

# PENINSULA

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Resort resource  
**Terri Haack**

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# Leadership suite

## How Terri Haack led Terranea from the brink of collapse to the height of success

by Rachel Reeves

When Terri Haack left South Carolina in 2007, she was buoyant. She had agreed to take a job as the managing director of Terranea Resort, a proposed \$480 million project on the dazzling Palos Verdes coastline, and she and her husband, Doug — her high school sweetheart and a commercial pilot — would be moving to Southern California, where their son had moved eight months earlier to earn a bachelor's degree at USC.

"Life was grand," Haack says now of the enthusiasm she felt then. She was taking the helm of a world-class resort in Southern California. The drawings depicted a gorgeous 102-acre resort — 582 luxurious rooms, a golf course, stunning views, eight restaurants.

For 20 years developers had failed to complete projects on that particular stretch of shoreline, but Haack knew Terranea would be different. There was talk it would become a national icon. She spoke glowingly of the resort within the Palos Verdes community and with potential corporate partners in the Los Angeles area. She recruited hoteliers from all over the country, who quit high-paying jobs because they believed in the vision she was selling.

Then, less than a year into construction, the real estate bubble burst and a national banking crisis ensued. Terranea's lending bank, the Chicago-based Corus Bank, collapsed. Consumers closed their wallets. The project's construction costs rose. All around California and the country, developers in the same position as Destination Hotels — Terranea's parent company — handed over the keys.

"When we started, there was this great enthusiasm about what we were doing," Haack recalls, "and then suddenly we were watching it all unravel."

Terri Haack grew up resolute. She was the only girl in a brood of seven brothers; her sister was born when she was 19. She was influenced by strong female role models, including a grandmother who raised 14 children and a mother who raised nine, who taught her willingness to serve and stamina — two traits that would ultimately define her leadership style. She was the first in her family to move away from home, taking the job of general manager at a Seattle hotel when she was 22 years old.

Over the course of her career she worked for a

series of critical, condescending bosses, all of them male; the experiences didn't make her angry so much as push her to become a different kind of leader.

"I watched what they did and how it made me feel," Haack reflects. "Even today, I remember how my boss made me feel in the workplace on my first job, when I was fifteen and a half. I think the negative influence made me a positive leader."

When Terranea began to unravel, Haack manufactured optimism. She had experience with turning things around. Before moving to L.A., she had overseen the successful \$200 million redevelopment of Wild Dunes Resort on Isle of Palms and nurtured Kingsmill Resort in Williamsburg, Virginia, through a major repositioning. She had broken through the glass ceiling in her industry.

But the odds of success at the Terranea site were dwindling. More than once Haack came home on a Friday night and confided to Doug that she thought the project might collapse. He remembers feeling powerless, like there was nothing he could do to help her, but more vividly he remembers his wife's "inner drive" and "positive and upbeat outlook" — buoys that undoubtedly kept the Terranea team afloat.

"You have to stay so focused on the vision," she says. "You have to have an inner sense of belief that you can get this done, especially when everybody else is saying you can't. There was so much negative pressure. People had pretty much concluded we were going to fail. That gave me this kind of strength to say no, you're not going to defeat me."

It was the same determination she had felt every time a previous boss treated her with disrespect. Instead of becoming angry or intimidated, she became the boss.

At the Terranea project site Haack smiled, but some nights she sobbed during the whole drive home. She felt responsible for delivering on the promises she'd made, both to recruits and the community to which she'd sold a vision.

"And all the while we had to portray this façade that we were this world-class resort gaining business, so we couldn't let the public know how difficult it really was," she says. "I think that fear fueled my ability to think creatively, to do things most hoteliers wouldn't do."

Some ideas worked, like forming relationships with community organizations, going into partnership with sympathetic suppliers (all of which Terranea still uses today), and opening with a skeletal staff. Others didn't, like approaching the Rancho Palos Verdes City Council to ask for a deferment of transient occupancy taxes until they could be repaid plus interest. The loan was denied, but people still believe the taxpayers bailed Terranea out.

Since the resort opened its doors in June of 2009, Terranea has generated more than \$30 million for city coffers. It has become an economic engine for the Palos Verdes Peninsula, a site for corporate conferences and a popular wedding destination. It has also become an icon. Travel + Leisure Magazine rated Terranea one of the 500 best hotels in the world; Conde Nast Traveler called it "one of the best places on earth."

Haack, who has since been promoted to the resort's president, doesn't talk about the publicity. She's prouder of the Terranea culture, marked by a commitment to sustainable ethics and responsible corporate citizenry. Among other environmentally friendly practices, the resort recycles food waste, prioritizes organic produce in menu design, and serves only sustainable seafood. Its pools are filled with saltwater, its bulbs low-voltage, its uniforms made of organic materials (including hemp and bamboo), and its amenity containers biodegradable. When executive chef Bernard Ibarra said he wanted to focus on buying seasonal and local, Haack offered her support.

"She's the culture of the resort," Ibarra says. "Without her, none of it exists."

She has integrated Terranea into the community and vice versa, supporting charities and nonprofits working on a wide range of issues: Children's Hospital of L.A., Palos Verdes Peninsula Land Conservancy, Peninsula Education Foundation, Habitat for Humanity, Art at Your Fingertips, Vistas for Children, Children's Miracle Network, Peace for Kids, Walk with Sally, The Rotary Club, Palos Verdes Chamber of Commerce, Harbor Interfaith Services, Rainbow Services, Kiwanis, L.A. Biomed. Resort employees are encouraged, and sometimes paid, to volunteer at soup kitchens or homeless shelters.

"That was a commitment from the very beginning, even when we could barely pay our bills,



Terri Haack at Terranea Resort.  
Photos by Amy Theilig

that we would give back to the community in the way of overnight stays or auction items," Haack says. "It was really hard in the beginning but I was so focused on being a good community and corporate partner, on how it had to be bigger than us."

**H**aack is busy. She leads a major resort and a staff of 1,400 people. She speaks annually on Capitol Hill on behalf of the national hotel industry. She sits on scholarship committees, Marymount California University's strategic planning board, and on the board of directors for both the American Hotel & Lodging Association and Habitat for Humanity. She also chairs the Palos Verdes Chamber of Commerce.

But still she writes, by hand, birthday cards to every member of her staff. She has an open-door policy. She invites anyone who works at Terranea to see or email her personally with concerns, and she always makes time to respond. She knows most associates' names, looks them in the eye, says hello, asks how they are. At meetings, she thanks everyone for playing a part in Terranea's success, and means it. Haack recently instructed a busy member of her staff, whose absence she knew would be keenly felt, to fly back to Florida when her mother's illness worsened.

"I strongly believe she feels that all of her staff and employees are her family, and she treats them thus," says Terri's husband Doug, who came from a small family and learned through his wife what it's like to care for lots of people.

"She's not just a face behind a wall," says Shelli Nicola, Haack's executive administrative assistant. "She is here, and she cares about everyone."

Haack encourages her employees to grow their skillsets; more than 300 people have been promoted since Terranea opened. At a recent holiday party, Haack named as one of

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two employees of the year a single mother of four who immigrated from Peru, began working as a temporary housekeeper at Terranea in 2009, and is now leading a team of 38 associates.

"It's not just grow the business," Ibarra says of Haack's vision. "It's grow the team."

And she has a standout team. Nicola says there is not a mean soul on staff; she attributes this to Haack, who hired good people and modeled for them "an attitude of servitude."

This is intentional. Each morning, when she pulls into her allotted parking space she asks herself, "How can I be of service today to someone?" The question directs her interactions with both guests and staff. More than once, an angry customer has ended up sending flowers and a note of apology after dealing with Haack.

"She makes the weather at the resort," Ibarra says, "and it's always sunny."

She also makes the money. Her business savviness has grown Terranea into a nationally recognized model, both as a workplace and resort business. The awards she's received confirm she's good at both being a people person and a businessperson, among them Best Boss (Los Angeles News Group), General Manager of the Year (American Hotel & Lodging Association, or AHLA), General Manager of the Year for a Large Property (California Hotel & Lodging Association), Person of Distinction for Business/Innovation (Daily Breeze), Award for Business Excellence (Palos Verdes Chamber of Commerce). She was also the first woman to be named Resort Executive of the Year (AHLA).

Haack downplays the extent of her contribution to Terranea's success and corporate culture.

"I just feel blessed and grateful every day that I get to do something that brings me this much joy, and that allows me to bring joy to other people," she says. Other members of the Terranea team say she's being humble.

"After all these years on the road and all the places I've worked, I can honestly say she is the best person I've ever worked for," Ibarra says. "She's unbelievable. The property is physically beautiful and the surroundings are beautiful, but what makes Terranea what it is is really Terri Haack." **PEN**

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