

#16: 1974-1975 – The Worst of Times

For those of you with better memories than mine (which is about everybody), 1974 and 1975 was an extremely difficult time in America. There's no way to gloss over it; what was happening internally impacted the country externally as well.

Watergate and the Nixon resignation led the way. The oil embargo and energy crisis that came with it crippled the United States economy. Throw in the mayhem that happened when the Cleveland Indian's held 10 cent beer night during a game with the Texas Rangers and the fact we lost Ed Sullivan that year and one quickly comes to grips with why we were plunged into darkness.

1975 wasn't much better. The oil embargo ended but the energy crisis worsened. Saigon fell, ending the Vietnam War, but returning soldiers were faced with butt-ugly receptions. Unemployment was topping out at 9% and who can forget Travis Walton's claim he was abducted by aliens for 6 days while working in Snowflake AZ.

Meeker, ever the optimist, opened the Galleria "74" Collection of 22 new homes. Sales had been so strong since crossing the tracks; he assumed nothing could stop them. Ouch. Recessions are killers in the construction industry and in spite of the impressive array of homes and new looks, sales and traffic fell dramatically.



After several half-hearted attempts, the Sun City Sheriff's Posse was started in 1974 and quickly grew in number and importance within the community.

Several of these models included flat roofs. They went to them in fear of rising labor costs, as they were easier to produce. In retrospect, John said it was a mistake. As a footnote, we have owned two homes in Sun City and we bought them because of the unique look from a flat roof. They do have higher maintenance costs.

Rec fees went to \$30 per person in 1974. The DEVCO board sold off 158 vacation units next to the Kings Inn. The Bell Rec Center was on the drawing board and would be the biggest and best they would build. The hospital put their expansion plans on hold.

The long-standing fight over the schools and tax increases was finally resolved. The Peoria school district agreed to let Sun City out of the district. It is a strange story. When Ben Roloff gives his presentation on it, you owe it to yourself to be in the room, it's that good.

Del Webb died on July 4, 1974 and Bob Johnson became the Chairman and CEO of the Del E. Webb Corporation.

New home sales for the year were 1,515 with a pre-tax profit of \$5,055,000. Well down from the last couple of years. As we look to 1975, these numbers were spectacular in comparison.

The turn of the calendar proved to be more of the same, only way worse. Interest rates had sky-rocketed to more than 10% making mortgages harder to get. Worse yet, potential buyers couldn't sell their existing home. The work-week for the construction crews dropped to three days a week rather than mass layoffs.

DEVCO arranged for the RCSC to take over the golf courses, but outside play had to be reduced to less than 5% to maintain their tax status. The National Observer named Sun City to be the number one "Haven for Retirees."

The Celebrity Series at the Sun Bowl featured Henry Mancini, Rosemary Clooney, Roger Williams and Fred Waring. The 1975 Lecture Series had narrator Lowell Thomas, personality Art Linkletter and Nancy Dickerson. What a shame we dropped the Lecture Series, they were wildly popular.

By the beginning of 1975, DEVCO claimed \$490,000,000 had been spent for housing and support facilities in Sun City. By years end, the communities assessed value was more than \$100,000,000. Amazing.



When the "Galleria 74" series was unveiled, a new flat roof design was prominently featured in single, twin and garden court apartments. By mid-1975 Meeker was questioning that feature and incorporated hip roof options on some of the models.

New home sales were a dismal 822 units. The pre-tax profit was \$1,452,000. Over 700 of those sales came from Vacation Special users. If there was a bright spot, home resales were 1,233, which was a 12% increase from the previous year. At least the secondary market was alive and well.

Let's try and end this on a high note. Next week's edition will be nothing short of spectacular. Who can guess the header? Come on, put your thinking caps on, it's pretty easy.

To further heighten the excitement, a couple of high notes from '74 and '75: The World's Fair opened in Seattle; Bill Gates formed Microsoft; The Rocky Horror Show opened on Broadway and last and certainly least Drew Barrymore was born.

How fun was all that?

See you next week.

Bill Pearson