



LEADING MAN

Trailblazing luxury developer Mike Meldman insists on little—
except the absolute best of everything

BY SKIP KNOWLES

Stressed out about what your dream retirement home will be like? Relax, Mike Meldman knows what you want.

A nonchalant man with a Midas touch for design, Meldman is easy-going, even-keeled, and probably the only CEO of a luxury property company known to wear sandals and jeans aboard his Falcon 2000 and 900 jets.

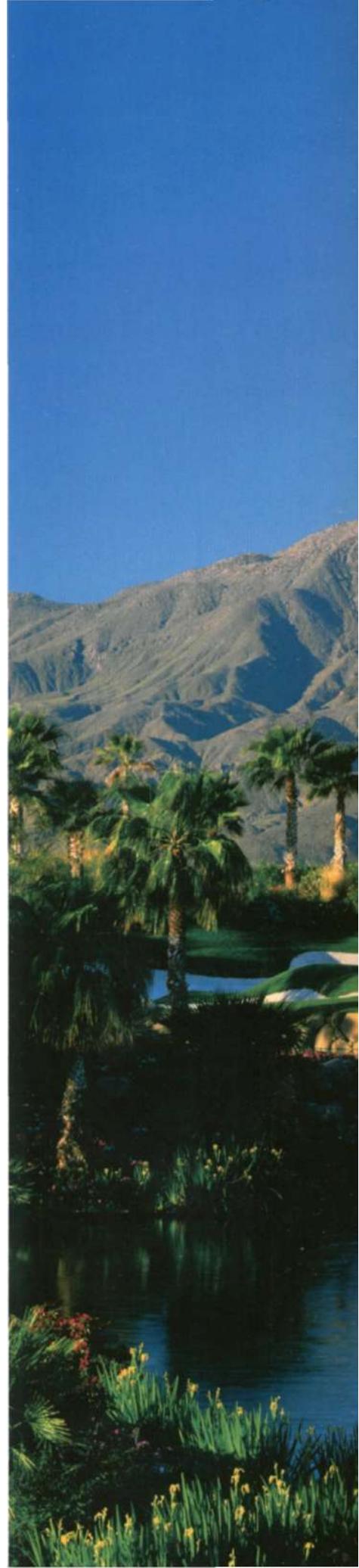
And that approach pretty much sums up the formula for the runaway success of Discovery Land Company's communities: top-level achievement in a completely comfortable, accommodating, private atmosphere. The level of services, spas, and championship golf at Discovery Land Company's resort lifestyle developments are unprecedented, and homes have doubled in price at places such as Kuki'o Beach Club on Hawaii's Kohala Coast.

Meldman's big moves started early, and by chance. And now, after so much success, after building over 6,000 homes worth billions and a company that employs over

3,000, he still says the best thing that ever happened to him was failing the LSAT test and being rejected by law schools. For that twist in the road ultimately led to his creation of some of the nicest places in the world to live.

In 1981, and to the great horror of his parents, the Stanford history grad turned his back on law school for good, instead going to Tahoe to deal blackjack at Harrah's. Hey, life's a gamble, right? He struck a hot hand of his own when a patron asked if he wanted to "work as little as he wanted and make as much as he wanted" at a commercial real estate firm, and soon Meldman was sticking signs in the dirt of what would become Silicone Valley.

He ultimately sold most of the Fremont area before growing bored with brokerage. He had discovered that the true creative skill in the land business was in working with the zoning and entitlements, building new value into land. With that, he bought 300 acres from a Saudi prince, in a perfect



One of two private golf courses at The Hideaway,
Meldman's La Quinta, California, creation



MELDMAN'S LAND-BARON FRIENDS TOLD HIM HE WAS NUTS—THEN THEY LINED UP TO BUY



place to start high-end development: close to Stanford University.

It seemed a home run ... until it took 18 years to settle out. The San Andreas fault ran through the spot, and there were landslide areas.

"I bought it and thought, 'I'm set for life, this deal is all I need.' There were so many constraints, it was very difficult, but it taught me how to develop the right way," he says.

Next he decided to key in on luxury. He bought what would become the legendary Estancia site in Scottsdale and scrapped plans for a 900-room mega resort, opting instead for a small, elite community with spas, golf and intimate services. His land-baron friends told him he was nuts—then they lined up to buy.

"I told one of my best friends and he said, 'You're crazy. I'm buying buildings

for ten cents on the dollar, don't do it.' And now he's bought a place in almost every one of my developments," Meldman says. "On the driving range I said to him one day, 'How many people would be unemployed if I'd listened to you?'"

Meldman has a renowned talent for taking projects initially planned as super-sized resorts and scaling them down to an elegant, reasonable size that makes sense in the market. He designs with a deep respect for the qualities that made the terrain special to begin with. His vision for the properties comes after seeing the land, not before.

"It has to be more opportunist than strategic," he says. "Every city could use one, but you can't do one in every city. If I said, 'Hey, lets do on one in Beverly Hills or Bel Air' ... well, yeah, that would be awesome but there's just no land."

The rest is simple: He insists on the absolute best of everything in services and construction. There are many elite second-home havens in the world, but not all have celebrities wearing their logo clothing. Meldman has set the standard, and now he quarterbacks real estate for the likes of NFL Hall-of-Famer Terry Bradshaw. Bradshaw asked for a complimentary membership, and Meldman told him sorry, but Discovery has many famous clients, and that he would have to buy.

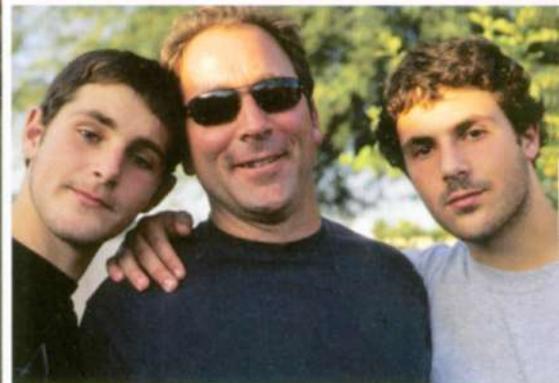
With that, Bradshaw bought six units, moved into one and spec-homed the rest, making lots of money and expanding into other Meldman creations.

"What else do you do with your investment money now?" Meldman says. "The market is a scary place, but with real estate, you buy it, you own it, you have it, and it's not going away."

The dramatic entrance to El Dorado, Discovery Land Company's private golf and beach club located in Los Cabos, Mexico



Meldman often spends time with his sons (pictured below) at his Kuki'o Beach Club, a private club and residential community located in Kona, Hawaii.



The originality and vision he brings to the industry is mostly in the service aspects, he says, and the great success stems from how much people are enjoying the properties.

"For instance, at lots of clubs, when kids turn 23 they're not members anymore. Well I'm a big believer in creating generational use. I have a vertical membership plan, so if I'm a member my kids and parents are members for life. You want family around you as much as you can as you get older, and having a home where kids feel welcome will make people buy. That's an original thought."

That and the Outdoor Pursuits program. Meldman's greatest satisfaction comes from enriching clients' lives with programs like Outdoors Pursuits, which he founded so his teenage sons get the most from the locations with help from

instructors leading rafting, snowboarding and wilderness trips at Iron Horse (Whitefish, Montana), or diving, surfing and spearfishing jaunts out of Kuki'o. The kids have grown up with the same instructors over many years.

That tight-knit feel is the new benchmark in country clubs. Meldman pays employees well so they feel they're the best, which conveys to the members, he says.

And it's all delivered in a relaxed atmosphere. Never a serious golfer, Meldman's top-notch championship courses have a laid-back vibe. And of course, comfort stations that are closer to restaurants than snack shops. "It's all got to be the best," he says. "People love it because it feels like a treat."

Meldman keeps a home at each property, and that helps him to place

the best interests of the members first. "We're expensive and make people build quality. We don't compromise, and people don't have a problem with it because we maintain integrity," he says.

Gozzer Ranch, coming soon to Coeur d'Alene, Idaho, will take in an entire bay of stunning shoreline, while El Dorado in Los Cabos and Baker's Bay in the Bahamas will soon join Meldman's nine other well-known creations.

Explorers Lewis and Clark provide great inspiration for Meldman.

"They were trailblazers, and there hasn't been one deal I've done where people thought it wouldn't work," he says. "That's been my inspiration, that and respect for the land. I've been lucky." •

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