

MATTERS



Ask Encore

ADVICE ABOUT IRAS,
MEDICARE BENEFITS
AND THERAPY BILLS
BY KAREN DAMATO

of us have used IRA funds to purchase com-
:ks and made other investments, which are now
substantial appreciation. Also, some of these in-
s yield generous dividends. But the low tax
t apply to qualifying dividends and long-term
ains don't benefit us. The required distributions
l at the highest income-tax rate.

strategies are available to allow IRA owners to
om the low rates on dividends and capital gains?

STANLEY GOLDSTEIN
New York

s a trade-off when you invest in a standard deduct-
dual retirement account: You get an upfront tax sav-
your money can grow without any tax being due
years. But, as you point out, the tax rate that ap-
withdrawals is your ordinary income rate, which can
as 35% under current law—not the 15% or less
es to long-term capital gains and most dividends.
s the deal.... There's nothing you can do to allevi-
says John Battaglia, national head of Deloitte
individual-tax practice.

as you should, however, consider if some of your
nts would be better held in your taxable account
in your IRA, and vice versa. For instance, any corpo-
s you own probably belong in your IRA, since the
come they produce is otherwise taxed as ordinary
nd hold stocks in your taxable account to get fa-
x treatment for future stock dividends.

TRAVEL

'Is This Where The Beatles Stayed?'

*Some of the nation's oldest hotels are sprucing up.
Here's where to find a good night's sleep and a slice of history.*

By Perri Capell

ON YOUR NEXT TRIP, you could, of course, stay in a conven-
tional hotel.

Or you could stay where Elvis Presley dined on black-eyed peas. Or where Dwight Eisenhower watched his fellow Republicans nominate him for the presidency. Or where the Beatles worked on their songs.

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Across the country, grand old hotels are being stripped to their studs and renovated so they can offer 21st-century comforts along with their 19th- and 20th-century charms. Many of the properties are situated in big cities and cater, not surprisingly, to a business clientele. But these storied structures also attract an affluent slice of the leisure travel market—individuals who want lodging that immerses them in a different time period and provides a memorable experience.

"They don't want to stay somewhere that looks exactly

like the last place they've been," says Thierry Roch, executive director of Historic Hotels of America, a trade group in Washington, D.C. "Plus, they want a high level of service."

Of course, adding that service (spas, restaurants, wireless internet, plasma televisions and designer tubs, among other amenities) and returning a hotel to its former glory takes time and money. Last year, the nearly century-old Skirvin Hilton in Oklahoma City, which had been boarded up in 1988, re-opened after four years of plan-

ning and more than \$51 million in construction work. Instead of 550 rooms, there are now 225. The lobby and other architectural elements have been restored to their original grandeur—and the hotel now offers a heated indoor pool and fitness center.

You can learn more about some of the nation's most famous hotels at historichotels.org. Depending on your travel plans this summer, the following destinations—all of which have undergone major makeovers—can

Please turn to page R11

INSURANCE • INVESTMENTS • RETIREMENT

T D C

Hotels

Continued from page R9

offer a good night's sleep as well as a taste of history.

■ The Stoneleigh Hotel & Spa, Dallas stoneleighhotel.com

The Stoneleigh reopened in March after its owners spent three years and \$36 million renovating and restoring the 85-year-old former residential hotel into stylish boutique lodgings. All rooms were gutted and redesigned, a new spa was added, and new restaurants mirror a 1930s art-deco theme.

Once known as the Stoneleigh Court, the hotel was built in 1923 for \$1.5 million and soon became a place for Dallas society to mingle and a setting for concerts, stage performances and art exhibitions. In 1934, Texas entrepreneur "Col." Harry Stewart bought the Stoneleigh and added a penthouse floor as his personal residence. Noted stylist Dorothy Draper came out from New York to design it and the hotel lobby. Carlton Varney, a Dorothy Draper protégé, has supervised the new penthouse redesign.

Over the decades, the hotel gained a reputation for giving movie stars, celebrities and other guests discreet attention. Lodgings were two- to five-room kitchenettes, allowing dancers and other artists to establish studios-in-residence and giving husbands banished from the family home temporary digs. For Elvis Presley, who stayed while performing at the Texas state fair in 1956, room service brought up black-eyed peas, cornbread and turnip greens. Movie director Oliver Stone moved in while filming "JFK," turning the hotel into his casting office. One morning, bewildered guests came downstairs to find a sea of Jackie O's in the lobby for a casting call, says managing director John Langston.

The Stoneleigh's overhaul allows it to charge premium prices—\$275 to \$445, depending on the season—for its 170 rooms. The hotel's location in Dallas's trendy Uptown district gives it added appeal. Guests can stroll to restaurants, Turtle Creek Park and city museums.

■ The Blackstone, Chicago www.marriott.com/hotels/travel/chirh-the-blackstone-a-renaissance-hotel

Originally opened in 1910 with a gala supper party honoring opera star Enrico Caruso, this Beaux Arts landmark hotel on Michigan Avenue reopened in April following a \$128 million restoration. The face-lift rejuvenated the hotel's most significant architectural features, including the gilded and ornately plastered Grand Lobby and the "wedding cake" plaster details in the Crystal Ballroom.

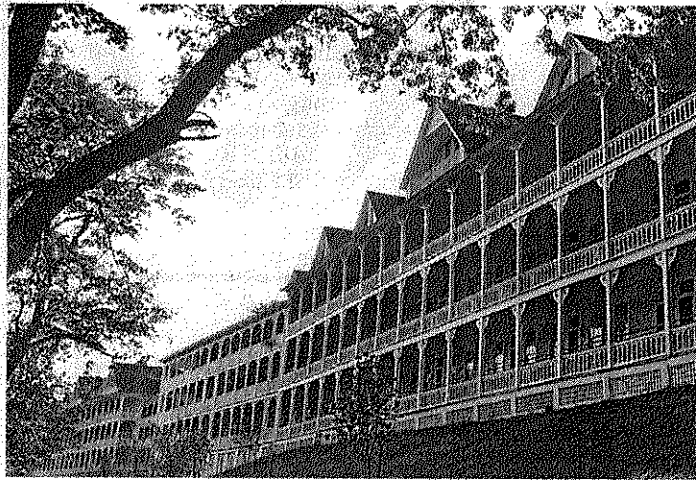
In its early years, the Blackstone became known as a haven for movie stars and politicians. In 1920, an Associated Press reporter coined the phrase "a smoke-filled room" after Republican leaders closeted themselves in a suite to broker the presidential nomination of Warren G. Harding. Restored to period style, the suite now rents for \$3,000 a night.

A tearful Mary Pickford and Douglas Fairbanks stopped in after attending Rudolph Valentino's funeral in 1926, while Ethel Barrymore spent three days in seclusion at the Blackstone on her way to divorce proceedings in New York. In 1959, the Duke

and Duchess of Windsor visited—along with three pug dogs.

President Eisenhower watched his nomination for president in 1952 from the Presidential Suite, now also \$3,000 a night. In October 1962, President Kennedy enjoyed the hotel's Boston clam chowder before being rushed back to Washington, D.C., to deal with the Cuban missile crisis. The last president to visit was Jimmy Carter.

Contemporary touches, such as midcentury-modern furniture and pieces designed by Frank Gehry, now overlay the hotel's historical backdrop. More than 1,600 original artworks, primarily by Chicago artists, are displayed throughout the hotel rooms and public spaces. After stepping out on South



LANDMARK PROPERTY *The Bedford Springs Resort*

Michigan Avenue, guests can walk to museums, shops, parks and the McCormick Place convention center.

■ Hotel Valley Ho, Scottsdale, Ariz. hotelvalleyho.com

Opened in 1956, the Hotel Valley Ho was the essence of cool—literally. It was the first hotel in Scottsdale to have air conditioning, allowing it to stay open during scorching Southwestern summers. Architect Edward L. Varney gave the resort hip, modern lines. Added status came from movie stars, such as Marilyn Monroe, Janet Leigh, Tony Curtis and members of the Rat Pack, all of whom escaped to the privacy of Scottsdale.

"This was the middle of nowhere," says sales and marketing director Jesse Thompson. "Scottsdale in the 1950s was a very small town."

But the hotel's low profile didn't last. Natalie Wood and Robert Wagner chose the Valley Ho to host their wedding reception in 1957. When the couple missed the train scheduled to take them on their honeymoon, the general manager packed them in his car and chased down the train in the next city, says Mr. Thompson.

As downtown Scottsdale boomed in the 1990s, the Valley Ho sat nearby, rundown and dilapidated. After buying the hotel in 2001, new owners closed the property and began work on turning it into a midcentury-modern "urban resort." The \$80 million cost of the project included the purchase price, renovations and a new tower addition. In 2005, the Valley Ho reopened as a "condotel," offering traditional hotel rooms and one- and two-bedroom condos.

The 194 guest rooms cost between \$159 in summer and \$419 on weekends during baseball spring training. They join Eames-era sleekness with new comforts, such as designer bathtubs. The hotel's two restaurants include another midcentury icon, the Polynesian-themed Trader Vic's.

■ Bedford Springs Resort, Bedford, Pa. bedfordspingsresort.com

In 1986, after more than 180 years of operation, the Bedford Springs Hotel had become

a rundown antique and was forced to close its doors. They stayed shut for 21 years, despite the 158-acre resort property being named a National Historic Landmark and put on the list of endangered historic properties.

But no signs of that inglorious period in its history were evident in 2007 when the legendary property reopened following a \$120 million, three-year restoration. The resort now includes a 217-room hotel, high-tech meeting facilities, classic golf course, trout stream, nature trails, indoor and outdoor swimming pools, a spa and eight mineral springs.

Besides outdoor activities, guests can savor what the U.S. Interior Department called one of the best remaining examples of "springs resort architecture." Native Americans

were the first bathers in the natural mineral springs near Bedford, Pa., but the first guests dipping in the healing pools were patients of John Anderson, a physician who bought the springs and surrounding property in 1796. He housed them in tents before building a 24-room inn in 1806.

The resort grew in popularity, attracting rich and elite patrons who arrived in carriages laden with trunks and an entourage of servants. Aaron Burr was an early guest, and in 1848 James Polk became the first sitting president to visit. James Buchanan, the only president from Pennsylvania, made it his summer White House and eventually spent 40 summers at the

springs. There, he received the first trans-Atlantic cable, sent by Queen Victoria in 1858. Eight other presidents also visited.

In 1905, one of the nation's first indoor swimming pools, fed by the springs, opened at the resort. The golf course, designed by Spencer Oldham, was redesigned by Donald Ross in 1923. During World War II, the hotel served the nation as a Navy communications center, playing host to 7,000 Navy personnel. In 1945, 200 Japanese diplomats and their families were detained there before being swapped for American prisoners of war in Asia.

■ The Plaza Hotel, New York fairmont.com/thePlaza

The Grande Dame of American Beaux Arts hotels reopened in March following a \$400 million, two-year restoration. Just over 100 years old, the Plaza now consists of 152 private units and 282 rooms and suites. The hotel now markets to deep-pocketed visitors who want luxury with a historic experience. For rates starting at \$1,000 a night, the Plaza offers white-glove butler service and gold-plated bathroom fixtures. The most expensive accommodation, the Royal Suite, is available for \$20,000 a night.

Situated on the edge of Central Park in Manhattan, the Plaza has been the setting for more than a dozen movies and the antics of famous guests. F. Scott Fitzgerald frolicked in the Pulitzer fountain, added in 1916, as did teenagers trying to get a glimpse of the Beatles during their first U.S. visit. Fitzgerald's novel "The Great Gatsby" includes scenes set in the hotel, and the Beatles reportedly wrote songs while staying there.

The Plaza hosted weddings or receptions for celebrities including former owner Donald Trump and Marla Maples, and Julie Nixon and David Eisenhower. Its most famous guest, however, was a fictional 6-year-old named Eloise invented by nightclub performer Kay Thompson in the 1950s and later turned into a series of Eloise books.

Eight Plaza restaurants and reception rooms, including the Palm Court, the Oak Room and Oak Bar, are city landmarks, while the entire hotel was declared a National Historic Landmark in 1986. All private condo units sold out in 2007. ■■■

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