

PART ONE

What the Field Taught Me

Eight True Stories from My First Decade of Development

OAK TREE EQUESTRIAN ESTATES

A Developer's War Story

I was twenty-eight years old in 1984 when the Los Angeles Times ranked Brian Barbuto Corporation number 157 out of more than 3,000 real estate development firms evaluated throughout the State of California. For a young developer, that sort of recognition feels like someone is finally shining a light on what you already believe: that you're meant for bigger battles.

BBC was actively building and developing housing communities throughout Los Angeles and San Bernardino Counties. We were hungry, driven, clever, and unafraid to climb into the ring with companies that dwarfed us in size and history. But despite our momentum, BBC still hadn't generated that one massive win — the kind of windfall that moves you from "promising" to "undeniable."

And if I'm being honest, back then I was determined, proud, creative, unbending, and quite arrogant. That mindset has burned plenty of developers alive — but sometimes, under the right circumstances, it becomes the spark that ignites something extraordinary.

One morning while driving to my office, I had a vision. Not an idea. Not a business insight. A vision. I believe with every part of me, that God gave to me. I saw a piece of land — strange, complicated, undevelopable by every conventional standard — and it appeared in my mind as if illuminated. I could see the path forward. I could see the solution. I could see the opportunity beneath all the problems.

This land had already defeated four developers before me. The site sat along the freeway with excellent visibility and location, but it was shackled by development constraints that made seasoned builders walk away shaking their heads. High-voltage power lines slashed diagonally across two-thirds of the property. The city required any project to include an equestrian component. And they mandated minimum lot sizes of 12,000 square feet — a number that destroyed feasibility.

But I believed I had been shown something. So I approached it with the confidence — maybe even the bravado — of a man who didn't intend to lose.

The City's First Attack

The pre-development process began with a study session before the City Council, the Planning Commission, and the Equestrian Commission. My application was straightforward: I would be requesting a zoning change to allow 4,500-square-foot lots.

Before I even arrived, several council members had invited local citizens to oppose the project. We weren't allowed to speak. Our consultants weren't allowed to speak. Before leaving, several officials made sure to remind me that nothing would ever be approved under or near those power lines, and that the 12,000-square-foot lot requirement would "never be lifted."

They thought they had run me off. They had no inkling of what was coming.

The Search for a Strategy

I prayed. I wrestled. I paced my office. For weeks I chewed on the problem until eventually a new plan surfaced — one bold enough to work.

I chartered a helicopter. For miles in both directions, I captured footage of what existed beneath transmission lines no less than 25 miles in both directions: houses, barns, shops, play areas, swimming pools, nurseries, tennis courts, horse paddocks. You name it, if it was under those particular power lines, I had it on video.

Next, my architect and I designed an equestrian center unlike anything anyone had previously imagined: 52 paddocks, riding arena, lunging ring, wash racks, exercise yards — all placed directly beneath the power lines, using nonconductive, nonflammable materials. If we were going to challenge the city's assumptions, we were going to do it with engineering strength behind us.

The Public Campaign

We printed 10,000 flyers and distributed them to every equestrian facility, feed store, tack shop, riding club, and ranch throughout the Inland Empire. Our flyers showcased a beautiful home, the planned equestrian center, and a young girl sitting proudly on her horse — with an invitation to enter a raffle for the chance to purchase one of the homes, starting at an unheard-of low price.

Applications poured in within two weeks — hundreds of them. At the same time, we traded a Macintosh computer with a high school art department in exchange for upwards of a hundred of handmade support signs. Each one unique. Each one loud. Momentum was building. The city still didn't know what was coming.

The SCE Meeting

Southern California Edison had already been contacted by the city, so they entered our meeting with one purpose: shut us down. I decided to play dumb. I wore jeans and a t-shirt. I sat quietly and let them lecture me about what would "never be allowed" under the power lines.

After half an hour, I excused myself, left the room, and returned carrying a TV/VCR combo. Without asking permission, I plugged it in and pressed play. For thirteen minutes, they watched undeniable evidence of structures built under transmission lines across the land. By the end, the room was silent.

One of their representatives finally spoke: "Are you a gangster? Is this extortion?"

I said: "No. I just want to be treated fairly."

After another two plus hours, including sharing the specifications on what we intended to build and the safety measures we were committed to, they handed me something no developer before me had ever received: a written letter of support for construction under their power lines.

The City Showdown

We scheduled a second study session. Before the meeting, we hosted a private gathering around the corner from City Hall. A large number of raffle applicants showed up. After the raffle, I invited everyone to join us at the city meeting. We passed out the handmade signs. Then we all marched into City Hall together — with the press trailing behind.

After the public comments, the presiding official called for a break. When they returned: Placating to the audience they said “we wish we could approve this project. We truly do. But all the equestrian improvements depend on building under the power lines, and SCE will never allow that. Our hands are tied.”

I raised my hand and approached the podium. “If within the next ninety days I can secure SCE’s approval to build under their lines... will you support the project?”

The officials huddled. Finally in an effort to appease the audience, he said “Brian, if you secure SCE’s approval within ninety days, we will support the project.”

I stepped out from behind the podium and approached the board, retrieved an envelope from my coat, and asked that it be read. Inside was the SCE letter. Silence fell across the room. Then a voice broke through: “I move to support this project.”

Later I was accused of buying off the City Council, accused of threatening them, and a number of ludicrous accusations.

The Buyer: David vs. Goliath

Once the city approved the project, I secured a buyer who was ranked in the top 5. The CEO of the company was an attorney and he and I worked hand in hand to come to a price and terms each of us could accept: This included my company leading efforts to complete the architectural and engineering and his company reimbursing mine monthly for all costs. For over seven months we worked together smoothly. Then, as the project neared closing, he replied to my notification that we were ready to record the final map and they’d need to cover the cost of the fees, before recording, and that we could close the sale immediately thereafter. This is when it became clear we had a problem, his friendly letter suggesting I would be wise to re-read the contract because I was responsible for the cost of the fees. Seeing it in print hit me like a truck. And I immediately realized I was the victim of a half-million-dollar trap that could end up costing me everything.

After reading the contract it was clear that what we agreed to was not reflected upon in the contract. Irrespective of what we had agreed to in our negotiations, he’d crafted a document that slipped by me leaving me in the position of not being able to perform. This would allow him to not only force me to pay for the fees, but also leave me vulnerable to a law suit that could force me to forfeit my entire profit, and every dollar I’d invested before our sale.

He was demanding that I bring my attorney and my project manager with me to his office where we “would sort it out, and come to new terms.” Instead, I put on my python rattle snake skin boots, my tailored western shirt, and my tailored leather western sport coat, climbed into my black-on-black Jaguar, and drove to his Beverly Hills office like a man heading into battle.

After being escorted into his conference room I was left there alone for nearly an hour before he entered the room and chastised me for being alone.

As calm as cool hand Luke, and with Burt Reynolds type smile, I stood up, and slowly pushed six neatly stacked sets of documents toward him merging them into a single messy mass. Then I pushed them onto his lap.

Standing over him I very calmly said, “Honor your word. Pay the fees and close escrow. Or tomorrow at noon, I file for bankruptcy. You will lose the project, you will lose your \$730,000 dollar investment, and you will lose the opportunity of a lifetime.”

I added: “Have a nice day.” And calmly walked out. He called me for hours. Finally, at 11:00 AM the next day, I answered, and before giving him a chance to speak, I said, you have no idea the financial pressure I’m under. I can’t believe you’re dumb enough to push me into bankruptcy,” and then hung up.

Later that afternoon, my escrow agent called: “Funds just arrived with instructions from the buyer to add the cost of the map fees to his cost, and with instructions to close.” We closed three days later.

DEVELOPER’S LESSON

Deals like this don’t succeed because you’re the smartest person in the room. They succeed because when the deal is on life support, you refuse to pull the plug.

Cities aren’t adversaries — they’re puzzles. Opposition isn’t the end — it’s pressure testing your conviction. Power players bluff, but they bleed like anyone else. And sometimes, the only way forward is through a door everyone insists is locked.

Every impossible deal has a moment when it dies, and another moment when you decide whether to resurrect it. That second moment — your decision — is where real developers are made.

And for the record, that bankruptcy story was just a bluff!