

SDMETRO

your business your life

NO. 6, VOL. XXXI

STUNNING VIEWS OF EARTH

PAGE 9



America's Best
DONOVAN'S
STEAK & CHOP HOUSE

GASLAMP - 6TH & K
619-237-9700

America's Best
DONOVAN'S
STEAK & CHOP HOUSE

LA JOLLA - 1250 PROSPECT ST.
858-450-6666

PROUDLY CELEBRATING
OUR 30TH YEAR

Rancho Santa Fe Insurance

License #0D21103

EXPERIENCE IS EVERYTHING



Congratulations Laura Rodriguez
on 15 years with Rancho Santa Fe Insurance.



Anita Gentry
20 YEARS



Vanessa Snodgrass
17 YEARS



Lisa M. Hill
14 YEARS



Nancy Wright
14 YEARS



Don Dvorak
14 YEARS



Jodie Quintal
10 YEARS



Stephanie Moskowitz
7 YEARS



Dale Sodergren
2 YEARS



CRAIG A. EDWARDS
President
30 Years

Homeowners
Private Collections

Automobile
Personal Umbrella

Aircraft
Yacht

PROUDLY REPRESENTING Chubb Insurance, AIG Private Client Group,
Pure Insurance, and Nationwide Private Client

Rancho Santa Fe
858-756-4444

La Jolla
858-232-2074

Newport Beach
949-759-1111

La Quinta Resort
760-341-4114

Beverly Hills
424-284-9370

Looking for **award-winning commercial real estate representation** you can **trust?**

Look no further.

- ✓ **Best Commercial Real Estate Company** | 2011-2015
- ✓ **Most Admired Company** | 2012, 2013, 2015
- ✓ **Best Places to Work** | 2012-2015
- ✓ **Best Family Owned Business** | 2014
- ✓ **Most Trusted Brand** | 2011

At Hughes Marino we do one thing every day: Help companies save money on their real estate. Because we only represent tenants and buyers – never landlords – we never have a conflict of interest. With a fierce commitment to protecting our clients backed by a 100% guarantee on service and results, we're proud to be the region's most trusted name in commercial real estate.



Our mission is to always provide quality journalism for our readers by being fair, accurate and ethical and a credible resource for our advertisers.

COVER STORY



An Astronaut's View of Earth

In the IMAX film "A Beautiful Planet," director Toni Myers takes audiences to the International Space Station for an astronaut's-eye-view of the earth and the environmental issues stressing its fragile biosphere. With narration by actress Jennifer Lawrence, it was filmed over one year by four overlapping space station crews. See Page 10.



11

Premier Seafood

Friends and relatives love to come to visit. So there is often a question of where to take them to best showcase the beauty of our city. Among the top choices, Top of the Market and The Fish Market, the upstairs and downstairs eatery on the waterfront. The restaurant has its own vessel that goes out to haul up, literally, the catch of the day.



13

How to Turn Puerto Rico Into Hong Kong

On May 1, the government of Puerto Rico defaulted on some \$400 million of bond repayments. This default has added urgency to a bill in Congress to rescue the island from its financial crisis, which is getting worse by the day. Puerto Rico faces more than \$70 billion of debt, and the government is already in technical default on many of its bonds. What a rescue will mean.

SDMETRO
your business your life

Chairman | CEO

Robert Page
BobPage@sandiegometro.com

Publisher

Rebeca Page
RebecaPage@sandiegometro.com

Managing Editor

Manny Cruz
Manny@sandiegometro.com

Graphic Designer

Christopher Baker
cbaker@sandiegometro.com

Photography/Illustration

Eric Peters
David Rottenberg

Contributing Writers

Andrew Dyer
Stephen Moore

Advertising

SALES & MARKETING DIRECTOR
Rebeca Page

Get in the loop with SD Metro's Daily Business Report. Sign up for daily emails on the latest business at sandiegometro.com

P.O. BOX 3679
RANCHO SANTA FE, CA 92067
858.461.4484 FAX: 858.759.5755

SD METRO magazine is published by REP Publishing, Inc. The entire contents of SD METRO is copyrighted, 2015, by REP Publishing, Inc. Reproduction in whole or in part is prohibited without prior written consent. All rights reserved. All editorial and advertising inquiries can be made by calling or writing to the above. Editorial and ad deadline is the 24th of the month preceding the month of publication. Mail subscriptions of SD METRO are available for \$50 a year for addresses within the United States. A PDF version of this issue is available at sandiegometro.com. Additional information, including past articles, online-only content and the Daily Business Report can be found at sandiegometro.com. For reprints or plaques of articles published in SD METRO, please call Rebeca Page at 858-461-4484.

All real estate advertising in this newspaper is subject to the Fair Housing Act which makes it illegal to advertise "any Preference limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention, to make any preference, limitation or discrimination." Familial status includes children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18. This magazine will not knowingly accept any advertising for real estate which is in violation of this law. Our readers are hereby informed that all dwellings advertised in this magazine are available on an equal opportunity basis. To complain of discrimination call HUD Toll-Free at 1-800-669-9777. The Toll-free telephone number for the hearing impaired is 1-800-927-9275.

Read us online:
sandiegometro.com





Site of the Rancho Tesoro community in San Marcos. (Courtesy of Brookfield Residential)

Construction Begins on Brookfield Residential's New Master Planned Community in San Marcos

Grading and land development efforts are underway near Twin Oaks Valley Road and Village Drive in San Marcos, the location of Brookfield Residential's new master planned community spanning more than 250 acres. The homebuilder and developer along with homebuilding partner California West Communities will debut this planned community — called Rancho Tesoro — in spring 2017.

The community is located near Discovery Lake — which can be accessed through the extensive trail system — and is driving much of the nature-oriented design.

Rancho Tesoro will showcase four neighborhoods — three behind vehicular gates. The 347 detached homes will include private yards, four to five bedrooms, and two- to three-car garages. Homes will range in size from approximately 2,211 to 3,565 square feet.

Proposed private recreational amenities at Rancho Tesoro include a pool, barbecues, picnic tables, a covered trellis pavilion, neighborhood parks and access to multiple trails for walking, jogging and bicycling.

The community is located south of State Route 78.

SERVING SAN DIEGO AND LOS ANGELES

RJS LAW

A TAX LAW FIRM

TAX PROBLEMS SOLVED

TAX AUDITS, CIVIL & CRIMINAL TAX LITIGATION

- Prevent Collections from IRS, FTB, EDD & State BOE
- Wage Levies, Liens & Installment Agreements
- Payroll & Employment Tax Disputes
- Offer in Compromise
- Tax Evasion/Fraud Defense
- Offshore & International Tax
- Sales Tax Audits & Disputes
- Tax Planning & Strategy
- Innocent Spouse Relief
- Offshore Voluntary Disclosure Program
- FBAR Preparation

SAN DIEGO'S BEST
ATTORNEY AWARD
2014

MODER TO WATCH
2014

SAN DIEGO
BEST TAXPAYER
TOP ATTORNEY
2014

SAN DIEGO
MODER
BEST ATTORNEY
2014

SAN DIEGO
SPECIAL COUNSEL
BEST OF THE BAR
2014

**AWARD FOR ACHIEVEMENT
IN PRESIDENTIAL RATE**
2014

FULL SERVICE STAFF OF 10 ATTORNEYS & 2 CPAs

619-777-7700 CONTACT US FOR A FREE CONSULTATION RJSLawFirm.com

Se Habla Español

SAN DIEGO: 303 A STREET STE 400 SAN DIEGO, CA 92101 BEVERLY HILLS: 8484 WILSHIRE BLVD. STE 210 BEVERLY HILLS, CA 90211

KIRBY & KIRBY LLP CONGRATULATES MICHAEL L. KIRBY



On Being Named One of Southern California's Top 100 Attorneys About KIRBY & KIRBY LLP

On July 1, 2016, Mike and his son and longtime partner, Jason, opened their new firm Kirby & Kirby LLP. For nearly 40 years Mike has represented the top names in nearly every major industry and field in lawsuits ranging from investor claims, business disputes and other complex cases. He is among the most experienced trial attorneys in California.

501 West Broadway, Suite 1720, San Diego, California 92101
Phone 619.487.1500
www.kirbyandkirbylaw.com

Engineers Receive SunShot Grant to Develop Less Costly, More Efficient Solar Collectors

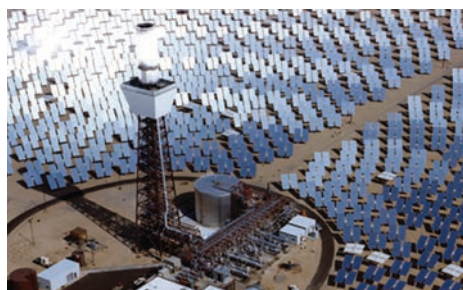
University of California San Diego electrical and computer engineering professor Boubacar Kante will lead a three-year, \$2.5 million project funded by the U.S. Department of Energy SunShot Initiative aimed at making solar energy systems cost-competitive with traditional energy sources.

With this funding, the researchers plan to develop a new class of solar collectors — based on dielectric metasurfaces — that focus sun rays spanning a wider angular range and allow scaled-down, less expensive tracking systems.

The innovative project will be performed in collaboration with Sandia National Laboratories and will drive innovation to make solar energy systems cost-competitive with traditional energy sources.

Solar collectors are optical systems that collect and concentrate sunlight onto a small area receiver. The concentrated light heats a thermal fluid, which creates steam to generate clean electricity. Today's state-of-the-art solar collectors typically use curve-shaped (parabolic) systems to concentrate sunlight. But their curvature limits the range of angles of incoming sunlight that the solar collectors can capture. As a result, these systems must continually track the sun's motion throughout the day. Funding for the new project will be used to design, develop and fabricate a new class of planar solar collectors that can operate over a broad spectrum of sunlight, thereby reducing the need for expensive continuous tracking systems.

—Liesel Labios, UCSD



cost, higher efficiency solar collectors. (Courtesy of U.S. Department of Energy)

Flexible Wearable Electronic Skin Patch Offers New Ways to Monitor Alcohol Levels

Engineers at the University of California San Diego have developed a flexible wearable sensor that can accurately measure a person's blood alcohol level from sweat and transmit the data wirelessly to a laptop, smartphone or other mobile device. The device can be worn on the skin and could be used by doctors and police officers for continuous, non-invasive and real-time monitoring of blood alcohol content.

The device consists of a temporary tattoo—which sticks to the skin, induces sweat and electrochemically detects the alcohol level—and a portable flexible electronic circuit board, which is connected to the tattoo by a magnet and can communicate the information to a mobile device via Bluetooth. The work, led by nanoengineering professor Joseph Wang and electrical engineering professor Patrick Mercier, both at UC San Diego, was published recently in the journal ACS Sensors.

“Lots of accidents on the road are caused by drunk driving. This technology provides an accurate, convenient and quick way to monitor alcohol consumption to help prevent people from



Flexible wearable sensor for detecting alcohol level can be worn on the arm. (UC San Diego News Center)

driving while intoxicated,” Wang said. The device could be integrated with a car's alcohol ignition interlocks, or friends could use it to check up on each other before handing over the car keys, he added.

“When you're out at a party or at a bar, this sensor could send alerts to your phone to let you know how much you've been drinking,” said Jayoung Kim, a materials science and engineering PhD student in Wang's group and one of the paper's co-first authors.

—Liesel Labios, UCSD

City Council Approves Buyer for Truax House

The San Diego City Council has authorized the sale of the city-owned property that includes the Truax House to Nakhshab Development and Design Inc. for \$2.5 million. The property is at 540 W. Laurel Street and 2513/2515 Union Street.

The buyer intends to preserve, restore, and memorialize the Truax House. The proposal includes dedicating the ground floor of the Truax House as a community center, with communal courtyard space, and working with the adjacent property owners to provide public access to Maple Canyon. The Truax House was recently designated as historic by the city's Historical Resources Board at the July 28 meeting.

Nakhshab intends to pursue a project that would replace the non-historic house at 540 W. Laurel St. with a new mixed use building including a coffee shop, office space, and residential units, including 10 percent of units to be qualified very low income housing. The proposal indicates the project will be sustainably designed.

The Truax House is named after San Diego LGBT leader Dr. A. Brad Truax, and was used as a hospice to serve AIDS patients. Truax died of the disease in 1988. Over the years, the building's condition has deteriorated and repair costs are estimated at over \$1.8 million.

YOUR NEIGHBORHOOD COLLISION REPAIR SHOP



sdmhcc@gmail.com

211 India Street • San Diego CA, 92103-53

619-291-1090 • Fax 619-291-1290



2016 AZTEC FOOTBALL



SEASON TICKETS

Starting at just **\$99**, includes a FREE bobblehead!



MINI PLANS

For just \$60, experience 3 games*:
New Hampshire — KGB SkyShow, Cal, Hawai'i
Plus receive an Ultra Star movie pass!

* in select West endzone Plaza/Loge sections

SINGLE GAME TICKETS

Now on sale!

RISE UP

GOAZTECS.COM | (619) 283-SDSU (7378)

Northrop Grumman Begins Work on 2nd Japanese E-2D Hawkeye Aircraft

Northrop Grumman Corp. has received a U.S. Navy contract to begin production of a second Japanese E-2D Advanced Hawkeye airborne early warning and surveillance aircraft.

The first Japanese E-2D is in production and will be delivered in 2018.

The aircraft will be produced at the company's Aircraft Integration Center of Excellence in St. Augustine, Fla. Northrop Grumman will manufacture the Japanese E-2D on the same multiyear production line used for U.S. aircraft, which allows for a more efficient and affordable delivery schedule. The E-2D is the world's only airborne early warning aircraft in production.

"We are honored to continue this strong partnership through the E-2D program, which brings Japan a powerful new tool that meets their immediate airborne surveillance needs and facilitates information sharing across many platforms, making it a force multiplier for the future as well," said Jane Bishop of Northrop Grumman.

In 2014, the Japanese Ministry of Defense competitively selected the E-2D to fulfill the nation's airborne early warning requirements. The Japan Air Self-Defense Force has operated the E-2C Hawkeye since the 1983. The E-2C is also currently used by Taiwan, France and Egypt



Japanese E-2D Advanced Hawkeye (Northrop Grumman)

Supervisors Place Lilac Hills Ranch Project on the November Ballot

County supervisors have voted to place the proposed 1,700-home Lilac Hills Ranch project initiative on November's ballot for a countywide vote.

Supervisors voted 4-0 after hearing a county study outlining differences between the project ballot initiative that voters will consider and the project that county planners evaluated.

Supervisor Bill Horn, whose district includes the Valley Center area where the project is proposed, recused himself after the California Fair Political Practices Commission advised him he could have a conflict of interest because he has property in the area.

Supervisors said at their July 19 meeting that they were inclined to put the initiative on the ballot. However, they



Artist's rendering of homes in Lilac Hills Ranch.

wanted the county's Planning and Development Services department to put together an impact report for voters.

The analysis compares the initiative version of the project to both the county's existing general plan and the version of

the project that the county's Planning Commission recommended the Board of Supervisors approve, with changes and modifications, in September 2015.

Lilac Hills Ranch's backers submitted the project to the county for review and processing in 2012. After the Planning Commission recommended the board approve the project with changes in September 2015, the project's developer announced they would seek signatures to put the project on the ballot. The county's Registrar of Voters certified last month that Lilac Hills had qualified as an initiative.

That gave supervisors two possible actions under state elections law — to adopt the initiative project in whole, or place it on the ballot.

\$4.3 Million Bequest Establishes New Scholarship at UC San Diego

The late Mary Andrews Haag has left more than \$4.3 million from her estate to establish The Frederick and Mary Haag Scholarship Fund at the University of California San Diego.

The scholarship bequest was directed from the Mary Andrews Haag Trusts to provide scholarships for outstanding UC

San Diego undergraduates. Haag was a longtime San Diego resident and philanthropist. She died in November 2014, at the age of 92.

Per the donor's wishes, The Frederick and Mary Haag Scholarship Fund will provide merit-based scholarships to UC San Diego undergraduates. Haag wanted

her gift to help attract students "of outstanding academic ability" to UC San Diego.

STUNNING VIEWS OF EARTH

IMAX film offers rare glimpses of the planet
and important environmental issues

BY ANDREW DYER | PHOTOS COURTESY OF NASA

In the IMAX film “A Beautiful Planet,” director Toni Myers takes audiences to the International Space Station for an astronaut’s-eye-view of the earth and the environmental issues stressing its fragile biosphere.

With narration by actress Jennifer Lawrence and filmed over one year by

four overlapping space station crews, “A Beautiful Planet” made its San Diego debut at the Reuben H. Fleet Science Center in Balboa Park in June.

Myers is a veteran of IMAX documentaries and her film career spans more than 40 years. Her director credits also include IMAX films “Hubble 3D” and “Space

Station 3D.”

She has worked on IMAX since its inception in the late 1960s and has been involved in IMAX space films since writing and editing the first — the 1985 classic “The Dream is Alive.”

“We put (an IMAX) theater in the National Air and Space Museum in Wash-

The entire northeast of Canada, the United States and beyond as seen from the International Space Station.

COVER STORY

ington,” she said. “The first director of that museum was (Apollo astronaut) Mike Collins. When he saw IMAX, a film called ‘To Fly,’ he said it was the only way people would experience what he did going to space. We already knew that but it was good that he said it. It took 10 years (from then) to get a camera on board the space shuttle.”

Myers worked on several space films for IMAX and NASA. She said they trained 145 astronauts on 24 shuttle flights to operate the cameras. With the shuttle’s retirement the way they had been making the films, with physical film, was also retired.

“We could no longer fly IMAX film and cameras to the ISS,” she said. “We had to switch to digital.

Myers said she was astonished at the quality of the digital images despite some purists’ instance on film’s superiority.

“The blacks are as black as you can make them. The colors are vivid and there’s no bleeding,” she said. “You could even see colors in the Bahaman reefs by moonlight. It allowed us to (see) what we never would have seen on film.”

Space Station crews shot over 11.5 terabytes of data for the project, and Myers said there was so much quality footage it was difficult not to make the film feature-length. “A Beautiful Planet’s” run-time is 45 minutes.

“It was a difficult job because I had such an embarrassment of riches,” she said. “We had a specific environmental message to convey, so those automatically went into the film. We stopped shooting in November 2015, and I had to deliver the finished film by March. It was a crunch.”

Myers said she was not trying to be preachy with the film’s environmental themes and that she wanted to use the fragility of the space station as a metaphor for the earth.

“We made a film back in 1990 about



This image is featured in the new IMAX film, ‘A Beautiful Planet,’ narrated by Jennifer Lawrence.



NASA Commander Barry (Butch) Wilmore shoots a scene with the IMAX camera through the window of the International Space Station’s Cupola Observation Module.



Toni Myers is a veteran of IMAX documentaries and her film career spans more than 40 years.



NASA Commander Terry Virts and European Space Agency astronaut Samantha Cristoforetti smiling after her haircut, by Terry.

the earth called “Blue Planet,” she said. “A lot has changed. (Then) the big worry was the ozone hole, and now things have become a lot more urgent.”

From the vantage point of the ISS, audiences can see the effect humans are having on the planet.

“You can see monster pollution clouds over China and we have a large sequence on the drought in California,” Myers said. “Water is a big theme. On the other side of the world in the Himalayas, glaciers are melting. The water supply of 500 million people is being affected.”

“A Beautiful Planet” also features footage of the earth at night with city lights visible from space. Myers said energy is another theme of the film with the need to find an alternative to fossil fuels.

“There is an incredible moonlit shot of the Gulf of Mexico,” she said. “You can see Dallas, Houston and San Antonio with all the oil well flares and fracking fires arrayed around.”

Myers said that with the exception of about one minute of the film, none of what is presented is Computer Generated Imagery (CGI) effects.

“Everything in the planetary shots in the Milky Way sequences is not CGI,” she said. “It is real data. We do these sequences at the supercomputing center at the University of Illinois. Every one of the stars in the Milky Way is a real star with a real address in three-dimensional space. That is not made-up.”

Young people are the film’s target audience and Myers said she hopes to inspire tomorrow’s problem-solvers.

“I wanted to inspire those kids,” she said, “not berate them about what terrible humans are doing to the earth. I want them to go out and find the solution to the problems we are facing.”

An awe-inspiring view of a sunrise from the International Space Station revealed in the new IMAX film, ‘A Beautiful Planet.’



Ahi Tuna Crudo

PREMIER SEAFOOD

Take your visitors to The Fish Market/Top of the Market

By David Rottenberg

Residents of San Diego are very fortunate to live here. So often when I speak with people in other cities, particularly those who live in cold climates where the icy hand of winter comes sweeping over the mountains, I hear real envy in their voices. We do enjoy the best weather of the country.

But there's a downside. Friends and relatives love to come to visit. So there is often a question of where to take them to best showcase the beauty of our city.

Top of The Market is a definite good choice for enjoying the ocean, the sky, the views. It is a frequent favorite of the conventioners who convene here. Whether

bring a relative or simply enjoying an evening out, one can't go wrong.

The Fish Market, one of San Diego's premier seafood restaurants, is located at the water's edge in Downtown San Diego, between Seaport Village and the Midway Museum, next to the huge statue of a sailor kissing a woman, similar to the iconic photo taken by Alfred Eisenstadt in Times Square when the Second World War ended in Europe. There was great joy of the war's end and the sailor kissed every woman he could, when Eisenstadt saw him.

The Fish Market is a casual restaurant, with a retail display and a casual menu. Top

Of The Market is upstairs (there's an elevator, if needed), a formal dining room with white tablecloths, a sophisticated menu, and views to die for. City lights can be seen on one side, the lights of Coronado are visible across the bay and sailboats, pleasure craft, cruise ships and the occasional aircraft carrier bristling with military might often steam on the waters. The view is transfixing, adding to the pleasure of the dining experience.

The entire restaurant, both upstairs and downstairs, have been recently renovated. A fire struck at the end of May 2015 when an electric fan ignited. The restaurant was shut down for months. The downstairs area

RESTAURANT REVIEW



Apricot Parfait

reopened last August and the “Top” reopened in time for last Christmas.

The new features to the “Top” include an upgraded patio, an outdoor firepit, improved interior décor and a “view” kitchen where diners can watch the busy cooks doing their magic.

Another change — there’s a new leader at the helm. The new chef is Stafford Mather, a self-taught culinary master who grew up in the Washington, D.C. area, loving the seafood found on the eastern shores. His ideas for cuisine are fresh, his recipes are often original and his plating is beautiful. He’s very personable and enjoys mixing with his guests as much as he does working in the kitchen.

The focus of the food is obviously on seafood, which is very fresh. The restaurant, in fact, has its own vessel that goes out to haul up, literally, the catch of the day. In addition, the restaurant has an appealing dessert menu and an excellent, fairly priced wine list. Suzzane Fish, the general manager, has been with the company for over 20 years and makes sure that guests leave the restaurant smiling. Service is attentive and excellent.

Many diners begin their evenings with selections from the raw bar, a listing of oysters and crab or prawn cocktails. The large chilled seafood platter includes half lobster.

The menu headings are starters, specialties and mesquite grilled. Soups and salads are listed as well. There are also chicken, lamb and filet dishes for diners who want to pass on the delights of the seafood.

Ahi Tuna Crudo which is raw but “cooked” needs to be absolutely fresh for preparation. This starter was amazing, flavorful and firm. Brussels Sprouts are the new “in” dish for millennials and the health conscious. This delicious starter, served “crispy” with yogurt, blended beautifully with the tartness and crunch of pomegranate seeds. A third starter to tease the palate was the pears & burrata. The fruit was sweet and succulent. The burrata, a combination of mozzarella and cream cheeses, was firm on the outside shell and moistly creamy on the inside.

The starters were paired with a Moët &



Chief Stafford Mather

Chandon champagne that was superb, adding bubbles and taste.

Striped Sea Bass, Tiger Shrimp and Alaska King Crab are available on the specialties menu. But the Sautéed New Bedford Sea Scallops grabbed me — seared on the surface and firm throughout — so well prepared. Mesquite Grilled Local Swordfish — probably caught earlier that day — had great flavor and texture. Close your eyes



Salmon

and it could be a fabulous steak. That was paired with an excellent Ramey Chardonnay.

With seafood, not all items may be available at all times. It depends what “is running” and seasonal. But Scottish Salmon was on the menu that evening and it was not to be missed — firm texture but moist and brimming with healthful omega 3’s. The paired ZD Pinot Noir Caneros really helped all the flavors come through.

Finally, the Apricot Parfait, a layered multi-colored serving of sweet delight that accompanied a cappuccino, really helped bring an amazing dinner to a close.

Whether to impress out-of-town visitors or simply to bask in the joy of outstanding cuisine by Chef Mathers and creative wine pairings by sommelier Erica Bravo — with great ambiance, views and service — dining at Top Of The Market can be the right choice. Prices are moderate to high but certainly worth the experience.

Top Of The Market is open for lunch and dinner daily. Reservations are recommended. There is valet parking and also meter parking on the large lot but be careful to feed the meters enough. The restaurant is located at 750 North Harbor Drive. Reservations may be made online or by calling (619) 232-3474.

40
Under 40

**16th Annual 40 Under 40 Awards and
Luncheon is Just around the corner.**

September 16th, at Sheraton Hotel & Marina



HOW TO TURN PUERTO RICO INTO HONG KONG

BY STEPHEN MOORE

THE ISLAND HAS BECOME THE DETROIT OF THE CARIBBEAN

On May 1, the government of Puerto Rico defaulted on some \$400 million of bond repayments. This default has added urgency to a bill in Congress to rescue the island from its financial crisis, which is getting worse by the day.

Puerto Rico faces more than \$70 billion of debt, and the government is already in technical default on many of its bonds. Billions more come due in the weeks ahead, and the government is reportedly out of funds to repay.

These debts don't even include an additional \$43 billion of unfunded pension liabilities. Add it all together and the debt reaches 150 percent of GDP. All the government has done is raise taxes, with the sales tax recently hiked from 7 to 11.5 percent. Tragically, Puerto Rico has become the Detroit of the Caribbean.

By law, Puerto Rico can't declare bankruptcy, but the territory is in de facto Chapter 9 already.

The House Republican rescue plan would allow the island to restructure its debt and delay payments as it attempts to rebuild its shattered economy. The statistics are heartbreakingly bleak: Almost half the residents are in poverty (and more than half of all children); only about 40 percent of adults are even in the workforce; half of families collect welfare benefits; and more than 10 percent of the island's residents have left for Florida, Texas, New York or other safe havens.

Puerto Ricans are American citizens whose lives have been turned upside down. The U.S. government has a moral, if not legal, obligation to help. But as a territory Puerto Rico needs to agree to

help itself.

Here is what shouldn't happen: a financial cash bailout from U.S. taxpayers. Puerto Rico is 100 percent responsible for all of its taxes and spending except its Social Security tax and spending. And as such, U.S. taxpayers had no say whatsoever in the amount of debt Puerto Rico took on and should not have to pay for Puerto Rico's bad decisions. A U.S. bailout would only reward bad behavior and finance another spend-and-borrow binge.

The media have invented a story here that the villains are the investors and hedge funds who bought the Puerto Rico bonds. The bondholders are certainly not guiltless for lending money to a government that is recklessly out of control. And bondholders will surely pay a heavy price for their financial mistake. They are likely



El Morro Fortress, San Juan, Puerto Rico

to get, at most, 70 cents for each dollar they are owed. So the bondholders will be punished by the marketplace.

The real source of the crisis is the Puerto Rican government itself. Puerto Rico's own elected government has failed its citizens. Even on the eve of the crisis, Puerto Rico continued to spend and borrow as if it were running a Bernie Madoff Ponzi scheme.

The Republican plan that has the support of House Speaker Paul Ryan would create a strong financial oversight board to take control of the government's finances, taxes and budgeting decisions. We know this model works. In the 1990s it helped save Washington, D.C., during its darkest hours of financial troubles. Now the city is booming.

Democrats, such as Minority Leader Nancy Pelosi, are unfortunately playing politics and are accusing Republicans of acting like "colonists." In reality, the GOP plan offers a financial life raft for the island, and if the Puerto Rican legislature or voters prefer to go it alone, they should have a simple up or down vote on whether to agree to a control board.

The thorny and controversial issue is how to restructure the outstanding debt. There are at least a dozen classifications of bonds, and the bondholders do have a legal right to repayment or to be able to sue in court.

About one-quarter of the debt carries a constitutional "full faith and credit" guarantee of repayment granted by the government of Puerto Rico.

Those constitutionally guaranteed bondholders must be put first in line for repayment as is consistent with their legal rights. The Republican plan as currently written would take away their right to sue in court.

Puerto Rico's government would like nothing more than a "cram down" repayment structure without the bondholders' consent. This would not only be unfair to the bondholders; it would also hurt Puerto Rico in the long term, because only a nitwit would ever again agree to buy PR bonds when the island has shown it will blatantly violate contractual obligations.

None of this will work unless there is improvement in the island's economy. Why not turn Puerto Rico into a Hong Kong in

the western hemisphere through new rounds of tax, regulatory, property rights and welfare reforms? The first step is to restructure the debt and then jump-start the dormant private economy so that the standard of living starts rising again and Puerto Rico has the economic muscle to pay its bills.

Stephen Moore is a distinguished visiting fellow at The Heritage Foundation, economics contributor to FreedomWorks and author of "Who's the Fairest of Them All?" reprinted with permission of Newsmax Magazine

BROADWAY'S DEFINITIVE TONY®-WINNING MASTERPIECE

**"DIVINELY, DANGEROUSLY
DECADENT."**
BEN BRANTLEY
The New York Times

CABARET
A ROUNDABOUT THEATRE COMPANY PRODUCTION

AUGUST 23 – 28, 2016
Rating: Mature audiences

Photo by Joan Marcus.

40 YEARS
BROADWAY
SAN DIEGO
A HERSCHEL WEREGAN PRODUCTION

Season Sponsored by
San Diego County Credit Union

Website
Powered by **Spectrum** **58** **40** **100**

SAN DIEGO CIVIC THEATRE
3rd Avenue & B Street
619.570.1100
Mon-Fri 10am-6pm
800.982.ARTS
ticketmaster®
619.564.3001 Groups (10+)
www.BroadwaySD.com

ROUNDABOUT THEATRE COMPANY **50** YRS



2016 DEL MAR SUMMER CONCERT SERIES

COLD WAR KIDS
FRI JULY 22

CHRIS YOUNG
FRI AUG 12

**FITZ AND THE
TANTRUMS**
FRI JULY 29

311 & MATISYAHU
SAT AUG 13

REGGAE FEST
FEATURING
ZIGGY MARLEY
SAT JULY 30

**THIEVERY
CORPORATION**
FRI AUG 19

GIRL TALK
FRI AUG 5

PEPPER
FRI AUG 26

**BRIAN SETZER'S
ROCKABILLY RIOT!**
SAT AUG 6

THE WAILERS
FRI SEPT 2

CHROME0
SAT SEPT 3



FRIDAYS PRESENTED BY



FREE WITH TRACK ADMISSION*

CONCERTS ARE 18 & UP

BAND LINE-UP SUBJECT TO CHANGE

*CONCERT ADMISSION \$20 AFTER LAST RACE

PRE-PAID TICKETS, COMPLIMENTARY TICKETS AND SEASON PASSES
WILL NOT BE ACCEPTED FOR CONCERT ADMISSION AFTER THE LAST RACE.
FOR MORE INFO CALL (858) 755-1141 OR VISIT DELMARRACING.COM/CONCERTS



Presort Standard
U.S. POSTAGE
PAID
PERMIT NO. 2325
SAN DIEGO, CA

100% Prime



*We invite you to experience
our take on the classic steak house. Our passion for flavor and
commitment to quality has encouraged a wide and loyal following.
Join us at Donovan's.*

America's Best
DONOVAN'S
STEAK & CHOP HOUSE

877-698-6666
LA JOLLA • SAN DIEGO • PHOENIX
NEW LOCATION: 1250 PROSPECT STREET

WWW.DONOVANSSTEAKHOUSE.COM

OPEN AT 4:00PM, DINNER AT 5:00PM.
RESERVATIONS RECOMMENDED.
BUSINESS CASUAL. VALET PARKING AVAILABLE.