



Jacobs: Rancho Valencia has 'incredible legacy'

By THOR KAMBAN BIBERMAN, The Daily Transcript
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In a multi-pronged transaction, the Rancho Valencia Resort in Rancho Santa Fe was sold for a reported \$15 million to a partnership controlled by members Jacobs family of **Qualcomm Inc.** fame.

The resort includes 55 rooms overall, 52 of which are suites; restaurants, a spa with 10 salons, 12,000 square feet of meeting space, lap pools, and 18 tennis courts.

The property also includes 12 villas with 3,500 square feet, including deck space divisible into 96 fractionalized ownerships -- many but not all of which have been sold.

Rancho Valencia Resort Partners LLC, a California limited liability company, purchased the property.

The seller, **RVR Partners**, is an entity controlled by **Collins Investment Co.**

Developer Harry Collins built the resort in 1989. The Collins family also owns the La Valencia Hotel in La Jolla.

Bill Gates and Bill Clinton have been among the Rancho Valencia's patrons.

Jeff Jacobs -- the youngest son of Qualcomm's (Nasdaq: QCOM) Irwin Jacobs, who heads the buying partnership -- said the resort's components -- the hotel units and the spa were sold separately -- were acquired in this manner, because they made for more manageable transactions.

"There were a few different components to this, but the combined price comes to about \$15 million," Jacobs said.

Alan Reay, president of **Atlas Hospitality Group** said the \$15 million figure seems to be a fair price.

"A \$272,000 (per room) figure is about right for a trophy asset," Reay said.

Hotel developer and consultant Robert Rauch drew a similar conclusion.

"That's about \$300,000 a room, which is the going rate for a luxury property of this type," Rauch said.

Jacobs, who lives in Rancho Santa Fe, said the chance to own a resort of this caliber represented an incredible opportunity.

"Rancho Valencia is a magical place. It has an incredible legacy," Jacobs said.

Jacobs said he plans to make upgrades to the resort, but is still assessing what will need improvement.

Jacobs added he expects and is entitled to develop a few more fractionalized ownership villas at the resort as well at some point.

While it isn't clear as to how many of the existing fractionalized ownerships remain for sale, Rauch said this isn't necessarily the time to sell timeshares.

"If the hotel industry is soft, the timeshare industry is softer," Rauch said.

When asked about the resort's occupancy, Jacobs didn't offer figures, but also didn't deny that Rancho Valencia had felt the slowdown's impact.

"The hotel has been feeling the effects, but it continues to attract high-end clientele," Jacobs said. "This property is on 40-plus spectacular acres in Rancho Santa Fe."

Chris Collins, president of **Southland Property Co.**, whose firm handled the transactions, is a son of Harry Collins. He also loves the property.

When asked why the Collins family -- which had put its sweat into building resort more than 20 years ago -- elected to sell, Collins said that his father, Harry, is recovering from a polo accident he suffered a few years ago and doesn't quite have the stamina he had before.

Chris Collins seems content to head the Southland Property firm.

Collins said his father, who was a San Diego contractor and developer for many years, first started developing the resort in 1985.

"It was known as John Gardener Rancho Valencia and was one of several tennis resorts known under the John Gardener name," Collins said, adding that the Gardener affiliation was ended shortly thereafter.

For a time a few years ago, it appeared that the Rancho Valencia and La Valencia might be sold together but the transaction was never completed.

The Collins family continues to retain the La Valencia, which has been owned by them for decades.

Built in 1926, the pink-hued La Valencia has 113 guest rooms above La Jolla Cove, restaurants, conference and banquet facilities.

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