments free and clear and if you do your arithmetic in trying to make a wrap work, the less the proportion of new debt is to old debt, the greater the ability to get an increased yield in the new debt. So, if I was putting a loan of \$100 behind a \$20 loan, it would be much easier than if it were behind only a 15—I have to say it right. Maybe you can help me, Ted. When I bought Henry's apartments he had a bunch of buildings with old debt. But he had enough buildings with no debt, zero debt, that I relieved the purpose of the wrap, the size of the wrap, by grabbing \$5 million. I went over to the—I own a bunch of apartments. I was buying and these 3,000 apartments—a bunch that had no debt, Henry owned them free and clear, so I went to Herb Sandler and I said, "Would you just make me a loan on these buildings that are free and clear, whatever you can do," and he lent me \$5 million. It was a loan at his fair interest rate, whatever he was charging at the time, whatever number of points he charged me. I don't remember. At the time—so instead of having to borrow 31 million starting at the top, to borrow—make up 31, I only really had to make up 26. So, it was \$26 million that I had to borrow. So, 31 less five that he lent me, so my numbers were really in error.

14-00:43:33

Rubens:

But this is a perfect example of what I think I had said earlier. You are kind of thinking—

14-00:43:38

Bakar:

Oh, I have to.

14-00:43:39

Rubens:

You're seeing where your—you can kind of chip away at pieces and get some. Yes, this makes sense. You break it into pieces say, "OK, there are apartments that are free and clear, but I can raise cash on them."

14-00:43:50

Bakar:

If you can't raise the bridge, lower the water. If I was trying to raise—create \$31 million worth of financing I didn't have to do it from one lender because Mr. Sandler through his bank World Savings lent me five million, so all of a sudden the 31 is reduced to 26.

14-00:44:14

Rubens:

So, all of these institutions World Savings, B of A, the Travelers, they all have their real estate people, people that are out there making appraisals.

14-00:44:21

Bakar:

Oh, absolutely. And they're all in business to make loans. They lose money if the loan goes bad and I can knock on wood and say that no lender has ever lost a cent over my 50 years of being in business. There have been some serious dips in that 50 years, but no lender ever lost a penny.

14-00:44:44

Rubens:

So, how—are you considering this a serious dip in that it didn't—

14-00:44:49

Bakar: No, the serious dip was later. I bought this in '72, the dip took place in '81.

14-00:44:54

Rubens: OK, we're not there yet.

14-00:44:54

Bakar: But that '81 dip wasn't necessarily in occupancy ratios of apartments like this. The REITs had expanded like crazy, they were making crazy loans and the whole REIT industry and the banking industry, to some degree, got in trouble in '81 or '82.

14-00:45:14

Rubens: Good. This is a good time for me to then look into that. I am kind of wrapping it up. I want to ask are the tax loss rates—they haven't changed—is it different on home ownership than apartment ownership?

14-00:45:34

Bakar: You can have a tax loss on your own home.

14-00:45:35

Rubens: Yes, right. But you're saying—there was something you said earlier I just can't—

14-00:45:41

Bakar: No, what happened was, the tax laws in '86 changed on a number of bases but one of the big ones is you can only apply the tax loss against what they call "passive income." So, if a man was an executive of a company making \$1 million a year and he owned an apartment house that was losing money, he couldn't after '86 take those losses against his income. He had to have what they call "income of the same kind" to take those losses against, but you would be better off—I think one of the people you probably should interview who has had an intimate part of my business life for many years is Dick Greene and he'd be happy to do it. But he can tell you about the— In the Reagan years, the marginal rate of income tax went down, but part of that is they divided it into different baskets of income.

14-00:46:38

Rubens: Right.

14-00:46:38

Bakar: But Dick can tell you more about that.

14-00:47:54

Rubens: Here is the very last question today—I know you have an appointment and have to leave. I'm looking at the brochure—these are different, you are saying there is another one that should have been colored here?

14-00:49:02

Bakar: Well, there are four parts of the project. We call this "Poinsettia." Poinsettia happened to be a Bank of America retiree that went to work for Henry. We

called these, and these, and these, and these, the gardens. And then we called this Coronada. So, we have—when we have done our refinancing, we have made separate loans but we have this as one part, this should be yellow, this should be yellow, this should be yellow and then these are another part.

14-00:49:38

Rubens: So they are not continuous.

14-00:49:40

Bakar: Here is Eastmore. These were the last ones Henry built. They are about a mile away.

[Interview ends abruptly as Mr. Bakar is called to a meeting.]

[Note: Audio File 15 transcript deleted: extraneous conversation with Ted Dienstfrey on vacancy control in San Francisco]



**Interview 8: September 28, 2006**

Begin Audiofile 16

16-00:00:03

Bakar: The San Francisco Golf Club, which we spoke about in a previous interview, had a gentleman's agreement with Henry Doelger, or a printed option, or whatever. But as Henry was getting out of the business, he said, "Why don't you fellas take this over?" So we—Al Wilsey and I—agreed to buy this strip from the San Francisco Golf Club. And we proceeded to build—100 units or 200 units?

16-00:00:38

Rubens: What was it called?

16-00:00:40

Bakar: Lake Merced Hill. And we proceeded to build a condominium development called Lake Merced Hill. And we were under construction, and it was built in two phases. A driveway came in the center of it, and you turned either south or north to the first stage—I believe it was the south stage. The second one was the north. And we were just about completed with the first phase—I think we were getting our COs—meaning "certificates of occupancy"—and we were pretty well sold out. They were all sold—pre-sold—during the construction period. And that's when the Boy Scout appeared. Prior to starting this, we obviously had to get entitlements, and the San Francisco entitlements, meant dealing with the Planning Commission, the Board of Supervisors, and the Coastal Commission, which was then in effect. And again, from memory—it's a long time ago—I believe we won at the Planning—at the Board of Supervisors. I think we won unanimously at the Planning Commission. Then we went to the Board of Supervisors, and this is a reach to my memory, but I think we got nine out of 11 votes. And in the Coastal Commission, I believe we won unanimously.

16-00:02:31

Dienstfrey: I think at the regional, it was unanimous. At the state, there was one vote against because there was one woman who never voted for anything.

16-00:02:37

Bakar: Right. I think Ted's right. So we were unanimous at the regional Coastal Commission hearing, and at the state, there was, I think, one lone dissent. Somewhere between the—I think it was at the state level, a youngster, a young Boy Scout, stood up. And they had two hearings at each of those levels: you'd have an open hearing at the regional level, and then a closed hearing at the—the second hearing would be a closed hearing. So all the public testimony came in the open hearing. So we got through the regional; we're at the state level, and at the second hearing, a young man stood up and wanted to speak. And the chairman of the state—who, again, I believe was Mel Lane, the publisher of *Sunset* magazine—and he said, "You're out of order. This is not a public hearing." And we were, again, approved, whether it was

unanimously or not, by a significant majority. I think it may have been all but one.

And we proceeded with construction and we sold out phase one before it was finished. I don't remember where we were on phase two. And we were about to move in the people in phase one when that youngster who had raised an issue at the second hearing—the closed hearing—at the state level filed a lawsuit. Again, he was 17 or 18 years old. My memory says he was getting his merit badge in the environment; he was a Boy Scout, and this was his zeal, his crusade. And he filed a lawsuit suggesting that he wasn't allowed to speak at the second state-level hearing. Mr. Lane said he was out of order; he wasn't allowed to speak. And it went into the court. And the problem we had: the local court, the superior court in which the action was filed, ruled in his favor. And that meant we couldn't get title insurance for the units that were finished; our lenders disappeared—interest rates had moved, so we couldn't hold the lenders' commitments—and we had one big problem.

It's many years ago, and I think the record would show, but we had two—at least two or three months of kind of hectic activity, and finally, we were able to arrange a meeting in the judge's chambers to try to settle with this—with the Boy Scout. I remember in that meeting, the judge suggested a settlement, because the real, practical world was those units that were built were not going to be torn down; the buyers were not going to be denied the right to own them. And he suggested a settlement, and I think the judge suggested \$100,000, or we offered \$50,000 and the judge suggested more. And Mr. Wilsey, my partner, his Irish temper got up, and I had to hold him back, he was so angry with the judge. The—we did settle; I think it was for the \$100,000. The Boy Scout and his lawyers, I think kept half of it, and they put the second half in a fund to fight other bad developers like Bakar and Wilsey. And it had a lot of notoriety. Lake Merced Hill went on to be finished. It is today a mature and very successful project, with happy homeowners. I don't know what's happened to—well, I will later come to another quick story on the Boy Scout. Well, maybe I can do it right now. Several years later, when we went to convert Woodlake to a condominium, all of a sudden, who appeared at one of the public hearings but the Boy Scout? And nothing came of that, but I thought Mr. Wilsey was going to do something violent, he was so angry. But in any event, that's kind of the story of Lake Merced Hill.

16-00:07:52

Rubens:

Let me ask you a few questions now. Just to get clear: you had the driveway, and you had one set of units—

16-00:08:01

Bakar:

That were complete. Sold out.

16-00:08:05

Rubens:

And when you say "sold out," once again, this is leased? No?

- 16-00:08:08  
Bakar: No. We own the land.
- 16-00:08:11  
Dienstfrey: This is one of the first times you'd done for-sale housing and not rental.
- 16-00:08:16  
Bakar: Right.
- 16-00:08:17  
Dienstfrey: Why did you do for-sale and not rentals? Do you remember?
- 16-00:08:19  
Bakar: Oh, it just didn't make sense economically. The units were too expensive to rent, and it just wouldn't have been a viable business deal.
- 16-00:08:27  
Rubens: Who were your architects there?
- 16-00:08:32  
Bakar: John Field was the architect, and the firm at the time was called Bull, Field & Volkman. John Field is still practicing architecture.
- 16-00:08:53  
Rubens: How did you get to him?
- 16-00:08:53  
Bakar: Oh, I knew him in the community. I don't remember that.
- 16-00:09:00  
Rubens: And so it was not appropriate anymore to be with—time had passed with—
- 16-00:09:05  
Bakar: No. This was more his *métier*. These were basically row houses.
- 16-00:09:09  
Rubens: And you hadn't done anything like that before?
- 16-00:09:10  
Bakar: No.
- 16-00:09:11  
Rubens: Had you been casting about to talk with people about what, in fact, would be appropriate there? Your usual pattern was to have garden apartments. Was the land too expensive? How did it come to row houses?
- 16-00:09:32  
Bakar: I think what happened: Mr. Wilsey and I had kind of decided to go our separate ways, and actually, Mr. Wilsey and his son Michael set up an operation—I think it was called GBI—where my name was used: Gerson Bakar, Inc. Which was an entity that they really owned, and they kept those initials from my involvement. The economic downfall of this project was

really one that was suffered by the Wilsey-Bennett Company, Mr. Wilsey's operating food company, and his son Michael. So I really was not a participant in the economic losses that took place there.

16-00:10:25

Rubens: The losses occurred—

16-00:10:27

Bakar: The project was a loser. It just—the end result of all the litigation, all the delays, the financing problems, when the dust settled, was an economic loss. What I didn't say and I should have said at some point in these interviews: that Mr. Wilsey, some year—two or three, and I don't remember exactly—prior to Lake Merced Hill had set up an entity called GBI. And he had a young man named Malcolm MacNaughton together with Mike Wilsey, his son—Michael Wilsey—who were going to be involved, and take Wilsey-Bennett into the real estate business. and the real estate development business. They also did a development that I had no interest in it, in Mexico. It proved to be economically unsuccessful.

16-00:11:42

Rubens: Why is that? Are you literally at these meetings, too? You mentioned one where you thought the Irish temper and of—

16-00:11:54

Bakar: I was kind of involved just because of all the historical aspects of our relationship. I was on the sidelines, but kind of a coach. I wasn't on point, so to speak. And it was Michael, and I guess MacNaughton left during this process. So Mike Wilsey was carrying on for Wilsey- Bennett.

16-00:12:17

Rubens: So just to clarify for me, Field is the architect. I didn't ask who the builders were. But this is not your selection and direct involvement?

16-00:12:33

Bakar: It—no. I was involved. Again, I'll use the term, if I may—as the coach or the-consultant, or whatever to it. But I wasn't economically involved.

16-00:12:48

Rubens: And who represented you folks?

16-00:12:57

Bakar: The law firm? I think it was still Jacobs, Sills & Coblentz

16-00:13:04

Rubens: I see here from the article you gave me. I don't know if it's something that you wrote, but it says a woman lawyer volunteered to back up the young man.

16-00:13:13

Bakar: Yes.

- 16-00:13:15  
Rubens: Sixteen-year old Allen Riley?
- 16-00:13:16  
Bakar: I wouldn't have remembered the name.
- 16-00:13:18  
Rubens: I think he was a law student. Did you have a sense that he was being manipulated by anybody?
- 16-00:13:29  
Bakar: No.
- 16-00:13:30  
Rubens: This was a kind of hot-shot kid who—
- 16-00:13:33  
Bakar: Hot-shot zealot. And I'm sure he was an honest young man that looked himself in the mirror and said, "I'm an environmentalist, and this is wrong."
- 16-00:13:45  
Rubens: And what was so grievous to him?
- 16-00:13:49  
Bakar: That we—well, we were violating the law of the Coastal Commission. He might have wanted just to have open space across from the lake.
- 16-00:13:57  
Rubens: What I didn't quite understand is how the Coastal—so there's a Coastal Commission line?
- 16-00:14:01  
Bakar: Here's the ocean. And the law said that any—nothing—anything within 1,000 yards of the ocean came under their jurisdiction. We were more than 1,000 yards from the ocean, and we didn't realize it, but there had been a—up in the northwestern part of our state, and I think it was Humboldt County—there was an inlet. And when the law was being put together, they devised language that said if any body of water was within 1,000 yards of the coast, then the Coastal Commission's jurisdiction was increased to 1,000 yards from that body of water. So the lake was within the Coastal Commission; therefore, the Coastal Commission boundary was now extended.
- 16-00:15:02  
Rubens: You didn't—you were not impacted by the Coastal Commission decision when you did Park Newport. It had been settled, and they had—the piece of land you had was clear and free?
- 16-00:15:15  
Dienstfrey: The Coastal Commission decision came after Park Newport was finished But Park Newport is—happens to be within the Coastal Commission jurisdiction.

16-00:14:57

Bakar: Yes, I can comment because there was a funny story.

16-00:15:27

Rubens: There was some jockeying, as I recall.

16-00:15:29

Bakar: Well, the only thing I can remember: in Park Newport, I had a community building. As you came in, the bottom floor was basically my rental office, a grocery store, and whatever. Upstairs from that, on the second floor of that, you went in the rental office, and you went up a stairway to my five model apartments. And I anticipated that those model apartments would always stay as model apartments. And my building permit did not include those as rented apartments. Because the project was so successful and the rental market was so tight, I didn't need any models. So I went to activate those apartments to make them habitable. And I couldn't get the permit—I couldn't get permission from the city—without going to the Coastal Commission.

16-00:16:27

Rubens: I remember that we discussed that.

16-00:16:28

Bakar: So I had to go to the Coastal Commission to get permission to allow people to occupy five apartments that were built a couple of years ago. And there was not a contested hearing. I don't remember anything—any aspect about it. I probably never went personally to any of the meetings. But we had a couple of hearings, and we obviously got authorization to occupy those apartments. As time went on, with a project that large, we realized we needed models, and we no longer rent them out. To and including today, they are still model apartments.

16-00:15:25

Dienstfrey: There was another involvement with the Coastal Commission in Park Newport: that there was just a consideration whether Park Newport should be converted to condominiums. And for a variety of reasons, it was always decided not to. But then, the Coastal Commission would have to give approval. Then we sort of went back, and I guess didn't pay a lot of attention when the Coastal Commission line was drawn, since Park Newport was already up. But the Irvine Company paid a lot of attention to it, the Coastal Commission line, and they drew the line so that land which had not yet been developed was not in the Coastal Commission, but they didn't care about Park Newport. And the line zigzags over there.

16-00:17:47

Bakar: But I had another interesting experience. In 1989, we had a short—a very short—earthquake. And the epicenter of the earthquake was very close to Park Newport. And we had some damage—very minor. The earthquake—if I may, Lisa—[slaps hand against flat surface] was like that. It was just a short second. It wasn't a rolling earthquake, and I don't know what the geological

term would be, but with that slap—and the epicenter, again, was very close by—we had a significant amount of minor damage. Sheet rock seams opened up—nothing serious. But we had enough damage that I became alarmed. So I went to my engineers, and I said, "What would have happened if this were a more severe earthquake?" And they said, "You probably would have had some serious problems." I said to them, "Tell me what I have to do to eliminate that response. I want to further seismically upgrade this project, and I want to make sure—knock on wood, I want to make sure that I don't have anybody get killed on my watch." So they came up with a series of suggestions of how to upgrade the seismic strength. In doing so, I had to strengthen some columns in the garage. I had to put in a—bring a couple of the sheer walls down into the garage. And believe it or not, in the project, it had an order of magnitude of 1,500 covered parking spaces. By doing this seismically upgraded work, I was going to lose—I don't remember the number—ten or 15 or 20 parking spaces. I had to go to the Coastal Commission to get a permit to be able to seismically upgrade an existing building.

And it got kind of caught in the bureaucratic maze of both the community and the Coastal Commission, and I can't in this session with you, differentiate whether it was the city or the Coastal Commission. And I just went to them, and I said, "It's going to be on your watch if somebody gets killed in that project." And I wrote a letter, probably on the advice of my attorney, to that effect. And I got my permit within a matter of a few days, and we seismically upgraded the project. But I had to go to the Coastal Commission, because I was going to lose—assuming that the number is 1,500 parking spaces, I was going to lose maybe ten of them, which was kind of ludicrous.

16-00:20:36

Rubens:

This is a theme that's starting to evolve: that the regulations are becoming more layered, the time to appear and appeal and change are getting longer.

16-00:20:53

Bakar:

And that's continuing to and including today.

16-00:20:56

Dienstfrey:

One of the stories I remember with that is that when Gerson went to the city, they said, "Oh, it's going to take nine months, ten months, and—"

16-00:21:04

Rubens:

We're still talking about Park Newport?

16-00:21:07

Bakar:

Yes.

16-00:21:07

Dienstfrey:

For strengthening the parking. And Park Newport is isolated from the rest of the city. Even if there was a parking problem, nobody else in the city would be affected by it, by the location and entrance to Park Newport. And that

didn't seem real—Gerson was upset. You know, he was just trying to protect lives. And the city attorney said, "Let me review the documents," and he went back and found out that one of the condition of approval back in the sixties was that the final parking plan had to be approved by both the developer and the city. That had never been done. So he said, "Bring in the final parking plan," which showed fewer parking places. And the city approved it without this nine-month delay.

16-00:21:54

Rubens: It was a political—

16-00:21:54

Dienstfrey: Bizarre. I mean, the regulations.

16-00:21:54

Rubens: Someone needed to really know the workings of the law to be able to cut through those. Should we say anything about different times, there was an attempt at Park Newport to go condominium? It's not a big story?

16-00:22:36

Dienstfrey: It's not a big story.

16-00:22:37

Bakar: No.

16-00:22:38

Dienstfrey: It was just looked at, and then decided.

16-00:22:40

Bakar: It was dismissed. There was a company from Canada that was—Canada or Chicago; I've forgotten. But there was a company that approached us, and—but it just never seemed possible. So we never did much about it.

16-00:22:56

Rubens: Why would a company approach you?

16-00:22:59

Bakar: To buy the project and do the condo-conversion.

16-00:23:00

Rubens: And you wanted to hold on to it?

16-00:23:05

Dienstfrey: There's a tax reason why the owner does not become the converter; that the owner—

16-00:23:11

Bakar: Thanks, Ted. When you own a project—and this was the law as I understood it or understand it now—the law at the time: if you sell the project, you're selling the grocery store, and you can get a capital gain. If you sell the apartments individually, you're selling the groceries, and it becomes a matter

of you're a trader. You're designated a trader by the IRS—you're selling your groceries, and it's ordinary income. So all converters, all people that own buildings, will typically sell the building or set up a mechanism so they don't get—and the word "trader" is used—they don't get designated to be a "dealer." A dealer pays ordinary income.

16-00:24:08

Dienstfrey: The difference is about 50%.

16-00:24:10

Rubens: Ooh! That's a lot! The dealer pays—

16-00:24:15

Bakar: The difference is not 50%.

16-00:24:16

Dienstfrey: Not now, but at that point, tax rates were 70%.

16-00:24:20

Bakar: Whatever. It was a significant tax difference.

16-00:24:25

Rubens: Significant, yes. And I think this bears on—you tell me if we don't need to go into it—what's been I think so interesting is your acumen in assessing what is an appropriate business structure, the relationship—

16-00:24:45

Bakar: I'm a great believer that if you have well-located properties, well-designed properties, well-built properties, that the best position to be in—particularly in the state of California, with its growing population—is to hold them.

16-00:25:01

Rubens: So this is why I'm asking—to just come back now to—and move ahead: why at Lake Merced?

16-00:25:07

Bakar: A couple of reasons. Number one—and I think I mentioned it briefly this morning—Mr. Wilsey and I were kind of splitting up. Mr. Wilsey's son had come back—or had come in to the company, Michael. This young man MacNaughton had been hired by Mr. Wilsey, and they were involved. And I don't remember the overlap of those two, but they basically set up an entity which I mentioned earlier called GBI, where they were going to be developers. They were going to be merchant builders. They didn't—they were not looking at it as I did, as long-term holdings. So it really wasn't Gerson Bakar that chose not to keep Lake Merced Hill. Lake Merced Hill was originally designed or created to be a GBI vehicle. Because of my relationship with Henry Doelger, there was some meaningful overlap, and because of my historical and ongoing relationship with Mr. Wilsey, I was involved, looking over everybody's shoulder.

- 16-00:26:11  
Rubens: Sure. I get it now. So it was really their drive—
- 16-00:26:15  
Bakar: Right.
- 16-00:26:15  
Rubens: To be merchant builders, and therefore, to build row houses for sale. But I just thought I heard you say it wasn't economically feasible?
- 16-00:26:28  
Bakar: I don't know exactly how it ended up. I think it didn't break even. The reasons were the financing market—when the Boy Scout stopped us, and that stopped the sale, we lost all of our loan commitments, and then interest rates went up, and it was just—we got caught in a down cycle of the housing industry, or the "housing market," I should say.
- 16-00:26:55  
Rubens: The only thing I wanted to say: at the same time, there was just absolutely no problem selling them? They were basically sold out, the first set.
- 16-00:27:07  
Bakar: Yes. But when that financing disappeared, the lender was able to walk away from commitments which were advantageous to the developer. And I don't remember exactly how that got restarted, but it wasn't the same interest rates. They lost the financing.
- 16-00:27:24  
Rubens: So the potential buyers went away?
- 16-00:27:26  
Bakar: Yes, a lot of them did.
- 16-00:27:27  
Dienstfrey: Or, if you have a higher interest rate, you sell them at lower prices, all things being the same.
- 16-00:27:34  
Rubens: Now, just to refresh my memory, what kind of golf course was that?
- 16-00:28:04  
Bakar: The San Francisco Country Club. It was very private. You and I, and your daddy and my daddy couldn't play there.
- 16-00:28:14  
Rubens: Oh yes, you had said that. And you played there a couple times—
- 16-00:28:17  
Bakar: I have never played there.

16-00:28:17  
Rubens: Oh, you've never played there? In some newspaper research I found when you joined—

16-00:28:29  
Bakar: Lake Merced Country Club?

16-00:28:30  
Rubens: Well, there's a club down near San Mateo, Lake Merced?

16-00:28:41  
Dienstfrey: It's in San Mateo County. Isn't it part of it?

16-00:28:43  
Bakar: Oh, it's in Daly City. But it's less than a mile away from this.

16-00:28:47  
Rubens: So that's where you belonged?

16-00:28:51  
Bakar: For a long time.

16-00:28:51  
Rubens: Another development I want to ask you about: I have a newspaper article February of '73 that talks about a new waterfront plan, called Greenwich Square, I think that Mel or Ben—which Swig?

16-00:29:29  
Bakar: Mel Swig.

16-00:29:30  
Rubens: Then there's another entry about you buying Summit in '73. November of '74, you withdraw from the Port Plan.

16-00:29:53  
Bakar: I was going after Pier 45, and I withdrew from that.

16-00:29:57  
Rubens: Is there anything particularly that you want to say about that?

16-00:30:04  
Bakar: I had teamed up with a fellow named Jim Joseph.

16-00:30:10  
Rubens: We've heard his name before.

16-00:30:11  
Bakar: Yes. He's a partner in Levi's Plaza. But the Pier 45 escapade, Mr. Joseph and I teamed up with the idea of redeveloping Pier 45.

16-00:30:27  
Rubens: Where did Joseph come from?

16-00:30:29

Bakar:

He was a developer from San Mateo, somebody I met in the business community. And Tevis Jacobs worked for both of us. And I think it could have been his office that put us together. But we did join forces in what turned out to be an aborted attempt to negotiate with the Port for Pier 45.

16-00:30:56

Rubens:

I'm interested in it because of your particular interest as well as what it says about a general process of growth in San Francisco.

16-00:31:08

Bakar:

Well, I can remember early on, we were vigorously attacked in the press. There was a supervisor named Jack Morrison, who I believe led a citizens' volunteer group called San Francisco Tomorrow. And again, it's a long time ago, and my details won't be right on, but he led—and the press picked it up—a move to curb our attempts at Pier 45. And Jim and I, I remember discussing it, and we did a strategic withdrawal. We felt getting the permits to develop that would be too difficult.

16-00:31:58

Rubens:

So I would like to ask you just a little bit if you had a sense or an opinion on what was going on. Ten years earlier—'74 is when you—the plan is first introduced in '73. There are about four or five people bidding on this as well, or who have put something—

16-00:32:19

Bakar:

I don't remember.

16-00:32:21

Rubens:

Ten years before—in '63—there had been plans for something called an "international market" in that area, and that—

16-00:32:36

Bakar:

No. That was where Levi's Plaza is. The history of the land at Levi's Plaza is that a group called the North Waterfront Associates had been put together, and I've forgotten the gentleman's name, but he gathered many of the property owners here in the Levi's Plaza area—and there were many—and they all threw their property into this new partnership called North Waterfront Associates to build a large furniture mart, apparel mart. It was a complex of that nature: a trade mart. They sold the land. All these people joined into a partnership, and they subsequently formed a company, and they sold the land to Travelers Insurance Company, and took a lease back. And they were going to develop this mega-complex, this trade complex. I don't remember exactly what happened, but they never got their permits, the entitlement process, and the partnership fell apart. And Travelers—it became a Vietnam for Travelers. They got in by virtue of buying this land and leasing it back to the entity that never was successful, and they now own the project. And elsewhere in my interviews with you, I talked about how Travelers became my partner. And by this time, Park Newport was built, Oak Creek was built; I had a first-rate

relationship with Travelers. So I went to Travelers. There had been this aborted attempt by Mr. Swig and myself some years before to get involved with this land. We were going to call it "Greenwich Square." And it didn't move forward. We did create a plan. We were actually on our way toward financing it, the Greenwich Square plan. We were going to partner with a company called Urban—it may be—

Anyhow, it was a company headed by the Klutznick family, and we were going to partner with the Klutznick family's interest. That company, by that time, had been owned by Aetna Insurance.

The Urban Company had been sold by the Klutznicks to Aetna, and Aetna had gone into the real estate business in a major way through the Klutznicks. They were going to be our partners, and getting the partnership developed, it was—we were kind of ready to move forward with Greenwich Square when the senior member of the Klutznick family—a gentleman named Philip Klutznick—said no. And the project died a quick demise.

16-00:36:20

Rubens: You have a lot of other stuff going on, so this isn't—

16-00:36:23

Bakar: But at some point, I'll circle back and talk about the restarting of Greenwich Square to what became Levi's Plaza.

16-00:36:32

Rubens: Yes. And of course, some of your old opponents at this point are going to revive again, too. Could you just help me visually—where's my map of San Francisco? So Greenwich Square, what is the relationship between Greenwich Square—

16-00:36:52

Bakar: If you look at my desk, to the right is a frame that I used to use all the time. You know, I know just where it is. Let me bring in something that will help you.

16-00:37:01

Rubens: Perfect. I wanted to get the relationship to Pier 45.

16-00:37:04

Bakar: No relationship.

16-00:37:11

Dienstfrey: If I'm not mistaken, I don't think Pier 45 has been developed, even to this day. I mean, they're still—the Port is still trying to figure out what to do.

16-00:37:18

Rubens: I have to sort through my notes now. You have a wonderful profile in *San Francisco Business*. "Landmark Battle Construction Starts Late in '79." I don't know what that is.

16-00:37:42

Dienstfrey: That might be Levi's.

16-00:37:51

Bakar: I used to walk around with this map. I used it for so many different purposes. This was a poster that somebody did many, many years ago. Teddy, could you see if we have some tracing paper? What I call "talking paper." See who might have some talking paper.

Take a look at this map. These four blocks became Levi's Plaza. We—this is where we are right now. So that's our office. This is Filbert Street. One of the interesting things, Lisa—and I don't know where you're going to fit this in—I wanted to close Filbert Street, because it went from nowhere to nowhere. This was all full of junk here, and you couldn't get through to the Embarcadero. I'm getting way ahead there.

16-00:39:05

Rubens: That's all right; we'll clean it up and tie it in.

16-00:39:09

Bakar: Here's Levi's Plaza, and if you go outside, when you leave here, bear in mind, our office is right here. If you walk, Levi's Plaza—here's the main Levi building and other buildings—there's no street here. That's the plaza. This street does go through here. So I wanted to close Filbert Street, and I went to the city. And I know I'm getting way ahead, but I went to the city, and they said, "Well, we're happy to close it, because it doesn't really serve any traffic needs, but you have to pay for it." And I said, "I'm not going to pay for it. I refuse to pay for it." I say, "I'm making it into a park open to the public."

16-00:39:55

Rubens: What did they mean by "You have to pay for it?" You were developing this anyway.

16-00:40:01

Bakar: Yes, but the city owns the streets. The Port—actually, the Port owned this part, and the city owned this part. And if you look at the Transamerica Building—well, I don't want to go over there; it's such a long story. So I said, "I'll take a 30-day revocable permit." Now, let me give you another little diagram.

In the old days, they used to have basements under the sidewalks, and if you go down many of the streets in San Francisco, you'll see the remnants of old elevators that came up. These areas between the—under the sidewalk, these basements that are all over the city, they're on city land. The people that own this building don't own their basement—they have 30-day revocable permits. This a fascinating thing, and if anybody ever reads this oral history, the center of Levi's Plaza, where Filbert Street would be—when you leave our office—which is here—and if you walk here, we don't own that. It's a 30-day revocable permit. I said to the city, "I don't want to pay for it, because I'm

making it into a park. Why should I pay for it? I've got no more FAR"—FAR means "Floor Area Ratio—"I've got no more—I've got the right to build no more buildings," because I was making this into a park. I said, "Why should I pay for it? I'm making it into a park! It's going to be public access." So—and this pops up all the time: whenever we have any refinancing of Levi's Plaza and our lender goes to the title company, they look at me like I'm nuts. They said, "You don't own the center of that project." I said, "Yes, we don't. It's on a 30-day revocable permit." The city, in theory, could take it away and put back the street any time they want, with 30 days' notice. But going back to this—

16-00:42:43

Rubens:

So let me just look at this a little more closely; is this all a park?

16-00:42:36

Bakar:

Not the center. The street goes through. So if you're driving, you can drive here. But we do not own the center of this project. It's on a 30-day revocable permit.

16-00:42:56

Rubens:

Nobody ever tried to get rid of the 30-day revocable permit?

16-00:42:59

Bakar:

Well, stop and think about it. Does the city want us to put a street there? I mean, you can't build on it. Nobody's ever going to revoke the permit.

What I was able to do with the city's help: I was able to create this park. And to make the park look even better, we were able to pick up this piece here. This is hard to—and there's a piece where Fog City Diner is, here. See, Fog City is—I leased the land under Fog City Diner; I lease from the Port. But here's Lombard Street. So the park looks like it runs right through. And the park over here—this street is Front Street. So Front Street never came into the Embarcadero. So I was able to make a park that looked this long [gestures] out of a park that was really only this long.

16-00:44:04

Rubens:

Again, who owns this property right here?

16-00:44:08

Bakar:

The Port. We lease it. Now, the revenue from Fog City Diner, even though we occupy it and it's part of the park, the revenue from the rent of Fog City goes to the Port. We don't get it.

16-00:44:28

Rubens:

So this is all very clear to me, now. We came to this map because you were going to tell me where Greenwich Square was going to be.

16-00:44:39

Bakar:

Right here. Same piece.

16-00:44:40  
Rubens: Absolutely same piece of property?

16-00:44:41  
Bakar: Yes, but not as imaginative.

16-00:44:44  
Rubens: That, I understand. Would you point to me where that international market was going to be?

16-00:44:51  
Bakar: It was going to include these ice houses. It was a major chunk.

16-00:44:57  
Rubens: More than Levi's Plaza?

16-00:44:58  
Bakar: Oh yes. Travelers bought it all. And then Travelers was going to lease it to the company that went broke.

16-00:45:04  
Rubens: Let's do this one more time. Travelers bought all of this, basically?

16-00:45:07  
Bakar: Yes.

16-00:45:12  
Dienstfrey: And how about 101 Lombard?

16-00:45:15  
Bakar: Oh yes. Then here's where we built the condominiums: 101 Lombard.

This was all NIWA, was at North Waterfront Associates. They called themselves "NIWA." NIWA was North Waterfront Associates. So NIWA had—"assembled" is a key word—had assembled all this land.

Here's Telegraph Landing. Where's—here is Lombard. Sansome. Here's where we built 101 Lombard, right here. This was also part of Travelers. So some people bought this and built Telegraph Landing. If you walk around the neighborhood—

16-00:46:21  
Rubens: I will. Telegraph Landing is not you?

16-00:46:23  
Bakar: Not me, but 101 Lombard was.

Regarding the park, if I had just dealt with the property Travelers had, the park wouldn't have been on the Embarcadero. So by picking this piece up, we made the park look much longer.

- 16-00:47:53  
Rubens: Did you mention there was somebody else acquiring land?
- 16-00:47:53  
Bakar: No, this—that's Ron Kaufman's Ice House.
- 16-00:47:55  
Rubens: The "ice house" meaning the design center?
- 16-00:47:59  
Bakar: There were several ice houses. This is *The Ice House* over here. This map is great. I carried this thing to the banks; I carried it back to Travelers. This was my reference point. I used this thing ad nauseam.
- 16-00:48:20  
Rubens: It's a good map. The international market was going to be—
- 16-00:48:29  
Bakar: That North Waterfront Associates had tied up everything, sold it to Travelers, leased it back, went broke. Travelers then disposed of sundry properties, and I was able to tie up this, this, and this piece.
- 16-00:48:52  
Rubens: Pier 45 is where?
- 16-00:48:56  
Bakar: It had nothing to do with Travelers. This is the big pier where Mills wanted to put in their big deal that went broke recently, or that they withdrew. Pier 45 is the last pier.
- 16-00:49:11  
Rubens: On the—what do you call this? On the north end?
- 16-00:49:13  
Bakar: Yes. Well, here's Pier 39, which is interesting.
- 16-00:49:26  
Rubens: All right. So I need to just look at my notes for a minute and just clarify one thing: How did you come to Swig?
- 16-00:49:41  
Bakar: Mel came to me. He knew that I knew Travelers, and Mel came to me with the idea, frankly, of Greenwich Square. And we took a good run at it. And we had an informal partnership; we never formalized it, because it never came to fruition. Between Mel Swig and myself—and I'm trying to remember if anybody—how—
- 16-00:50:06  
Rubens: Is this Joseph part of that?

- 16-00:50:10  
Bakar: No. Joseph's not aboard yet. It was long before Joseph. Mel Swig came to me, and anyhow, we formed this informal partnership—with the Klutznick family's interest who were people from Chicago and Denver—to do Greenwich Square. And Greenwich Square died a slow death. It never happened.
- 16-00:50:30  
Rubens: I just didn't realize there was such a background to what then would be Levi's.
- 16-00:50:35  
Bakar: Well, you know, what Levi's Plaza—which is an interesting story. I have the *Fortune* magazine story, which I can give you—  
  
If you have trouble finding it, I'll get it. Anyhow, Greenwich Square died a slow death. It never happened.
- 16-00:51:03  
Rubens: Mel Swig owned the Fairmont, didn't he?
- 16-00:50:54  
Bakar: His family did. He was part of the family's team. But Ben ruled the roost. Ben was the father. He was the patriarch of the Swig family. And I never had much involvement with Ben.
- 16-00:51:32  
Rubens: And was Mel a developer?
- 16-00:51:36  
Bakar: Mel was a wannabe developer. He was really a wonderful gentleman, but dominated by his father.
- 16-00:51:44  
Rubens: And where does Cissy Swig fit in?
- 16-00:51:47  
Bakar: Mel had a brother named Dick. And Dick was Cissy's husband. Cissy and Dick were married.
- 16-00:51:56  
Rubens: Was Dick a particularly big player?
- 16-00:51:59  
Bakar: No.
- 16-00:51:59  
Rubens: A developer, or anything like that?
- 16-00:52:00  
Bakar: Dick ended up running the hotel.

Begin Audio File 17

17-00:00:09

Bakar:

Teddy, *Time* magazine had a Man of the Year that was a computer. The year that the Man of the Year was a computer, not a person, is the article within it that named Levi's Plaza the development of the year. So it'd be around '82 or '83.

17-00:00:32

Dienstfrey:

And Alan Temko wrote an article just around Christmas/New Year's which called it "a gift to the city."

17-00:00:38

Rubens:

I have that one. Although Alan Temko does make a little nasty comment somewhere I wanted to ask you about. But not about that.

17-00:00:46

Bakar:

Oh, he always does. Or always did. He could be very acerbic.

17-00:00:54

Rubens:

Could we say that Greenwich is when you first get interested in that area?

17-00:01:30

Bakar:

Well, no. I would say it started with Northpoint, which I developed. North Point ran from North Point to Bay. See, [pointing to map] these are the apartments I built in Northpoint. These are actually—when this poster was made, this was the Simmons Mattress Factory. So this is Levi's—the shopping center, Northpoint. Here are the apartments; more apartments over here. This office building, and over here, what was a theater became an office building. So I got interested in the North Waterfront through basically the Northpoint project, which I shared with you in another session.

[Using tracing or, a phrase Bakar uses, "talking" paper]. These five parcels consisted of Northpoint. I said when I did the Northpoint interview with you, I said that we perceived this as being an extension of the Telegraph Hill housing market that existed. So we went—we tried to appeal to the huge, young market—I guess today, they'd call it the 18-34 market, which seems to be an age bracket—but we tried to appeal to the young, white—the young professionals when we did Northpoint.

And I lived near here, too.

17-00:04:04

Rubens:

Actually, where was your office?

17-00:04:07

Bakar:

My office? When I did Northpoint, my office for a long time was right off the lobby, on this corner.

17-00:04:23

Rubens:

And the Wilsey's office?

17-00:04:26

Bakar: Was in this building for a while.

17-00:04:28

Rubens: And you stayed there until—

17-00:04:31

Bakar: Well, then I moved into—when I built the theater, I moved over here. And then from there, I moved to where we are now. Actually, this building we're in was built after this.

And by the way, I also have another piece over here. I own this piece right here, which is ABC Television. And there's another story, but I don't know how much—

17-00:05:01

Rubens: Well, is this the time period right now? Is this '73-'74?

17-00:05:05

Bakar: I can get you the dates. What happened at Levi's Plaza was in the era with Jim Joseph. We heard that ABC was looking for a new location for their television station.

17-00:05:28

Rubens: At the bottom of Green?

17-00:05:30

Bakar: No, at the bottom of Vallejo, on Front Street—it's a building, 900 Front Street. During the development of Levi's Plaza, I think while it was being developed, Jim Joseph and I tried to get ABC as a tenant, and we were unsuccessful. A couple of years later—and the chronology I can backfill for you—a couple of years later, we were still aware—ABC used to be on Golden Gate Avenue, just up from the Golden Gate Theater. And they definitely needed a new building, new station. And when we failed to get them for Levi's Plaza, a couple of years later, I had built a building—I got involved with a man named George Berger, and George Berger had on this piece of property down here [pointing to map],—he was in the potato business. A lovely man. He took a liking to me, and Mastercharge—by the way, one story leads to another, and I have trouble separating them.

17-00:06:47

Rubens: Well, that's what oral history is, I think it's delicious.

17-00:06:49

Bakar: When we did Northpoint, we ended up with this building, this piece over here. There were five parcels. There were these three. This was where the Simmons office/factory was. And then this building was their raw material building where Simmons would bring in their raw materials, produce product. There used to be bridges that would connect these when it was all Simmons, bridges

that were above the street. So this parcel, I was able to get a tenant called Western States Bank Card Associates, also known as Mastercharge. They were a non-profit company owned by all the member banks, so that the association—it was the Western States Bank Card Association—was owned by all the banks that participated in Mastercharge. So in theory, I had a tenant with no net worth, but the support of all the members. They had the right to assess all of the members, who were banks. And I was able to get them, as a tenant, for their first headquarters building, on this parcel, the old warehouse, which I tore down and replaced with an office building now known as 100 Northpoint.

17-00:08:17

Rubens:

So they're your tenant then, and obviously, they're going to bear on this ABC story.

17-00:08:20

Bakar:

Right. In the meantime—again, separately, and we come back and bring them together—Western States Bank Card had decided that this building—they were growing so fast, and this building was only about 55,000 square feet; they decided they needed a bigger building. And I found out that I was losing them. I only had, I think, a five-year lease. I was going to lose them to a couple of developers who had gone to the Port and decided to lease this property right here [taps] from the Port. Well, it turned out a tough little guy—tough as nails—was in the produce business with a single product, potatoes. And he had a shed there, with his offices above the shed, and then all the trucks would come in, and Mr. Berger only had a 30-day lease with the Port.

These other developers, whose names—I'm trying to think of either one. I think they both passed away—they went to the Port, and they were going to evict Mr. Berger. Their idea was to have the Port evict Mr. Berger, to put Mr. Berger out of business, and to steal my tenant. This in the business of real estate is totally legal and totally ethical.

17-00:10:04

Rubens:

The way it's done in this business?

17-00:10:05

Bakar:

Oh, sure. That's being an opportunistic developer. But they didn't bank on Mr. Berger. And Mr. Berger was a fighter, and nobody was going to tell him he had to move.

17-00:10:19

Rubens:

About how old was he then?

17-00:10:22

Bakar:

At the time, he was probably 70.

17-00:10:24

Rubens:

He had been there a long time?

17-00:10:24

Bakar:

Sixty-five or 70, a long time. Forever. But how long, I couldn't tell you. So I decided, I want to keep Western States Bank Card; I'm going to see Mr. Berger. And it was the weirdest experience. My dad had just died.

My dad had died in '72, so that's the benchmark by which I can date this. And I arranged—my dad had a friend named Jim Rudden. An older gentleman. And they were just good friends. And Jim Rudden was a man, from time to time, I could go to for advice or questions. He knew *everybody* in San Francisco. He was Irish from that old world of Irish politics, and though he was in a business—he had a company called Ray Oil Burner. But he was a friend of my dad's, and I went to Mr. Rudden. I said, "Do you know Berger?" He says, "I know him well." "Could you introduce me?" He said yes. So Mr. Rudden brought Mr. Berger over to my apartment—I lived on Chestnut Street at the time—because I knew that Mastercharge wanted that property, and I wanted to get friendly with Mr. Berger. And we met, and it was the strangest experience, Lisa. It was like my dad coming back to life: a man that had all my dad's mannerisms. My dad used to talk to you, and he'd put the chair right here, and he'd poke you with his fingers as he'd talk to you. Mr. Berger did all those things, and he and I bonded immediately. I told him the story, and he says, "It's yours." I said, "If you can deliver the land, I'll deliver the tenant." And we joint-ventured a building, and to this day—he died some years ago—I own that building—it's the headquarters for ABC Television, 900 Front Street—with Mr. Berger's family.

17-00:12:21

Rubens:

How could he deliver the land?

17-00:12:24

Bakar:

Because he was politically tied, Berger was, to the Port. He'd been there forever. He just went to the Port, and we designed a new lease to accommodate the building which is there now. And I said, "If you deliver the building, I'll deliver the tenant," recognizing—and it was Western States Bank Card; it wasn't the television station at the time—and I knew I could finance the building. And we've had a partnership ever since. We built and moved Western States Bank Card from here [points] over to here [tap]. And then there's another chapter of this story when that story turned into—to be the television station.

17-00:13:11

Rubens:

But just to flesh out the question: Berger was willing to end his potato business?

17-00:13:19

Bakar:

Oh yes. He was getting along in years.

17-00:13:20

Rubens:

How did you get wind of this in the first place?

- 17-00:13:36  
Bakar: Mastercharge made it clear that they had to move. They needed a much bigger building.
- 17-00:13:41  
Rubens: Right. And did they say where they were—
- 17-00:13:42  
Bakar: I found out through the scuttlebutt of the industry that they were looking at the lot where Mr. Berger was. And Mr. Berger said, "Nobody's kicking me out of here." So I got together with Mr. Berger. We shook hands, and one meeting—an amazing footnote to this: my dad had just died, and my dad and his brother were extraordinarily close. I introduced Uncle George, my dad's twin, to Mr. Berger, and it was as though he got his brother back. It was the strangest thing. And those two men bonded. They had lunch together I think almost every day after I introduced them. And when Mr. Berger died, I went to the funeral home, and they said, "A gentleman's been here for a couple of hours." It was Uncle George. He was sitting there—he had lost his brother again. It was quite a moving thing. But Mr. Berger and my uncle really bonded. It was just weird.
- 17-00:14:38  
Rubens: But I am just going to come back to that phrase "scuttlebutt of the industry." It's how things work.
- 17-00:14:43  
Bakar: I can't remember the details of that. All I knew is I was going to lose the tenant, and I was told where they were going. They were going—
- 17-00:14:52  
Rubens: And you knew there were these two other developers who were looking at it.
- 17-00:14:55  
Bakar: Yes.
- 17-00:14:56  
Rubens: Who were pushing him around.
- 17-00:14:57  
Bakar: Oh yes. Well, they had gone to the Port. They found out Mr. Berger only had a 30-day lease. And you know, it's ironic that these two fellows weren't smart enough to just go to Mr. Berger. So anyhow, I ended up with Mr. Berger as a partner. His son Ken—I guess it's Ken Berger—is my partner today. And the building today is ABC—is leased to ABC Television, or the network, whatever.
- 17-00:15:29  
Rubens: The building built by you?
- 17-00:15:32  
Bakar: Yes.

17-00:15:33

Rubens: Property leased from the Port?

17-00:15:35

Bakar: Yes. We converted the headquarters building that Master Charge had to the television station. And the very nature of the television station—and I'll pull a number out of the air—they must have put \$50 million in the building to accommodate all the technology. They have studios—they broadcast. When you turn on Channel 7 tonight, you can think of this session, because that's the old Western States Bank Card building. So, because they have so much money invested, they can't move out. And if you stop and think about it, it's kind of interesting: you can't move a television station. How do you move a television station? Do you go off the air for three months? I mean, they're there. And the only way they can move it is to really shut down, which they won't do. The lease comes up for renewal periodically, but they can't leave. Or they won't leave, is a better way to put it.

17-00:16:41

Dienstfrey: As I remember, they got a whole bunch of equipment for the Olympics, and that was the equipment that they moved into the new TV station.

17-00:16:49

Bakar: That could be. I don't remember that.

17-00:16:57

Dienstfrey: Another point—I mean, just listening to it, it always amazes me. I mean, the partnership was later documented, but it was sort of agreed to just because people could—seemed to think they would work together.

17-00:17:10

Bakar: Well, Mr. Berger did business much like many people of his generation: on handshakes. And at the beginning, we just had a handshake.

I can tell you that every real estate—*major* real estate office in town, and let me assume that there was five of them or ten of them—have every lease in their computer on every building. So they know the XYZ Company is in this building over there; their lease is up in two or three more years. So they'll go and try to negotiate to get them in another building. That's standard operating procedure. SOP. They have the records of every lease.

17-00:18:17

Rubens: I'd like to just finish up by getting back to Pier 45,—this is going on at the same time. Now we're back to '74.

17-00:18:28

Bakar: Well, that's really how I got meaningfully acquainted with Jim Joseph was through Pier 45.

17-00:18:32

Rubens: And what was your vision of what you wanted? Do you remember?

17-00:18:37

Bakar: Oh, it was mixed use. It was going to be retail; it was going to be offices; it was going to be housing—it was a wild dream that, looking back on it, was ridiculous. But at the time, we believed in it.

17-00:18:52

Rubens: I'm sorry that I can't remember: was 39 there?

17-00:18:58

Bakar: No.

17-00:18:58

Rubens: So this was going to be the first big, commercial, new development of the—

17-00:19:03

Bakar: We didn't get very far with it.

17-00:19:04

Rubens: Who were the other people involved?

17-00:19:10

Bakar: I can remember one. It was in the fall. I made a public announcement that I was pulling out because of this bizarre bureaucratic maze that I was facing. And I went to a Cal football game, and where I sit are a number of San Francisco people, and I was applauded as I came in, because the article had broken either that morning, on Saturday, or Friday before about me pulling out of Pier 45. And I tried to blast this organization.

17-00:19:50

Rubens: But the Cal people recognized you?

17-00:19:53

Bakar: Oh, no. Where I sit, there are certain people I know. Not the Cal people.

17-00:19:59

Rubens: I'm just wondering if you have an overview of how tightly controlled the Port Commission was? Were they doing favors with people? Was there someone or a division in charge of development? It seems to me the Port early on was making poor decisions. They could have had stuff come in earlier.

17-00:20:26

Bakar: I remember they—there was a woman named Miriam Wolf who did their leasing. And I'm sure she's long gone to the Happy Hunting Grounds, but she wasn't a rocket scientist.

17-00:20:47

Dienstfrey: Mr. Magnin?

17-00:20:48

Bakar: Cyril Magnin, from—the patriarch of the Magnin family, from Joseph Magnin's department store. Cyril Magnin was chairman of the Commission.

Mr. Rudden was one of the commissioners, the man I mentioned that introduced me to Mr. Berger. But a lot of the goings on were because of personal relationships that just develop in a community.

17-00:21:49

Dienstfrey: Alioto comes after Shelley.

17-00:21:51

Rubens: Yes, right after Shelly. But Morrison, I think, was kind in line

17-00:22:00

Bakar: Morrison. He was against everything.

17-00:22:09

Rubens: I have a note from the *Chronicle*, "The next meeting is May 17<sup>th</sup> at the Marin Civic Center. Bakar was given the first spot on the agenda."

17-00:22:14

Bakar: That's the Costal Commission.

17-00:22:17

Rubens: Right. That's part of that story.

17-00:22:25

Bakar: Let me see that Herb Caen column. He had 200 units. Oh, this is to do with the settlement. And you know, all this comes from Bill Coblentz.

17-00:23:04

Rubens: Here's a copy of a clipping I have from the S.F. History Room that has no author or by-line on it. It says you withdraw because of the lack of desire on the part of city government to go ahead with reasonable and economically viable port development.

17-00:23:26

Bakar: Yes.

17-00:23:28

Rubens: It's a great statement.

17-00:23:29

Bakar: Well, I got on a soapbox. This picture was taken when I was much older. Much older. My God! I have a lot of hair.

17-00:23:29

Rubens: So what I wanted to hear from you is what your thinking is about why the Port Commission was so incompetent in seemingly—in going ahead with reasonable economic—

17-00:23:53

Bakar: Oh, I think it was basically the NIMBY syndrome. Just the no-growth people.

- 17-00:24:01  
Rubens: They're being lobbied?
- 17-00:24:03  
Bakar: Right. And obviously, every developer thinks he's right, and he thinks the opposition's wrong.
- 17-00:24:10  
Rubens: So you had an ear, I'm sure, with Rudden; I don't know where Cyril Magnin sat.
- 17-00:24:15  
Bakar: I had an ear with both of them. But I didn't exercise that ear on Pier 45. It was a monumental project that probably never would have made any sense. And we just did a strategic withdrawal.
- 17-00:24:31  
Dienstfrey: A lease like that has to be approved by both the Port Commission and the Board of Supervisors.
- 17-00:24:42  
Rubens: So is David Rockefeller involved also with—
- 17-00:24:47  
Bakar: No. David Rockefeller was involved in Embarcadero Center—all these buildings here.
- 17-00:24:56  
Dienstfrey: That's where Levi's used to be.
- 17-00:24:59  
Bakar: Yes. We took Levi's out of Mr. Rockefeller's real estate.
- 17-00:25:03  
Rubens: So we'll do that systematically. But this is going on at exactly the same time, '73.
- 17-00:25:12  
Bakar: This was the story where David is out. So I'll have to just come up to speed a little bit more on that.
- 17-00:25:36  
Rubens: Earlier, it was Roger Lapham. He was involved in that earlier attempt.
- 17-00:25:55  
Bakar: He owned some of the real estate that was put into the North Waterfront Associates, which never got off the ground. But Travelers bought all that.
- 17-00:26:08  
Rubens: There's another thing, called Alpha Land Company?

17-00:26:11  
Bakar: I don't know who that was.

17-00:26:12  
Rubens: They were going to do 600 luxury apartments.

17-00:26:15  
Bakar: They did Telegraph Landing. I don't know who they were.

17-00:26:18  
Dienstfrey: And then stopped.

17-00:26:20  
Rubens: You are asking—you and Swig agree not to ask for any variances in height. OK. Here's another story about not going with Pier 45. I knew this. It's Barbagelata and Kopp that get in with this.

17-00:26:38  
Bakar: Oh, they hated me.

17-00:26:39  
Rubens: And you're—yes, they did. [laughter] And you're going to wrestle with them again with Levi's. Well, why did they hate you?

17-00:26:48  
Bakar: I don't know. I never understood John Barbagelata. I knew his brother quite well, and I used to ask his brother why he had this vendetta. I don't know why. He was just anti-anything I wanted to do. And Quentin Kopp was pretty close to him. They were both supervisors. John's brother, Bob, is kind of a friend to this day.

17-00:27:14  
Rubens: Was he a political animal like John?

17-00:27:15  
Bakar: No.

17-00:27:16  
Rubens: What did he do?

17-00:27:17  
Bakar: He was—and probably still is—a practicing attorney. A very nice man.

17-00:27:22  
Rubens: And then Quentin Kopp. These were both supervisors at that time, and was this the first time that you were taken on by them? Or had there been anything earlier?

17-00:27:47  
Bakar: You know, I was actually—I thought I was friends with Kopp, but for whatever reasons, I certainly wasn't.

17-00:27:57

Rubens:

I think partly, Barbragelata's claim, or what he's seeming to present himself as is someone who is looking for opaque dealings at the waterfront, and he thinks—there's a quote here that it had been operated as a "rummage sale." So he is going to inquire into how developers are—

17-00:28:18

Bakar:

Well, you can put in your record, there's nothing in my dealings with the waterfront that can't be in the front page of the newspaper. There was never anything that I would be embarrassed by. I had the ability to talk to some of these people, but they were, in my opinion, all good public servants.

17-00:28:43

Rubens:

When Joe Alioto became mayor, he put Harry Bridges on the Port Commission as well.

17-00:28:50

Bakar:

I think he did.

17-00:28:51

Rubens:

I don't know what Bridges's particular stance was, but it was the entré for David Jenkins, who then became—

17-00:28:58

Bakar:

Who was a wonderful guy.

17-00:28:59

Rubens:

Interested in—he got involved representing Olympia and York.

17-00:29:05

Bakar:

I don't know.

17-00:29:07

Rubens:

We're circling around this issue of what's going to happen on the port, and then how critical Levi's is. Also, you are profiled in December 1973 in *San Francisco Business*.

17-00:29:26

Bakar:

That could be. I don't know.

17-00:29:27

Rubens:

A nice piece. And I also learn that in October of '74, you become a trustee of Dominican College. You envisioned that there's going to be a forest or perhaps a meadow landscape, and there's going to be a recreational and cultural center, and in fact, you literally donate tennis courts. How did you become interested in Dominican?

17-00:29:54

Bakar:

Howard Friedman, the architect, who was, parenthetically, the architect for the Levi Company, their in-house architect/advisor, and was a member of the family that owned Levi Strauss and Company. Howard had been a

longstanding chairman of the board of trustees of Dominican, and Howard invited me to serve as a board member. And it was a very rich experience. I was there for about ten years.

17-00:30:26

Rubens: He of course wanted you because they were redeveloping their campus, isn't that right?

17-00:30:32

Bakar: Well, they were a small institution that had a lot of problems, and to some measure—I don't know how Howard perceived me, but I was delighted to go on the board.

17-00:30:43

Rubens: It sounds like you created tremendous—

17-00:30:47

Dienstfrey: He also became very friendly with the then-president.

17-00:30:49

Bakar: Yes. There was a Dominican nun named Sister Samuel, who was an extraordinary woman. And her—I guess enthusiasm and her insight was—she was just a great leader. So it was a privilege to serve with her on the board. She was acting president during my watch, and Howard was chairman of the board of trustees.

17-00:31:20

Rubens: I have a nice report on you from Gerry Adams, who was for so many years the Neighborhoods and Planning Commission reporter for the—

17-00:31:53

Dienstfrey: *Examiner*. He still lives somewhere around—

17-00:31:57

Dienstfrey: I think it's in Telegraph Landing.

17-00:31:58

Bakar: Yes.

17-00:31:59

Rubens: He's just moved. And I called him for background information.

17-00:32:06

Bakar: Did you know him before you had called him?

17-00:32:09

Rubens: I actually had. I had invited him to be the keynote speaker at a huge school function I had done on neighborhoods of San Francisco, but he wouldn't know who I was. And I said that I'm doing, in general, the growth of San Francisco, and particularly an oral history with you now. And he said, "You know, I suppose I took my stance at times, but I came to live nearby." And he said, "I

would see Gerson Bakar walk around that area, and bend down and pick up trash."

17-00:32:37

Bakar: I do to this day.

17-00:32:39

Rubens: He said, "It gives me chills." He said, "It gave me a real sense of the measure of a man."

17-00:32:44

Bakar: When I go to any of my projects, I learned that if I pick up all the trash I see, my employees will pick up all the trash they see. But the best thing about it is the tenants, after a while, don't throw any trash. And I think it's just something that anybody that owns property should do.

17-00:33:03

Rubens: I think you're right; I feel like it's a kind of civic, nice thing to do.

17-00:33:12

Bakar: When we go out to lunch, Teddy and I or anybody in the office, if any of us see a piece of trash, we all pick it up.

17-00:33:18

Rubens: Yes, exactly. That was one of the reasons I loved Ladybird Johnson, because I loved her doing beautification of the highways.

17-00:33:33

Bakar: Oh, that's nice.

17-00:33:35

Dienstfrey: A while ago, I saw Jerry on the streets, and he was quite taken by how the park at Levi's was maintained. I mean, he was just astounded by that. Now, when Levi's was being approved, he wrote—he was just interested in the argument. He was not interested, as I remember, in the fact that this would be good for the city—he was just interested that people up on the hill were concerned as to what was going to happen.

17-00:34:09

Rubens: And he's a bit anti-developer, there's no question about that.

17-00:34:12

Dienstfrey: Yes. I mean, but it was the argument that he liked.

17-00:34:14

Rubens: "Argument" meaning?

17-00:34:14

Dienstfrey: It was not the fact—the conflict. It was not the fact of whether this would be good or bad for the city; it was the conflict. That's a big difference.

17-00:34:21

Bakar:

But I remember, I met—it was over this building—I met with a bunch of the people up on the hill, and I invited them to lunch to tell them what I was going to do, just for this little building. And the hill people perceived anything they can visually see as their principality. And in fact, the head of the Telegraph Hill Association is a tenant, coincidentally, in this building today. His name is Paul Scott. But I remember, I had them out somewhere, and I bought them all a lunch. And he wrote an article that I was bribing—or I don't remember the exact verbiage. But I was kind of bribing them. My bribe was a lunch. I plead guilty.

17-00:35:12

Rubens:

I have quite a bit on that. And that it does seem that you would constantly come up with accommodations. So we'll have roof gardens.

17-00:35:21

Bakar:

Well, we tried.

17-00:37:17

Rubens:

By the way, I went last night to the opening of Bloomingdales, on Market Street

17-00:37:18

Bakar:

Isn't that a magnificent store?

17-00:37:20

Rubens:

Yes!

17-00:37:21

Bakar:

Unreal.

17-00:37:21

Rubens:

Did you go to the gala? What night was the Developers Gala?

17-00:37:25

Bakar:

I went the night before. I was at the first opening. In fact, Barbara and I were co-chairmen of that with—I call her my niece—Nanci Fredkin and her husband. There were five couples who were co-chairs. It was a fundraising event for UCSF, 10% of it went to UCSF.

17-00:38:05

Dienstfrey:

You'll get into this: that both Bakars are pretty involved in UCSF.

17-00:39:22

Bakar:

The mall—I haven't seen it, either. I saw it under construction about two months ago. It's unreal, it's so big. It is huge.

17-00:39:31

Rubens:

So it really is Willie Brown who brings this to San Francisco?

17-00:39:34

Bakar: I guess.

17-00:39:35

Dienstfrey: It's hard to see how things like this could have gotten approved without Willie. I mean, Willie was pro-development, pro-trying to increase the tax base of the city.

17-00:39:46

Bakar: Willie can make things happen. This current mayor? A nice gentleman he might be, but all he's interested in is the gal on his arm that night.

17-00:39:55

Rubens: And by the way, I also saw the Matthew Barney exhibit at SFMOMA, and of course we'll be talking soon about your role with SFMOMA's board.

17-00:39:59

Bakar: Yes. I'm not a Matthew Barney fan. You see the movie?

17-00:40:03

Rubens: But I had not seen your name before on the upper gallery. Your name kind of wraps around—yours and Barbara—the gallery. And I thought it was a great use of the gallery.

[break in tape]

17-00:43:13

Bakar: Regarding my "birthday book album," did I tell you the story about the airplane ride?

17-00:43:17

Rubens: No.

17-00:43:18

Bakar: Barbara did the book. And the book is much thicker than the copy, the one you're using. And it was for my 70<sup>th</sup> birthday. And I was very suspicious that she was doing the book, because she had done one for, I think, her mother, who had turned 70 a short time before me. And we're flying to Hawaii for my 70<sup>th</sup> birthday. And we had a terrible scare related to engine trouble with the plane over the Pacific. And I say that it lasted five minutes; Barbara says it lasted 15 or 20. But there was all sorts of noise and disruption in the flight, and it was very frightening. And we had to do a forced landing. We couldn't go where we meant to be; we went to Oahu instead of the Big Island. So I said later to Barbara—because my thought as we're going down is, "Nothing you can do." You kind of hold on, and your stomach flips a couple of times. And my thought was, "We're going to go down together." I said, "Barbara, what was your thought?" She says, "You're never going to see your scrapbook."

17-00:44:25

Dienstfrey: She was trying to figure out whether to get it out or not.



**Interview 9: October 9, 2006**

Begin Audio File 17B

Rubens: We've not seen each other for awhile. You've been traveling.

17B-00:00:36

Bakar: Yes.

17B-00:00:37

Rubens: I'd like to project the topics we'll cover in another three interviews. I think we should get your response to rent control and the no-growth policy and the development of the Housing Council; then do Levi's Plaza as a whole entity because we've done bits and pieces; and then do your work with the San Francisco Museum of Modern Art.

I guess we can't talk about every single thing you were involved in. And I still have some leftovers. Here is one regarding that failed international market center that had evolved in '68, I couldn't think of the man's name: the newspaper article said it was Roger Lapham who lost a bundle and I'm quoting here from *The Examiner*—"lost a bundle in an ill-fated attempt to create a \$100 million international market center." I didn't know if you paid attention to that in '68 if you were—?

17B-00:02:32

Bakar: Well I was certainly aware of it. Do you want me to talk about how that—I'm happy to start there today.

17B-00:02:41

Rubens: Sure.

17B-00:02:42

Bakar: And talk about how that relates to what became Levi's Plaza. Did we ever talk about the fishing trip with Wally?

17B-00:02:49

Rubens: No.

17B-00:02:50

Bakar: Oh. Well I mean you have to guide me. Where do you want to start today?

17B-00:03:11

Rubens: I just want to ask if you knew Roger Lapham?

17B-00:03:17

Bakar: Not really.

17B-00:04:18

Rubens: Also I have an article dated December '71 by Russ Comb from *The Examiner* claiming that over the lake Merced Hill planning commission hearing that you gave Alioto \$1,000 for his campaign; \$250 to Supervisor Mendelson and has

done similar favors for Joseph Tenney and Supervisors Terry Francoise, Maillard, Boaz—who all seemed to oppose the variances you wanted. I'm trying to just sort out why this guy is going after you. I mean was that so much money to be giving to the Mayor \$1,000 in '71?

17B-00:06:02

Bakar: No.

17B-00:06:03

Rubens: Alright, and to the other Supervisors?

17B-00:06:05

Bakar: But to members of the press any dollar contribution is—I shouldn't say any—but most dollar contributions are written up as though you're buying total commitments to your—whatever you believe in and that's the way the press at least in my perception judges these contributions.

17B-00:06:34

Rubens: I don't know what his axe to grind is. The only reason I'm bringing it up is because there is a little background to the political upset among the Supervisors that will impact on Levi's Plaza. And so I just thought we should raise it. We mentioned earlier Barbagelata—

17B-00:07:37

Bakar: And I think John also was very much against Lake Merced Hill.

17B-00:07:43

Rubens: OK. And you're the only one whose picture gets in that particular story of mud-slinging. There's other mud-slinging there. All right; so those were my leftovers on politics. Also by the way you're not in Herb Caen very often but did you have a relationship with Herb Caen?

17B-00:08:03

Bakar: Well I knew him.

17B-00:08:06

Rubens: He has a short little paragraph here and it wasn't—

17B-00:08:10

Bakar: May I see it?

17B-00:08:10

Rubens: Yes, please because it's kind of interesting. It's a little snide. And I wondered, what is he doing there.

17B-00:08:24

Bakar: Well he's just reporting in this column about the settlement on the lawsuit that was filed by this young man and that's just his commentary and his way of talking about it.

- 17B-00:08:42  
Rubens: I thought it was a little snide to say "buy-off." Is buy-off really what you were doing by giving donations to Alioto and the named supervisors earlier?
- 17B-00:08:50  
Bakar: That's Herb Caen. And most press people in my opinion have their own slant towards every news story.
- 17B-00:09:01  
Rubens: I think I find you only two other times in Herb Caen. And it had to do with an Israeli bond event that your house was used for—this is '69, I think. And I know in '75 you do go to Israel. Is that something that you want to talk about at all? I got that out of your birthday book. Is that—?
- 17B-00:09:35  
Bakar: To the measure that you think it should be included.
- 17B-00:09:39  
Rubens: I don't know exactly how important that was to you?
- 17B-00:09:43  
Bakar: Well the leadership in the Jewish community encourages people. One of their principal functions is to help raise money for the needs of Israel and they encourage people that are potential contributors to visit Israel and they arrange trips—sometimes they're called missions. I went to Israel under one of those Jewish community missions of whatever year it was, 1975.
- 17B-00:10:20  
Rubens: And you had not been before?
- 17B-00:10:23  
Bakar: No; that was my first visit.
- 17B-00:10:25  
Rubens: And was it—who else traveled with you?
- 17B-00:10:28  
Bakar: Bill Coblentz is the only person I remember. But there were probably 10 or 12 people.
- 17B-00:10:37  
Rubens: And was it a memorable trip for you?
- 17B-00:10:41  
Bakar: Very.
- 17B-00:10:43  
Rubens: Did it draw you more into the philanthropic world?
- 17B-00:10:50  
Bakar: Well it drew me to what was the purpose of these missions—to get potential contributors involved in helping Israel—and it certainly accomplished that.

17B-00:11:04  
Rubens: Was that something that your parents had—

17B-00:11:12  
Bakar: No.

17B-00:11:12  
Rubens: And this is just a sideline. I've always wanted to ask you this—were you never drawn to purchasing property where the old Petaluma chicken farms were?

17B-00:11:26  
Bakar: No.

17B-00:11:26  
Rubens: It didn't seem like that was going to be a growth area.

17B-00:11:31  
Bakar: Well I just never focused on Petaluma.

17B-00:11:33  
Rubens: Since I'm making you take detours, one other detour I have from your birthday book is that in 1975 you're involved with Bill Graham Productions.

17B-00:11:54  
Bakar: Yes. Bill was a friend and he placed me on his board. He had set up a board of directors or a board of advisors. Bill was a very strong personality and it turned out it was a meaningless role because Bill made every decision and the board kind of just disappeared. It ceased to function.

17B-00:12:21  
Rubens: So the board wasn't a charity board; it was a board for the production company?

17B-00:12:24  
Bakar: Right. But they were thinking of diversifying and going into other fields which they never really did.

17B-00:12:33  
Rubens: And you had just known him from the—

17B-00:12:38  
Bakar: In the community and primarily through Bill Coblenz

17B-00:12:56  
Rubens: Now I'd like to ask you how did you come to get involved with creating the Housing Council.

17B-00:13:55  
Bakar: My business, as I've stated to you several times, was primarily multi-family housing, building apartment houses to rent. And that was probably 75 or 80 or 90-percent of my activity and a move toward rent control had started in a number of communities. A group of us in 1975 got together to fight the battles

of rent control and we created an organization called the California Housing Council made up primarily of large owners and/or developers of multi-family apartment houses. Our function was mainly focused on the state and then we would help local communities—people that owned apartments in local communities when they had a local battle. And our goal was to get a preemption of rent control to get into the state legislature that you couldn't have rent control without the approval of the state. And we were not successful; we got an initiative that qualified on the ballot in 1978 I guess it was—

17B-00:15:33

Rubens:

Not until '80.

17B-00:15:34

Bakar:

Proposition 10, right. But what happened in 1978 we had the Jarvis-Gann initiative which principally dealt with the regulation and limits of real estate taxes that could be put on homeowners' properties. And the homeowner became an ally or was an ally in the rent control battles because if rent control was imposed the ability to have incremental value in the apartment houses was limited with rent control. Therefore when communities had to raise money they would tax single family even more. So we attempted to make it a state issue to fight rent control and the state—that only the state could impose rent control, and we were unsuccessful.

17B-00:16:47

Rubens:

I can't quite get the logic of how you thought the state would—

17B-00:16:51

Bakar:

Well there were so many fires at the local level. And I define a fire as a—as people that get together in a given community, Cotati, Santa Monica, Berkeley, and try to impose rent control, rather than fight all these little brushfires we had hoped that we could end that by putting all of our focus at the state level and we were unsuccessful. Prop 10 did not pass. We later got something at the state level relating to an issue called vacancy de-control. And most rent controls that have been imposed thanks to what we got through the legislature on vacancy de-control when an apartment becomes vacant it must be de-controlled from the rent control that's imposed on it. So somebody rents an apartment for \$1,000 a month and that apartment later is worth \$1,300 or \$1,400 or \$1,500, they can't get those things until it becomes vacant. Then they can charge it whatever the market is; they can charge it to the new tenant. That's called vacancy de-control.

17B-00:18:14

Rubens:

That came through—

17B-00:18:18

Dienstfrey:

In the 1990s.

- 17B-00:18:22  
Rubens: Ted and I had talked a few sessions ago about efforts in San Francisco—
- 17B-00:18:34  
Dienstfrey: Well there were—starting in '78 there were four efforts to get vacancy control in San Francisco. Initiatives—or various things, and once Jarvis-Gann's initiative passed there was so much anger against the property owners that rent control—a form of rent control came to San Francisco and to Los Angeles but it didn't include vacancy control. Dianne Feinstein was mayor at that time and Bradley was mayor in Los Angeles.
- 17B-00:19:29  
Bakar: There were six original founders of the Housing Council
- 17B-00:19:34  
Rubens: Was there a prime initiator? How did this Council literally come to be formed?
- 17B-00:19:41  
Bakar: You know I honestly don't remember. We all knew each other well; we all were in the apartment business and I can't remember who pressed the button to get us all together. But—
- 17B-00:19:54  
Rubens: But indeed you did?
- 17B-00:19:54  
Bakar: Indeed we did; it could have been Ted Dienstfrey who was associated with me at the time. But in any event we all got together and realized we had to do something.
- 17B-00:20:03  
Rubens: Who are these men? Are they big developers?
- 17B-00:20:08  
Bakar: Howard Ruby was from Southern—from Los Angeles; Bob Powell was from Sacramento; Larry Kates was from Santa Monica; and organization BRE was an REIT—was basically in the multi-family business; Preston Butcher and myself.
- 17B-00:20:31  
Rubens: Preston Butcher was—
- 17B-00:20:32  
Bakar: An apartment house developer from the Peninsula.
- 17B-00:20:35  
Rubens: So you really had people spread out.

- 17B-00:20:37  
Bakar: Throughout the state, right. Sacramento, Southern California, and the Bay Area.
- 17B-00:20:43  
Rubens: And did you meet very often? Was there an intense period of—
- 17B-00:20:49  
Bakar: There probably was an intense period which led up to the initiative that I mentioned earlier, Prop 10.
- 17B-00:20:59  
Rubens: Somebody had to be working the legislature a bit. Did you find a sympathetic ear? Were there a few, one or two people up in the Legislature who seemed to carry this or respond to this?
- 17B-00:21:13  
Bakar: You know I don't. I don't remember that.
- 17B-00:21:15  
Rubens: You had a position on rent control?
- 17B-00:21:24  
Bakar: I was clearly against it.
- 17B-00:21:28  
Rubens: Petaluma for instance—No Growth, the cities that were trying to pass—?
- 17B-00:21:35  
Bakar: Well that's a separate issue though they're related.
- 17B-00:21:38  
Rubens: Yes. Well maybe we should move to that unless—do you think there's something more to say specifically about the Housing Council? Then you're quoted and I'll show this to you in response—you're right at the top. It's an 80-page document that spells No Growth and you say, "I can't be a party to this." I don't know that it resulted in legislation; it's 1977.
- 17B-00:22:15  
Bakar: Well I don't remember the document, but certainly reading the quote I'd have the same position today. Just the levels of bureaucracy that get layered on the development process are monumental.
- 17B-00:22:33  
Rubens: You are quoted again at the end of the article: 30-percent of all cost increases in building projects in the past two years can be attributed to the time and effort it takes to get through the bureaucratic process. This is said by Donald Canter in '77. I'm not sure if it was in the *San Francisco Chronicle*. Also one of the critiques—this was from the Planning Director of San Francisco, Ry Okamoto, said that it had many flaws—the plan and one was that it would

intensify urban areas and that there was a failure to include greenbelt or regional open space, so I was kind of surprised at the limitations of—

17B-00:23:28  
Dienstfrey:

Well this was a state plan with a state agency which—and there's always this contention between who gets to plan what—the local, the state, and the state has limited authority but every now and then they produce a plan.

Gerson was interested in a set of regulations, but you didn't want to deal—the feeling was that the state legislature would not be pressured. You'd have 200,000 rental units in San Francisco. One thousand people show up; that's one-half percent show up at City Hall. The supervisors don't quite know what to do. At the state level things can often tend to be a little calmer and you can see well what are the implications of what you're doing; will it result in fewer units; will it help or hurt the tenants? And it gets a little less emotional. With rent control the condition of the tenants gets worse because there would be more demand and fewer units.

It was just setting more regulations so it limited what the State Executive Office was trying to do and the state legislature never quite went along with it.

17B-00:25:17  
Rubens:

So in a way this also undermined the construction of more rental units?

17B-00:25:28  
Dienstfrey:

That was our belief at the time.

17B-00:25:31  
Rubens:

Now regarding Levi's Plaza, I think that the story goes that the idea originates on a fishing trip?

17B-00:26:01  
Bakar:

Levi's Plaza, yes. I think previously we talked about a man named Henry Adams that—you mentioned Mr. Lapham's name but a group of people got together and attempted to build a \$100 million plus marketing center in what is generally today Levi's Plaza. And it was a deal that during its—in attempting to put it together they formed an entity called North Waterfront Associates and most of the property owners threw their property into this partnership and the partnership sold all their property to the Travelers and leased it back with the hope obviously that Travelers would subsequently finance the project. The project was never carried forward and Travelers ended up owning this large chunk of land. We traced the area in a previous interview.

17B-00:27:20  
Rubens:

I have it pretty vivid in my mind.

17B-00:27:22

Bakar:

Travelers ended up owning what amounted to about 11 acres of land in what amounted—which included four, five, six, seven parcels if I remember correctly. And it became using the term Vietnam—it became a Vietnam for them. They shouldn't have gotten involved in it and they couldn't get out. So here Travelers was sitting with this land and they really didn't know what they were going to do with it.

17B-00:28:00

Rubens:

Why shouldn't they have become involved in it?

17B-00:28:03

Bakar:

Because they're not developers. They were involved in it to diversify I guess some of their investment portfolio.

17B-00:28:14

Rubens:

We had talked earlier about strategies of insurance companies that do that.

17B-00:28:18

Bakar:

Right; and so a gentleman by the name of Mel Swig approached me with the idea of—because I knew Travelers well since I had done a lot of business with Travelers—of putting together an office park and we formed a—kind of a loosely—we put together a loosely formed partnership and started discussing the acquisition of that land and what we were going to call it Greenwich Square, because Greenwich Street had a good sound and we were going to do an office park. With the vision of hindsight it was nowhere near as physically appealing as Levi's Plaza became but it included the land which is now Levi's Plaza. And that deal for a number of reasons just fell apart. I think the office market changed; we were considered to be way out of the mainstream of the commercial or the financial district of San Francisco and we were never able to complete and move forward with Greenwich Square.

Sometime after that I was invited on a fishing trip by Walter Haas, Jr. who was then CEO of Levi's, the clothing manufacturer. And they were headquartered in what is now Embarcadero Two, the second tower at that Embarcadero Center. They occupied some 10 or 12 floors in that building. And on the fishing trip Wally, as he was known, said to me what a mistake he made moving Levi's into a high-rise building. Walter had a very personal relationship with his company and his employees, and moving into a high-rise as opposed to the friendly building they had been in that was much smaller he didn't see his employees anymore. He went up one elevator, his employees went up another elevator, and he was complaining to me about that. And I had—had because of the Greenwich Square period—I had my eye on that land. So I said, "Why don't we move you out of the Embarcadero Center and move over to a project which we could call Levi's Plaza?" And that was the beginning of the journey which ended up being Levi's Plaza.

Now I can walk through the steps to make it happen. The first thing I did is I went back to Travelers and I secured an option at what we deemed to be a very fair price to buy the land that Travelers had.

17B-00:31:27

Rubens:

They're eager to get rid of it; they're over their heads?

17B-00:31:31

Bakar:

Well they want to sell it and it—because of its location it didn't relate to the financial district. It was kind of a tough piece of property to figure out what to do with. I felt that it was large enough to create our own environment and to create a sense of place. Levi's as a company was a public company by this time. And Levi's had just signed the lease and moved into the Embarcadero, which was where Walter felt he was losing touch—losing the ability to be in touch with his employees. And so when I broached him, came back from the fishing trip and had the idea and started to discuss it with him, he was all for it. But he had one condition he threw at me. He was on a long-term lease, I believe it was a 20-year lease and he was into only the first year—maybe somewhere between one and two years of that lease when we started to talk about moving him out. And he said, "Gerson, I will not be responsible as a public company to paying rent on two locations. And even if you, Gerson, said you would take over my lease, the amount of money involved"—Levi's had about 200,000 feet of space—and he said, "If you, Gerson, took over that space and you couldn't rent it, you'd be responsible for it, and if you didn't pay the rent then we would have to pay it"—because they were on the lease. Even though I was willing to take it over, he said, "I don't want you to go broke." And it was a lot of money. So our dilemma from a business standpoint was how could we protect Levi's so that they never would have the exposure on two leases? And I may or may not have mentioned to you about a gentleman named Jim Joseph.

17B-00:33:46

Rubens:

Yes, in a previous interview.

17B-00:33:47

Bakar:

Well Jim Joseph and I had joined forces on Pier 45, for a very short period, but we had become friendly. I told Jim what was happening with Levi's and Jim gave me an idea which would keep Levi's from being exposed to two leases. He said, "Why don't we build the project and provide to Levi's a clause that if we"—whoever took over the Embarcadero lease, if our partnership didn't pay the rent there, Levi's wouldn't have to pay the rent to Levi's Plaza; they would have an offset. And that idea was the basic idea that was—that allowed me to meet Walter Haas' criteria of not being responsible on two leases at the same time; repeating, if we took over the Embarcadero Center lease and Levi's' obligations and we here at Levi's Plaza didn't pay that lease in the Embarcadero Center, Levi's would not have to pay the rent in our project.

17B-00:35:08

Rubens:

But wouldn't—ultimately it sounded like Wally had two concerns: one of course was the public perception and responsibility and the second was you. He said I don't want you to go broke, but if it was offset and rent wasn't coming in here at Levi's Plaza wouldn't that ultimately be the same thing? You'd be picking it up?

17B-00:35:29

Bakar:

How we overcame that, the next step was to get a lender, a financial partner who had significant resources to be the landlord along with us and that again went back to our friendly insurance company Travelers.

17B-00:35:49

Rubens:

Embarcadero Two—you and your friends are not the landlords? They're—someone else is the landlord.

17B-00:35:54

Bakar:

Mr. Rockefeller was the landlord of the Embarcadero—so to make a long story short we bought the land with Equitable.

17B-00:36:11

Rubens:

And what was Equitable?

17B-00:36:12

Bakar:

It's one of the biggest insurance companies in America. Equitable became our partner in Levi's Plaza. And the provision in the lease to Levi's was that if we didn't pay the obligation at Embarcadero Center, they wouldn't have to pay the rent to us.

17B-00:36:33

Rubens:

Why is Equitable willing to go along with this?

17B-00:36:36

Bakar:

Because they liked the business deal and they were satisfied that the exposure—the financial exposure was minimal or could be handled by virtue of the dynamics of the market. Levi's was paying only about \$11.00 or \$12.00 a foot for the rent in Embarcadero. And the office rents had moved up significantly higher than that. So they felt they could always sub-lease the Embarcadero space.

17B-00:37:10

Rubens:

But you had said earlier that was still a significant figure though?

17B-00:37:12

Bakar:

Oh absolutely. It turned out we went to the Rockefeller Partnership and their representatives and offered them \$500,000 if they would let Levi's off the lease; they countered and said they wanted \$5 million and that ended our negotiation with them. It turned out a couple of years later when we finally put the Levi's space on the market at Embarcadero Center that we were able to sell that lease for about \$17 million—our position in that lease. And that's not

quite true; we were able to sell it for a significant sum. All of a sudden we had kind of an embarrassment with Mr. Haas because we were fighting hard to get our rents up at Levi's Plaza and we simply—I simply went to Walter Haas and I told him the project—which was true—was costing us significantly more. And the profit that we were getting out of Embarcadero Center from selling that lease would offset for us the incremental costs that the new project was costing over our budget. So we ended up holding the budget by virtue of what appeared to be unanticipated profits on selling the old lease.

Dienstfrey: Do you understand what he meant by selling the old lease?

17B-00:39:06

Rubens: I think so; I just don't understand the timing. This is future projection—is that right—because Levi's is going to have to occupy Embarcadero Two for the seven—

17B-00:39:20

Bakar: Yes; this deal was made before Levi's Plaza was built, obviously long before they were going to move out. So we were dealing with no numbers at the time; it turned out that office rents went up and we were able to dispose of the Embarcadero lease. It turned out that we made an unanticipated profit, but Levi's Plaza cost us more than we had expected, so one offset the other. We didn't end up with a windfall.

17B-00:39:54

Rubens: I just want to go back to Rockefeller for a minute. You offered \$500,000 and they asked for \$5 million. There was no negotiating?

17B-00:40:04

Bakar: None.

17B-00:40:04

Rubens: Because the spread was so great you knew they weren't willing to negotiate?

17B-00:40:10

Bakar: They did not want us to steal their tenant.

17B-00:40:15

Rubens: Ah-ha. How—but then how much time elapses between that and then when you—?

17B-00:40:24

Bakar: Finally sold the lease?

17B-00:40:26

Rubens: Yes.

17B-00:40:27

Bakar: Oh I'd be hard put to be exact. Probably as long as two years.

17B-00:40:33  
Rubens: So in their minds did you steal their tenant? I mean—

17B-00:40:36  
Bakar: Well the word *steal*—that's standard in the industry. They had a tenant, the name of the building was the Levi's Building; the Embarcadero Two was called the Levi Strauss Building.

17B-00:40:53  
Rubens: Who had you lined up? Who did you think would be taking that lease?

17B-00:40:59  
Bakar: We had nobody lined up when we made the deal. It turned out that Bank of America took the lease.

17B-00:41:04  
Rubens: I want to drop back, and I'm not asking this question quite right. I wanted to know how well you knew Haas before but my point of asking that is really when he went into Embarcadero he hadn't consulted with you about if you knew places he should go before he went to Embarcadero Two?

17B-00:41:26  
Bakar: No, not at all.

17B-00:41:27  
Rubens: Because you're not known particularly as an office person either; is that right?

17B-00:41:32  
Bakar: No; we were just operating in two different worlds. I was not aware of his desire to get out of Embarcadero until that fishing trip. The fishing trip was the genesis of Levi's Plaza as we know it today. Levi's Plaza as we know it today was the successor to a failed project called Greenwich Square.

Dienstfrey: Do you know why he asked you on the fishing trip?

Bakar: Oh we were friendly. I had gotten to know Wally in the community. The fishing trip had nothing to do with business.

17B-00:42:40  
Rubens: Colbentz was on that trip too wasn't he?

17B-00:42:42  
Bakar: Yes. And I was probably invited more because Bill and Wally were very friendly and then Wally knew that Bill and I were friendly, so the invitation was kind of an extended invitation.

17B-00:42:57  
Rubens: Sure; I also wanted to just ask if I'm missing anything about when Greenwich Square basically dissolves. It doesn't work?

17B-00:43:05

Bakar: Right.

17B-00:43:08

Rubens: Is Swig looking at anything else? There's nobody else coming into that area; you worked the deal with Travelers?

17B-00:43:17

Bakar: At one point I think after Greenwich Square failed I was aware that ABC Channel 7 was looking for a new station and I tried to get them on some of this land and I was not successful.

17B-00:43:45

Rubens: All right; but later you do get them into a building that you have built.

17B-00:43:49

Bakar: Yes, which I can talk about whenever you want.

17B-00:43:53

Rubens: Yes; well I think we did that building last week.

17B-00:43:57

Bakar: Nine hundred Front Street with Mr. Berger, the potato king. What happened is we had leased 900 Front Street to Mastercharge. It turned out that Mastercharge shortly after they moved in moved out. And they sub-leased it to Firemen's Fund, so I inherited Firemen's Fund as a tenant at 900 Front Street. After I failed to get Channel 7/ABC at Levi's Plaza I heard in the rumor circles that Channel 7 was looking to sub-lease my building at 900 Front Street unbeknownst to any of the history and I got very much involved in that process and they became our tenant.

17B-00:45:13

Rubens: Right; and you redid the building basically for them and that's—

17B-00:45:17

Bakar: Yes. They redid the building. They put in millions of dollars.

17B-00:45:23

Rubens: When the plans for Levi's are generated, when does it become more than a headquarters?

17B-00:45:57

Bakar: No; it was going to be with the exception—the project as we designed it and as it was subsequently built was a project of about 800,000 square-feet of office space and approximately 60,000 feet of support space or retail, restaurants—et cetera. And parking on one of the parcels going back to our famous map—this became Levi's Plaza and this was another piece of property that they owned and they owned a piece of property here. So Levi's Plaza became all of this; parking for Levi's Plaza ended up here and above that parking ended up a condominium complex called 101 Lombard.

17B-00:47:35

Rubens: That's literally where I'm parked today is that right?

17B-00:47:37

Bakar: Yes; we have four levels of parking on this parcel and this is a diagram of the parking if I may.

17B-00:47:57

Rubens: That is three levels?

17B-00:47:59

Bakar: Four—one level is underground; this is the street. So when you came—you came in—this is what it's called—a section. When you came in you entered here (Sansome). But that's this level; that's street level. You entered here. In that garage you can go down one or you can go up one. And these three levels are parking for Levi's Plaza—these three. This upper level is parking for the condominiums. So this is parking for people that live here; this is parking for Levi's Plaza; but one of the nice things which is just an aside to the measure that if these people have more cars they're able to also rent from us. So Levi's Plaza owns these three levels of parking. The condominium owns this level and then this entire block has two parcels—one parcel are the three—these levels; one parcel is one level plus the two buildings. You follow it?

17B-00:49:23

Rubens: Yes. How many stories ultimately including the condominiums?

17B-00:49:28

Bakar: Well I mean there are four levels of parking and then one level has five or four. Whatever it is—one level is either four or five levels of apartments and the other level I think is nine, but I'm not sure. Those numbers should be checked.

And then we had this parcel. Levi's named them A, B, C, D, E. Let's see A, B, C, D—in any event I don't remember. This level—oh Saddleman Building—thank you Ted; there's a building—see we're right here. There's a building here, little building. It goes A, B, C, D, E, F and G; this became their computer center. This became what I've just talked about, and we sold this and somebody else bought it and developed a project there.

17B-00:50:38

Rubens: When did your Filbert finesse happen?

17B-00:50:41

Bakar: Oh this was about done when this little parcel came on the market and I bought it.

17B-00:50:48

Rubens: So all of this is part of the—?

17B-00:50:51

Bakar: They had one, two, three, four, five, six, seven—parcels.

Dienstfrey:

How did Wharf Plaza become part of this?

Bakar

Had nothing to do with this. Wharf Plaza—we have a project over here—we have another project over here called Wharf Plaza, which is senior housing. One of the conditions of our entitlement when we went to get our zoning permits from the City Planning Commission, in the course of getting these permits the City wanted us to put in some affordable housing. And I did not want to put the affordable housing in market rate housing because they don't mix; they're oil and water. They're really two separate things—at least I felt that way. So I was able to satisfy the Planning Department's desires by picking up two pieces of property over here.

17B-00:52:00

Rubens: They came on the market and you saw them—

17B-00:52:01

Bakar: They came on the market; the Bank of America had them. The B of A used to park on this lot their repossessed automobiles and I think on both lots.

17B-00:52:11

Rubens: What street are we talking about—this is Francisco?

17B-00:52:14

Bakar: Let's see—this is the stub end of Francisco and this is Kearny. So at some point if you were to drive over there we made this into a little park and we built two buildings. And these are still owned by the original partnership of Wilsey, Bakar & Joseph, Mr. Joseph having passed away. But we still own them.

17B-00:52:42

Rubens: My original question was how much are you envisioning when you begin and are you saying it included this and this and then—

17B-00:52:54

Bakar: Yes, and then we bought it.

17B-00:52:55

Rubens: And then the permit generates this but you're already thinking about condominiums there?

17B-00:52:59

Bakar: Oh no. When we bought this from Travelers, Travelers owned again A, B, C, D, E, F, G; Travelers owned all this so when we bought it we clearly wanted to put in some housing and the parking. We had minimal parking over here just under one building. And this became the computer center for Levi.

17B-00:53:23

Rubens:

Who do you go before for your design plan?

17B-00:53:25

Bakar:

HOK designed this; an architect named Karl Treffinger designed this. He designed the building that I live in today. He was a young architect. Karl Treffinger was a young architect who basically was assigned the design of Woodlake in Wurster's office. He went out on his own and I subsequently did a fair amount of business with him and he designed these apartments, 101 Lombard. HOK was the architect.

17B-00:54:30

Rubens:

And you bring in Halprin?

17B-00:54:33

Bakar:

I do. What happened—I went to Larry for advice. This little piece of property is known as the Roundhouse. Still there; it's a funny little property. It's on Portland. I don't know who owns it today. But Larry at the time was occupying space over here. I went to him for advice and I said Larry I'm going to do this project for Levi's. Larry had retired. He'll tell you the story. He had chosen to retire from the design world, and I went over and I said what landscape architect should I get, because we want to do a nice project? He says I'm un-retiring. He said you should choose me, and we did with no effort, no strain. We were very pleased. So in going to Larry for advice—I'm sure he remembers that meeting well—he ended up designing the basic land use of Levi's Plaza.

We had a kind of a partnership with HOK and Gensler. HOK did the basic buildings and Gensler did the interiors. And then the computer building which is this building right here—if you were to go up Filbert Street—and there's a little stub here; there's a building here—that was the computer building for Levi.

17B-00:56:30

Rubens:

What is it now?

17B-00:56:31

Bakar:

It's a public company called PlanetOut. They are a gay support travel company with the LGBT being their—what's the word I'm looking for—?

17B-00:57:06

Rubens:

Acronym.

17B-00:57:06

Bakar:

No; it's not an acronym—their stock symbol is LGBT and they are I believe a dating bureau. They're a travel company. They do all sorts of facilitations for the gay community—very responsible tenant and the building is full. They have the whole building.

Levi long ago after the earthquake in '89 was concerned about how much exposure they'd have in one location. Though all of our buildings went through the '89 earthquake in a first-rate fashion Levi wanted to diversify and they moved their computers out somewhere either in Contra Costa County or Sacramento; I'm not sure where and they vacated the building. And we subsequently rented it to PlanetOut.

17B-00:58:09

Rubens:

You know I had meant to ask you; this is a diversion. You said you had the most minor calamity from the earthquake.

17B-00:58:21

Bakar:

Almost—knock on wood.

17B-00:58:33

Dienstfrey

Bob Haas was outside when the earthquake came—he was rehearsing for a United Way thing they were going to have, and he saw the building sway, which was exactly what it was supposed to do.

17B-00:58:45

Rubens:

Was your increase in construction costs due to seismic upgrading?

17B-00:59:00

Bakar:

No; the city from time to time upgrades their earthquake standards—their seismic standards and wherever it had been elevated to we built to those standards. They may have been elevated since then again but in any event thank goodness we went through the '89 earthquake with no—.

17B-00:59:27

Rubens:

But the engineering assessment and then the reinforcements—

17B-00:59:31

Bakar:

It's just part of—

17B-00:59:31

Rubens:

It's just part of the increase in expense.

17B-00:59:34

Dienstfrey:

Now if the new building in San Francisco held it meant: one they were designed pretty well and two there was no cheating in the construction. In Mexico City, the new buildings failed and in Russia the new buildings failed.

17B-00:59:50

Rubens:

You used the same builders?

17B-00:59:54

Bakar:

Swinerton & Wahlberg. And the interiors were done by Dinwiddie Construction.

At the beginning Levi leased the entire project with the exception of the 60,000 feet that was for restaurants, banks, and some support tenants.

17B-01:00:50  
Rubens: So who is literally lining up the tenants? Whose job is that? Is that Joseph and Bakar?

17B-01:01:01  
Bakar: Yes—ourselves. I had a gentleman working for me named Don Wyler. And he was involved with the real estate brokers that did our leasing.

17B-01:01:16  
Rubens: Did you have any Marines up here with—

17B-01:01:20  
Bakar: Yes; our very first manager was a retired Marine named Peter Beck.

17B-01:01:31  
Rubens: What we're not talking about and maybe we could save it until next time is there's a considerable opposition that begins to grow that you have to respond to, the—

17B-01:01:54  
Bakar: You mean the planning?

17B-01:01:56  
Rubens: Yes, and with the Hill Association people—but I just want to review in my mind if there's anything else I want to talk to you about—about the planning and the building.

17B-01:02:10  
Bakar: Well I can just tell two anecdotes. At our final hearing at the Planning Commission which started about three in the afternoon if I remember correctly and lasted until three in the morning, we were unanimously approved.

17B-01:02:28  
Rubens: You had to come up with more parking. You spent quite a bit of time in other projects talking about getting the construction loans.

17B-01:03:25  
Bakar: Yes; because we had a partner by this time. By the time we went for financing Equitable was our partner. And we had no problem with the construction loans.

17B-01:03:40  
Rubens: And was that with Bank of America?

17B-01:03:43  
Bakar: You know I honestly don't remember whether it was Wells Fargo or Bank of America. I think it was Wells Fargo. Because Jim had a relationship with them.

- 17B-01:03:55  
Rubens: And your office is still over at Northpoint, yes?
- 17B-01:04:08  
Bakar: Yes right here. It used to be a theater. This is Northpoint in this building.
- 17B-01:04:20  
Rubens: And so this was a very exciting undertaking.
- 17B-01:04:29  
Bakar: It was.
- 17B-01:04:31  
Rubens: I mean there was a lot of press about that this was going to be this mixed use—that it was going to preserve views—that it was going to open up this area.
- 17B-01:04:46  
Bakar: I think it met all the—whatever press we had in advance and I don't mean press in a positive—whatever publicity we had about it in the past I think met all those you know—maybe I'm just patting myself on the back but I think we accomplished what we set out to do.
- 17B-01:05:02  
Rubens: I actually didn't anticipate talking about it as much as we did today and I had begun the session—I don't know if it was on tape—by saying walking here is just such a pleasure. I mean easy to park; beautiful vistas, a sense of space.
- 17B-01:05:17  
Bakar: Next time we have a vacancy we'll let you be our leasing agent.
- 17B-01:05:39  
Rubens: This project is begun in 1974; the lease begins in 1981. How much of your time is—
- 17B-01:05:56  
Bakar: Oh a lot. But I've been doing other things. I don't recall at the moment exactly, but I always had something else going on, almost always.
- Dienstfrey: He had a project manager
- Bakar: Yes; Jim Joseph's organization had a couple of gentlemen that were kind of on-point and did nothing but this. And we had a gentleman named Rob Cormack who was a project manager for the apartment building—the garage and apartment building.
- 17B-01:07:04  
Bakar: Yes; Yes, Treffinger did 101 Lombard and HOK did the rest of it.

- 17B-01:07:11  
Rubens: But the reason I'm asking you about your time is because it's a business organization strategy but it's also that you always had an aesthetic investment in what you do. You're concerned—
- 17B-01:07:35  
Bakar: I have always been very much hands-on with those issues. And I think with respect to Levi's Plaza, Jim Joseph was as well. And we had really a compatible process working together.
- 17B-01:07:51  
Rubens: When I asked you about the different iterations-
- 17B-01:07:54  
Bakar: Well by the way I just thought of the project man for Levi's Plaza which Joseph provided was Willard Trammel who represented our partnership in getting the project built.
- 17B-01:08:13  
Rubens: But he represented Joseph?
- 17B-01:08:15  
Bakar: He had been an employee of Joseph's but he represented the partnership.
- 17B-01:08:22  
Rubens: Is there something you remember that was particularly important to you that arose in the different iterations of the plan? You certainly discussed about how to get Filbert Street—
- 17B-01:08:35  
Bakar: That's right; the 30-day permit.
- 17B-01:08:37  
Rubens: And how to get the Fog City Diner there?
- 17B-01:08:39  
Bakar: And this little stub of Greenwich is on a 30-day lease permit—again going back to the map. If you drive down the Embarcadero, this is Front Street and it never opened up, so I got the City to agree to abandon Front Street. That's also on a 30-day permit. So the project when you drive by looks like that. It in theory would have been only this big if I didn't get the city's cooperation or the port for those two parcels. So Front Street stops here; Filbert Street stops here; Greenwich Street stops here, so we got this significant parcel out of it and then we got this parcel out of it. I might add I gave some thought to trying to get this abandoned lot and I gave it up very early on because of the Telegraph Hill people.
- 17B-01:10:02  
Rubens: They parked there?

17B-01:10:03  
Bakar: Yes. If you look outside, there are probably 12—15 cars out there right now. It's a vacant lot.

17B-01:10:27  
Rubens: You never acquired it?

17B-01:10:29  
Bakar: No. We tried to bid on it one time.

Dienstfrey: Someone paid too much and never did develop it.

Bakar: Right.

17B-01:10:38  
Rubens: Is this something you have your eye on?

17B-01:10:43  
Bakar: Not really. If it ever came up I think I might take a look at it but—.

17B-01:11:05  
Rubens: Is anything going on at the Ferry Building or that area while you're developing the Levi's complex?

17B-01:11:16  
Bakar: Yes; this pier has been totally redone. I think this one has as well. Probably maybe eight or ten years, since we opened. I think it's being done now. But I have no involvement with any of these. There was a large project planned for this parcel here.

17B-01:11:45  
Rubens: What was that called?

17B-01:11:45  
Bakar: It was called Mills—I forgot what they were going to call it. It was going to be a big shopping center, terribly conceived project, and it failed. They never got their permits, their zoning. It was just a bad project.

17B-01:12:00  
Rubens: And what's happening there?

17B-01:12:01  
Bakar: It's now being looked at by Doug Shorenstein and Warren Hellman and a company called Farralon, to put I think 400,000 feet of office space and this large shed building they're talking about, I think it's called Chelsea Piers from New York—it would include an athletic complex. But it's a long process. This is a very sought-after piece but the last people had four or five years and they failed. They had a badly conceived project. And there's a bunch of people in this whole area including ourselves who are concerned about the subsequent development of this—that it will be something that works.

17B-01:12:58

Rubens: You don't want a Pier 39, right?

Bakar: The Exploratorium, they said publicly—they've announced that they're moving somewhere onto one of these piers.

17B-01:13:16

Rubens: Wasn't there at some point talk about the deYoung Museum coming here?

17B-01:13:21

Bakar: Very short.



**Interview 10: November 6, 2006**

Begin Audio File 18

18-00:00:31

Rubens: Let's review where we are. Levi's Plaza opens in 1981. And that year is a significant demarcation point for you. You're going to go on the San Francisco MOMA board, and then I know you're going to sell Woodlake and diversify.

18-00:05:36

Bakar: What's the basic theme of today?

18-00:05:37

Rubens: Today is finishing up Levi's Plaza, putting it in perspective and then just seeing what happens immediately after that in the early '80s. We never talked about Bridge Housing, and that's going to come up in '83-'84. We did talk about your efforts at stopping rent control at the state level, and the Housing Council. So it seemed to me maybe let's wrap up Levi's, first.

Bakar:

OK.

18-00:06:39

Rubens: There's an article in *Fortune* that said Levi Strauss and Company was not as big a company as it had once been when the Plaza opened.

18-00:06:40

Bakar: Well, that may be true. I don't know. They'd already fallen off their peak.

18-00:06:45

Rubens: Did you feel a little extra pressure in building their corporate headquarters? These were people you knew, this was San Francisco elite, this was a friend. Did you just moved ahead as you always do?

18-00:07:00

Bakar: No, I thought it was an exciting idea. And it had followed the failure that I had trying to put together the same property. With no tenant. And I—we went through that.

18-00:07:14

Rubens: Yes, we did. I think you had a bit of luck with renting out the building with the prices going up, and all the financial arrangements you had.

18-00:07:19

Bakar: Oh, absolutely.

18-00:07:20

Rubens: The *Fortune* article also mentions that Travelers wanted you to buy every piece of the property that you originally hadn't intended to buy. It wasn't in your scheme to do the two apartment complexes. But did you—

18-00:07:46

Bakar:

No. Those two buildings weren't part of it. The city insisted when we came with the plan and part of the plan was to be the condominiums, which became 101 Lombard. The city wanted what they called inclusionary housing, an affordable component. And we didn't feel that incorporating the affordable housing into the same buildings as the market rate housing, we didn't feel that made sense. And the city indicated a willingness to accept either an economic buy out, or another site. And Bank of America owned the property which we now call Wharf Plaza. And Wharf Plaza was—there's a little piece of Chestnut Street

18-00:08:48

Rubens:

We drew that.

18-00:08:50

Bakar:

Right. Anyhow, Wharf Plaza was a Bank of America site. They had a building and the vacant lot on either side of the stub end on Chestnut Street, where Chestnut Street dead-ended into Telegraph Hill. And the building was used for records, record storage for the bank. And the vacant site was for what they called REOs, automobiles that they had foreclosed on. Basically it was a used car lot for storage for their foreclosed on cars. And so we were able to buy that from the Bank of America, convert the storage building to apartments, and build a new building for senior housing. And that became our inclusionary housing component with Levi's Plaza. And that project is still owned today by the three of us: Mr. Wilsey's estate, myself, and Jim Joseph's estate, who were the partners in Levi's Plaza.

18-00:10:03

Dienstfrey:

There's an interesting side, if you want to talk about the financing to this project.

18-00:10:08

Bakar:

Yes, I can. I don't remember the exact nature of the financing that was available through HUD to produce this affordable housing, and you have to produce affordable housing frequently. One of the component parts of it is a low rate debt money and mortgage money. And we sent someone back. HUD would have lotteries to allocate the mortgage money. And we went in the lottery and the fellow that we sent back—Tom Callinan—we had included him in our partnership, and Tom put the deal together. I didn't. Tom went back to Washington for the lottery and called us up to tell us that we had won, that we got an allocation of some of this low rate financing. But we didn't realize and I don't remember how it worked out. We didn't realize we had two separate projects. When we won we thought we had won for the two buildings, but we had won for only one of them.

18-00:11:33

Dienstfrey:

One was a rehab and one was new construction, so they were two separate projects.

18-00:11:35

Bakar:

Yes, two separate deals. We later made a deal with the Chinese community: they had an affordable housing entity and they had some allocated money, and they became a partner in Wharf Plaza with us by throwing their allocation into the pot. And to this day the project is still owned by a combination of myself, the Wilsey estate, Mr. Joseph's estate, Tom Callinan and the Chinese Community Housing Corporation, a non-profit entity. They're an entity.

18-00:12:23

Rubens:

So the property is owned—let me just take this one step further. And who collects the rents? You folks?

18-00:12:30

Bakar:

We do. Tom Callinan manages.

18-00:12:34

Rubens:

But the loans for construction were through were through the federal government

18-00:12:41

Bakar:

The HUD program, yes.

18-00:12:42

Rubens:

And does this mean that they still monitor it?

18-00:12:45

Bakar:

Yes.

18-00:12:46

Rubens:

It has to be you can't move your relatives into it. It has to be for a certain target population?

18-00:12:50

Bakar:

All of the above. One of the buildings I think was senior housing, and one of them was just family housing.

18-00:13:00

Rubens:

That's a good story. Had you ever done anything like that before?

18-00:13:04

Bakar:

I had done it with other developers where we just provided some seed money.

18-00:13:12

Rubens:

Nothing that you want to particularly talk about?

18-00:13:14

Bakar:

No. Well, I think there's one interesting part that I may have shared with you already, but it makes for interesting commentary here. It's about the center of Levi's Plaza. If you notice on this side of Battery Street or Samson Streets, there's a stub end in the street that ends at the hill. That's Filbert Street. Filbert Street originally went all the way through to the Embarcadero, though it never

penetrated the Embarcadero. On the other side it was also a dead end street, but it did run from Samson to Battery. You could drive on Filbert Street when we did this project. So when I wanted to include Filbert Street which the city encouraged me to do to make the plaza uniform, they wanted me to buy Filbert Street. And I refused to buy it. Did I tell you that?

18-00:14:57

Rubens: Yes.

18-00:15:00

Bakar: Well, I refused to buy it because I wasn't using it to get bigger buildings or more FAR as they call it. And it was going to be a public area, and so I took a 30-day revocable lease. And I guess we did go through that. We do not own the center of Levi's Plaza. We have a 30-day revocable lease, which in theory the city can take away from us in a nanosecond. I shouldn't say that. The city would never try to take it away, but legally they would have the right to.

18-00:15:34

Rubens: Or could they try and make you buy it?

18-00:15:38

Bakar: No, I don't think at this point. I mean that's a whole other issue. But we have a 30-day permit. And every time—I think I said this to you last time we had a session. Whenever we have to do anything that involves the title policy, refinancing or anything, a new lender would say, "You don't own the middle of your project." And we acknowledge we don't own it. We have a 30-day revocable permit from the city.

18-00:16:05

Rubens: Well, would you project then ahead on that story? So there have been occasions when you have refinanced?

18-00:16:12

Bakar: Oh sure.

18-00:16:15

Rubens: Why do you say "Oh sure"?

18-00:16:17

Bakar: Well, it just—it's a normal operating procedure for someone in real estate, if you own real estate, and you've paid off a good portion of the debt, or if you own real estate and it's increased significantly in value. In either case you have a greater equity. And frequently just as people do with their own homes, you go back to the lending institutions and you put new or restate your old debt, and take dollars out of the project. That's a normal thing to do.

18-00:16:48

Rubens: Especially as money became more available or space became more—

18-00:16:53

Bakar: And with rents over a period of time rising.

18-00:16:56

Rubens: And that's what really helped you in—I mean ultimately this was a success, right? There were a few stumbling blocks. I don't think we mentioned that—you had to negotiate with the city a few times about parking, about increasing parking places? You had to give Telegraph Hill residents places at the bottom of the street or—

18-00:17:23

Bakar: I think we did it as a political—as part of the political process. And it's—in a funny kind of a way it's a form of bribery. Someone will come down and suggest that they might be very much against this project, and you find out what their real needs are. They need a parking place. So there are a few people that have the right to park in that garage. Nobody has a right to park in it for nothing. They all pay whatever the going rate is.

18-00:18:00

Rubens: Did you then personally contribute to the re-landscaping of the land along the Filbert steps?

18-00:18:14

Dienstfrey: That's another story; nothing to do with this. There was a need to raise some money and Gerson stepped forward and then went to BJEW, the partners who owned Levi's Plaza, then Levi Strauss and Company, and then the Trust for Public Land came in.

18-00:18:31

Bakar: It's a very complicated thing, but there was a woman, Grace Marchant, who used to take care of the landscaping all along Filbert Street and the steps.

18-00:18:40

Dienstfrey: She predated the Levi's project. You could see the building that was in Humphrey Bogart's picture *Dark Passage* before it was built. She had been involved in saving the cable cars and she was the one who created the garden—she lived right near there. There was a question about the right of way, or what the city owned.

18-00:18:50

Bakar: But anyhow we contributed to maintain the Grace Marchant Gardens.

18-00:18:51

Rubens: So that's another example of civic philanthropy and involvement.

18-00:18:58

Bakar: And good business.

18-00:18:59

Rubens: OK. When it opened there was just a lot of hoopla. I mean you must have basked in that.

18-00:19:14

Bakar:

Well, the project got a lot of positive notoriety. And it was considered in several different venues, a gift to the city. And when you enter the city, which many people do enter the downtown district coming off the Golden Gate Bridge, going down Bay Street, cutting down Battery to get to the financial district, this is the portal of entry, Levi's Plaza.

18-00:19:39

Rubens:

And then once the earthquake came and the—we knew the freeway was going to be taken down, that just enhanced everything. That was '89.

What were your thoughts when this opened? You've said a developer's always looking for the next project. This thing is going swimmingly, it opens in '81, and there are still these pieces on this side to do. I don't actually know then what you do next.

18-00:20:09

Bakar:

I've really done very little developing since Levi's Plaza. I've been involved in a peripheral manner, financing projects. I've been involved with a man that I think we've mentioned earlier, Tom Callinan and a project in San Mateo called the Peninsula Regent, which is market rate senior housing.

18-00:20:33

Rubens:

Were these projects where people would come to you and say, "Look, this is happening, will you join in or help out?"

18-00:20:41

Bakar:

When Tom Callinan came to me, we'd been friends; we had done a few projects together, and I provided the equity financing for the Peninsula Regent.

18-00:20:54

Rubens:

What's going on in your thinking? Why aren't you developing? I mean, have you reached a sort of level that you're content with? This was big scale, this was multi-use.

18-00:21:06

Bakar:

I don't know that that would be a way I'd put it. I was diverted for a number of years, two or three years, by my commitment and efforts relating to SFMOMA. I've often told the story, and I don't know if it was mentioned the other night at the SFMOMA dinner. I don't think so. But I've often told the story that I made a lot of money because of SFMOMA and my involvement there. And people will always raise their eyebrows. How did you make money doing SFMOMA? And the way I made money doing SFMOMA—the SFMOMA time frame of getting the property put together and getting it built was a time in the real estate market where everything went to the dogs. And I did no developing. So I say with honesty and candor I made a lot of money off of SFMOMA. I made it by not developing. I was so busy with SFMOMA, and focused, that I didn't do any developing. Almost every real estate developer

that had a speculative project in the '88-'89, '90-'91 period, I would say '89-'91, lost money. It was a disaster period in real estate.

18-00:22:24

Rubens: Now are you anticipating this or is this coincidence?

18-00:22:29

Bakar: Absolute coincidence.

18-00:22:31

Rubens: Let me ask you this. I'm taking my information from *Engineering News Record* June '85. It's talking about there are several seemingly insolvable bundles of contradictions facing developers in San Francisco. One certainly is the time that it takes a project to get going—just the governmental bureaucratic processing, which you've talked about. I mean you've compared what Levi's took compared to some of your early projects. The article mentions that a case in point is the San Francisco Bay area developer Gerson Bakar, who currently has nothing under development. So this is '85. There are a whole bunch of people they're referring to, who I don't know. But you get on the museum in '81, your heart, your mind, you're involved in that. That's what's really drawing your attention.

18-00:23:35

Bakar: Yes, Lisa, I'm thinking in terms of the time frame. The big disaster when real estate kind of shut down for a while was the late '80s early '90s.

18-00:23:47

Dienstfrey: There was your interest in Pleasant Hill—the last Cabbage Patch.

18-00:24:30

Bakar: Right.

18-00:24:31

Rubens: But then you didn't develop it.

18-00:24:33

Bakar: I did. I developed the office component. The 80 acres was developed with several uses. A strip parallel to the freeway became an office park, and I did develop that.

18-00:24:50

Rubens: So this is after Levi's?

18-00:24:55

Bakar: Yes. I think. I developed the Ellinwood Office Park, and the city wanted some housing and I did some below market rate housing. I sold off a parcel to another developer for a modest shopping center—neighborhood shopping center. And I sold off the balance of the land to a developer for housing, which I did not build. For sale housing. A company named Watt Industries, owned by Ray Watt.

- 18-00:25:52  
Rubens: Where were they based?
- 18-00:25:54  
Bakar: Orange County.
- 18-00:26:05  
Rubens: Your tentacles, your heart is telling you this is not where I want to put effort?
- 18-00:26:19  
Bakar: Well I've never really been in a single-family business. So the single family for sale housing clearly wasn't something I was going to do.
- 18-00:26:41  
Rubens: And then the below-market-rate housing, was that single-family housing?
- 18-00:26:45  
Bakar: No, they were apartments.
- 18-00:26:46  
Rubens: Apartments because that's what you do.
- 18-00:26:46  
Bakar: We still own that, it's a small project. It's for the elderly. And again that was with Tom Callinan as manager.
- 18-00:26:56  
Rubens: It doesn't sound like it had momentum for you, it's certainly not what Levi's was.
- 18-00:27:09  
Bakar: And remember I never had an organization.
- 18-00:27:12  
Rubens: That's right. Again, I asked you this once before, but let me just ask you this now. After Levi's opened, you know when it was clear it was about to open, did people come to you and say will you come work for me? Are you interested in merging with me?
- 18-00:28:42  
Dienstfrey: I don't know if you want to talk about 101 Lombard. Hitting the market with just the worst possible timing.
- 18-00:27:53  
Bakar: Oh, certainly. There's a story to be told about the condominium and housing component of Levi's Plaza. That story I think I mentioned. The city wanted some housing. Within that housing they wanted some below market rate, which we talked about, which became Wharf Plaza.
- 18-00:28:14  
Rubens: Yes.

18-00:28:15

Bakar:

But the housing that we built, our partnership, Mr. Wilsey, Mr. Joseph, and myself, is a 200-plus unit condominium now known as 101 Lombard St. And it was a financial disaster.

18-00:28:32

Rubens:

Oh. How so?

18-00:28:35

Bakar:

When we planned it the market was very strong, interest rates were very favorable. And by the time we got to building, then opened, the market had collapsed. And financing it was during the early or during the Carter administration when prime interest rates were 15-16%, mortgage rates were 20%+, and the purchase of condominiums and single family homes basically shut down for a period of time. We had a pro forma—a financial analysis, or estimated budget—for 101 Lombard and we didn't know how we were going to be able to shelter the income. The pro forma indicated we would make, if I remember the numbers correctly, upwards of \$15 million on the project. And we were running around trying to figure out how to avoid the taxes on that \$15 million and shelter. When the market collapsed, our so-called \$15 million pro forma profit ended up with a loss of about \$10 million.

18-00:29:52

Rubens:

That's the biggest loss you'd ever proportionately—

18-00:29:53

Bakar:

Ever had. Right.

18-00:29:54

Rubens:

And how'd you weather that?

18-00:30:01

Bakar:

You know the \$10 million may be an exaggeration. It was probably closer to \$5-6 million loss divided among the partners. By that time we were able to weather it. The collective partnership had resources, and we just stepped up to the mark, and as we lost the money we put more money in to the till.

18-00:30:23

Rubens:

The loss comes in what form? You can't sell the condos?

18-00:30:33

Bakar:

We couldn't sell them.

18-00:30:035

Rubens:

At the rate of what it cost to build them.

18-00:30:35

Bakar:

Well, when the interest rate spiked, the single family and condo market collapsed. Couldn't sell anything, but you had to keep lowering the price.

- 18-00:30:43  
Dienstfrey: Mortgage rates were 16-19%.
- 18-00:30:45  
Rubens: This is during the administration of Carter, 1976-1980. I think this was a period of "stagflation" when there was no growth but high interest rates.
- 18-00:30:58  
Dienstfrey: There certainly is a recession as Reagan comes in and his tax cuts stimulated the economy.
- 18-00:31:14  
Bakar: But the bottom line is we lost a significant sum of money against a pro forma profit that was going to be—that we were concerned how to deal with the tax issue.
- 18-00:31:23  
Rubens: How to hide it, yes. [laughter]
- 18-00:31:25  
Bakar: How to shelter it, preferably.
- 18-00:31:34  
Rubens: What was the outcome of that?
- 18-00:31:41  
Bakar: We eventually sold the last unit.
- 18-00:31:45  
Rubens: Who built it by the way?
- 18-00:31:46  
Bakar: The contractor were Swinerton and Walberg, and Dinwiddie, I believe.  
  
And I don't remember the exact amount, but we lost somewhere on the magnitude, I think about \$10 million. By that time, and Travelers was not our partner. It was just Joseph, Bakar and Wilsey And we just had to dig in our pockets and come up with that money.
- 18-00:32:18  
Rubens: Now, once you sold the last one does that mean you have no—
- 18-00:32:22  
Bakar: We managed it for a short period of time, and then turned the management over or turned it back to the tenants and they went out and got a—what they call a fee manager. And that manager manages it still, including today.
- 18-00:32:42  
Rubens: And of course the value of those places has certainly—
- 18-00:32:45  
Bakar: I really don't know. But it's no question it's gone up.

18-00:32:48

Rubens:

Was that loss also a factor in halting your persistence in looking for development? I mean the economy's changing, you've reached a certain scale, you're getting involved in other things, you have this one big loss, the opportunity to do a big development doesn't present itself to you. You're not looking for it.

18-00:33:14

Bakar:

Well, you know I tell people and I can explain what I've done since, but I really haven't done any developing since Levi's Plaza to speak of. Personally I have been involved in developments as a provider of equity, as a silent partner. To some degree with the Layton Belling Company, LBA, in Orange County.

18-00:33:46

Rubens:

Did you want to speak about any of those particularly? Is this what we would call the turn toward diversification?

18-00:33:55

Bakar:

Yes.

18-00:33:56

Rubens:

Is that an intentional strategy in response to the—

18-00:34:00

Bakar:

Well, I still like real estate. But again, not having an organization, recognizing that the bulk of the development activity I've had in the last 20 years or last 25 years has been providing financing to other developers. LBA company, Orange County, the B is a young man named Phil Belling, his mother and I are first cousins and we were raised together. So I was—and he had lost his father at an early age, so I became kind of the proxy parent.

And I've been involved with his projects. I was involved with some projects with Tom Callinan, who I mentioned a number of times. One significant project in San Mateo called the Peninsula Regent.

18-00:35:05

Rubens:

What was that?

18-00:35:08

Bakar:

It was market-rate senior housing, and life care.

18-00:35:18

Dienstfrey:

LBA has become quite a significant company.

18-00:35:21

Bakar:

Yes. LBA has grown to be one of the major developers in Southern California primarily of industrial properties and to some extent office properties.

- 18-00:35:36  
Rubens: When you say you were a financial partner, or even a silent partner, would you go down and take a look at what was going on for your own interest?
- 18-00:35:44  
Bakar: Oh sure.
- 18-00:35:45  
Rubens: This was a younger generation. Were their techniques and their interests—
- 18-00: 35:58  
Bakar: I had decided I didn't want to really be involved with family and business. I felt it could end up affecting one's relationship with a relative, and I'd had a bad experience over not very much money with a family member. When Phil came along, Phil is Phil Belling of LBA, I was kind of a mentor to Phil but not so much financial involvement as opening doors for him with contacts that I had made over the years; people I had borrowed money from, people I had done business with. And he set off with a partnership, Phil Belling did, with a gentleman who represented pension funds and they did a lot of business together. And in a short three-year period they made—I'm just thinking out loud. I don't see any reason why this couldn't be public information by this time.
- 18-00:37:05  
Rubens: You can choose to erase it later.
- 18-00:37:07  
Bakar: In three years, LBA associated with a company called AEW, a Boston based real estate pension fund advisor, created a partnership that made over \$200 million. And I could have been part of it and chose not to. As I saw that partnership sailing along, the AEW people did not want to be involved in any property whose value is less than \$5 million. So LBA set up what they called a "small asset portfolio" for properties under \$5 million. And I bought, together with them, some six or seven projects that were under \$5 million.
- 18-00:38:06  
Rubens: Are these apartments?
- 18-00: 38:09  
Bakar: No, and they weren't necessarily developments. They were primarily acquisitions, and primarily office and industrial. No apartments. And most of them have since been disposed of. The financial results were quite favorable.
- 18-00:38:33  
Rubens: You're saying he's going to pension funds, he's seeing a way of creating a partnership for small, less than \$5 million acquisitions or developments?
- 18-00:38:58  
Bakar: Well that's because the pension fund folks wouldn't do anything less than \$5 million.

18-00:39:02  
Rubens: And he wanted to do some things less than \$5 million.

18-00:39:06  
Bakar: And some things with me.

18-00:39:07  
Rubens: Are you needing to bring in a new kind financial manager?

18-00:39:19  
Bakar: No.

18-00:39:20  
Rubens: You have a—your staff can shift to monitor this.

18-00:39:25  
Bakar: Yes.

18-00:39:26  
Rubens: But—and was this—this word is sort of strange, but was this fun for you? I mean this is new. It's a new direction.

18-00:39:35  
Bakar: Well, it certainly was an activity that filled a void. And it certainly was not an unpleasant time.

18-00:39:45  
Rubens: And it was financially rewarding.

18-00:39:48  
Bakar: And it was financially rewarding.

18-00:39:49  
Rubens: And so did that last then through the 80s and through the—

18-00:39:55  
Bakar: Oh, it's still going on today.

18-00:40:01  
Rubens: Is there more to say about LBA?

18-00:40:02  
Bakar: Well, the A is associates. It's Layton, a fellow named Steve Layton who became Phil Belling's partner. They had jointly worked for another company, left the company, and started their own partnership. So LBA is Layton Belling Associates. They are a group of about 6 to 10 young people, and they're all probably 45-50 years old today.

18-00:40:32  
Rubens: Still in Southern California.

- 18-00:40:33  
Bakar: Still based in Orange County. And Phil Belling and Steve Layton own 60% of the company, and the other eight young people own the balance of 40%.
- 18-00:40:44  
Rubens: And is most of their work in Southern California?
- 18-00:40:46  
Bakar: Yes. Though they recently bought out—they've grown. They're not small anymore. They recently bought out a Northern California REIT. The Bedford properties REIT for close to a billion dollars. \$870 million I think.
- 18-00:41:08  
Rubens: Wow.
- 18-00:41:09  
Bakar: So they're very meaningful players today.
- 18-00:41:12  
Rubens: Are you actively involved in discussing business with them?
- 18-00:41:25  
Bakar: Yes. So we're involved together today and probably, I'm not sure how many properties. Five, six, seven properties.
- 18-00:41:36  
Rubens: Does that mean you're on a board with them?
- 18-00:41:38  
Bakar: No. No.
- 18-00:41:39  
Rubens: But how—will you meet with them regularly?
- 18-00:41:41  
Bakar: I meet with them regularly.
- 18-00:41:42  
Rubens: I'm sure there's phone calls a plenty.
- 18-00:41:45  
Bakar: Oh. All the time. He was at the dinner at the SFMOMA the other night. Interestingly enough, they've never done apartments. It has been primarily in industrial and office.
- 18-00:42:11  
Rubens: Is there anything more to say about restructuring of your business or redirecting of your energies and business?

18-00:42:22

Bakar: Well, during these non-development years, from time to time I buy properties. And I guess during this period I bought the portfolio of apartments. Did we talk about of that?

18-00:42:33

Rubens: No. That's just what I think we're ready to move to. How did you come to do that?

18-00:42:51

Bakar: Well, I think it'd be interesting just to talk about the Woodlake sale. The year—I want to say it was '79 when I sold it. In 1979 I decided to try to monetize or liquidate the equity in Woodlake. And the highest price I felt that could be obtained would be through selling it to the tenants. You had to go to the city, the municipality which was San Mateo, to get a permit to convert it if you did a condominium. So I decided to avoid going to the city, and I created a co-op. Did we go through that at all?

18-00:44:11

Dienstfrey: Not in detail. This is very interesting.

18-00:44:17

Bakar: A co-op required no approvals from the city, because you're simply selling your interest in a project to a corporation. That corporation, which is the co-op, would then in turn lease the apartments on a long-term basis to the tenants. So it's really home ownership through "the cooperative form of ownership."

18-00:44:48

Dienstfrey: The tenants own a share of the co-op, plus a lease.

18-00:44:55

Bakar: We were led to believe that the lending fraternity, the banks in the savings and loans, would make individual loans to buyers. And they really couldn't get the same kind of loan if it had been a condominium, because the lenders in a co-op—everybody's responsible if the tenants don't pay their rent under that lease provision. And all the tenants, in theory, could lose. And lenders don't like that kind of a position. They don't want to be responsible for the other tenants. Am I making that clear?

18-00:45:32

Rubens: Yes, it's very clear.

18-00:45:34

Bakar: In the condominium, everybody gets their own loan. And shortly after, within the first year or so of the co-op being successfully put together, successfully buying Mr. Wilsey and my interest in Woodlake, they found that it wasn't working that well—the co-op and getting those individual loans. So we then, with the help of Ted Dienstfrey in my office, we then converted the co-op to a condominium, which was a very cumbersome way to get to the condominium: from owning the whole project to forming a co-op, and then forming the

condominium. But today Woodlake is a condominium. We sold the units. I don't remember the price, do you Ted?

18-00:46:27

Dienstfrey: A one-bedroom was \$60 thousand.

18-00:46:31

Bakar: Right. So it would have been about \$80 a foot. The one-bedrooms, they've been a tremendous value appreciation in the apartments since 1979, when the original sale was made.

18-00:46:54

Rubens: What's governing that you want to get out?

18-00:46:58

Bakar: All of our assets, which have been accumulating up until the time of this. Remember, we didn't really make any money on 101 Lombard. We lost money. And almost all my financial being was represented in my financial net worth which was represented by real estate that I own. I really didn't have a lot of liquidity. And it just made sense to diversify my own portfolio—my own financial portfolio instead of all real estate equities, to develop some cash and do the diversification program. And that kind of motivated us to sell. And we sold the project in '79 for \$49 million. And if you remember early on in the discussions it had cost about \$15 million. Today the project if it were all to be sold at the current prices, we'd probably be in the order of magnitude \$350 million.

18-00:48:12

Rubens: Do you ever regret selling it?

18-00:48:14

Bakar: Well, we didn't sell them all. When we converted it, we told everybody over 52 years of age that if they didn't want to buy it, they didn't have to. That was our break point.

18-00:48:32

Dienstfrey: I thought it was older. I thought it was in the 60s.

18-00:48:34

Bakar: Oh, maybe it could be 62. If any member of the tenancy, husband or wife, was over 62, they did not have to buy. We would give them a lifetime lease. And that lease rent would be governed by a minimum and a maximum per year rent increases relating to the CPI. Consumer's Price Index.

18-00:49:16

Rubens: And how many did that represent?

18-00:49:21

Bakar: About 175 people opted to take the lifetime lease.

- 18-00:49:28  
Rubens: Now I'm missing one step. When it became a co-op, they did buy out your share?
- 18-00:49:37  
Bakar: Yes. The entire project was purchased.
- 18-00:49:40  
Dienstfrey: Mr. Bakar and Mr. Wilsey repurchased units from the co-op converter. They didn't want to kick the seniors out into the streets.
- 18-00:49:59  
Rubens: That's what I was unclear about. When you purchase, it's just 175. Now, all of Woodlake becomes a condominium?
- 18-00:50:09  
Bakar: Yes. And then as time went on, we disposed of the 175 units and as the lifetime leases expired. And I don't want to get into the details of how we did that. It's cumbersome.
- 18-00:50:22  
Rubens: Because you're not—but, you're saying that ultimately you had no involvement with—
- 18-00:50:26  
Bakar: Well, normally I think the details would be interesting. I found out from my tax attorney that owning 175 apartments and selling them, that capital gains could no longer be the form of the tax that the government would impose on you. Because it was like owning a grocery store. Selling 175 units made you a "dealer", a dealer in quotes. And the only way to sell those would be to sell them as a group. So Mr. Wilsey and I gave them to a supporting foundation that we formed for tax purposes. So with the sale, we avoided the taxes that would have to have been paid by gifting them to a foundation. And then the foundation subsequently sold them out.
- 18-00:51:28  
Dienstfrey: And gave the money to charities.
- 18-00:51:30  
Bakar: And we used it as a source of charitable funds.
- 18-00:51:33  
Rubens: That's really interesting. Who's your lawyer at that point?
- 18-18-00:51:39  
Bakar: Richard Greene.
- 18-00:51:45  
Rubens: You didn't really have to be involved in that, did you? Once it was bought.

18-00:51:59

Bakar: Well, remember one we own the 175 of them, two, we felt it was an obligation to the buyers.

18-00:52:07

Dienstfrey: There was the representation when they went to a co-op that these units were the same as condominium units, and that you could get individual loans. And, you know it was a sort of a moral obligation. It turned out that lenders did not want to figure out how to make loans on co-ops where the security was the individual share in the lease. It would cost the lender more to do that than they would make on the loan if there weren't going to be a lot of co-ops in California. And the state said that yes, you do have to go to the cities to perform co-ops, so nobody went and made co-ops anymore.

18-00:52:44

Rubens: And the date actually you have here is '96 is when the units were given to a charitable foundation.

18-00:52:51

Bakar: Yes, probably right. And if you wanted to speak with him, he's been involved with me in most of my business life from the time of the Woodlake transaction, that's when I first go to know him. So that'd be up to you.

18-00:53:12

Rubens: I would very much like to talk to him.

18-00:53:14

Bakar: And he's the person who encouraged me to go through this, what we're doing today.

18-00:53:19

Rubens: So that means you held them for at least 15 years.

18-00:53:29

Dienstfrey: As people would pass away—no. Before the supporting foundation they'd owned them, and as people would pass away he would rent them at the market rates. But at some point, what would he do with 175 units?

18-00:53:45

Rubens: Yes. And remind me how many units were their total, originally?

18-00:53:47

Bakar: Close to a thousand—996.

18-00:53:51

Rubens: So let's just finish up with this. If it was that you needed the liquidity, and you felt it was the right time to diversify?

18-00:54:01

Bakar: Well, the word need may not be right. Good judgment said, "Gerson, get some of your money out of real estate."

18-00:54:08

Dienstfrey:

And if you remember, Newport was on the ground lease, Oak Creek was on the ground lease and Westlake was on the ground lease at that time. So this was the one which seemed reasonable to do.

18-00:54:18

Rubens:

Regrets? That's not really the point. This is what happened.

18-00:54:27

Bakar:

Well, regrets just with the ability to look backwards, we would have been far better off if we had never sold it. But I think that's true of almost every sale that anybody makes. Any sale made in the '80s and almost any former real estate you can look back and say, "My gosh, I shouldn't have sold it." There has been enormous appreciation of the real estate.

18-00:54:50

Rubens:

There was one other thing I had a question about. Ted, you had mentioned that the state—what is the Subdivision Map Act?

18-00:55:04

Dienstfrey:

That is the way that the state requires the city approval. Afterward, Woodlake became a co-op. The state said co-ops have to go through the Subdivision Map Act. The state also said, "By the way, co-ops are also subject to the Subdivision Map Act and you needed city approval."

18-00:55:26

Bakar:

The bottom line we never should have done the co-op thing. And we went through a lot of trouble to un-co-op it.

18-00:55:34

Dienstfrey:

To convert it from a co-op to a condominium, you were then not dealing with two owners, Gerson and Mr. Wilsey, you were dealing with several hundred owners, each who had their own vision of how real estate should work, and how you deal with the common area, and it was a mess.

18-00:55:54

Rubens:

So that's the sale of Woodlake. The second point you mentioned as part of your strategy was buying a portfolio of properties. Now this is a little bit of a different concept than diversification. Diversification, I assume you want to put money into stocks, or bonds, or art.

18-00:56:22

Bakar:

Yes. Financial assets as opposed to real estate. But within real estate itself, almost everything or the bulk of what I had was in Northern California, with the exception of Park Newport. But the bulk of what I had was up here and was subject to earthquake. And so, I wanted to get some of what I called seismic diversification. And along came an offering of approximately two thousand apartments in Southern California; a portfolio that consisted of four apartment complexes. And I decided to look at it and try to buy it.

18-00:57:26

Rubens: Did that mean literally going to see the four complexes?

18-00:57:29

Bakar: Well, they were all within a matter of a few miles in Orange County. They were owned, interestingly enough, by the company that I had mentioned in connection with LBA: AEW. And they had been taken over by AEW from a developer named Lyon. What's his first name?

18-00:57:56

Dienstfrey: William?

18-00:57:57

Bakar: Yes, William Lyon's company in Orange County. Again, the AEW represented the people who had made loans to Mr. Lyons. And AEW through this offering was in the process of liquidating or selling those properties.

18-00:58:19

Rubens: When are we talking about now?

Bakar:

It's in the '90s. It's '98 I think. Yes, I'm sure it was '98, but we'll validate that date—because of Carmel. So I decided to try to buy them. And there were four complexes and I began to negotiate to buy them. I remembered I'd gone to Hawaii. This was when I think I was 70, so this would have been 8 years ago, which ties into the '98 date. In 1998 is the year that my wife and I went to Hawaii for a vacation, and went to the big island. Mr. Wilsey and his wife were on a cruise, and the ship had docked at the same place that we were visiting on the big island. And I said to Al, "Al, there's a couple thousand apartments we're going to buy in Southern California." And he said, "How the hell are you going to pay for them?" I remember him saying that. And I said, "Well, I'm going to sell Carmel Plaza, my shopping center, and we're going to borrow some money on Oak Creek. And that will enable us to buy these apartments." And he laughed, but we went ahead and did it. I sold Carmel Plaza, and traded those dollars to shelter the profit I would have made on Carmel Plaza, and I borrowed on Oak Creek as I mentioned earlier, this is something commonly done by people who own real estate. So I was able to pull out enough money from the borrowing of Oak Creek—and by the way there's a story there from a business standpoint as well. And maybe I should digress because I missed it. We had a lease on the ground at Oak Creek that was property of Stanford University, when I acquired the lease, we prepaid it.

18-01:01:11

Rubens: Right. I remember that.

18-00:01:12

Bakar: So we had no obligation under that lease until such time as it expired, and then we had to give the key to the project to Stanford because the rent was all paid by the pre-paid action, which I had mentioned earlier. I went to Stanford, and I couldn't refinance Oak Creek to get any money out of it because I had a

limited number of years left on the lease. I think it was down to about 30 years. I'm not sure of that number. And so I went to Stanford, which is not getting any money from Oak Creek and had to wait until the lease expired. I said, if you people extend the lease, we will give you in the new lease the ability to have annual increases. And they agreed to that in principle, and then we had a lengthy negotiation. And we ended with a new 55-year lease. And from that moment on Stanford got a percentage of our rents every year. I think it was 9%.

By having that long lease I was able to put a new loan on Oak Creek, and I pulled out a significant amount of money. I also sold Carmel Plaza and traded it for the apartments. The dollars pretty much fell so that what we were able to get out of Oak Creek provided about two thirds of the dollars needed to buy the portfolio. The Carmel sale produced the remaining third. So the end result of that transaction is that I end up owning approximately two thirds of this portfolio, and Mr. Wilsey—now his estate—owns one third. Those are approximate fractions. And we went ahead and bought roughly two thousand apartments in Mr. Lyon's portfolio.

In the course of buying them in the due diligence period one of the buildings in the portfolio called Country Club Apartments was rejected. Country Club was in an area where just before this purchase had been agreed upon a massive landslide had occurred. I met with the geologist. We were within three blocks or so, on this very hilly area of the landslide. And I remember meeting to find out whether I wanted to go ahead and buy this building. And I posed a question to the geologist that if your father had died and you were investing your mother's trust, would you put your mother's trust into this building where all these landslides were in the neighborhood? And he said, absolutely not. So in the course of due diligence we chose not to buy the Country Club Apartments.

18-00:05:03

Rubens:

That was one of the four complexes?

18-00:05:05

Bakar:

One of the four. So we ended up buying three.

18-00:05:07

Rubens:

And they let you do that?

18-00:05:08

Bakar:

Well, I went back to them and said I won't buy the fourth. And the way the agreement was drawn, I had that right. So we bought the other three and they were called Innsbrook, Barcelona, and St. Moritz. There were about 1600 units in the three of them, in Aliso Viejo. Not so little by the way. A new town in Orange County is called Aliso Viejo.

- 18-00:06:04  
Dienstfrey: There was also a feeling that there was some economy of scale in the management of these apartments with Park Newport.
- 18-00:06:09  
Bakar: And also Mr. Lyon wasn't managing them well and there were some significant rent increases to be obtained.
- 18-00:06:18  
Rubens: So evaluating it now, that was a smart investment?
- 18-00:06:29  
Bakar: I had a choice because I wanted to sell Carmel. And when I did sell, either I could take the money, which I did, or take stock in the REIT, which was something available to the people with property. Often times the REIT will offer you partnership shares and it's interesting. I think I may have done better if I had taken the REIT shares, though I did very well by buying these apartments.
- 18-00:07:07  
Rubens: Why were you eager to sell Carmel? I know you wanted to diversify.
- 18-00:07:11  
Bakar: Carmel was management intensive. It was a shopping center that had many tenants. Some were as small as a thousand square feet. If I remember correctly, the number of tenants was about 60 or 65. I had one gentleman who had brought me the transaction originally, Steve Jacobs, by name. So I was really relying on him constantly, and it was a management headache for me. And that's the principle reason I sold.
- 18-00:07:44  
Rubens: Had it seemed to have accrued enough in value?
- 18-00:07:48  
Bakar: Oh yes. I sold it for \$45 million, and a few years ago the developer of the firm that bought it tried to sell it, and the best offer they got was \$35. Now this was probably five or six years ago. What's happened in real estate values now it may be back to the \$45, but I made a good sale.
- 18-00:08:17  
Rubens: Would you please remind me what REIT means?
- 18-00:08:26  
Bakar: Real Estate Investment Trust. They're all public companies, or most of them are public companies. And the company that bought it from me was Macerich. And today it may be worth more than my \$45, but after I sold it I caught a high at the market.
- 18-00:08:52  
Rubens: Now what about management?

- 18-00:08:59  
Bakar: Well, in the course of events, I manage these. But a few years ago, I think it's been five years now, I turned my management company over to my employees. So they manage almost all the properties. Two women.
- 18-00:09:22  
Rubens: Why did you do that?
- 18-00:09:27  
Bakar: I didn't want people reporting to me. The only people now that report to me are Ted who works with me on many issues, my CFO, and one real estate person, Steve LoPresti—other than some clerical help.
- 18-00:09:59  
Rubens: This was just about 5 years ago? I think in 1998 you sold the management company.
- 18-00:10:23  
Bakar: You know I've passed the 70 benchmark of years, and I certainly have to start thinking in terms of what happens when I'm not here. And these people are very capable.
- 18-00:10:35  
Rubens: They've been with you a long time.
- 18-00:10:36  
Bakar: And their management skills are excellent, and Steve LoPresti is very capable relative to just dealing with the ownership issues of the apartments. All of the properties, I should say, I turn it over. I don't want to use the term buy.
- 18-00:11:43  
Rubens: Fine. Enough said. I see a reference to Crystal Springs.
- 18-00:12:00  
Bakar: That's a purchase made along the way.
- 18-00:12:02  
Rubens: So we haven't documented every single purchase.
- 18-00:12:05  
Bakar: No.
- 18-00:12:05  
Rubens: Are there other significant business activities you want to discuss?
- 18-00:12:26  
Bakar: Well, one more, from a significant, business standpoint. Mr. Wilsey left his interest in Daly City, in all of the properties to his widow.
- 18-00:12:37  
Rubens: I read your eulogy that you gave for him at his funeral.

18-00:12:39  
Bakar: He died about three years ago. And Mrs. Wilsey, who inherited all of his interest, chose not to stay in the Daly City partnership. So I recently purchased her interest.

18-00:13:00  
Rubens: How does that come about? Just a business decision on her part?

18-00:13:15  
Bakar: She just chose that she wanted out, and we got together, and after what I think was a very balanced negotiation I bought her interest.

18-00:13:28  
Rubens: But you are partners with her in other—?

18-00:13:30  
Bakar: Absolutely. She's a partner in—

18-00:13:38  
Dienstfrey: Oak Creek, Park Newport and these other apartments.

18-00:13:43  
Rubens: And Levi's?

18-00:13:44  
Bakar: And Levi's. And the Aliso Viejo apartments.

18-00:13:50  
Rubens: You do have that one financial crisis, but in terms of any kind of damages, suits—

18-00:14:09  
Bakar: Well, the worst financial crisis. We had a financial—you're talking about—

18-00:14:14  
Rubens: Set backs, or litigation?

18-00:14:15  
Bakar: 101 Lombard. We had a loss there. But it wasn't a crisis, because by that time all of us could handle the loss. But it was a significant loss. The first loss that I'd ever really had. Or I shouldn't say the only one.

I've had some litigations. The only two that come to mind that were significant were the story of the youngster that was electrocuted, and at Oak Creek, I had an incident where one of our employees followed a very attractive young lady into her apartment, and in the course of an attempted attack on her she was wounded by a knife and had to have a colostomy, and the lawsuit was a very unpleasant one. And he was my employee. So I had that experience, I had to go to court.

- 19-00:01:03  
Rubens: So a small number for as many living units and management experience.
- 19-00:01:10  
Bakar: Well, I'm sure we had others. But this was a very terrible—and of course the electrocution was a very sad one.
- 19-00:01:18  
Dienstfrey: One I remember, an employee found a bullet, took it to the machine shop, and drilled a hole in the bullet, and hurt himself, and sued the company.
- 19-00:01:29  
Bakar: We have no idea whose bullet it was. That was just recently. But of course, over the years, we've had a lot of slips. But the two major ones, if I was responding to a question, would have been the attack on the woman at Oak Creek and the young lady killed by the electrical charge. I can't think of any others.
- 19-00:02:00  
Dienstfrey: A lot of effort is spent on occupational safety. The properties are inspected twice a year to try to prevent things from happening. From time to time, people have claimed discrimination, and it's not true, and we fight those. We don't discriminate.
- 19-00:02:23  
Rubens: So you're speaking to realms of administration and management that I haven't asked you about, of course.
- 19-00:02:31  
Bakar: If we add up all of our apartments and assume—which is probably a safe assumption—of an average of two people that live in every apartment, we're dealing right now with close to 20,000 tenants.
- 19-00:02:47  
Rubens: Small cities, when I think of—well, neighborhoods. Certainly Northpoint and Levi's Plaza.
- Now should we talk about Bridge Housing and then the Fisher Center at Berkeley?
- 19-00:03:15  
Bakar: The Fisher Center? Oh, the Ken Rosen—
- 19-00:03:18  
Rubens: Ken Rosen's organization. Do you attend the Pebble Beach conferences?
- 19-00:03:24  
Bakar: I haven't been there for a couple of years.

19-00:03:26

Rubens:

It turned out, a friend of mine was the keynote speaker this year—2006, Ken Jowitt, now at Stanford's Hoover Institute; he used to be in the Political Science Department at UC Berkeley.

19-00:03:46

Bakar:

I heard it was great. I saw Doug Abby at the football game on Saturday, and he said the guy was terrific. Do you know Doug?

19-00:04:20

Rubens:

I don't know Doug, no.

By the way, you give the commencement address at the business school in '78, it's a wonderful talk. I'll ask you about that when we're doing Berkeley and your role in the Fisher Center. We also need to cover the SPUR Award. And founding Bridge Housing. I think that's '86. Tell me what you remember about how that comes about.

19-00:05:34

Bakar:

I think I received a phone call from Alan Stein.

19-00:05:43

Rubens:

Should I know who he is?

19-00:05:45

Bakar:

He's a member of the community. A successful businessman, investment banker historically.

19-00:05:52

Dienstfrey:

He was Secretary of Business and Transportation under Jerry Brown.

19-00:05:45

Bakar:

That's right. He was the only Republican in Jerry Brown's cabinet. But a fine guy. Anyhow, he called me one day, and he had received a call from the San Francisco Foundation, who in turn had received from an anonymous donor a grant of—I remember it was 10,000 shares of IBM stock. And it was \$600,000 at the time, that they would give to the Foundation to implement a study on how to produce housing, or how to produce affordable housing. And they defined "affordable housing" not as necessarily low-income housing, but housing for the average person's secretary. I remember him talking about that, being a benchmark for that world out there of not necessarily poor people, but people that just couldn't afford—couldn't make the affordability mark to buy housing. And would I agree to serve on a group; they were going to try to put together this program. And I said yes.

19-00:07:31

Rubens:

Had you known him particularly?

19-00:07:33

Bakar:

Oh, I'd known Alan in the community. And I agreed to—and I can't remember the names of the others, but there were probably close to 15 people that became the committee, whatever it might be called. I think all of us became directors when Bridge was finally formed.

19-00:08:00

Dienstfrey:

I can remember some of them. It was Sunne McPeak, Preston Butcher, Ken Rosen, Mr. Bender from the School of Environmental Design, at UC Berkeley, he's in architecture.

19-00:08:11

Dienstfrey:

Supervisor Susanne Wilson from Santa Clara County was there. So it was public, academic, and business people.

19-00:08:21

Rubens:

Sunne McPeak?

19-00:08:22

Dienstfrey:

She was a supervisor at the time, and she's now Secretary of Business and Transportation. One of the Democrats in the Republican administration.

19-00:08:31

Rubens:

And the name Bridge?

19-00:08:38

Bakar:

Bridge became an acronym for Bay Area—and I can't remember all the words in their huge title. Somebody looked at it one day and said, "Let's just call it Bridge." And my role was no greater than, I think, anybody else in that body of roughly 15 people. But I was one of them.

19-00:09:00

Rubens:

And why were you willing to do it?

19-00:09:03

Bakar:

Oh, it was a community thing that made sense. The donor had well-defined the need in our society for a whole bunch of people that were being priced out of the housing market. So I agreed to do it.

19-00:09:18

Rubens:

Was this, would you say, connected also to the kind of work you were doing about stopping rent control?

19-00:09:26

Bakar:

Well, I could argue, yes. I mean, I don't think rent control helps the people it's earmarked to help. So I can make a case that it had the same social implications or financial implications. But it wouldn't be perceived that way universally.

- 19-00:09:44  
Rubens: Right. And it's not exactly the same people who are involved with the Housing Council.
- 19-00:09:48  
Bakar: Absolutely. There would be some overlap.
- 19-00:09:50  
Rubens: How often did you meet?
- 19-00:09:52  
Dienstfrey: You met once a month.
- 19-00:09:54  
Rubens: We're not talking about Bridge.
- 19-00:09:55  
Dienstfrey: No, no. This planning group met once a month for about a year, before they decided on setting up this regional housing development corporation known as The Bay Area Regional Housing Development Corporation.
- 19-00:10:12  
Bakar: In Friday's *Business Times*, last Friday there was a huge story on Carol Galante. She runs it now.
- 19-00:10:33  
Dienstfrey: She replaced Don Turner.
- 19-00:10:35  
Bakar: She replaced Don Turner, who was killed, sadly, in a plane crash.
- 19-00:10:37  
Rubens: So they formed a corporation, and at any point were people asked to give money to it?
- 19-00:10:48  
Bakar: Yes, there was some fundraising. We initially had some money left over from that \$600,000. But there was some fundraising.
- 19-00:10:59  
Rubens: Was that an anonymous donor? Does it matter?
- 19-00:11:01  
Bakar: Yes, though I found out later who the donor was. And I was thinking about it, when the word "bridge" came up. I can't think of his name now. Bill Brinton, I think.
- 19-00:11:13  
Rubens: Who was he, that he was interested in that?

19-00:11:17

Bakar:

You know, I don't remember. This is really an interesting story, and I don't think it's germane to the publication. Nobody knew who it was, for years. And we have other tenants in this building at 201 Filbert Street, and I was walking over—Mr. Brinton, at the time, had a little company called Mercury Publishing. And I don't know where his wealth came from; didn't come from Mercury Publishing. I think that was the name of his company. But I was walking with him to the garage one day, and he just commented, in an offhanded manner, "Gee, you people at Bridge are doing a pretty good job." I said, "How do you know about it?" He says, "I was the donor." I got all excited and I called Don Turner, and I called Alan Stein, wanting to get—and he didn't want any publicity.

19-00:12:01

Dienstfrey:

It's still not public knowledge.

19-00:12:03

Bakar:

No, I've shared it with all the people. But he never wanted any public acclaim for it. But all the time, he was in the same office building here.

19-00:12:15

Rubens:

And so how do you evaluate what you think they've done?

19-00:12:20

Bakar:

Well, I think the best way would be to have you read that article. They've done a great job. And it's a huge—it's a two-page article.

19-00:12:46

Dienstfrey:

*Business Times*. It's a weekly magazine, local, mainly dealing with real estate.

19-00:13:22

Rubens:

All right. I know we need to end today. Any last little things? A clipping I have says, "As one of the original directors of Bridge, Bakar's support for 'turnkey' housing dates back to the early '70s." Mimi Silbert credits you with giving her the confidence to face the odds of developing Delancey Street. How did that happen?

19-00:13:51

Bakar:

She came in to see me one day with this idea, and nobody had given her any encouragement. And a mutual friend, John Burton, who was I think an assemblyman at the time, had said, "Why don't you talk to Gerson?" And she came in, and we had a meeting, and I said, "Go for it." And I gave her some money, which became her initial seed money. I gave her \$50,000.

19-00:14:20

Dienstfrey:

You also helped her find a contractor.

19-00:14:22

Bakar:

Right. And she had the idea to build with her residents, the populations she served, former convicts and addicts. She got from each of the craft unions a

person to help them. Somebody from sheet metal, somebody from electrical—somebody from each of them. So she had this army of employees, but she was in Bay mud, if you know where Delancey Street is. That's landfill. And I said, "I don't think you can get out of the mud with your employees." So I introduced her to a contractor who helped her build the basic platform, the foundations and the concrete platform. And then she built the rest of it herself.

19-00:15:08

Rubens: She was one of the first in that area—before the ball park, and the light rail.

19-00:15:19

Bakar: Well, the Redevelopment Agency got her that property. There were Redevelopment projects down there. I'm not familiar with the details of it.

19-00:15:29

Rubens: You never looked at any apartment development, Northpoint kind of things, down there?

19-00:15:35

Bakar: No.

19-00:15:36

Rubens: I saw Art Agnos at the dinner that SFMOMA gave to honor you.

19-00:15:39

Bakar: Were you at his table?

19-00:15:40

Rubens: No, I wasn't at his table. But I just thought—at one point, he was just kind of standing alone. And so I just said that I was a good friend of Jimmy Herman's. That's all I said.

19-00:15:52

Bakar: Oh, he's a very nice man.

19-00:15:53

Rubens: A very nice man. And also, he looked terrific. But Jimmy Herman was very close with Mimi Silbert.

19-00:15:59

Bakar: Oh, sure.

19-00:16:00

Rubens: And in fact, in the end of his life, he lived there.

19-00:16:02

Bakar: I didn't know that.

19-00:16:03

Rubens: Because he was a single man, and when he was sick, she took him in. They're just great people. It's amazing what she does.

19-00:16:10

Bakar: Do you know Mimi?

19-00:16:11

Rubens: I don't. Through Jimmy, I'd see her once in awhile.

19-00:16:16

Bakar: She does a Seder every year. A huge Seder. Not on Passover; it's usually a week after. And she has closed-circuit TV with two or three other locations, the Delancey locations, so they all hear her.



**Interview 11: December 6, 2006**

Begin Audio File 20

Rubens: I've now interviewed Larry Halprin for an hour about his work with you. He says he loves talking with you.

20-00:00:01

Bakar: I've known Lawrence Halprin so long and so well.

20-00:00:12

Rubens: He loaned me a video of him walking through his 1986 show at SFMOMA. So he explains his philosophy and it's very interesting. I was lucky to see him, because he cancelled one meeting and many are coming to see him, so he slipped me into his schedule.

20-00:00:35

Bakar: And he's approaching 90.

20-00:00:40

Rubens: He raved about you. He said he loves talking to you. We did go through a set of slides from projects he did with you, which were wonderful. There are basically six projects.

20-00:00:58

Bakar: Six that we've interfaced with?

20-00:00:59

Rubens: Yes; and we talked about that starting with—

20-00:01:03

Bakar: Well the first was a single building on Octavia—Bush and Octavia.

20-00:01:08

Rubens: He didn't mention that.

20-00:01:09

Bakar: It's just a little apartment house. It's on the corner of Bush and Octavia. And I think—in fact I know the address was 1650 Octavia. I think there are 54 units and in the center was a swimming pool that was one of the first swimming pools in San Francisco—in conjunction with an apartment house. And then the next project was probably Woodlake. And then he did Oak Creek and he did Park Newport and he obviously did Levi's Plaza.

Dienstfrey: He did Northpoint.

20-00:01:59

Bakar: He did Woodlake, Oak Creek, Park Newport, Northpoint, Levi's.

20-00:02:08

Rubens: Did he do anything for you at your homes?

- 20-00:02:11  
Bakar: No; he recommended a former associate of his—that really wasn't the thing he was doing then. And he recommended a young fellow named Ed Hagie, who had been an associate of Larry's.
- 20-00:02:36  
Rubens: He told me he had an 80-person office at one point.
- 20-00:02:39  
Bakar: You know he could have; Larry doesn't tend toward hyperbole so he must have had 80.
- 20-00:02:50  
Rubens: You told that great story of coming to him at this roundhouse and asking who would he recommend for the Levi's project because you knew he was doing something else.
- 20-00:02:58  
Bakar: I forgot exactly what—
- 20-00:03:03  
Rubens: I think he wanted to make films. I didn't ask because I knew my time was so limited with him.
- 20-00:03:13  
Dienstfrey: Didn't the woman, the Japanese woman come out of his office, too?
- Bakar: Yes, Mai Arbegast. And she was his horticulturist. She chose his plant material. She was Larry's right-hand person. How long did he spend with you?
- 20-00:03:55  
Rubens: A little less than an hour but I spent more time with Dee, his long-time assistant—a wonderful woman Do you remember that show in '86?
- 20-00:04:12  
Bakar: I have a dim memory of being disappointed.
- 20-00:04:19  
Rubens: Well there's none of your work in it.
- 20-00:04:21  
Bakar: Exactly. Mai by the way was stricken about a year or so ago with a massive stroke. I think she's still alive. She's a wonderful woman.
- Dienstfrey: She came and spoke to Barbara's students about her life—part of which was in the internment camps with the Japanese. And she had no ill will about that.
- Bakar: When we get to SFMOMA there's a wonderful story concerning her.

20-00:04:58

Rubens:

Good. I asked Mr. Halprin if he remembered meeting you and he didn't remember one exact event but he said he was always fond of you and he loved talking to you.

20-00:05:13

Bakar:

I remember meeting him. We shared the friendship of a woman whose name at the time was Lois Kaufman. She was a housewife and—but he had done her home.

20-00:05:56

Rubens:

Oh, I thought you had been put together with him by Wurster, Bernardi & Emmons?

20-00:06:00

Bakar:

No. On a professional basis yes. On a personal basis I knew his name and I met him at this woman's home. But really the big relationship with him—the 1650 Octavia preceded Woodlake and it was just a small building and I was putting a swimming pool in it and I asked Larry to design the courtyard. And the building was not designed by Emmons. It was designed by Karl Treffinger.

20-00:06:37

Rubens:

Thomas Church was who he became associated with and studied with.

20-00:06:51

Bakar:

I never knew Mr. Church; he's a legend.

20-00:06:59

Rubens:

Mr. Halprin was in a legendary class at Harvard—I think with I. M. Pei and some other people. At the same time Wurster was at MIT—during World War II, because Wurster was not getting clients at that time. Halprin and Wurster met and Wurster told him that if he ever came to San Francisco to look him up.

20-00:07:36

Bakar:

Could be.

20-00:07:37

Rubens:

And so when Halprin was in San Francisco, I think he came with the Navy and he fell in love with San Francisco, looked up Wurster; and Wurster would have taken him but then I think he also met Tommy Church and decided he wants to study with him.

20-00:07:47

Bakar:

I think Larry's father-in-law lived down on the Peninsula somewhere.

20-00:07:57

Rubens:

Halprin's show at SFMOMA and the video mentions the Julius Shulman Garden, which I think was his father-in-law's place. Sea Ranch and five or six other things are shown or mentioned, but none of your work.

- 20-00:08:37  
Dienstfrey: The Roosevelt Memorial?
- 20-00:08:38  
Rubens: Yes, the Roosevelt monument; the Promenade in Jerusalem, a long stretch incorporating the Portland Civic Center—including a signature fountain, and I think a plan in LA that did not get built.
- 20-00:08:50  
Bakar: He was involved with a developer in Bunker Hill named McGuire and I think they're called the Library Steps. I actually have never seen them.
- 20-00:09:02  
Rubens: I don't think we talked about that. I did ask why he didn't design Yerba Buena Gardens. He said he submitted three plans, but none were accepted.
- [break in tape]
- 20-00:09:35  
Rubens: He did explain to me that he was not in the company of Wurster Bernardi & Emmons but he did a lot of work with them.
- 20-00:09:49  
Bakar: They owned their building together. And it's right around the corner. 1620 Montgomery at the end of Sansome where you hit the Embarcadero.
- Rubens: I'd love to see the Octavia Building, too.
- 20-00:10:24  
Bakar: Just go over there and ask to see an apartment. No; I'm serious. Because there's frequently a sign outside that's you know 54-units and they're all small so the turnover—they probably have apartments for rent from time to time. Bear in mind, all he did there was really the courtyard.
- Now let me show you something. This is Levi's Plaza and if you go down Sansome to where you hit the Embarcadero, turn left; it's this building right here on this corner where it says Montgomery and it has a big deck—not a deck—
- Dienstfrey: Loading dock.
- Bakar: Not a loading dock either; it just has—it has a raised sidewalk. It's a wooden platform, so you can't miss it—with an awning. The building was a partnership. I don't know any of the details of the partnership—between WB&E or the Wurster Bernardi people and Larry.
- 20-00:11:33  
Rubens: Is that where you worked with them?

20-00:11:38

Bakar:

They were both there by the time I started to plan Woodlake. And I spent an enormous amount of time there, because they did—the same team did Woodlake, Oak Creek and Park Newport. So I spent a lot of time there.

20-00:11:53

Rubens:

When I asked about his work with you, I used the term commercial enterprises and then he stopped me and he said, "Well I don't like to use the word *commercial*. I think of myself as creating for the public an open space."

20-00:12:28

Bakar:

Well they were all—I think the word wouldn't be appropriate—they were residential.

20-00:12:46

Rubens:

Yes, of course. Also, would you be able to shed any light on Sea Ranch? I actually don't know the dates of Sea Ranch.

20-00:12:57

Bakar:

No; not really. And the architect I think—Moore.

20-00:13:07

Rubens:

Yes; it was Charles Moore, which I think Halprin found. It seemed to me it was a collaboration between himself and the developer and because he said they were young architects. Moore was very young.

20-00:13:22

Bakar:

That could be but the developer was Castle & Cooke. A public company.

20-00:13:28

Rubens:

OK; the other architect was Joe Esherick who had been with him.

20-00:13:33

Bakar:

Could be; I don't know. He has passed away too.

20-00:13:56

Rubens:

As he went through your projects, we looked at strips of slides, he was very proud of them. He also told me the story of saving the Oaks at Oak Creek, and the little fight over how big the rock would be in the lake at—

20-00:14:18

Bakar:

How many rocks in the lake?

20-00:14:21

Rubens:

Yes, he joked about that.

20-00:14:22

Bakar:

And we both do.

20-00:14:22

Rubens:

Is there a piece—a couple of stones from the Roosevelt Memorial in the Levi's Plaza?

20-00:14:37

Bakar: No, the Levi's Plaza has a big fountain. And it's right behind me.

20-00:14:44

Rubens: Yes, that's right—you told me that was his drawing on your wall in this conference room.

20-00:14:45

Bakar: That big stone and my guess is he gave me that sketch or he did that sketch for the design. By the way Larry doesn't design with hard lines. He designs—all of his designs are sketches.

20-00:14:59

Rubens: I didn't realize that.

20-00:15:06

Bakar: Yes; or a T-Square—Larry sketches everything and then depending on the size of his office either out-sources the hard drawings or there was a time when he did them with—with his own staff. But Larry doesn't do hard drawings; he does sketches and then somebody will take the sketch and reduce it to a drawing that contractors can bid on. You can't bid on a sketch—or they don't. But the connection with the Roosevelt Memorial is I think he had spotted the stone in the quarry in the Dakotas somewhere and he had kind of earmarked that at some point he'd probably use it. So he knew about the particular stone. And I—you know I tell the story that the—our main piece of sculpture at Levi's Plaza is the stone; it is the stone from which the waterfall comes out of or the water comes out and the stone only cost \$500 to buy in the Dakotas. By the time they cut it and shipped it and put it in—you know it was a quarter of a million.

20-00:16:14

Rubens: It came from the same quarry as the stone for the Roosevelt Memorial?

20-00:16:22

Bakar: The same.

20-00:16:25

Rubens: OK. He also told me that he recently had an art show.

20-00:16:36

Bakar: Yes; he's constantly sketching. I went to the baseball game with him. He and I went to a baseball game with a man named Arthur Rock and Larry sat there with his sketchbook during the game and sketched the stands. And several—a year or two later—whatever, I was in Arthur's office and there Arthur has framed the sketch that Larry did during the baseball game. He's obviously a capable artist.

20-00:17:03

Rubens: Should I know who Arthur Rock is?

20-00:17:06

Bakar: Well you could know. He's a legendary venture capitalist. He was on the cover of *Time* magazine.

20-00:17:15

Rubens: OK. Just two more things about Larry I'd like to mention. He said that he introduced you to a sculptor and I didn't know the sculptor's name. He said he's used him, and that you've bought some pieces.

20-00:17:30

Bakar: Oh Graham? Robert Graham. I've never met Robert, but Larry introduced me to his work. And in our apartment when you come over there you'll see two figures that Robert Graham did and Larry was able to get them for me. And they are miniature castings of the two-figures that were the theme figures for the '84 Olympics. Graham is married to the actress, John Houston's daughter, Angelica Houston. And he's in that LA art world. But Robert Graham is very well known.

20-00:18:10

Rubens: Graham and George Segal are the sculptors that he uses at the Roosevelt Memorial in D.C.

20-00:18:16

Bakar: Yes; plus I think one or two others. But they're the principal ones. I've never met Robert Graham but the word *introduced* is appropriate because he introduced me to his art. And he got me the two pieces we have in our apartment.

20-00:18:31

Rubens: Is there anything else you think that's important to say about Mr. Halprin?

20-00:18:39

Bakar: Well he's become a personal friend.

20-00:18:43

Rubens: You two are very sympatico..

20-00:18:48

Bakar: His wife—I'm sure you know about his wife, the dancer Anna Halprin.

20-00:19:26

Rubens: I also know that Anna Halprin was involved with the California Labor School. Larry Halprin was very proud of the work he'd done with you. There was no question about it.

20-00:19:46

Bakar: And he should be.

20-00:19:47

Rubens: One of the places where he broke free apparently in his use of waterfalls and the like was at the McIntyre House.

20-00:20:02

Bakar: I don't know it. But I think his signature fountain, I believe, is in Portland.

[Bakar leaves room to take a phone call.]

20-00:28:01

Dienstfrey: While you were out, Gerson, Lisa was asking about the Peninsula Regent and how you would describe your role in that.

Bakar:

Right; well I—you know in my business life I've had a lot of tiny deals and one of the men that I had some tiny—when I use the word *tiny* they're meaningful but to try to go through and remember and recast all the players and the roles. One of the men I've done a number of things with is a man named Tom Callinan and in particular with Pacific Union, with a bunch of people that were very creative and good people. I've done a number of deals with them and I think I mentioned to you sometime ago that though I haven't done any developing for 20-plus years I've been involved financially in a number of different deals. One deal was the Peninsula Regent and the Peninsula Regent was brought to me by the developer and I provided the financing.

20-00:29:13

Rubens: Who was the developer? Should we know?

20-00:29:14

Bakar:

Tom—well it was basically Tom Callinan and a fellow named Peter Palmisano and they brought it to me and I did provide the equity financing. It was a deal in senior housing but this was just what they called congregate housing which basically means it isn't a health facility. It basically means you have your apartment, you have your residential component of it, and you have congregant dining, so it's like living in a hotel. So you have—I think they do three meals a day at the Peninsula Regent. They just celebrated I think the 17<sup>th</sup> year; it's a little short of 20 years old now.

20-00:30:14

Rubens: After Levi's Plaza this came—

20-00:30:16

Bakar:

I don't remember the exact date. But that was a Tom Callinan and Peter Palmisano sponsored deal and they were members of the Pacific Union family. I've done that deal with what I call the Pacific Union family and then there was another deal I did called the West Gate Shopping Center in San Leandro. And it was a conversion of a huge industrial building in San Leandro. And it's where Home Depot is and Wal-Mart is—it's off Jackson Street and just off the freeway. It's off Davis Street in San Leandro, so those are representative of the—some of the kinds of things I've done in the last 20—25 years.

Dienstfrey: Gerson, the thing I remember with the Peninsula Regent is there was some hesitation of the City Council to grant the zoning.

Bakar: That I don't remember.

Dienstfrey: And we brought Woodlake residents down.

Bakar: Yes, I guess.

Dienstfrey: And Sandy Weiner was helping us and they testified and said Bakar did a good deal in Woodlake; he's going to do a good deal here—trust him, and we want to live there.

20-00:31:41

Bakar: And some did.

20-00:31:43

Rubens: Sandy Weiner is?

20-00:32:16

Bakar: Sandy was a—kind of a political consultant.

20-00:33:02

Rubens: And should I know him?

20-00:33:03

Bakar: No; he's passed away. One of the things Sandy did was—which has no relationship to me—he helped create the gambling world of—Atlantic City was one of Sandy's big accomplishments but anyhow Sandy was a man I used from time to time to help me with political issues—mainly land use issues.

20-00:33:35

Rubens: In this case particularly over getting the zoning permits, everything for the Peninsula Regent?

20-00:33:48

Bakar: Yes, though it wasn't a major—it wasn't one of these historical battles.

20-00:33:53

Rubens: Was it related to Bridge?

20-00:34:06

Bakar: No; the way it turned out and it was a fairly complicated business deal but we brought Bridge in and when I use the word *we*, Tom Callinan brought Bridge in to operate the facility and Bridge being a non-profit set up I think they called it their Senior Division or something. So they operate the Peninsula Regent and they ended up having, I believe, 25-percent ownership in it.

20-00:34:59

Rubens: Now let's talk about Cal. Of course you graduated in—

20-00:35:22  
Bakar: Forty-eight.

20-00:35:23  
Rubens: I'm so sorry about these diversions but Jerry Adams, I told you who was the neighborhood reporter for years and who has observed you picking up trash around here.

20-00:35:38  
Bakar: He was at Cal when I was there. You know a classmate at Cal—the class is several thousand people. But I knew him on the campus.

20-00:35:47  
Rubens: Yes; and then he must have observed you over the years because of his writing.

20-00:37:02  
Bakar: I told you about a newspaper article in which he said that I was trying to buy the Telegraph Hill neighbor's goodwill and I was bribing them and the bribe was an honest bribe. I bought them lunch.

20-00:37:11  
Rubens: So in fact you never actually conversed with him. It's not that there was any literal—

20-00:37:16  
Bakar: I would pass him on the street.

20-00:37:18  
Rubens: And say hi?

20-00:37:19  
Bakar: Yes; that's all.

20-00:37:21  
Rubens: Yes; you never called him up and said, "Hey you've got the wrong idea?"

20-00:37:24  
Bakar: Yes.

20-00:37:23  
Rubens: One thing that was interesting about him is that he covered the Planning Commission meetings.

20-00:37:29  
Bakar: That's why it was his beat.

20-00:37:29  
Rubens: Yes; nobody does that now. They don't sit through those endless meetings. OK; so '48 you graduate. The next time I see you connected to Cal is when you give the commencement speech in '78 but I don't know if there is

anything you want to say particularly. Were you part of an alumni organization?

20-00:37:48

Bakar: No, I really wasn't. The only thing I think of and it had to be prior to 1978 was the gift I made when Mike Heyman was Chancellor. You know I'm not sure who was Chancellor when I gave the speech. The Dean was Budd Cheit of the Business School when I gave the speech.

20-00:38:39

Rubens: Did you know him in some way or he knew who you were?

20-00:38:43

Bakar: Well, just because he invited me to be the speaker.

20-00:38:45

Rubens: Had there been any outreach on the part of Cal to tap you before '78?

20-00:38:52

Bakar: You know I can't remember the dates but clearly I had a relationship with Cal that related to Ken Rosen and his activities. I had a relationship with Cal—there was a man named Leo Helzel, who is an adjunct professor over there.

20-00:39:12

Rubens: With business and real estate?

20-00:39:13

Bakar: Yes, with the Haas Business School. And Leo on a number of occasions would ask me to come over and address a class. So I did that probably three, four, five times.

20-00:39:29

Rubens: OK; maybe that says it all—as your career is evolving.

20-00:39:33

Bakar: I would say almost everything that happened related to something, such as an invitation to speak at the Business School was post-Woodlake because Woodlake kind of put me on the map.

20-00:39:49

Rubens: Oh absolutely and even Northpoint; I think it's all post-Northpoint.

20-00:39:50

Bakar: Yes, both of them. They were basically the same—within a few years of each other, in the late seventies.

But relative to philanthropy as I was starting to have excess monies and I wanted to try to do some—put something back and I can't remember where it started, whether it started with Heyman or it started with—

Dienstfrey:

Julius Krevans, "Julie" was Chancellor of UCSF.

20-00:40:50

Bakar:

And for some reason I had postured myself to make a—for me at the time a very meaningful contribution to this whole world of DNA that was emerging. And I wasn't really sure; I didn't understand the difference between UC Berkeley and UCSF relative to the research. And I found out later one was basic research which was the Berkeley campus, one was applied research when they took the basic research and applied it to patients. But I was still confused because in my mind where did I want to make the gift? And this is a fun story. And so I ended up having lunch one day with Mike Heyman and I think you were there Ted, and another man who was there—the man who founded Chiron. And he's now the Dean of the School of Public Health, Edward Penhoet.

Anyhow he was involved in the world of public health in the school somehow and Mike being the Chancellor and I guess Teddy and I—I was telling them my difficulty, if I'm going to make a gift and I can remember the sum—it was \$250,000—do I give it to Berkeley or do I give it to UCSF? And I was troubled though I was told the difference which I just shared with you.

This was before the Haas Pavilion was built. And Cal had a very limited seating capacity to watch basketball. It was called Harmon Gym at the time and so Mike said, "Well let me give you a real reason to give to Berkeley." He said, "If you give here you will always have basketball seats." So I said: "Done." Later I told that story to Julie Krevans. I said, "Julie I made the decision to give at Berkeley because I get basketball seats." Julie said the most wonderful retort. He said, "Do me a favor; call Mike Heyman next time you get sick." Yes, so anyhow but that's been a standing joke.

20-00:43:57

Rubens:

Why were you interested in DNA?

20-00:44:01

Bakar:

Well I don't have—

20-00:44:02

Rubens:

And later on you come around and are exceedingly generous with the Mission Bay Campus and the Children's Hospital.

20-00:44:04

Bakar:

And I'm not scientifically bent but it was clearly kind of the leading edge of research at the time and it had great promise.

20-00:44:12

Rubens:

So your gift at that time which has got to be around '78—when Heyman said, "I'll give you tickets," it's not earmarked for basic research? It's to the University?

20-00:44:24

Bakar:

No.

Dienstfrey: It was for the bio-sciences.

20-00:44:31

Bakar: But in the Life Science Building which was a building that was on the campus when I was there, if you wandered through the hallways—and I have never done it—there's a lab over there with my name on it.

20-00:44:43

Rubens: Do you want to take just one second and reflect on Heyman? What a guy.

20-00:44:49

Bakar: Yes, I mean what a guy is an appropriate term. He had a wonderful sense of humor. Apparently he was at one point Dean of the Boalt Law School and then Chancellor and as far as I know everybody liked him. I don't think he was there during the turbulent times.

Dienstfrey: Oh yes.

20-00:45:07

Rubens: He was at Boalt.

20-00:45:07

Bakar: Oh he was?

20-00:45:09

Rubens: Yes; he was at the law school and played a role with settling the conflict. And then under him as Chancellor there's the over-representation of Asians conflict, the de-investment from South Africa.

20-00:45:28

Bakar: Anyhow, good guy.

20-00:45:30

Rubens: Well that's a charming story about—I'll give you tickets and you know Haas Pavilion Center is built.

20-00:45:39

Dienstfrey: I remember he said, "I can get you good tickets."

20-00:45:43

Rubens: Had you attended football games particularly or followed Cal before?

20-00:45:51

Bakar: Oh sure, but it wasn't football that was the trouble. It was basketball. I went to both but getting basketball tickets was very difficult because there were so few available.

20-00:46:02

Rubens: So you think it's Budd Cheit who then invites you to give the commencement address?

- 20-00:46:09  
Bakar: Oh I know it is.
- 20-00:46:10  
Rubens: Yes, and we have a copy of the address which is wonderful. It's a wonderful talk.
- 20-00:46:15  
Bakar: Well Teddy obviously helped me write it. I can't take all that credit.
- 20-00:46:22  
Dienstfrey: Did you tell about the introduction?
- Bakar: This is one of the really cute stories. Budd Cheit introduced me and I may have told you this earlier in our meetings that when I first got to Cal I was a terrible—terrible student. Budd Cheit introduced me and he said, "Those of you students that have won honors today can relate to our speaker." Then Budd talked in a very nice way about some of the honors I may have gotten through my development activities. But he said, "Those of you that won no honors today can relate to my speaker because I looked up his grade point average," and there was a huge roar from the crowd. It was in Zellerbach Hall.
- 20-00:47:26  
Rubens: That's a big—big hall.
- 20-00:47:31  
Bakar: Well they're big classes.
- 20-00:47:33  
Rubens: Yes; so you've given a gift, you speak and now you feel more connected to Cal?
- 20-00:47:42  
Bakar: Well I always felt connected.
- 20-00:47:54  
Rubens: I was looking for the dates of the Fisher Center but my understanding is that Rosen calls you.
- 20-00:48:00  
Bakar: Could be.
- 20-00:48:01  
Rubens: That Rosen is hired. I don't know if you're talking to Cheit about why don't you get the real estate program going again?
- 20-00:48:06  
Bakar: I can't recall the actual steps but I'm sure that there was myself and a gentleman who I think has passed away, Maury Mann, I think he was the head of Mason-McDuffie which at the time was the major real estate firm in

Berkeley. I think they were the two prime movers of what became later known as the Fisher Center.

20-00:49:22

Rubens:

And so would you speak about that? Rosen said, "I'd like your help." You said, "What can I do?" You then came up with this idea of 10 people—I think maybe it was more—contributing \$25,000 a year.

20-00:49:38

Bakar:

You know, I don't remember the number of people. And I don't know that it was as much as \$25,000. Was it? It's now \$15,000 and I don't think—I don't think it was ever—

20-00:49:48

Rubens:

It is \$2,500; according to my notes here. I misspoke before.

20-00:49:52

Bakar:

I don't recall and it may be worthwhile to—I mean, you're in Berkeley—to spend a few minutes with Ken.

20-00:49:59

Rubens:

I did talk to him and it's hard to get time with him. He's so busy.

20-00:50:07

Bakar:

Yes; very.

20-00:50:06

Rubens:

But I got him on the phone quite a while ago.

20-00:50:09

Bakar:

He's become a major consultant nationally in the world of real estate. You know I think it's unfair to say that I came up with the idea. It could have been Ken—but whatever that support group for the real estate curriculum was created and whether the person that gets the credit—I don't think I get the credit.

20-00:50:38

Rubens:

Did you bring in Don Fisher?

20-00:50:40

Bakar:

Probably but I don't really remember that. Preston Butcher I probably brought in.

Dienstfrey:

And then what they did is they would meet quarterly as a group just to exchange—

Bakar:

They now have a retreat twice a year down in Pebble Beach.

20-00:51:27

Rubens:

So you put together a—

- 20-00:51:40  
Bakar: Support group.
- 20-00:51:43  
Rubens: How does it become the Fisher Real Estate Center?
- 20-00:51:49  
Bakar: I don't—again, you'll have to call Ken. I know that Don made a meaningful gift and they relabeled it the Fisher Center but I don't remember.
- 20-00:51:58  
Rubens: Did you become friends with Don Fisher through SFMOMA?
- 20-00:52:02  
Bakar: No; I just think in the community. He's exactly my age.
- 20-00:52:12  
Rubens: Some of the Fisher Center literature suggests you're on and off the Advisory Council.
- 20-00:52:23  
Dienstfrey: There were two different things. There's the Fisher Center which is all real estate—and then there's the Advisory Council to the Dean.
- Bakar: Which is all part of the Business School in general and when Tom Campbell became Dean the Advisory Council—and I'm just going to pick a number—was 50 people. One of the first things he said in the first meeting that I attended—and the Dean always sits in on the Advisory Council meetings, not the Fisher Center—you know I really want to work with this group but it's too big. And as a result of being alumna of the year you become a permanent member of the Advisory Council, so I was on it and when he made that comment and there's nothing I enjoy more than less meetings, I wrote a note and said I'd be happy to step off, so I've been off ever since.
- 20-00:53:25  
Rubens: All right; so let's get to that. I didn't understand the difference between the Advisory Council and—
- 20-00:53:31  
Bakar: The Advisory Council was to the entire—to the whole school. The real estate or the Fisher Center was a support group for the curriculum of real estate and the advancement of real estate.
- 20-00:53:44  
Rubens: Right; now you are on the cover of *Cal Business* in the winter of '92, a wonderful spread.
- 20-00:53:49  
Bakar: Right. You saw that picture?

20-00:53:50

Rubens:

Oh yes, wonderful. I think alumnus of the year was for 1991. That was quite an honor to be named the alumnus of the year. Do you remember how you were notified about that?

20-00:54:11

Bakar:

I know it was '91 because I had surgery and Barbara went over to accept the award. The alumnus of the year is automatically given a seat on the Advisory Council. I don't remember whether I was on it before or not. I just don't remember.

20-00:54:44

Rubens:

Then you offer to get leave because it's too big? Did you go back?

20-00:54:54

Bakar:

No. That was it. They invited me back to a meeting sometime this year—earlier this year to kind of just—for all those people to say thank you for the big gift I made, a capital gift to the business school and I don't remember the exact amount; it was toward the construction of the building, the current building. I was given a naming opportunity, so what was left by that time was—there's probably no one that went to the business school less conversant with a computer than I—but in any event the physical setup for the computer center in the business school building is the Barbara and Gerson Bakar Computer Center.

20-00:56:21

Rubens:

I think '96 I think is when you get involved with UCSF Foundation.

20-00:56:35

Bakar:

Could be. I've never been on the UCSF Foundation. UCSF had problems moving forward or they had an issue moving forward building a research center, building a new campus, which obviously became Mission Bay but at the time they were thinking of Alameda. Utah Construction had land over in Harbor Bay, in Alameda. And a Korean or Taiwanese company owned another site south of San Francisco by Candlestick causeway

If you go to the airport, when you leave San Francisco and you have that long flat causeway on the right and it's—that area is called Brisbane. On the right is a huge bunch of vacant land between the causeway and the old highway. It was all filled land and I think it's a company called Tuntex and I believe it's a Taiwanese company. They were willing to make a gift to the University for their research center. And I remember Don Fisher calling me up and coming over to see me and I think it may have just been Don. I don't remember who from the medical school came and they said we really should try to save this for San Francisco. And the idea that we had immediately was the land that a company called Catellus owned south of Islais Creek—and that property turned into what is now Mission Bay.

And to the measure that I had a role in that—a meaningful role—was that of first planting the idea with Willie Brown who was a can-do mayor. Willie Brown wanted to get something done—he could do it, and Catellus was having a very difficult time getting their land use permits. So the marriage was formed in part I think because of Don Fisher and me. I think we certainly had a role in bringing the mayor—matching the mayor's desire to keep UCSF in town and Catellus zoning, so Catellus as a result of the mayor's—of Willie Brown's efforts, Catellus got the zoning they wanted and UCSF got 42-acres of land free, 27 of which was donated by Catellus and there were 15 acres of planned but un-built streets.

Dienstfrey: It's called paper streets.

Bakar: So there were streets on paper but they were never built down there. So the City contributed their 15 acres; Catellus contributed 27 acres and all of a sudden there was a Mission Bay—there was land for the Mission Bay Research Campus. Then to get it started there were four of us that banded together to make Mission Bay a reality and the four people were myself, Don Fisher, Bill Rutter, who was one of the founders of Chiron, and Sandy Robertson—Robertson who was the partner in Robertson Stevens I think—an investment house. And we formed a new 501-c-3, a new entity so that we had a vehicle to raise money and it was called BALSА.

20-01:01:06  
Rubens: BALSА stands for—?

20-01:01:05  
Bakar: Bay Area Life Sciences Associates or Life Science Associates was the acronym BALSА. And we actually funded—the four of us until such time as the University—until UCSF had funding. I think at one point we put a collective \$16 million into the process.

20-01:01:30  
Rubens: Four of you?

20-01:01:32  
Bakar: Yes; and we were later—it was a loan, so it was an advance to UCSF to do all sorts of things that had to be done in preparation for a development.

Dienstfrey: What you guys did was guarantee the loan; each of you guaranteed \$4 million of it.

Bakar: Yes, Teddy is right. We guaranteed the loan at the bank.

20-01:01:55  
Rubens: This is of course what you had spent a lot of time getting banks to do and—that was a lot of money and that's the way of doing business too. I mean UC didn't have money and they needed money to do what for the new campus?

- 20-01:02:14  
Bakar: All sorts of things.
- 20-01:02:15  
Dienstfrey: Well it was a competition for the design.
- 20-01:02:20  
Rubens: Is that part of what the money was used for?
- 20-01:02:21  
Bakar: Was spent for—absolutely. And I don't remember the name of the successful designers. [A team lead by Machado and Silvetti Associates Inc. were hired to prepare the master plan.]
- 20-01:02:27  
Rubens: So are you pretty—you're a man who just said a few minutes ago you didn't like too many meetings but this had to have taken quite a bit of time.
- 20-01:02:36  
Bakar: Oh it did—it did. If I have something I care about I go to the meetings. [laughter] We would meet on a regular basis—the four of us.
- 20-01:03:01  
Rubens: This is taking place in 1998?
- 20-01:03:06  
Bakar: Well I think by '98 we were off and running. So it was a good part of the '90s. It was several years anyhow of pre-development planning.
- Dienstfrey: There was the thought at one point that the BALSA group could build the buildings quicker than the Office of the President.
- Bakar: Right, that's another good point. The University of California is just by its very nature very bureaucratic. So one of the reasons we created this separate entity is to get out from under the Office of the President's regulations. They had this bureaucratic maze that you have to go through and we were 100% unsuccessful. The Office of the President was very proprietary about this campus. All the success or the lack of success was just the ability to build it without their regulations.
- 20-01:04:23  
Rubens: So you get sort of as far with this partnership—not partnership but BALSA in the guarantee of the loan. You get all sorts of things accomplished including—that's what I was about to say—the design.
- 20-01:04:39  
Bakar: Not design of any of the buildings—land planning design. What you do when you have a development of this scale is you set up guidelines in your land use plan A firm was hired—the name of which I don't remember—for the master plan—a master plan is the key expression.

Dienstfrey: BALSAs hired someone to be a staff person and Gerson and the other people were Board of Directors.

Bakar: Well once the campus was in natural planning the university hired a coordinator and he's still out there, who works with the architects. But there were a series of architectural competitions for the buildings and most of us served on that body to pick the architects for these buildings. I think I would add that we lost something along the way—that the campus isn't, in my mind, well architecturally coordinated. There are a bunch of architects that did buildings and when the dust settles somebody else will have to judge it because there are probably only 25% or 30% of the buildings that they hoped to build out there are actually built at this point. But I think it's a little bit disjointed.

20-01:06:38

Rubens: Well should we naturally then follow your donation for the community building?

20-01:06:53

Bakar: During the stages of BALSAs I gave \$10 million; Don Fisher gave \$10 million; I believe Bill Rutter gave \$10 million; and I'd like Teddy to confirm this because I wouldn't want to be wrong. I think Sandy Robertson gave \$5 million.

Dienstfrey: But I think he then gave—he gave other money for a program.

Bakar: Whatever; well then why don't we be generous and it doesn't make any difference. We each gave \$10 million.

20-01:09:08

Rubens: When do you decide to—that your contribution is going to be for the community center?

20-01:09:21

Bakar: Much later. The contribution was made and then—and again I can't remember and I guess it came out of the community building that I was the first one—I believe I was the first one to give \$10 million; Don Fisher gave it right behind me and Rutter's gift—I never was quite sure exactly how much Mr. Rutter gave and then Sandy's—but anyhow because I was the first I was allowed to have the first naming opportunity. And we chose the athletic component of the place.

Dienstfrey: You were out fund-raising too with Koret and some of the other people.

Bakar: Right; but anyhow I was given the first call on fund-raising and naming has never been a big part of my giving. I say that with some, I think, appropriate modesty but there are people in the community for whom naming is very important.

But I was pleased to have the name down there. And then along the way the University of California had a foundation—UCSF has a foundation; each campus has separate foundations and my wife became the chairperson of the UCSF Foundation and she started along the way and she—Barbara is very interested in medical research, so a couple things happened. One, Barbara started what has become a bi-annual fund-raising called Raising Hope for the Cancer Center, cancer being a part of UCSF. And it's not necessarily at Mission Bay. So going a little bit further I'll come back to that and Barbara served I think for either two or four years as Chair of the UCSF Foundation. And at the—I think at each of the Raising Hope dinners—she was involved in two of them—we made—or we endowed two chairs for the Cancer Center.

They've been funded and then currently, I guess to close that part of this, Mission Bay is this 42 acres of land that sits just south of 16<sup>th</sup> Street subsequent to all of the activity that we've been talking about the university tied up another 10 acres of land.

20-01:12:35

Rubens: At your suggestion, at your BALSAs suggestion?

20-01:12:37

Bakar: Not BALSAs so much; I think I was involved with UCSF and it's a very complex arrangement but they now have 10-acres additionally and that's where the hospital or hospitals—plural—will go. And the current plan is still being massaged. The current plan is to have three hospitals down there—cancer, women's, and children's. And it's basically going to be a building with three lobbies, but the base of the building and this is where the base of the building—the three towers coming out of the base, and the base would have all of the facilities that each of them need—the labs, X-rays, kitchens, laundry, et cetera and then each of the hospitals, the patient facilities will come out of this space and they haven't chosen the architect for that yet.

20-01:13:52

Rubens: OK, that's what is going on right now?

20-01:13:53

Bakar: But that's what's going on as we talk. And I'm not sure even that this facility will take all 10 acres but it—the facility I just described they're in the early stages of planning.

20-01:14:12

Rubens: What was that property before?

20-01:14:16

Bakar: It was the Southern Pacific industrial property; there may still be some buildings on it that have to be torn down. I'm not sure. Most of it was owned by Catellus.

20-01:14:31  
Rubens: Did you ever go onto the Foundation?

20-01:14:33  
Bakar: No.

20-01:14:33  
Rubens: It was Barbara and then were there committees within the Foundation that you literally served on?

20-01:14:39  
Bakar: Yes; there's a committee that Ken Rosen chairs, which is a real estate committee to advise the campus.

Begin Audio File 21

Rubens: Is there anything more to say about BALSAs?

21-00:02:39  
Bakar: Cliff Graves, I think a pretty good guy, was brought on by BALSAs to head up BALSAs. He was our chief operating officer.

21-00:02:55  
Rubens: Where had he come from?

21-00:02:56  
Bakar: He had been the head of the San Francisco Redevelopment Agency.

21-00:03:04  
Dienstfrey: Yes. When Frank Jordan was mayor. And before that he had been the Chief Operating Officer of San Diego County and had been an assistant secretary of HUD at one point. And in some sense—I mean even though the city had no legal right to oversee—or veto the plan that the university was doing since this was a university mission, and a lot of opposition makes the regents nervous. Cliff was able to do all these community meetings and set up all these advisory committees and there was not a peep from this community.

Bakar: With one exception. The housing component.

Dienstfrey: Cliff wasn't there then.

Bakar: Yes; that's true.

21-00:04:25  
Dienstfrey: Cliff grew up in San Francisco, went to City Planning School at UC Berkeley with me.

21-00:04:27  
Rubens: Where is he right now?

- 21-00:04:30  
Dienstfrey: He had been at UC Merced. Then he went to run Community Development in Los Angeles City which is a big multi-million dollar thing. And he's on the advisory committee at PPIC: Public Policy Institute of California.
- 21-00:05:15  
Rubens: We need to finish up for today. I've been meaning to ask you about Walter Annenberg; there's a picture of you with him in 1992 in Barbara's scrap book.
- 21-00:05:37  
Bakar: Oh Walter Annenberg was the owner of the Philadelphia newspaper—*The Philadelphia Inquirer*, he had created *TV Guide*, and one of the wealthier men in America. And Walter Annenberg pretty well funded the School of Journalism at USC—communications or something. He would live in Palm Springs in the winter and Philadelphia in the balance of the year. And he's passed away.
- 21-00:06:09  
Rubens: And so how did you know him, from Palm Springs?
- 21-00:06:15  
Bakar: Dick Rosenberg is a close friend and Dick Rosenberg from time to time would come up and visit with us at our home in Napa. One year—I think it was a Labor Day weekend—he mentioned that Walter and Lenore Annenberg were coming up; they wanted to visit the Napa Valley, so they stayed at the Auberge [du Soliel] and our place is directly across the street from Auberge. So we had a weekend together—or spent about four or five days—nice, nice people. But he's kind of a legend.
- I did not make such an impression on him. He had a private 18-hole golf course in Palm Springs. He had a huge estate and I was going down to Palm Springs with a friend of mine and I said we'll get Walter Annenberg to let us play his golf course. He didn't even remember me. So anyhow there's no significance to Walter Annenberg.
- 21-00:07:30  
Rubens: Did you play the golf course?
- 21-00:07:31  
Bakar: No.



**Interview 12: January 10, 2007**

Begin Audio File 22

22-00:08:01

Rubens: Gerson we didn't finish discussing your idea about creating the Real Estate Center Executive Education Center. How did the idea come about.? Apparently there was at one point an interest in the Durant Hotel.

22-00:10:06

Bakar: Yes. I don't know if it's possible for me to find when the idea was in my mind as a participating donor. I do know that in the course of many meetings on the advisory council there would be discussions from time to time about executive education and that executive education could be a real money maker for the institution and was a money maker for several of the eastern schools. Along the way and again I can probably get you a copy of it—there was a report done by McKinsey, a consulting firm.

22-00:10:56

Rubens: Where are they based?

22-00:10:57

Bakar: Probably New York but I don't know that.

That report clearly made the case for the importance of continuing education, the need for it, and the fact that it could be a financial winner, a plus to the institution. So that was around for a long time and I guess it was just the sense that I was giving away more money and I had the ability to make a substantial gift and I was trying to focus on where I could make it and the idea getting—going forward with the Executive Center came into sharp focus and I moved in that direction and made a pledge toward it and all of my pledges are—I define them as a best-efforts pledge to fund in the order of \$25 million to get it started. And there's a letter which—

22-00:12:19

Rubens: I have read it.

22-00:12:21

Bakar: You know which is dated when?

22-00:12:23

Rubens: December 15, 2005—a little more than a year ago.

22-00:12:27

Bakar: Yes; and again I think—in fact I know—my attorney, Richard Greene made me aware that because of the Katrina tragedy on the Gulf Coast and the desire to facilitate philanthropy or to make it easier to give large gifts, some limitations were taken off as to the amount one could deduct in their tax planning for philanthropy. I can't recite what they were and what they became but Dick Greene said, "Gerson if you want to make a substantial gift you wouldn't have been able to do it without this—what they call the Katrina

effect in the tax code—you ought to do it now." So I funded—as defined in my letter to the Chancellor—I funded basically the entire gift. I had the funds and the university accepted them and the monies are co-mingled now with the University's Endowment at Berkeley campus, which has its own endowment fund. So while we're sitting on the sidelines waiting to spend the money it is earning money at the same rate as the University's endowment investments, which is the order of magnitude probably 10 to—to 14 or 15-percent a year. That's been their kind of historical records. So when the \$25 million with the assumption of only 10-percent could readily be in the low \$30s by the time they start spending it.

22-00:14:22

Rubens: You've stipulated in the letter that it needs to be built by 2009.

22-00:14:35

Bakar: Needs to be started.

22-00:14:36

Rubens: Needs to be started—sorry—by 2009. Is there a figure of what the whole center would cost?

22-00:14:45

Bakar: No. And it was clear from the beginning that this gift would never pay for the whole center.

22-00:14:52

Rubens: You also have an additional sum—you break up the sums in certain ways.

22-00:15:03

Bakar: Well I funded some of it early to use for pre-construction.

22-00:15:09

Rubens: I understand that you will be invited to participation in the selection process of the architect.

22-00:15:18

Bakar: And that's happened already. The architect has been chosen.

22-00:15:38

Rubens: Who is it?

22-00:15:39

Bakar: Arthur Gensler & Associates.

22-00:15:41

Rubens: Would you say for the record why you wanted to be part of the architectural selection?

22-00:15:48

Bakar: Well I've used Arthur Gensler's office—it's quite a good office; I've had a relationship with them for probably well over 30 years—25 or 30 years. I was

one of his very first clients and I have confidence in his office in their ability to do a good job.

22-00:16:09

Rubens: Does this reflect back at all, or do you have a certain vision of what it should look like? Also, do you have a strong opinion about what Haas looks like now, the Moore Building?

22-00:16:15

Bakar: No. At this date we don't know if it's going to be Bowles or if it's going to be another building—a brand new building and that's still in the air.

22-00:16:32

Rubens: And do you have a strong feeling one way or the other about the Charles Moore building, what the Haas School looks like?

22-00:16:42

Bakar: Oh I like it.

22-00:16:44

Rubens: And was there some consideration about the Durant Hotel?

22-00:16:48

Bakar: At one point early on long before the gift was made, several years ago, as an outgrowth of one of the Advisory Committee meetings the idea of the Durant Hotel came up because it has a residential facility and perhaps the breakout rooms as they call it for the seminars and so forth, the meetings could be created. So we took a pass at it. I used a firm called Kimpton and they're basically boutique hotel operators and whether we can convert that and make it work as a residential hotel basically with these breakout facilities and it turned out as we got into it that it wouldn't work. It just wasn't feasible for a whole bunch of reasons. That was disbanded.

22-00:17:49

Rubens: Yes; it seems to me too old, too small.

22-00:17:51

Bakar: All of the above.

22-00:17:52

Rubens: Where is Kimpton based by the way?

Bakar: In San Francisco. But they're all over the country. But Bill Kimpton was alive at the time and they did—frankly on a pro-bono basis—they did extensive studies of the Durant Hotel.

22-00:18:21

Rubens: Had you done business with them before?

22-00:18:22

Bakar: With Kimpton? No. I knew him in the community and I had been an investor with him. He had a fund that accepted outside investors so I knew him socially and I knew him from a business standpoint and I liked the firm.

22-00:18:39

Rubens: I think that would be a good investment myself. I can see the logic of having the Executive Center; is there a sense of what percentage of the year it would be used?

22-00:19:00

Bakar: Well I think the typical stay in an executive center runs for three days to—I would imagine to a week.

22-00:19:08

Rubens: You can stay sometimes six weeks and two months. I know Stanford and Harvard and—

22-00:19:12

Bakar: Right.

22-00:19:13

Rubens: The university here is so short on space there's no question that when they're not using it they probably will rent it out to other people.

22-00:19:32

Bakar: Well what Stanford does when Stanford doesn't use it and I think it's primarily in the summer—they use it for the executive training, they use it for student housing.

22-00:19:44

Rubens: So I would think that this gift was met with quite—

22-00:19:52

Bakar: Oh a lot of enthusiasm. And the university has to accept the obligation of raising considerable other funds. They're just getting started.

22-00:20:09

Rubens: But if they picked the architect then—

22-00:20:11

Bakar: Oh it's going forward.

22-00:20:14

Rubens: Yes, and in this case unlike the establishment of the Fisher Center you are not maybe privately but in a public way encouraging other people to contribute to this?

22-00:20:32

Bakar:

Well I worked with the current dean, Tom Campbell. We worked together with one candidate who we thought might possibly even match my gift. So to that extent I've been involved but we didn't do well. He chose not to.

22-00:20:47

Rubens:

Should I just—is there anything more that you'd like to say about that then? The Berkeley Center and your gift?

22-00:20:59

Bakar:

Well something that's not necessarily a compliment to the Berkeley campus: the Berkeley Campus is rife with politics and bureaucracy so it's not the easiest place in the world to work with.

22-00:21:14

Rubens:

Indeed as an employee of the university I know.

22-00:21:17

Bakar:

Well the person who was a big candidate to possibly match my gift categorically wouldn't because of a bad experience he had.

22-00:21:25

Rubens:

Oh really? And are you choosing to leave that name off the record?

22-00:21:27

Bakar:

Oh there's no point.

22-00:21:30

Rubens:

What is your clause regarding their fee for the defraying the cost of the administration?

22-00:21:44

Bakar:

When you give a gift to the university the development office charges a fee of I think 6%.

22-00:21:54

Rubens:

Well there is a 10% charge for us in our Sponsored Projects Office..

22-00:21:57

Bakar:

Really? In any event because of the size of this gift the 10% or even a 6% would have been egregious.

22-00:22:08

Rubens:

Yes, so you stipulated it would not exceed a certain amount? They are such big a ships, the university at state-level and certainly Berkeley—the jewel in the crown. It's a big administrative entity; it's just extraordinary.

22-00:22:29

Bakar:

Oh without question.

22-00:22:38

Rubens:

I want to ask if you have an opinion about it. It may seem incidental but there is the money now to redo the football stadium and there's a kind of imperative. There was a timetable that it should be done in one year.

22-00:23:05

Bakar:

I think you're wrong in your basic statement. There is money I believe available to build further facilities for the athletic department which would be connected to the stadium. I'm not aware that they have a plan relative to the stadium itself. It's mainly to enhance the athletic department's facilities.

22-00:23:28

Rubens:

I thought it was also some seismic renovation.

22-00:23:32

Bakar:

It could be. I'm not acquainted with it.

22-00:23:34

Rubens:

All right. It's being held up of course because of a grove of trees. My students have little sympathy with the tree sitters. But there is an argument that because the university is so strapped for space, and because of the impact of traffic and difficulty of community access, the stadium and the proposed facility should be relocated. Of course the stadium is an historic land mark—a memorial to Cal vets of World War I. And there have been efforts to find an alternative location—Bay Meadows I think—but nothing has come of that effort.

22-00:24:42

Bakar:

I've never thought about it in real practical terms that you're framing. From an emotional issue I think the football stadium should be part of the campus.

22-00:24:52

Rubens:

Bowles Hall for your real estate center makes sense because it's directly across the street from the school of business.

22-00:25:08

Bakar:

Absolutely.

22-00:25:09

Rubens:

Would it mean taking down Bowles Hall?

22-00:25:11

Bakar:

No. Just reconfiguring that area and building breakout rooms.

22-00:25:18

Rubens:

So one more thing about the university; if you feel you've said enough about the purpose of the c

22-00:25:33

Dienstfrey:

The gift was two parts—or at least one part of the grant not discussed which is if they don't start by a certain date what happens to the funds.

22-00:25:43

Bakar:

If I can frame the question and then provide an answer. What happens to the money if they don't start by the given date—the money has already been given as far as I'm concerned, and the money is hopefully increasing by virtue of the arrangement with the endowment. So the monies are there. There are two other departments that the university has—provides—and that's the School of Law and the School of Environmental Design both of which by their very nature cover the field of real estate in a meaningful way. So if they don't start this executive center—

Dienstfrey:

There are two issues. There is the issue of not starting on time, and the issue of keeping real estate faculty.

Bakar:

Thanks Ted, one of the important things to me, which is my prime condition, is they maintain the curriculum of real estate at its current level which I believe is recited as four and a half—

22-00:26:50

Rubens:

Four and three-quarters actually—point five on the December 15<sup>th</sup> letter.

22-00:26:54

Bakar:

That's where it is now—that they maintain it. If they don't maintain it then the funds are diverted. Even if the project is built—if they build the executive center and they eliminate a position—in particular the profits derived from the executive center will be divided between the other two schools that I mentioned.

22-00:27:21

Rubens:

The School of Law and the College of Environmental Design?

22-00:27:24

Bakar:

Exactly.

22-00:27:26

Rubens:

That are willing to add faculty appointments in the field to real estate sufficient to maintain the overall level of real estate faculty at a level of at least four and three-quarters. That's very smart I think.

22-00:27:44

Dienstfrey:

And the second area is if the building doesn't get built.

22-00:27:49

Rubens:

Do you want to state it or I can read it from the letter?

22-00:27:52

Bakar:

Well you got it from the letter.

22-00:27:53

Rubens:

"If the University is not prepared on or before July 22, 2009 to begin in accordance with this agreement my gift shall be assigned and transferred to

UCSF to be called the Gerson Bakar Medical Research Endowment Fund, which will be used as an endowment for medical research." So let's hope they are able to pull this off.

22-00:28:22

Bakar:

And I make one more provision that if it's held up by legal action such as the—there's a lawsuit now for the expansion of the athletic facility where those oak trees, are one of the hold ups—if it's held up for a legal reason I did extend it.

[Editorial Insert: Since this interview, it was found that the site selected for the executive education center would be very contentious. The last thing I want at this point is to be in the middle of a long entitlement fight. Dean Campbell came to me and asked me if I would object to the business school using the funds for a faculty endowment. While I still think the business school needs facilities to expand its executive education program, I agreed that the timing was not right. Therefore, I said I would not mind if the funds were used for faculty endowment, but I still wanted the business school to maintain real estate as a major.]

22-00:28:59

Rubens:

I know that you like in the main to keep your names out of the papers. And it's hard to find much on you in the news but one of my searches did turn up an open forum editorial, a letter that was published with your name on it on August 16<sup>th</sup>—

22-00:29:24

Bakar:

It had to do with establishing salaries?

22-00:29:26

Rubens:

Yes, exactly well it—saying that you're opposed to an Assembly Bill that would require UC Board of Regents to hold public sessions for all hiring and compensation discussions with Senior Management positions. So you were willing to go public with that?

22-00:29:42

Bakar:

Oh absolutely.

22-00:29:44

Rubens:

And I don't know who initiated this—there is a list of foundation people, including the Haas family from the Levi Strauss and Company, and do you want to just say something about that how the letter came about?

22-00:30:03

Bakar:

Well I thought that the series of articles in the *Chronicle* was really unfair about UC practices of establishing salaries.

22-00:30:09

Rubens:

There had been a series in the spring of 2006 that brought a lot of attention to the salary and perks.

22-00:30:16

Bakar: Right, and the real world is we have to compete with the private sector and we have to compete with some of the other universities. And I don't think the University has to apologize for those salaries.

22-00:30:29

Rubens: So I assume you didn't initiate this editorial but someone came to you and said—I would assume people come to you for a lot of things but you pick and choose. This one you cared a lot about.

A left over in my notes is about a little perk, a *Chronicle* article where your name shows up and it has to do with parking. This is not worth spending more than two seconds on. The chairman of the Airport Commission says it's my right to let anybody park that I choose to and it seems now that is resolved.

22-00:31:10

Bakar: Oh there used to be parking passes. VIP parking passes at the airport and the original pass that I got and it was just maintained for years was from Mayor Alioto and he said, "Gerson you do a lot of things for the city, I'm going to get you a pass."

22-00:31:34

Rubens: Smart thing to do.

22-00:31:36

Bakar: And I used it on a declining basis because we never leave cars at the airport anymore, so for years the pass hadn't been used but I got one every year. And every once in a while it was used by some of the employees in the office who had to fly somewhere. So that's just a product of the media.

22-00:32:33

Rubens: I also have a note to ask you about Ron Cowan.

22-00:32:58

Bakar: He was a personal friend of—I believe—a personal friend of Willie Brown.

22-00:33:03

Rubens: So was he a developer?

22-00:33:04

Bakar: Yes, from Alameda.

22-00:34:11

Bakar: But it was interesting, I used it years ago but of recent vintage when those articles came out I hadn't used it for years.

22-00:35:35

Rubens: Now another name I want to ask you about: Rob Cormack.

22-00:36:02

Bakar: He worked for me at the time.

22-00:36:04

Rubens:

I have him identified as President of Gerson Bakar Associates. He handled some problem around Telegraph Hill when some rocks had been loosened.

22-00:36:37

Bakar:

Some rock fall—on the south side of this building. I worked with a geologist, a fellow by the name of Rice to protect the building and I put the netting up on his advice. The netting went up after the building. It was a product of the defensive action.

22-00:37:02

Rubens:

Let's talk a little bit then about the SFJCC: The San Francisco Jewish Community Center. We mentioned several interviews ago a little bit about your interest in the Federation, and that you had gone on a trip to Israel. What has your role been with the JCC subsequently?

22-00:37:49

Bakar:

The San Francisco Jewish Community Center was built probably in the '30s and it had become functionally obsolete. It is on the corner of Presidio and California Streets. It had become functionally obsolete, physically in bad shape—it didn't really serve the public really well and as a consequence had problems raising funds. It didn't work. It needed a long litany of things to happen but most of all it was to start over and get a new building. And a number of people got together and kind of were the driving force and it was Dick Rosenberg—no, Claude Rosenberg, Barney [Bernard] Osher, Dick Goldman, and myself. And the gentleman that spearheaded it for the JCC was Nate Levine, a very capable young man.

22-00:39:19

Rubens:

He worked for the JCC?

22-00:39:20

Bakar:

Yes, he was the Executive Director and the JCC was just a huge problem in every way. And it was clear that one of the solutions was to build a new building to make it work for the community. Anyhow Peter Haas and Mimi, his wife, came aboard very early on and a program was put together to build a new facility. The fund-raising went very well and was kicked off by the names I've already given you. We were the four major donors and then Peter and Mimi Haas were next in line but if I remember correctly Dick Goldman gave \$10 million and Claude, Barney, myself—gave \$5 million. I don't remember what Peter Haas gave.

22-00:40:29

Rubens:

Is this \$500,000 a kickoff?

22-00:40:34

Bakar:

Yes.

Dienstfrey:

That was when the decision was really made. There was an apartment building adjacent to the center on California Street. Nate came in and said,

"I've got to sell that building because it's bleeding the center year by year." And everybody said, "Well if you're going to build a new center you're going to want that land." He said, "Well I can't afford it," so four people said, "Well we'll—we'll pay off the mortgage."

22-00:41:03

Rubens: Did the JCC own that apartment building?

22-00:41:07

Bakar: Yes.

22-00:41:07

Rubens: But they couldn't make it profitable?

22-00:42:19

Bakar: I think one of the things that facilitated the fund-raising, there had been another group in the community that wanted to build a Jewish museum and it didn't make sense at the time to do the Jewish museum but we all agreed if we're going to do something major it should be the JCC.

22-00:42:44

Rubens: Say just a little bit more. What function did you think the JCC would serve?

22-00:42:48

Bakar: Well number one it serves the senior citizens in the community, it serves the youth in the community; it's a marvelous facility that serves both the non-Jewish and Jewish members of the community. In fact today I believe the membership is over a magnitude of about 8,000 for just the athletic facility and there are about 50% of the Jewish faith and probably about 50% not of the Jewish faith. But for just a whole bunch of reasons it could relate to the mission of a Jewish community center, it made sense to do it and it made significantly greater sense than that which was being pushed by a small bunch of people, pushing aggressively the idea of a museum.

Dienstfrey:

It was all ages, all incomes. The idea was that you needed a facility to get the 20 and 30-year-olds in the Jewish community to come and it was viewed as a way of assisting in Jewish continuity.

22-00:44:01

Rubens: The apartment building was taken down and a new building went up?

22-00:44:02

Bakar: Yes; there were several apartment buildings. Some had been bought earlier. The one that we mentioned first was on California Street and everything was demolished.

22-00:44:11

Rubens: Were you in on the selection of the architect?

22-00:44:18

Bakar: Yes, I guess. I don't really remember exactly but there was a competition.

Dienstfrey:

You were not part of that. You opted out but they decided—Billy Coblenz was and they opted to go with Gensler and then once or twice you went over to look at the plans at the early stage and they wanted you to look at it.

22-00:44:39

Rubens: And you're happy with now with how it came out?

22-00:44:41

Bakar: Oh I think so. Is it an architectural gem—no; is it a functioning gem—yes.

22-00:44:50

Rubens: And then in fact the Jewish museum went ahead, is that correct?

22-00:44:55

Bakar: They just broke ground.

22-00:44:56

Rubens: Daniel Libeskind is the architect who is doing that. Are you involved with that at all?

22-00:45:05

Bakar: No. I recently made a contribution toward its endowment but not toward the brick and mortar.

22-00:45:11

Rubens: Why did you decide to contribute in that way?

22-00:45:19

Bakar: I have never been an advocate of the museum. But once the community decided to build it, it's clear that museums are not profit centers and they're going to need some ongoing help. So I felt better providing a token towards that than the token towards the brick and mortar. Our names are not out there at all.

22-00:45:54

Rubens: OK, and so is there anything more to say about the Jewish Community Center?

22-00:46:04

Bakar: Nothing I can think of.

22-00:46:07

Rubens: Shall we talk about the Gerson Bakar Foundation? Why was it created? I thought the Foundation was set up in '84.

22-00:47:24

Bakar: Probably at the advice of my attorney Richard Greene. It probably made more sense.

22-00:47:40

Rubens: As a way to donate money as creating an entity that would receive money you give it and then it gives money?

22-00:47:49

Bakar: Yes, exactly. And there are two routes that my wife and I use in our giving. One is the Foundation and another is the Jewish Community Philanthropic Fund. The latter is an advice and consent fund and it's operated independently of the Foundation. It's a community fund. And again in the tax laws under which we all operate there are certain limitations when you can give to your own foundation as opposed to the amounts you can give to a public foundation and the Philanthropic Fund is a public foundation.

Dienstfrey:

Well in some sense it's a difficult thing to talk about but the Foundation is going to be the recipient of the bulk of what you've created. You know you could give all of the money to individuals or—

Bakar:

Well Ted is right but probably the reason the Foundation was created and that's a good point that Ted makes is to carry on in my giving upon my demise because the bulk of my estate does go to the Foundation.

22-00:49:51

Rubens: That's how your will is set up? Who administers the Foundation?

22-00:49:55

Bakar: Well an executive director will be chosen by the board and the current board members we can leave it blank for the moment. I think I can name them. The current board members are myself, obviously, and my wife, Warren Hellman, Dick Greene, Phyllis Cook, I'm missing one I think.

Dienstfrey:

Oh, Bill, William Coblentz

22-00:50:31

Rubens: Phyllis Cook is—I've seen her name in Barbara's book.

22-00:50:33

Bakar: She is a staff member of the Jewish Community Federation.

22-00:50:59

Bakar: I think it's now called Gerson and Barbara Philanthropic Fund—Gerson Bakar Foundation. There's no executive director of the Foundation now.

22-00:51:17

Rubens: Upon your demise there needs to be one.

22-00:51:20

Bakar: I would assume that the board would hire one.

22-00:51:24

Rubens: How often does this board meet?

- 22-00:51:25  
Bakar: Once a year.
- 22-00:51:29  
Rubens: I imagine you come up with a recommendation of what you want to do and they discuss it or they come up with a recommendation and you discuss it.
- 22-00:51:39  
Bakar: All of the above.
- 22-00:51:39  
Rubens: Since '84 that has been one of the main ways in which you donate money?
- 22-00:51:48  
Bakar: Some of my gifts are given directly. Some of my gifts go to the Foundation. Some of my gifts go through the Philanthropic Fund, which was established before the Foundation.
- 22-00:52:07  
Rubens: I just want to make sure I understand something though. Are you saying to me that the Fund is a publicly entity?
- 22-00:52:17  
Bakar: Yes.
- 22-00:52:18  
Rubens: Whereas the Foundation is not?
- 22-00:52:20  
Bakar: It's a private foundation. The San Francisco Foundation is a public foundation and within the San Francisco Foundation are advice and consent funds. That's the same as the Philanthropic.
- 22-00:52:45  
Dienstfrey: What that means is that the donor will make a recommendation, but the absolute funding is at the discretion of the public charity.
- 22-00:52:57  
Rubens: There are different tax statuses?
- 22-00:53:20  
Bakar: My foundation is a private foundation. The Philanthropic Fund being part of a public foundation and there are regulations that the government provides, meaning how much one can give to their own Foundation versus a public foundation. I don't know the regulations at my fingertips but they're percentages of your income and so forth. And they both serve a meaningful function.
- 22-00:53:56  
Rubens: It will sunset?

22-00:54:04

Bakar:

Upon my demise my foundation gets a significant part of my estate. I believe if I'm correct it will sunset. It will go out of business. They have to give all the money away by that sunset date. I think it's 12 years after it is all set up but basically there's—it will take two or three years to get the estate in order but it's approximately a 15-year sunset. The reason—there is very little connection and the best example would be Mr. Henry Ford and Mr. Rockefeller. There's very little relationship if you have an ongoing foundation between the wishes, desires, philosophies—however you want to frame it—of the donor and the giving when you get into another generation. And I think Mr. Ford and Mr. Rockefeller may rollover in their graves for some of the things that are currently done. I mean they're much more liberal institutions than those two men—and they're kind of a classic example of why I want the Foundation to sunset.

22-00:55:23

Rubens:

Perhaps can help me with this a little bit. I thought it was the San Francisco Foundation. There was a Court ruling that the money could only be used in Marin County.

22-00:55:37

Bakar:

Those were the wishes of a family called Mr. and Mrs. Buck. I don't remember the first name of the Buck Foundation. When the Buck Foundation was formed at the time that it was implemented the estate had grown multi-fold beyond anybody's imagination and there was an attempt to go to court and change that finite rule that monies had to be spent in Marin. But the court said no. And what they've done is set up a significant foundation within the County of Marin which is now the Buck Center for Aging or something like that.

22-00:56:49

Rubens:

If it was not upheld, I think it would have threatened all wills. By the way, Barbara comes into your life after you've begun your philanthropy. My understanding is you meet her in 1987 and you marry in '89 and I'm wondering how she affects your life and your giving.

22-00:57:26

Bakar:

I'm very happy to address it. Barbara's principal focus—and she has a secondary one—but her principal focus is in medical research. She has a second focus which is helping young people, primarily young people of color, become meaningful citizens. And she's seriously involved in a program called ACHIEVE, one word all caps which is a program that provides student scholarships to young people of color and really changes their lives. It isn't just going to school, it's making whole people out of them and that's a huge part of Barbara's life today.

22-00:58:23

Rubens:

And is it appropriate to ask, do you—so does the Foundation—it's you and Barbara together helping this or is this separate?

22-00:58:36

Bakar:

No, it's really Barbara's program and it's gotten probably—she gives each of these children so much personal attention that she has of her own volition kept it at—at a number somewhere I don't know between 60 and 70 kids and then she just can't give that many that much attention and I think Barbara is now thinking about how to provide succession for—to keep the program going when she's not here.

But it's really Barbara's program.

22-00:59:15

Rubens:

It's Barbara's program but is it appropriate for me to ask if—?

22-00:59:16

Bakar:

You can ask anything.

22-00:59:19

Rubens:

If Barbara—when she became your wife affected how you give? Of course you discuss things with her; that's not my point—but my point is did you become more interested in the medical field than you had been, you—you have an initial interest when you were thinking of giving to UCSF?

22-00:59:42

Bakar:

I'm sure it affected me in a positive sense toward medical and science research.

22-00:59:48

Rubens:

Well tell me just a little bit more about Barbara because look, we don't want to be—we've never been too much into your personal life but we do know you were a very eligible bachelor. We know from the early days your mother was encouraging you about getting married and having children and certainly you know you have movie stars as an advertising ploy for some of your—for particularly—for Park Newport.

22-01:00:15

Bakar:

Yes, for an advertising ploy. I had them connected with my project. Well I got close a few times but I couldn't make the commitment and when I met Barbara that was it, I was ready.

22-01:00:43

Rubens:

Yes, she was right and the time was right?

22-01:00:46

Bakar:

She's a very bright lady.

22-01:00:52

Rubens:

She had come—my understanding is to San Francisco in 1987 at 36 years of age to be the CEO of I. Magnin. And had she been the CEO of Bloomingdales in New York? She advanced very quickly.

- 22-01:01:11  
Bakar: No, she ran the Women's Fashion Division of Bloomingdales which was about—it was about a \$400 million operation I believe. But the same people that owned Bloomingdales—Federated Department Stores—owned I. Magnin.
- 22-01:01:44  
Rubens: I understand through the book that you met Barbara at a cocktail given by Pat Ravitch and she's just a friend of yours?
- 22-01:02:06  
Bakar: Yes, lived three or four doors away and she invited me to the party and Cupid shot his arrow and we married two years later.
- 22-01:02:26  
Rubens: And in that year, '89, Barbara was named the CEO of the Emporium?
- 22-01:02:31  
Bakar: Right.
- 22-01:02:31  
Rubens: What was that move about? Is the Emporium a bigger store?
- 22-01:02:38  
Bakar: No; Federated had sold I. Magnin or it was taken over by Macy's. And she was not about to work for the new CEO of Macy's who would have been her boss and she left. And then I think it was a period of several months but the Emporium approached her and then she became the CEO of the Emporium.
- 22-01:03:09  
Rubens: And how long did she stay there?
- 22-01:03:11  
Bakar: I'm not sure but I would guess a year and a half or two and then—the Emporium Capwell was the name of the company—it was taken over by a—I'm trying to remember who took it over. Anyhow, there was a takeover and they moved their headquarters to LA and she wasn't about to move so she left.
- 22-01:03:42  
Rubens: By then she's getting involved in board—
- 22-01:03:45  
Bakar: She then—during the following period she became involved in three boards of trustees, two of which were public. The private board was a company called DFS, which was a major duty-free retail operation in the Pacific and a new company called Bebe.
- 22-01:04:13  
Rubens: The fashion company?

22-01:04:14

Bakar: Retail, yes, stores all over; it's a fairly good operation and she still is on the board of Bebe. She still is on the board of DFS and then Howard Schultz called her and put her on the board of Starbucks. He's the founder of Starbucks. You can't pick up a newspaper without reading about Howard. And he writes in his book of the good fortune he had to get Barbara on his board.

22-01:04:47

Rubens: How do you summarize her expertise?

22-01:04:54

Bakar: She's an extraordinarily good merchant when you talk about finite expertise and that's why every one of these boards involves merchandising.

22-01:05:05

Rubens: Meaning, as well as marketing?

22-01:05:07

Bakar: Marketing may be a better chosen word. She's an extraordinarily good marketer.

22-01:05:16

Rubens: Is it too personal to ask about where you live now?

22-01:05:52

Bakar: I moved to the building in which we live now in 1976, at 2310 Hyde.

22-01:06:01

Rubens: Did you have the building built?

22-01:06:04

Bakar: I built it yes. It's a three-unit building, a condominium from day one. Karl Treffinger was the architect.

Dienstfrey:

Sandy Walker worked on the Napa House.

22-01:06:29

Bakar: Yes. We have a second home in the Napa Valley. The house was under construction when I met Barbara. I had my 60<sup>th</sup> birthday party there, so it was finished in 1988. The year before we got married.

22-01:07:17

Rubens: And so did Barbara have a hand in it?

22-01:07:25

Bakar: No, it was interesting. The house was under construction and I remember driving Barbara up there one day to see it and I had a meeting with the architect and the architect said, "Barbara what do you think about [whatever decision was] before me?" And she says—very prudently, she said, "This isn't my house, it's Gerson's." So she really—the house was finished by the time we got married basically.

- 22-01:07:51  
Rubens: I want to ask you about some pictures in Barbara's book.
- 22-01:07:57  
Bakar: That's the house that I owned for a while out on Pacific Avenue.
- 22-01:07:59  
Rubens: Is that the one with the swimming pool?
- 22-01:08:00  
Bakar: That's the one with the swimming pool. That's a bay window and you enter here, you enter a foyer and then the stairway goes up. The first floor—when you enter, you look out at the pool and then you go up to the living room level which is here and you go up to the next level but that's a— a bay window with a spiral staircase in it.
- 22-01:08:27  
Rubens: When did you own that?
- 22-01:08:30  
Bakar: I bought it in '72 and sold it I think in '74 or '75.
- 22-01:08:34  
Rubens: Oh so you didn't keep that too long.
- 22-01:08:40  
Bakar: One of the big mistakes of my life was buying that house.
- 22-01:08:42  
Rubens: Why?
- 22-01:08:43  
Bakar: Well there's a story worth telling. I bought the house. I went out and saw the house and as a bachelor I remember I went out there when the former owner was giving a party and it was a marvelous setting for a party and I saw myself living there. And I bought it, furnished it and moved in, and then I went on a camping trip with Wally Haas. It's in the story somewhere, where Levi's Plaza was born, and Wally was a significant member of the community and kind of a hero figure to me. And he said to me one day—and I think that's in our past meetings—"Gerson, I really screwed up with Levi's Plaza"—with Levi Strauss, which was the genesis of Levi's Plaza. But I remember that night thinking I really wasn't happy with the house. It was 10,000 square feet. I was—I was lost in that big house and I said to myself if Wally Haas can acknowledge to me that he made a mistake moving his company to Embarcadero Center I can acknowledge I made a mistake buying this house. And I came home and I put the house on the market.
- 22-01:09:54  
Rubens: I hadn't heard that story.

- 22-01:09:57  
Bakar: That was—that camping trip and that comment by Wally brought me to making a decision that I screwed up.
- 22-01:10:03  
Rubens: So where did you move after that?
- 22-01:10:05  
Bakar: I moved—oh then I had bought the property I guess on Hyde Street and I was building—planning it and then I just planned on moving in there. I rented an apartment for a year or so.
- 22-01:10:36  
Rubens: OK; here is a picture that I would love to include in the—
- 22-01:10:47  
Bakar: That was the groundbreaking of Levi's Plaza.
- 22-01:11:02  
Rubens: I know we're about to end this session. I want to ask you about Rick Holliday, Holliday Development?
- 22-01:11:24  
Bakar: Well he's a young man who I think does a great job. His big field is affordable housing. He has his own company now.
- 22-01:11:49  
Rubens: I have a note about his talking to you about looking in Hayward.
- 22-01:11:52  
Bakar: Well that's when I met him.
- Rubens: Should I ask who else lives in your building on Hyde?
- 22-01:14:07  
Bakar: Donald Magnin, the son of Joseph—Cyril Magnin the grandson of Joseph Magnin, Donald Magnin owns the unit on the first floor and a couple by the name of Miller own the unit on the second floor.
- 22-01:14:25  
Rubens: Well did Donald happen to—did you happen to know him?
- 22-01:14:29  
Bakar: No; it was kind of interesting. I built the building, sold the other two units, and to this date the occupant of the first unit is Donald Magnin who with his wife bought the unit. She's since passed away; Donald still lives there. The occupant on the second floor, a couple by the name of Miller bought the unit from Falvey. Do you remember the name Jack Falvey? He used to own the Hippo, the restaurant.
- 22-01:14:57  
Rubens: I knew the restaurant on Van Ness, but not the name of the owner.



**Interview 13: March 14, 2007**

Begin Audio File 23

23-00:00:00

Rubens: Would you please tell me how you came onto the board of the San Francisco Museum of Modern Art?

23-00:05:30

Bakar: There was a wonderful gentleman on the board, Gene Trefethen, the patriarch of the Trefethen Winery in Napa. And he was an extraordinarily civic minded person. Highly respected. Used to be with Kaiser, Henry Kaiser. And Gene came in one day and asked me if I'd serve on the board. And I accepted with the hope and desire that I'd learn something about art through the process.

Rubens: Ah-ha. So let me stretch this out just a little bit. Had you been particularly interested in art?

23-00:06:12

Bakar: Yes, I'd been interested in it because of an attorney I had by the name of Tevis Jacobs, who was a fairly renowned collector. And Tevis kind of got me started. But Tevis was the attorney for the Steins here in San Francisco— Sarah and Michael were related to Gertrude Stein. Tevis was very much in the art world, and he got me really started.

Rubens: Now, did Tevis focus on a particular era or kind of art?

23-00:06:45

Bakar: No, it was kind of the family of artists of the Stein era.

Rubens: OK. So from Matisse.

23-00:06:50

Bakar: He had Matisse; he had some Matisse sculpture. And Tevis had been given some paintings by Gertrude and Sarah Stein. And he just was a fine collector. Tevis was also the president or chairman, or whatever, the volunteer head of the UC Berkeley museum of art.

Rubens: Now, just as a prelude to your coming on the board, would you occasionally go to the San Francisco Museum of Modern Art?

23-00:07:25

Bakar: Very, very seldom. I mean, you know, it was the best kept secret in town, in the War Memorial Building.

Rubens: And also, you said that Tevis has awakened your interest in art. And so had you bought a few things? Was there something you were attracted to?

23-00:07:43

Bakar: You mean before Tevis?

Rubens: Well, before '81, when you come on the board.

23-00:07:46

Bakar: Oh, I'm sure I did, but nothing of any significance.

Rubens: So Trefethen says, "I'd like you to serve on the board." And was there some— agreement's the wrong word, but some sense that you were coming because of your particular role as a builder?

23-00:08:05

Bakar: I think so.

Rubens: And did he say to you, "We've gotta do something about this best kept secret in town"?

23-00:08:12

Bakar: No, I don't remember that. I do remember Gene inviting me. I remember saying, "I don't know very much about art." He says, "You'll learn." And I was desirous of learning.

Rubens: And so what is your memory, then? Would you attend meetings pretty regularly?

23-00:08:30

Bakar: Oh, yes.

Rubens: Did you have other friends who were on the board at the time?

23-00:08:37

Bakar: Well, if you had a list—

Rubens: I do have a list.

23-00:08:40

Bakar: I knew Evie Haas was on the board, and I knew the Haas family. And obviously, Mr. Trefethen.

Rubens: Henry Hopkins is coming.

23-00:08:56

Bakar: No, no, Henry Hopkins was there.

Rubens: Oh, that's right, he came in 1974. And do you remember when you particularly started getting active?

23-00:09:12

Bakar: Well, at the outset, very early on, I was named chairman of the building committee.

Rubens: Can you see this? Here's the board of trustees. This is '82. Just to see if there's anything that you particularly want to say.

23-00:09:49

Bakar: Well, do you want me to comment relative to who I—

Rubens: Only if you want to. I'd rather hear your activities.

23-00:09:57

Bakar: Well, I look at this list of some twenty or thirty trustees.

Rubens: It was a big board.

23-00:10:03

Bakar: Well, it's bigger today than it was then. Yes, this looks to be about thirty, and I think it's about forty-five now. It's somewhere just south of fifty at the moment. And if I look at the board, there are probably six to ten names that I knew, to some degree.

Rubens: Did you bring people onto the board then?

23-00:10:51

Bakar: No. no. I knew Mrs. Walter Haas. I knew Arthur Rock, to some degree. That was about it.

Rubens: OK. And the of course, these were the Hopkins years. He'd brought Marsha Weisman—this is '83—up from Los Angeles to be on the board.

23-00:11:23

Bakar: Right. She and her husband were very, very well known collectors.

Rubens: OK. So you're saying pretty early on, you get put in charge of a building committee. And so what is the nature of that discussion?

23-00:11:44

Bakar: Well, I can't remember when, from '82 forward, exactly, but it was clear that the museum didn't have the best facility in the world to show art. And it was clear that we were locked up. And Mr. Lasky, who's mentioned, who was on the board, Moses Lasky was a highly respected local attorney. And he looked up the original charter of the building. And my memory dictates that the museum and the veterans had equal rights to the space that existed, by the time I got on the board, as long as they, each of us, needed it. And need was not very well defined. The veterans, I guess they controlled the auditorium, what is now Herbst. I'm not sure of the timing of the Herbst. The Herbst area was originally a drill hall for veterans. And the Herbst area had a floor that could either be flat or be raised with a rake, so it would function as an auditorium. If one were to crawl under that floor today, they'd see those mechanical devices that would cause it to go flat, or allow it to go flat. And

the veterans had a number of offices sprinkled, I think, on the second floor. And the museum occupied all of the third floor.

So the original idea that I had—and it was shared by a lot of people—was, try to move the veterans out. And by the way, the original idea, I think before even moving the veterans out, was to take over the Herbst Auditorium. And the Herbst Auditorium was defied by the museum's attempts to take it over. It became the Carnegie Hall of the west. And the young woman who used it for—she was involved, I think, in something called San Francisco Lectures. Anyhow, a young woman put together a campaign to save Herbst, likening the campaign after the campaign that they had in New York to save Carnegie. And Isaac Stern, the violinist, was one of the leaders of the New York campaign. And I'm not sure whether she brought him out to lead the fight to save Herbst, or if she threatened to bring him out.

Rubens: He had strong connections to the Capp Street Music School, to the San Francisco Community Music School.

23-00:14:51

Bakar: Well, he had a strong connection to San Francisco.

But anyhow, the museum did a strategic withdrawal. The museum did not want to get involved in a bloody civic brawl. And whether we would have prevailed or not is moot. And when that happened it was clear, and the juices of the trustees had been stirred, that we should think in terms—if we're going to be a meaningful museum—of another facility. And then the search began for possible locations.

Rubens: Now, you had some creative ideas.

23-00:15:32

Bakar: Well, my first idea was to take over Herbst. And as I just said, that fell through. The next idea I had was to take over a building at the foot of Van Ness Avenue. And when I say the foot, the northern foot of Van Ness Avenue, down by the Aquatic Park. And there was a building there designed by an architect named Frank Kitchen, that I felt could be well adapted, easily adapted to be part of the museum. And my idea was to have a bifurcated museum, with a shuttle bus running back and forth between the two. And the idea had some resonance, but not enough. Kodak owned the building. The museum at the time was identified as having the best photographic collection, or photography collection, west of Chicago. So because of that significance, we tried to go to Kodak to see if they might donate the building. They had abandoned the building.

Rubens: It in fact was empty?

23-00:16:46

Bakar:

I believe it was empty. It was used as a distribution center for them, with some offices. That building is today the headquarters building for Williams Sonoma. But I don't remember exactly why it flattened out. But it was clear we couldn't get the Kodak building. And then the search began. The first idea was to take over Herbst, and expand in the War Memorial Building. The second idea that I brought to the board, that flamed out, was the Kodak building. And then we started to look for other sites. And I went to New York. I don't remember whether the trip was for the museum or incidental to just a trip that I was making. But I looked at the museum situation in New York. The Equitable Life Insurance Company had built a building, I believe on Sixth Avenue in New York, which was at that time, a marginal location for a first class office building. And one of the things they did to make it a better location, they put in a branch of the Whitney. And the Whitney, for a short time, had a branch in the Equitable building. So I got the idea of trying to do that in San Francisco. The redevelopment area of San Francisco was—I guess they'd had a competition of one nature or another. And a company named Olympia and York had won, and had the development rights to the Yerba Buena redevelopment program. They had planned, where the Marriott Hotel is today, a skyscraper office building. And Market Street not being the choice street of San Francisco, and I likened it a little bit to Sixth Avenue in New York, the attempt of Equitable to make Sixth Avenue better with a branch of the Whitney, I brought back to San Francisco and made an attempt to make Market Street a little bit better area with our museum. Then I flew to New York, and I met the architect of the moment for Olympia and York, whose name I'm drawing a blank on. It'll pop up. He did one of the buildings at Mission Bay, and a very well known architect, César Pelli.

And I flew back to New York to see if Pelli would do something, with the idea of putting the museum in the base. And he, on his own and with no expense to the museum, did some studies, with the idea of raising the Olympia and York proposed building up, and allowing the museum to occupy the first three or four floors, and still have access to a lobby for the O&Y office building. And it got some traction with our board. They thought it made some sense. At the time, a shadow ordinance had been passed by the San Francisco Board of Supervisors. And at the time, or just prior to this, the city hall, the zoning aspects of San Francisco, put into effect a shadow ordinance that you could not build a building that would put a shadow on an existing public park. And I had the architects do some studies to see the extent of that shadow. And even though it's significantly South of Market, or a distance from Union Square—I thought it would be moot. But there was a shadow twice a year, for a matter of a couple of weeks, till ten o'clock in the morning, something on that order. And there were people that lined up to fight the museum's attempt to raise the building, which would create a shadow in Union Square. And I think it was as little as four or five or six days in December, and perhaps a like time in I guess it would be June or July.

Rubens: So it had gotten that far. There was a public announcement that the museum was considering—

23-00:22:08

Bakar: Right. And it became a cause célèbre.

Rubens: I can't quite see it; if you would just tell me, for one minute. It's where the Marriott Hotel is now?

23-00:22:17

Bakar: Yes.

Rubens: And that would have cast a shadow onto Union Square?

23-00:22:21

Bakar: Yes. With the height of the proposed building at the time. The sun rises in the east, circles to the south. So it casts a shadow north. It cast a shadow as far as Union Square for a few days, according to the experts on this shadow study. And we just threw in the towel. We saw it as a battle that we didn't want to fight. We being the museum. But out of it, because I was interfacing with Olympia and York, in a meeting two things happened that had stuck in my mind. One of our trustees—and I'm not even sure he was a trustee at the time—was an attorney named Noel Nellis. And Noel was involved, on behalf of the museum, in a meeting we had with Olympia and York. And when they basically said they don't want us, Noel coined an expression, the first time I'd ever heard it. "This is the greatest example of corporate arrogance I've ever seen or heard." And he threw a guilt trip at O&Y, because a lot of time and effort had been spent on this, what became an aborted attempt. And in that meeting, which was held in Olympia and York's office, the particular meeting I'm alluding to—

Rubens: Where did the meeting take place?

23-00:24:02

Bakar: In San Francisco. They had an office. I take it back. I think it was held at Noel Nellis' office. But irrespective of which one, we were sitting near a window. And the Redevelopment Agency, which was represented in all of our discussion by their appointed project person, who was a woman named Helen Sause. And I can't remember who in the meeting, but I believe it was Helen, said, "What do you think of that piece?" And there had been earlier studies—earlier thoughts, not studies, necessarily. There was no question there was going to be a building on either side of what is now SFMOMA. But at one point, there were discussions about putting the Asian Museum there, because it was clear that the Asian Museum was going to be in the path of problems in the park [Golden Gate]. And later, they did move to Civic Center. She said, "How about that site," for SFMOMA.

And SFMOMA grabbed it, grabbed the idea. I can't remember all the details of the paperwork. And I think Art Agnos was the mayor at the time, and he encouraged it. Clearly, where the museum is today was skid row. All the aspects of the homeless were there; and the museum, if it was there, would make the area better, and would even increase the value of the two adjoining buildings. The Redevelopment Agency had a major restriction. They had to get fair market value for any land that they disposed of. And I may not be saying it exactly right; but they didn't have the authority to simply give it to us. The transfer of that property, the ownership of that property, had to relate to value. Well, if anyone understands the real estate appraising process, land is a residual. The value of the land is a residual, after you reduce the cost of the building that's placed on it. And I can spend a lot of time talking about the appraisal process, but needless to say, there's no economic value to land, after you put something on it that can't support itself. The museum has to raise money every year. It's not like you have an office building or a parking garage or a hotel. There's no residual value to the land, when you have a nonprofit on it, or something of the order of the museum. So that overcame the obligation the Redevelopment Agency had. They had to sell it for fair value. Once they dictated the museum was going to be there, the land had no value. So we got the land. I think we literally paid a dollar. I think there was some transfer of a dollar that I remember. And we were off and running.

Rubens: Just before you're off and running, let me clarify a couple things. So the arrogance had to do with O&Y not increasing the height; that they were so greedy that they were not going to alter their plans to get around the shadow ordinance and accommodate the museum?

23-00:27:45

Bakar: Well, it was just the moment in this meeting, which was a very important meeting, when it was clear they were kicking us out. And this was their building, in all fairness. Had I been their developer, and someone came to me with an idea that raised a problem through the zoning process— You don't want those kinds of problems. They're unnecessary. They take a huge amount of time and effort, and could have delayed the project, by virtue of the civic battle. And it would be very easy to sit in their shoes, or sit in their chair, and say, "I wouldn't want an interloper to come in and cause me problems at the city hall." They, Olympia and York, had an agreement with the city to put together this massive project called Yerba Buena. Parenthetically, later in the game, Olympia and York went broke, and the process had to start over again. And it did, with the end results of what you see down there today in Yerba Buena.

Rubens: And so is Helen Sause the heroine in this, in the sense that she says, "Look, you could take—use—this land."

23-00:29:07

Bakar: Well, in my eyes, she was the heroine. Did she have the power to throw it to us? Clearly not.

Rubens: That's different. She had the creative idea.

23-00:29:16

Bakar: But she went along with the idea, and it was carried on up through the Redevelopment Agency and the mayor and so forth.

Rubens: And right before, I took a detour with you. You said, "We're off and running." Was it a hard sell at all to the board, in the sense that it was unclear that South of Market was going to become this jewel?

23-00:29:38

Bakar: There was no question that that possibility existed.

Rubens: That possibility, meaning it wouldn't—

23-00:29:45

Bakar: That they wouldn't accept South of Market, much less South of Mission. And the board had on its roster a woman by the name of Phyllis Wattis, a woman of significant wealth, a woman of great interest in art, a woman that was a great philanthropist. And I took Phyllis down one day to O&Y's office. The buildings still exists at Third and Mission, O&Y. And I showed her the idea and the property. And she was all for it.

Rubens: So with someone of that stature, with someone of your experience, did you have to push very hard to convince people?

23-00:30:42

Bakar: Once Phyllis Wattis was aboard, no.

Rubens: And was Hopkins at that point out of the picture?

23-00:30:51

Bakar: I think he was out of the picture, yes.

Rubens: He's out of the picture in 1986 and it's another year to get Jack Lane on board. Did you have anything to do with Hopkins leaving?

23-00:31:14

Bakar: Oh, no.

Rubens: Or did you have an opinion on it or—

23-00:31:15

Bakar: No.

Rubens: And then my understanding is that there was a condition—I don't exactly know if it came from the board, but maybe it was a consensus—that the next director had to have a commitment to building a new building.

23-00:31:30

Bakar: I grab an old saying that you've heard many, many times. Success has a thousand fathers, and failure is always an orphan. I think a lot of people might take some credit. Was it Jack Lane? Possibly.

Rubens: Well, Jack Lane says it's you. He says you were there all along.

23-00:31:53

Bakar: Well, I was the one that had the idea.

Rubens: And where to go and—

23-00:31:56

Bakar: Right. And good for Jack Lane. I have seen quotes where he felt there wouldn't have been a new museum if he didn't come along with it. And I'm not sure. But in any event, because of the nature of the War Memorial facility, the board was anxious to do something. The commitment had been made by the time we were getting near a decision on the site—let's go for it. And one other story should be told. When we tried to make the deal originally with O&Y, who were we? We were a little museum. I don't remember if we had any endowment. We were nonprofit. I'm sure we didn't have a lot of money in the bank. And to get us credibility, I committed, along with Don Fisher, Phyllis Wattis, and I believe Wally and Evie Haas, five-million dollars. And all of a sudden, we had twenty-million dollars that said, hey, these guys mean business. And I can take a moment now to talk about the fundraising, very briefly. The fundraising was just an extraordinary thing. Brooks Walker was our chairman. And Brooks, by the way, did a great job. When it was clear that we were going to go for a new museum, he did what any good, thinking chairman would do with an organization, a nonprofit. He loaded it up with people who could write checks.

Rubens: Now, when you say loaded it up, do you mean the fundraising committee?

23-00:33:48

Bakar: No, no. The board of trustees. Their roster was enhanced with people that, A, have some interest in art—

Rubens: Like Don Fisher.

23-00:33:59

Bakar: —and B, could write checks. And then the decision was made—I may be jumping a little bit out of chronological sequence. The decision was made to start our fundraising, and exhaust the resources of the board before we went out to the public. And if my memory serves me right—and somebody else can validate it—the total monies that we raised were on the order of eighty-five-

million dollars. And I think that the goal relating to the museum's board of trustees was in the order of sixty to sixty-five-million dollars. And it was clear that we had to raise endowment. Again, I don't know how hard this formula was, but we basically, for every two dollars that we raised for the brick and mortar, we raised about a dollar for endowment. Those numbers may be skewed a little bit; it may be three to one or two to one. But the endowment portion of our museum's resources were started in the fundraising for the building itself.

Rubens: Got it. And was that your idea? Was that a collaboration of Brooks and you and—

23-00:35:30

Bakar: Oh, it was Brooks and some of the other people. I mentioned to you, I think in the past, or I mentioned that night at the museum. Brooks managed the process beautifully. He managed the board of trustees, he was significant in the fundraising activities, and we could not have had a better chairman at the SFMOMA than Brooks Walker, Jr.

Rubens: And how was your working relationship with him?

23-00:35:58

Bakar: First-rate. Brooks did just a great job managing the trustees. And I do remember talking about Fred Nicholas the night of the museum. You want me to get to that?

Rubens: Sure. I don't know who Fred Nicholas is.

23-00:36:28

Bakar: Well, I'll mention his name again. There was a museum that was proposed, and subsequently built in Los Angeles, called the Museum of Contemporary Art. It exists today, and it's called MOCA.

Rubens: It's something that Henry Hopkins, in his interview, says was really agitating San Francisco, which had been sort of the lead in contemporary art.

23-00:36:54

Bakar: Could well be. I don't remember that. But I certainly don't question it. And the stories were just legend, about the internal fighting that went on at MOCA, between very strong willed trustees, about all sorts of decisions they had to make down there. And I heard that the man that put the fire out in these battles in Southern California was an attorney named Fred Nicholas. Fred Nicholas happened to be also in the world of real estate development. And I don't remember who introduced me to him, but I remember meeting him, asking him his story, so that we didn't have the same kind of a battle. And at my request, he agreed to come up to San Francisco and address our board. And he did. And he said, "If you people want to build a museum, you better define, in clear terms, who the architectural firm's client is." And that decision, or the

outgrowth of his advice, is that the client was identified as four people. Our then director, Jack Lane, Brooks Walker, Jr., Tom Swift, who I can tell you a little bit about in a moment, and myself. And after Fred had addressed his story of MOCA, the board basically gave us every decision to make.

We became the client. Not a forty-five or fifty member committee. And I don't know if you've heard the expression about a committee and a horse and a camel? Well, if you have a committee making decision on something, you end up with a camel. And if you have a well-defined narrow committee, you might get a racehorse. And the four of us were given the decision. There were a couple of decisions we weren't given. And that was the choice of the architect, who it was going to be; and a few years later—and I have to smile when I think about it—the choice of who would be the operator for the food concession. But setting food aside—which is a cute little story by itself—that committee of four made every decision, once the architect was chosen.

Rubens: I've never heard this about Nicholas, and this is really a great story, and it seems to me great leadership on your part. You, though, had not met him through your work at—

23-00:40:25

Bakar: In my real estate world? No.

Rubens: When you were down in L.A. or in Newport Beach?

23-00:40:29

Bakar: No, not at all.

Rubens: No, OK. So it strikes me that you're really seeking out information about how other institutions are working, whether it's the Whitney—

23-00:40:38

Bakar: Well, I tell a story often about myself. I've never done anything original in my life. And I really feel strongly about that. But I try to grab as many ideas that are floating around out there, in whatever the subject might be. And if I can grab them and put them together in a better package, whatever. And the manifestation of the Fred Nicholas is just that. We had some fairly strongly opinionated people on our board. And I think Fred Nicholas' visit put out any sparks that may have been there about are we going to let these people make all these decisions? And I mentioned two that we weren't given. One was the choice of the architect; and the second, many years later, the choice of the people for the food concession.

Rubens: So what is the relationship between Nicholas coming, and then the real push to find an architect? You have to get the architect before you—

23-00:41:46

Bakar: I can't remember the exact dates, but it was certainly within the year.

Rubens: Well, one of the things you referred to when we were off tape—and I don't know if this comes in now; perhaps you should just tell your own narrative—is that at some point, there's a group of you—I don't know how many—who go and look at museums together.

23-00:42:04

Bakar: No, by that time, we had chosen the architect.

Rubens: By the time you looked at museums, you had already chosen the architect?

23-00:42:10

Bakar: Yes.

Rubens: OK. So I'm getting ahead of the story.

23-00:42:12

Bakar: You are.

Rubens: You continue then. This is a turning point, though, to be given these—

23-00:42:17

Bakar: Well, then the search began for the architect. And the story I've told already about the committee and so forth. But the architect was chosen—I'm not sure, and I don't remember, whether we had the authority to pick the architect or not. But we decided to use the choosing of the architect as a little gimmick toward fundraising, that anybody who gave—I'm not sure what the threshold was, but there was a threshold for giving—would be on the architectural selection committee. So you bought your way onto that. And clearly, the first four people that I had mentioned, who gave the five-million each, were on it. But the architectural committee did consist of some of the very early major donors. Later in the fundraising campaign, there were other major donors, but the architect was chosen by that time. We hired a consultant to help us choose the architect.

Rubens: Was it a local person?

23-00:43:53

Bakar: Yes. Joe Esherick was the consultant. He's passed away, and he was a man of great respect in the architectural community. And I think we had another consultant to help us. I can't remember his name, but he was the director of the Chicago Art Institute. Woods was his name. And I want to say Joseph Woods.

Rubens: Or James, Jim?

23-00:44:28

Bakar: Yes. And he's still alive, and I see his name from time to time in the art world. Our consultant helped us put a list together. We then wrote letters to, I believe, about twenty architects, to see how many were interested.

Rubens: Had Esherick been with Wurster Bernadi and Emmons?

23-00:45:08

Bakar: I don't think so. Maybe. Parenthetically, I used Wurster a lot in my development activities. In any event, the list was put together. I can't remember how many letters were written, from the list that I think Esherick put together. How many were interested. We then looked at that list, and we created a short list. And I can't remember at this point who was on the short list, with the exception of two names I can remember. One was a gentleman, a local architect by the name of Moore, Charles Moore. And he was associated with another firm. They came in as a team. One was Frank Gehry. Another one, clearly, was Mario Botta.

Rubens: Did you have a personal strong feeling?

23-00:46:12

Bakar: No.

Rubens: You were willing to be educated and—

23-00:46:15

Bakar: Yes, absolutely. And I was not aggressive in any way toward that short list. And I think we leaned significantly on Mr. Esherick to help us. Anyhow, at the risk of being repetitive, we were getting to the short list of architects. And one was Frank Gehry. And there's a story I can tell that's rather humorous. I was in Rome a few years ago, long after the museum had opened up. And I ran into Frank Gehry in the hotel. They were having the competition for the Pritzker Prize. And I think he was one of the judges. But in any event, we saw each other in the elevator, and I reacquainted him with myself. And he remembered the short committee meeting. And he said, "You got what you deserved." Because if you think in terms of our museum, and you think in terms of Frank Gehry's work, they aren't kissing cousins. We're as far away from Frank Gehry's architecture that one could be. And I happen to love our museum. I think it's much better.

My own personal feeling about Bilbao, if I could interject that. Bilbao, when I saw it, was the most exciting building I'd ever seen. And the inside—from my now sophisticated eye, because I've been involved in the museum—was the worst museum inside I'd ever seen. There was one great hall, where there was a huge Serra piece of sculpture. And taking that great hall out, the spaces were convoluted. So I really feel—and I don't know that I'm qualified to make the statement—but I really feel we have a better museum to display art in general, than Bilbao. But Bilbao on the outside, is a work of art. And I must give Gehry credit for that. I fall off the list of being an admirer, because he's a one act architect, I think.

Rubens: Now, Botta, had you known his work?

23-00:48:45

Bakar: Not at all.

Rubens: And so he's on the short list. And does he come and make presentations and show slides?

23-00:48:56

Bakar: You know, I don't know if he came over for a presentation. Though I think he did. My memory just doesn't serve me. But a group of the trustees got together, and with Mr. Esherick's advice, decided to visit the short list architects in their studios. And they actually flew to Europe.

Rubens: You say they. Were you not a part of that?

23-00:49:17

Bakar: I didn't go.

Rubens: Is there a reason?

23-00:49:19

Bakar: I just chose not to go. I can't remember what was going on at time; it could have been a legitimate reason, it could've been sheer laziness.

Rubens: Or I was just wondering if it was also you didn't want to be, as the head of the building committee, too—

23-00:49:32

Bakar: No. I can't remember the emotion that drove me not to go. But traveling, to me, has always been hard work. But I chose not to go. It was a trip to Switzerland, Northern Italy or Switzerland, and a turnaround. I mean, it was a three day trip or four days, whatever. But they came back. I know Don Fisher went. I know Mimi Haas went. I'm sure Jack Lane went.

Rubens: Elaine McKeon.

23-00:50:00

Bakar: Elaine, I'm sure went. But whoever went, I was not among them.

Rubens: There's a story about somebody telephoning back.

23-00:50:08

Bakar: Yes. I think it was Don. Don Fisher was very excited. He said, "We have found our architect." And Mario, again, I can't remember the name of the town he was in. But that town—and it's a well known community in Switzerland—had a bank building that Mario had done, that they really fell in love with.

Rubens: I don't think Botta had done anything in the U.S.

23-00:50:33

Bakar: He had done one building, but he'd never done a museum. And he'd only done one building in, I think it was in a suburb of New York. He had done a showroom for some manufacturer of furniture or something. But he had done nothing significant in America.

Rubens: And do you remember the meeting where—did it become unanimous that this would be it?

23-00:51:00

Bakar: I don't remember that meeting.

Rubens: So Botta is chosen.

23-00:51:06

Bakar: Well, the next thing I remember in the process is we wanted to acquaint—and it was a good idea, I don't remember who instigated the idea—a tour around America, to see, A, the museums that are meaningful; but equally important, and probably more important, is for Mario to get an idea of what's happening in the art world. The canvases are getting bigger, as are the pieces of sculpture that they attempt to show. But to get a feeling for contemporary art. And we chartered an airplane. I guess for economic reasons, we chartered probably the smallest jet we could get, and we piled in.

Rubens: And who is we?

23-00:51:56

Bakar: The committee.

Rubens: The four?

23-00:52:00

Bakar: The four. It was Jack Lane, it was myself, Brooks Walker Jr., and Tom Swift.

Rubens: And Botta?

23-00:52:09

Bakar: And Botta. And Botta's wife. And the plane was of a size that—by that time, we had engaged a young lady named Marcie Goodwin, I believe, to help us set up the program for the architect. And in building a building, the architect has to be given kind of a table of contents of what you need. And it's called the program. What kind of ceiling heights you need, what kind of back office stuff you need, et cetera.

Rubens: Do you know who found her?

23-00:52:50

Bakar: I don't remember who found her, but Marcie Goodwin had done the same thing for MOCA in L.A. And I don't remember how one would—

Rubens: How her name came up.

23-00:53:03

Bakar: No, I don't remember.

Rubens: But she's on the plane too?

23-00:53:07

Bakar: No, the plane was so small we didn't have room for her. So she'd fly [chuckles] from place to place—she was a great sport—commercially. And I think I picked up the cost of the charter. In fact, I know I did. And then we started in L.A. We all flew commercially to L.A. to save a few dollars.

Rubens: And the point was to see MOCA? Was MOCA built by then? Or to see LACMA? Did you see a few things?

23-00:53:39

Bakar: I'm trying to see what the facility was. But I don't remember which facility it was, but we spent a day in L.A., again, acquainting Mario with the contemporary art of the moment. And we then went from Los Angeles, I believe to Fort Worth, to see the—

Rubens: Amon-Carter and the Kimball?

23-00:54:04

Bakar: To see the Kimball. I don't remember the Carter.

Rubens: Ok. And the Contemporary, I don't think was there.

23-00:54:09

Bakar: We then flew to Chicago, to see the new wing, the contemporary wing of the Art Institute, which was designed by an architect named Dennis Beebe, who coincidentally, was on the short list. We then went to Pittsburgh to see the Carnegie Mellon, or the Mellon-Carnegie, whatever it's called.

Rubens: Jack Lane had come from there.

23-00:54:36

Bakar: And Jack Lane had come from there. And Jack wanted us to go there to see, particularly not the museum, so much as contemporary art. We then flew to New Haven to see the Louis Kahn British Museum. Then we ended up in New York.

Rubens: Had you seen that many museums before?

23-00:54:59

Bakar: No, no. I hadn't seen the Kimball, I hadn't seen the British Museum. By the way, the British Museum and the Kimball were both done by the architect Louis Kahn. I think I mentioned the fourth member of this client committee, Tom Swift. Tom Swift was a friend that I knew in the real estate world of San

Francisco, who was the local partner, and in charge of his local activities, a developer named Gerry Hines, from Houston.

Rubens: Is that part of the Heinz food—

23-00:55:53

Bakar: No, not at all. That Heinz has a Z. Gerald Hines is—

Begin Audio File 24

Rubens: I wanted to ask you—

24-00:00:02

Bakar: About Tom Swift.

Rubens: Yes. But I actually meant to interrupt you for a second to say, did Botta have a translator, interpreter?

24-00:00:13

Bakar: He did.

Rubens: So that person was also on the plane.

24-00:00:16

Bakar: It was a young man. Right. I can remember the plane we chartered. I mean, it was a Citation Ultra. And if you were to see that airplane, and count the number of bodies, you'll come up with one seat missing. Or one person too many, I guess.

Rubens: And so you always had to go through the interpreter?

24-00:00:34

Bakar: Yes.

Rubens: Do you think he understood English?

24-00:00:36

Bakar: We all think that, but we don't know that.

Rubens: You were just mentioning Tom Swift, who was a partner with Gerald Hines in Houston.

24-00:00:47

Bakar: No, he was a partner in San Francisco, of the Gerald Hines organization, which was based in Houston.

Rubens: And I wanted to ask you, did you also go to the de Menil in Houston? Was that another museum you saw?

24-00:00:59  
Bakar: I had forgotten that. Yes, the de Menil. I think Renzo Piano did the de Menil.

Rubens: I think that was Renzo Piano's first—

24-00:01:09  
Bakar: *Marvelous* museum.

Rubens: And I actually, since his name came up, I wondered, was he on the short list?

24-00:01:16  
Bakar: No.

Rubens: OK. He just didn't make it.

24-00:01:19  
Bakar: He's doing, right now a building that's going to be the most exciting building San Francisco's ever seen.

Rubens: Which is?

24-00:01:25  
Bakar: The science museum. Have you been through it yet?

Rubens: No.

24-00:01:28  
Bakar: I was given a tour the other day, it's *unreal*.

Rubens: I think he's one of the most exciting architects now. I have not literally seen the remodel in New York of the Morgan Library, I think?

24-00:01:51  
Bakar: I don't know what remodeling they've done.

Rubens: They've added a whole new piece. I think. Ok. You were just starting to talk about Tom Swift. Tom Swift was on the plane?

24-00:02:13  
Bakar: Yes.

Rubens: Yes, Yes, because he's going to then be in charge of building.

24-00:02:16  
Bakar: Tom Swift, yes. Each of us had kind of a role. Brooks' role was simply—I mean, it was very important role, was dealing with all the trustees, and helping, obviously, in the fundraising. My role, once we got rolling, was more the interfacing with the city, which is, in San Francisco, always a bit of a chore. Though this wasn't, didn't become one. Once we decided where to go, we were not a controversial issue. Tom Swift was in charge of dealing with

the architects and the construction and the contractor. And he did a marvelous job. And we're saying now, and worth repeating many times, we came in on budget and on time.

Rubens: Was it the Hines Company that literally was the construction company?

24-00:03:09

Bakar: No. They don't do construction. Hines Company is a real estate developer. They hire contractors. And Tom, because of the history of the Hines Company, they've used many, many offshore architects, which bring something unique. And Gerald Hines is probably singularly, one of the best developers in the country. When I say one of the best, I think you can call it the best, for both the quality of his product and the design.

Rubens: Mainly building in Texas?

24-00:03:53

Bakar: Oh, no, he's all over the United States. We'll end up in the building called the Lipstick Building, which I guess is almost appropriate now. There's a building that he built in New York called the Lipstick Building. And I think it's on Lexington or Third. And it has the shape of a woman's lipstick. It's round, and it just looks like a lipstick tube, and it's obviously, everybody's picked up on it. It's known as the Lipstick Building. But after our tour—and I don't know where I left off—we went to Houston to see the de Menil. We went to Fort Worth to see the Kimball, we went to Chicago to see Beebe's new wing. We went to New Haven to see the Louis Kahn British Museum. We ended up in New York, obviously, visiting the major New York museums. And we ended up with a meeting in the Lipstick Building, where Hines had an office, digesting everything we had seen.

Backing up to Chicago, in Chicago, I remember that we stayed at the Fairmont Hotel. And sitting in Chicago, over cocktails, Mario picked up a paper napkin. He had conceived in his mind, and he drew it on a paper napkin, what the end result is today, SFMOMA on Third Street. It was a sketch. And I believe the paper napkin's in the archives of SFMOMA. You could check that. But it was a sketch that he had made that was absolutely—you can see the relationship on that paper napkin to the end product. But anyhow, we all got back to the Lipstick Building, digested what had transpired. I can't really remember chronologically exactly what happened next. But we obviously had a site by that time. The fundraising started, and went well—people were almost apologetic when they made their gifts, that they couldn't give more. I'm sure there's been an easier fundraising drive somewhere, but this one was a slam-dunk. The community was ready, the economy was good, the people involved were driven by the desire to create a good museum. I may back off the statement that the economy was good. We may have had a real estate slump at the time.

Rubens: In '89.

24-00:07:05

Bakar: Yes. And we were able to get extraordinarily good pricing from the contracting world. And that was it.

Rubens: You've been known, I think, to tell a story that—you were very involved in this. You were spending an incredible amount of time.

24-00:07:29

Bakar: Oh, I know where you're going.

Rubens: Will you tell the story, even though it's mentioned earlier in this oral history, and this is our only video interview aimed at SFMOMA?

24-00:07:32

Bakar: Yes. I've actually made this as a speech, this story, on more than one occasion. But I think of myself as a real estate developer. I committed this huge amount of time, effort, energy to making SFMOMA happen. And ordinarily, if I hadn't, I would have been developing, which was my history before and my history after. But I made this a priority. But what it did, it took me out of the sequence of building the next project or planning the next project. So I basically shut down my development activities for a couple of years. And when I say that I made a lot of money by being involved in SFMOMA, I made it by not being involved in development. The development world had kind of crashed during that time frame, and there wasn't a building built that wasn't an immediate loser, unless you were building a building that was 100% pre-occupied, or would have been 100% pre-leased to one tenant. A great many good developers went under during this period. And I had the good fortune of not being a developer for a couple of years. And that's how I made money. But I would always, if I told that story that I made a lot of money, there'd be gasps from the audience when, a few times I told it in public forums, until I explained what I just shared with you.

Rubens: OK. Would you say a little more about Tom Swift, then?

24-00:09:45

Bakar: Tom Swift, who was part of the four of us that I mentioned earlier, who were the client, Tom Swift had dealt with several offshore architects, because Gerald Hines had a propensity to look afar for his architects, and choosing trophy architects. Tom had just worked with them. And he was absolutely invaluable in the process.

Rubens: And so who was the construction company?

24-00:10:22

Bakar: The contractor was Dinwiddie and Swinerton Walberg. The two of them.

Rubens: And how do things get divided up? Is that Swift's job to—

24-00:10:40

Bakar: That was Swift's job. And I think it was Swinerton and Walberg that ended up doing the bulk of it.

Rubens: And you had worked with them.

24-00:10:52

Bakar: Yes, they'd worked here at Levi's Plaza.

Rubens: Right. Of course. But you're not involved in that. You hear reports, you take an interest.

24-00:11:02

Bakar: That group of four that I mentioned—and I think you've got the names—met on a very regular basis. Whether we met once a week or twice a month, it was very regular. And all sorts of issues would come up, and each of us would bring our issues to that meeting. Brooks, perhaps on the fundraising, though all of us were involved in fundraising to some degree, because he headed that up; myself with the San Francisco politics; Tom with the contractor; and Jack Lane with his expertise in dealing with the needs of a museum.

Rubens: And as you had mentioned, you pulled together, both as an executive committee, if we could call it that, and then as a board. And people seem to speak about that these were just such exciting times; that you were really engaged in an enterprise that you believed in, and that was going to be sensational, which it was. There's a wonderful video of, I think it was Elaine McKeon, who was in charge of the groundbreaking ceremonies.

24-00:11:14

Bakar: Oh, that was wild.

Rubens: Yes, would you say something about that?

24-00:12:19

Bakar: Well, all I remember is it was probably the noisiest thirty minutes or an hour that I've experienced. I don't remember really what the thing was that—

Rubens: Well, I think it was gigantic robots, wasn't it?

24-00:12:35

Bakar: I don't remember what it was, I just remember how unbelievably noisy it was. It was wild and bizarre. But you know, it was a festive moment. And Elaine and her team put it together. But I don't remember the source of that noise, frankly.

Rubens: OK. Now we could go in two different directions. If there's anything particular that you want to mention that punctuates the time as the building goes up?

24-00:13:07

Bakar:

Well, there's one story that is worth telling. And I guess given enough time, I can think of a lot of anecdotes. But the one that really comes to mind took place here in my office, in the conference room. Mario Botta, one of his signatures is the use of stone. And the idea of what our skylight, that really throws light down into the atrium and some of our public areas, that Mario had, it's rimmed in a rim of stone today. But Mario's original concept was to have a circle of, I believe, twelve trees, up on the edge of this oculus, the edge of the skylight. And that just seemed strange to some of us. Some of us, again, on this architectural committee were kind of for it; they thought it was unique. I happened to be in the no trees side of it. I think Don Fisher was on the pro, or yes trees side of it. But it was an issue that we were struggling with. So we called in a woman, a very well known woman in the local community, a well known horticulturalist, name Mai Arbegast, for her help and advice. And we met here in the conference room of my office. The architectural committee at the time, it was the bigger group, because it became such an issue. There were at least seven, eight, nine trustees at the meeting. And Mai went through the pros and cons of having trees up there. And the pros were the exciting look that some people felt it might have, the greenery; the negatives were clearly the wind. Would the trees live? Because we're in a very windy community. And when Mai was finished—and Mai's presentation to us was probably thirty minutes or so—I think the group, be it six or eight, was still fairly evenly divided, yes or no, on the trees. And Mai then said, "I have one more thing to add. Do all of you know who lives in trees?" And we all smiled, because we caught on clearly where she was going. Birds live in trees. And we all know what birds do. And somebody said, "Hey, this meeting's over." No trees. So if you look at the oculist, or you look at the edge of the skylight, you'll see Mario's stone today. But there could have been trees there.

Rubens:

It was his idea, but was he pushing it much? Or pretty adamant?

24-00:16:21

Bakar:

You know, if ten is to the extreme and one is zero, he was somewhere in the five, six, seven range. He didn't pound on the desk.

Rubens:

Were there any issues that were pounding on the desk?

24-00:16:36

Bakar:

There was one issue during the course of the design, about the scale of the galleries and the ceiling heights. And it involved a change order of some significance. And Jack Lane—either Jack or Tom Swift would remember the details of this, I don't—wanted the ceilings either somewhat higher than Mario had designed, or somewhat lower, because of the proper scale. And whichever way Jack wanted, there was a pause in the process, and it had to be resolved. It wasn't Mario pounding on the desk, so much as Jack Lane. And I believe Jack Lane's desires prevailed.

Rubens: So you must have had just great pride as you saw this thing going up. And is there something specifically to say about the opening, then?

24-00:17:45

Bakar: Oh, it was very gratifying. I mean, the opening few days, I would go down there and just wander around. There were literally thousands of people that were going through, the first week or two. But there was a lot of satisfaction, certainly.

Rubens: We can cut this out too, what I'm just about to ask. Barbara comes into your life during this process, is this right?

24-00:18:06

Bakar: Well, Barbara came into my life in '87.

Rubens: In '87. So you're already on the board, it's moving on. So it must've been quite a wonderful thing to share with her.

24-00:18:14

Bakar: Oh, I'm sure. There's another story to be told, in addition to Barbara entering my life, which certainly was very meaningful, is the story of the garage.

Rubens: That was my next question. So let's do that.

24-00:18:32

Bakar: One of the things that our museum didn't have, and there's no way to have it even today, in the Botta building, is a sculpture garden. And most museums have—or many museums, at least—do have them. And we didn't have parking for our guests. And those two issues were somewhat troubling. The steel girders had been erected, or the steel skeleton had been erected. And we were able to walk up there, on a hard hat tour. And directly behind the museum was a vacant lot. It was a vacant lot of about sixteen—or seventeen-thousand square feet. And it belonged to the telephone company, which at the time was known as PacBell. And I remember being up there. I remember being on a hard hat tour with Don Fisher, and looking down and saying, "Don, there's our sculpture garden. And there's our parking. There's our solution to the sculpture garden, and no parking."

And I got the idea, got an architect—Art Gensler, I think—to do a quick sketch of building a garage, and putting on its rooftop the sculpture garden. And as everyone knows, given the time we're at right now, the garage has been built. It's an approximately four-hundred-and-fifty car garage, and the roof will be a sculpture garden. A design competition's been held. We hope to break ground later this year. And the sculpture garden will be entered from the fifth floor of our existing museum.

Rubens: Oh, there'll be a link.

24-00:20:47

Bakar:

Oh, Yes. You'll go right from the museum to the sculpture garden. And we're in the middle of fundraising for the sculpture garden, and we're very optimistic that the monies are going to be raised. It looks like about a twenty-million dollar total investment, between the needs to connect it to the museum. There's going to be a bridge, which will be unto itself a gallery, an art gallery, an enclosed bridge, to get to the sculpture garden. Or you can enter it from the fifth floor gallery. And it's very exciting. And the museum's planning—I think I said this a moment ago—we're planning to break ground this fall.

Rubens:

When you say to break ground—

24-00:21:37

Bakar:

Well, breaking ground is a symbol, at this point, [chuckles] to start the construction.

Rubens:

And then, so in 1995 the museum opens. And subsequently, in the last twelve years, you've remained on the board. This was a major undertaking. When you said that you conceived of the parking lot, while the museum girders were up, when did the construction of that actually start? And did you have a hand in that?

24-00:22:08

Bakar:

I did. It was a fairly arduous, but at the same time given the magnitude of it, I think I can say a fairly smooth negotiation with the telephone company. PacBell is today AT&T. And I can't remember the timing of that merger, in connection with our museum. But they agreed to allow us to build a garage. Dick Greene's office—Dick is president of the board, and has become the attorney to work with the phone company. The paperwork's about all resolved. The garage turned out to be a significant money maker. And because there wouldn't have been a garage without the political capital of our museum, they acknowledged that value, and have treated us, we believe, fairly, in a financial settlement for having built the garage. They are allowing us to do the sculpture garden, which we, SFMOMA, have to pay for. And again, I'm repeating myself, but the money-making aspects of the garage, a formula was developed, and a settlement's been made with the phone company. And we now have a four-hundred-and-fifty car garage, and we will shortly have a sculpture garden.

Rubens:

The building across the street that the museum is using for offices, do they own that?

24-00:23:54

Bakar:

No, we lease it, we rent it.

Rubens:

The white building at the corner, was that the PG&E—

24-00:24:11

Bakar: No, that's an apartment house.

Rubens: OK. That has nothing to do with the museum. You were never looking at that for anything?

24-00:24:24

Bakar: No, you're thinking of the St. Regis Hotel.

Rubens: Maybe I'm thinking of the Telephone Building?

24-00:24:34

Bakar: No, you mean right behind us?

Rubens: Yes, yes.

24-00:24:35

Bakar: No. Right behind us is a building known as 140 New Montgomery, which is one of the great Beaux-Arts buildings of San Francisco. And that building is being sold. And we, SFMOMA, hope to perhaps be able to get some of that, the lower floors, for our back office space. And we're awaiting the prospectus to come out on the offering of the building, and then seeing if we can buy some of the lower floors.

Rubens: That's just another example of ongoing interests and negotiations and—

24-00:25:22

Bakar: Yes.

Rubens: Is there anything that you need to say about the Yerba Buena Center that SFMOMA faces? For instance, did you suggest Larry Halprin as the landscape architect?

24-00:25:42

Bakar: At one point, I remember talking to some of the O&Y people. But they had their reasons for choosing whomever they chose.

Rubens: I think it was Topher Delaney. So are you pleased enough with that whole Yerba Buena—

24-00:25:58

Bakar: Oh, you know, it's OK. It's certainly compatible with SFMOMA.

Rubens: Was there something you would've liked to have seen?

24-00:26:06

Bakar: Not necessarily. No.

Rubens: And now the Jewish Contemporary Museum is—

24-00:26:11

Bakar: Yes, it's under construction, with the world renowned architect, Daniel Libeskind designing it. The Mexican community—

Rubens: How involved are you with that museum?

24-00:26:38

Bakar: Not at all. I was a modest donor, but I'm not involved in it. The Mexican museum—I'm really not even sure of the names of the people that are the sponsors of that. But the Mexican community hopes to build a museum. They've engaged a well known architect, Legorreta, to design it. The African American community has a museum next door to us, connected to the St. Regis Hotel.

Rubens: It's a new building, though, isn't it?

24-00:27:18

Bakar: No.

Rubens: The Museum of the Diaspora is not a new—I didn't realize that.

24-00:27:23

Bakar: No, it's a historical building. Maybe on the first floor, where you enter. I shouldn't say they don't have a new face; they have a partial new face, I think.

Rubens: I didn't know it was an old building.

24-00:27:43

Bakar: But you can get to it directly from the St. Regis Hotel. So the area has become kind of a cultural center. The other two locations in San Francisco, the Asian at Civic Center, and the Fine Arts in the Golden Gate Park.

Rubens: Did you ever hope for a bridge to connect SFMOMA to the Yerba Buena Center?

24-00:28:23

Bakar: No.

Rubens: That was not something you wanted?

24-00:28:25

Bakar: No, we have a crosswalk. And it's pedestrian protected by an electric traffic light, so it lets people walk across the street.

Rubens: I was looking at it the other day. I thought a bridge would sort of spoil the—

24-00:28:40

Bakar: Oh, it would've been terrible.

Rubens: Yes. And so nothing else that you—you're satisfied? I feel like there's a little hesitation about if you wanted something else in Yerba Buena.

24-00:28:50

Bakar: Oh, at one point, I had the idea—and we were turned down very quickly—to put our sculpture garden over there. But that didn't gain any traction at all.

Rubens: Now, if I may just take one more minute to ask you about your own interest in art. Just literally if there's a certain kind of art that you like better. So would you say during this whole process of joining the board in '81, then really ramping up your role, in terms of building and—

24-00:29:27

Bakar: Well, my wife and I have a collection. It's not one of San Francisco's great collections. We have a few very nice pieces. And there's no question that my interest in art was reinforced by my involvement with SFMOMA. But it's a world in which I still have a lot to learn.

Rubens: But it something that draws you, that you're excited about.

24-00:29:51

Bakar: Yes.

Rubens: And are there certain artists that you like better than others?

24-00:29:55

Bakar: Oh, I can think of a lot that I like. I may not be able to afford them, but I can think of a lot that I like.

Rubens: Oh. I have one story I was going to share with you. And we can decide what to do with this. I always like to be honorable about where I hear this. I have a friend, Stephen Goldstine who ran the San Francisco Art Institute. And he was good friends with a woman who he thought was one of the most creative art exhibitor/developers, who did the United Airlines exhibition gallery at the San Francisco Airport.

24-00:30:33

Bakar: Oh, I can't think of her name. I know her pretty well.

Rubens: And apparently, she's someone you had consulted with briefly.

24-00:30:39

Bakar: A little bit. I've used a few art consultants to help me when I was buying. But her tastes were significantly different than mine. But I've met her.

Rubens: The story was about a David Park, a particular David Park painting of a—

24-00:31:00

Bakar: I have two David Parks.

Rubens: You have one of a jazz band.

24-00:31:04

Bakar: I have one of his Berkeley jazz band.

Rubens: I saw that. It was just *wonderful*. Wonderful.

24-00:31:09

Bakar: Yes. A nice piece.

Rubens: Do you feel, now to just shed the light back onto the museum—I know that one of Jack Lane's goals—I mean, he states it in his summaries—was to educate the donors, and to educate the board. And he would hold meetings, where the different curators would come in. And of course, he expanded the curators. And then he also took trips to Europe with patrons and—did you participate in any of that?

24-00:31:47

Bakar: Certainly, on the business of the director educating the trustees in San Francisco. That's an ongoing, never ending process. And in almost every board meeting, there's some time spent, by either the curators or our director.

Rubens: How often are board meetings?

24-00:32:07

Bakar: Well, they've varied over the years. I think there's now about five a year. And a lot of the hard work is done by committees. But certainly, whenever there's an opportunity to learn, and particularly from our director or our curators, all the trustees gravitate toward that.

Rubens: And did you have a strong feeling about the collection and exhibition strategy of the museum?

24-00:32:41

Bakar: No. Not strong feelings. There are people on the board with much stronger feelings about it than I.

Rubens: Well then, do you think that we've covered your role with the museum well enough?

24-00:33:00

Bakar: Well, I can't think of anything that I haven't shared with you. At three in the morning, if I do, give me your home phone.

Rubens: Yes? This interview is winding down. When you travel, do you find yourself drawn to go to museums and—

24-00:33:17

Bakar: Oh, sure.

Rubens: We talked about going to Buenos Aires and seeing the MALBA, which was really, I thought, a wonderful museum.

24-00:33:23

Bakar: I agree.

Rubens: With some wonderful collections. I had never heard of Gerhard Richter till this museum, SFMOMA, had that big exhibit. There were some *gorgeous* Richters.

24-00:33:37

Bakar: And he doesn't have a strong signature. I mean, Richter has done a lot of different things.

Rubens: When I was looking at the Picasso, I was thinking, "Could Richter be the Picasso of our era?" I mean, his talent, in so many ways.

24-00:33:55

Bakar: There's somebody showing at a little gallery somewhere in San Francisco today that could be the Picasso of our era. You never know. I think when Picasso first exhibited, he was laughed at. Matisse, when he first exhibited, was laughed at.

Rubens: SFMOMA is the first to show *Guernica*.

24-00:34:15

Bakar: Really? We actually had *Guernica* here?

Rubens: It was shown in '37.

24-00:34:20

Bakar: I didn't know that.

Rubens: At the War Memorial Building.

24-00:34:23

Bakar: And it wouldn't have been the Museum of Modern Art.

Rubens: No, it was the Museum of Art. And MoMA in New York was the first to acquire some Picassos, but *Guernica*, that was shown here. If there's anything more, I'll ask you later, and I'll let you go.

[End of Interview]

[Editorial Insert]

Bakar: On May 8, 2009, the SFMOMA Sculpture Garden on top of the garage opened. One needs to be patient; the process to get the sculpture garden at this location started with PacBell in 1988. PacBell became part of SBC which then

became the new AT&T. However, we were able to convince whoever was in charge that it was important to have a sculpture garden.