

THE HISTORY OF THE VILLAGES
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(Based on research and interviews, circa 1995)

The beautiful rolling Central Florida pastureland where The Villages is located today was worth about \$150 an acre back in 1959. In that era, the whole world thought Florida consisted of two sandy-beached coastlines with nothing in the center.

But those were the days when visionaries like Walt Disney and prominent Chicago advertising executive Harold Schwartz could see a bright future for Central Florida. That's when they were investing in large tracts of land in this then-unknown region of the Sunshine State. Today, a prime golf front homesite in The Villages can cost \$100,000 and an acre in the Town Center Commercial area will bring \$350,000.

But between those dates and prices, about 2,000 acres of that rolling pastureland was reshaped into streets, lakes, lawns, lots, golf courses, recreation centers and Town Center commercial areas. The Villages alone is now larger than all but two of the cities and towns in the two counties it occupies. Its retiree voting bloc has emerged as a strong political force, commanding visits from every political aspirant from Town Hall to Tallahassee and even the White House. And a lot of history has been written, between those dates and those land prices.

But 90% of The Villages growth has taken place in the past 10 years, since Harold Schwartz's family has taken over its development and operation. Back in the late 50's and 60's, Harold Schwartz, with his eldest son Gary Morse, were in the direct response advertising business in Chicago, Illinois. They were selling thousands of acres of land in sunny climates, including New Mexico, Florida and the Caribbean Islands. They were selling it mail order to residents of the United States and England.

Harold Schwartz was selling the affordable dream of owning land in Florida, but he was not yet thinking about making affordable Florida retirement dreams come true. He was far too busy operating two Mexican radio stations with his partner Teo Bichara, where he built "Wolfman Jack" to national prominence, and seven U.S. radio stations in prime markets west of the Mississippi, including stations in Denver and Salt Lake City that were managed for him by his second son, Richard Schwartz, and his daughter, Kay Henry. Kay is still a top-rated talk show host in Salt Lake City. Schwartz was manufacturing cameras for Sears Roebuck in Tokyo, Japan. He owned two downtown office buildings and an apartment building in St. Louis and invested in Las Vegas real estate with his partner Ben Jaffe, who built the Tropicana Hotel there, as well as the Fountain Bleu Hotel in Miami Beach. Retirement, either his or anyone else's, was the farthest thing from his mind.

By the end of the 60's, state and federal regulations were enacted that made it impossible to sell land by mail order. In the early 70's, Harold's partner Al Tarrson wanted to slow down and move from Chicago to Ft. Lauderdale. Prompted by the success that mobile home communities in the

area like Hawthorne and Mid-Florida Lakes were experiencing at that time, Al Tarrson offered to hire Florida management and start a mobile home community called "Orange Blossom Gardens" on land that was left over from the mail order sales. That was the embryo from which The Villages grew.

So, with the mail order land sales days gone forever, Harold Schwartz's partner Al Tarrson moved to Florida to build a mobile home community. Harold's eldest son Gary Morse moved to Michigan with his family to build and operate a resort restaurant and nightclub, while Harold remained in Chicago to operate his many other business interests.

But Orange Blossom Gardens was not a booming success like Hawthorne and Mid-Florida Lakes. Ten years later, in the early 80's, it had less than 400 homes and Al Tarrson wanted to sell out. Harold and his son Gary felt that this 400 home embryo called Orange Blossom Gardens had a lot of potential in the booming Florida retirement market, but lacked some "tender loving care."

In that era, Del Webb, who used to own the N.Y. Yankees, was the patriarch of retirement towns, because of the unprecedented success of his Sun City near Phoenix, Arizona. Harold Schwartz was familiar with Del Webb from his real estate investments in Las Vegas, for Webb was the contractor who built the original Flamingo Hotel for "Bugsy" Seigel. Harold's sister, Ethel Shaw (now a Villages' resident) then lived in Sun City, Arizona and reported to her brother Harold about what made it so successful. It wasn't the location, location, location that attracts retirees. It was the lifestyle, lifestyle, lifestyle that attracts retirees.

Thus, in spite of the fact that Del Webb's Sun City Center near Tampa, Florida had gone broke, Harold felt that Central Florida would support a quality retirement lifestyle town like Webb's Sun City in Arizona...sort of a Disney World for the active retiree.

So, in 1983, as Harold Schwartz turned 73 years young, he made the most important decision in his entire and varied business career. He agreed to buy out his partner, Al Tarrson, provided his son Gary Morse would agree to leave his restaurant operation in Michigan and personally move to Lady Lake, Florida to take over the hands-on-operation of this development

The sale closed on the last day of February 1983. And the next day, on March 1, Gary Morse arrived in Lady Lake. And almost overnight, Orange Blossom Gardens began to blossom as it received the tender loving care that goes with the pride in a family owned and operated business.

Gary's wife, Sharon Morse, who is an interior designer, set out to upgrade and stylize the common buildings and model homes, creating the theme for The Villages as we know them today.

By late April, Gary Morse bet his friend back in Michigan, John Parker, an engineer and contractor who had built his restaurant for him, that he would sell 100 homes in 1983 in spite of the fact they had only sold 3 to date. By July, Parker had moved to Lady Lake to supervise construction and development, but Morse lost the bet... 1983 closed with 99 home sales.

Gary Morse sent a memo to his father Harold Schwartz in Chicago, "We have so many homes under construction, we'll be \$100,000 short on cash flow in September. Shall I slow down sales or can you cover it?" Harold replied, "Keep selling and build one for me as soon as you can."

By 1985, this manufactured home development had become Mr. Schwartz's permanent home and primary business investment. His family, friends, and business associates gathered together for a surprise 75th birthday party at Mission Inn. That's when Harold Schwartz's granddaughter Jennifer came down from Michigan with her family from the restaurant her brother Mark was running, and moved into the Home Sales Division she now manages.

But there was far more to building a self-contained resort/retirement town like Sun City, Arizona than just selling homes. The closest full-fledged towns, with full service banks, bars and restaurants, country clubs, medical facilities, stores, bowling centers and supermarkets were Belleview (8miles to the north) and Leesburg (8 miles to the south).

Orange Blossom Gardens was lacking recreation facilities, commercial facilities and medical facilities. So 1985 was the year that brought the first real golf course, the front nine of the Orange Blossom Hills Golf and Country Club. Bocci ball, horseshoe courts and tennis courts were introduced, and a second pool, the Southside pool was the first adult pool.

Gary Morse's son, Mark, put his family's restaurant on the market in Michigan and moved here to open the development's first commercial and medical center, La Plaza Grande. And Sharon Morse made it a "grand plaza" indeed. "We attracted into the Plaza whatever facilities and services we could, like Leesburg Family Medicine and Citizens National Bank," Gary said. "When we couldn't attract investors because the market wasn't yet big enough, we opened and operated the business ourselves just to get them going, like the gas station, La Bodega Mini Mart, Teo's Restaurant, liquor store, gift shop, laundromat and hardware. Fiestas were started in the tent and plaza. It was our first and most important step toward our goal of becoming a self-contained town that offered lifestyle, lifestyle, lifestyle, like Aunt Ethel had told Harold about.

They must have been headed in the right direction for that was when Aunt Ethel Shaw and Harold's other widowed sister, Aunt Vi Schnitz, moved here and became my neighbors.

During 1986 and 1987, while the Orange Blossom Hills Country Club's back nine was being completed, the Silverlake Club (our first professional Free Executive 9-hole course) was opened to rave reviews. The variety of retirees these clubs attracted required a greater variety of manufactured homes. "Whatever you do, you must strive to be the best," Mr. Schwartz said. "If we are in the manufactured home business, we must have the best manufactured homes."

To accomplish this, they started designing and manufacturing their own homes, and they were invited to Japan, where Mr. Schwartz had manufactured cameras. Gary Morse and key company executives toured Japanese home manufacturing plants from Tokyo to Hiroshima. As a result, they built right here, in our Industrial Park, the only plant in the world that could manufacture and finish a drywall home right on the production line, as it moved through a climate controlled drying chamber. Little did they know that within three years, that same plant would be converted to the

manufacturing of trusses for the site-built homes that they would be building to satisfy the demand for an even greater variety of homes and villas.

The year 1988 was the year of the big decision for the Schwartz family. As they built the Hilltop Golf Course, Hilltop pool, Paradise Tennis Courts and softball diamond (plus two ball diamonds for the Town of Lady Lake), they were completing the development of all their land on the northeast side of the highway. Orange Blossom Gardens, as it was still named, had emerged as the premier manufactured home development in Florida. It far surpassed the Hawthornes and Zellwood Stations, etc., with restaurants and lifestyle, lifestyle, lifestyle for active adults.

But it was still just a retirement development. It was not yet the self-contained retirement town that the Schwartz family envisioned. The only building across the highway was a brand new Catholic church. There was no bowling center, no shopping center with supermarkets, drug stores and shops and no old-fashioned downtown area. Nor was there enough population base with our 3,400 homes to support them.

In order to reach their goal, they would have to move across the highway, acquire more of that beautiful rolling pastureland in adjacent Sumter County (at today's prices, not 1959 prices), work with three local governments and battle the state for development rights through the Development of Regional Impact (DRI) process. So at age 78, while he promised to slow down a little when he turned 80, Harold Schwartz said, "You should never leave a job half done. Especially when you have built the organization capable of seeing it through."

So with that, they turned their offices over to their Recreation Department, virtually doubling the size of the Recreation Building on the northeast side. They built a palatial building designed to ultimately become a recreation center across the highway and moved their offices into it. The residents called it the "Pink Palace." It was 1989. It brought us our bowling center and our first supermarket and real shopping center, La Plaza Grande South. It brought Avenida Central, our first site-built homes and a new neighborhood concept of development called Villages – and The Villages name was born.

"You can't build a town without neighborhoods," said Harold Schwartz. "Sun City, Arizona had neighborhoods; Chicago, Illinois had neighborhoods; and Lady Lake, Florida had neighborhoods, even before we arrived in town. Not everyone wants to live in the same type of housing or pay the same price for a home. It's true that all retirees live on a budget, but they do have different size budgets. By developing a variety of housing, in a variety of neighborhoods, you can offer the same active leisure lifestyle of a self-contained retirement town to those who want \$50,000 homes, as you offer those who want \$250,000 homes."

Village Del Mar, Village El Cortez and Village Mira Mesa were being developed on the new southwest side of the highway and the northeast side became the Village of Orange Blossom Gardens, the Village of Silver Lake and the Village of Country Club Hills. . . all forming The Villages of Lady Lake.

There were a variety of site-built homes and villas coming off the drawing boards in frame and block siding and stucco construction, in different distinct neighborhoods in the villages' concept, as The Villages moved into the 90's.

People were playing the Chula Vista Course and enjoying the first neighborhood recreation complex on the new side of the highway. First Bank of The Villages was formed creating The Villages own hometown bank, not a branch of some larger out of town bank, and the first phase of La Hacienda Hotel was opened.

The Villages broke all records when they moved their development of golf courses into Sumter County and built the 18-hole Hacienda Hills Championship Country Club Course in just six months. It was completed in time for Chi Chi Rodriguez to stop by on his way out on tour in January 1991 to play his two favorite holes and celebrate the grand opening with us.

It was the advent of the Hacienda Country Club that enticed Harold's second son Richard Schwartz to give up the broadcasting business and become Golf Director at the Hacienda Club in The Villages. To this day, his claim to fame is the fact that he beat Chi Chi on the first hole opening that day – and VNN-TV has saved the video tape to prove it.

It was the advent of Lady Lake's shopping centers and industrial park that promoted the move of Gary and Sharon Morse's third and last child Tracy and her husband Don Mathews and family to The Villages. They sold their independently owned supermarket in Michigan and took over the management of the shopping center and commercial properties. Upon their arrival, negotiations were opened with Publix for The Villages' second shopping center and the expansion of the existing Win-Dixie Center.

Harold had promised to slow down when he turned 80. But there was no evidence of it on his 80th birthday, when his son Gary enticed him aboard a chartered airliner for a supposed meeting with people who had flown in from London to talk about opening a Villages sales office in England. As he boarded, he was flabbergasted to find every seat occupied by friends, family and past and present business associates. They were already toasting him with champagne as they whisked him away to Cancun, Mexico to celebrate his birthday with his old friend and business partner Teo Bichara and family.

Acquiring the rights to develop property through the Development of Regional Impact (DRI) process created an obligation and a business that most developers are not well known for. Hundreds of acres are set aside as nature preserves and wildlife preserves. These preserves must be managed and maintained in perpetuity in cooperation with the Florida Game and Freshwater Fish Commission to protect, preserve and perpetuate endangered species, such as Burrowing Owls, Gopher Tortoises and Kestrels. Then there are the thousands of acres of land inventory that will ultimately become homesites, golf courses, lakes, recreation acres and commercial centers. This must be managed as productive agricultural land in conjunction with the preserves.

To handle this, The Villages opened an Agricultural Division under the direction of Paul McDowell, Gary Morse's lifelong friend. "My family's farm was right next door to Gary's and

his stepdad Cliff Morse,” said Paul McDowell. “We grew up and went to school together – I milked Holsteins and he milked Jerseys.” Watermelon fields, hay fields and peanut fields now surround the wildlife and nature preserves and Paul has developed Florida’s finest herd of Holsteins, buying and raising heifer calves and selling them to dairies. The Florida Game and Freshwater Fish Commission compliments The Villages highly on the excellent job they are doing with the Wildlife Habitat Management Plan they designed for them.

The Villages grew by leaps and bounds in 1993. The Chula Vista Restaurant opened as play opened on the Mira Mesa Course, the second course to play from the Chula Vista neighborhood Recreational Complex. Many claim it is the finest of all of our four free executive 9-hole courses.

Sunbelt Utilities, that served the Villages with sewer and water, was sold to The Village Center District Government, who also bought Lady Lake’s floundering sewer plant. This took the utility from a private profit motivated business into the public, non-profit governmental sector, the same way most larger cities are served, and enabled it to process waste for the Town of Lady Lake.

La Hacienda Hotel expanded, and we opened our first Sports Pool Complex. Our second shopping center opened, anchored by Publix, and Hardee’s (our first fast food operation) moved into our Town Center area.

The Villages was on its way toward becoming the full-service retirement town that Mr. Schwartz had envisioned. But it was badly divided by a four-lane highway. One of the rewarding aspects of a self-contained retirement town is the ability to use golf carts as casual general transportation in place of the auto – and golf carts are prohibited from crossing the highway.

So, the Schwartz family built a beautiful overpass across the highway at a cost in excess of \$1 million to tie The Villages together with golf cart travel. Mr. Schwartz dedicated the causeway to our State Representative Everett Kelly, who personally “walked” it through the DOT approval process. He did so on the same day we celebrated the grand opening of Publix and our Sports Pool Complex.

For about ten years, The Villages has operated under the split jurisdiction of Lake County and Lady Lake. As far back as 1984, a referendum to bring the lake County Villages (then called OBG’ers) into Lady Lake failed miserably, with The Villagers voting not to come in, and the Lady Lakers voting not to let them in.

Later, when The Villages grew large enough so that Lady Lake Villagers outnumbered the Old Lady Lakers, The Lady Lake Villagers wanted to bring their Lake County neighbors into Lady Lake. But, as is generally the case with city enclaves, they could never be convinced that the extra services would be worth the extra taxes.

As The Villages development grew into Sumter County, the Lady Lake government made overtures to the Sumter County government to annex The Villages development in Sumter

County into Lady Lake. The attempts were spurned by the Sumter County Commission who felt that they could serve The Villages development in Sumter County as well as Lady Lake served The Villages development in their jurisdiction.

Most recently, there was a referendum to sever The Villages from Lady Lake, hopefully to start a new municipality, with the blessings of Sumter County, to serve The Villages on both sides of the county line. But ten years later, history repeated itself, with this referendum also declaring status quo. And today, The Villages continues to grow successfully into the self-contained retirement town that the Schwartz family originally envisioned under the jurisdiction of, and receiving services from, three different governments.

“But we don’t have a downtown,” Mr. Schwartz said. “Oh, we have a beautiful central commercial area with shopping centers and fast food. But we don’t have an old-fashioned downtown. Have you ever heard of a town without a downtown? Clermont has a downtown. Tavares has a downtown. Mount Dora has beautiful downtown. We’re bigger than all those places and we don’t have a downtown.”

Last year, the Schwartz family set out to build an old-fashioned downtown. They hired a design firm who worked on Universal Studios to design and age an old-fashioned downtown that would look like it had been here for hundreds of years and was the original town from which The Villages grew.

“To have a downtown you need a town square” Mr. Schwartz said when he personally donated \$1 million to build our Town Square Plaza. The Square officially opened in the Spring of 1994 with a big celebration – the unveiling of Mr. Schwartz’s statue as Founder of The Villages was the highlight.

The Villages has seeded the downtown by building an entire city block of commercial buildings. They have moved their offices into this block of old-fashioned commercial buildings and reverted their current offices into the La Hacienda Center for recreation purposes for which it was originally designed.

The family is working with Rev. Dr. Steve Raulerson to construct the “Church On The Square.”

Based upon the track record of our developer, I’ll bet it turns out to be a beautiful, quaint, old-fashioned downtown that will make The Villages residents proud.