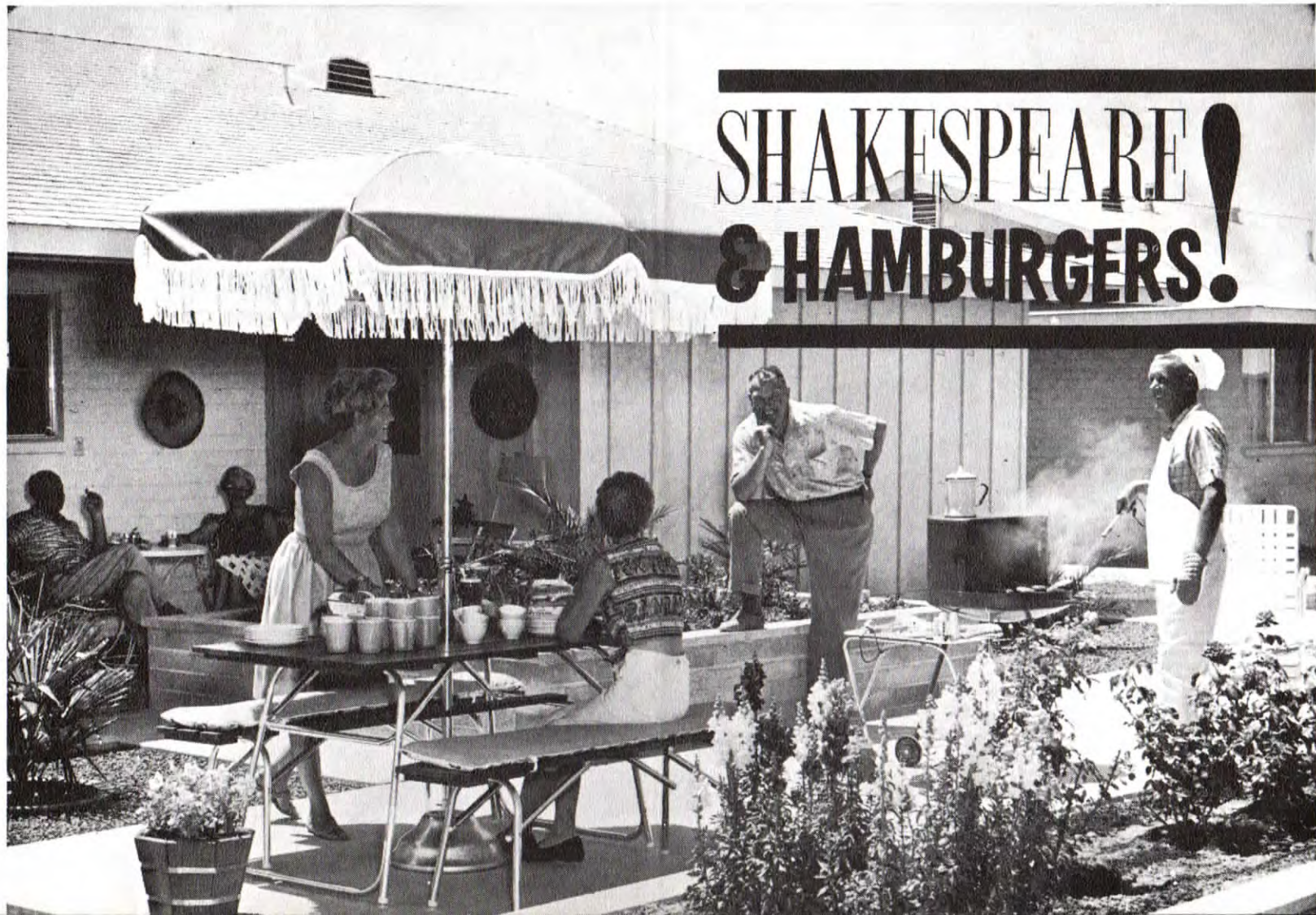


SHAKESPEARE & HAMBURGERS!





DEL WEBB'S Sun City

12 Miles Northwest of Phoenix out Grand Avenue



Built by DEL E. WEBB DEVELOPMENT CO.
A SUBSIDIARY OF

DEL E. WEBB CORPORATION



Shakespeare and Hamburgers: Unusual combination? Oh, not at all in this city of hearty individualists. Music, literature and art are enjoyed just everywhere. Around the bookshelves and the stereos of living rooms. At club meetings in the Town Hall. In the studios of the Arts and Crafts Center. On a sun-washed patio as the Drama Club rehearses King Lear. Among an easel-equipped group on the pool terrace analyzing the techniques of Picasso or van Gogh. On the golf course, too, with Hemingway, Faulkner, Guinness or Gunther getting into the talk now that business no longer need direct fairway conversation. It's all part of the complete living this special town offers, where you have the time and the freedom and the inspiration to write that book, or to study music again, or to discover and develop your latent talents.

Everything in this beautiful and complete city says 'quality' and 'good taste' from the welcoming avenue of palms leading from the entrance to every piece of equipment, every home. Yet, it all costs so little. Full use of all the facilities costs just \$20 per person, per year, and residents play the golf course at greatly reduced rates. The homes and cooperative apartments are priced from just \$9,950. And right in town, there's a big shopping center, Del Webb's Kings Inn and a medical center, too. The life you've always wanted is waiting for you here if you're lucky enough to be 50 or more (other household members may be of any adult age).

County of Clark, Las Vegas, Nevada
Office of the Board
of County Commissioners

P R O C L A M A T I O N

WHEREAS, Del E. Webb Corporation, under its founder, Del E. Webb, constructed its first casino/hotel in Clark County, the famous Flamingo Hotel and Casino, in 1946; and

WHEREAS, the Del E. Webb Corporation has been an innovator and trendsetter in the ownership, design, development, and operation of casino/hotels in Clark County and Nevada; and

WHEREAS, the Del E. Webb Corporation continues to make invaluable contributions to our community; and

WHEREAS, this year, 1986, marks the first 25 years of involvement by the Del E. Webb Corporation in the casino/hotel industry in Nevada.

NOW, THEREFORE, WE, the Board of Commissioners of Clark County, Nevada, do hereby proclaim that the citizens of Clark County, Nevada, join with and salute the

DEL E. WEBB CORPORATION

in its 25th anniversary celebration as a major contributor to the progress and prosperity of our county and state.

MANUEL

PAUL J. CHRISTENSEN

WILLIAM U. PEARSON

JAY BINGHAM

KAREN HAYES

BRUCE L. WOODBURY

Attest:

Loretta Bowman

County Clerk, LORETTA BOWMAN

THALIA M. DONDERO

Chairman



Congress of the United States

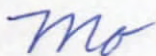
House of Representatives

Washington, D.C. 20515

MEMORANDUM

The attached is sent for your
information.

Sincerely,



Morris K. Udall

Del Webb Corporation

PHILIP J. DION
Chairman of the Board
Chief Executive Officer

September 28, 1990

The Honorable Harry M. Reid
United States Senate
324 Hart Senate Office Building
Washington, DC 20510-2803

Dear Senator Reid:

Yesterday at a Gaming Commission meeting in Carson City, our good friend Bob Faiss, gave me a copy of the Congressional Record of September 24, 1990.

I cannot thank you enough for your kind remarks with regard to Del Webb Corporation's involvement in gaming. It is a particularly proud part of our Corporate history. Our growth and development in the state from general contractor to owner/builder and now to community developer is a great source of pride. Our commitment to the state and our genuine feelings of friendship extend broadly and deeply. We look forward to many more decades of success and contribution to the growth of the state and the well-being of its residents.

We have commissioned that a book be written on Mr. Webb and the history of the corporation. I can assure you this passage will be included. I have also asked that the writers contact you for any personal thoughts of Mr. Webb that you might like included.

I take personal pride in knowing that it was you who were so kind to recognize us in this very special manner.

The Honorable Harry M. Reid
September 28, 1990
Page 2

Thank you again for the recognition and your kind
attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip J. Davis". The signature is written in a cursive style with a large, prominent loop at the beginning.

PJD:ao
cc: E. East
R. Faiss
F. Kuentz

regime must stop. We can no longer close our eyes to Zaire's deplorable human rights conditions. Mr. Mobutu should not be rewarded with the \$58 million—the highest level of U.S. aid to any African nation—that the administration has requested.

The House foreign operations bill for 1991 responds to the atrocious conditions in Zaire. The House language calls for the end of foreign military assistance to Zaire in 1991. It also requires that all other foreign aid to Zaire be channeled through private voluntary organizations. At present, at least 20 percent of United States foreign aid successfully reaches Zairians through such organizations.

I believe that only a firm measure such as the House proposal will indicate to Mr. Mobutu that his practice of repression and flagrant human rights abuses will not go unheeded.

I urge my colleagues on the Appropriations Committee to consider seriously the House language when preparing the foreign operations bill. I also urge that future bilateral United States aid to Zaire be conditioned on demonstrable progress by the Zairian Government in providing its citizens with their basic rights.

I ask unanimous consent for certain articles to be published in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

(From the Washington Post, Sept. 17, 1990)

ZAIRE DOESN'T DESERVE THAT AID

(By Makau wa Mutua)

(The writer is head of the Africa Project of the Lawyers Committee for Human Rights.)

In mid-May, Zairian security forces stormed the campus of the University of Lubumbashi. According to several recent reports, these soldiers massacred at least 300 unarmed students. One member of the government's Garde Civile who was at the campus that night says that he counted 347 bodies as they were being evacuated from the university grounds by government agents. Some of the victims were reportedly buried in a mass grave near the local airport.

Several days later, Assistant Secretary of State for Africa Herman Cohen arrived in Zaire. Without even mentioning the violence at Lubumbashi, he told reporters that the United States would direct its future foreign aid toward "emerging democracies, such as Eastern Europe, Zaire and some other African countries."

Cohen's ill-timed and inappropriate support for the Mobutu government is sadly characteristic of U.S. policy toward Zaire for the past 25 years. Equating pronouncements of reform in Zaire with the sweeping changes in Eastern Europe was particularly troubling, coming as it did in the immediate aftermath of the Lubumbashi killings. Regrettably, Cohen's noisy diplomacy is only the most recent example of the administration's failure to exert needed pressure on President Mobutu. In 1984, barely a year after Zairian security forces brutally attacked several opposition politicians following their meeting with visiting U.S. congressmen, Assistant Secretary of State Elliott Abrams told a congressional committee that "human rights conditions in Zaire had improved over the last 20 years." Dismissing

these and other acts of violence by Zaire's security forces, Abrams implored Congress to provide more aid to the government of Zaire.

Several months later, Mobutu was treated as an honored guest by President Reagan. Reagan gave Mobutu a "warm welcome" and praised him as "a faithful friend for some 20 years." Responding to criticism of the administration's negative handling of the human rights issue in Zaire, Assistant Secretary of State Chester Crocker asserted that "it was wrong to characterize Zaire as a brutal police state." Rather he suggested that "abuses that do occur tend to be committed at the lowest level by individuals acting on their own, without sufficient training or material support." In 1984, Reagan renewed his unqualified praise for Mobutu, calling him "a voice of good sense and goodwill."

This misguided U.S. approach to Zaire has continued during the Bush administration's first 18 months in office. Mobutu was the first African leader received by President Bush at the White House in June 1989. The administration has requested that Congress provide Zaire with \$58 million in military and economic aid for FY 1991, citing Zaire's support of various Western policies.

What this policy ignores is a prolonged and systematic pattern of institutionalized abuses of human rights in Zaire. Since Mobutu came to power in 1965, Zaire's security forces have continued to routinely harass, arrest, detain and abuse perceived political opponents. Thousands of Zairians have been tortured, subjected to cruel treatment and prolonged incommunicado detention, actions that have led to a total breakdown in the rule of law.

Official bodies created to protect the rights of Zairian citizens—specifically, the courts and a government human rights ministry called the Department of Citizens Rights and Liberties—have failed to carry out their mission. The judiciary has been plagued by interference from Zaire's sole political party, the Movement Populaire de la Revolution, and from the executive branch. Despite annual pronouncements of reforms for more than a decade, Zaire's judiciary has not punished the security forces for arbitrary arrests and illegal detentions.

The DCRL, which was formed in 1986 to promote and protect human rights, lacks the credibility, authority and political will to redress abuses. It has not resolved a single human rights case since its creation. Instead, it has been used cynically by the government to defend the government's human rights record before international tribunals such as the United Nations.

In April, Mobutu announced his intention to abolish the one-party state and to sanction a three-party political system. But Mobutu clearly asserted that he would remain as chief of state and as the "ultimate recourse" for future governments of Zaire. He also emphasized that he would remain above all state organs even if a multiparty government were allowed. Since this announcement, Mobutu has failed to take any steps to reform the security forces, which are the main perpetrators of human rights abuses.

Soon, the U.S. Senate will decide whether the administration's request of \$58 million in aid to Zaire should be granted. The Senate vote provides an excellent opportunity for the U.S. government to make it clear that in the post-Cold War era, allies like Zaire must demonstrate concrete progress in human rights before further U.S. aid is forthcoming.

(From the New York Times, Apr. 21, 1990)

Why HANGROSI Africa's Ceausescu?

Mobutu Sese Seko seized power in Zaire through a military coup in 1965, the same year Nicolae Ceausescu became the Communist boss of Romania. Mr. Mobutu is no Communist. But his methods of rule resemble those of the executed Romanian tyrant. Wholesale repression, corruption and megalomania have deformed Zaire.

There is a further regrettable resemblance: President Mobutu, like Mr. Ceausescu, has known how to profit from his outspoken opposition to Soviet foreign policy moves. Washington has winked at his disastrous misrule and made his regime the leading African recipient of United States economic assistance.

The end of the cold war removes any possible justification for this taxpayer subsidy to a repellent dictator. Representatives Howard Wolpe of Michigan, Stephen Solarz of New York, David Obey of Wisconsin and Ronald Dellums of California are proposing changes in the aid relationship. Their efforts deserve support.

American aid dollars have not measurably helped Zaire's people. Annual per capita income is about \$150; living standards are lower than when Mr. Mobutu took power. His government has not built a single hospital in its 25 years. Only 3 percent of Zaire's budget goes to health and education while 23 percent goes to the military and 50 percent to "political institutions."

Meanwhile, Mr. Mobutu's personal fortune has, by some estimates, grown to \$6 billion. His holdings include perhaps a dozen French and Belgian chateaus, a Spanish castle and a 32-bedroom Swiss villa. Mr. Mobutu protests that his fortune is a mere \$50 million, and that none of it has come out of the pockets of his people. But recent World Bank studies have found hundreds of millions of dollars in mineral revenues unreported in the national budget, and more gold and coffee smuggled out of the country than legally exported.

Mr. Mobutu has supported anti-Communist initiatives of successive U.S. Administrations, especially in Angola. But he has done so for his own reasons, not always in coordination with Washington. For him the U.S. has proved a useful ally. He uses his conspicuous access to American leaders to further discourage dissent.

Mr. Solarz, Mr. Wolpe and Mr. Obey would end military aid to Zaire and channel most economic aid through non-government organizations. Mr. Dellums would go further and press international aid institutions to consider the abuses and corruption in Zaire. Americans have better uses for their tax dollars than reinforcing the Mobutu tyranny.

DEL WEBB CORP. ENDS 44-YEAR HISTORY

Mr. REID, Mr. President, one of the most significant chapters in the history of legal gaming in Nevada closed on September 30, 1990, when the Del Webb Corp. ended a 44-year history of involvement with the gaming industry. That date marked completion of the sale of the High Sierra Casino, the last of eight casinos that had been owned and operated by Webb.

Webb began its involvement with the Nevada gaming industry as a general contractor, constructing the Flamingo Hotel and Casino in Las Vegas in 1946. The Flamingo established the

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CONGRESSIONAL RECORD — SENATE

September 24, 1990

pattern for what is now the Las Vegas Strip, which is famed worldwide as the leading gaming center in the world.

Webb later was involved in the construction of the Mint Hotel, the Sahara Hotel and Casino, Caesars Palace, the Las Vegas Hilton, the Sahara Reno, Nevada Club, the Riviera Hotel and Casino, the Aladdin Hotel and Casino, and the High Sierra. The Sahara, completed in 1951, was the first high-rise casino-hotel in our State. The Mint, completed in 1961, was the first skyscraper in Nevada.

In 1961, Webb became the first major public company to be involved in the ownership of Nevada casino-hotels when it acquired the Mint, the Sahara, and the Lucky Casino. Webb subsequently acquired and operated the Thunderbird, the Primadonna, the Nevada Club, the Sahara Reno, and the High Sierra.

Webb was the first casino operator to install overhead closed circuit television cameras to monitor gaming for the protection of the licensee and the public, which was only one of the gaming industry innovations contributed by Webb. Another innovation was the use of professional sports events, such as the Gold Cup hydroplane races on Lake Mead and the PGA Sahara Invitational, to make Nevada a tourist destination.

By 1972, Webb had become the largest gaming operator in Nevada as well as its largest private employer. Webb became a respected spokesman for the gaming industry and played a major role in the improvement of the statutes, regulations, and policies that governed it.

When I served as Nevada's Lieutenant Governor, I had a good association with Del Webb. Some of my fondest memories involve dinner at the Governor's mansion with Del Webb and Gov. Mike O. He was not only a baseball fan, but a Nevada booster as well.

Today, Webb no longer has a presence in construction or in gaming in Nevada. However, it continues to be one of our State's most valued corporate citizens. Under the leadership of Philip J. Dion, its chairman and chief executive officer, Webb has made a remarkable transition into a national leader in the development of active adult communities.

The newest of the Webb adult communities is Sun City Las Vegas, which is located in southern Nevada. Sun City Las Vegas held its grand opening

Although Webb's role in Nevada has changed, Mr. Dion has made clear to me that Webb's commitment to the State and its citizens is undiminished.

I wish to congratulate the Del Webb Corp. on the completion of over four decades of achievement in the fields of construction and gaming and I extend best wishes to Webb and Philip J. Dion for continued achievement as a developer of active adult communities and as a responsible corporate citizen in Nevada.

WILL ASSAD BE ANOTHER SADDAM?

Mr. DeCONCINI. Mr. President, Secretary of State Baker met last week in Damascus with Syria's President, Hafez Assad. It was a private meeting, with only Baker, Assad, his Foreign Minister, our Ambassador to Syria, and translators in attendance. During the meeting, Assad assured Secretary Baker that Syria is prepared to send additional troops to Saudi Arabia. If the Saudis formally request those troops, and apparently they have. On its face, this is a positive response from an Arab nation in the international effort to pressure Saddam Hussein to withdraw from Kuwait.

I do not need to remind you, Mr. President, or any body else, exactly who is President Assad. He is a very shrewd individual with an historic sense of himself and his destiny. This is the man who sent his armed forces into Lebanon in 1976 and aided in the destabilization of that war-ravaged nation. President Assad currently maintains nearly 40,000 troops in Lebanon. During my visit with him last year, he expressed his view that Lebanon is part of Syria because the people of Lebanon and the people of Syria are the same people. That was what he told me.

Mr. President, Assad is also an active sponsor, supporter, and host of international terrorism. The history of the 1980's is littered with evidence that his government has been involved in and associated with acts of terrorism. Assad's government is widely believed to have been behind the assassination of political leaders in Lebanon, as well as being implicated in terrorist attacks against Americans there, including the bombing of the Marine Corps barracks in Beirut. Syria has been an active supporter of radical elements within the PLO, including the bombing front

nally, we cannot forget the bombing of the Pan Am 103 over Lockerbie, Scotland in December 1988. While Syria has apparently not been directly linked to the bombing, those responsible appear to have been provided safe-haven in Syria from which this horrible crime was launched.

Mr. President, I am pleased that news accounts of the Baker-Assad meeting report that the issue of terrorism was a major topic of the discussions. President Assad must hear this message loud and clear: We will make common cause with him to oppose Iraqi aggression, but we will not overlook or ignore the major impediments to normalization of relations between our two countries.

We only need look at the path which has led us to this point in the Persian Gulf to realize that we must be cautious, extremely cautious, in our dealings with Assad. Throughout the 1960's and 1970's, successive administrations—both Republican and Democrat—followed a policy of unwavering support for one individual, the Shah of Iran. Driven by a fear of communism and a need for oil, we chose to ignore the many problems of the Shah's rule, including his disregard for human rights, and the rise of Islamic fundamentalism. His flight from Iran and subsequent death brought our policy to a tragic end. The subsequent regime of the Ayatollah Khomeini, fueled by anti-American sentiment, encouraged the taking of American hostages and promoted the image of the United States as the great satan. Not only did our policies in Iran destroy a Presidency, they established a precedent for hostage taking which other adversaries have eagerly followed.

The Ayatollah thus replaced communism as the evil of the day. Our policy seemed to become one that said: "Whoever is an enemy of Iran is a friend of the United States." This started the downward spiral of the Reagan and Bush administrations' turning a blind eye to Saddam's excesses and abuses. In 1982, Iraq was taken off the State Department's list of international terrorists. It became eligible for a fuller range of U.S. trade and credits.

The Washington Post reported that in 1983, Iraq's foreign minister met with then-Secretary of State George Shultz and said, "We want help from you."

Because Iraq was engaged in a war





WELCOME TO PHOENIX. She looked more like a Phoenix girl arriving home than the President's daughter visiting Arizona's capitol city for a concert appearance. And when Margaret Truman, radiant and fresh, stepped from the Sunset Limited, Del E. Webb, a close friend of the Truman family, was among those who greeted her at the request of the Phoenix Thunderbirds, who formed a welcoming committee. Gov. Dan E. Garvey and Mayor Nicholas Udall also joined the greeters. On tour since Feb. 7, Margaret's 16th concert appearance attracted a capacity audience to Phoenix Union High School Auditorium. Many Webb Company employees were guests of Mr. Webb at the recital.



news from...



WEBB HONORED-- Dr. Theodore Jacobs and his wife, Parvina (left), hosted recent party at their Las Vegas home to honor Mr. and Mrs. Del Webb (right). Jacobs, first vice-president of University of Nevada at Las Vegas Rebels Booster Club, presented Webb with a plaque of appreciation on behalf of the university. Through Webb's efforts, UNLV raised more than \$200,000 for its athletic program this year.

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Thurs, Nov. 2, 1967

Bruce Crampton & Del Webb

1967 Hawaiian Open



Thurs. Nov. 2, 1967

Chi Chi Rodriguez
Bell u ebb

1967 Hawaiian Open



OCTOBER 19, 1969 NO. 1
63-40

PAY TO THE
ORDER OF

JACK NICKLAUS - \$20,000.00

Twenty Thousand and 00/100 DOLLARS

SAMARA

Del E. Webb

1: D67 12 36 7

LESTER NEHAMKIN

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SHERMAN OAKS, CAL. 91403

872-3663 784-6056

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4

Roll - SA # 3 - FR. # 4 1969 Samarra Invitational







BIG GUNS. The annual fall management meeting, held late in November at the Arizona Biltmore Hotel, brought together the "heavy artillery" of the Del E. Webb Construction Co. These are the men who direct the firm's nationwide construction activities, and if they seem a bit serious in what should be a relaxing round of golf, perhaps it is a sign of the times, when business men cannot help but ponder their future in the complex and changing economy of a nation, already operating at a very high level, being forced to gear for war. Pictured above, from left, are Robert A. Becker, secretary-treasurer; L. C. Jacobson, executive vice-president and general manager; Del E. Webb, president; Robert H. Johnson, vice-president and Los Angeles district manager, and J. R. Ashton, vice-president and Phoenix district manager.







Del Webb's Sun City Tucson is one of many Sunbelt communities attracting a growing number of active retirees.

Nestled in the high Sonoran Desert, the community offers breathtaking scenery, a championship golf course and \$6 million recreation complex.

The single-family homes include features recommended by today's active adults such as high energy efficiency and contemporary Spanish styling.

Color transparencies or black & white photos available on request.



Del Webb's Sun City Vistoso near Tucson, Arizona, is one of many Sunbelt communities attracting a growing number of active retirees. Doctors agree that an active lifestyle is essential to good health. About 75 percent of Sun Cities' residents exercise regularly, leading researchers to find residents "10 percent healthier" than their contemporaries in other cities.





PARKING

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MONTHLY PARKING AVAILABLE / 264-8514

Dorris-Heyman
HOME FURNISHINGS



WEDNESDAY
DECEMBER 18, 1991



Ben "Bugsy" Siegel /
Had vision of turning
sleepy Las Vegas into
gambling mecca of the
United States.

Local builder constructed Bugsy's hotel

Bugsy does have a local angle. The Del Webb Construction Co. of Phoenix built the original Flamingo Hotel in the Las Vegas desert for gangster Ben "Bugsy" Siegel in 1946.

Today's Del Webb Corp. helped the movie establish its authenticity by providing the original plans for the hotel and casino, which were reconstructed in the desert outside Palm Springs.

That builder wearing the fedora hat in the movie? That's an actor portraying Del Webb.

Webb reportedly had no idea he had been hired by a gangster to build the hotel. When Webb found out who Bugsy was, Siegel reassured him, "Don't worry, we only kill each other."

Webb claimed that Siegel paid his bills faster than any other client.

Mr. Montgomery
I wish you all
luck in your
try future.
James
Kidd

Dear Mr. J.
It was a
pleasure knowing
you all together like
this and you shall
be
with
me

Dear Mr. J.
It was a
pleasure knowing
you all together like
this and you shall
be
with
me



100%

AVP

ARIZONA HISTORICAL FOUNDATION

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Meris missing a small
teacher loads of book
Just
Misside

Look back to
a small teacher!
Elysius
Lewaki

Bob O'Brien
Thompson

Can't think
of a name

Dear Mr. Montgomery
I'm sorry that you're
leaving this school
you're an outstanding
teacher. I'll always
remember the good
times we had
teaching together.
I'm sure you'll
find a great job
somewhere else.
I hope you'll
write to me
soon. I'll miss
you. Love,
Bob O'Brien

Miss
Miss
Miss

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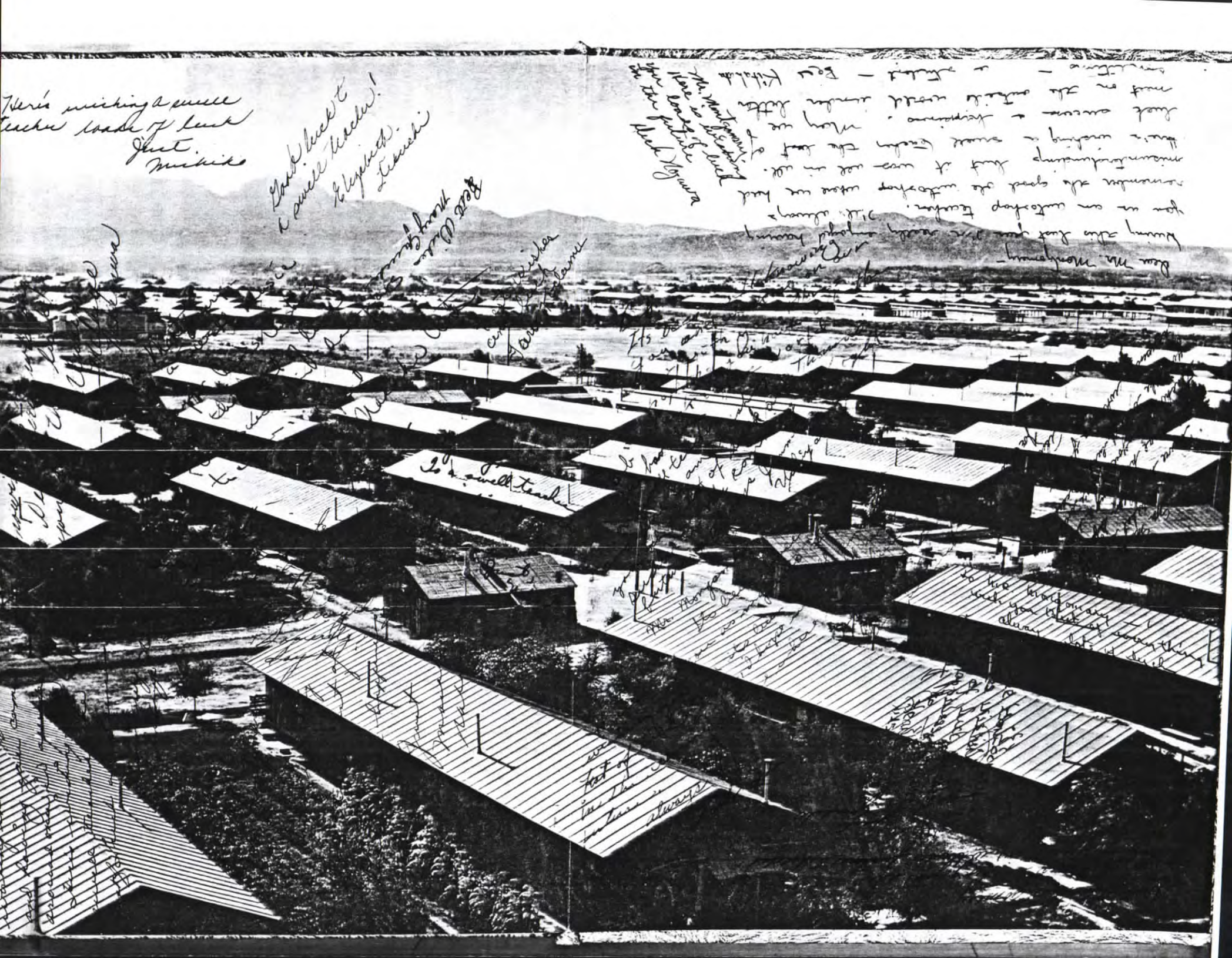
Bob O'Brien
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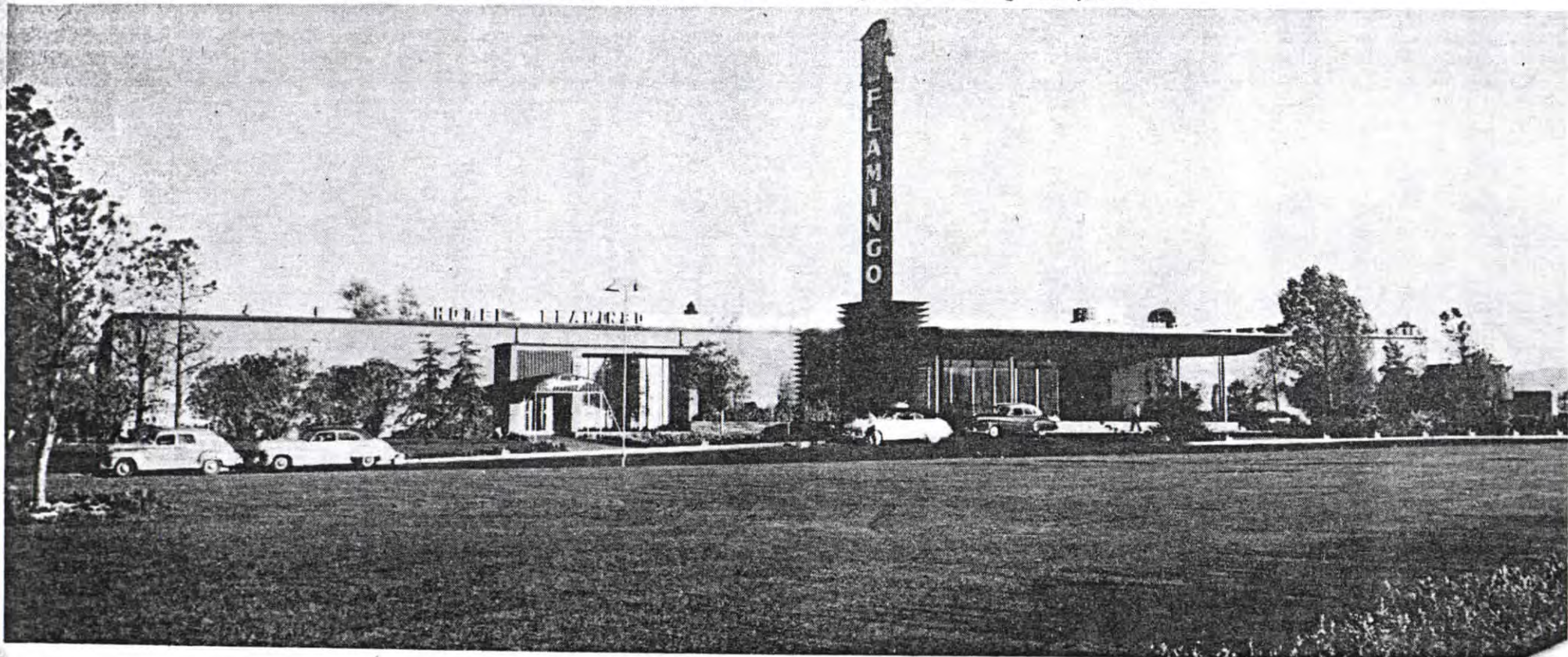
Campus Echoes
Poston Az 1945
Montgomery Collection
Box 3
Az Formulation -
\$15 + \$25

Marlene

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PICTURESQUE NEVADA HOTEL. This is the attractively-landscaped, beautiful Flamingo Hotel constructed at Las Vegas, Nev., by the Webb Company. The hostelry, pictured above, has 100 rooms in the main building and 25 adjoining cottages for guests. The ornate casino is shown below. The lavishly-appointed hotel has a dining room seating 450 persons.





Business

MELLO, BUSINESS EDITOR, KATHY.TULUMELLO@ARIZONAREPUBLIC.COM || BUSINESS.AZCENTRAL.COM



PHOTOS BY MARK HENLE/THE REPUBLIC

Rocco Menaguale has lunch in front of AJ's in October at the Uptown Plaza at Central Avenue and Camelback Road in Phoenix.

Update at Uptown: Plaza reinvents itself

Downtown retail center adds new shops, image 60 years after its opening

SUE DOERFLER
THE REPUBLIC • AZCENTRAL.COM

When legendary developer Del Webb built Uptown Plaza in 1955, he created a "downtown shopping experience" in the central city.

With restaurants such as the swanky Navarre's and retailers such as Jerand's of Arizona fashions and Piggly Wiggly grocery store, the center, which had a modern look, was a draw for diners and shoppers alike.

Sixty years later, Walter Crutchfield and Vintage Partners are recreating that city-center experience by redeveloping the 120,000-square-foot shopping center, which is on the northeast corner of Camelback Road and Central Avenue.

Today's trendy restaurants, including Sam Fox Restaurants' Flower Child, are joining chic apparel boutiques, AJ's Fine Foods and other retailers to turn the historical development into a destination for customers from all around metro Phoenix.

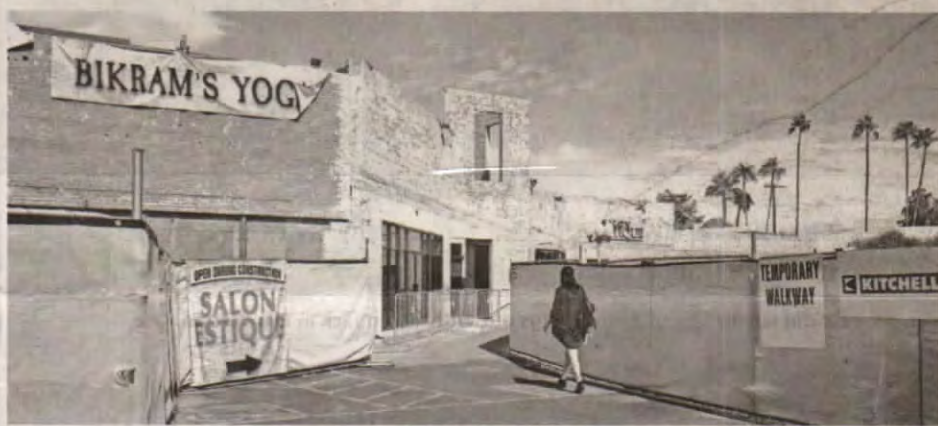
The project, which will have a Mid-Century Modern look, is slated to be completed in 2016.

For Crutchfield, a fourth-generation Arizonan who is a principal/co-founder of Vintage Partners, a Phoenix commercial development company, the venture is a labor of love.

He grew up celebrating special family dinners at Navarre's. A self-described history geek, he lives in a 106-year-old house.

"My mom instilled in us a huge love of history and a huge love of Arizona," he said.

Uptown Plaza is part of Phoenix's history. A partnership between Del Webb and Roy Drachman, founder of the International Council of Shopping Centers, it is said to be the first shopping center in Arizona.



Renovation work is shown underway this past month at the Uptown Plaza in central Phoenix.

"This shopping center is deep in the hearts of people who live in north central Phoenix."

VICTORIA LINDLEY
OWNER, MUSE APPAREL, UPTOWN PLAZA

These days, such a development would be called a strip mall, not a shopping center.

"Right now in development, strip malls are an anathema," Crutchfield said. "Everyone hates strip malls."

But Uptown Plaza hardly looks like a strip mall. Nor does it have the feel of a strip mall.

For one, it's nestled in a neighborhood that's undergone other renovation. It's near other trendy, popular destinations, namely Upward Projects' Postino, Windsor and Churn restaurants.

For another, Vintage Partners is restoring the center's original classy modern look of exposed brick walls and neon signs. There will be shade structures over the sidewalks, promoting the center's "walkability," Crutchfield said.

The northeast corner of the center is being turned into a courtyard where diners and shoppers can gather. A water feature and trees will give it a neighborhood feel.

"The goal really was: How do we take

what Del Webb created in 1955 and continue the outstanding adaptive reuse that Upward Projects already started," he said.

In 1955, the center's anchors were retail soft goods. These days, the anchors are retail food. Flower Child is slated to open in mid-November.

Other businesses, a mix of local and national companies, are building out their spaces and opening up throughout the fall and winter. Several long-standing businesses, including the Good Egg and Boston Market, moved out before renovation began.

In addition to dining, Uptown Plaza will have a few shops, including the already open Relax the Back, a long-time Uptown Plaza retailer, and Muse Apparel, which is a new retailer to the location.

Victoria Lindley, Muse's owner, said she loves the central city feel of Uptown Plaza and the neighborhood.

"One of my favorite parts of it is it's a little like Mayberry," she said, referring to the fictional town featured in the 1960s television show, "The Andy Griffith Show."

Her shop was previously located a few miles farther north.

"This shopping center is deep in the hearts of people who live in north central Phoenix."

Daily News-Sun • Friday, Dec. 31, 1999

Webb survey indicates high senior confidence in economy

THE ASSOCIATED PRESS

PHOENIX — The California economy is more vigorous than the national economy and local property values continue to climb, according to California seniors polled by Del Webb Corporation (NYSE: WBB) for its recent California Senior Confidence Index (SCI).

More than half of the senior respondents aged 55 and older (59 percent) believe that California's economy fares better than the national economy, edging up from two previous studies conducted in May of 1999 (53 percent) and October of 1998 (52 percent). Fifty-three percent of those queried say the economy is better now than four years ago, 38 percent say it is better now than one year ago and 31 percent expressed confidence that the state's economy will continue to flourish one year from now. The findings are consistent with those of the two previous time periods.

Optimism about the national economy declined slightly over the SCI survey conducted in May of 1999, but is up compared with a year ago. When asked if the national economy is better, the same or worse than a year ago,

'It is vital for us to frequently gauge how the 55-plus crowd feels about their home state economy as well as the national economy. Californians and the California market are extremely important to us.'

Leroy Hanneman, CEO

29 percent of the California senior respondents revealed it is better now, compared with five months ago, when 34 percent indicated the same. The economy was rated excellent or good by 65 percent of those contacted for the October survey, compared with 70 percent in May of 1999 and 60 percent in October of 1998.

The seniors, who represent both northern and southern California, also believe that the current market value of their homes is higher now than in 1990. This figure is higher in this current survey (66 percent) than in May of 1999 (59 percent). Results are consistent with the survey conducted a year ago.

Reflecting on October of 1999 versus 1998, those same northern California respondents rated

the state's economy slightly higher (42 percent) than did their southern counterparts (36 percent).

"We noted that almost three-quarters (73 percent) of our respondents from northern California feel their homes would be valued higher today than in 1990, while 60 percent of those from the southern area of the state feel the same," said LeRoy Hanneman, Del Webb's newly named chief executive officer.

Hanneman said the results of the California SCI bode well for homeowners and customers at the company's active adult communities in California, located in Cloverdale, Lincoln and Palm Desert. Additionally, Del Webb communities in Las Vegas and Phoenix have enjoyed strong sales to Californians in the last

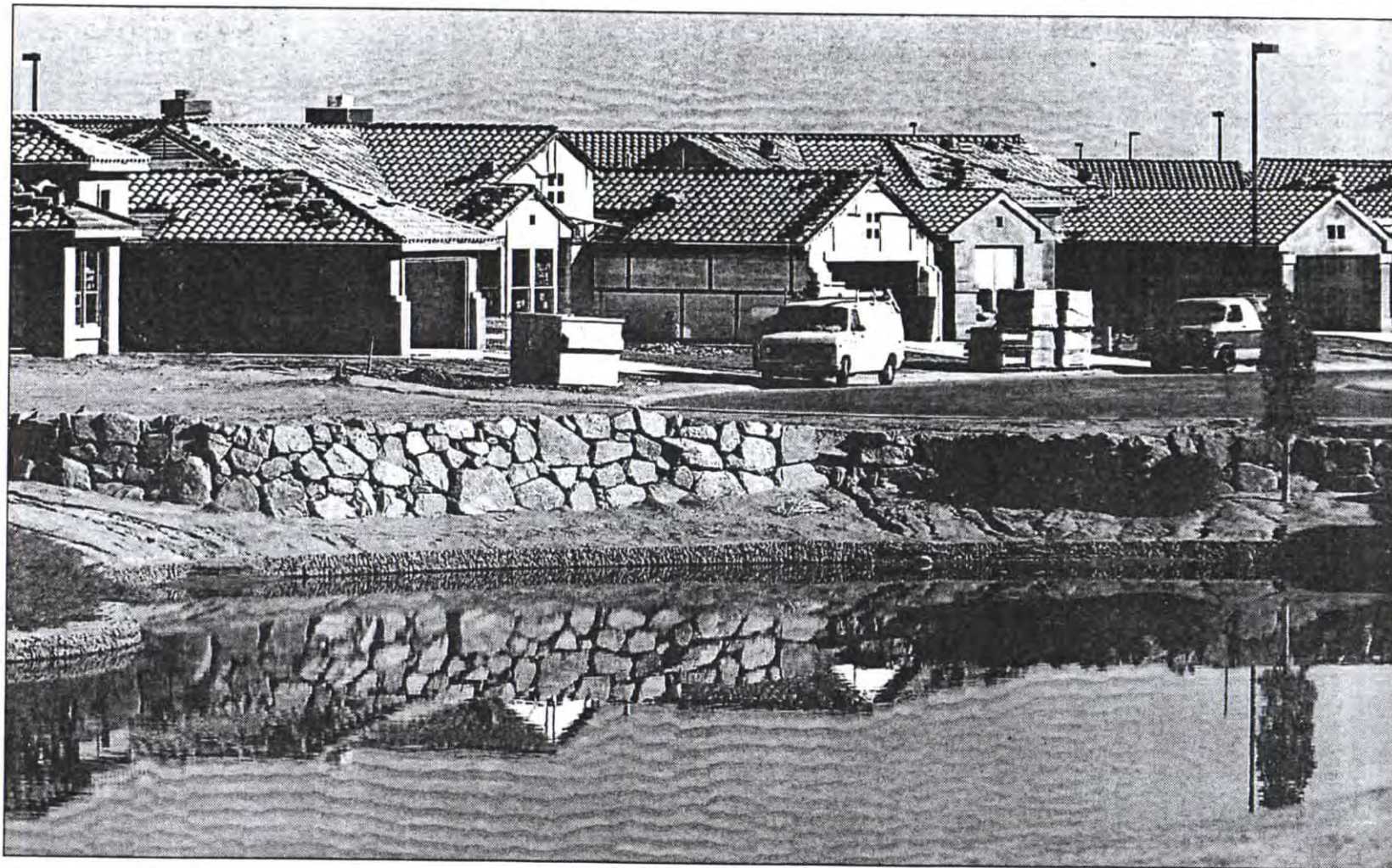
several years. "It is vital for us to frequently gauge how the 55-plus crowd feels about their home state economy as well as the national economy," Hanneman added. "Californians and the California market are extremely important to us."

The 500 seniors were polled at random by Barnes Research, a Grand Rapids, Mich., survey fielding company.

Del Webb Corporation, based in Phoenix, is the nation's leading builder of active adult communities for people age 55 and older. The company has developed 17 active adult communities in markets including Phoenix and Tucson, Arizona; Las Vegas, Nevada; Palm Desert, Lincoln and Cloverdale, California; Hilton Head, South Carolina; Georgetown, Texas; Ocala, Florida; and Huntley, Illinois (near Chicago). The company also builds family and country club communities near Phoenix and Las Vegas.

Note: The survey accounts for a standard sampling error of plus or minus 4.5 percent. Using probability figures, the company is confident it can project the findings to the greater population of California.

Webb CEO predicts continued success



STEVE CHERNEK/DAILY NEWS-SUN

Construction continues to boom at Sun City Grand. The Del Webb Corp.'s development in Surprise has been its best-selling to date, more than 3,000 homes in three years.

OVER

BOOMER RETIREMENT:

Amenities,
location will sell
next generation
of retirees
on Sun Cities

BRUCE ELLISON
DAILY NEWS-SUN

Amenities like massage therapy that first showed up at Del Webb's Sun City Grand and spurred it to being the fastest-growing active adult retirement community in the nation, will be key to Webb's plans for the new millennium, the developer's new president said Friday.

Sun City Grand in Surprise has sold more than 3,000 homes in three years, and is growing faster than the company ever expected. A third golf course there will be opened early next year.

LeRoy Hanneman, Webb's president and Chief Executive Officer, spoke with a handful of reporters at the company's Phoenix offices about the outlook for 2000. The developer plans to capitalize on its Sun Cities reputation even more as baby boomers enter their retirement.

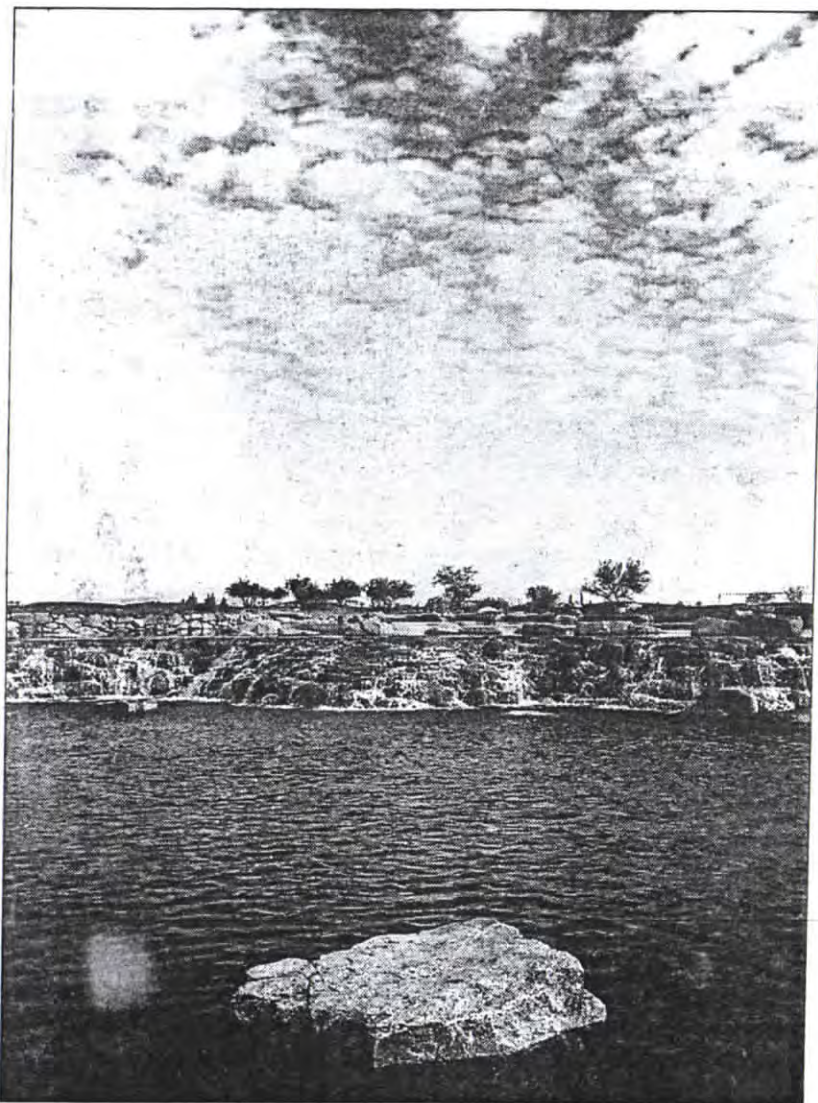
"In the past, about 15 percent of all retirees have been interested in relocating," Hanneman said. That has limited the company's customers.

But now, "our studies show that more than half of the early Boomers turning 50 will be prepared to relocate" — spelling

continued business for Sunbelt retirement havens.

"But for those who aren't ready to move," Hanneman said, "we will go where they are," as the company has done with its Sun City in Huntley, Ill., northwest of Chicago.

More snowbelt Sun Cities are



STEVE CHERNEK/DAILY NEWS-SUN

The falls at Granite Falls Golf Course in Sun City Grand. Active lifestyle amenities such as those found at Sun City Grand will be more important than ever when the Baby Boomers hit retirement age.

on the drawing boards, or at least in the exploratory stage, he said.

And the company likely also will expand more along the East Coast, since many residents in the northeast and north central states want to retire within a day's drive of their old home.

The key to success in selling them on Webb developments is in the lifestyle, Hanneman said. "The amenities, the health and fitness centers, the massage therapists, and in coming projects, the hair salons," will be important.

One theme that will be used is the line, "At Del Webb, we don't just care about the quality of your home, we care about the quality of your dreams."

The company will move to national advertising in January, mainly in magazines, but also in selected television markets, he said.

The ads are soft-sell, explaining the advantages of a Del Webb community. They will be dynamic, and key on the aspirations of younger, more active, more healthy and financially secure retirees.

"Our goal here is to make a 50-year-old say, 'I want to live in Sun City,'" the executive said.

The company's aim is to market its communities by brand name, trading on the reputation it already enjoys, while widening the numbers to whom it sells.

"We really want to dominate the age-qualified market all across the country," he said.

"Yes, we will have others (builders) in there, like competitors," he conceded. "But that doesn't worry us. We have the experience — more than 40 years in this market — the knowhow and the marketing and development skills to serve" the retiree population.



LeRoy Hanneman

That Baby Boomer retirement market, Hanneman said, "is immense, just immense."

The number of boomers, those who turn 50 in the next decade or so, will rise rapidly, with a compound annual growth rate in excess of 10 percent for more than a decade.

To be sure it knew where to build, and where to avoid building, Del Webb Corp. commissioned an independent proprietary study of one year's worth of household moves, "of everybody in the nation who went from one home to another. And we did it from ZIP code to ZIP code.

"Some of the findings were very enlightening," he said, "both with respect to destinations where the bloom might have fallen off the rose" and with respect to where the demand was.

Hanneman also said the Baby Boomers soon will constitute a separate market for national advertisers, one that "will change the face of all advertising for 20 years.

"You can't sell to these people in the same way" that most mass marketers try to reach the most popular age group, the 20-to-40-year-olds who still are building families.

The buying power of the Boomers, most of whom plan to stay in the workforce part-time after retirement, is equally immense, he said.

"They do and will control a significant part of the nation's wealth" and its spending.

And, Hanneman said, they are willing to pay for the lifestyle they want in an active adult retirement community, insisting on home offices, multiple phone lines, better amenities, full spa facilities and the kinds of services that bring residents a resort lifestyle, proven by the success of Sun City Grand.

Future Sun Cities, Hanneman said, will remain on the fringe outskirts of major metropolitan areas, in part because it's almost impossible to buy large tracts of vacant land close in at anything like a reasonable price.

And the developments will remain long-term investments for Webb, which typically spends \$60 million to \$75 million on one site before it ever sees revenue.

That includes all infrastructure construction — streets, utilities, fire stations and, in some cases schools, as well as recreational facilities and golf courses.

Unlike some developments, which show photos of the planned rec centers, Webb puts them on the ground first, then sells to home buyers who can use them immediately.

Webb officials predict profitable 2000

STAFF REPORT

Del Webb Corp. officials said Wednesday that the company expects outstanding earnings for its fiscal year ending June 30, 1999, with profits hitting the \$3.60 to \$3.90 a share range.

Webb is the nation's premier builder of retirement lifestyle communities. It developed Sun City, Sun City West and continues to build at Sun City Grand.

It has projects under way in 12 locations, including a Sun City near Chicago.

At its fall analysts and investors conference in New York, Webb's executive vice president and chief financial officer John Spencer said this year's earnings expectations are a solid improvement over strong results of \$3.11 per share in 1999.

"We continue to enjoy our position as the undisputed leader in the most attractive segment of the housing market today — the active adult market," Spencer said. "Absent a significant disruption in operations, we should achieve our goals."

Del Webb currently is selling homes in 12 communities across the nation. In addition to its flagship Sun City active adult communities, the company has launched new, multi-generational, highly amenitized communities called Anthem — one at New River north of Phoenix and another in the Las Vegas area.

Spencer said both concepts, as well as the company's family housing division, are performing well. Spencer pointed to strong earnings in the first quarter that ended Sept. 30 compared to the year earlier quarter when net earnings were

up 64 percent, to \$13.8 million.

In that first fiscal quarter, the company also posted a revenue jump of 52 percent, to \$409.6 million; average revenue per home closing jumped 16 percent, and the backlog of homes under contract but not yet delivered rose 22 percent to 4,368, valued at more than \$1 billion.

For the last several years, Del Webb has used the fall conference to tell analysts and investors its expectations for the remainder of the fiscal year.

Spencer said the company has taken significant steps in leveraging the company's selling, general and administrative costs over a larger base of operations.

He also said the company expects return on beginning shareholder equity to increase approximately 17 to 18

percent.

Webb's newly named chief executive officer, LeRoy Hanneman, along with Executive Vice President Jack Gleason explained plans for future communities.

They said Webb now is focused on identifying locations for large-scale active adult communities in Florida and four-season climate areas in the upper Midwest and the mid-Atlantic, as well as identifying appropriate locations for family and country club communities.

Hanneman expects the company will formally announce at least one or two new locations for possible communities by the end of the fiscal year.

"We continue to build on the extraordinary accomplishments of last year when Del Webb opened four large new communities — in Illinois, California, Nevada and Arizona. These communities

and other previously opened developments provide us with a pipeline of approximately 35,000 entitled new home lots," Hanneman said.

Hanneman emphasized, however, that with 76 million Baby Boomers soon to enter Del Webb's primary active adult market, the company would aggressively seek new community locations.

"The sheer force of the baby boomer explosion will be incredible," said Hanneman.

"Based on our research the Boomers should be renamed "zoomers" in retirement. They are zooming into the new millennium and into retirement with fast and far-reaching agendas.

"We will continue to expand and evolve to fulfill these zoomers' expectations. To capture this population phenomenon is the opportunity of a lifetime."

Webb's move makes company largest Surprise employer

By JANICE TARLETON
DAILY NEWS-SUN

After nearly 20 years in Sun City West, Del Webb Corporation is packing up its Meeker Boulevard office and moving to Sun City Grand in Surprise.

With Friday's move to 14780 W. Mountain View, Del Webb will nab the title of Surprise's largest employer.

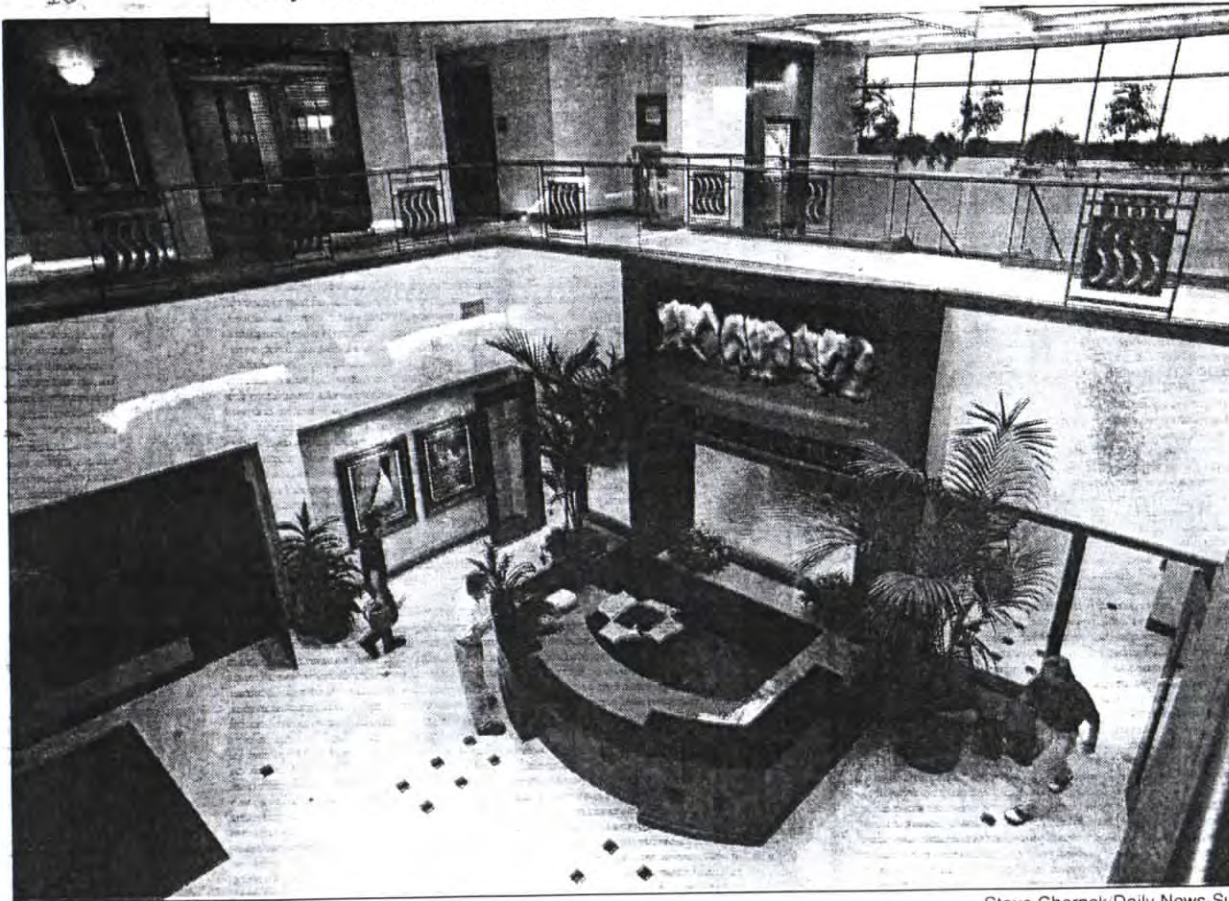
The estimated 200 employees who will occupy the 35,166 square-foot complex will join the nearly 400 employees already working in Sun City Grand, bringing the total to nearly 600, said Del Webb spokesman Ryan Peterson.

Only the Dysart Unified School District claims more employees, but many of those work in schools or administration offices in El Mirage.

Del Webb's new two-story building, with elevator, will house customer service, title settlement, land development, construction, accounting, public relations and executive offices.

It will be open for business on Monday, Peterson said.

The stucco building is designed and painted to match the desert theme of other Sun City Grand buildings and the nearby Surprise Fire Station No. 2. Made of native Arizona



Steve Chernek/Daily News-Sun

Workers put the finishing touches on the lobby of the new Del Webb headquarters in Sun City Grand.

See New office,

New office features small waterfall

From A1

flagstone, the front of the building features a smaller version of the waterfall at the Sonoran Plaza.

Unlike the meandering halls of Del Webb's previous office building, the new rectangular structure features a floor plan with only 34 full-sized offices, but 113 work stations. As a result, the new building is nearly 10,000-square-feet smaller.

Housed just inside the main entrance, in a two-story atrium with stone flooring, is a receptionist's station with the

frequently used Customer Service and Title Settlement departments located immediately to the right and left.

The 11 conference rooms are named after Del Webb communities across the country.

The upstairs executive conference room was built around a large green marble tabletop moved from the other building, Peterson said.

While the building was still in the framing stages, the tabletop was lowered into it by crane — without chips or cracks Peterson pointed out — then the interior walls

were built around it.

Decorated by Design Works, the Denver company that provides interior design service for Sun City Grand's models and vacation villas, the building features desert colors accented with rich tones of green and purple, and a myriad of colorful artwork.

Interior and exterior windows provide natural light and views of the rapidly growing community.

Janice Tarleton may be reached by e-mail at jtartleton@juno.com or by calling 623-878-8868.

Daily News-Sun

Wednesday, July 28, 1999

Phoenix-based Webb sees gains nationwide

THE ASSOCIATED PRESS

PHOENIX — Del Webb Corp.'s timing was perfect.

The homebuilder had unveiled two large developments outside Phoenix and Chicago. Orders for the new homesites, coupled with high consumer confidence and low interest rates, helped the company achieve record earnings this year.

"These developments have materially exceeded our expectations," said Phil Dion, chairman and chief executive officer. "We have been blessed with a great economy. We have taken full advantage of these opportunities."

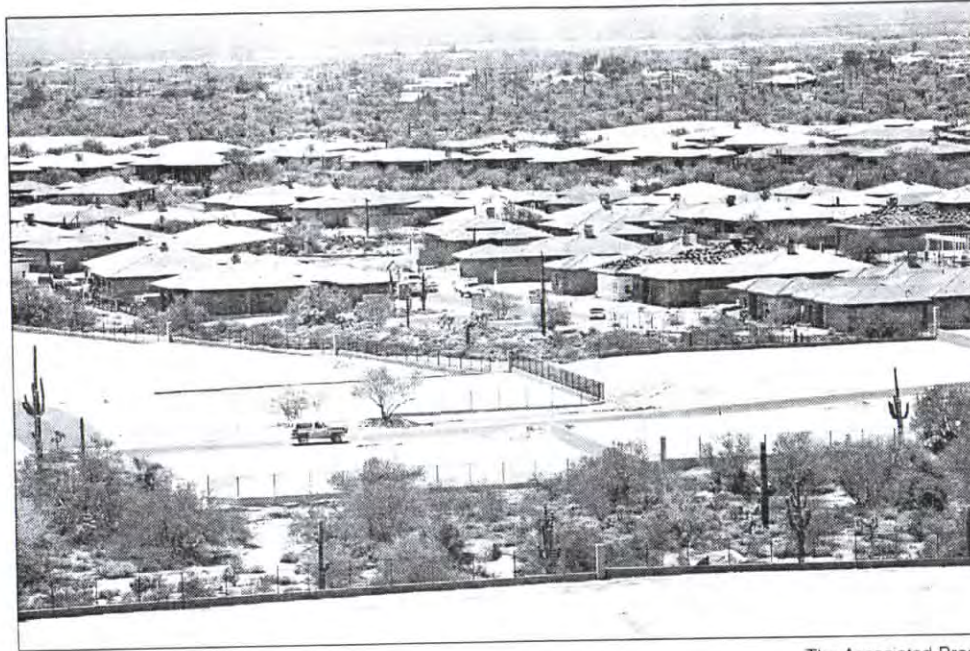
The Phoenix-based company on Monday reported earning \$58.1 million during the fiscal year ended June 30. That's a 37 percent increase over last year. Revenues were up 24 percent to \$1.47 billion.

The builder, whose flagship retirement communities now canvas seven states, earned \$3.11 per diluted share for the year. That compares with the \$42.5 million, or \$2.30 per share, the company earned last year.

For the quarter, Del Webb reported earning a record \$23.7 million, or \$1.27 per share, compared with \$17.6 million, or 94 cents per share, during the same period last year.

But Del Webb's stock fell \$1.31¼ Monday from \$23.31¼ to close at \$22 on the New York Stock Exchange.

Since July 1998, Del Webb has announced four new developments based in New River, Las Vegas, northern California and suburban Chicago covering about 14,800 acres.



The Associated Press

Future home lots, foreground, and homes completed and under construction are seen at Del Webb's Bellasera home development in North Scottsdale. Along with Anthem and a large retirement community in Chicago, this project helped the homebuilder achieve record earnings this year.

Two of the developments — known as the Anthem communities — underscore the company's push for a piece of the lucrative multigenerational housing market.

"I am more pleased with our ability to develop these four new communities," Dion said. "These represent a billion dollars in development. It was such a huge undertaking. That is our proudest accomplishment to date."

Dion said Del Webb's decided to go ahead in a 12-month period with the new communities, rather than spacing them out over a few years.

During the fiscal year, Del Webb closed on 6,824 homes, a 16 percent increase over the 5,908 homes in the last fiscal year. The company also reported a 30 percent increase in orders, pushing Del Webb to an all-time high of 8,138 homes.

The new orders were boosted in part by the August 1998 opening of Del Webb's first cold climate Sun City in Huntley, Ill., where 700 homes were sold in the first 10 months of operation.

Arizona Anthem, a 14,500-home, 5,661-acre project under construction about 35 miles north of downtown Phoenix, posted 400 sales in the first 32 days of operation. During the first nine days, about 23,000 people visited the community.

Company officials say the 4,600-acre Anthem community in the Las Vegas suburb of Henderson, Nev., and the 5,700-home Sun City Lincoln Hills community in northern California have generated a lot of consumer interest.

Dion said he anticipates demand for the Anthem developments will intensify once people start moving in. Besides golf courses, clubhouses and workout rooms typical of the Sun City approach, Anthem communities include family-oriented amenities like a miniature railway, a roller hockey park, a lake, tennis courts and softball fields.

"I don't think people understand the totality of what both Anthems represent," Dion said. "We have only scratched the surface."

Besides the new developments, the established Sun City communities in Phoenix and Las Vegas continued to perform exceptionally well, said Chief Financial Officer John Spencer.

Dion said the company is in good position to break records again in the upcoming fiscal year.

Webb heads for record profits

Homes sell out in Sun City West

By **BRUCE ELLISON**
DAILY NEWS-SUN

Del Webb's Sun City Grand in Surprise sold 274 homes in the last three months of 1998 — more than were sold in any other Webb community.

But the increase over the same 1997 period was slight — just two homes, although year-ago figures included some homes in Sun City West.

Surprisingly, the Phoenix-based home builder took in 167 orders for homes in its Huntley, Ill., Sun City — where houses won't be ready until fall.

The success of both communities, plus improved sales at almost all

other projects, pushed the company's fiscal second quarter profits up 20 percent to \$13.5 million, or 72 cents a share, from the year earlier \$11.3 million, or 62 cents a share.

Revenues rose to \$354.2 million from \$278.9 million, the company said, and its backlog of homes ordered but not yet delivered hit a record 2,450 units worth \$770 million, up 44 percent from a year earlier.

In the Sun City/Phoenix market, Webb said, it closed on the sale of 332 homes in the quarter, down from 362 a year ago when sales were still active in Sun City West. But it had 609 homes under contract and being

built, up four units from the year-earlier figure. All were in Sun City Grand.

The average price per home delivered in the Phoenix-area Sun Cities rose to \$184,100 from the year-ago figure of \$160,400, or about 15 percent, as newcomers bought bigger houses and accepted more options.

Webb does not directly report figures on Sun City Grand, preferring the term Sun Cities/Phoenix, which includes Sun City West. The company sold out of all Sun City West residential properties in September.

Chairman Phil Dion said that if things stay on track, the company is headed for record profits in the fiscal year that ends June 30.

Speaking of the Chicago area

project, Dion said "Sun City Huntley has truly captured the attention of the Chicago marketplace.

"We believed our Sun City product would be very appealing to those people who wanted to retire close to home, and early sales trends seem to validate that opinion."

Dion also said the company had managed to construct homes in winter, something it hadn't faced before.

Officials also said the new Anthem community at New River, about 10 miles north of the Carefree Highway on I-17, should have models available for inspection soon. The 5,600-acre community offers both active adult and multigenerational homes plus a country club.

IC

ERA ENDS

After 20 years, Webb sells last houses in SC West

By **BRUCE ELLISON**
Staff writer

Sun City West is finished. Late last week, buyers signed contracts on the last two homes left in the Del Webb retirement community, letting Irene Engel retire in peace.

Engel, who was profiled on the front page on Aug. 17, was in on the beginning of the community, selling one of the first five houses — and now almost the last, to folks from California who plan to move in soon, she said. In total, she sold Sun City West homes worth some \$75 million.

Engel was to be honored by colleagues at a retirement breakfast this morning in the new Sun City Grand in Surprise.

"It's all done," she said before the breakfast. "It's the end of an era, for Webb and for me. But I feel great."

Although he didn't attend the breakfast, Webb chairman Phil Dion said this morning that "it was very fitting that Irene, a genuine legend in our company and in our industry, was there to complete the community" for us.

Since the first residents moved in on Oct. 16, 1978, Sun City West has seen construction of 16,830 new

homes by Del Webb Corp. It now is home to about 31,000 people. Total value of those homes is more than \$2 billion, company officials estimate. Curiously, they kept no actual tally of the total dollar amounts.

Webb also built all the infrastructure: the streets, electric lights, sewer and water lines. It built the downtown commercial area, the Palomar rental complex, Hillcrest Golf Course, all the recreation centers and the Sundome Center for the Performing Arts. It helped spur the construction of Sun Health's Del E. Webb Memorial Hospital campus, donated land and money for quarters for the Sheriff's Posse of Sun City West, the Lending Hands building, and many other local charitable and social services organizations.

"Very few companies have achieved the success record that would allow them to complete a 20-year development," Dion said this morning.

"We are very proud of our achievement and of Sun City West, and of the new opportunity it gave to people in our company and the homebuyers who chose to live there."

Since the company owned

► See Webb completes, A5

Webb completes Sun City West

◀ From A1

all the land in the master-planned community, it guided all development, from churches to shopping to golf to the post office.

It added the expansion area west of the original Deer Valley Drive in the early 1990s. It was in the northwest corner of the expansion area that the last homes were sold.

Knowing the community was almost complete, Webb built speculative homes on the few dozen remaining lots, and sold them off complete, rather than built from models.

There are two residential

lots that remain unsold — and which may remain unused. They are at the site where the original Deer Valley Drive leaves Sun City West. The lots provide access to other lands beyond the wall that may be cut off from road access by the planned construction of Loop 303.

The matter of whether Webb can build on the lots or must leave them empty as access to the acreage beyond is now in court, officials said.

New projects help boost Webb's annual earnings

By BRUCE ELLISON
Staff writer

Developing a Sun City near Chicago "is the most daunting challenge Del Webb Corp. has faced in 15 years," said Phil Dion, Webb's chairman.

"It's a new market and a new concept with all kinds of challenges," Dion said Friday in a meeting with a handful of reporters.

But Webb's profits in the fiscal year that ended June 30 set a record — for the fourth straight year — and that, coupled with the company's healthy cash flow, should allow it the financial muscle to meet and overcome the challenges.

Webb, the nation's premier builder of retirement com-

munities for active adults, this morning reported fiscal 1998 net income of \$42.5 million, or \$2.30 a common share, up from \$38.4 million, or \$2.15 a share, in the previous fiscal year. The fiscal year ends June 30.

Revenues, at \$1.18 billion, were slightly below last year's \$1.19 billion.

Net new orders rose 12 percent to an all-time high of 6,283 units, and the backlog of homes under construction was up 22 percent, to 3,170.

The company's Sun Cities-Phoenix division, primarily Sun City Grand, led the list of sales, with 1,245 units, down slightly from 1,271 last year.

"We didn't expect to do that well," Dion said Friday. "We

had budgeted for less income. I have to give at least half the credit to the economy ... it's almost a fairyland."

Last year, Dion cautioned that the company might not match the prior year's records. Now he is more upbeat: "We have good momentum in our operations right now, and our outlook for the next 12 to 24 months is quite positive," he said in a press release in which he also foresaw "enhanced values for our shareholders in the months to come."

The rising stock market, lower interest rates, higher retirement incomes and the desire for a fuller, richer lifestyle, have combined to push

► See Webb adapts, A5

Webb adapts Southwest styles to Midwest project

◀ From A1

affluent retirees into Del Webb communities, Dion said.

"They aren't rich," Dion said of the company's retiree customer base, "but they're certainly better off than they were five or 10 years ago. They may have twice as much in assets as they did then."

Still, not all of them want to move in retirement, attractive as the Del Webb-style retirement life may be.

That's one reason Webb is investing more than \$100 million in its new Sun City (yes, that will be the name) about 50 miles northwest of Chicago.

Construction in that community is now under way, with models slated to be open in October, and sales starting early next year.

Sun City at Huntley (Ill.) is projected to accommodate some 9,000 residents in its 10-year buildout period. Prices are expected to be from the mid \$100,000s to the high \$200,000s, Dion said.

Still, the Huntley project is only one of four of similar scope that Webb is undertaking more or less simultaneously. Each represents an investment of more than \$100

million before sales can begin, and one will cost more than \$200 million, the executive said.

In Chicago, Dion said, "we've studied what we should do till the cows come home."

"We'll make some mistakes, sure, and we'll have to fix them."

"But we've approached the project with the idea that it's a new market, one that we will serve, and one that we will dominate. That's our plan and that's our commitment."

"We're sure we're right, and it's only a matter of time" to demonstrate that," he said.

Among the techniques the company is using in northern Illinois are some that have been successful in the Southwest, including recreation centers and golf courses, and larger and more windows and an open airy feeling in homes. Staff from Phoenix is working to adapt Southwestern designs to a Midwestern feel and climate to save on the cost of major changes.

At about the same time, Webb is working on Anthem Phoenix, the new name for its project in New River, about

15 miles north of Phoenix along I-17.

It will be a multi-age community, all in one place.

A similar project also under the Anthem name is under way in Las Vegas, and development planning is going on for a major project in the Prescott Valley area, near Meyer and Dewey.

Dion said that central Arizona, with its cooler climate, more wide open spaces and less urban atmosphere, also holds great promise for Webb, and for people in places like Phoenix looking at a retirement spot. The company has a small project now near Cottonwood in the Verde Valley.

Dion said the company's experience — it celebrates its 70th anniversary in 1999 — will stand it in good stead as it tackles the many projects.

But Dion himself may not be around to see the fruits of his planning. He said he still plans to retire in November 1999 and turn the reins over to someone else.

"I like freshwater fishing," he said of his retirement plans.

He likes it so well that he can often be found on Saturday at Lake Pleasant, he said.

WEBB CORPORATION

Daily News-Sun, Sun City, Ariz. Sat., Feb. 21 and Sun., Feb. 22, 1998

Webb donates \$900,000 locally

Staff report

Two large parking lots at the Sundome were among the \$900,000 worth of charitable donations made to Northwest Valley groups by Del Webb Corp. in 1997.

Del Webb deeded two large parking lots, valued at more than \$500,000, at the Sundome in Sun City West to the Performing Arts Association. The donation helps to ensure the livelihood of the Sundome as its governing board prepares for a major renovation.

Other substantial donations included \$40,000 to the Sun Health Foundation; \$25,000 to the Sun City West Sheriff's Posse; \$20,000 to the Arizona Senior Olympics; \$16,000 to the Sun Cities Symphony of the West Valley.

Area school districts also were benefactors of Del Webb. Grants totaling \$51,000 funded volunteer coordinator positions in both Dysart and Peoria school districts. An

additional \$20,000 went to Dysart to fund the district's quarterly newsletter, athletic programs and other scholarships.

Donations to other educational entities included \$5,000 for the Arizona State University Del Webb Fellowship; \$8,000 to fund the educational director's position at the Sun Cities Museum of Art; and \$3,000 for the Peoria Educational Enrichment Foundation.

Other donations included \$15,700 for the Nature Conservancy for the Hassayampa River Preserve in Wickensburg; \$5,000 to help construct the new Sun City West Visitors Bureau; and an annual contribution of \$3,000 went to the Sun City Volunteer Bureau.

Juvenile Diabetes, Hospice of the Valley, the Leukemia Society, Cystic Fibrosis and many other organizations also received donations from Webb.

SATURDAY
FEBRUARY 21, 1998

THE ARIZONA REPUBLIC

Del Webb takeover in works?



PROFILE

Del Webb Corp.

Business: Developer of active-adult and conventional residential communities.

Headquarters: Phoenix.

Founded: 1928.

Chairman and CEO: Philip Dion.

Revenue: \$38.8 million (for the year that ended June 30).

Exchange: NYSE.

Symbol: WBB.

Stock run-up, trading volume responsible for speculation

By Max Jarman
The Arizona Republic

The price of Del Webb Corp. stock jumped more than 8 percent Friday on what analysts suspect was speculation the Phoenix-based home builder is about to be acquired.

While housing industry experts were unable to definitively explain Friday's run-up in the stock price, they acknowledged takeover speculation was the likely culprit.

"The possibility of a merger would be a very possible reason for the jump in the price of the stock," said Andra Martin, a housing industry analyst with NationsBank Montgomery Securities in Charlotte, N.C.

Webb's stock closed Friday at 31, up 2½ from Thursday's close. The stock started the week at 27½.

Friday's volume was 376,000 shares, more than four times the average daily volume of about 73,000 shares.

Martin called the more than 8 percent rise significant and the

unusually high volume "very significant."

"That's a stock that just doesn't see that kind of activity," she said.

Ian Lapey, a housing industry analyst with Credit Suisse First Boston in New York City, agreed.

"They're up almost 9 percent in a down market. That's a big move," he said. "There's something going on, but we haven't heard anything significant."

Del Webb referred all calls to its spokesman, Ken Plonski, who declined to shed any light on the situation.

"Relative to the activity in the stock, it is our corporate policy not to comment on rumors and speculation," he said. "And, right now, there are a lot of rumors and a lot of speculation."

Because of its position as the undisputed leader in the active-adult home building market, Lapey views Webb as a "very attractive" acquisition candidate.

"There are a lot of people trying

(OVER)



File photo

The Terravita development in Carefree is one of Del Webb Corp.'s master-planned communities around the Valley.

to get into the active-adult market right now," he said. "Acquiring the leading retirement builder would be excellent way to accomplish that."

Martin concurred that Webb would be an attractive acquisition candidate for anyone interested in entering or expanding its presence in the active-adult market. That could include such national builders as Centex Homes, Pulte Homes, Lennar Homes and Toll Brothers.

Martin believes Webb might be receptive to such an offer if the price was right and if the management style of the buyer was compatible.

Given the price of Del Webb's shares, stockholders would receive the best offer from a buyer than they could have hoped for in many years. Friday's closing price was a

— Please see **ANALYSTS**, Page E8

— **ANALYSTS**, from Page E1

20-year high for the company's stock, which traded as low as \$6.50 in 1990. During the past 52 weeks, it traded as low as 14¼.

Lapey pointed out that home building stocks are relatively high-priced now, which could put some in the mood to sell and others in a good position to buy.

Last year, for example, Scottsdale-based Continental Homes agreed to be bought by Dallas-based D.R. Horton Inc. in a stock swap

valued at \$422 million. The transaction is scheduled to close next month.

Del Webb has not gone unnoticed by potential buyers. In 1989, the company received an unsolicited offer from Los Angeles-based Calmark Financial Corp. to buy the Phoenix company for \$17 per share, or about \$156 million. Del Webb's management opposed the offer and Calmark dropped its bid four months later.

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IC

Rumors true: Del Webb for sale

By Catherine Reagor
The Arizona Republic

Del Webb Corp., known worldwide for crafting the age-friendly Sun City retirement communities, has tacked up its own "for sale" sign.

A flurry of sale rumors sent Del Webb's stock price up 25 percent in the last week. Now the Phoenix-based company, started by a builder who once co-owned the New York Yankees and built Las Vegas' fabled Flamingo Hotel-Casino for mobster Bugsy Siegel, acknowledged that the rumors have substance.

Del Webb is negotiating a deal that could bring it as much as \$1.2 billion, including cash and debt assumption, according to the company.

A change in ownership, if it occurs, would alter the name and leadership of an Arizona business landmark known almost as well as the Grand Canyon.

Del Webb, the original owner and a former minor-league baseball player, arrived in Phoenix in 1928 and got his start in the construction business hanging doors at the downtown Hotel Westward Ho.

Webb later formed a contracting company that built, among other projects, a number of A.J. Bayless grocery stores, St. Joseph's Hospital and the Chris-Town Mall.

When Webb was hired to build the Flamingo for Siegel in the mid-1940s, it piqued his interest in Las Vegas projects. In later years, Webb's business interests in Las Vegas included ownership of the Mint, the Sahara and the Thunderbird hotel-casinos.

The company then expanded into

— Please see **DEL WEBB**, Page A13

— **DEL WEBB**, from Page A1

Atlantic City, where its operations were plagued with problems. Del Webb sold all of its casino operations in the 1980s and began to focus solely on the retiree market. A statement from the Del Webb company Thursday said it "has been in discussions in recent weeks relating to a reported business combination transaction."

If the deal is completed, shareholders would get a combination of cash and stock with a dollar equivalent in the low 30s for each share, the company said.

Buyout speculation pushed Del Webb's stock to a high of \$34.92 this week.

However, the price dropped to \$32 Thursday after Del Webb acknowledged a possible deal. Its stock hit a low of \$14.75 in 1997.

Del Webb's share price has been stagnant the past few years despite record sales and earnings.

It had record 1997 fiscal earnings of \$38.4 million, or \$2.15 per share, and reported revenue of \$1.2 billion for the year that ended June 30.

In the past few weeks, it has been rumored that several companies were interested in buying Del Webb.

Home builder Toll Brothers of Pennsylvania, real estate investment trusts Rouse Co. and Crescent Real Estate Equities, and even large institutional investors such as GE Capital have been named as possible buyers.

Del Webb officials would not name the suitor.

If a transaction is completed, Del Webb would be the second big Arizona home builder to be bought in the past few months. In December, Scottsdale-based Continental Homes agreed to be purchased by Dallas-based D.R. Horton Inc. in a stock swap valued at \$422 million.

That Del Webb is in play is part of a consolidation trend just now heating up in the home building industry.

Large publicly held builders are under pressure to find lower-cost land to continue to produce increased earnings and revenue.

They are finding it increasingly difficult to do that in the mature stage of the current home building cycle, where land prices are high and demand is slowing in some markets.

As a result, they are turning to



The Arizona Republic

acquisitions, particularly of companies with inventories of low-cost land, to achieve both goals.

Because the large publicly held home builders have seen significant increases in their stock prices the past year, they are in excellent positions to use their stock to buy other companies.

And for companies that might be inclined to cash out, this is the best market in years to do that since they could receive prices that they couldn't have dreamed of before.

As for Del Webb, it owns a lot of low-cost land and is the leader in the adult market — which is not as volatile or cyclical as the conventional market. With baby boomers growing older and richer, the future prospects of the adult market are good, and every large builder in the U.S. would give its right arm to get into it.

Analysts say Webb is in a position to ask for both the arm and a leg — and get them.

The developer is expanding its Sun City communities to meet the demand of a new generation of retirees that want more than a shuffleboard court and card tables.

Del Webb is about to open its first Midwest Sun City near Chicago. It also recently expanded into Florida.

The builder typically spends about \$100 million to launch one of its Sun City communities. That amount covers the cost of building elaborate infrastructure, golf courses, clubhouses, swimming pools, weight rooms, restaurants and other amenities.

Republic writers Max Jarman and Charles Kelly contributed to this article.

over

Del Webb buyout deal is off

By Catherine Reagor

The Arizona Republic

A \$1.2 billion deal for the takeover of Sun City developer Del Webb Corp. is off.

Phoenix-based Del Webb announced Monday that its talks with an unnamed suitor have ended without an agreement.

But the company could still be entertaining offers from other home builders and investors, analysts say.

After a flurry of takeover rumors pushed up Phoenix-based Del

Webb's stock, the company acknowledged Thursday that it was negotiating with a group to be bought out. The company would not name its suitor.

That deal, now dead in the water, would have given shareholders \$30 to \$34 a share for their holdings.

Ken Plonski, a spokesman for the retirement community and home builder, said the company will not comment further on any speculation about a buyout.

Several companies have been linked to Del Webb during the past few weeks.

Home builders Toll Brothers of Pennsylvania and Pulte Homes of Michigan, real estate investment trusts Rouse Co. and Meditrust Corp. and even large institutional investors such as GE Capital have been named as possible buyers.

Del Webb's stock dropped to \$31.31, down 68 cents, Monday after it announced "the business combination discussions it indicated

last week were taking place had ended without reaching a definitive agreement."

Buyout speculation pushed Del Webb's stock to a high of \$34.92 last week. It had hit a low of \$14.75 in 1997. Share prices have been stagnant the past few years despite record sales and earnings.

Analysts say a deal for Del Webb could have been hurt by the run-up of the builder's stock last week. They say several companies are still interested in buying the

Sun City developer.

Del Webb has cashed in on the graying of America. Its Sun City developments span from Palm Springs, Calif., to a new site in Chicago.

The developer has polished the image of getting old by trading shuffle board courts for golf courses and tennis courts at its communities. Its newest Valley retirement community, Sun City Grand, has surpassed its sales projections.

IC

PHILIP DION

By Catherine Reagor
Staff writer

Philip Dion's first job was pouring concrete for sidewalks at a Del Webb Corp. community in Oak Brook, Ill.

More than 30 years later, he is chairman and chief executive officer of the Phoenix-based company that gave him his first paycheck.

The man who loves vintage roadsters and race cars has been the driving force in the retirement-community developer's trek to its current spot as the top home builder in Arizona.

When Dion took over in 1987, the company was struggling with debt. It had huge losses from hotel and gaming operations and had to fight off several hostile-takeover attempts.

"The first order of business was to stay alive," Dion said. "The second order was to become profitable."

Through his leadership, the company has done both.

Del Webb lost almost \$200 million from 1987 to 1989 during its restructuring.

But Dion is a passionate leader who believed the company could be turned around, and he was up for the fight. The company returned to its core business of building adult communities, then set about expanding into other markets.

In 1986, Del Webb had one Sun City. Today, it has nine spanning from California to South Carolina, with plans for more. Last year, it had record earnings of \$28.5 million.

"The evolution of the company and the evolution of our Sun Cities has come from constant research of the market and a constant effort to understand what people want," Dion said.

Del Webb is praised by housing analysts for its strategy and vision of the changing senior market.

Its Sun City developments have evolved with the changing desires of retirees' more active lifestyles. Tennis courts have replaced shuffleboard courts, and aerobics classes and more golf courses have been added.

As Del Webb began to expand its Sun Cities geographically, Dion said, the right opportunities came along to expand into other markets, moving into

building upscale developments. In that niche, it has found great success with Terravita in north Scottsdale.

It also bought Coventry Homes and began building production homes. Last year, it launched another division, an upscale home-building line called Trovas.

Dion said the company is poised to continue growing by bringing all of its home-building divisions to metropolitan areas where it already has a Sun City.



Peter Schwepker/Staff photographer

- **Age:** 51.
- **Title:** Chairman and chief executive officer, Del Webb Corp.
- **Years in that job:** Nine.
- **Previous jobs:** Chief financial officer, Del Webb Corp., 1982 to 1987; executive, Armour-Dial, Phoenix, 1970 to 1982.
- **Education:** MBA, Loyola University of Chicago; BA, St. Ambrose University.
- **Vision for the future:** Keep expanding the company's Sun City communities and other home-building divisions geographically and evolve the developments to meet the changing needs of buyers.

10

Webb acquires Florida property

Daily News-Sun

11-29-97

Staff report

Del Webb Corp. of Phoenix, the nation's premier builder of retirement communities, has agreed to purchase the assets of two Florida retirement communities near Ocala, in which about 2,500 homes are yet to be built.

The action marks Webb's second move into the Sunshine State.

Webb said Friday that it had agreed to acquire Spruce Creek Preserve and Spruce Creek Golf and Country Club, two active-adult retirement communities in the Ocala/Leesburg area. Also included in the purchase is a water company serving the two communities.

That is a retirement area, containing moderately priced homes that sell in the \$55,000 and up range, officials there said.

It should not be confused with the other Spruce Creek community near Daytona Beach, designed as a fly-in resort for people who own aircraft, with homes located a short distance from taxiways and hangars. There is also a Spruce Creek Country Club in that development.

On a combined basis, said Webb chairman Phil Dion, the two Ocala-area Spruce Creek communities are planned for 2,860 homes; only about 350 have been constructed.

Terms of the transaction, which the company hopes to complete within 90 days, were not announced.

Dion said the owners of the Ocala-area Spruce Creek communities have a long history of successful developments.

"We are anxious to deploy our marketing resources to these communities and introduce them to an even broader customer base," he said.

Webb said that while its initial

focus in Florida will be on the Spruce Creek area, "it is currently developing a strategic plan to have a greater presence in the state.

"The company also is actively studying other submarkets in the state which may provide additional development opportunities in the future," the statement said.

Webb first entered the South Florida market with a Sun City community in the Tampa Bay area in 1962, two years after its first Sun City was launched near Phoenix. It sold that incomplete project in 1971, and another company has been developing it for many years.

Dion said Webb has been studying Florida "for several years."

"We believe Florida's immigration and demographics offer us an enormous potential for future opportunities.

"Entering the market by way of acquisition would provide us with management and employees who are extremely

knowledgeable about local markets and the risks associated with entering a new region," he said.

Most retirees to Florida are from the Atlantic seaboard area, while the current 10 Webb Sun City communities primarily draw residents from the Midwest and West.

Webb already has announced plans for a Sun City-type retirement community 50 miles northwest of Chicago, and has a community in the planning stage near Williamsburg, Va.

TC

Webb sets sales record

By BRUCE ELLISON
Staff writer

Del Webb Corp. appears to have set a national record for home sales in the first year at Sun City Grand in Surprise.

The builder-developer sold 1,022 homes from opening day, Oct. 1, 1996, through Sept. 30, 1997 — something that no expert thinks any other builder has ever done.

"It is an awesome performance, truly it is," said R.L. Brown, whose R.L. Brown Newsletter on real estate is the bible of Arizona development professionals.

"It has to be at the top of the pile," he added. "Nothing comes to mind that even comes close to that" except other Webb communities.

The sterling sales performance helped to power the New York Stock Exchange-listed company to a profit record in its fiscal year that ended June 30, when Webb made \$38.5 million, or \$2.15 a share, on sales of \$1.2 billion.

Of course, other builders have sold more homes in a year — the country's top builder, for instance, marketed some 15,000 units last year — but Webb's Sun City Grand is all in one project, all in one place, all at once.

Most developers don't have the resources to put \$70 million in the ground for infrastructure, roads, recreational amenities and golf courses before they take even that first order.

Webb does.

At the National Association of Home Builders in Washington, a research statistician said he'd probably agree with Brown, adding "we don't keep statistics by individual project, but I can't think of anybody who's done that."

And, he added, it's the kind of thing you'd remember.

With a year's sales under its belt, Webb now is moving ahead faster than ever with the new community, which runs from just south of Grand Avenue and Sun City West to Bell

Road, and encompasses some 4,000 acres.

Already, the second golf course there — Granite Falls — is about ready for play, and a second grand entrance, with a waterfall, should be open by year's end on Bell Road.

A new deli will go in at the clubhouse on the Granite Falls course — Mulligan's.

Meantime, there frequently are waits at the existing Bistro restaurant at Desert Springs Golf Course, particularly on weekends.

That restaurant, operated under contract by a Phoenix company, increasingly attracts residents from nearby areas.

The new Sonoran Plaza, which will contain an auditorium/ballroom, is almost complete, and clubrooms are being put to good use.

At a media tour of the area in September, General Manager Chuck Roach said about 20 percent of all

► See Amenities lift, A5

Amenities lift sales of Webb homes

◀ From A1

new residents had joined the computer club.

(Given the younger retirees taking a liking to Sun City Grand, that number is likely to rise: in Sun City West, for

instance, there are more than 1,500 people with e-mail addresses.)

Sun City Grand also is attracting local retirees, much more so than earlier, and many of the residents are still working, at least part time,

many in the Greater Phoenix area. Some also are under 55.

It may be the success of Sun City Grand, or it may be something else, but the price of Webb's stock on the New York Stock Exchange has shot

up about 30 percent in the last few months — from as low as 17 to about 21½ on Tuesday.

Webb is expected to report its first quarter fiscal year earnings this week, perhaps as early as today.

Del Webb Reports Record Earnings, Revenues, Home Closings

Del Webb Corporation, the nation's leading builder of active adult communities, recently reported record net earnings of \$38.4 million, or \$2.15 per share, for its fiscal year ended June 30, 1997. Net earnings before the impact of a special charge last year were \$34.5 million, or \$1.96 per share. Last year, in conjunction with the adoption of Statement of Financial Accounting Standards No. 121, the company incurred a special non-cash charge and had a net loss of \$7.8 million, or 44 cents per share.

Revenues for the fiscal year ended June 30, 1997 were a record \$1.2 billion compared to \$1.05 billion for the prior year. Home closings at the company increased 12% during the fiscal year setting a new record of 6,206 units, compared to 5,531 one year ago. Net new orders for the year declined 4% to 5,597 compared to 5,850 one year ago. The backlog of homes under contract declined 19% from the prior year-end to 2,590 units, representing an aggregate contract amount of \$514 million.

Chairman and Chief Executive Officer Phil Dion attributed the

record earnings to the strong performance of its operations in its established markets and the expansion of the company into new regions. "This year we were able to realize operating income from eight Sun Cities, Terravita and Coventry for the full 12 months," Dion said. "We have established a market-driven, geographically diverse group of Sun Cities which will contribute to the earnings of our company for years to come. I am exceptionally pleased with the company's earnings for the year," he added.

The company's active adult communities near Phoenix—Sun City West and Sun City Grand, posted a 32% increase in net orders during the fiscal year, rising to 1,271 compared to 963 one year ago. Closings at the Phoenix Sun Cities increased 24% over a year ago. "While the close-out of Sun City West continues to proceed on schedule, we are very pleased with the early success of Sun City Grand," Dion said. "Our transition from one community to the next has been seamless, enabling us to position Sun City Grand as an outstanding lifestyle value in

The company is continuing to work with the Bureau of Land Management on a land exchange which could result in a 4,500-acre community in the Las Vegas area, including the Coventry Homes, Terravita and Sun City product lines.

In Tucson, Coventry has begun development of a limited-amenity, age-qualified community. It is similar to a new community a Roseville team is developing in Cloverdale, Calif., in the Sonoma wine country. We "will be studying the Phoenix marketplace. We are gratified by the buyers' acceptance of this newest Sun City," he said.

The company also surpassed 1,000 sales and closings in Las Vegas for the fiscal year, where net orders were 1,091, down 12% from last year's record performance. Closings increased 20% to a record 1,200 units compared to 1,001 during the same period one year ago. "Our Las Vegas operations continue to deliver solid results," Dion said. "Las Vegas has become a premier retirement destination and we are very satisfied with our operations in that market."

ing the buyers' response to these new communities very carefully to determine the market appeal for this type of community." The Tucson community is planned for 1,000 homes while the Cloverdale community is planned for 341 units. The company anticipates that sales activities will begin this fall.

With the completion of sales at Terravita, the company has begun development of Bellasera, a 360-home community similar in design to Terravita but without a golf course. The company has 120 homes remaining to close during fiscal 1998 at Terravita.

The company is interested in several new regions of the country and has been investigating the greater Chicago and Williamsburg, Virginia, areas as possible Sun City locations. It is also considering a conventional master planned development and an active adult community in Prescott Valley, Ariz., and north of Phoenix, continues work on The Villages at Desert Hills. However, none of these projects will contribute to earnings in fiscal 1998.

Windy Sun City?

Webb mulls Chicago site for adult community

By BRUCE ELLISON
Staff writer

Del Webb Corp., the nation's largest builder of active adult communities, may soon announce its expansion into the Chicago area, with a 2,000-acre northern Illinois retirement complex that also will be called Sun City.

That was the word Tuesday from Webb's chairman and chief executive officer, Phil Dion, who asked a handful of reporters in for a two-hour talk over lunch at the corporate offices in Phoenix.

The Chicago project, he said, "is a No. 1 priority with us.

■ From A1

elsewhere, he said. Catch them at home and you open that 80 percent to Webb sales.

Saying he and other Webb executives "are very, very confident" of success in Chicago, Dion said building there "opens up just a huge future for us."

The Sun City name, he said, didn't seem appropriate to him personally. Dion expects a lot of ribbing from fellow developers, but, he said, "Our customers know us by that name, and by the reputation it holds and they told us that was what they wanted."

The Chicago project is in the northwest community of Huntley, Ill., just off Interstate 90 at U.S. 20, about halfway between Chicago and Rockford.

But despite his optimism, Dion cautioned that Webb directors have been known to pull out of a project at the very last moment if the profit picture doesn't come out right.

"We have the property under contract and the board will decide within 60 days whether it's a go on that site or whether we look for other property," he said.

"We feel very comfortable with our plans for Chicago on the demand side, and with our ability to market the Sun City lifestyle there.

"We can handle the winter construction, the snow. We have designs ready for the community center, we have soil tests under way.

"What we need to make it come out right is the economics. Get that set and we can go later this year."

The Chicago area, he said,

"I have never seen anything as complicated, convoluted, contorted or difficult and time-consuming" as trying to deal with the federal bureaucracy.

— Phil Dion
chairman, Del Webb Corp.

It isn't just in Chicago where Webb plans to expand in coming years.

The company also has several thousand acres under option near Williamsburg, Va., where it also plans a Sun City retirement community "that will be a couple years behind Chicago in scheduling."

The Virginia community, about halfway between Richmond and Williamsburg, is between Interstate 64 and U.S. 60, with easy access.

But "people on the East Coast hear Del Webb and at least those of retirement age

"has been a feeder to our Southwest Sun City communities. People up there know us. We marketed up there for 37 years, ever since we built the original Sun City west of Phoenix."

Oakbrook, a suburb, was a joint project of Del Webb and another developer years ago, Dion said, "so we aren't exactly unknown."

He called the Chicagoland retirement market "the largest untapped area of its kind.

"It is our best opportunity" for future growth because only 15 percent to 20 percent of all retirees leave the area where they are living to move

► See Webb tracks, A5

think of him as former owner of the Yankees," Dion said.

"We have to market harder there to show them what we're all about."

Webb is expanding its Roseville, Calif., Sun City community with additional land in nearby Lincoln, it is planning a 5,000-acre land trade with the federal Bureau of Land Management that will allow it to expand south of Las Vegas, and it has big tracts ready to use in Prescott Valley, about two hours north of Phoenix, and in Cottonwood, an hour farther north.

All the projects and the planning are to position Webb for the coming decade as many of its existing projects wind down, Dion said.

In Prescott Valley, the company controls two tracts, one of 1,200 acres, ready to go, "that will include a major component of Coventry homes," the family housing that Webb has built in scattered developments around

(over)

Phoenix. In the longer run, there's another 4,500 acres in Prescott Valley that will take much longer to develop.

"We're convinced we could do a Sun City-type project there and be successful with it," despite the cooler temperatures and prospects of winter snow, Dion said.

The land trade with the federal government in Nevada, he said, has been time-consuming and difficult.

Because there is no land available in the Las Vegas area except that owned by the federal government, "we have been acquiring various ranchlands all around Nevada that are environmentally sensitive," Dion said.

Some accommodate endangered species or have specific other ecological values; some are under the flyways of protected migrating birds.

"In total, I think we have \$20 million worth now, and we plan to trade it all for about 5,000 acres of BLM land

south of Las Vegas and into Henderson," the chairman said.

The project there will combine a Sun City age-restricted community with a Terravita-type country club community and a smaller component of Coventry single-family homes.

"This time next year, we'll be selling there," Dion predicted, with the land trade slated to be completed in a few weeks.

But, he said, it's probably the last time he, or Webb, will try such land swaps.

"I have never seen anything as complicated, convoluted, contorted or difficult and time-consuming" as trying to deal with the federal bureaucracy with all its rules, regulations, layers, laws and lawyers, "and I told an assistant secretary of the Interior that just recently."

Webb also will move ahead by decade's end with its massive Villages at New River

project about 30 miles north of downtown Phoenix. That is a family community on both sides of I-17, near the Desert Hills intersection.

It also has plans for smaller age-restricted communities in Tucson, without golf, in an attempt to see how much market there is for such lower-priced communities.

Dion said the company needs to tailor some of its projects to a smaller market than that met by the traditional Sun Cities concept.

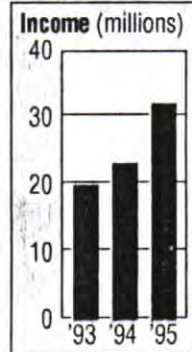
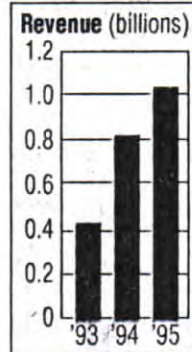
Webb expects to report record sales and earnings for its fiscal year ended June 30; Dion said official numbers are due out next week.

The company already has predicted a slower year this fiscal year, in part because some developments are sold out, cutting revenue, and in part because of the massive investments it is making in such future projects as those Dion discussed.

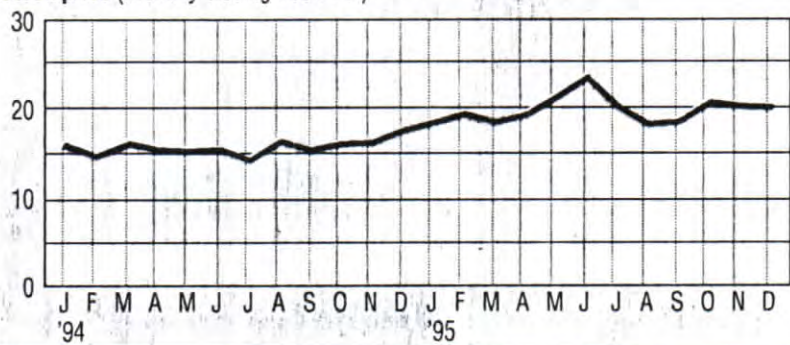
Del Webb Corp.



Headquarters:
Phoenix
Business: Home building, retirement community developer
Chief executive officer: Philip Dion
Employees: 2,300



Stock price (monthly closing 1994-95)



NO. 7

DEL WEBB CORP.

By Catherine Reagor
Staff writer

Del E. Webb built his first home in Sun City in 1959, a 950-square-foot model that sold for \$8,500.

Today, the company founded to provide affordable retirement housing has grown into Phoenix-based **Del Webb Corp.**, Arizona's biggest home builder and the country's leading developer of active-adult communities.

*Developer
branches out
from building
for retirees*

The company, known for its trademark Sun City communities, is also making a name for itself in the production home market and as a developer of upscale communities.

"The growth occurring at Del Webb today is the result of years of planning," said Philip Dion, the company's chairman and chief executive officer.

The expansion into other areas of home building has propelled the company's assets above the \$1 billion mark. Del Webb's record profits and earnings took it to the No. 7 slot on *The Arizona Republic's* inaugural Best of Business ranking.

Dion said much of the company's growth has come during the past few years as it expanded into other regions of the country.

The home builder has moved on from the original Sun City to develop Sun City West adjacent to the original Sun City and Sun City Grand, which will open soon near the other developments.

Del Webb also has taken its popular retirement product to Tucson, Las Vegas, California, Texas and South Carolina.

The company's record profits come after working through some rocky times. Del Webb was a takeover target in the mid-1980s. It lost almost \$200 million from 1987 to 1989. The company sold some unprofitable operations, including a hotel/gaming division, to focus on its core business of building retirement communities.

After restructuring in the late 1980s, Del Webb began expanding into other areas of home building. Since 1990, it has purchased the home-building company Coventry Homes and has developed Terravita, a successful upscale community in north Scottsdale.

Del Webb also launched its Trovas development last year, another upscale housing product. The first Trovas subdivision is being built in north Scottsdale, not far from Terravita.

New projects are boosting Del Webb's sales for fiscal 1996, which ends June 30. Analysts call for this year's revenue and



Charles Krejcsi/Staff photographer

Years of planning led to Del Webb Corp.'s 1995 record profit, Chairman Philip Dion says at the company's new headquarters in the former Western Savings Building in Phoenix. Del Webb, known for its trademark Sun City communities, has expanded into Tucson, Las Vegas, California, Texas and South Carolina.

earnings to beat last year's record.

The company reports that home building is on the same course. January through May is generally Del Webb's top-selling period in Arizona because of the many winter visitors.

"We are operating in a generally favorable home-building environment," Dion said.

And just in case that environment changes in Arizona, the builder has spread

its operations to offset any drop in the market.

Analysts laud the company for its diversification while also praising it for its expansion of retirement housing as the baby boom generation ages.

To keep revenue growing, the company has several new Arizona projects on the drawing board, including developments in New River and Prescott.

Expanding horizons

Webb CEO plans for future generations of retirees

By BRUCE ELLISON
Staff writer

PHOENIX — Retirement communities have become such an important "industry" that governors in several states are dangling incentives to lure Del Webb Corp.

"We're in negotiations with several states, and you'd be surprised how badly some of them want us to come in," said Phil Dion, Webb's chairman and chief executive officer.

Dion spoke in a two-hour, wide-ranging interview with a handful of journalists in Webb's corporate offices last week.

At Webb's Hilton Head, S.C., project, for example, "The government paid for on-site worker training, and to send people back to Phoenix and Sun City West for more training. They are very aggressive there in wanting this (kind of development) to happen."

When Webb's Hilton Head project is complete, it will represent an investment of more than \$800 million — far more than BMW has invested in a highly touted \$500-million South Carolina manufacturing plant, he said.

Dion contrasted that attitude with what he said has happened in

Southern California, where developers are scorned, heavily regulated and often discouraged. Only in Southern California do Webb's operations produce a loss, Dion said.

"To some extent, that is what is happening now in the Phoenix-Scottsdale area. You have some wildly anti-growth people out there — even weirdos I'd call them — who get a lot of publicity based on very little factual work."

The media, he said, give them platforms for their rantings, and should be more evenhanded in reporting on the matter.

► See Webb CEO, A5



Submitted photo

Phil Dion

Dion takes long view

By BRUCE ELLISON
Staff writer

Phil Dion, chairman and chief executive officer of Del E. Webb Corp., is the developer's largest individual shareholder.

Institutions own much of the rest.

Dion also is a man who says he doesn't worry much about the stock's price, or its price/earnings ratio — even though his Webb stock, salary and pensions constitute the bulk of his own worth.

"I own no other stock" than Webb, he said. Nor is he on the board of any other profit-making corporation.

"One of the problems of American industry

► See Dion lets, A5

Webb CEO focuses on future

■ From A1

"I don't like being abused by selfish, small-minded people who are not interested in the welfare of the community.

"That's why I'm outspoken on this, and it's my own philosophy," not some Webb corporate decision, he said.

The anti-growth sentiment worries Dion, who clearly favors growth.

"Don't blame the real estate developers for paving the desert and bringing all these people in," he said. "We don't build houses when there is no demand. These people are coming to the Valley and looking for places to live, and homebuilders are providing them."

The Valley's builders of family homes don't seek customers in Albuquerque, Kansas City or Philadelphia, he suggested. Instead, they sell only to local buyers. The "development" is pushed by their demand for better housing.

And since buyers like what they find in the Valley, the

builders apparently are doing what the customers want, Dion said.

He admitted that fighting the anti-growth people makes him angry. "I do get emotional about this, because I get upset. So much (arguing) is done with no intelligent debate. They are just trying to intimidate people.

"Well let me tell you, it's difficult to intimidate somebody like me, particularly when I have a billion dollars in assets at my disposal.

"I have the obligation and the opportunity to speak out on this anti-growth sentiment, and I will," he said.

The choice is simple, Dion said: Grow or die. "If you'd like to take a little trip with me to Bisbee I can show you the consequences of a no-growth policy."

Southern California, he added, also shows the consequences of an anti-development policy; it had the nation's highest home prices, a scarcity of housing, high taxes, extensive regulation.

When the economy softened, the bottom fell out.

"Now they wonder how to get business moving there. They're actually looking at the policies they had instituted, and are changing some. They are beginning to realize they might have done the wrong thing with those down-with-development policies," he said.

When it comes to running Del Webb Corp. on a day-to-day basis, Dion said, "I don't really think that way.

"My job is to look a decade ahead and see what we should be doing." Unlike many businesses, Dion said, "Webb invests a lot for the future."

He sees a whole lot of opportunity for his firm.

"From the planning horizon, I'm already working in the next century. There's a big boom in people over 65 coming then.

"If other homebuilders didn't see the same thing, they wouldn't be getting into the active-adult business, but they are.

Webb regularly surveys its potential customers to see what they may want to do in retirement. A new poll of 1,000 people turning 50 in 1996 will be out next week, he said.

Dion also believes he is building a legacy for the company and for its customers.

"We don't develop a new product every few months then watch it become obsolete. When we start a community, we're going to be in it for maybe 20 years — more counting all the planning. It's a long-term investment. We leave a legacy that you can see" — something the people who make computer chips, CDs or soccer balls don't.

"There is really only one principle here," he said. "When it comes to our customers, our employees, our community, it is this: Are we honest, ethical, reliable? Do we have integrity?"

That, he said, is the only real way to build an enduring company.

Dion lets worth ride in Webb stock

■ From A1

is that they make decisions based on the price of the stock," instead of basing choices on what's best for the company in the long run, he said.

"Management doesn't pay the penalty for those decisions for maybe five years," Dion said. "They say, 'hey, I won't be here then, so what?'"

"I want to influence those things that I can influence that have value over a long period of time," he said.

"My goal is not to be the richest CEO in Phoenix. I can't eat any more than I do now; I like wearing jeans; I have a garage full of cars. So I just don't worry that much about the stock price.

"My highest priority is to deliver quality products to our customers," Dion said. "The market eventually will

realize that, and it should be reflected in the stock's price."

Dion does know where his stock is trading. He said he gets price reports twice a day. "Because we need liquidity, because you may have to sell to pay for college or a medical bill, I am concerned about the stock price," he said.

"But I can't allow it to influence daily decisions here."

Dion, who holds business degrees from St. Ambrose University in Davenport, Iowa, and Loyola University in Chicago, said he has "spent 25 years dealing with Wall Street.

"I know a lot about how it works, and I could pander to it if I wanted to," he said. "But I don't choose to."

"I have to be somewhat concerned with what Wall Street thinks."

Webb posts record sales

By BRUCE ELLISON
Staff writer

Del Webb Corp. had record sales and profits in its fiscal fourth quarter ended June 30, passing the \$1 billion sales mark in the fiscal year.

The 68-year-old company that primarily builds active-adult retirement communities, said it earned \$11.9 million, or 67 cents a share, in the quarter, compared to \$9.6 million, or 62 cents a share, in the same quarter a year ago. Revenue was \$349 million compared to \$269 million

in the same quarter a year ago, or \$1.87 a share, on revenue of \$803 million.

Phil Dion, chairman, said Webb will not expand outside its current geographic areas in this fiscal year, although it is studying other possible sites for its Sun Cities communities, including one near Chicago.

With Sun City Grand in Surprise ready to open in October, and development proceeding apace on the 16,500-home Villages at Desert Hills project near New River on Interstate 17 north of Phoenix, as well as other homes in Scottsdale and elsewhere, the Greater Phoenix area remains Webb's biggest market.

In Sun City West, Webb took orders in the quarter for 269 homes, up 13 percent from a year ago (239), but in the fiscal year, with slow sales as the year began, the company's orders rose only 1.8 percent, to 963 units.

Webb plans to close out its model home center in Sun City West by November and sell the remaining lots and homes from its new sales pa-

during the three-month period a year earlier.

Sun City West — which has fewer than 500 lots remaining for sale — posted the largest unit sales of any of Webb's Sun Cities communities.

There were 301 homes delivered to customers in Sun City West in the quarter, up 10 percent from a year earlier, while the backlog of homes ordered but not completed stood at 553, up from 487 a year ago.

John Spencer, chief financial officer, said "Sun

► See Webb gear

the average sales price of a Sun City West home in the June 30 quarter was \$159,000, up 4.6 percent from \$152,700 a year earlier.

That was the second lowest of all Webb communities, a shade below Sun City Head in South Carolina where the average price was \$159,100.

Sun City Palm Desert and Sun City Roseville, both in California, with prices of \$220,000 and \$230,000, respectively, were the most expensive Sun Cities projects.

For homeowners who might wonder just how much profit Webb makes on a home — it appears to be about 5½ percent, or about \$8,000 on a Sun City West home.

Without giving additional detail, Webb said its costs for construction, land and other items in total were 77.3 percent of revenue; while interest was 4.0 percent, and selling general and administrative costs were 13.4 percent, leaving about 5.5 percent profit. On a \$160,000 home, that's a bit more than \$8,000.

Dividing Webb's total profit by the number of homes sold gives a figure of about \$6,000, but the company's gross margins are considerably higher in retirement communities than on individual homes.

■ From A1

West ... exceeded its new order results of one year ago, posting 963 net new orders (in the fiscal year) to remain the single most successful of the company's Sun City operations."

Only two Webb communities recorded sales declines in the year — Sun City Tucson, which is being closed out and now has about 50 homes available, and Sun City Palm Desert (California), where sales were hit by a slow California economy.

In the third quarter, Webb wrote down the value of its real estate in Palm Desert, resulting in a loss for the year after the special charge is taken into account.

Excluding that charge, Webb's profits would have been \$34.5 million in the fiscal year, or \$1.96 a share, up from the 1995 showing of \$28.5 million, or \$1.87 a share.

However, after the special charge, Webb reported an overall loss of \$7.8 million in the year, equivalent to 44 cents a share, on revenue of

Webb results

Del Webb Corp. passed major milestones in its fiscal year ended June 30, 1996:

■ It was the second year that Webb set records for revenues, sales orders, closings and backlog.

■ The company passed the \$1 billion mark in both sales and assets.

■ Webb recorded the sale of its 100,000th home.

■ Sun City West has 500 homesites remaining, from more than 16,000.

■ Sun City Grand, the followup community in Surprise, should open in October.

■ Sun City Palm Desert in California recorded the sale of Webb's 50,000th Sun City home.

■ Sun City Tucson has just 55 homes left for sale.

Warm-weather Webb drifts north

Sun Cities developer plans retirement project northwest of Chicago

By BRUCE ELLISON
Staff Writer Jan. 6 and 7, 1996

Del Webb Corp., which long has profited by luring retirees to its homes in the Sunbelt, now is planning construction of a major retirement community near Chicago.

It even has picked two possible sites for the 11,000-resident community — Harvard and Woodstock, both in McHenry County, northwest of Chicago.

So far, all of Webb's projects — which started with Sun City, Arizona, in 1960 — have been in the warm and sunny south, including Sun City West and Sun City Tucson; Palm Springs and Roseville, Calif.; Georgetown, Texas; Summerlin, Nevada, and Hilton Head, South Carolina.

Even Webb's family homes, under such

names as Coventry, Shea Homes, and Teravita, have all been in Arizona. The Coventry unit recently bought 175 acres in Cottonwood for a non-age-restricted 600-unit project.

But Webb, which conducts extensive research on retirees and their preferences, has found that most retirees don't want to move more than 250 miles or so from home, if they decide to move at all.

That essentially limits Webb's ability to continue its Sun City communities in the Sunbelt and still draw retirees from the cold and snowy Midwest.

So the company spent two years looking at whether it could plant a Sun City-like retirement community in the Chicago area, said John Waldron, a Webb spokesman in Sun City West.

In a word, the answer was yes. So now the company is actively searching for the right piece of land — perhaps 3,000 acres — for a so-far-unnamed active-adult age-restricted development near the Windy City.

Webb ... has found that most retirees don't want to move more than 250 miles or so from home, if they decide to move at all.

"We've done enough research to believe that we should build somewhere in that area," Waldron said. "We've asked people in Michigan, Illinois, Wisconsin, Indiana, just what it is they are looking for in a retirement community.

"Folks who have lived their entire lives up there, and have a lot of friends and family, don't always want to leave, but they do like the concepts of the planned community that our Sun Cities represent.

"They like the lifestyle and the amenities. There is a lot of interest.

"We asked thousands of people what they wanted if they stayed in the area in retirement, and one thing was to be near a big city, maybe no more than 200 miles."

The Chicago area, said Waldron, seems to be the most likely place where all those retirees might settle. McHenry County, partway between Chicago and Milwaukee, is where Webb is concentrating its planning.









Martha Moyer, a spokesman for Webb in Phoenix, told the *Chicago Tribune* last week that a decision on the site was expected this month. Groundbreaking on the first phase would come by summer, Moyer said.

The new community would take 15 years to build and would house 11,000 people, *The Tribune* reported. It would be valued at about \$1 billion when finished.

But, the newspaper also said, some officials and residents of the two communities where Webb might build aren't universally happy about the plans. They fret over what a tripling in population might do to their their small rural communities.

OVER

So far, all Webb's Sun Cities have been in the Sunbelt. Now Webb may build near Chicago—the Windy City.

	SUN CITY	SUN CITY WEST	TUCSON	SUMMERLIN	PALM DESERT	ROSEVILLE	HILTON HEAD	GEORGETOWN
								
	Arizona	Arizona	Arizona	Nevada	California	California	South Carolina	Texas
Date Opened	Jan. 1960 Completed 1978	Oct. 1978	Jan. 1987	Nov. 1988	July 1992	May 1994	Nov. 1994	May 1995
Population	46,000	Current: 25,500 Projected: 31,000	Current: 3,795 Projected: 5,000	Current: 8,700 Projected: 14,400	Current: 1,500 Projected: 10,000	Current: 750 Projected: 6,000	Current: 50 Projected: 16,000	Projected: 17,100
Acres	8,900	7,100	1,000	2,474	1,600	1,200	5,600	5,300
Homes Completed	26,000	Current: 15,000 Projected: 16,500	Current: 1,994 Projected: 5,000	Current: 5,400 Projected: 2,500	Current: 1,103 Projected: 7,700	Current: 310 Projected: 3,200	Current: 35 Projected: 8,000	Projected: 9,500
Recreation Centers	seven	four	two	three	one	one	one	one
Association Fees	\$100 per person*	\$126.50 per person*	\$395 per household*	\$375 per household*	\$1,250 per household*	\$948 per household*	\$700 per household*	\$648 per household*

Del Webb's Sun City MacDonald Ranch development in Nevada broke ground in May 1995 and has a projected population of 4,750 in 2,500 homes.
Sun City Grand, in Surprise, which is pending completion, has a projected population of 16,500 in 9,100 homes.

*Annually.

Source: Del Webb Corp.

Webb agrees to pay \$1 million in centers fees for unsold lots

Staff report

SUN CITY WEST — Del Webb Corp. will pay approximately \$1 million in recreation center fees charged to unsold residential lots in the Sun City West expansion area.

The company will pay the Recreation Centers of Sun City West fees over a three-year period, which is how long Del Webb officials expect to sell the lots, said Kiffie Spangler, spokeswoman for Del Webb.

"We'll continue to paying the recreation center fees on all the homes until everything is sold," Spangler said.

There are 1,600 unsold lots in the

expansion area, which straddles Deer Valley Drive. The fees are based on an average 1.8 people per household. Del Webb will pay \$200 per house. For the 1995-96 fiscal year the company will pay \$320,000, Spangler said.

Joe Schoggen, president of the Recreation Centers of Sun City West Governing Board, said the governing board and Del Webb have an agreed that Webb will continue paying the recreation center fees as long as it takes to sell all the lots although he didn't know the exact amount.

"It's a mutual agreement," Schoggen said.

July 26 - August 1, 1995

BUILDING CONFIDENCE

OSHA regulations could boost prices of new SCW homes

By **TERI CARNICELLI**
Sun Cities Independent

Future residents of Sun City West and Sun City Grand could see a dramatic increase in the price of homes because of new government regulations which take effect next month.

The Occupational Safety and Health Administration regulations were updated to provide construction workers with increased protection from falls.

The revised fall protection regulations took effect nationally in February, but Arizona and Nevada successfully petitioned to be granted a waiver until Aug. 2.

The Del Webb Corp. began construction in June on a house in the 14000 block of West Via Tercero which will be built entirely in compliance with the new OSHA regulations.

"The new regulations could have

a very radical impact on (the price of a home)," says John Waldron, public and community relations manager for Del Webb's Sun City West.

The Home Builders Association of Central Arizona estimates that compliance with the revised fall protection regulations may increase the cost of building a new home by as much as 20 percent.

Future residents will essentially be buying the same homes which have been built in the past but paying a larger amount because of the increase in construction costs.

Likewise companies like the Del Webb Corp. will be paying more to hire outside contractors who have to charge the firm more to cover their individual costs so they can take further safety measures.

Mr. Waldron says the revised regulation will impact nine major

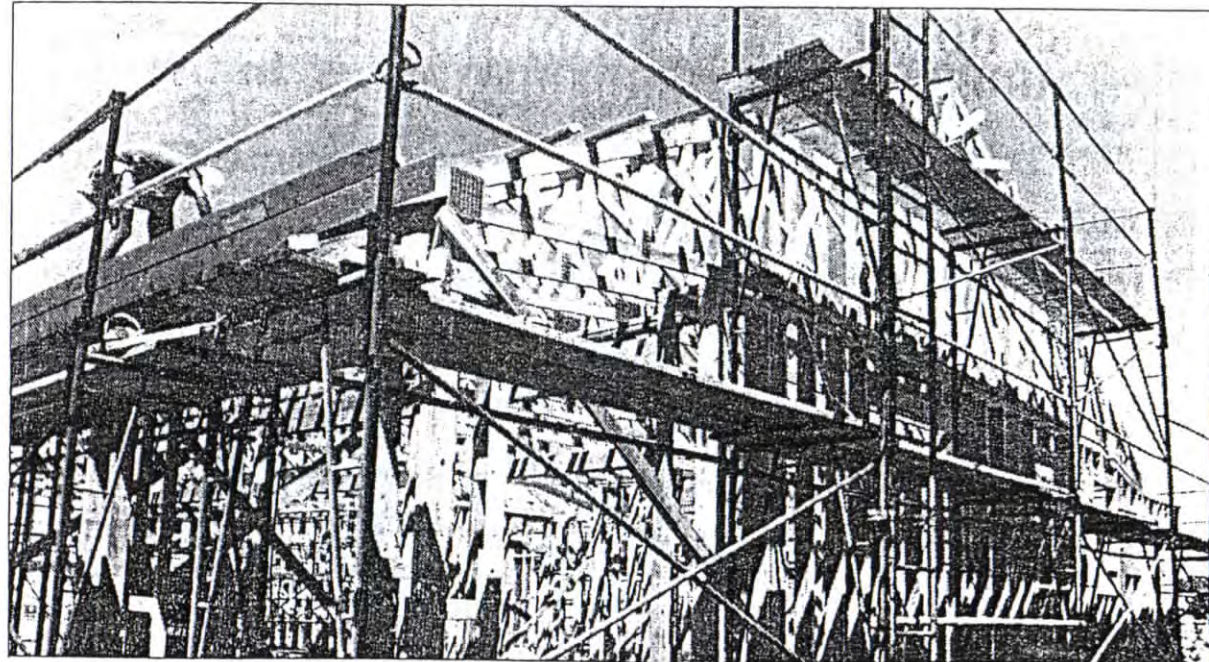


Photo by TYSON KUHRT/Sun Cities Independent

This home under construction in Sun City West's expansion area is being built in compliance with new Occupational Safety and Health Administration regulations designed to provide construction workers with increased protection from falls. Officials estimate that compliance with the revised fall protection regulations could increase the cost of a new home by as much as 20 percent.

See ■ **BUILDING**, Page 3

■ BUILDING

From Page 1

trades associated with home building, including framing, roofing, heating and cooling, wiring, insulation, drywall, stucco and painting.

Del Webb Corp. officials are carefully documenting costs associated with building this first home under the new regulations to better anticipate what effect the cost of compliance will have on future home prices.

The Chandler model, a 1,761-square-foot home, has been built

several hundred times under past regulations at a price of about \$130,000.

Because of the revised regulations, the cost of that home could increase by as much as \$26,000.

What new residents will be paying for are extra safety precautions, such as harnesses and scaffolding, for construction company employees who work at heights of six feet or more.

"There are a staggering number of accidents due to falls during construction of a home," Mr. Waldron explains.

But he says many home builders don't comply with even the basic standards of safety and it is primarily employees of those builders who suffer the most on-the-job injuries.

Mr. Waldron says while the other 48 states are supposedly in compliance with the revised regulations, the reality is probably quite different.

"I think there's a lot of talk that people are doing it, but OSHA isn't really sending anyone out to check on whether or not that's the case," he points out.

The Del Webb Corp., in contrast, would probably rate very high in complying with the safety standards, he says.

But the company wants to take it one step further and set the standard for construction companies in

the United States to follow.

"What we're doing now locally is going to have a huge impact on a national level," Mr. Waldron says.

But it's the local impact that may have some future home buyers anx-

iously checking their pocketbooks. And that impact won't be fully known until the flagship home is completed some time in mid-September.

July 26, 1995

Webb posts record earnings for fiscal year

By BRUCE ELLISON
Staff writer

Despite slowing orders and home deliveries in Sun City West, Del Webb Corp. posted record revenue and profit for its fiscal year ending June 30.

In the year, Webb said, it earned \$28.5 million, or \$1.87 a common share, on record revenue of \$803.1 million. That compares with a profit of \$17 million, or \$1.13 a share, on revenue of \$510.1 million, in the previous fiscal year.

Philip Dion, chairman of the Phoenix-based developer of retirement communities, said the record results came from expansion of the company's operating base.

"Our growth was attributable to our newest Sun Cities, the success of Terravita (a developer of family

homes in Scottsdale) and the expansion of Coventry Homes," which has several family-oriented projects in the Greater Phoenix area, including one in Surprise, Dion said.

Established operations — such as that in Sun City West — "faced a challenge in matching their exceptional performance of a year ago due to economic conditions, but they still operated at very healthy levels," Dion said.

Home builders generally have had an up-and-down ride this year as interest rate worries troubled potential buyers, and as the overall economy slowed.

In Sun City West, which is nearing completion, Webb recorded 946 new-home orders in the year to June 30, down 18 percent from the 1,156 units ordered in the prior year.

Sales totaled 1,104 units, down 5

percent from a year earlier.

The company's backlog of orders for Sun City West declined to 502 from 660, a fall of 24 percent.

Sun City West was begun in 1978.

Data from Sun City Grand, the company's newest retirement community under development in Surprise, does not show in the results. Costs connected with that project are deferred.

The average sale price for homes in Sun City West last year was \$152,700, up \$700 in a year, Webb said.

Webb had said earlier that it expects to close and demolish its Sun City West model home center by the fall of 1996.

John Waldron, a spokesman for the community, cautioned earlier this year that sales at Sun City West would be below last year's levels.

"We consider sales of 800 units to be a good year, and in the two previous years we were pushing 1,000 units, making those banner years. Now we're just back to good times," Waldron explained.

He said the company expects the current fiscal year also to be good for Sun City West.

The company still has 1,650 lots available for construction in the community; 100 of them are golf course lots adjoining Hillcrest Golf Course "which we think will go very quickly once they are on the market," Waldron said. Some of those lots are where the sales center is now.

It's possible that Webb could have as many as 500 to 600 empty lots available for development in Sun City West after the sales office closes, Waldron said.

If that's the case, he added, the land and construction will be marketed from the Sun City Grand offices, which will be just across Grand Avenue from the R.H. Johnson Boulevard entrance to Sun City West.

Having homes available in both adjacent communities will probably be a plus for Webb, Waldron said. "Sun City ran out of lots before Sun City West was ready, and people had no option at all for a Del Webb home," Waldron said.

Among all Webb's developments — including Sun City developments in Tucson, Las Vegas, Palm Springs and Roseville, Calif., Hilton Head, S.C., and Georgetown, Texas, as well as Terravita in Scottsdale and Coventry in Phoenix — Webb's average contract price in the last fiscal year reached \$196,000, up 10.7 percent from \$177,000 in the previous year.

IC

Del Webb doing fine for '95

Building boom spurs record sales, earnings

By Catherine Reagor
The Arizona Republic

Phoenix-based Del Webb Corp. posted record sales and earnings for fiscal 1995, thanks to a renewed emphasis on its adult niche and a national home-building boom.

The developer of active-adult communities reported earnings of \$28.5 million, or \$1.87 per share, on revenue of \$803 million for its 1995 fiscal year, which ended June 30. This compares with earnings of \$17 million, or \$1.13 per share, on revenue of \$510 million for fiscal 1994.

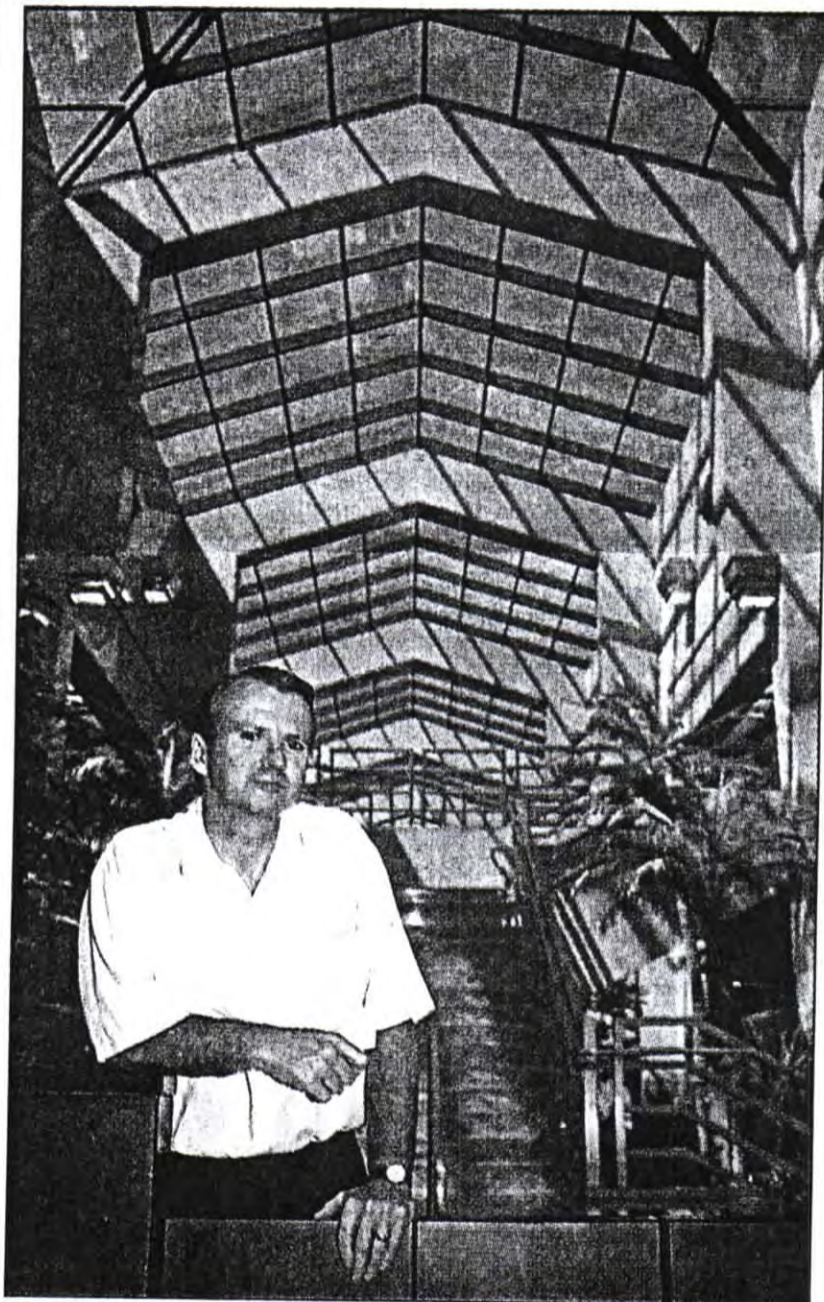
"It signals the resurrection of the company, which was in serious trouble only five or six years ago," said Philip Dion, chairman and chief executive officer of Del Webb, developer of Sun City communities.

In addition to the record earnings, Dion said, the highlight of the year was opening two Sun Cities in Georgetown, Texas, near Austin, and Hilton Head, S.C. The home builder also moved its corporate office to the former Western Savings & Loan headquarters on 24th Street near the Arizona Biltmore.

After reporting the record numbers Tuesday, Del Webb filed with the Securities and Exchange Commission to sell 2.35 million shares of common stock. It plans to use the funds, which company officials estimate could be more than \$48 million, to pay off debt.

New orders increased 9 percent during the fiscal year, to 4,534 homes. Closings jumped 36 percent, to 4,316, and the backlog of homes under contract grew 8 percent.

— See DEL WEBB, page C8

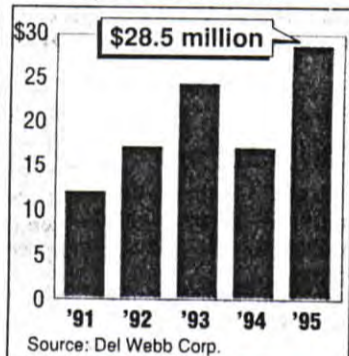


Charles Krejcsi/The Arizona Republic

Del Webb's Philip Dion says record sales and earnings signal "the resurrection of the company, which was in serious trouble only five or six years ago."

DEL WEBB CORP. NET INCOME

Net income, in millions, from 1991 to fiscal year's end, June 30.



The Arizona Republic

Del Webb earnings, sales hit record for fiscal '95

— DEL WEBB, from page C1

"Del Webb continues to grow and post solid financial quarters," said Steven Kim, an analyst with New York-based Smith Barney. "It is aggressively opening a new subdivision every year, and sales from those communities are showing in their results."

Despite its record performance, the home builder's stock was down \$1.25, to close at \$20.75 Tuesday. Stock prices often decline when a company makes a stock offering because shareholders fear their holdings will be devalued.

Dion said the company's stock has outperformed most other publicly traded home builders during the past

few years, even with dips in the market.

Del Webb has reorganized and shed unprofitable divisions, such as its hotel-gaming operation, during the past five years, he said. The company has focused on developing its Sun City active-adult communities and expanding its Terravita and Coventry Homes divisions.

Terravita in north Scottsdale, which has been a top performer for Del Webb, recently opened its second phase several years ahead of schedule. Dion said existing Sun Cities in Arizona, Nevada and California continue to contribute to Webb's earnings.

Del Webb ran into difficult times in the late 1980s, when it lost nearly

\$200 million from 1987 to 1989. Under Dion's direction, the company shed its recreation business, selling Lake Powell marinas and seven hotel/casinos.

The company reorganized, focusing on home building, particularly expanding the Sun City concept.

Dion said it will be difficult to beat

this year's revenue and earnings during the next fiscal year, but it is within sight because of expansion plans.

Webb is opening Sun City MacDonald Ranch in Henderson, Nev., near Las Vegas this fall, and hopes to expand in that popular retirement area.

July 18, 1995

Webb: Safety standards too expensive

SCW, Grand homes would cost more, official says

By PAUL DAGOSTINO
Staff writer

The Del Webb Corp. predicts the costs of complying with new Occupational Safety and Health Administration regulations will drive up new-home prices in Sun City West and Sun City Grand by 20 percent.

John Waldron, spokesman for Del Webb, said the higher costs are the result of more working hours and equipment needed to comply with the new rules, which will take effect Aug. 5.

"It's not unlikely that there would be a rise in home prices because of meeting alternative regulations. The question is how much," Waldron said.

To demonstrate its point, Webb is building a test home, following the safety regulations to the letter of the law.

Waldron said the home, which is being built in the Sun City West expansion area, is a model the com-

pany commonly builds. It will be finished before the fall, he said.

A spokeswoman for Arizona OSHA said the agency is requiring residential home builders to provide better protection against injury and death from falls. In the past the agency required contractors and subcontractors to have some fall protection when working 16 feet from eve to ground. Now the agency is requiring companies to have comprehensive fall protection programs when working six feet from eve to ground.

"We're not asking them to do anything they haven't done before," said Cathy Neville, OSHA's assistant director.

But Connie Wilhelm, president of the Home Builders Association of Central Arizona, said the changes in OSHA's regulations are drastic in comparison to what was required before. She said that cost per home would rise, but she couldn't be sure it would increase by as much as 20 percent.

"We don't have a cost on alternatives yet. That's why we're anxious to see Del Webb's project," Wilhelm said.

The new regulations will effect at

least nine home-building trades by requiring workers to use safety nets, lanyards, scaffolds and ladders. Contractors will also have to provide safety training programs that include videos, Wilhelm said.

Neville admitted that some companies may have problems complying because of cost. Those companies can submit an alternative fall protection plans that OSHA must approve, Neville said.

The problem with the alternatives is they can be more costly because they change the building patterns of many Valley home builders. For example, instead of using scaffolds with side rails to construct a truss on top of a frame piece by piece, a company can choose to build the truss on the ground. Then a crane can lift it on top of the frame.

But OSHA regulations say workers must fix safety attachments to the truss so workers can attach safety belts while securing the truss so they can't fall, Wilhelm said.

"We won't do that," Wilhelm said, because in many residential developments workers don't have the room to assemble trusses on the ground. Also she is not in favor of using safety belts to "tie off."

"We believe the personal support protection would not support what you would tie off to," Wilhelm said.

However, Wilhelm said more home builders are using scaffolds as a result of the new regulations that take effect next month.

If home builders don't comply with the new regulations, OSHA can impose substantial fines, running into the thousands of dollars. But Neville said those fines depend on four criteria.

- Severity of the violation.
- Size of the company.
- Quality of fall protection program.
- A history of past violations.

Wilhelm said her organization has been working with OSHA, urging the agency to go easy on residential home builders who are making a valid attempt to comply with the new rules.

OSHA's national office has sent consultants to Arizona who have been working with the Home Builders Association of Central Arizona to make training videos to help residential home builders learn the new regulations, Wilhelm said.

10

Webb offers to foot bill for volunteer recruiter

By Betty Reid
Staff writer

Del Webb Corp. wants to pay for a volunteer recruiting position in the Dysart Unified School District this fall.

If district officials accept Webb's offer, the position will be modeled after a volunteer services position started in 1991 by the Peoria Unified School District and supported by Webb.

Del Webb officials say the developer will contribute \$15,000 to the Dysart district for the position. The volunteer coordinator will recruit senior volunteers to help Dysart students, Del Webb spokesman John Waldron said.

"This position could serve as a bridge to get seniors into the school," Waldron said. "We've seen it work in Peoria."

The Peoria district has about 2,500 volunteers, according to district officials.

Del Webb, which developed Sun City and Sun City West retirement communities, also is developing Sun City Grand, which is in the Dysart school district.

Improving education in Arizona is Del Webb's interest, Waldron said. But the announcement also comes at a time when relations between older residents in the Dysart district and Dysart parents are strained. Residents of the new Sun City West who live in the Dysart district rejected two \$25 million bond elections placed on the ballot by the district this spring.

The district wants to develop a good relationship with their senior citizen neighbors, said Rachel Villanueva, Dysart board president.

Dysart students will benefit from academic help offered them by seniors, she said.

"I think it's beneficial to all of us. We are all going to live together in Surprise and we are one community," Villanueva said of the volunteer program.

In addition to tutoring, senior

citizens can offer expertise in such areas as science, history and arts and crafts.

The Dysart volunteer coordinator could match seniors' talents to district needs, Waldron said.

"Our seniors out here represent a whole different culture and life experiences as well as the students who also represent a different life experience than our seniors," Waldron said. "Bringing those things together can have a real meaningful result."

Del Webb has been interested in funding such a position for a year, Waldron said. Last month officials from Del Webb and the Dysart district met to discuss starting the volunteer post this fall, he said.

Villanueva said the district relies on senior volunteers, but the exact number is unknown.

Waldron said the volunteer coordinator, in addition to recruiting, will also keep tabs on the number of volunteers working in the district.

The battle for Del Webb owns the land; let them develop it

New River

Let me see if I understand this: People move to New River and its environs for the purpose of, among other things, escaping the oppressive yoke of intrusive government and to live where privacy and property are respected. To accomplish this, they now intend to become the oppressive government for the sole purpose of preventing the Del Webb Corp. from doing what it sees fit with its private property. The irony is so deliciously profound it seems to have escape the poor New Riverites.

The simple truth is that the Save New River locomotive derailed, both practically and philosophically, months if not years ago. Their movement is several days late and millions of dollars short.

The New River these residents long to protect has been dying, one house at a time, ever since the neo-protectionists started moving there. The idyllic New River about which they now rhapsodize so eloquently

existed prior to their arrival, not because of it. If growth is a malignant tumor, these folks now making the loudest noises are the cause of the disease, not the cure.

One begins to wonder just how many times we have to go through this exercise. Let me try and walk through it one more time: At the point at which you and your family decide to move to some pristine patch of desert, that piece of land

is no longer either pristine or protected.

The first shovel full of dirt you turn becomes ground zero for the eventual declination of that desert. And unless you have purchased all the surrounding land for yourself, others will soon become your neighbors, hoping to enjoy the Eden you've found. Still others will follow.

At some point, several of you will get together to talk about "preserving" the desert. The battle for your little chunk of paradise will be joined, though the outcome has long ago been etched in the concrete and glass of your own homes.

The battle for New River is particularly instructive. Long known for a nudist resort and not much else, New River's population base has been slowly increasing for many years. With nearly 5,000 people in and around the vicinity, it is hardly the barely populated rural haven that we now see portrayed on the news. A more apt description would be that of a kind of an escape of choice for urban refugees. They claim they want to "protect the desert and our lifestyles," but the desert is just a convenient and currently sympathetic symbol. What they really seem to be doing, in New River and elsewhere, is attempting to prevent anybody from sharing in what they have found. New River, they tell

us, is heaven, but apparently none of the rest of us deserve to share in the reward.

As a bonus, the folks in New River have discovered the big, bad developers, in the form of Del Webb, make an extremely inviting target of choice. After all, Webb is large, it uses bulldozers, and because it has built tens of thousands of homes, it is not especially difficult to find a relative handful of high visibility complaints. (I should note with fairness, I was an employee of the Webb organization at its then subsidiary, the Del E. Webb Development Co., in the early 80's. I left with neither fond memories nor axes to grind.)

So we end up with a shin-kicking contest between the monolithic, evil developers and the poor, downtrodden residents of New River.

The facts, as ever, will receive little attention. That's a shame because both sides are right. Yes, Virginia, putting 50,000 more people in New River will forever change the nature of the community. Yes, traffic will be a problem and the twice-a-day commute nightmare will not extend another 30 miles north. Yes, water will eventually be a problem since it is hard to see how the Ak-Chin nation, which is currently entitled to 75,000 acre feet of Colorado River water and uses 72,000 acre feet, can afford to sell 10,000 acre feet to Webb.

And, yes, some cacti and critters will likely bite the dust during construction. But on the other side of the argument, it is also true that New River, with its incredibly inefficient private well system, will soon suck all available groundwater dry. Any water left will likely be tainted by leaking and leaching from thousands of septic systems. And New River will eventually be developed, like it or not.

Perhaps most importantly, the land belongs to Del Webb. The company bought it legally, went through the appropriate planning stages, received appropriate regulatory permission and is entitled to its project.

Had the folks in New River wanted to maintain their property in its natural state, they should have bought it and preserved it. We are beginning to learn that the so-called "private property rights" movement does not apply to all property owners.

We need to start dealing with reality. Unless the legislature can find a way to destroy our weather (and one suspects they are working on it), people will continue to move to Arizona. The historical figure is about 50,000 new residents every year, though that number has been higher recently. Since far more arrive than leave, new homes have to be built. Developers will continue to search for parcels of land on which that development can occur. Our lack of any long-term planning for orderly growth is obscene. But so too is the trendy notion that a handful of people with no authority can tell the rest where we can, and cannot, live.

Most of us have found some lovely piece of land somewhere we'd like to buy and then close off from the surrounding area. So we understand how the good people of New River feel. But we don't have the right to close the gate behind us when we don't own the property. And we might reasonably wonder why the "rights" of a handful of current New Riverites should be any more important than the "rights" of 50,000 people who will have the chance to move there in the future.

Steve Tuttle is a Phoenix writer and political consultant. His column appears every other Sunday.



STEPHEN TUTTLE

ial for The Arizona Republic

Del Webb Building Playhouse to Benefit Central Arizona Shelter Services

Del Webb's Sun City West is constructing a playhouse which will be auctioned in August to benefit the Central Arizona Shelter Services (CASS). Area architects and builders are constructing playhouses as part of a project of the Central Arizona Chapter of the American Institute of Architects benefitting CASS. The project, Kid's Quarters, is designed to create awareness of the homeless issue in the community. The Del Webb playhouse is

being designed by Gary Pecoraro, lead field superintendent in the Construction Operations division at Sun City West.

The house will be constructed by other members of the Construction department and is expected to be finished by mid-July. All playhouses will be featured from July 19 through August 27 at the Paradise Valley Mall. They playhouses will be auctioned on August 27.

Del Webb Continues Construction on 'OSHA' House

The Del Webb Corporation began construction last week on a house in Sun City West which is being built entirely in compliance with the Occupational Safety and Health Administration's (OSHA) new Fall Protection regulations. The Home Builders Association of Central Arizona estimates that the new OSHA regulations may push up the cost of a new home by as much as 20 percent. Del Webb will be documenting the cost associated with building a new home in compliance with the new regulations. The home style, Plan 2604, is located at 14019 West Tercero.

IC

Webb hits high

Stock reaches \$20

By CAITLIN MOLLISON
Dow Jones News Service

NEW YORK — In the 35 years since it built its first retirement community in Sun City, Del Webb Corp. has changed the way it builds for retirement.

Built at a time when people expected to retire on their Social Security checks, the original Sun City, a 26,000-home development, was the prototype for active-adult communities. But retirees of the 1960s were markedly different than they are today.

"Retirees used to play canasta and shuffleboard," said Timothy L. Jones, an analyst at Southeast Research Partners Inc., in Boca Raton, Fla. "Now they run marathons."

Nowadays, Del Webb is betting heavily on demographics that are tilting in its favor. The first wave of America's 76 million baby boomers will begin to retire after turning 55 in the year 2001.

This group is more affluent, in better physical shape and younger than previous generations of retirees. And Del Webb, which targets the 55-and-older set, is ready to pounce on the opportunities.

"There is some explosive growth about five years away," said Ken Plonski, director of Del Webb's public and community relations. Between 2000 and 2010, about 14 million Americans will reach retirement age, the company said.

Wall Street has noticed what Del Webb has been doing lately.

Its stock price rose 10 percent last year while most other home builders saw their stock prices drop at least 40 percent when interest rates soared.

On Thursday, Del Webb stock set a new 52-week high of \$20, before closing at \$19.50

See Developer plans, A5

Developer plans for future retirees

—From A1

on the New York Stock Exchange, up 62 1/2 cents or 3.3 percent on the day. Its previous high was \$19.37 1/2 set Jan. 27.

Del Webb isn't just a home builder based in Phoenix. The communities it is building today offer a country-club lifestyle — replete with golf courses, recreation centers and other amenities — that give the Sun City name a unique market niche.

"That name has recognition," said George R. Gengung Jr., executive director of the National Council on Seniors Housing, an arm of the National Association of Home Builders. "The key is they're not just building communities, they're building lifestyles."

Del Webb said it conducts thorough market research to help predict demand and get in touch with its customers' needs.

"If we're going to build a major community center, we better know what they want," said Chairman and Chief Executive Philip J. Dion. "We can't afford to be wrong."

Aside from the original Sun City, Del Webb operates Sun City West and communities near Las Vegas, Tucson and Palm Springs, Calif.

In 1994, Del Webb also opened Terravita, near Scottsdale, to good response. It's the company's first community open to people of all ages.

And last year, the company broke ground on Sun City Roseville, near Sacramento, Calif. Orders also are being taken for a new Sun City Hilton Head, in South Carolina, expected to open in the fall.

Its most recent ground breaking was last month on its Sun City Grand project in Surprise, which is located southwest of Grand Avenue and north of Bell Road. The community is expected to be

the home of 17,000 retirees within 10 years of its 1996 opening date.

Hilton Head is Del Webb's first foray outside of the Sun Belt, and analysts say they will closely eye the community's performance.

Although rainy weather has delayed some development and marketing activities at Hilton Head, Dion said he expects favorable market response to the South Carolina development and another community planned near Austin, Texas.

Jones, of Southeast Partners, is more cautious. "The Hilton Head project is risky," he said. "It's a completely different part of the country and a different climate. There aren't many Sun City-type developments on the East Coast."

His hesitation is based partially on problems at the Palm Springs, Calif., community over the last few years resulting from the recession in Southern California, though new orders have finally started to gain steam.

But Del Webb has mostly received kudos for selecting spots where retirees gravitate.

Investors have recognized Del Webb's strong expansion efforts and also like the company's solid earnings growth. For the recent fiscal second quarter, which ended Dec. 31, Del Webb's net income jumped to 44 cents a share, on revenues of \$176.1 million, from 28 cents a share, on revenues of \$125.6 million, a year earlier.

Dion said Del Webb is looking at up to three different areas as possible new community sites. He declined to discuss the locations.

"I'm optimistic that beyond Texas, we can add one or two communities by 1997 or 1998 and really be well positioned to move into the next century," Dion said.

Ex-CEO at home on ranch

By **DEBBIE L. SKLAR**
Daily News-Sun staff

MORRISTOWN — Dressed in a pair of casual black slacks and a striped golf shirt, a far cry from his former corporate business attire, Robert Howard Johnson bends at the waist to pluck a ripe-green spinach leaf.

"There are a lot of things to do around here on the ranch," said Johnson, sitting on the porch of his ranch house. "I like it here. It's quiet. I don't think I could ever live in downtown Phoenix — so much commotion."

R.H. Johnson, who has a street and a recreation complex named after him in the hub of Sun City West, has been retired from the Del Webb Corp. since 1981. He is considered by many in the community to be a major force in the development of the world-renowned retirement community.

Today the 78-year-old former Webb chief executive officer lives on a sprawling 47,000-acre ranch in Morristown, approximately 25 miles northwest of Sun City West.

He spends his days there tending to his carrots, spinach, cabbage, garlic and lettuce, riding his tractor around in the desert and looking after a few head of cattle. Some days he visits his office in Wickenburg where he directs the Del E. Webb Foundation. The foundation, a private corporation, provides grants for medical research.

See **R.H. Johnson, A5**



Rick D'Elia/Daily News-Sun

R.H. Johnson, former chief executive officer for Del Webb Corp. and a close personal friend of Del E. Webb, picks spinach from the garden at his ranch in Morristown.

R.H. Johnson recalls days with Del E. Webb

—From A1

Johnson isn't alone on the ranch. His partners in the cattle business are Allen and Marjorie Klinefelter. Marjorie was Johnson's secretary when he worked for Webb. She is a director and secretary for the foundation.

"I own the ranch and we own the cattle," said Johnson. "Allen does all the cuttin', nuttin' and earmarking, and so on and so forth. I keep the corrals clean."

"Anything that you see, and as far as you can see within the perimeters of the ranch is mine," he said, pointing to a large mountain in the distance. "That over there is Red Picach Mountain and over there is White Picach Mountain."

Johnson said he has lived on the ranch full-time since 1994, but acquired the property in 1983. He and his wife Mazie lived in California before moving to the ranch last summer. Johnson still maintains a home in Palm Springs.

It takes little coaxing to get Johnson to reminisce about his 48 years with Webb.

He took a night job with the company in 1935, working his way through business college, then took a position with the Arizona Chapter of the Associated General Contractors. He later was hired as a

timekeeper for Webb, earning \$75 a month.

He became president of the company in 1967, chief operating officer in 1973 and chairman of the board the following year.

"I basically rode in on a Harley in 1935 and left with a Del Webb pin with seven diamonds after 48 years," he said.

If an employee was with the company for 10 years, he or she received a pin. And for every five years of employment, Webb gave employees a diamond to add to the pin.

"I worked for the company for 48 years," he said holding the small black and white pin. "I wasn't glad to be out of it. In fact, I was pretty ticked off. I wanted to work there for 50 years so I could get another diamond."

Johnson remembered his first big job meant going north to Flagstaff to build the Taylor Hall Dormitory on the college campus. Webb jumped on the opportunity to get government contracts because they provided a little margin of security, a bit of room for expansion, even risk-taking, Johnson said.

By 1937, Webb had opened a "branch office" in Los Angeles. A bid came in to build the Abraham Lincoln High School there.

"Los Angeles had a very damp summer that year," said Johnson, who drove an old "Model-A" truck to the Los Angeles construction office. The school job was not very profitable, he recalled.

"In those days you had to remove all the signs of rusting from the construction materials. When we were finished blasting off the rust, some of the girders had to be replaced. So we didn't make much on that, but the Arizona capitol job was profitable and it pulled us through."

Johnson and Webb were not only colleagues, but friends outside of the office.

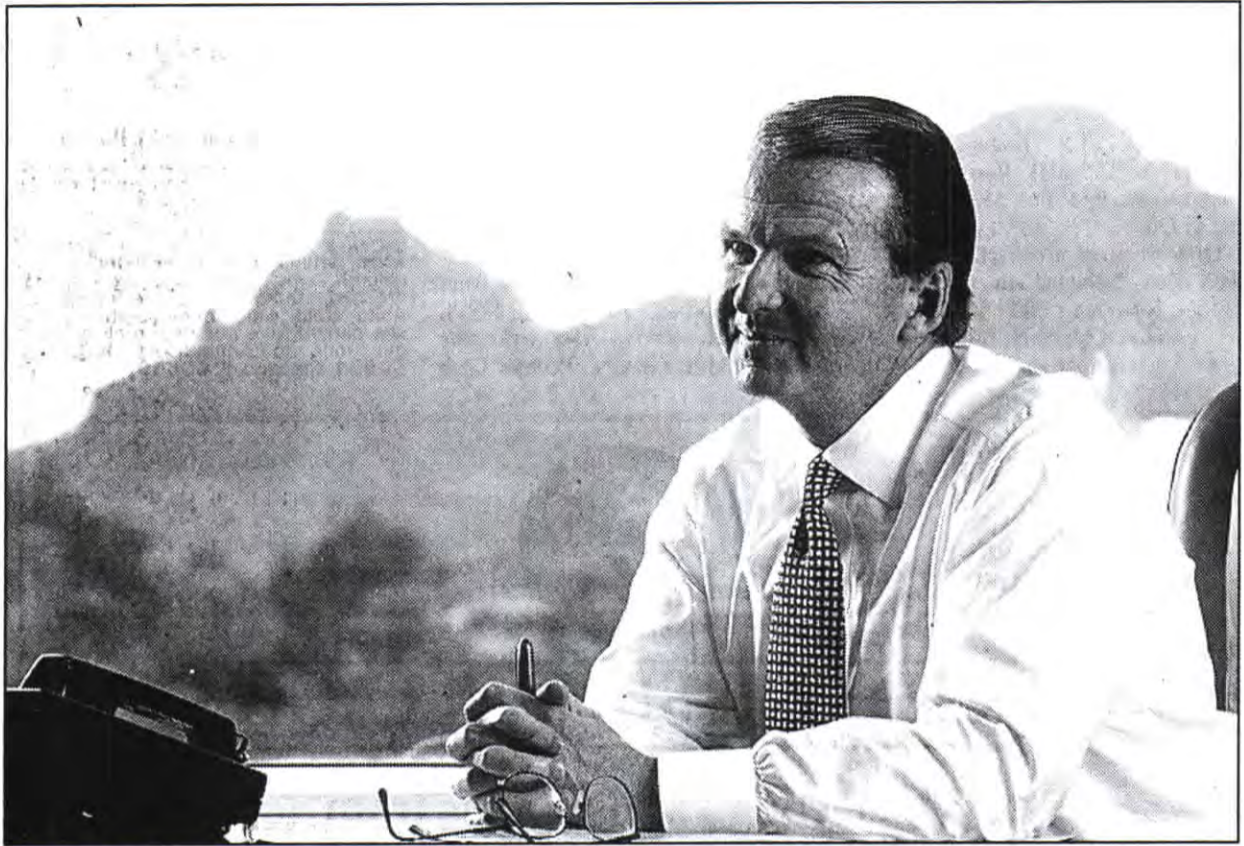
"They were like father and son. I think Mr. Johnson was the son that Mr. Webb never had," said Marjorie Klinefelter, director and secretary at the Del E. Webb Foundation. "In the 45 years that I've known Bob, I've never heard him refer to Del Webb in any other way besides Mr. Webb. He had great respect for him and it still continues."

When asked why Johnson still uses a formal title for his former employer, Johnson said he feels more comfortable that way.

"That's how I was introduced to him and that's the way that I was raised," said Johnson. "To me, he will always be Mr. Webb. ..."

"I miss him a lot, but I think we all do."

IC



Phil Dion started in the home-building business by pouring basements and sidewalks in Illinois for a subcontractor of master developer Del Webb. Del Webb eventually hired him, and he's climbed the corporate ladder to the top.

CEO has concrete foundation in home-building business

By Susan Doerfler
Staff writer

Phil Dion's career in the home-building business has spanned the positions of concrete laborer to chief executive officer of metro Phoenix's largest home builder, Del Webb Corp.

Ironically, his first job — pouring basements and sidewalks in Oak Brook, Ill. — was working for a subcontractor of the master developer — Del Webb.

Dion, who became Del Webb's CEO about seven years ago, also finds it amazing that he is working for a home-building company.

"I always wanted to be a home builder," he said. "I was always good with my hands. I built things around the house. But I had never built a house."

With a background in finance, he joined Webb as a financial officer. He became the company's head when the former chairman and CEO, Robert K. Swanson, resigned for health reasons.

This was during the late 1980s — tough times for the firm.

"The first order of business was to stay alive," Dion recalled. "The second order was to become profitable, because we were not." From



1987 to 1989, the company lost nearly \$200 million.

When Dion came to the helm, Del Webb Corp. was focusing on retirement communities and leisure. Under Dion, the company restructured and concentrated exclusively on home building. Its marinas on Lake Powell and seven casinos were sold.

But the company didn't take a tunnel-vision approach to home building. Dion set about diversifying the company's interests. Known for retirement communities, namely Sun City and Sun City West, Del Webb began to open similar developments: Sun City Las Vegas, Sun City Palm Springs, Sun City Roseville in California and Sun City Hilton Head in South Carolina, the latter two in 1994.

The company also has expanded the type of housing it builds, entering the move-up and family markets.

Del Webb acquired Coventry

Homes, a longtime metro Phoenix single-family-home builder that was struggling because of the housing downturn of the late 1980s.

It also developed a non-retirement master-planned community, Terravita, just south of Carefree.

"Terravita came about when we identified a need for empty-nesters," Dion said. "There was a need for something between family and retirement (housing)."

Because of Del Webb's name association with active-adult communities, the company decided to set up a separate business to handle this market segment. Terravita's location also set it apart from the northwest Valley retirement locations.

With currently increasing costs of land, materials and labor, and rising interest rates, Dion said he has no plans to try other new market niches.

All three home-building areas are doing well, he said.

Del Webb will open an active-adult development in Texas. Called Sun City Georgetown, it will be one of the larger Sun Cities, with a projected population of 17,000. Only the two Valley communities will be larger.

Del Webb to develop area near New River

By Russ Wiles
The Arizona Republic

Del Webb Corp. this week filed an application with Maricopa County to develop a \$2 billion residential community on a 9-square-mile parcel near New River.

The Phoenix company envisions a master-planned development of more than 16,500 homes, three golf courses, equestrian trails and a commercial center on the property, which borders Interstate 17 two miles north of Carefree Highway. The parcel was purchased in 1992 for \$11 million from Valley National Bank, now Bank One Arizona.

The new community will be known as the Villages at Desert Hills and will be developed over 20 to 30 years, company spokesman Ken Plonski said. Ground-breaking is at least two years away, subject to the approval of county supervisors and zoning officials, he said.

The \$2 billion figure represents the estimated value of housing throughout the 5,661-acre community when the project is completed during the next century, expressed in current dollars.

Del Webb still hasn't determined the types and prices of housing slated for construction at the Villages, except that the development will not be

age-restricted, Plonski said.

The company operates Sun City retirement complexes in Arizona, Nevada and southern California, and has projects under way in northern California and South Carolina.

Del Webb also has conventional housing operations in Arizona, California and Nevada, including the Terravita development in north Scottsdale.

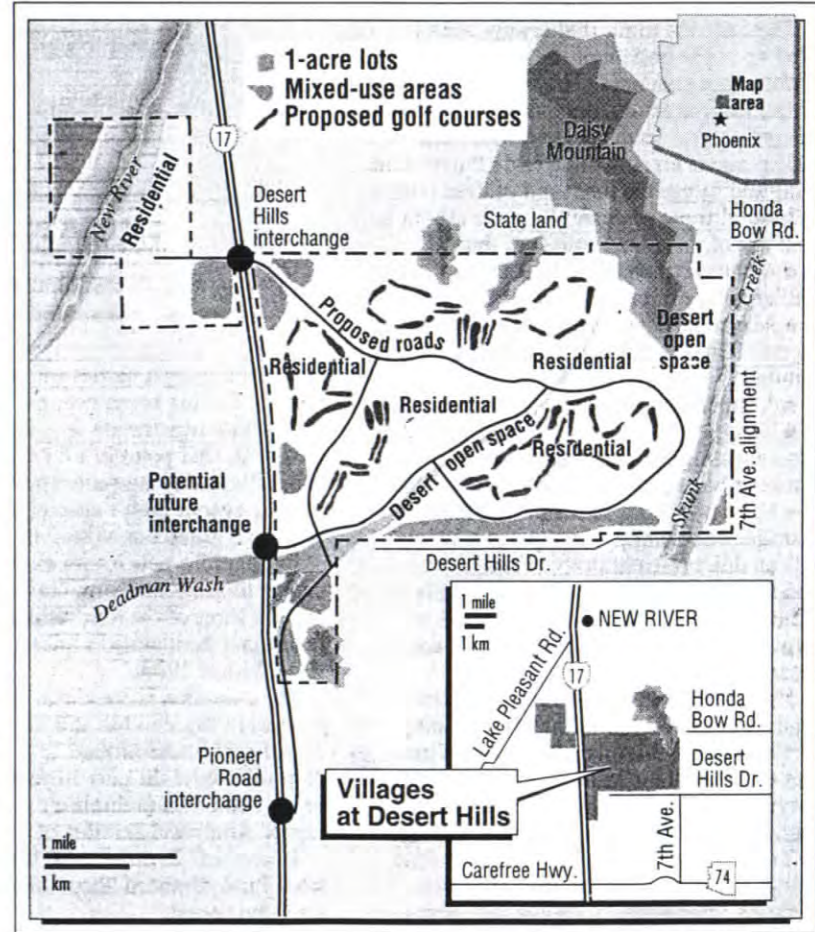
Del Webb representatives have been meeting with residents of New River and Desert Hills since summer in an effort to gain ideas on how to develop the property while minimizing the impact on the surrounding area.

The company says it intends to:

- Construct roads to reduce the flow of traffic from the community east into the surrounding New River area. Roads primarily would link the development westward to Interstate 17.

- Minimize environmental concerns by maintaining 38 percent of the acreage as desert land, desert-style golf courses and other recreational space.

- Alleviate worries about groundwater in the area by not drilling wells. Instead, the company has entered an option to lease Colorado River water that has been allotted to the Ak-Chin Indian Community.



Gus Walker/The Arizona Republic

Remaining core land in SCW sold

By **TERI CARNICELLI**
Sun Cities Independent

Del Webb Corp. may have found a buyer for the remaining 20 acres of the Sun City West commercial core, but some residents might not be pleased with what could develop as a result.

The SCW Community Core Site, whose principle owners are Denny Ryerson of The Ryerson Co. and Ken Meade of Ken Meade Realty, wants to build a mixed-use retirement community on the 20 acres. A portion of the facility could be multi-story with as many as four stories.

The sale of the 20 acres to CCS is contingent upon rezoning of the land from commercial to residential.

Although Del Webb ultimately purchased all 50 acres in the core area on Sept. 16, the company

only requested 30 acres to be rezoned for development of casita-style homes.

Del Webb Corp. indicated the company would make its best effort to locate a buyer for the remaining 20 acres who would be interested in developing some type of long-term assisted care living facility.

"The land will house a mixed-use, full-service rental retirement community," says Denny Ryerson of the Ryerson Co.

The community will feature independent living, assisted living and skilled nursing care.

The Ryerson Co. built The Heritage at 99th Avenue and Palmeras Lane in Sun City and is currently starting a community on 9.1 acres at Palmeras Lane and Boswell Boulevard similar to the one the CCS group hopes to build in Sun City West.

"It is part of our company's long-range plans to take one of our full-service retirement communities to Sun City West, and this site is an excellent location for such a community," Mr. Ryerson says.

Ken Meade adds, "This concept is good for the community, and I want to help make it possible."

Mr. Ryerson indicates the CCS group will be working on securing rezoning of the land in the next six to eight months.

Once the land is rezoned, the group will begin marketing the community, and when 40 to 50 percent of the facilities are preleased, development will begin.

Construction will take approximately 12 to 13 months.

For more information contact The Ryerson Co. corporate office at 266-1000.

New Del Webb Public and Community Relations Manager

Del Webb corporation has named John Waldron manager of public and community relations for its Sun City West community. Waldron is filling the position formerly held by Martha Moyer, who was promoted to manager of public and community relations for Del Webb's corporate office last July. Waldron started in his new capacity this week.

Waldron previously held the position of vice president at Communication Development Associates, Inc., a communication consulting firm in Los Angeles, Calif. Prior to that, he was a communication instructor at Loyola Marymount University in Los Angeles, Calif. and at California State University in Northridge.

He holds bachelor's and master's degrees in organizational communication from California State University in Northridge. Although Waldron moved from California to accept the position, he is no newcomer to Arizona.



John Waldron is the new manager of Public & Community Relations for Del Webb Corporation's Sun City West office.

Waldron is a graduate of Thunderbird High School in Phoenix.

"I'm really looking forward to getting actively involved in the Sun City communities and neighboring cities," said Waldron. "Having grown up in Phoenix, I've heard so many good things about the residents. I am excited about getting out to meet them."

Del Webb takes concept on road

Sun Cities going nationwide

By Russ Wiles
The Arizona Republic

Phoenix home builder Del Webb Corp. on Wednesday released its sales and profit results for 1994. In so doing, it marked the final year the company will operate as a Southwestern firm only.

Starting in fiscal 1995, which began three weeks ago, Webb is taking its active-adult retirement concept on the road, with stops in South Carolina and Texas. The company hopes to replicate, in other parts of the Sunbelt, the

franchise it has built in metropolitan Phoenix, Las Vegas and Tucson, and in California.

"I think they can duplicate their success in any part of the country," said Ivy Schneider, an analyst who follows housing companies for Salomon Brothers in New York.

She predicted Webb's upcoming development near ritzy Hilton Head Island, S.C., will be a winner. "There's

— See **DEL WEBB**, page C6

DEL WEBB'S PERFORMANCE

Growth in new-home orders, sales closings.

Development	New orders		Closings	
	1994	1993	1994	1993
Sun City West	1,156	1,031	1,161	850
Sun City Tucson	357	305	342	263
Sun City Las Vegas	863	801	815	710
Sun City Palm Springs	315	450	278	325
Sun City Roseville	349	N/A	N/A	N/A
Terravita	331	N/A	N/A	N/A
Coventry Homes	774	414	587	416
TOTALS	4,145	3,001	3,183	2,564

N/A = Not active

Source: Del Webb Corp.

Builder posting key '94 earnings

The Arizona Republic

Helped by strong continuing demand and improving profit margins, Del Webb Corp. posted earnings of \$6.4 million, or 43 cents a share on revenues of \$160.7 million during the fourth quarter of fiscal 1994, a substantial improvement over the same period in 1993.

The fourth-quarter numbers, for the

— See **BUILDER**, page C6

Del Webb expanding retirement-living concept

— DEL WEBB, from page C1

nothing like it on the Eastern Seaboard.”

Even in Florida, she said, the master-planned communities geared to retirees and pre-retirees “are not like a Webb.”

That means a community filled with recreation and entertainment amenities — not just golf courses but Olympic-size swimming pools, movie theaters and facilities for arts and crafts. In addition, Webb’s homes are designed with touches that seniors seem to appreciate, such as handrails in the showers, Schneider said.

In fiscal 1994, Webb saw higher new sales and closings overall at its Sun City retirement developments in the northwest Valley, Tucson and Las Vegas. The exception was the company’s Sun City complex near Palm Springs, Calif., where new orders and closings declined.

But Philip J. Dion, Webb’s chairman and chief executive officer, said he thinks the southern-California housing market has bottomed. The fourth-quarter results at Palm Springs were the fiscal year’s best at that development.

Sales at Webb’s newest Sun City, in a Sacramento-area community called Roseville, have been extraordinarily strong, he added. The company began

Builder posts \$6.4 million in earnings

— BUILDER, from page C1

period ending June 30, were the year’s best for the Phoenix-based conventional-home builder and developer of Sun City retirement communities in Arizona, Nevada and California.

During the April-June stretch in 1993, Webb earned \$4.6 million or 29 cents a share on revenues of \$128.1 million.

Webb’s fourth-quarter results came in 3 to 4 cents a share above Wall Street estimates. Prior to the earnings release Wednesday afternoon, the company’s stock closed up 12.5 cents at \$15 a share.

During the quarter and year, Webb posted double-digit increases in new orders, home closings and backlog. The year ended with a record backlog of 2,662 homes worth \$471 million.

The company also showed an ability as fiscal 1994 progressed to pass higher lumber and other construction costs along to buyers.

“Our profit margins improved as we went through the year,” said Philip J. Dion, Webb’s chairman and chief executive officer.

The fourth-quarter operating profit margin was

6.1 percent, up from 5.3 percent in the year-earlier period. Revenue per home rose 5.9 percent for the year and 6.9 percent for the quarter.

During 1994, Webb commenced sales activity at its Sun City Roseville development near Sacramento. The early results there have exceeded what was achieved at a similar stage at other Sun Cities in metropolitan Phoenix, Tucson, Las Vegas and Palm Springs, Calif., Dion said.

Also during the year, Webb launched Terravita, an upscale, non-retirement community in north Scottsdale, and has sold virtually all approved homesites to date.

Both Roseville and Terravita contributed to the company’s 1994 sales results but were too new to affect profit figures for the period.

Excluding Terravita and Roseville, new orders from existing operations gained 15 percent during 1994.

For the year, Webb earned \$17 million or \$1.13 a share on revenues of \$510.1 million. That compared with a profit of \$24.5 million or \$1.53 a share on sales of \$390.6 million in 1993.

However, the 1993 results were inflated by a one-time, non-cash accounting gain. Operating earnings were slightly higher in 1994.

Webb’s Texas community, with groundbreaking commencing in fiscal 1996. It will be located about a half-hour’s drive north of Austin.

The company also plans to develop an as-yet-unnamed retirement community adjacent to Sun City West in metropolitan Phoenix. Sun City West is scheduled to be sold out in about 18 months. The new community will begin development in fiscal 1995.

Also worth mention is Terravita, a north Scottsdale development that isn’t age-restricted but has seen heavy interest from empty-nesters. This upscale community, a new thrust for Webb, has virtually sold out of its available homesites after commencing marketing last November.

Webb has \$135 million in credit agreements and other financing to pursue its various new projects, Dion said.

Despite the strong sales gains made in fiscal 1994, Webb saw its profit margin slip for the year.

Like other builders, the company got hurt by surging lumber prices and

by labor shortages in the construction industry. Dion says fluctuating lumber prices remain a worry, but that Webb was better able to pass the costs to buyers as the year progressed.

Rising interest rates present a more serious challenge. Since last fall, the cost to finance a home purchase has increased sharply, with 30-year conventional mortgages now carrying fixed rates around 8.75 percent. That’s up from about 7 percent earlier in the year.

Although many of Webb’s retirement customers pay cash, they typically first must sell their existing homes to buyers dependent on mortgage financing. Webb’s conventional home-building efforts — through Coventry Homes, at Terravita in north Scottsdale, and through a newly established California division — also would be affected.

“If interest rates continue to go up, we would be hurt — no doubt about it,” Dion said. “The 9 percent mortgage area is right around the danger point.”

taking orders in May, which means the site made a small contribution in terms of sales but not profits to the company’s fiscal 1994 financial results. Roseville marks the first Sun

City not to be built in the desert.

Next up is South Carolina, where the first Sun City east of the Rockies will rise 10 miles inland from Hilton Head Island. Groundbreaking began

in May with selling likely to start in the fall, which means this development will be included in fiscal 1995 sales and earnings tallies.

After Hilton Head will come

Webb community goes nationwide

By TRACY CHARUHAS
Daily News-Sun staff

Thirty-four years ago Del E. Webb's vision of building an active adult community in the middle of a desert became a reality.

On the weekend of Jan. 1, 1960, Del Webb sold 237 homes, representing a cost of \$2,500,000. Webb's top quality masonry homes were priced from \$8,500 to \$11,750.

These days, houses are considerably more expensive, but Webb homes continue to grow all over the country, and an official at the National Association of Home Builders says Webb is still the leading builder of active adult communities.

George Genung, executive director of the National Committee on Senior

Housing for the National Association of Home Builders, said Webb has been in the forefront of active adult communities for many years," Genung said.

Martha Moyer, manager of public and community relations for Webb, said the developer was the first to meet the housing needs of retired people in the United States.

"In the 1960s, Del Webb made a strategic decision to take the Sun Cities concept to different points throughout the country," Moyer said. "Del Webb has been making continuing advancements and improvements since then," she said.

Sun City was Webb's first 55-and-over active adult retirement com-

See Location, climate, A8

How the Sun Cities stack up

	Sun City	Sun City West	Sun City Tucson	Sun City Las Vegas	Sun City Palm Springs
Open date	Jan. 1960 1978 finished	Oct. 1978	Jan. 1987	Nov. 1988	July 1992
Pop.	46,000	24,000 32,000*	3,148 5,000*	8,000 14,000*	1,000 10,000*
Size	8,900 acres	7,100 acres	1,000 acres	2,474 acres	1,600 acres
Homes	26,000	13,500 17,500*	1,768 2,500*	3,800 7,700*	600 5,800*
Home prices	\$50,000- \$300,000 (resale only)	\$87,900- \$232,500 (19 models)	\$104,000- \$218,100 (11 models)	\$93,300- \$244,700 (14 models)	\$129,500- \$243,000 (17 models)
Rec. ctrs.	7 (not listed)	4 \$33 million	2 \$6.5 million	3 \$16 million	1 \$10 million**
Golf	11 courses (one 9-hole)	8 courses	1 course	2 courses	1 course
Annual fees	\$100/person (new sales: \$200/house)	\$110/person	\$340/house	\$350/house	\$1,200/house

* — projected; ** — second center planned.

Source: Del Webb Corp.

Daily News-Sun graphic

Location, climate attract retirees

—From A7

community. Construction started in January 1960 and Sun City was completed in 1978. Following closely behind was the Sun City West development which opened in October 1978.

Sun City and Sun City West are the two largest Webb developments in the country.

"The company went through a phase in the late 1950s where they had access to so much land and they created a strategic plan for development," said Shonna James, public relations administrator for Del Webb Corp.

Several years after beginning Sun City West, the developer moved south to Tucson and completed a third retirement community in January 1987.

"Del Webb builds in a resort areas that attract a lot of retirees because of the location and climate," James said. "It's not just Sun City that draws them there."

The community has two recreation centers valued at \$6.5 million and one 18-hole golf course. Recreation center fees are \$340 per household annually.

James said the number of golf courses and recreation

centers are determined by the community's population and needs.

Sun City Tucson has a commercial center with 15 service-related businesses, a fire station and an ambulance service.

"Del Webb was one of the only developers who saw future growth in the senior's market," Moyer said. "Up to that point, seniors had been pretty much ignored by developers. This market is continuing to expand and we are excited about it."

Webb later brought the Sun City concept to Las Vegas and completed construction in November 1988.

The community's three recreation centers, which charge each household \$350 annually are valued at \$16 million. There are two 18-hole golf courses and two commercial centers with 25 service-related businesses.

Sun City Palm Springs, in Palm Springs, Calif., opened in July 1992.

The developer has 17 floor plans available. Home prices range from \$129,500 to \$243,000. Palm Springs Sun City has one recreation center which is valued at \$10 million

and one 18-hole golf course. A second golf course and recreation center are planned.

The residents in Palm Springs must pay an association fee of \$1,200 per household per year. This is considerably higher than the rest of the Sun City communities.

James said Sun City Palm Springs is Webb's only gated community and the residents have to pay for a number of services such as guard fees and road repair."

On Feb. 14, Webb broke ground on its first non-desert community. Sun City Roseville in Roseville, Calif., is 15 miles northeast of Sacramento. Eleven model homes are scheduled to open this fall, according to a Webb press release.

Del Webb plans to build a retirement community near Hilton Head island, on 5,300 acres of land inland in Buford County. The official groundbreaking ceremony was on May 17.

James said Webb is looking at land near Austin, Texas, as a possible site for another Sun City.

Closer to home will be a Webb's Grand Avenue project.

1994
Daily News-Sun, Sun City, Ariz.

Webb official touts 'next Sun City'

Grand Avenue project promises bright future

By J.J. McCORMACK
Daily News-Sun staff

Del Webb Corp.'s menu for the next Northwest Valley retirement community was served up Thursday during the Sun Cities Area Realtors breakfast meeting.

The "next Sun City," as Richard Vandermeer frequently referred to the project during the meeting of real estate professionals, will take shape on 3,700 acres of desert south of Grand Avenue and north of Bell Road in Surprise.

The master-planned adult community, which has yet to be formally named, holds "opportunity for everyone in this room," Vandermeer told the audience of 75.

The vice president-associate general manager of Sun City West, Vandermeer outlined the residential and commercial real-estate sales opportunities the development will bring. Among them is a proposed 100-plus acre shopping center along Grand south of Meeker Boulevard. The location of the shopping center, featuring restaurants, a theater and a grocery store, has not been determined.

Vandermeer said the proposed center was generating "tremendous interest" from commercial developers and may be under construction within 24 months.

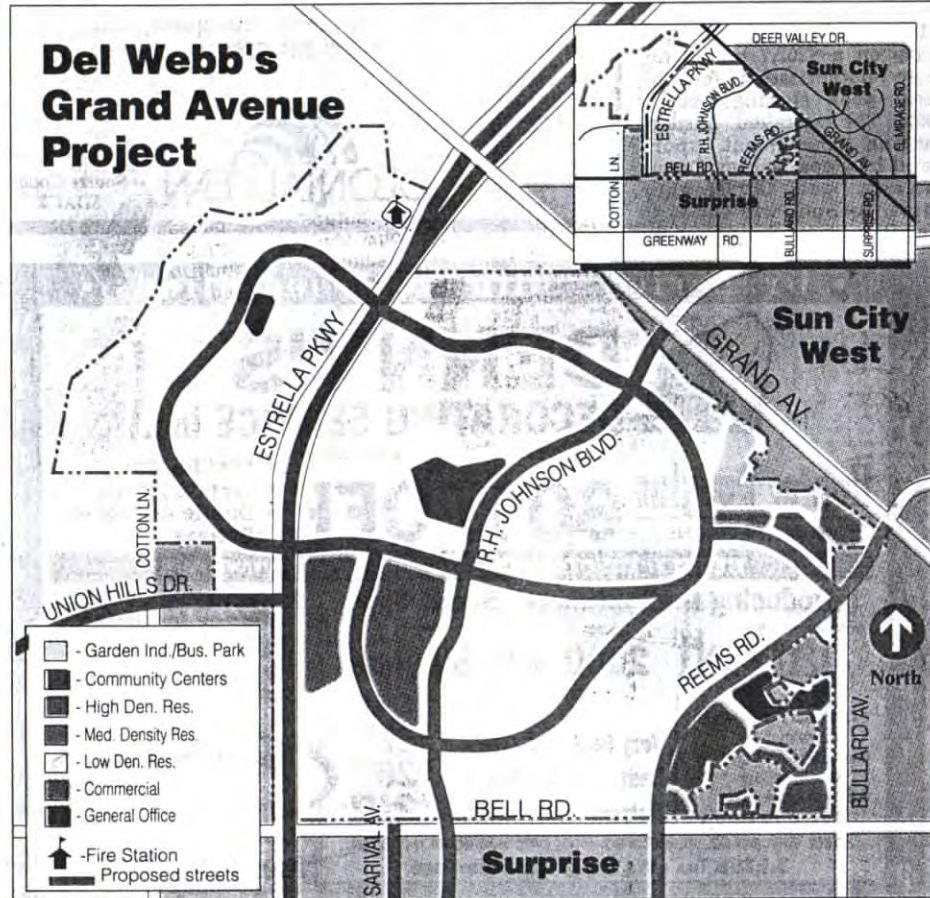
Another 50 acres of a 209-acre section of the adjacent Kingswood Park subdivision Webb has acquired is also earmarked for commercial development, Vandermeer said.

Webb is studying land-use options for 100 acres of industrial-zoned property across from Kingswood Park on the northeast corner of Grand and Bell. The property may prove a good spot for apartments, an assisted-living retirement community or a business that could benefit from the rail line traversing the property, Vandermeer said.

The future development of homes and businesses along Grand Avenue is expected to improve the appearance of the highway corridor, Vandermeer told

See Developer plans, A5

Del Webb's Grand Avenue Project



Source: Del Webb Corp.

Gary Smathers/Daily News-Sun

Del Webb Corp. will develop an adult community similar to the Sun Cities on about 3,700 acres of land in Surprise. Construction on the land north of Union Hills Drive is scheduled to begin this fall. Webb is working to obtain the land between Union Hills Drive and Bell Road.

Developer plans 7,400 homes

—From A1

the audience.

"We will all benefit from the beautification of Grand Avenue. I get excited when I think about it. So much can be done there."

As some Realtors in the meeting audience took notes, Vandermeer reeled off some facts about the next Sun City, aka Webb's Grand Avenue property. He said it will house 7,400 homes, four to six churches, two assisted-living retirement communities and apartments.

He characterized the

project as "another relative of the Sun Cities that we've already developed" in the Northwest Valley with affordable housing and "beautiful" recreational amenities.

In response to audience questions about the project, Vandermeer provided the following additional facts about the Grand Avenue project:

- It will feature different models but comparable prices to Sun City West homes.

- Three million tons of dirt will be used to create a "rolling terrain" in the community.

- The recreation center

complex will be housed in the center of the community, in part to create a small-town atmosphere.

- As many as 1,000 family or conventional-housing units will be built in the Kingswood Park portion of the project.

- The housing density or dwelling units per acre will be comparable to Sun City West.

- Webb may maintain a marketing presence in Sun City West for resale purposes once corporate operations move to the Grand Avenue property, probably in early 1996.

Del Webb Announces Executive Promotions

The Del Webb Board of Directors has announced a series of promotions including the elevation of Chuck Roach from the position of vice president to senior vice president for the Del Webb Corporation. Roach is also the general manager of Del Webb's Sun City West development.

Roach has worked for the Del Webb Corporation for more than eleven years in various positions. He holds a B.S. degree in accounting from Arizona State University and is a Certified Public Accountant.

Rich Vandermeer, vice president of sales and marketing for Del Webb's Sun City West development, has been promoted to associate general manager of Sun City West.

Vandermeer joined Del Webb in 1989, first as vice president of sales and marketing at Sun City Tucson. Prior to joining Webb, he held the position of president for sales at Sun City Center in Florida. A licensed real estate broker in Arizona and North Carolina, Vandermeer also holds a real estate salesman license in Florida.

In addition, Webb announced the following promotions at its Sun City West development.

Mike Jesberger has been promoted to manager of land development operation. Jesberger



Chuck Roach

will be performing the administrative and supervisory work required for the construction of land development.

Thomas Hennessy has been promoted to the position of manager of planning engineering for Del Webb Corporation's Sun City West Land Development Department. Hennessy joined Del Webb headquarters in June as manager of land development. Prior to this he served as vice president of Wood, Patel, and Associates, Inc., a consulting engineering firm in Phoenix. He holds a B.S. degree in civil engineering from Arizona State

Webb
Continued on Page 2

Webb Announces Executive Promotions

Continued from Page 1

University as well as a B.S. in mechanical engineering from General Motors Institute. Additionally, Hennessy is a registered professional civil engineer for the state of Arizona.

Nathan Jacobus has been promoted to senior sales manager for Del Webb's Sun City West sales office. Jacobus previously held the position of sales manager. He transferred to Sun City West from Del Webb's Sun City Tucson community two years ago and has been a Webb employee for four and a half years.



Rich Vandermeer

Chuck Roach, General Manager, Del Webb Corporation:

Thank you, Sandy. I appreciate you inviting me to this conference this morning. I believe that Del Webb certainly needs to be available to provide you with as much information as you need in considering the future of this community.

While our primary development and home building mission here in Sun City West is rapidly coming to a close, our presence in this community will be felt—and will be here—for a very, very long time. So in effect, we are not going to be leaving you; we will probably just be changing roles. We certainly still have a long-term commitment in terms of warranty of the homes we build. We will maintain our headquarters here while we are building across Grand Avenue in the new Surprise community. So you are going to see Del Webb in this community for a long time to come. Our association with Sun City West has been very long and very prosperous, and today, as you all wisely start looking forward and planning for the future, we are more than happy to rise to the challenge and eager to help you in that effort.

What I want to do is review with you some of the activities that Del Webb is currently engaged in and how they will impact you in the future. Specifically, I am going to cover political advocacy, community maintenance, charitable support, community marketing, and community association oversight. Then I am going to talk about the impact our Grand Avenue

community is expected to have on Sun City West. And last, I will discuss with you some of our views on the needs of Sun City West for the year 2000.

Political advocacy, and along with that what I call inter-community relations, is probably something the average Sun City West citizen does not see a lot of because we don't go to a great deal of effort to publicize those things at any particular time. We have lobbyists at the federal, state and local levels who are maintaining relationships with those various governments, and as a matter of course, we are in constant communication with people at the federal, state and local levels, monitoring rules, regulations, laws and everything that affect not only our home building and development activities, but also the impact of things on you whether it be federal fair housing laws, taxes—those sorts of things. So we are constantly in a monitoring communication role as it relates to the political side of things. This also puts us in a position of being able to respond as rapidly as possible when we see things happening that might have a negative impact on you all as well as on our business.

I think your greatest challenge, as you move forward, is establishing relationships with the various government entities in—what I would say is—a state of constant change. What I mean by that is, if you look at the role we play, our corporation is consistent in the terms of the faces these government regulators see, whether it is the lobbyists' or the executives' of our company. In most of the organizations within your community those faces have a tendency to change with a fair amount of regularity. It is usually on an annual basis if you elect officers, committees and the like, and all of a sudden the regulators have a new set of people to deal with. It takes time for them to get comfortable and to understand your needs, establish relationships and communications and then move down the road. As those things continue to change year after year, it becomes that much more difficult for those relationships to become established. I would submit to you all, that is something you would want to consider. I don't have a recommendation for you. I know why, typically, organizations set up an annual change in officers and structures, but I must tell you that in terms of inter-community and political relationships, that is probably one of your biggest obstacles to improving in that area.

Along with that, I also find that oftentimes—this forum being an exception and I would say a positive exception—many organizations have not elevated to the level of long range planning, and long range thinking, and

long range goal setting of objectives. We find—not only Del Webb Corporation but you all find—that it is somewhat frustrating to watch our governments go through each year, whether it is a budget process or something else, solely focused on this year and nothing beyond and not doing any long range planning. In a session the governor was at the other day, he commended Bob Williams for doing a lot to try to bring long range planning to the state government. I submit to you that I think that type of thinking needs to permeate your organizations as well, because that will give you focus and opportunity to establish longer term relationships with organizations that can and will help you.

On the community maintenance side, within the last week we provided the Recreation Association with a map of all of the things in this community that require some monitoring and attention with respect to the community look, feel and maintenance issues. These include such things as the perimeter walls as well as the arterial walls running through the community, vacant lot deweeding activities, enforcement of the CC&Rs that each of you have on your properties so that you can maintain the quality of the community.

On the landscaping side for such things as medians as well as some amount of the deweeding activities and maintenance along the Bell Road frontage, along El Mirage and our other arterial walls—right now, those are jointly maintained by the Prides, the county, to some extent the Recreation Association, and by Del Webb. At this time, four organizations are involved in this activity. The Prides do an absolutely outstanding job of regular, constant maintenance of the plant materials in the areas of the medians along your major thoroughfares, arterial and collector streets where there are plant materials. The Recreation Association pays the water bill for most of that at this time. I believe we are still paying for Bell Road and the front entrance. The deweeding activities get handled by all four of us as well. I would honestly say to you that at this point in time, our involvement in that activity is not really substantial. We help the Prides, we talk to the Rec Association, to the county—we work with all these groups and if we don't feel things are moving fast enough we'll move in and authorize doing something. It is something I think the community, the Recreation Association, the Prides and county can all work together on. If Webb stepped out of the picture I am confident the activities would be done, quite frankly.

Right now, I'd say we are really the ones who do wall maintenance. The primary activity in wall maintenance is painting the main wall along RH Johnson periodically, the one that is plaster and paint. The perimeter walls are solid, non-painted walls and the activities there relate to repair work if, for some reason, someone bashes into the wall—that kind of thing—a very rare occurrence. A new activity that has come up is we have been responding to some graffiti—painting those walls and covering up the graffiti. Those are things that someone will need to take over in the community as our role diminishes.

Vacant lot deweeding is something else that we presently monitor. Each individual lot owner is responsible for deweeding his lot. In order to make sure that there is a coordinated effort of periodic deweeding going on, we simply make a sweep of the community, call the land owners and say it is time to deweed; we'll do it for you and send you a bill, and that is basically the way we do it. Ten to twenty percent of those people never respond to the bill but that is something you can always deal with on a more forceful basis. That is another activity that I think some one organization in this community needs to plan for—needs to take over. It is not really cost intensive, it is just something an individual has to monitor: get on the phone, arrange for services, collect the bills, payments, etc.

Enforcement of the CC&Rs—under the current agreement, when Del Webb finishes its activities in the community, the Recreation Association has agreed to look at accepting responsibility for enforcement. At the present, PORA does an outstanding job of investigating these matters and arbitrating, if they can, a solution. If they run into a problem they can't solve, they bring it to Del Webb and Del Webb gets involved, particularly if we need to have attorneys in the case. In the ten years that I have been in Sun City West we have never had to prosecute or take to court a CC&R violation. We have gone so far as to have an attorney send out a strong letter, but it is not an activity that is very cost intensive but again it is an activity that is very time intensive, particularly as it relates to PORA's activities. It just takes a lot of time to respond to violations that are filed, research what the CC&Rs say, explain to the homeowners their rights and try to arbitrate a resolution.

Charitable support, at various times throughout our history here we have tried to communicate to you the level of charitable support we provide to the community, and I think that many of you are in organizations that have

received monies from Del Webb Corporation. As we start our new Grand Avenue project, frankly, the focus of our attention will be to move more in that direction with charitable support and there will be less forthcoming as it relates to the community here. The organizations need to understand that shift will occur and to plan accordingly into the future to make sure they are doing things to keep their fund raising activities going at the pace needed to service the organization.

Probably the biggest single item that has potential impact on you at some point in the future, is the community marketing. And of course, Del Webb Corporation literally spends millions of dollars every year, between our "Vacation Getaway" program and national and local advertising, to put on display the community of Sun City West, and that brings in over 120,000 visitors to your community every year. Each one of them is potentially a customer for your home as well as the new homes that we build. That has had the impact of keeping Sun City West at the highest appreciation rates in the county in the last ten years. Your home appreciation rates have even exceeded those of Scottsdale which—frankly—surprises me, but it is all that activity that continues to keep those appreciation rates on a high plain. As we start focusing our marketing dollars and our attention on our new community, there will be less and less focus on this community and, therefore, fewer people coming through. The good news is we are staying in the Northwest valley and it has been our experience that certainly the marketing trail to get people to Sun City West goes right through Sun City and they have taken advantage of that and set up their Ambassador program and their Visitor's Center. Those kinds of opportunities also exist for you all as we move across the road. So the impact will not be as great as if Del Webb moved to a new part of the valley. You still have a great opportunity to capture those people as they come in to look at the new community. But you really do need to determine how active you want to be, and in what way you want to be active in marketing your community, and this is absolutely the most appropriate time to start those kinds of processes.

On community association oversight, we started on a transition plan with the help of a former advisory board several years ago, and that transition is moving through the process. It—at times—I think everybody would agree, has been a little bit of a bumpy road but we are very, very pleased that road has substantially straightened out and the passing of the baton is being

effectively handled. I think we are most pleased that the community is finally aware that, in fact, Del Webb is not running the Recreation Association any longer, and that the community needs to pay attention to getting qualified people on their board to handle that association. So we are no longer concerned about the future operation of the association; we believe it is on sound financial footing; we believe it is on sound management footing and we are very pleased with what we have seen there.

I would like to talk with you now about what we see as the potential impact of our new community in Surprise on Sun City West. First of all, we would expect a new commercial center—which is planned for right at the entrance of Meeker at Grand Avenue—to be accessible to Sun City Westers as well as those in the new community...and I must tell you we are already getting a lot of interest at this time. There are active negotiations going on today on that property, to our pleasant surprise. Once we start getting moveins in Surprise, we would expect their initial retail shopping activities to probably take them over into the main area of Sun City West. I can tell you, in all honesty, that I am sure there are some here and some out in the community who are going to scratch their heads and say, 'Well great, Safeway is going to get even more crowded.' And I would say, yes, initially that is likely to happen. It is incumbent upon us to continue the activities and negotiations that we are involved in to try to get a retail center up and operating as soon as we possibly can and that is certainly one of the goals on my team's mission. On the plus side, we believe that the residents of the new community are going to be very excited about having the beautiful Sundome facility to entertain them. As you all know, the Sundome has come through a bit of a tough period financially, and is now moving into a rather great period and more people to attend shows at the Sundome will only enhance its ability to go on long into the future on a very financially stable basis. So we see that as a real plus for the community. It also, I think, will provide more opportunities to get more, and better types of entertainment, and that's a very good side, a very positive side.

Also, in terms of Del Webb Hospital, the hospital was actually planned at a time when the Phase II portion of Sun City West—the 7,000 acres across Grand Avenue that we owned until 1983—was still a reality, so the whole planning for the Del Webb Hospital campus was based on the prospect of having a 13,000 acre community as opposed to the smaller community that Sun City West became. Consequently, our discussions with

the hospital about the impact of our Surprise community have been very positive. They are now saying, 'Great, you are back; you are staying and now those people we had planned for to help us financially with the hospital, are going to be coming in.' So, again we see another very positive impact with respect to medical services, availability and the like. It has already been planned for in terms of the long range planning of the hospital.

As we look to the year 2000 and try to assess, based on what we have seen happen in Sun City, and based on what we see in the constant monitoring of our market, we suggest to you that there are probably two important things that are likely to happen. First and foremost, the recreational needs of this community—as the people age and change—will change with that phenomena. One of the things we did many years ago was to set up the asset replacement fund. It is something we had not done in Sun City before we left. It was something they did on their own after we had turned it over. In Sun City West we started that process so that the association will have the capital necessary to make changes to association property that may be necessitated by the changing needs of the population. What those needs may be, from our perspective, is anyone's guess. I think if you understand that changes will occur, and you continue to maintain the capital resource necessary to adapt to those changes, you will be in fine shape with those facilities.

On the housing side, something that we discussed at the community leaders' meeting yesterday, and what we have seen in Sun City over the years, is clearly a need for—whatever you want to call it, retirement hotel; catered living; life care—facilities. Basically, it is the next living mode for those people who no longer feel that they want to stay independently, individually in their own home but don't want to leave the community. Those facilities need to be planned for. You need to attract the right developers for those kinds of facilities. You may want to consider something similar to Royal Oaks where the people of Sun City got together and raised 36.5 million dollars and built their own life care facility. That was the way the hospital corporation started as well. That is something that you all, in a group like this or in future groups, need to consider as an option for providing those kinds of services to the community. By the way, Martha Moyer asked why they haven't moved forward and done something like that in Sun City West and basically it was a feeling that they pretty well have all they can handle

at Royal Oaks and they just don't have the energy to expand and grow as a business.

We believe that the community will face many, many challenges over the next five to ten years, and we also believe that the need for concerned, dedicated community servants will grow. I think I have said it many times; I never cease to be amazed by the dedication, the volunteerism, the willingness to help of the people in this community, and as the community goes forward we will continue to need—you will continue to need—dedicated volunteers to get the job done.

Organizational flexibility in the future is going to be important. I talked about that earlier; it is something you all need to take a look at. The need for long range planning is here today and the fact that you are all here to do some long range planning, is an important step forward. I want to reiterate that we at the Del Webb Corporation stand ready to help you in your efforts, provide you with any information we can—any help and assistance in terms of our historical perspective and our view of the future.

I thank you very, very much for your attention and at this time I would like to answer any questions you might have.

Questions:

In regard to the walls: The walls referred to are all on private property and there are a lot of walls. As they need painting, we will need someone to monitor maintenance of all these walls in order to insure they are all painted the same color, etc.

Let me try to put it—cost-wise—into perspective a little bit so that the community doesn't get too concerned about the issue...What we concluded was...We can go ahead, repair and paint the wall and send a bill to every one of the homeowners living along RH Johnson, the primary arterial wall. What is likely to occur?...The homeowner is likely to say I will take care of the part I have to look at. If you want something nicer out there you take care of it but don't send me the bill...That is our view of what is likely to happen if someone tries to say, 'The wall is on your property; we expect you to maintain it and pay for it.' We simply, over the years, said we're not going to get into that. If the wall needs painting we will send a painter out and paint it. It costs about \$15,000 to paint the entire wall and it is required about every four to five years. That will give you a

financial perspective on it. That is the walls along RH Johnson. The Bell Road wall is probably another \$5,000...

This also relates to treating the trees for insects. It seems all of this should be paid for by the Recreation Centers of Sun City West because everyone enjoys these thoroughfares...

The association is the only organization in this community that has the power to tax all of the people in the community via increases in the association dues. Clearly, the thoroughfares are for the benefit of everyone in the community and as part of the original master agreements, we did provide in those agreements that the association has the authority to do these things if they choose to accept that authority and responsibility. Ultimately, it comes back to the residents as members of the association to decide if they want their association to accept the responsibility and carry forward. If the community says no, then we submit to you what is likely to happen—first of all, the county has said that the landscaping we do in this community to provide an attractive atmosphere, is well beyond the standards they have for landscaping. So, if they are the ones solely responsible for watering and maintaining it they will require that the community tear out a substantial amount of plant material, trees, etc., until it is down to a level that the county says is an acceptable standard. Second, the level of maintenance you will see will not be the level that you are used to. As an example, if you look at the stretch of road that is from the river bottom into Sun City along Bell Road where they widened Bell, the county is maintaining a stretch of road there and you will see that the weeds grow a lot higher, trimming the trees, etc., does not occur. That is what you can expect as a community if you leave this responsibility up to the county...You all will have to decide, as a community, how much you want to do, and what you are willing to do in those areas.

If the Rec Centers wouldn't do it, who would?

The county is responsible for maintaining the medians. The Prides would still provide a lot of the activity, but again if the Association doesn't pay

the water bill the county will say remove a lot of the plants so that the water bill will go down...

Have you ever encountered a homeowner who complained that you painted his walls for free?

No.

One does tread on some legal ground there and if you were highly legalistic, one could say you shouldn't do that.

That's true. Technically, you are spraying someone else's property...It is a legal implication...That's what we have a legal department and Del Webb Corporation for...We are going to do what we think is right, reasonable and best for the community and deal with any consequences that may come from it. In fifteen years, nothing has come from it.

Can you give us some general idea of your timing for the new Surprise community?

Right now our plan is to complete our new sales center in the new community by October, 1995, and probably pre-open at that time, and—by or about—the first of January 1996, be fully moved in and selling homes in the new community. At that time we plan to have the sales center here shut down, so all of the activities would then be flowing through the new community. Also at that time, we expect to have a lot inventory here of 500 to 1,000 depending on economic conditions. So, we will still have some home building activity here but it is all going to be handled from the sales center in the new community.

What is your best projection as to how long you will have a presence in the new community?

Our estimates right now range from seven to eleven years.

Will we be the only community...to have only five traffic controlled intersections?

I wish I knew the answer to that...certainly the county has been generally cooperative with us when we have asked them to assess an intersection or a safety issue and over the years has gone from no traffic control to stop signs to stop lights in accordance with their criteria for traffic volumes and the like.

Is Webb going to connect Deer Valley with Grand before they leave here, and what about the RV facilities for the new Surprise community?

With regard to the Deer Valley/Grand connection—we have had a long term fight with the Santa Fe Railroad while working in conjunction with the county who also wants to see that connection occur. Meetings occurred on that issue this week with supervisor, Ed King, and he is very supportive and very determined to get things done on that issue. It really involves an at-grade crossing which the Santa Fe Railroad must technically put in. They have been directed by the Corporation Commission that it needs to be planned and put in. The general position of the railroad, on at-grade crossings anywhere, is we don't want them and we are going to do everything we can to fight you on it. So the regulatory processes have gone through that said you will have an at-grade crossing here but Santa Fe...is pulling the road block game and we are all just pushing in the right direction. Whether it occurs before we leave—when it will occur—I can't tell you...it is critical to the transportation system in the northwest valley.

Wasn't there an agreement that you would build the connector road?

That is correct. In summary, there are agreements in place that will make that happen as soon as the legalities...with Santa Fe get squared away.

On the RV storage, we are presently analyzing the alternatives we have for providing RV storage to the new community; we have several. To state that more specifically, the RV site that is in the river bottom that currently serves Sun City and Sun City West is basically full...We have about three different alternatives we are looking at to see which is the

best one. There certainly will be storage and we have lots of capability to provide it.

I think it is interesting that this new development is in the City of Surprise as opposed to the county. Your relationship now for building permits, etc., is with the city and not the county. The same thing occurred in Tucson. What is the difference in the relationship with the city versus the county?

I'm not sure how to address that. Obviously we have to make the transition from dealing with the county to the city government. The City of Surprise has a very, very small government with a very, very small staff. Many of the activities that are handled within the administration at the county level, at the City of Surprise level are handled by outside consultants, so to that extent we work with outside people who advise the City of Surprise. Since our activities in Sun City West will continue for a time, we also are continuing to deal with the county, so I guess I have given my guys a new challenge...two regulatory bodies to maintain good relations with.

The picture of funding is more governmental in the new development in the City of Surprise than it is here...you were talking about using the community's Rec Center funding authority here...I think there would be a different kind of funding structure that would occur.

A little bit different but also, I would say, surprisingly similar. What I mean by that is as Sun City and Sun City West are—I'll use the word *enclaves*—within the county, our new project will be an enclave within the City of Surprise. It will have its own master homeowner's association, dues structure, all the rest of that. By and large most of the things we have talked about with respect to Sun City West that need to be addressed in the future will be addressed up front in the new Sun City across Grand Avenue and will be part of the dues structure, part of the bylaws and the responsibilities of the new association. Put another way, the city is not necessarily looking forward to—or soliciting—any particular work that they might want them to do within the new community. For example, most of the neighborhood streets in the community will be private streets and will be maintained by the association. The arterials and collectors

will be semi-private streets but will be maintained by the City of Surprise, so they will take care of the big streets; the association will take care of the small neighborhood streets. That is the city, basically, saying, 'We don't want to have this responsibility. We are a small, poor community and we don't have the revenues to do what you want us to do.'

Will this development be unincorporated or a part of the city? What do you anticipate the number of homes and the population will be?

It will be part of the city. Right now there are four phases to the project. Phase I and Phase II will be about 2,000 homes each. Today we have fee simple interest in the property necessary to develop Phase I and II. Phase III will have approximately 2,000 homes in it. We are in a negotiation/closing process with the Resolution Trust Corporation on property in the Phase III area. If we are successful, that will give us what we need to develop Phase III. Phase IV is a question. There is a private landowner there who thinks there are two gold mines and five oil wells on his property...At this time, I am comfortable in saying at least 4,000, likely 6,000. Beyond that somewhere in the 7,500, 8,000, 8,500 range if we are successful in getting to Phase IV, in terms of homes. Multiplied by 1.8 that will give you some population estimates.

Are you planning a private country club in the new community?

Tough question. It is an unanswered question at this time.

A theater?

Yes, a small one. Probably larger than Stardust, definitely smaller than the Sundome.

Surprise will get state funding of \$220 per resident to help pay for the maintenance of the community. You indicated that certain streets will be private. I believe state funding provides that there are highway and street funds in that money and streets cannot be private in order for them to receive the funds.

Yes, that is why the arterials and collectors will all be semi-private. I could also use the term semi-public. Under the present arrangement that we worked out with the City of Surprise, the main arterials will be open to the public at least twelve hours a day but we have the right to stop and detain traffic in the evening hours and require residents to have stickers for entrance, etc., in the evening hours. It gives us capability to control access to the community during what are usually times of higher crime...and still receive state funding.

You mentioned \$15,000 to paint the walls. Is that from Bell Road up to Camino del Sol or all the way to RH Johnson Boulevard?

I don't want to mislead you, so I will have to get back to you on that question. I don't recall the last time we painted it—whether it was the full length or whether it was up from Bell to Meeker. I will get back to you on that.

Are you going to continue to use Hillcrest as part of your public relations center?

We plan, at this time, to retain ownership of Hillcrest for at least the next two or three years if not beyond. We have had discussions with the Recreation Association, we have had some discussions with Briarwood regarding their interests in the future of Hillcrest and what we might be able to work out in terms of sale, and use...but so far we haven't reached any conclusions in those discussions.

In Sun City there are several private country clubs (3) and I understand there is a long waiting list in Briarwood. Would Hillcrest be a prime spot for a country club in Sun City West?

It could be, very definitely. That is one of the options we are taking a look at.

In terms of the Sales Pavilion—do you anticipate having that remain in the community or is that eventually going to turn into housing?

Our plans at this time are still to tear it down and put housing in there. It just, frankly, doesn't pencil out for us any other way.

One of the problems we have experienced over the last two or three years is the need for historical documents on the formation of the community. I wonder if we could arrange to get hold of these documents.

What's ours is yours, is my first comment and a second comment is: very, very recently, at the corporate level Phil Dion commissioned John Meeker to put together an historical perspective. I was in Phil's office a week and a half ago and John had just turned it in. There are two volumes...with documents relating not only to Sun City West but Sun City as well. There are concepts, formation, even some original agreements...Excellent material for you all to go through. I suggested to Phil that we microfilm it so that we have more copies and I think they are in the process of doing that now.

We have given a lot of documents relating to Sun City to the Historical Society, and are more than happy to do that here. Part of the issue with the Recreation Association on transition has been to get anything we have relating to that association and we have tried to identify those things and get them to the association. I think we still have a lot of archives. I don't know everything that is in those archives. Diane Elliot is our *guru* of archives. Anyone who is interested in that, I would be happy to work with to find out what we have and get it transferred over to you.

You mentioned a map you gave to the Rec Centers showing all the things that have to be maintained. Can a copy of that map be given to PORA?

The map is one of a kind but certainly anyone could sit down with the map and duplicate it by hand. It would be easy to duplicate. Maybe you could get a color Xerox of it so it would make sense but it is such a big map it would make more sense to duplicate it by hand...I'm sure John McMillen would be happy to work with you on that.

Plan would add 12,000 people to Surprise

By MIKE GARRETT
Daily News-Sun staff

SURPRISE — Del Webb Corp.'s 3,700-acre Surprise Grand Avenue project will attract more residents from 1996 to 2010 than live in the city today, a study projects.

Phoenix-based ESI Corp. analyzed projected 14-year presence of Del Webb Corp. in Surprise in a 47-page prepared for Webb.

The Webb Corp. has designated approximately 3,500 acres for an active-adult community and 210 acres to complete the Kingswood Parke family-oriented community.

The Surprise project is bordered by Grand Avenue on the northeast, the McMicken Dam on the northwest, Bell Road on the south, Cotton Lane on the west and Bullard Road on the east.

The preliminary project estimates for 6,826 residential units, including 6,244 single-family homes.

Webb plans to build 2½ to 3 homes per acre, which could translate to more than 12,000 residents at build-out, said Chuck Roach, Webb executive vice president and Sun City West general manager.

"We really haven't made a specific population projection yet," Roach said.

City officials said 7,300 people live in Surprise.

"We hope to break ground in the fall of 1995 and have the first models and golf course open by the first quarter of 1996," Roach said.

Webb and city officials have intensified their negotiations and are fine-tuning purchase agreements.

Roach said this week he hoped to wrap up the purchase agreements package with current landowners and the city by early January.

"It has all been pretty positive," City Manager Richard McComb said. "I think we have some issues we have to work on and there has been some give and take. But all in all there is enough common ground to get this thing done."

"So far we have had an excellent relationship with the city," Roach said. "They have welcomed us with open arms."

"Based on where we're at in negotiations now, Webb expects to make a presentation to us next week on the amendments they want on their master and general plans," McComb said. "I'll probably ask council to meet on Dec. 30 and work shop the development agreement."

The property is held in subdivision trusts by Landmark Land Co. of California and Oak Tree Investments, subsidiaries of Oak Tree Federal Savings Bank, which is under Resolution Trust Corp. conservatorship.

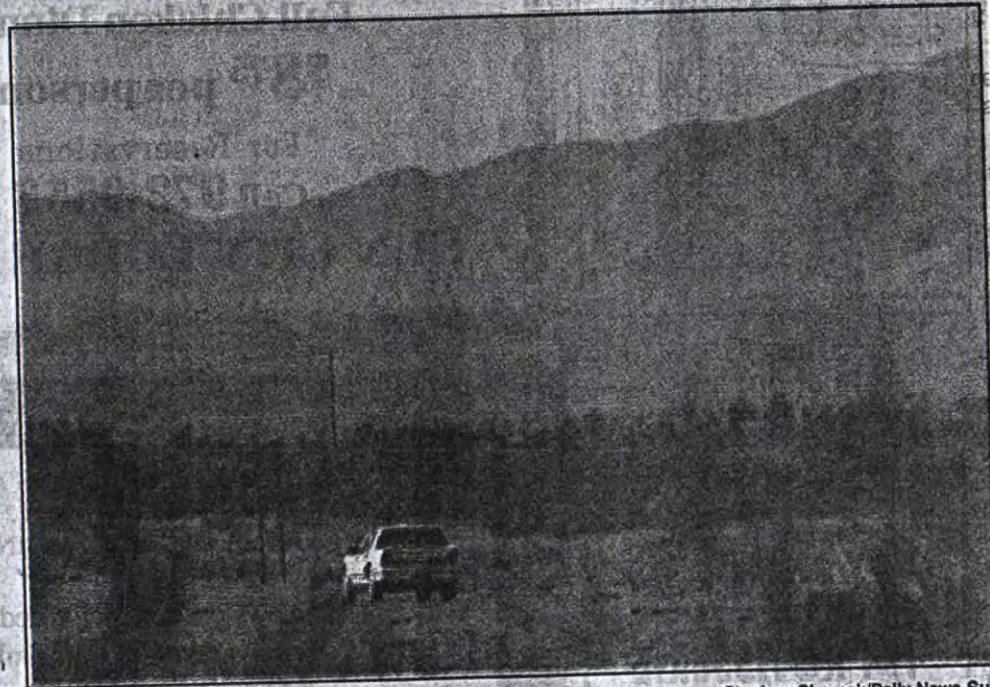
The RTC was created by Congress to dispose of assets of failed thrifts and Savings and Loans.

So far, the project doesn't have an official name.

"I think Webb is really struggling with a name," McComb said.

"We don't want it to be known as Sun City Surprise. I suggested to them they call it Del Webb's Surprise El Grande."

Outside of probably keeping the Kingswood Parke name for the fam-



Stephen Cherek/Daily News-Sun

A car travels Loop 303 which bisects land the Del Webb Corp. plans to develop in Surprise.

ily subdivision, previous owners have never named the property.

Roach said it was natural for Webb to repurchase the mostly undeveloped land because of its close proximity to Webb's Sun City West headquarters.

"Because of this project, we plan to maintain a presence in Sun City West for a long time to come, even after we've finished with the expansion area," Roach said.

"We looked at other sites in the

southwest and northwest valley. But in taking all considerations of water, price and location together, this was the best site for us," Roach said.

Webb plans to include a neighborhood shopping center along the Grand Avenue corridor, three golf courses, an as yet undetermined number of recreation centers and several churches in the proposed Surprise project.

"We don't plan to deviate much See Webb Corp., A5

SPINNING a new WEBB

**Builder's
Scottsdale venture
veers from
Sun Cities mold**

By Susan Doerfler
Staff writer

Del Webb is building a master-planned community in north Scottsdale, but it won't be another Sun City.

It will offer facilities for golf, tennis and jogging as well as other amenities — like the company's retirement developments — but this community, called Terravita, is designed for move-up buyers of any age. The homes, which will range from 1,400 to 3,700 square feet, will be priced from the low \$100,000s to the mid-\$300,000s.

"It's a big departure from anything we've done in either of the Sun Cities," said Chris Haines, vice president of sales and marketing for the development, an 803-acre site at the southwestern corner of Scottsdale Road and Carefree Highway. An 11-model complex is scheduled to open in February.

Ken Plonski, Del Webb Corp. community-relations director, said the company expects many of the buyers to be professionals in their mid-40s and older, as well as some younger couples and, yes, retirees.

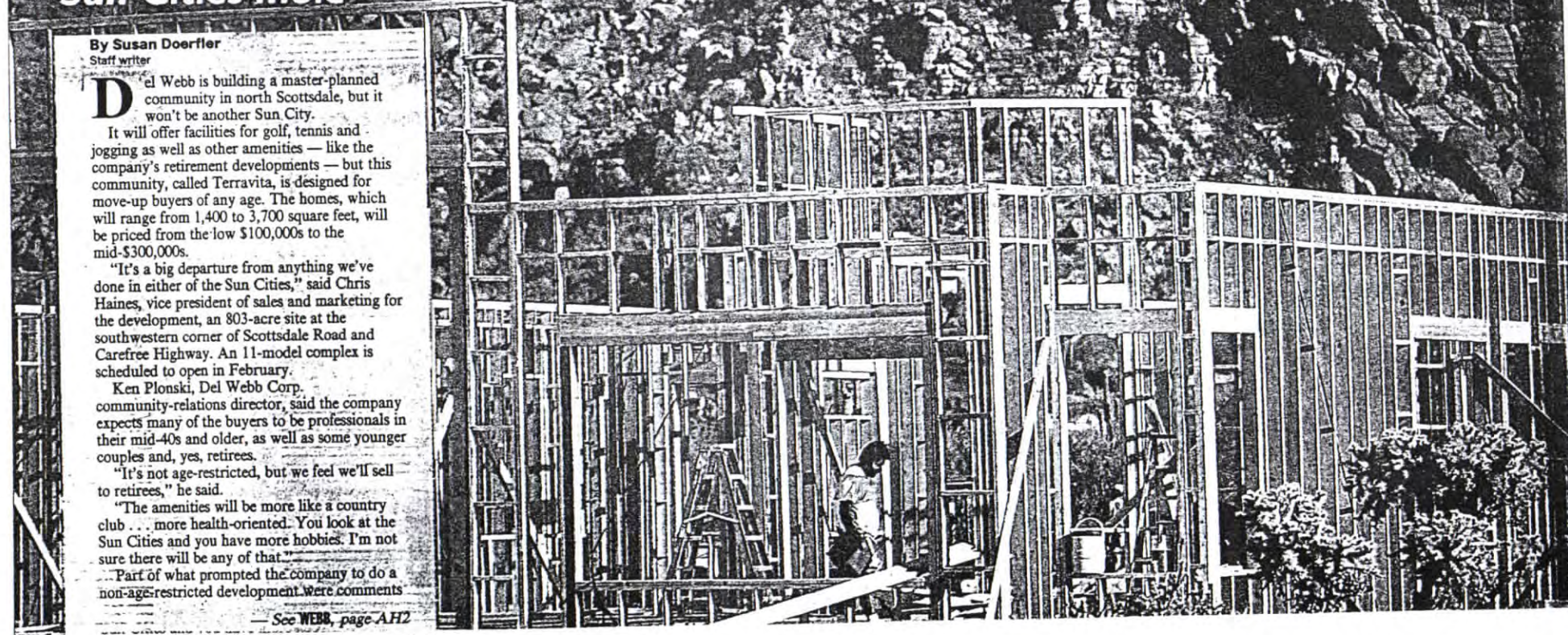
"It's not age-restricted, but we feel we'll sell to retirees," he said.

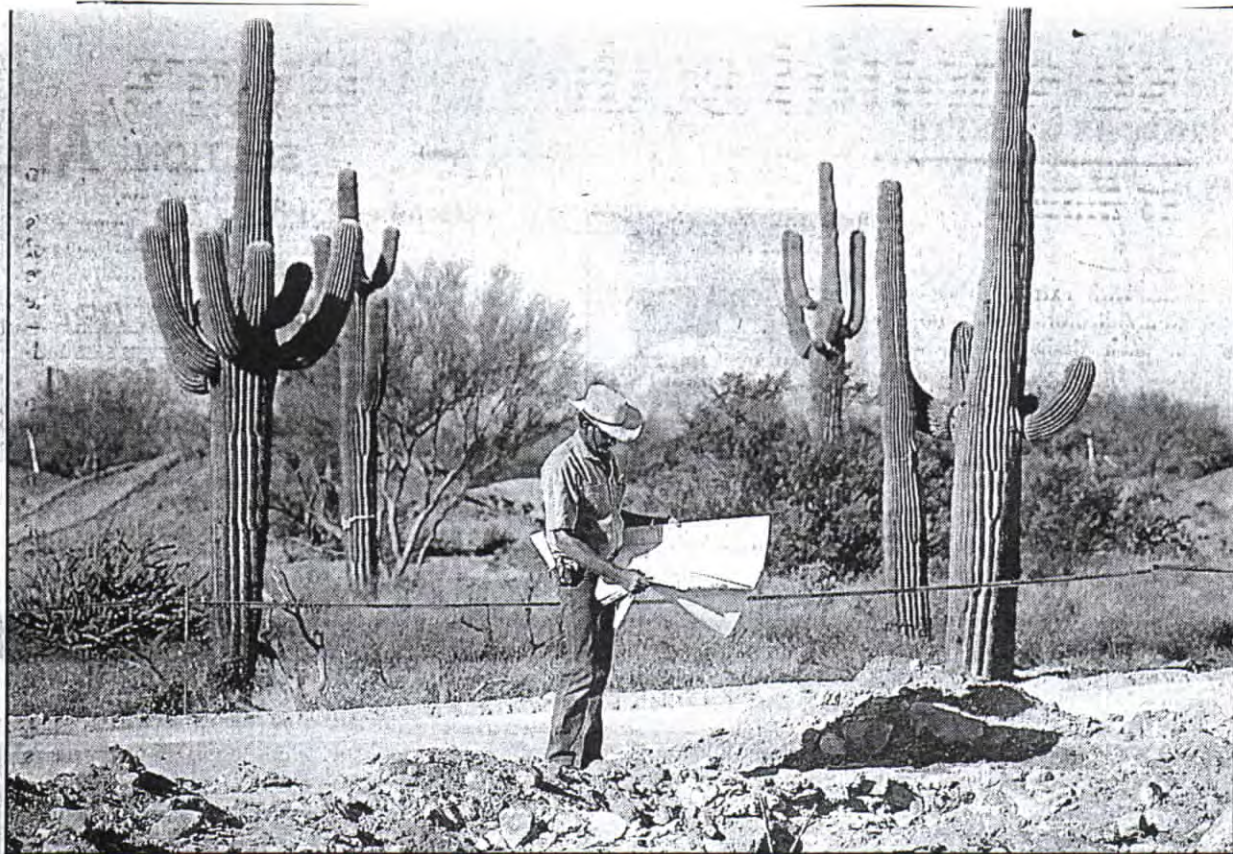
"The amenities will be more like a country club . . . more health-oriented. You look at the Sun Cities and you have more hobbies. I'm not sure there will be any of that."

Part of what prompted the company to do a non-age-restricted development were comments

— See WEBB, page AH2

OVER





Rob Schumacher/Staff photographer

Steve Taylor, lead field superintendent for Del Webb's Terravita development, checks footings before a concrete foundation is poured at one of the tracts. The community will differ in many respects from Webb's Sun City.

Webb takes new tract in Scottsdale complex

— WEBB, from page AH1

from people who had moved away from the Sun Cities. In exit surveys, some remarked that they preferred to live in a non-retirement community and that they preferred smaller neighborhoods to one massive community.

Del Webb took these ideas to heart.

Instead of the sprawling layout found in the Sun Cities, Terravita will be divided into a variety of subdivisions, defined by house and lot size. Each subdivision will have 50 to 80 homes. Although the community is zoned for about 1,750 homes, only 1,490 homes, a 35,000-square-foot clubhouse and recreational facilities will be built.

Subdivisions will be interlaced with natural vegetation, another departure from the Sun Cities, in which rock and grass yards predominate, Haines said. Del Webb's Sun City Tucson development has natural vegetation.

The first master-planned community to be developed under Scottsdale's Environmentally Sensitive Lands Ordinance, Terravita — which in Latin means "land" and "life" — will retain the natural washes and undulating landscape characteristic of the upper Sonoran Desert. Trees and plants taken out to make room for

buildings and homes will be replanted in open areas and medians.

Among other restrictions, the ESLO limits building densities, as well as the colors and types of plants and trees that can be used.

Blending in

At Terravita all but 9 percent of the lots will back up to open space or a golf course.

The original land plan contained a 27-hole course, but nine were reallocated to open space to give a greater desert feel to the project, said Bill Larson, land planner with Larson, Voss Associates of Fountain Hills.

Instead of a perimeter wall — a typical characteristic of master-planned communities — vegetation will be used in most places to create definition between the development and surrounding land, said Laura Bowden, president of Bowden Design Group, a landscape architecture firm.

Paths and trails covered with decomposed granite will connect the homes with the clubhouse and recreational facilities. Landscape lighting close to the ground — rather than glaring streetlights — will light trails and signs within the development.

Buildings and their colors also will

TERRAVITA

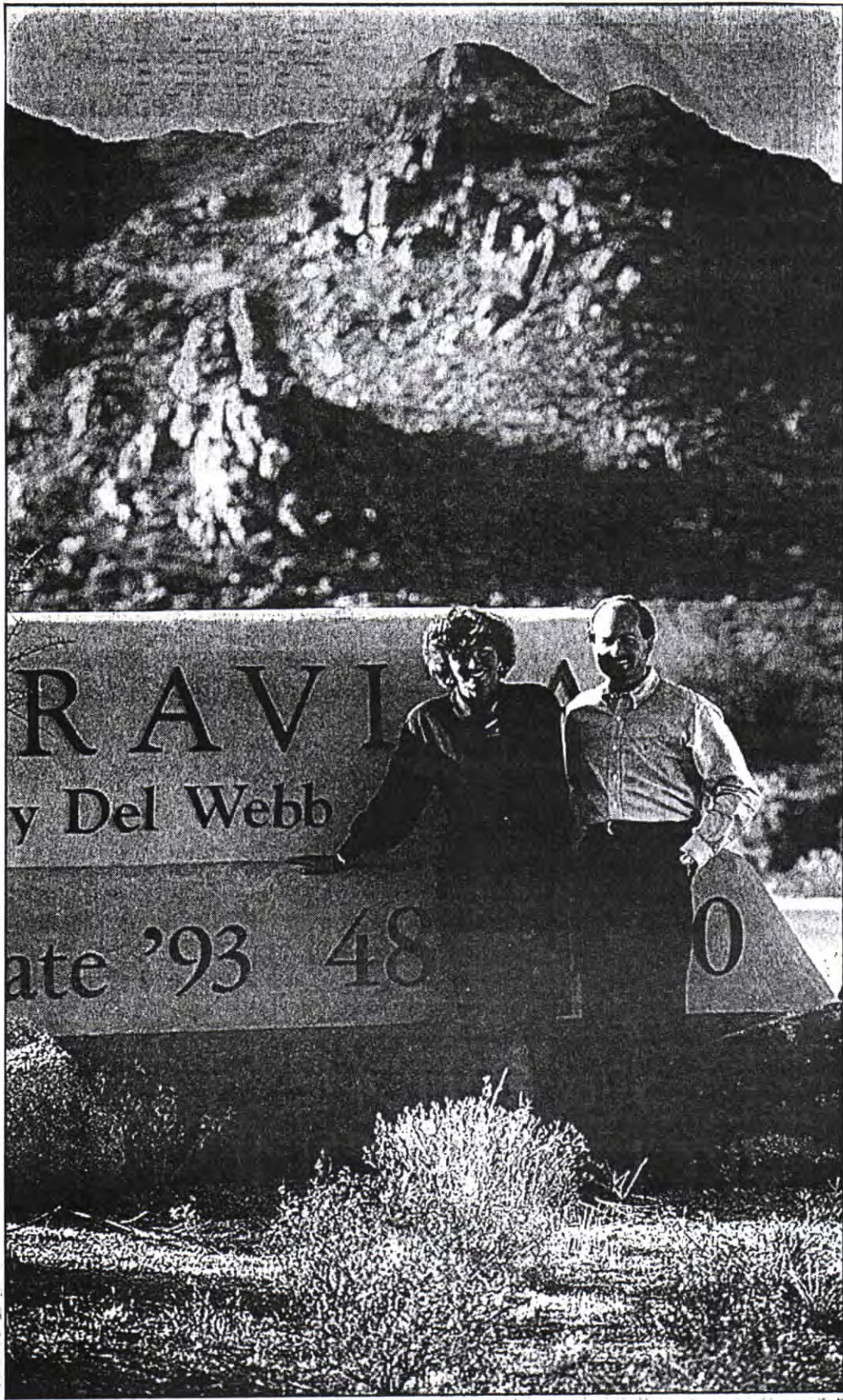
- ✓ Builder: Del Webb Corp.
- ✓ Location: Southwest corner of Carefree Highway and Scottsdale Road, Scottsdale.
- ✓ Model opening: February 1993, but sales trailer will be open sometime in November.
- ✓ Homes: 15 floor plans, 11 models.
- ✓ Features: 1,400 to 3,700 square feet, with two to five bedrooms and casita or guest-house option available.
- ✓ Price range: Low/mid-\$100,000s to mid-\$300,000s.
- ✓ More info: 488-0500.

reflect a concern for the natural landscape. Desert rose and plum will be the predominant colors. Even the flat tile roofs will complement the desert.

"We don't want the buildings to stand apart from the environment," said architect Bob Bacon of Studio B, who designed the clubhouse. "We want them to blend in."

Said Terravita General Manager Anne Mariucci, "Our hope is that you could stand on top of the boulder piles at The Boulders (the resort is nearby) and not even notice our roofs."

All the homes will be one-story, surrounded by canopies of paloverde trees. The clubhouse, also one-story, is being built on the property's highest point, allowing guests great views of the development and beyond.



With Black Mountain rising in the background, Del Webb officials visit the company's new development in north Scottsdale. Ann Mariucci is general manager of the project, and Chris Haines is marketing director.

John Samora/Staff photographer

Webb reports record year

Daily News-Sun staff

Fiscal year 1992-93 will go down as Del Webb Corp.'s best year to date.

Revenues for the year totaled \$391.6 million — a 50 percent increase over \$260.9 million reaped the previous year, Webb officials report.

The increases are attributed to a 44 percent increase in revenues generated from Webb's adult communities, 29 percent of which came from its newest Sun City in Palm Springs, Calif.

Increased sales and higher sales prices in Webb's established communities locally and in Nevada made up the remaining 15 percent, officials said.

New home sales orders in Sun City West increased from 774 in 1992 to 1,031 in 1993. The community's home closings also were on the rise, from 672 to 850, officials said.

The average revenue per home closing in Sun City West increased from \$131,000 in the previous fiscal year to \$134,800 in 1992-93.

Webb's conventional homebuilder, Coventry Homes in Phoenix, also posted improvements for the year — \$44.5 million, a 63 percent over the previous year's \$27.3 million.

Total net earnings for the year were \$24.5 million, a 43 percent increase from a year ago and a record for Webb.

The year ended June 30 with record revenues and earnings from its home building operations and record net earnings.

In the year's final quarter, revenues were \$128.6 million — a 58 percent increase over the \$81.4 million recorded the same quarter the previous year, Webb officials said.

Net earnings for the quarter were \$4.6 million, or 29 cents per share, and a 25 percent increase over a year ago when net earnings were \$3.7 million, or 27 cents per share.

The reported net earnings included a \$950,000 charge for costs associated with Webb's efforts to find sites for new communities.

Phil Dion, Webb's chairman and chief executive officer, in a statement released Monday, said that he is satisfied with the year's results, but concerned over the future in construction.

"With the exception of California, we have a great environment for home sales in our markets. Low interest rates and general housing activity have been excellent.

"We are going into the new year with a powerful backlog and great sales momentum; however, we are also in an environment of uncertain, if not rising, construction costs and a shortage of construction labor," Dion said.

Webb Buys Boswell Out; Owns DEVCO

The Del E. Webb Development Co., master planner and developer of the Sun Cities, west of Phoenix, now is 100 percent owned by the Del E. Webb Corporation.

In a \$42 million transaction, the J. G. Boswell Company sold its 49 percent interest in DEVCO to the development company. The Webb corporation owned 51 percent of DEVCO.

The sale was announced by Bob Swanson, Webb chairman, president and chief executive officer, March 25 shortly after the Webb board of directors approved the transaction during a meeting at The Mint hotel/casino in Las Vegas.

Of the \$42 million sale price, \$8.4 million was in cash with the balance in long-term notes.

There will be no change in DEVCO management or operating philosophy, Swanson said.

"We view this transaction as an excellent opportunity to increase our ownership in the premier adult resort communities of Sun City and Sun City West.

"This transaction fits our corporate objectives to grow in the Southwest," Swanson said.

Sun City was created about 24 years ago when DEVCO broke ground for the first development on about 11,000 acres Boswell sold to DEVCO. The purchase price was about \$13 million.

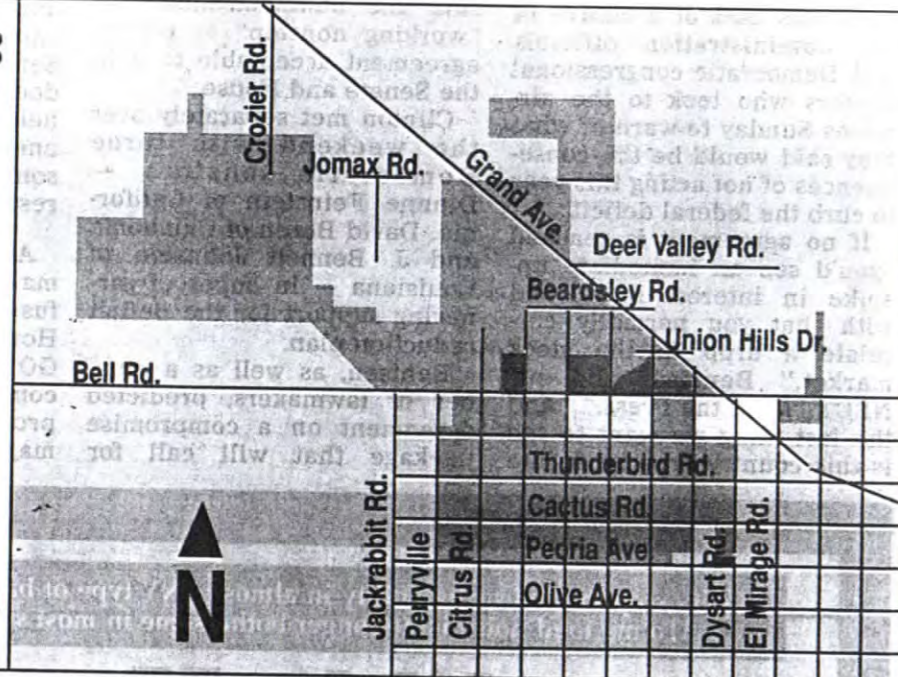
Sun City West began in 1978 about two miles west of Sun City on another 13,000 acres of prime farm land.

When Sun City West is completed in about 20 years, the communities' population should exceed 100,000. Home sales there started to rise dramatically about the first of the year after suffering an 18-month slump due to effects of the national recession.

Surprise: Sleeping giant

- Original square mile
- Surprise city limits
- Proposed land sale to Del Webb
- Proposed development
- Future site of sewer treatment plant
- Happy Trails resort
- Sun Village
- Coyote Lakes

Scale
5 miles



Jonathan Dalton/Daily News-Sun graphic

Metamorphosis signals prosperity for Surprise

By MIKE GARRETT
Daily News-Sun staff

SURPRISE — If Rip Van Winkle had fallen asleep in Surprise, he'd wake up to find his sleepy hamlet evolving into a bustling giant.

In 40 years, Surprise has grown from 500 to 7,122 residents. By the turn of the century, city officials estimate the population will more than double to 15,000.

"If the Del Webb project (development of 3,200 acres in Kingswood Parke) goes through, and they're talking about starting in 1996 with a four- to five-year buildout, you'll be adding 6,000 people right there," said City Manager Richard McComb.

"You'll have 1,800 in Coyote Lakes and Lennar will have 164 homes in its Stonebrook

subdivision for another 500 people. So that's more than double what we have now."

"I would say we'll have 15,000 to 18,000," said Vice Mayor Joan Shafer. "I think one of the best things to happen to us is Del Webb getting that property."

"I think we'll finally be able to see the dream that was put in here five years ago," Shafer said.

Maricopa Association of Governments projects that as many as 50,000 people will eventually inhabit the 62-square-mile area that stretches several miles north of Grand Avenue and west to the Sun Valley Parkway past the White Tank Mountains.

Between Happy Trails Resort on the west
See, Developers harvest, A5

Developers harvest Surprise land

—From A1

and the new Coyote Lakes subdivision on the east, Surprise is trying to fill in the gaps along Bell Road, its main growth artery.

Del Webb Corp. is expected to revive and fully develop the previously dormant Kingswood Parke area north of Bell Road near Parkview Lane.

Radnor's Sun Village is launching its final phase of residential construction at 14300 W. Bell Road, and Coyote Lakes, a two-phase subdivision north of Bell Road at 115th Avenue, is under way.

But virtually all of Surprise's growth is dependent on completion of the city's \$12 million sewage treatment plant at Dysart Road and Peoria Avenue in 18 to 24 months, said Shirley Berg, Surprise planning and zoning director.

The project has been delayed numerous times because of snags in the regulatory process.

"Every time we give dates it

just seems like something goes wrong. So, maybe we shouldn't give out any more dates," McComb said. "It's a very complex program with a lot of approvals and we believe that everything that could have gone wrong has already gone wrong, so we should have smooth sailing from here on in."

"The sewage treatment plant will help us address the economic development aspect of our city," Berg said. "Right now we're just trying to control the growth, do some proper growth management processes and establish good, quality development."

"The city has been working on implementing and establishing good regulations governing the growth that we're anticipating within the next few years," she said.

"What has been done along Bell Road has been such a drastic change for us. It wasn't easy but staff is trying to get a good handle on future growth and make sure that we have the quality growth the city

leaders are looking for," Berg said.

The 3,200 acres Del Webb plans to buy in the Kingswood Parke area (pending Resolution Trust Corp. approval) was sought by several developers, Berg said.

Estes Homes had completed about 2 percent of the Kingswood Park subdivision before it halted operations at the site in 1987, she said.

Webb Vice President Chuck Roach said the original Kingswood Parke subdivision would likely be completed as a single-family development. There are about 75 families living in Kingswood Parke.

Radnor Sun Village is entering the preliminary plat stage on its 21-acre, 154-lot Pueblo Village subdivision, which features patio homes.

Hudson Homes' Cottage Park, a 176-unit rental community at 14371 Parkview Place, opened in May and is about 95 percent complete, Berg said. One additional apartment building will be added.

East of Cottage Park and north of Sun Village on Parkview Place road is Lennar Homes' Stonebrook, part of the 400-acre Parkeview Development Master Plan.

City Council approved development of 23 acres (88 lots) for Stonebrook Phase One Thursday. Phase Two will have 18 acres (76 lots) designated for single-family homes. Construction is expected to begin in three weeks, Lennar officials said.

The first phase will feature a 3.5-acre park.

Coyote Lakes is being developed by D.R. Horton Inc. and Pulte Homes for non-age-restricted single-family homes in north and south phases.

Pulte opened its south phase models in early July for the 164-acre subdivision and is accepting lot reservations.

"By not having age restrictions and with our recreational amenities package, we think we're filling a niche in the Northwest Valley market," said Jim Wright, general sales manager. "But we haven't

launched our marketing efforts. Most of the people who have gone through our models are more curious than anything else."

Coyote Lakes' 18-hole, par 71 golf course, pro shop, clubhouse and course maintenance building are under construction and scheduled for an October opening, Wright said. Construction on the recreation center will begin shortly.

D.R. Horton plans a fall completion date for model homes on its 143-acre parcel.

Future commercial growth is dependent on completion of the sewer treatment plant, Berg said.

"There has been some interest from grocery store chains and I've heard discussion regarding some (full-service) restaurants coming in," Berg said. "I can't release names yet, but there are some reputable chains we're talking to."

She said most of the restaurants are looking at Bell Road sites.

Sun spots

Leaders support proposed community by Del Webb

By Lori Baker
Staff writer

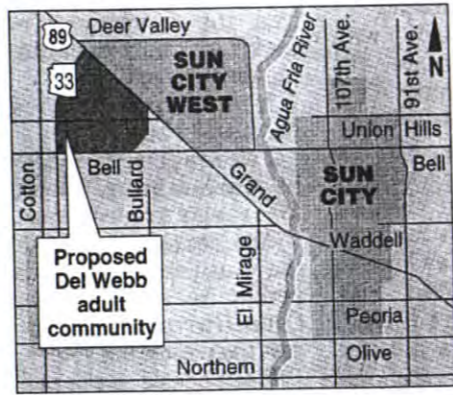
West-side community leaders are embracing the idea of another Sun City community in the northwest Valley.

Some say it would be an economic boon for the city of Surprise and the Dysart Unified School District, in which the proposed Del Webb Corp. project would be situated. And the retirement development would create jobs for Surprise and El Mirage residents, they say.

Del Webb hopes to turn 3,100 acres in Surprise into its third Valley retirement community.

Webb was the winning bidder at a recent land auction for the property, which is under the conservatorship of the Resolution Trust Corp. The RTC has not yet given final approval to Webb.

Besides the property planned for a new Sun City, Webb's bid includes 16 commercial lots on 12 acres in Sun City West and a portion of Webb's former construction



Community

yard on 106 acres near Bell Road and Grand Avenue.

The new community would be developed separately from Sun City West, which is on the other side of Grand Avenue, Webb officials say.

"It extends the genius of our environ-

ment in Sun City and Sun City West, active retirement with recreation centers and age restrictions," said Glenn Sanberg, president of the Sun City Home Owners Association.

Sanberg said he doesn't view the new Sun City community as competing with the original Sun City, which Webb founded in 1960.

"We have nothing to fear. We welcome it," Sanberg said. "We have a different market. Our homes are older, less expensive and have mature landscaping."

The new Sun City would mean changes for Surprise, but Mayor Roy Villanueva said they would be for the better.

"Sure, we're going to have to provide more services like police and fire because they will be part of our city," Villanueva said. "But this will give us a considerable tax base, and it will create jobs."

Surprise, a community of 7,200 residents, has been growing in recent years.

See WEBB, Page 3

Radnor Sun Village, a retirement community planned for 1,300 homes, is under construction, and another new development is Kingwood Parke. Also, Lennar Homes plans to build single-family homes in the city.

"We're on our way to becoming a large city," Surprise Councilman Bill Bott said.

Bott said he's pleased that Webb is buying land in Surprise.

"We will have a master-planned community instead of spot development," Bott said.

Webb spokeswoman Martha Moyer said the company expects to start developing the new community in about 1997, as it phases out of Sun City West. That development's population is about 21,000 and is projected to reach 31,600.

Moyer said details are not available regarding the number of homes to be built or other facilities.

But she said Webb "historically develops Sun City communities that include homes, recreation centers, golf courses and shopping centers."

"Upon approval from the RTC, we will be working with the city of Surprise to determine what this community should include," Moyer said.

Dysart supportive

Dysart Unified School District Superintendent Frank Galas said he, too, supports Webb's plans for another Sun City.

"I can say nothing but positive things," Galas said.

The Dysart district and Sun City West had problems getting along in the past. In 1981, the Dysart district withdrew from Sun City West after bond issues for school construction kept failing.

"That's history," said Galas, who was not superintendent during the Sun City West withdrawal. "Del Webb, Sun City and Sun City West have been good neighbors and have been very supportive of us. The Sun City and Sun City West residents are nothing but delightful."

Galas said that Sun Cities residents volunteer at Dysart schools and that various Sun Cities organizations make donations to help the schools.

Although the existing Sun City West is not in the Dysart district, an expansion area north of Deer Valley Drive between 135th and 151st avenues is in the district.

"It doesn't matter if a conservative group of people move into our school district, because I feel strongly that if we are doing the jobs we're supposed to be doing, we will work in the best interest of the community," Galas said.

Some people said they were concerned about how the new Sun City would affect health services.

Hospital to expand

But Leland Peterson, chief executive officer of Sun Health Corp., which owns Del E. Webb Memorial Hospital in Sun City West, said the hospital would be expanded as necessary to meet the needs of the new Sun City and other surrounding communities.

"We've already done a preliminary design on how additional beds could be added to the hospital because we're planning for growth in the areas surrounding Sun City West," Peterson said.

Peterson said outpatient services and home health care services also would likely have to be expanded.

Mary Kendrick, president of Sun City West's Citizens Alert, said she also supports Del Webb's plans for the new Sun City.

Her group opposed Webb's expansion of Sun City West because existing recreation centers will be shared with new residents.

"I have no objection to Webb building another Sun City. They are in the business of building houses," Kendrick said. "What I didn't like was Del Webb dumping new residents on us in Sun City West."

Sun City West cannot be expanded unless the majority of residents approve in an election.

10

Webb keeps focus

Retirement centers left to industry pros

By MIKE GARRETT
Daily News-Sun staff

While Del Webb Corp. is in business to build active adult retirement communities for 55- to 74-year-olds, the company is not ignoring the inactive retirees looking to locate in retirement or care centers.

"It has always been our philosophy no matter where we've built a Sun City that our business is the active adult retirement community," said Shonna James, Del Webb Corp. public relations assistant.

"We only cater to the niche that we fill and then leave it to people who are experts in that area to come in and provide that need," James said.

"What typically happens in communities is third parties recognize and seek to fill that need for such facilities in the commercial areas that we set aside for development," James said. "That's what happened with The Madison."

Webb finished building its last Sun City homes in 1978-79 but left behind enough acreage for Royal Oaks Life Care Center, the Heritage-Palmeras

See Supply, demand, A5

Supply, demand rules development of centers

—From A1
retirement apartments, El Dorado, Brighton Gardens by Marriott, Wooddale Village, the Carillons and Hearthstone to come in.

Freedom Plaza, the Forum at Desert Harbor, Sierra Winds, Desert Amethyst and Sun Grove Resort Village, all in nearby Peoria, have all been built within the past six years to further crowd the secondary retirement center offerings.

As a 33-year-old retirement community, Sun City has already gone through its first and second 15-year cycles of people who retire at 65 and find a need at 80 for a more sedentary lifestyle.

That has happened even though social programs such as Interfaith Services and Meals on Wheels have tried to keep Sun Cities residents independent and in their homes as long as possible.

"Most of the residents in our new Sun Cities communities are still young enough to where it's not yet an obvious need," James said.

So far, The Madison, located on Spanish Garden Drive, is Sun City West's only retirement center. It has never reached capacity in seven years and was sold by its original owner-developer, the Danmor Co., last October to Holiday Retirement Corp. of Salem, Ore.

As Sun City West ap-

proaches its 15th birthday in October, more of the community's pioneer retirees may be approaching their secondary retirement phase.

Martha Moyer, Webb manager of public and community relations, said Webb has no Sun City West acreage specifically designated for a long-term care facility. But other landowners have undeveloped acreage.

"There is the 55-acre commercial core and other commercial acreage within the community that may be available for such purpose," Moyer said. "It would really require a company that provides that service coming in and identifying a need for additional rooms or units and then approaching us or whoever the landowner was and purchasing that parcel.

"We are not out there recruiting for a convalescent care facility," she said. To her knowledge, nobody in the industry has approached Webb to build another care facility.

Webb also has not designated anything in the expansion area north of Deer Valley Drive for a possible care center but has set aside a small commercial area in the southwest corner.

"At this point in time, it would seem that a convalescent facility would best serve residents by being more in the center of the community and close to commercial

facilities," Moyer said.

John Tritz, former in-house manager of The Madison and current regional marketing representative for Holiday Retirement Corp., said he doesn't see an immediate need for a second retirement center in Sun City West.

New Madison managers Lee and Sandy Beaty report that 180 of their 196 units are occupied. But The Madison could hold as many as 250 people if more of the all-rental apartments had double occupancy.

"Typically on average our residents are in their early 80s," Tritz said. "Folks are retiring at earlier ages out here and our occupancy is probably no different than it was a year ago."

He said some of Sun City West's younger retirees have moved their elderly parents into The Madison for health reasons and to bring the family closer together.

The Sun Ridge Retirement Center on West Bell Road in Surprise is also close enough to attract Sun City West retirees looking to buy instead of rent their retirement apartments.

Sun Cities area care center officials have said the area remains oversaturated with secondary retirement homes. Only Freedom Plaza has hit the 100 percent occupancy mark.

'It has always been our philosophy no matter where we've built a Sun City that our business is the active adult retirement community. We only cater to the niche that we fill and then leave it to people who are experts in that area to come in and provide that need.'

**Shonna James
public relations assistant
Del Webb Corp.**

"So many companies were looking at the same statistics showing there was a need. But they didn't know their competition was looking at the same statistics and they came to the same conclusion," Tritz said. "Instead of building one retirement community, all these guys built six. But there were only enough folks to fill one. That happened nationwide.

"Developers turned to consulting firms for answers and advice on these things and the consulting firms had no experience doing it," Tritz said.

10

Webb reacquires former holdings

By MIKE GARRETT
Daily News-Sun staff

SURPRISE — Enough development potential exists in Surprise that Del Webb Corp. has decided to reacquire a chunk of property it was forced to sell several years ago.

Webb announced Tuesday it was the winning bidder in a Resolution Trust Corp. sale of 3,200 acres in Surprise and an additional 12 acres in Sun City West that include 16 commercial lots.

The RTC was formed by Congress to dispose of the assets of the nation's failed savings and loan institutions.

The 16 lots border an undeveloped 55-acre area set aside for commercial development. That commercial core is owned by Ratliff, Muhr & Levinsky, a Phoenix development company.

Martha Moyer, Webb's manager of public and community relations, said today that the 3,200 acres in Surprise is part of a 7,000-acre tract Webb originally owned and planned to develop as Sun City West Phase II.

Webb experienced a shortage of cash in the early 1980s that forced the company to sell its land holdings south of Grand Avenue.

Webb has changed its plans for the land since the first acquisition.

"If the RTC approves the purchase and we acquire this land, it will be separate from Sun City West," Moyer said. "We think it's large enough to be a separate community."

The 15 subdivision trusts, in the 3,200 acres located in the Kingswood Parke area northwest of Bell Road and south of Grand Avenue, are held by Landmark Land Co. of California and Oak Tree Investments, which is a subsidiary of the failed Oak Tree Federal Savings Bank.

The bank is under the conservatorship of the RTC and the 3,200 acres are collateral for loans made to Oak Tree.

The 16 perimeter commercial lots Webb hopes to buy in Sun City West have various owners but were also once owned by Webb.

Webb officials said they have not decided if the Surprise property will be an age-restricted community. Webb's Sun Cities communities require at least one household resident to be 55 or older.

Moyer said it's premature to speculate on how many residents will
See Webb undecided, A5

Webb undecided on SCW parcels

—From A1
eventually live in the new community, the architectural style or amenities Webb plans to build until the approval process is completed.

"Even though we are involved in business dealings with the RTC, there are many other issues to be resolved before we will get to the point we can consider developing the property," Moyer said.

"We hope to own part of Kingswood Parke and the undeveloped lots there as part of the bid package," Moyer said.

The 15 subdivision trusts

comprising the 3,200 acres are separate parcels of land that were set up by trusts and trustees. "It's not a straight land purchase. We're not buying land, we're buying land trusts," Moyer said.

Webb also announced it has no immediate plans to develop the 16 commercial lots in Sun City West.

As part of the total bid package, Webb also hopes to acquire a 106-acre construction yard at Bell and Grand Avenue that the company sold several years ago.

10

Webb leadership looking beyond SCW

By MIKE GARRETT
Daily News-Sun staff

Even though Sun City West remains near and dear to Del Webb Corp.'s heart and financial statement, it may not be that way in the future.

"We didn't want to have to rely solely on Sun City West to where if Sun City West had a cold, we got pneumonia," said Philip J. Dion, Webb chairman. "It's not like that anymore."

Sun City West, despite realizing an increase in homes sales again this year, will not account for half of Webb's earnings as it has in recent years, Dion said.

As the expansion of Sun City West by 1,300 acres north of Deer Valley Drive continues, Webb is also busy with other Sun City developments, Dion said.

Webb's Sun City development in Palm Springs, Calif. had 257 new home orders during the last quarter,

Dion said, and higher numbers are expected in the future.

He said Webb is still actively pursuing Sun City projects in Roseville, Calif., and Austin, Texas. The company is also looking at South Carolina sites for a future adult community.

Dion said that after a tough two-year regulatory process, Webb is about ready to submit its specific site plan to the Roseville City Council. He said the plan should meet all city and state general plan requirements.

"We hope that the Roseville city staff will process and put that plan in within six months and allow us to begin development there next summer," Dion said.

"If we don't begin in the summer, we'll have to wait until the spring of the following year because we can't do any grading in active stream beds during California's wet season. Hopefully we'll be selling houses

there in two years or less."

Dion said Webb is about nine months away from making a decision on its land option near Austin after some preliminary marketing studies with Texas focus groups. Unlike the poor California economy, "which is worse than most people in Arizona realize, the Texas economy is picking up considerably."

Webb's north Scottsdale and Lakeview City (north Phoenix) projects are still long-term while the company's Coventry Homes (single-family homes) acquisition has been profitable and done as well or better than expected, Dion said.

In Sun City West, Dion said the new marketing and sales center has worked very well and he's pleased with the people working there and the job they are doing.

"I'm very pleased with the expansion area. I think the land development activities up there are going to

be a very major enhancement to the community," Dion said. "I don't think people appreciate yet how good they will be. The new recreation center will knock their socks off.

"The expansion area is going to offer tremendous opportunity to existing residents, it's going to enhance their property values and it's going to give an even broader cross section of housing product to the public," he said.

Despite a sluggish national economy, Dion said he is pleased with Webb's accomplishments.

"In today's economy from my point of view, while there are exceptions to rule, I don't think any other company in the United States has done a better job of building value into a community," Dion said. "I am personally very pleased with how the company has developed in the last few years since we finished with our restructuring."

Let's get down to basics

I. General Information

Sun City West, an active adult community, opened October 6, 1978. It is located approximately 14 miles northwest of Phoenix, Arizona and about two miles west of Sun City. As a 6,575-acre development, Sun City West will include approximately 16,000 housing units. About 80 percent will be single-family homes. Currently there are more than 10,000 units completed. Upon completion (late 1990's), Sun City West will have a population of approximately 30,000. Its present population is more than 20,000. It is anticipated that construction costs, including facilities, will be well over \$1 billion.

III. Facilities

Sun City West will be a self-contained community which will include:

A. Eight 18-hole golf courses

Five courses, Pebblebrook, Stardust, Grandview, Echo Mesa and Trail Ridge are reserved for residents and a sixth will be built in the expansion area. Hillcrest is open to the general public. Briarwood is the community's first private country club, with dining facilities and recreational amenities.

B. Three recreation centers

Sun City West offers three multi-million dollar recreation facilities. R.H. Johnson Recreation is the largest privately owned facility for recreation and creative activities in the entire Southwest. The second center, Beardsley Park, sports the largest indoor pool in the Sun cities area. And the Fred Kuentz Center features a softball field, among other amenities. A fourth recreation center is planned in the new expansion area.

C. Central shopping areas

The Sundome Plaza, Mercado Del Sol and Palms West shopping centers provide a wide range of shopping services.

— Basics, page 39

All the basics designed into Sun City West

— Basics, from page 4

There are now more than 70 businesses in the community, including a Safeway Supermarket and Walgreen's Drugstore, six restaurants, a barber shop, four beauty salons, lock and key shop, swim and patio store, shoe store, ice cream store, travel agencies, men's and women's fashion shops, florist, optical shop, furniture and interior design studio, gift shop and more. There are 15 banks and savings and loans institutions in the community.

III. Focal Points of Sun City West

Sun City West is designed around a core-idea that includes:

— Hillcrest Golf Course, an 18-hole championship course that has five times hosted the Arizona Classic Senior PGA Tour event. The course has also played host twice to the LPGA Sun City Classic. It is the only Sun City West course open to the public.

— Sundome Center for the Performing Arts

A 7,169-seat indoor theatre with state of the art sound and lighting capabilities. It is the largest single-level theatre in the country, approximately, 1,500 seats bigger than Radio City Music Hall. It opened in September, 1980.

— Vacation Headquarters

Come visit Sun City West and put our reputation to the test. Stay for a week in our beautifully furnished garden apartments. Each comes complete with a cozy living room, fully-equipped kitchen, private patio and carport.

— R.H. Johnson Recreation Center

A \$14 million complex that includes a swimming pool with diving area and adjoining jacuzzi; therapy pools; multi-purpose exercise room; shuffleboard courts located inside for all-weather play; lawn bowling greens; and 24 bowling lanes.

A billiard room with 25 tables, 18-hole miniature golf course, and 1/4 mile running track are also available.

Adjoining the track is a 18-station Parcourse Fitness Circuit, which takes a person through a series of exercises that highlight flexibility and conditioning.

The R.H. Johnson Center also offers:

- Fifteen regulation tennis courts.
- Eight platform tennis courts.
- Handball, racquetball and squash courts.

- Dog walking park.

- Arts and crafts rooms. Whether it's ceramics, lapidary, silvercraft, sewing or many other craft activities, there's a club and a fully-equipped room for it.

- A library with shelf space for 40,000 volumes and complete periodical section.

- An Arcade, offering a wide assortment of electronic games and pinball machines.

- A 1,1200-seat social hall that accommodates meetings, all types of dances and other activities.

- Card-playing rooms.

- Meeting rooms.

- Children's playground.

Residents pay annual dues for

use of these facilities, some activities do charge nominal "club fees."

Instruction in all arts and sporting activities is available.

— Beardsley Park Recreation Center

Beardsley Park, the community's second recreation center, opened in June, 1985. It features the largest pool in the Sun Cities, an indoor-outdoor type allowing comfortable year-round use. It also features a therapy spa, exercise room, ard rooms, men's club, music room and craft rooms for stained glass, china painting, pottery, photography and copper enameling. The center also features horsehoe pits, miniature golf course and a park area complete with bandstand, cabanas and charcoal grills.

— F. Kuentz Recreation Center

The Fred Kuentz Recreation Center, Sun City West's third, opened in January, 1989. It feature's a 300-seat theatre, craft rooms include metal, woodworking shops, art, weaving and more. It also included the Women's Social Club, fitness center, heated outdoor pool and a softball field.

— Sun City West Model Home Show

Currently on display are 20 attractive floorplans featuring single-family homes, duplexes, and casitas. Ranging in price from \$70,000 to more than \$200,000, the homes are the product of extensive research with residents and visitors. Each home is the embodiment of the features most desired by today's active adults.

10

Group honors Del Webb Corp.

SUN CITY — Thirty-two years after it created Sun City, Del Webb Corp. has received the Historic Planning Landmark Award from the Arizona Planning Association.

The award was presented for the first time at a state convention last month.

To be eligible, a nomination had to consist of a pioneering document, plan, subdivision, historic preservation project, individual structure or developed project with historic, unique qualities and used

as a precedent for other work.

The work had to be designed or prepared by a planner or planning agency. The project or plan had to be considered as making a significant contribution to Arizona and be at least 25 years old. Sun City opened Jan. 1, 1960, as the nation's first active-adult community.

The APA is made up of Arizona professionals concerned with advancing physical, economic and social planning to anticipate community needs.

THE

"Every community, no matter how large or small, needs its own voice." Amen



The Voice of Sun City West

WESTER

Price 25c

Vol. 8 No. 32

SUN CITY WEST, ARIZONA

Aug. 6-12, 1992

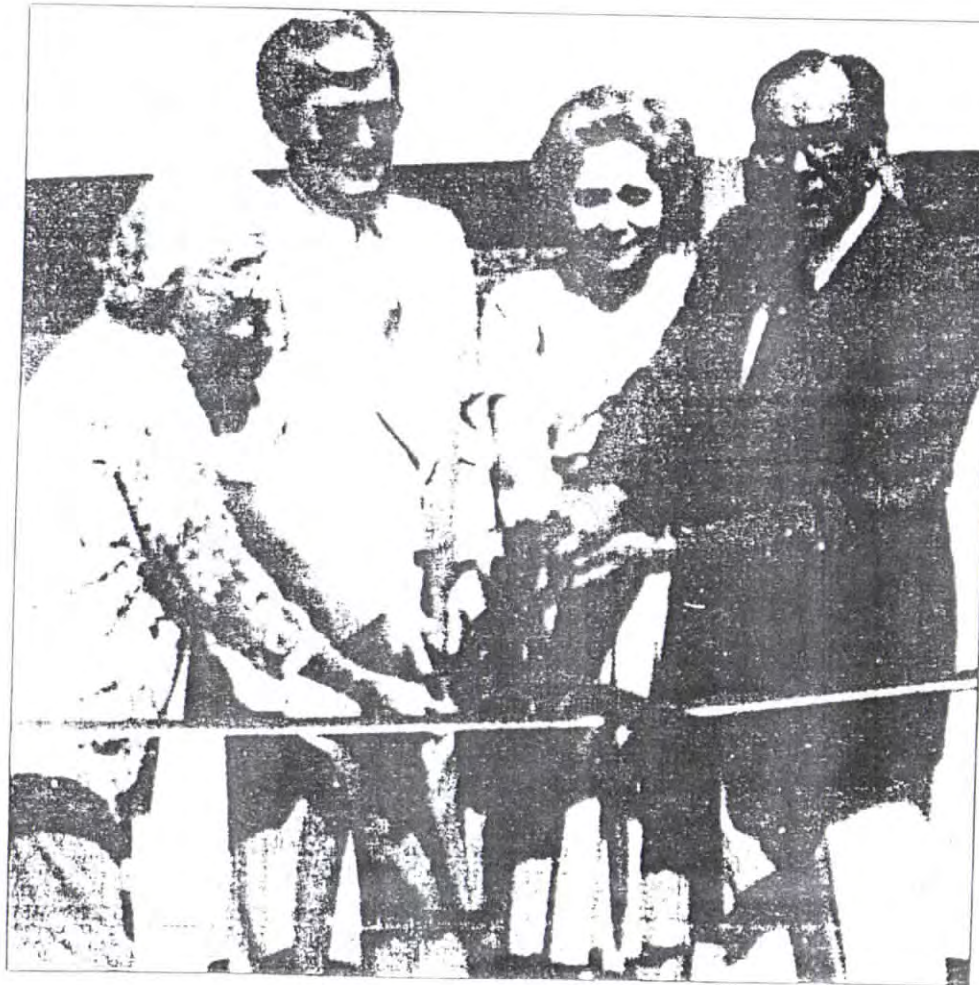
1978, A New Sun Rises In The West

It took six years to happen, but happen it did! Del Webb purchased 11,000 acres west of the Agua Fria and north of the Bell Road in 1972. In February of 1978, ground was broken for the creation of our present community. Next week ushers in the ground breaking for the expansion of our community. But what of the land use prior to this mega development?

For the most part, it was just desert. Home to the ground squirrels, jackrabbits, an assortment of snakes and of course, lizards among other native wildlife. About 1800 of those acres belonged to J.C. "Charlie" Wetzler who started a cattle operation known as the Circle One Livestock Company in 1945. It was basically a feed lot, where cattle are shipped from all over the country to fatten for market, some from as far away as Florida.

The name "Lizard Acres" was developed so that shippers could not mistake

NEW SUN
Continued on Page C1



First Residents

Clarice Uhl (l.) and Mary & Luman Wick (r.) join John Meeker to cut the ribbon that officially opens Sun City West. The photo is dated Oct. 16, 1978. Today Clarice & Ed Uhl proudly display their 1st Citizen Plaque given them by the Del Webb Corp.

(See "The Uhls" and more historic photos Section C).



A New Sun in The West

Continued from Page 1

their cattle's destination. During its heyday, they were feeding as many as 25,000 head at one time and were one of the nations largest feed lots.

I first met Charlie in 1972 when we were members of Trinity Episcopal Cathedral at Central and Roosevelt in Phoenix. He really took to our children, but until I began researching this story, I never knew he was the son of a pioneer Arizona family and had been working with cattle in Arizona since 1920. Charlie passed away in March of 1982, but had a chance to see the beginnings of his new "Lizard Acres". In his memory, we still have the tiny silver barbell he presented to our son Adam on his christening in October 1974 at the Cathedral. Thank you again Charlie and thank you for Sun City West (well, at least your part of it).

So by April of 1978 earthmovers had carved

out of raw desert the heart of Sun City West. In the aerial view of that rough-out (Section C), a real old-timer can distinguish in that photo many familiar sites. We've numbered them 1 through 9.

The first seven are familiar structures, while 8, 9 and 10 are now streets. The first three people to come into our offices with all ten guessed correctly will win \$15 cash. If you are a subscriber to The Wester, the prize money is \$25. Remember, you must guess all 10 to win the prizes. We will repeat the photo weekly until we have three winners. Please write your correctly numbered answers from 1 to 10 on a plain piece of paper with your name, address and phone number clearly printed and bring them to our offices during regular business hours. Wester employees, subcontractors and members of the Sun Cities Historical Society are ineligible to

win prizes.

By September 1978, the first real buildings were taking shape and in late December, the grand opening of the Crestview occurred. Our waitress Monday night, Retha Simmons, was there and has been since, except for a brief sojourn back to Kings Inn. Retha remembered, "I don't remember a lot of the parties, but I do remember the winter rains. Nothing was paved... not the parking lots, not the streets...nothing. We came to work and left in a sea of mud". She did, however, remember the beautiful ice sculptures that were present at most of the banquets.

This is the first of a 15 part series. Each week we will detail the next consecutive year through 1992. Next week, 1979.

Should you have any remembrances of any year up to and including 1992, please share them with us at The Wester,

13540 Camino del Sol, Suite 15. Business hours are Monday-Friday, 8 a.m. to 4 p.m. or you can phone us at 584-2992.

Editors Note: "A New Sun Rising in the West" is a year by year anthology of the birth and growth of our community. It is not intended to be a historical reconstruction of Sun City West. Our interest is purely our neighbors remembrances and events that brought us up to today. We would like to acknowledge our own Joyce Salfingere for planting the seed, our managing editor, Cal Snyder, for making it happen, our great writers for the stories, and you, our readers, for supporting us in what we do. Cal Snyder, our bionic editor, is in serious condition at Good Samaritan Hospital in Phoenix, so I took the liberty of getting this series underway. "I think you'd want it that way Cal". Your friend and publisher, Frank Kahler.

DEL WEBB CORP.

Founded: 1928; reorganized as a public corporation, 1960.

Headquarters: Phoenix.

Key operations: Sun City West (Phoenix), Sun City Tucson, Sun City Las Vegas, Sun City Palm Springs, Coventry Homes, the Foothills.

Top executives: Philip J. Dion, chairman of the board and chief executive officer; Frank D. Pankratz, senior vice president and general manager of Sun City Palm Springs; Leroy C. Hanneman Jr., vice president and general manager of Sun City Las Vegas; Charles T. Roach, vice president and general manager of Sun City West; Dennis Wilkins, vice president and general manager of Sun City Tucson; Joseph F. Contadino, president of Coventry Homes.

Employees: 650 (400 in Arizona).

July 31 stock price: \$19½.

52-week stock price range: \$11½ to \$23¾

1992 revenues: \$260.9 million (+14.4 percent).

1992 net income: \$17.1 million (+41.3 percent).

1992 earnings per share: \$1.33 (+3.9 percent).

Del Webb's profits back with retirement homes

By Russ Wiles
The Arizona Republic

Like a recovering alcoholic or a reformed gambler, Del Webb Corp. is walking a straight and narrow path.

The Phoenix-based company, which in the past has operated in such diverse businesses as general construction, casinos, hotels, national-parks concessions and even cemeteries, today is sticking with the niche it knows best: building "active-adult" retirement communities.

"There's only so much we can expand into and do well," says Del Webb's chairman and chief executive officer, Philip J. Dion, who stresses "paying close attention to what you do best."

This narrow focus is paying off. After a three-year stretch from 1987 through 1989, when it lost a combined \$103.9 million, or \$11.80 a share, the company is now on a profitability roll.

It weathered the recent real-estate slump better than most and on Tuesday reported a profit of \$17.1 million, or \$1.33 a share, for fiscal 1992 ending June 30. That compares with \$12.1 million, or \$1.28 a share, in 1991.

Sales orders rose 27 percent, and home closings increased 12 percent.



Charles Krejcsi/The Arizona Republic

Del Webb Chairman Philip J. Dion says the company's narrow focus is paying off. After a three-year stretch when it lost a combined \$103.9 million, the company is now on a profitability roll.

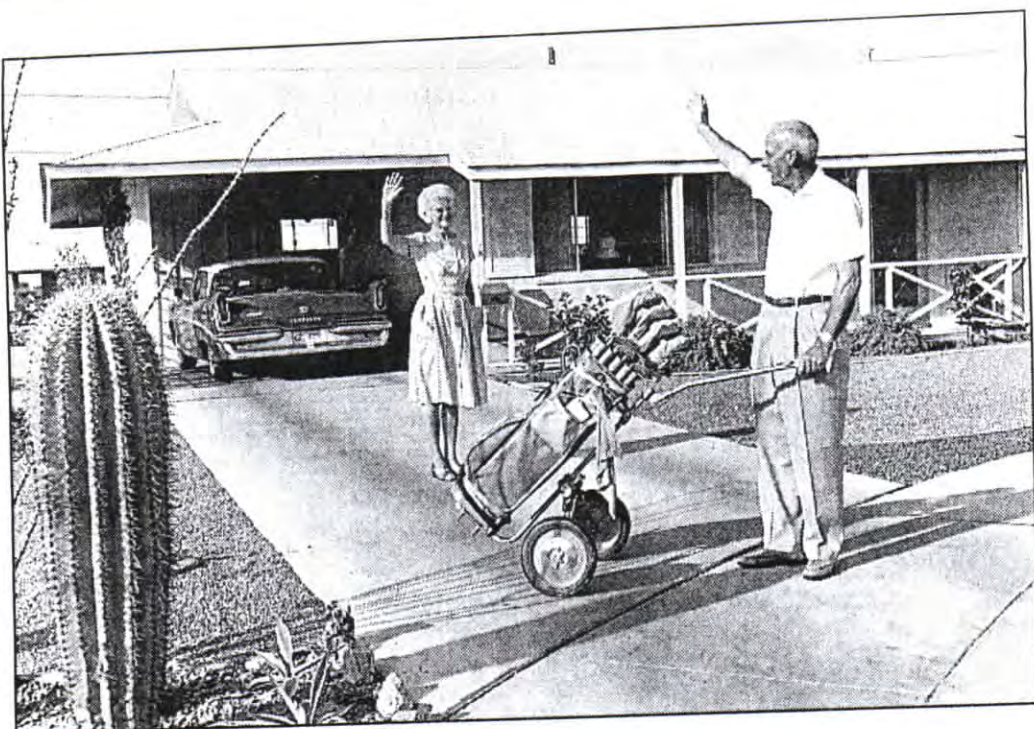
It helps that Del Webb's target market is one of the fastest-growing and most wealthy demographic groups around. People 50 and older make up one-fourth of the nation's population but account for slightly more than one-half of all disposable income.

More than 60 percent of the buyers at Del Webb's Sun City retirement communities pay cash for their homes.

The company estimates that the 50-and-older crowd will increase by 3 million people during

— See DEL WEBB, page F2

Del Webb made a big hit with its Sun City retirement development, which it opened northwest of Phoenix in 1960. The developer used this picture of a happy retired couple to help advertise the project. Sun City was closed out in 1978.



Del Webb profitable again with retirement homes

— DEL WEBB, from page F1

the 1990s. That number will rise to 11 million in the first decade of the 21st century, as "baby boomers" start to reach retirement age.

Dion figures the firm still has plenty of untapped potential in this market. About 1.5 million people retire annually, yet Del Webb sold only 1,608 retirement homes, along with 247 conventional residences, in fiscal 1992.

Del Webb's lifestyle-oriented communities for seniors include housing along with cultural and civic activities, shopping and medical services. The sales of homes and commercial property within the developments account for virtually all of the company's revenues.

Sun City was first

Del Webb has been in the retirement-housing business since 1960, when it opened Sun City in the northwest Valley. It completed the community in 1978 and no longer generates revenue from this source. But it still sells homes at the adjacent Sun City West and at Sun City projects in Tucson and Las Vegas.

On June 30, Del Webb received permission from California authorities to start writing sales contracts at Sun City Palm Springs. Dion predicts this development will exert a major impact on revenues and profits.

"We expect 1993 will be the best year ever," he says.

The \$17.1 million net income total for fiscal 1992 was Del Webb's second best since becoming a public corporation in 1960.

So far, homes in the Palm Springs development, which are about 50 percent more expensive than in Sun City West, are selling very well, Dion says.

Del Webb also has optioned land for possible Sun City projects in Sacramento, Austin and the mid-At-

lantic region.

"The addition of new communities every two to three years is the key to (the company's) long-term growth," said James F. Wilson, a stock-market analyst following Del Webb for Montgomery Securities in San Francisco.

Besides its primary niche in retirement housing, Del Webb also is a conventional home builder. Its Coventry Homes subsidiary closed sales on 247 residences during the fiscal year that ended June 30, compared with 41 in the previous 12-month period.

Foothills in Ahwatukee

Del Webb also owns the Foothills, a master-planned community in Phoenix's Ahwatukee area that ranks as the company's largest asset aside from its Sun City developments.

In addition, it has 5,661 acres of raw land in Phoenix near Interstate 17 — the result of a \$11 million purchase in June. Dion calls this parcel "the best large piece of (undeveloped) property in the metro area" and says it might be used for either retirement or conventional homes.

Del Webb also bid successfully in June for 590 acres in north Scottsdale for an as-yet undisclosed purpose that might include conventional homes.

But it's the retirement niche that appears to offer the most potential.

"Demographic trends have become a powerful marketing force, and no trend has become more significant than the increased average age of U.S. citizens and longer life expectancy," Wilson says. "Del Webb is a pure demographic play."

As for challenges facing the company, one of the biggest is the inherent cyclicity of the real-estate business. Favorable demographic trends or not, sales are vulnerable to the state of the economy, the direction of interest rates and other factors.

For instance, worries over the Persian Gulf war dampened retire-

ment-home sales in 1991. And it's still unclear what long-term impact the sluggish California housing market might have on Sun City Palm Springs.

Another challenge facing Del Webb is money. It operates in a capital-intensive business — each Sun City requires a \$50 million to \$100 million investment before the first home is sold. To finance its expansion, Del Webb is turning increasingly toward the sale of securities and away from bank borrowings. This could make its long-term growth plans dependent on healthy stock and bond markets.

Caution for investors

Del Webb's current annual report warns investors that such traditional sources as savings and loans, banks and insurance companies are restricting loans for the acquisition and development of real estate.

"If the company is not successful in obtaining sufficient capital to fund its planned development and expansion expenditures, some or all of these projects may be significantly delayed," the report says.

Last summer, Del Webb sold 2.88 million shares of stock to the public, raising \$31.8 million, and earlier this year converted \$48.6 million worth of bonds into stock. Both transactions diluted the company's earnings per share.

In Wall Street's view, Del Webb is making progress toward a stronger balance sheet but remains a fairly speculative company. Standard & Poor's Corp., a rating agency, last month upgraded Del Webb's bonds to BB- from B+. Both classifications are among the higher gradings of speculative, or "junk," bonds.

This upgrade, together with the profit improvement and sales increases, suggests that Del Webb is making progress. It has carved out a niche that likely will be greatly aided by long-term societal trends.

Webb builds solid year on gains in SCW

By JACQUE PAPPAS
Daily News-Sun staff

Del Webb Corp. has logged one of its best years in sales, closings and profits since the developer opened its first models in Sun City in 1960.

In Sun City West, there were 774 home sales orders in 1991-92 compared to 608 home sales in 1990-91. Home closings in Sun City West increased 9 percent to 672 compared to 617 a year ago.

The company's performance was "exceptionally strong" in a year that saw nationwide housing starts fall to their lowest level since World War II, said Philip J. Dion, Webb's chief executive officer.

"If you just take sales, closings and profits from our home building operations, it would have to be one of the best years we ever had," Dion said Thursday.

Dion said the company's best year was when it sold about 6,000 acres of land to commercial entities in the mid-1980s.

Discounting large land sales, fiscal 1991-92, which ended June 30, marked a record backlog of homes under contract and record level of shareholder's equity.

For the year, the company had a 27 percent increase in new sales orders for homes and a 12 percent increase in home clos-

'If you just take sales, closings and profits from our home building operations, it would have to be one of the best years we ever had.'

Philip J. Dion
Chief executive officer
Del Webb Corp.

ings.

The bulk of the increase came from Coventry Homes, a conventional home building operation that Webb purchased last year. In its first full year of operation, Coventry had 406 new sales and 247 closings.

Coventry does not build in the Sun Cities, but has home sites throughout the Valley, including Arrowhead Ranch.

The increase from Coventry helped offset a 12 percent decline at Sun City Las Vegas, which dropped its sales to 657 in 1992 from 728 in 1991, Dion said.

"I think the Arizona economy, at least as far as the impact of home building is concerned, is clearly in a more healthy state than the national economy,"

Dion said. "Despite the weakness of the economy, a high number of homes in backlog helped our Sun Cities to maintain a stable level of closings."

The backlog of homes under contract companywide increased 22 percent to 1,263 homes, marking the largest backlog in the company's history, Dion said. Backlog is the number of homes on order, but not yet built.

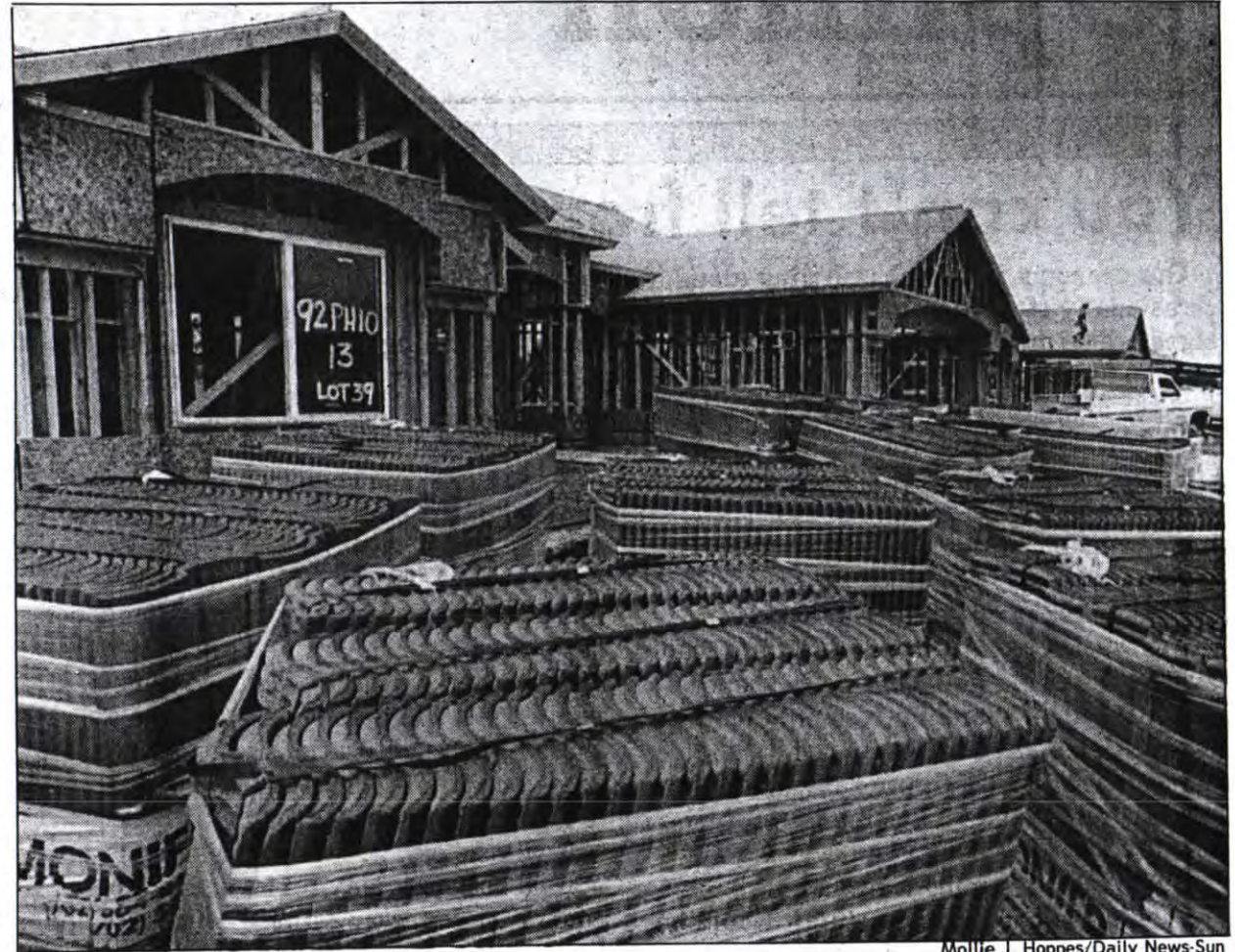
In Sun City West, the number of backlogs increased from 382 to 484; in Sun City Tucson the backlog increased by 14 to 226; and in Sun City Las Vegas the backlog dropped from 384 to 340 homes.

The corporation's net earnings for the year increased by \$5 million to \$17.1 million, or \$1.33 per share. Revenues were \$260.9 million for the year compared to \$228.1 million a year ago.

Dion credits the increases to reasonable mortgage rates, Webb's purchase of Coventry, its large equity base and the ability to borrow money at favorable rates.

As for 1992-93, Dion said he anticipates another successful year.

Sun City Palm Springs will start taking binding sales contracts in October.



Mollie J. Hoppes/Daily News-Sun

Del Webb Corp. has logged one of its best years in sales, closings and profits during fiscal year 1991-92, which ended June 30. Sales of new homes, like these on Calumet Drive, increased by 166 homes over the year.

JULY 8-14, 1992 — SUN CITIES INDEPENDENT—

Webb buys additional land for SCW

By ANNE RYMAN
Sun Cities Independent

Del Webb officials say they expect to acquire 367 acres of state land this month, a move that will add about 1,000 homes and \$2.1 million more in recreation facilities to its Sun City West expansion.

Del Webb paid \$2.4 million for

Builder acquires 367 acres of state property to build 1,000 more homes in expansion area

the land, the sole and successful bidder in an auction held last week by the Arizona State Land Department, according to land department records,

In addition to the state land, the

company has purchased or has under contract 953 acres north of Sun City West, bringing the total acreage in the expansion area to 1,320.

Officials are negotiating to pur-

chase 70 acres of private land from various owners but no agreements have been reached, says Martha Moyer, manager of public and community relations.

If all land is successfully obtain-

ed, about 3,600 homes will be built in the expansion area for a total of 6,000 additional residents.

The Maricopa County Board of Supervisors recently approved an 884-acre master plan addition to the 5,700-acre existing Sun City West.

The master plan must be

See ■ LAND, Page 3

■ LAND

From Page 1

amended to include the additional acreage and approved by the Board of Supervisors.

Ms. Moyer says company officials probably will wait to submit the plan for approval until they determine the amount of private land available.

The company plans to break ground within the next few weeks in the area already approved by the supervisors, says Chuck Roach, Del Webb vice president and Sun City West general manager.

"We have only 1,200 lots remaining in the original area and plan to proceed with our infrastructure development in the new area to ensure an uninterrupted transition."

"We expect by fall we should be far enough along in the architectural

planning process to detail what will be included in the new (recreation) center," Mr. Roach says.

Meanwhile, renovation work has begun on existing facilities. Facilities to be expanded or remodeled include the Silvercraft Club, R.H. Johnson Library, Stardust Theater, Lecture Hall and Sports Pavilion.

In another unrelated land transaction, Del Webb purchased 5,661 acres last week located west of Interstate 17 for \$11 million as the future site for a master-planned community.

Philip Dion, chairman and chief executive officer, says the land will provide Del Webb with the opportunity to maintain a presence in the Phoenix market with an active adult community, but

company officials also will evaluate other uses for the site.

Webb officials say construction is not expected to begin for years and the property could be developed as a retirement community, conventional homes or a combination.

The land acquisition has no impact on Sun City West expansion plans, says Ken Plonski, director of public and community relations for Del Webb.

He says it is difficult to predict right now whether the company will begin developing the property while it still is developing Sun City West. The developer expects to remain in Sun City West for six to eight more years.

"Right now, we're concentrating on Sun City West," he says.

Baby boomers want it all. From comfortable styles of living to early retirements filled with leisure activities.

There's just one problem — how are they going to pay for it all?

A poll by The Gallup Organization has found that baby boomers have not prepared adequately for retirement and are underestimating how much money they'll need to achieve the retirement lifestyles they envision.

Tom Rudzki is 45 years old, and admits to being lax in planning for his and wife Chris' retirement, but for good reason.

Rudzki said that while he and his fellow baby boomers think about their retirement, preparing for retirement is "on the back burner."

Instead of going into a retirement fund or plan, Rudzki's money goes toward today's bills and problems — like helping his three children establish careers.

There have been many changes since the parents of baby boomers retired and a struggling economy hasn't helped matters, Rudzki said.

"Companies are not as loyal to employees as they used to be, and careers change quickly and sometimes it's out of your control what happens," Rudzki said.

For the past six years Rudzki has worked for The Sun City Bank, an employer he said doesn't offer a pension plan.

"Our (retirement) is going to have to be more self-directed and more of a sacrifice — we'll have to sacrifice some purchases now or some leisure activities now — since employers are not providing the pensions they did for my parents," he said.

Rudzki is not alone in his retirement dilemma.

The Gallup poll, conducted for Phoenix Mutual Life Insurance, found that typical baby boomers in the mountain region, defined as Arizona, Colorado, Wyoming, Utah, New Mexico, Montana, Nevada and Idaho, have \$20,000 in a retirement savings program — \$5,000 less than the average baby boomer.

The poll also found that:

■ A majority of baby boomers, 57 percent, cite finances as their primary retirement concern (versus health care and insurance).

■ Fifty-seven percent of the baby boomers polled contribute to a tax-deferred thrift or retirement savings program.

■ Forty-eight percent responded that they could invest more money, about \$200 monthly, toward retirement.

■ Eighty-eight percent said they envision an active retirement, of which 43 percent cited travel as a primary activity.

See Companies fail, C2

Baby boomers crawl toward retirement

Companies fail to offer savings

—From C1

Rudzki has 20 years to work before he retires and he isn't afraid that he's waited too long to plan for his, and his 44-year-old wife's retirement. Rudzki believes he must begin preparing for retirement soon.

"It's something we have to give a high priority in the next five years," Rudzki said. "I think it will be a situation where we seek the counsel of someone who is a professional in that field. ... I think it's going to be a program that has a couple of different aspects to it," he said.

His retirement plan will allow for diversity of investments, Rudzki said. "I don't think we'll put all of our eggs in one basket," he said.

Defying the statistics is Tom Gyder, cooperator of Wilhelm Automotive Ser-

vice Center in Peoria.

Gyder is a 33-year-old baby boomer who has been stashing pennies toward retirement for six years.

"The sooner you start the easier it is and it takes so little," Gyder said. "I don't miss taking \$4,000 or \$5,000 each year out of my income — I don't have a fancy lifestyle."

Gyder's plan calls for doing anything but relying on Social Security to usher him through retirement.

"It (Social Security) will either be non-existent or of low value," Gyder said.

Instead, his retirement agenda includes paying his home off by age 50, investing in IRAs, a life insurance policy that matures when he's 55, property investments and finally receiving money from the family-owned Wilhelm Automotive Service Center.

"It's something I got from my dad. He taught me how to plan," Gyder said.

"I believe in being financially independent and the only way to be financially independent is savings and low debt; you have to have money in the bank."

Gyder, who is married to Phelicia and has three children, is not planning for an extravagant retirement.

"I want a standard of living which is reasonable," he said. "I hope to travel — I hope to never stop traveling."

Before it's too late, Gyder urges his fellow baby boomers to educate themselves on how to save for retirement and to take action.

"I don't think there are that many people thinking that way," he said. "I just don't think many people are trained or oriented by their parents to save for their future. A lot of people have been raised to consume."

SCW: Growing or shrinking?

Proposed expansion pales in comparison to original plans

By ANNE RYMAN
Sun Cities Independent

Del Webb Corporation officials expect the expansion north of Deer Valley Drive to increase Sun City West's population to 31,400 people.

Some residents have voiced concern over the larger numbers and say they prefer a population of about 25,000 — which they claim is

what they were told the size of the community would be when they purchased their homes.

But, even with the expansion and its accompanying 6,000 or so new residents, the eventual size of the community will still be far less than the *original* projected size of Sun City West — which Webb officials say was expected to be home to as many as 70,000

residents.

Webb once owned 7,300 acres of land southwest of Grand Avenue for a planned "Phase II". Along with Phase I — 5,700 acres northeast of Grand Avenue — Sun City West would have been twice its present size, with population estimates at the time ranging from 50,000 to 70,000 people.

Between 1983 and 1986, how-

ever, the company sold off Phase II in a series of land transactions. Fred Kuentz, former Del E. Webb Development Co. chairman, recalls some of the reasons for selling the land.

"We gradually began to think of (Phase II) as being divisive. Grand Avenue would almost make it two

See **SIZE**, Page 3

SIZE

From Page 1

Sun City Tucson opened in 1987 and Sun City Las Vegas in 1989.

Some of Sun City West's facilities today were created with the idea the community would eventually be 13,000 acres. The Sundome Center for the Performing Arts, Mr. Kuentz says, was planned for a community of 13,000 acres.

"The Sundome would have been half that size at most," Mr. Kuentz says, if it were for a community of around 30,000 people.

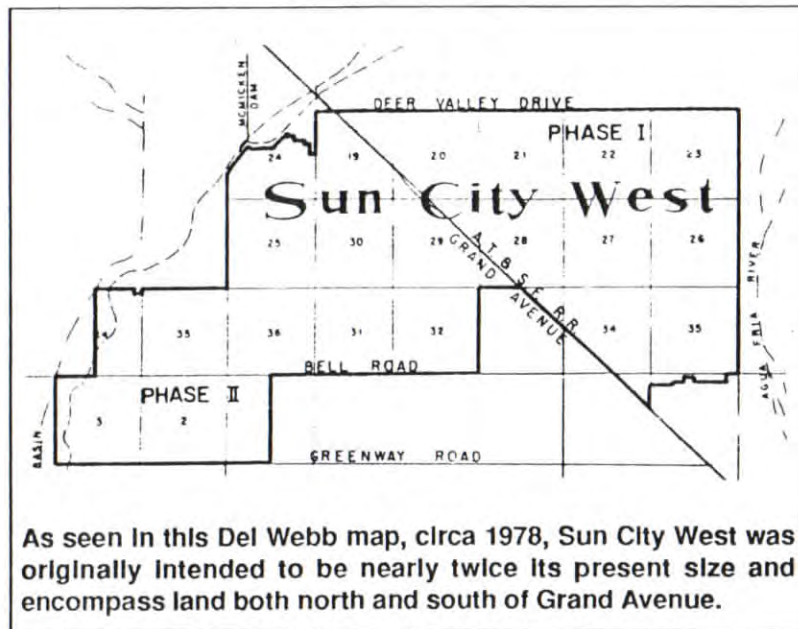
Mr. Roach says the 55-acre commercial core in the center of Sun City West originally was designed for a regional shopping center that would serve a 13,000-acre community. The area is mostly vacant today.

"It became clearly evident that the future need and prospects for a regional shopping center were very small," he said.

Mr. Kuentz says another problem with planning a regional shopping center was that the area was too far from the main roads of Grand Avenue and Bell Road.

He says with the exception of acreage, the original master plan for Sun City West has been followed. Trail Ridge Golf Course, 21021 N. 151st Ave., opened in 1989 and was not part of the original development plan.

Another change over the years, regardless of the community's acreage, has been prices. In the late 70's, built-to-order homes ranged from \$52,990 to \$101,990.



As seen in this Del Webb map, circa 1978, Sun City West was originally intended to be nearly twice its present size and encompass land both north and south of Grand Avenue.

communities. And we started to become our own competition with resales as far as Sun City West was concerned."

The resale business, he says was a huge market and at one time Webb officials estimated 2,000 homes in the Sun Cities were resold for every one new home purchased in Sun City West.

Chuck Roach, Del Webb Corporation Vice President and Sun City West general manager, says company officials considered both the size of the community and what amount of undeveloped land was reasonable for a developer to have on hand. Any money invested in land, he adds, does not generate earnings.

"It was appropriate to sell Phase II land and re-direct the cash into expansion of the Sun City concept. It enabled us to expand into Sun City Tucson and (Sun City) Las Vegas."

County planner gives high marks to Del Webb

By MIKE GARRETT
Daily News-Sun staff

PHOENIX — Despite low grades given to many aspects of Del Webb's expansion plans for Sun City West by some residents, Maricopa County officials say Webb has done its homework well.

Maricopa County's director of planning and development Dennis W. Zwagerman said he expects county supervisors to approve Del Webb's expansion plan for Sun City West during Monday's board of supervisors' meeting.

"The expansion of Sun City West is good planning. It really is," Zwagerman said. "I think they've (Webb) taken care of all the land-use, transportation and public facility issues."

Supervisors delayed approval of the expansion at the June 1 board meeting so Webb and the county could address water and traffic concerns raised by Sun

City West residents and the county.

Zwagerman and his staff, who are responsible for coordinating the county's planning, zoning and development among various county agencies, have been assisting county Supervisor Carole Carpenter, D-District 4, to address those concerns.

Carpenter has been meeting with community leaders the past two weeks to try and mediate differences between Webb and those opposing expansion plans.

"I haven't heard any planning related issues that would tempt me to suggest there shouldn't be any new development there," Zwagerman said.

Members of the Citizens Alert Group, who have urged that the expansion area be a separate community and the new recreation facilities not be co-mingled, are convinced that use of effluent to irrigate golf courses is not completely safe.

"We would like to get our own water experts in the (Sun Cities) area to take a look and do their own studies," said Citizens Alert Group leader Walter Schifter.

"I think DEQ has all the resources necessary to deal with that issue," Zwagerman said. "I'm not concerned about the contamination and water quality issue at all."

Citizens Alert Group members have also raised concerns about a noise abatement berm Webb is planning to build between the expansion area's northern boundary and the proposed Estrella Freeway.

Opponents to the expansion say that maintaining the dirt berm, which would be created from site excavations, will be expensive and indirectly come out of residents pockets through the rec centers.

Zwagerman said the noise attenuation could be a berm, a

wall or a combination of the two. "Just so that Webb and the rec centers agree on who is going to build it and who is going to maintain it," he said.

"We just need to know what it's going to look like before they subdivide any of the land along that freeway," Zwagerman said.

He said Sun City West residents who remain opposed to the expansion should try to come to an agreement with Webb because the county will approve the developer's master plan once the 19 stipulations raised by planning and development are met.

"We're not telling them what to do at this point, we're just asking for them to get along."

Zwagerman said he thinks it's feasible for Webb to start grading in the expansion area golf course north of Deer Valley Road in July.



Mike Garrett/Daily News Sun

Dennis Zwagerman, left, director of Maricopa County Department of Planning and Development, and Sandy Goldstein, Sun City West community leader and a director on the county planning and development board, discuss Del Webb's expansion plans and residents' concerns.

Webb to keep senior housing as top priority

By MIKE GARRETT
Daily News-Sun staff

PHOENIX — Del Webb Corp.'s re-entry into the Valley's home-building market Wednesday with its purchase of Coventry Homes wasn't done to make Webb metro Phoenix's No. 1 homebuilder.

"I don't believe we're doing this to gain the recognition as the leading homebuilder in Phoenix or in Arizona," said Ken Plonaki, Webb director of public affairs. "We're doing it with a very specific strategy in mind, recognizing that we can

compete very effectively in this market and now is a very opportune time to take advantage of that expertise that we have."

Webb Corp. is parent company of Del Webb Communities Inc., developer of the Sun Cities. Webb executives announced Wednesday that the Phoenix-based Webb had acquired some of the assets of Coventry Financial Inc., a holding company. Webb's acquisitions are Phoenix-based Coventry Homes and Universal Homes.

"We have a lot of respect for the Coventry organization and

certainly would like to be able to generate a good number of sales through that new division," Plonaki said. "But we're not in it just to become No. 1."

Philip J. Dion, Webb chairman and chief executive officer, said it is important for residents in the Sun Cities to know that the retirement communities will remain the company's primary business. Webb's Sun City communities will continue to be developed as planned in Tucson, Las Vegas and Sun City West.

Valley housing analyst R.L. Brown of Home Builders Mar-

keting Inc. of Phoenix said Webb probably will end 1990 as the Valley's No. 3 home builder behind Continental Homes and UDC Homes. Adding Coventry and its past reputation for innovation could mean new-home domination of the area.

Webb-Coventry would need to build more than 1,000 houses a year to reach the No. 1 or 2 position, according to Landiscor Aerial Photo Inc.'s Greater Phoenix Housing Study.

Landiscor reported that Coventry had 114 housing starts in the year that ended Sept. 30,

placing it among the top 30 Valley homebuilders. Webb started 662 houses in the same period.

In November, Brown reported in his Phoenix Housing Market Letter that UDC topped Maricopa County sales with 91. Webb was second with 83 sales followed by Continental with 79.

Brown said Webb's Coventry purchase could quickly generate the kind of sales velocity to make the company No. 1 in the Phoenix market, "especially with its apparent added three or four years lot inventory at Sun

City West."

"On the other hand, the adult housing equation may well shift with Lennar Homes' entry into the adult market with their acquisition of Ventana Lakes (north of Sun City between 99th and 107th Avenue) at a price that will allow them to beat the socks off anyone's prices," Brown said.

Brown reported in his newsletter that Sun City West was still the Valley's best-selling subdivision in November, ahead of UDC's Westbrook Village subdivision in Peoria.

Sept. 6-12, 1990

Webb's Dick Mastin Man Behind The Scenes

by Stan Steciak

Many Westers wonder why is it that SCW is laid out so well. Perhaps "laid out" is a poor choice of words, but do you wonder where the water goes after it rains. Do you notice how homes are placed so that they are level in their own areas and especially around our many golf courses. The young gentleman responsible for this engineering phenomena is Dick Mastin, Vice President, Land Development.



Dick Mastin, VP Land Development, Del Webb Corp.

(Photo by Stan Steciak)

Mr. Mastin, 10 year employee of Del Webb, is the behind the scenes person who gets the job done without hoopla. The work he does probably goes unnoticed by Westers, but is most important in large land developments. Dick Mastin must work

with Maricopa County officials, with respect to zoning and planning, streets and roads and even environmental quality. His job is an endless parade of meeting people plus a multitude of blue prints and paper work.

Richard Mastin will be 42 years old in October. Born in Phoenix, the true native Arizonan, attended the Phoenix Christian High School and then NAU (Northern Arizona University) in Flagstaff. He graduated with a degree in Civil Engineering. His climb up the ladder with the Del Webb Corp. included jobs as estimator on commercial buildings and engineer on the project that built the Las Vegas City Hall. In 1970 to 1976 he served in the AZ. National Guard.

Young Mr. Mastin is a farm boy with a good Christian background. Mom and Dad, Marjorie and Donald, saw to it that Dick did the right things. The Mastins have a cattle farm in west Phoenix. Dick became interested in cattle raising and still is. In fact that is his hobby along with outdoor activities. He enjoys being with his family and works with his kids in the 4H program.

Lynn and Dick are married 20 years and have three children. Darin is at Yavapai College in Prescott, Don is a senior at Tolleson High School and Jeannie is a freshman at Tolleson. Lynn Mastin's hobby is watching over

her three children, but she does like to do cross stitching. Dick is happy to be with Del Webb and in SCW. He said, "When SCW first started it was a six day a week job, we just couldn't work fast enough. Now it is great to stand back and really visualize the accomplishments. It sure is interesting, challenging and exciting to be with a successful operation. To me, it is also a special pleasure to meet the fine residents with so many diversified backgrounds."

Webb CEO stays close to customers



Submitted photo

TURNAROUND — Chief Executive Officer Philip J. Dion said a strong management team has turned Del Webb Corp. around.

Second of two parts
By MIKE GARRETT
Daily News-Sun staff

PHOENIX — Philip J. Dion would rather be low-key while unlocking the doors to business success.

He is not the high-profile chief executive officer that his predecessor, Bob Swanson, was at Del Webb Corp., those who know Dion say.

Chuck Roach, who manages the Sun City West development for Webb's retirement community subsidiary, said, "Everybody has their own style and Phil's style is definitely different than Bob's."

"In order to be truly market-driven, you must know what the market wants and then seek it out," Roach said.

"That entails getting out and talking to people in any number of settings and environments . . ." he said.

Roach said he has enjoyed working in that kind of environment and with the kind of leadership and latitude Dion has given management in getting the com-

pany back on solid footing.

Dion said he tries to be visible and accessible to Del Webb customers, occasionally visiting a Sun City community unannounced to listen to residents' complaints or praises.

Morey Jensen, Property Owners and Residents Association president and a Webb stockholder, said he feels Webb and Dion have done a good job trying to resolve homeowner complaints.

Dion said part of his job is to stay in touch with the people who live in Webb communities. He spends eight or 10 days a year at each community.

"I try to attend 10 or 20 civic, social or charitable functions like golf tournaments," Dion said. "Or I'll just hang around and visit the sales pavilions on a Sunday, walk through the models or take in a variety show at the Sundome and just listen to what people have to say."

"What that provides me is a good overview while my other travels around the country give me great insight into how other seniors are living," said Dion,

who became Webb's chief executive officer in November 1987.

Dion, 45, joined Webb in 1982 as senior vice president of administration and subsequently served as executive vice president and chief administrative and chief financial officer. He was named president in May 1987.

Although he has some concerns about the Arizona and national economies, Dion is positive about the direction he and Webb management are headed.

"... I feel very good about our management group. Most of the time, when things go well, they want to attribute it to the CEO," Dion said. "I call it the Lee Iacocca or Donald Trump syndrome."

"The fact of the matter is those guys have limited contributions to make. One person, regardless of their position, only has so much time and so much ability. Without a really outstanding group of people to support and make them look good, they're either failures or frauds."

Acknowledging he has an ego to satisfy, Dion said he would rather praise his

current management team for its ability to work hard and accept and make tough decisions in order to provide a high-quality product.

Dion also attributes Webb's recent success to a degree of luck. He said Webb was fortunate in being able to sell off its casinos and gaming assets at a time when money was available and the casino industry was still doing well. The company, instead, has returned to developing adult communities.

Dion said he's confident the company is on the right track, doing the little things better each month.

Dion said the retirement industry continues to grow so the company can plan on building at least one and as many as three new Sun Cities by the mid-1990s.

"While it's not going to be easy for us to make the level of profit that's necessary in the next couple of years, I think we have a good chance of doing it," Dion said. "Our communities are well positioned and I'm very optimistic that we're the national leader in this business."

Sun Cities keep Webb afloat

First of two parts
By MIKE GARRETT
Daily News-Sun staff

Philip J. Dion has made Del Webb Corp. profitable again by doing what he says the company does best — developing adult communities.



Dion has served as president and chief executive officer since November 1987. He has guided Phoenix-based Webb on a singular course through red-ink filled waters.

Although Dion's problems linger with Webb's money-losing joint venture projects in the Valley and Colorado, the only land Dion hopes to concentrate on in the future is acreage large enough to build future Sun City-type adult communities.

In an exclusive interview with the Daily News-Sun, Dion said he isn't ruling out future Webb joint venture single-family housing projects. But he credits Webb's three Sun Cities communities in Sun City West, Las Vegas and Tucson with the company's financial success for the fiscal year ending June 30. Webb posted a profit of \$14,742,000, or \$1.45 a share, in earnings.

"Webb and Dion certainly deserve a lot of credit for the heck of a job they've done in turning the company around," said Morey Jensen, president of the Property Owners and Residents Association in Sun City West and a Webb stockholder. "By concentrating on their retirement community

core business, I think they are now on the right course."

Knowing the company can't rest on its laurels, Webb executives continue to scout the country for land to build active adult communities.

Last year, Webb bought 1,570 acres in the Palm Springs-Palm Desert area of California for its next adult community. Groundbreaking for the first models is expected next summer.

Webb also has options on 1,200 acres of land in the Sacramento, Calif., area and with Lakeview City Inc. of Phoenix for 5,700 acres three miles north of Carefree Highway near Interstate 17. Dion said both sites are still being considered for future Sun Cities.

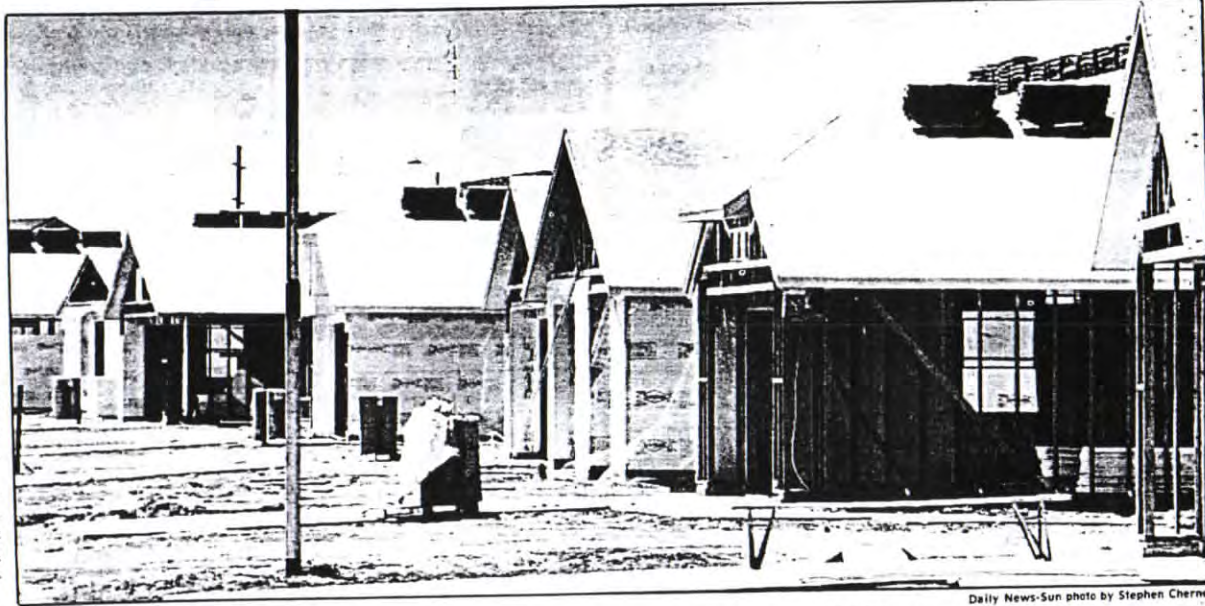
But he said Webb may not exercise either option, depending on changing demographics and economic conditions and the time it would take to develop both properties.

Dion said the Valley's changing economic climate could lead to the repurchase of land west of Grand Avenue once earmarked for Sun City West Phase II. But he said that would depend on community desires.

The two jewels in Webb's crown remain Las Vegas, where monthly sales continue to exceed company expectations, and Sun City West, which keeps plugging along at 650 to 670 sales annually despite a flat Valley economy.

Dion said Webb is exercising its option on its Phase II Las Vegas land that will have about 6,000 houses and 11,000 residents by the end of the decade.

Although the 793 Las Vegas



Daily News-Sun photo by Stephen Cherek

A BIGGER SUN CITY WEST? — New houses take shape in Sun City West, one of the bright spots for Del Webb

house sales exceeded Sun City West in the past fiscal year, Dion said he is equally pleased with both the original Sun Cities.

Dion acknowledges that problems remain, such as the potentially overbuilt care center market. But he said the Sun Cities economy overall is much healthier than most other parts of the country right now.

"That's a vantage point I have that many people in the Sun Cities don't," Dion said.

Sun City West has had the greatest home appreciation rate of any submarket in

Maricopa County for the last 10 years, according to the ASU College of Business, Dion said.

"Even though the Sun City market has been soft, it is still many times what most people paid for their homes in the first place. While their values are down 4 to 5 percent a year, you're looking at 2-percent-a-month declines in Southern California and anywhere from a 25 to 35 percent decline in the average Texas home resale price," he said.

Dion said 1993 is still the target year for Webb to begin its gradual pullout from Sun City West if no additional land

is acquired. Webb executives are deciding whether to expand the retirement community.

At some point in that process, Webb will turn over control of the operation of the recreation centers and other Webb-developed facilities to the board of a non-profit corporation.

At about that time, Dion said Webb hopes to begin construction of its next Sun City in Maricopa County. The company hasn't decided whether that will be at the property north of the Carefree Highway or another site.

Dion said expanding Sun City West would require talking to PORA, the Recreation

Center Advisory Board and other key Sun City West groups before that possibility is explored.

"We're simply not going to rush into it. These projects we undertake have anywhere from \$50 to \$100 million into them before we open the first model. If you make a mistake you have to live with it a long time," Dion said.

Thursday: Philip J. Dion's management style differs greatly from that of his predecessor, Bob Swanson. What are his priorities and how do others see him as a chief executive officer?

Del Webb seeking advice from experts

Advisory group tours Sun City

By Connie Cone Sexton
Staff writer

PHOENIX — To help develop its future adult communities, Del Webb Corp. officials are turning to an advisory group of gerontologists, researchers, housing experts and sociologists for ideas.

The eight-member group toured the original Sun City last week then held a brainstorming session on how Webb can improve or expand on its "active adult retirement lifestyle."

Their recommendations on ways to meet the needs of America's senior population are expected to be released in the next few weeks.

The report will focus on such issues as:

environments that encourage healthy aging, migration trends among the senior population, housing designs to accommodate independent living, volunteerism and employment for seniors, adult community designs and social support structures needed for seniors.

Phil Dion, chairman and chief executive officer of Webb, said the panel aims to "heighten everyone's awareness of the lifestyle issues facing older Americans."

"We're committed to providing a lifestyle for an aging America through our present Sun City communities as well as developing new concepts," he said Friday at the Ritz-Carlton Hotel in Phoenix. "We're restudying a lot of issues and looking at what we've done in the past,

trying to find ways to improve."

Dion held a press conference to introduce the panel and explain the focus of the group.

Panel member Gordon Streib of the department of sociology at the University of Florida praised Webb for attempting to meet the changing needs of its residents.

"Sun City is a very unique community which will never be replicated again," he said.

"We're living in what I'll call a different social or retirement culture than what we lived in 30 years ago," Streib said. "The whole structure of retirement as to when you retire, what it means, has changed considerably in the last 30 years."

Another panel member said not only will retirement communities continue to

evolve, their residents will, as well.

They will come to the community better-educated, better-traveled and richer, said Charles Longino Jr. of the Center on Adult Development and Aging at the University of Miami.

Panel member James Gollub stressed that developers should not be planning communities for the "aged."

"Aging is not the issue," Gollub said. "Aging is almost dead as an issue."

Gollub, project manager for the Stanford Research Institute, said use of such terms creates stereotypes. Older adults should be considered "time travelers," the same as anyone else.

Dion said those and other points will aid Webb in developing its communities.

Other panel members are Dr. Walter Bortz, chairman of the Palo Alto Medical

Foundation; George Genung Jr., executive director of the National Council on Seniors Housing at the National Association of Home Builders; Marcia Ory, chief of social science research on aging at the National Institute on Aging; Joan Pease of Partners in Planning, consultants in retirement housing and health care environments; and Victor Regnier of the Andrus Gerontology Center at the University of Southern California.

Sylvia Cartsonis, director of the Sun Cities Area Community Council, said Webb should still tap Sun Cities resources.

"We're pretty expert in what we're doing, knowing about the social needs of the community," she said.

"We'll have to wait and see what recommendations the panel comes up with."

Sun Cities sales boost Webb earnings

Daily News-Sun staff

PHOENIX — Del Webb Corp.'s Sun Cities home sales and closings boosted its third quarter net earnings to \$3,754,000, or 35 cents a share, based on revenue of \$53,733,000, the company reported Wednesday.

All earnings were from continuing operations, said Philip J. Dion, Webb chairman and chief executive officer.

That total compares with 1988 third quarter earnings of \$5,271,000, or 54 cents a share. Last year's third quarter saw Webb lose \$587,000 on revenue of \$31,285,000 from continuing operations but it had earnings from discontinued operations of \$5,858,000.

The more revealing figure is that for the first nine months of 1989, Webb had net earnings of

\$1,095,000 on revenue of \$105,469,000, all from continuing operations, compared to net earnings of \$314,000 for the same period last year.

In the first nine months of 1988, Webb had a loss of \$2,650,000 on revenue of \$71,768,000 from continuing operations that was offset by earnings of \$2,964,000 from discontinued operations.

After deducting preferred stock dividends from net earnings, Webb had a loss of 3 cents a share for the first nine months of 1989 compared with a loss of 5 cents a share for the same period last year.

Webb's continuing operations are composed primarily of its Sun City projects — active adult communities in Phoenix, Tucson and Las Vegas, Nev. — and its land development projects —

The Foothills and Towne Meadows in the Phoenix metropolitan area.

Webb's discontinued operations include marina and lodging operations on Lake Powell, hotel and casino operations in Nevada and Atlantic City, N.J., and several joint-venture commercial and light industrial real estate projects.

Dion said that the quarterly and year-to-date earnings reflect the strong contribution of Webb's newest community project, Sun City Summerlin in Las Vegas and a stable performance from Sun City West, which he termed "remarkably good" in view of poor Valley housing market conditions.

For the quarter ending Sept. 30, Sun City West showed 137 home sales, compared with 138

for the third quarter of 1988. Year-to-date totals are 432 compared with 416 last year.

The number of third quarter Sun City West home closings so far in 1989 are 167 compared with 177 in 1988 with year-to-date totals of 353 and 357, respectively.

The average revenue for each Sun City West home closing, including lot premiums and upgrades, was \$127,000 in 1989, compared with \$128,000 in 1988. Year-to-date it's \$128,000 compared with 1988's \$130,000.

Dion said that Sun City Vistoso in Tucson is beginning to show recovery signs from market difficulties it had experienced earlier in the year.

For the quarter, Webb had 422 home closings, a 76 percent increase over the same quarter

last year. Home closings for the nine-month period were 784, a 51 percent increase over 1988.

Home sales were 324 for the quarter and 1,165 for the nine months, an increase of 92 percent and 113 percent, respectively over 1988.

The home sales and closings improvement Webb attributes to Sun City Summerlin, which opened last November and only recently reached full production in home construction. Sun City Summerlin is the best-selling housing development in Las Vegas, where the economy is booming, Webb officials say.

Dion said he was especially pleased with Webb's backlog position, which shows 1,017 contracts with an aggregate value of more than \$130 million. That's more than a 200

percent jump over last year's backlog.

"This backlog will contribute significantly to revenues in the fourth quarter and for all of next year," he said. "Additionally, geographic diversification outside Arizona has been an important strategic objective for Webb and is underscored by our success in Las Vegas. We continue to make major progress in planning for future expansion of our active adult community business."

Webb's main area of weakness during the third quarter was its loss provisions of approximately \$2 million related to its raw land holdings and land development projects in the Phoenix metropolitan area as a result of a general oversupply of residential lots in the Valley's conventional housing market.

Del Webb expects rosy report

Staff and wire reports

PHOENIX — Del Webb Corp., helped by strong home sales and the completion of its restructuring, expects significant fourth quarter increases in net income and revenue.

The developer of adult communities expects to report net income of between \$5.5 million and \$6.5 million for the quarter after preferred stock dividends, or roughly 55 cents to 65 cents a share, on revenue of about \$82 million.

In the year-earlier period, Webb reported a net loss of \$15.3 million, or \$1.67 a share, on revenue of \$34.6 million.

Webb's official annual report of final company audited earnings will not be released until late February or early March.

Webb also announced Thursday that it has closed escrow on the sale of its remaining casino-hotel and also filed a petition with the New Jersey Casino Control Commission to relieve the company of any further gaming licensing or qualifying requirements in that state.

Webb announced last November that it had reached an agreement with real estate developer and hotel operator William J. Yung to sell the High Sierra Hotel and Casino at Lake Tahoe, Nev. With Thursday's closing, Webb completed disposition of its gaming-related assets. However, Webb will continue to operate the High Sierra Casino until Yung obtains required gaming licenses from Nevada regulatory authorities.

In New Jersey, Webb's withdrawal petition from licensing

on the company agreeing to place its interest in any future sale of The Claridge Hotel and Casino in an irrevocable trust.

Philip J. Dion, Webb's chairman and chief executive officer, said Webb's restructuring is now complete. "We are totally focused on the community development business, primarily active adult communities."

Because of that refocus, Webb should report net income of roughly \$5.7 million for all of 1989 after preferred stock dividends, or about 60 cents a share, a healthy increase over the 1988 net loss of \$14.9 million, or \$1.73 a share. Revenue should total more than \$185 million, versus \$106.9 million in 1988.

The expected fourth quarter profit could also be the most since third quarter 1988 when Webb earned \$5.2 million; Webb spokesman Ken Plonski said. He said 1986 was Webb's last profitable year when it earned \$19.6 million.

"The fourth quarter was excellent, and housing revenues were up 140 percent over last year," Dion said. About half of the quarterly housing revenue stemmed from Webb's Las Vegas, Nev., development.

Sun City West's 638 home sales in 1989 exactly matched 1988 sales and the 620 house delivered are 40 more than 1988. That contributed significantly to Webb's expected 1989 profit, said Chuck Roach, Sun City West general manager and a Webb executive vice president.

"We are very pleased with the results of our operations for

estate market in Maricopa County in general," Roach said. "We delivered more homes and more profit in 1989 than we did in 1988."

Roach said the expected fourth-quarter profit, which could almost equal the entire year's profit, is typical of Webb's current operations.

"It's simply the way our cycle has worked for many years. We sell the homes in the first quarter, we get them under construction in the second and third quarters and we deliver them in the fourth quarter."

Dion said Webb probably will add about \$2 million to reserves for the fourth quarter for discontinued operations. Webb has been divesting itself of recrea-

tional businesses and its commercial development businesses over the past two years.

Dion said the company also is in escrow on slightly more than 1,500 acres in a prime southern California location. Webb is considering a partnership with a prominent regional developer on the project, which will be targeted toward the booming local market. "We hope to have it is under development by 1991, the Lord and regulatory officials willing," he said.

Webb is still looking for property in the Los Angeles area and San Diego County, as well as in Texas, Florida and parts of the Middle Atlantic states.

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Public Relations News

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WHO'S WHO IN THE DEL WEBB CORPORATION

Philip Dion	Chairman and Chief Executive Officer
Frank Pankratz	Sr. V.P. & General Manager, Sun City Palm Springs
John Spencer	Sr. V.P., Administration
Anne Mariucci	V.P., Corporate Planning & Development
Don Mickus	V.P., Treasurer
David Rau	V.P., Controller and Chief Accounting Officer
Jack Gleason	Vice President
Joseph Contadino	President, Del Webb's Coventry Homes
Chuck Roach	V.P. & General Manager, Sun City West
Dennis Wilkins	V.P. & General Manager, Sun City Tucson
LeRoy Hanneman	V.P. & General Manager, Sun City Las Vegas
Bob Wagoner	Director, Land Development
Ken Plonski	Director, Public & Community Relations
Marilu Deignan	Director, Marketing

Sun City West, Tucson sales spur Del Webb to best start

PHOENIX — Del Webb Corp. is off to its best home sales start in this decade since the beginning of the traditional September home selling season.

"Our Sun City West and Sun City Tucson communities are doing exceptionally well," Philip J. Dion, Webb chairman and chief executive officer, said in a news release.

"We've recorded 261 sales in the last three months. That's a 14 percent increase over 1986 when we began the season with 230 sales."

Sales at Sun City West have shown a modest increase over last year while Sun City Tucson sales have jumped 40 percent.

Connie Wilhelm, executive director of the Central Arizona Homebuilders Association, agreed with Dion's homes sales assessment.

"We should see 12,000 single family housing starts in the Phoenix area this year," Wil-

helm said.

"While that's down from our peak years, Phoenix could rank as high as 16th in starts nationally," she said. "There are a lot of markets that would like to have this level of activity."

In serving Arizona's senior market for 30 years, Webb has helped Arizona become the third-most popular destination among migrating seniors behind Florida and California.

"Seniors as a whole are less sensitive to economic conditions than the general public," Dion said. "I think that's one big reason we're outperforming the market."

"We also market our product and lifestyle nationwide. We're not a local builder serving a local market," Dion said. "Therefore, we're not as affected by local market conditions."

The nationwide resale market is a much better predictor of sales volume in the senior

housing market. Nationally, resales have remained at a level of 3.5 million units annually since 1986, a factor in Webb's steady performance.

Dion said California retirees are contributing to Arizona's strong seniors market.

"In many cases, they're taking the large amount of equity they have in their home, relocating and banking a substantial nest egg," Dion said. California sales at Sun City West have increased from 12 percent in 1986 to more than 30 percent this year. At Webb's communities in Tucson and Las Vegas, Californians account for approximately 35 percent of all sales. Dion said the cost of living is a contributing factor to this trend.

"Phoenix, Tucson and Las Vegas are right at the national average for cost of living while areas such as Los Angeles, Orange County, San Diego, Ven-

tura County and San Francisco are in the top 10," Dion said.

Outside of the Arizona market, Webb's strategy of geographic diversification is paying dividends. Its newest community in Las Vegas has established itself as the best-selling development in that booming market, Webb officials say. In less than 12 months, Webb has recorded more than 1,000 sales.

Dion said the Las Vegas development was a "significant factor" in Webb posting a nine-month profit of just more than \$1 million.

Dion said Webb's future also is cause for optimism. The company's backlog of homes that have been contracted but not yet delivered was at 1,017, representing a dollar value of \$131 million. Many of those homes will be delivered in the next six to nine months.

Sun Cities' image to get boost

By JACQUE PAPPAS
Daily News-Sun staff

SUN CITY — Del Webb Corp. is launching a \$1.5 million advertising campaign and a two-part "outreach" program in 1990 to promote the image of the Sun Cities.

Corporation officials announced the plan Tuesday night

at a dinner honoring elected officials and others who supported measures to decrease a property tax on education placed on unorganized districts like Sun City and Sun City West.

The two-part program, "The Sun Cities Care," is geared to dispel views that residents in the retirement communities are

isolated and that they do not pay their fair share of property tax, said Chuck Roach, Sun City West general manager.

Roach said the outreach program, estimated to cost about \$250,000, will augment corporation public relations with the media and initiate programs to create an "understanding of

the Sun Cities."

"We accept the challenge facing us to change public opinion. Unless people have a reason to come to the Sun Cities, they won't come. We've got to give them a reason," Roach said. "The outreach program is going to work two ways. It's going to See Sun, A4

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be us reaching out to them and it's going to be us trying to have them reach in to us."

Roach said the corporation has designed a public relations campaign to continually inform media about "the good things happening" in the Sun Cities.

He said corporation officials will work with area organizations to keep in touch with positive programs going on in the community.

"There are stories going on out there that people are just not aware of. The good things that go in the Sun Cities is something we often take for granted as going on all the time," Roach said. "But it's something the people in Phoenix do not know and we want to let them know."

Another aspect of the outreach program will include programs and tours to attract area residents to the Sun Cities.

He said the tours will not necessarily be designed for marketing appeal, but be geared to give residents of Maricopa County a chance to view the retirement communities.

Roach said the outreach program will use volunteer organizations in the Sun Cities as models to help other Valley communities establish groups such as the Prides or Posse.

"Everybody recognizes the Sun Cities are clean, but does anybody outside of the communities understand why they are clean . . . people are volunteering their time to go out and clean it up," Roach said.

"What is fact often times is irrelevant. It is really what is perceived by people that becomes fact in their eyes. They feel that we're isolated, that we don't take part in the broader community, that we don't care what happens in Phoenix and the rest of Maricopa County,"

Roach said "We know that's not true and we need to do something to convince them that they're wrong."

Roach said the corporation decided to implement the outreach program after it reviewed findings from a survey it commissioned to determine how business leaders and residents in the Phoenix area perceived the Sun Cities.

Phil Dion, chairman and chief executive officer of Webb Corp., said the image of the Sun Cities is important to Webb from a financial and promotional standpoint.

Dion said the success of Webb's future developments hinge on the prosperity of its original two retirement communities.

"We are community developers in a broader sense, but our primary business is the active adult community business — one that we have been success-

ful in for 30 years. It's a business we're devoted to and one we have some measure of concern about presently," Dion said. "There's more to this than the bottom line, there's more to this than the number of houses we sell. Whatever we do as a company or as a group of individuals, we can't do enough without the full support of the community."

County Supervisor Carole Carpenter, who represents the Northwest Valley, said the image of the Sun Cities will be best promoted if residents in the retirement communities support Webb's endeavor.

"I'm excited that Webb has taken on the challenge to promote the image of the Sun Cities," Carpenter said. "It has been long needed. It's not that people have not tried to confront the image problem, but Webb is now committed to a concentrated and coordinated effort."

10

Last move

Webb donates greenhouse

By CHRISTINE SELIGA
News-Sun staff

SUN CITY WEST — A greenhouse that created a conflict over its existence has been donated to a retirement center in Surprise.

Del Webb Communities Inc., developer of the Sun Cities, donated the greenhouse at 14816 W. Buttonwood Drive to Sun Ridge in Surprise.

The Kiva, a nursing home facility at Sun Ridge, will be using the greenhouse.

"This just came out of the blue and it was great," Kevin Hunt said Monday. Hunt is the activities director at the Kiva.

Webb's manager for Sun City West, Chuck Roach, said Monday there were five or six offers for the greenhouse.

"We decided to be generous and donate it to a worthy cause," Roach said.

The Sun City West Recreation Centers already has a greenhouse at the Beardsley Park Recreation Center, Roach said.

Roach estimated the greenhouse is worth \$5,000 to \$6,000.

"We're pleased to see it gone and the problems that it created behind us," Roach said.

The greenhouse was built by James and Dorothy Rhoades at their home. Mrs. Rhoades was an avid grower of orchids.

But such a structure violates

the community's deed restrictions. Several neighbors complained about the greenhouse. Webb intervened in the dispute and decided to buy the Rhoades' house and property, including the greenhouse.

Hunt said on activity assessments of residents at Sun Ridge he often finds that about 90 percent have done or enjoyed gardening.

In May he talked to members of the Sun City West Garden Club to see if they would come to conduct some classes in gardening. Club members were willing but there was no facility for the classes.

Now that Sun Ridge will have a greenhouse, the Sun City West Garden Club has agreed to give the gardening classes.

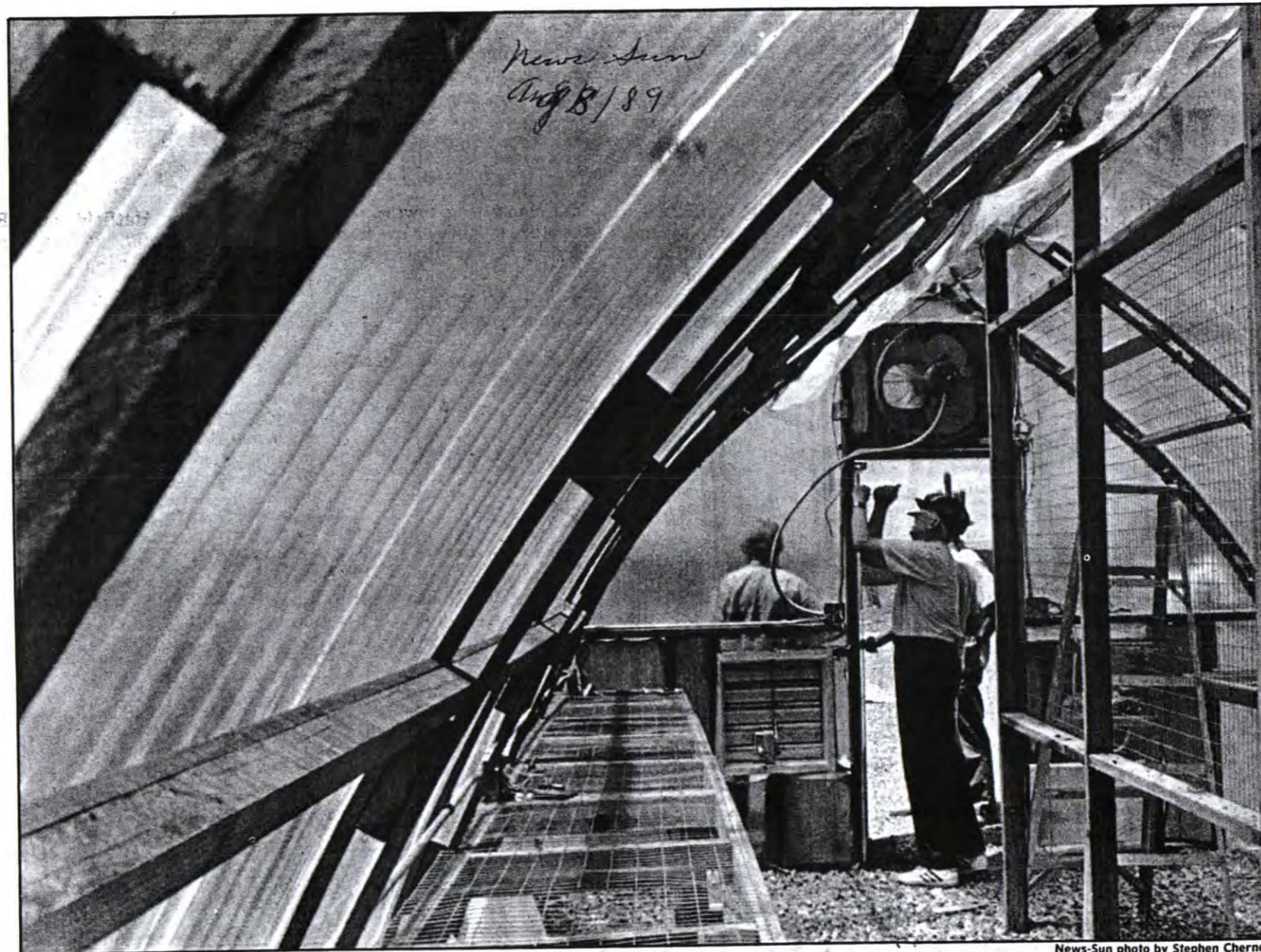
The greenhouse will give the people at the Kiva an activity in which they can leave the confines of their rooms, Hunt said.

He said the structure itself is very adaptable to the kind of residents who live in the Kiva.

"It has high tables. We can fit wheelchairs underneath," Hunt said.

The greenhouse will be taken apart and moved to Sun Ridge this week.

It will be located on a 14-foot by 25-foot garden plot behind the Kiva nurses station.



News-Sun photo by Stephen Cherneck

PARADISE FOUND — Volunteers from Sun Ridge in Surprise work on taking apart a Sun City West greenhouse which was donated to the care center by Del Webb Communities, Inc. Kevin Hunt, activities director at Sun Ridge, said the greenhouse, with its shelves, will make gardening accessible to wheelchair-bound residents.

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Del Webb vice president hands in his resignation



Submitted photo

PAUL TATZ — resigned from Del Webb Corp., Wednesday.

SUN CITY — Paul Tatz, executive vice president of Del Webb Corp., resigned Wednesday, Del Webb announced this morning. The resignation is effective immediately.

Philip Dion, chairman of the board and chief executive officer, will assume Tatz's duties, which include directing all of Webb's real estate activities. Tatz was also president and chief executive officer of Del Webb Communities Inc.

Tatz was elected to his present positions in January 1988 after serving as president of Del Webb

Development Co. (DEVCO) since 1984. He joined the company in August 1982 as assistant secretary and assistant general counsel of Webb Corp., was named senior vice president of DEVCO in June 1983 and executive vice president of DEVCO later that same year.

"Paul, who has been with the company since 1982 in a variety of positions with increasing responsibilities, has done an excellent job and we wish him the best in his future endeavors," Dion said in a prepared statement.

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FACT SHEET

THE DEL WEBB CORPORATION

- 1928 Del Webb Construction Company is founded in Phoenix, Arizona
- 1930's Del Webb Construction Company struggles through the depression with small remodeling and minor construction jobs.
- 1940's The Del Webb Corporation was granted major government contracts and built numerous military installations throughout the nation.
- 1945 Del Webb became co-owner of the New York Yankees.
- 1950's Having built a number of major casino-hotels in Las Vegas, Del Webb entered the gaming business.
- 1954-55 The Del Webb Corporation master-planned and built San Manuel, a mining town in Southern Arizona.
- 1960 The Del Webb Corporation joined the New York Stock Exchange becoming a publicly held corporation.
- 1960 Del Webb opened the original Sun City active adult community with 100,000 visitors during the grand opening weekend.
- 1969 Master-planning of the award-winning city, Oak Brook, Illinois, commenced.
- 1970's The Del Webb Corporation became the innovators and leaders in the development of active adult communities.
- 1980's The Del Webb Corporation began to de-emphasize some of its subsidiaries in order to concentrate on what Del Webb does best - real estate development and specifically master-planning and development of active adult communities.
- 1987 Sun City Vistoso near Tucson opened.
- 1987 Del Webb announced the purchase of land in Las Vegas for Sun City Summerlin.
- 1988 The company announced that land had been optioned in Albuquerque and Sacramento for subsequent Sun Cities.
- 1989 January 12, Sun City Summerlin grand opening. One hundred twenty five homes were sold during pre-sales the last two weeks in November of 1988.

10

Webb ends losing streak

Sun City West home sales help

PHOENIX — Boosted by better than expected Sun City West home sales, Del Webb Corp. ended nine straight quarterly losses Wednesday by reporting a second quarter profit of \$185,000 on sales of \$35.3 million.

That compares with a loss of \$832,000 in the second quarter of 1988 on sales of \$24.1 million.

For the first half of 1989, Webb recorded a loss of \$2.7 million, or 38 cents a share, on sales of \$51.7 million, compared with a loss of \$5 million, or 59 cents per share, on sales of \$40.5 million in the first half of 1988.

Philip J. Dion, Webb chairman and chief executive officer, said the second quarter profit was small but significant.

"Our earnings during the quarter came from core operations with no extraordinary or unusual events contributing to the results," Dion said. "But I'm very pleased with the quality of our earnings. This marks an end to nine quarters of reported losses and reflects favorably on our restructuring efforts."

Dion said the company achieved the second quarter profit despite the catastrophic effects of the Arizona savings and loan crisis upon "an already weak and fragile marketplace."

For the three months ending June 30, Sun City West showed 139 home sales contracts compared with 145 over the same period in 1988.

Overall, Sun City West sales for the six months ending June 30 show 295 sales versus 278 for the same period last year.

"Sun City West was the only project we have in Arizona that improved over last year," Webb Corp. controller John Spencer said. "The stability of Sun City West is certainly a big factor in us being able to be profitable because we did have downturns in our other projects."

Spencer said Sun City West is not only a bright spot for the company's earnings but is one of the few sales hot spots in the state.

"Sun City Vistoso near Tucson and our two land development projects, The Foothills and Towne Meadows, have felt the effects of both lower housing demand and the general lack of capital available to real estate transactions in the state," Dion said.

Six-month Vistoso sales are

down from 101 last year to 62 this year, although second quarter totals are up, from 40 in the second quarter last year to 42 for the same period this year.

Despite the Arizona real estate market's drastic downturn, Dion said he is optimistic about Webb's operations for the remainder of the year.

"We have a sales backlog of 1,115 homes at our three active adult communities as of June 30," Dion said. "That backlog totals \$145.3 million compared to 402 homes and \$51.5 million a year ago."

Dion said those improvements relate to Sun City Summerlin in Las Vegas. "Our plans to geographically diversify the company have shown outstanding results with Sun City Summerlin."

Dion listed Webb's second-quarter accomplishments as:

- Completion of its restructuring efforts at The Claridge Hotel and Casino in Atlantic City, fulfilling all the company's financial and contractual obligations to the property and ending its involvement in the operation of The Claridge.
- Establishment of a Southern California office with the acquisition of the Foresight Group in Orange County for finding a site for an active adult community and exploring other real estate opportunities in the area.
- Progress on approval and development for Webb's Roseville, Calif., Sun City site.
- Signing a joint operating agreement with Lakeview City Inc., which may lead to development of a 5,700-acre site in north Phoenix as a future active adult and or mixed community.
- Launching a major research project to identify suitable national locations for future active adult communities.
- Pursuing opportunities, with assistance from the Staubach Co., to locate a suitable site for a Texas active adult community.

Even with Webb's return to profitability, Dion said that investors should still look at Webb as a long-term investment. "The company's performance should be evaluated over a continuum of time, not specific short-term periods," he said. "We can create value for our shareholders by intelligently positioning the company for long-term growth and profitability."

News Sun Aug 10/89

Del Webb Corporation Board Of Directors Elects Vice Presidents

Del Webb Corporation's Board of Directors today elected Charles T. (Chuck) Roach, Mike Britt and LeRoy C. Hanneman, Jr. vice presidents of the Corporation. The executives direct Webb's three adult community developments: Roach at Sun City West near Phoenix; Britt at Sun City Vistoso in Tucson; and Hanneman at Sun City Summerlin in Las Vegas, Webb's newest community which opened to the public on January 14.

Philip J. Dion, chairman of the board and chief executive officer, said the Board's action was "in recognition of the importance of their positions in Webb and their excellent performance in making the projects so successful to date."

Roach, 42, has been general manager of Sun City West since August of 1987, and like Britt and Hanneman, is responsible for the day-to-day operations at the project. He joined Webb in 1979 as assistant treasurer for the Sahara Nevada Corporation in Las Vegas after seven years with Peat, Marwick and Mitchell.

In 1983 Roach was appointed vice president and controller for Del Webb Communities, and a year later was promoted to Communities' senior vice president in charge of all finance and administration activities. A Certified Public Accountant, Roach received an accounting degree from Arizona State University in 1972.

Britt, 42, has been general manager of Sun



Charles T. Roach

City Vistoso since April of 1986. He joined Webb Communities in 1969 as golf course construction superintendent. In 1972 he was promoted to manager of golf course maintenance operations and was named a Communities' vice president in 1978, in charge of managing all of Webb's commercial and recreation properties at Sun City and Sun City West.

Hanneman, 42, who has a construction engineering degree from Arizona State University, first joined Webb in 1972 as an estimator and was subsequently promoted to manager of commercial operations, assistant general manager and then general manager of operations. In 1983 he was named manager of housing planning and construction for all of Webb's adult communities, then vice president of planning and construction, and in 1986 was promoted to general manager of the Sun City Summerlin project.

10

Webb observes 60-year mark

By MIKE GARRETT
News-Sun staff

PHOENIX — It was a 60th anniversary party thursday that Del Webb might have enjoyed.

People came and went for three hours filling 4-levels of corporate offices. Exhibits of Webb's handiwork adorned the walls of Del Webb Corp.'s new Anchor Centre III corporate headquarters at 2231 E. Camelback Road. The company's founder died in 1974.

There were pictures of the three Sun Cities, of the many casino-hotels Webb built or managed, of Webb playing golf with a young Bob Hope and Bing Crosby, of Yankees co-owner Webb sitting next to an injured Mickey Mantle in the Yankee Stadium locker room in 1963, Webb celebrating with several Yankees after a World Series victory and Webb at one of his construction sites.

A mockup of Yankee Stadium — complete with peanut, popcorn and hotdog vendors — greeted party visitors.

A tape of an old radio broadcast of Yankee announcer Red Barber was blaring the news of a Joe DiMaggio home run in the 1937 World Series against the Giants, followed by a recount of the famous Mickey Owen dropped third strike against Tommy Henrich that helped the Yankees beat the Dodgers in the 1941 World Series.

Current Webb news was passed out to party patrons in the two-page "Webb Street Journal." The main headline disclosed that 122 homes were pre-sold in the first week of Sun City Summerlin's opening near Las Vegas although the official grand opening is not until Jan. 12.

The story said many buyers from California and Nevada have been living in temporary housing for up to a year waiting for Sun City Summerlin to open.

Don Tuffs, Webb Corp. director of marketing and public affairs, said that several Summerlin homes were also purchased by Sun City-Sun City West residents with inquiries from many more.

The company has had great success and has struggled through its share of down cycles since Webb founded the Del Webb Construction Co. in Phoenix in 1928, releases on the history of Webb and his companies say.

No job was too small then —

shelves in a department store, varnish for the front door of the Goldwater residence — nor too large — Madison Square Garden, the Beverly Wilshire Hotel, a highway in Honduras and in the 1950s, a portion of the United States Air Force Academy in Colorado Springs, Colo.

Webb was a high school dropout who came to Phoenix in 1928 for his health. He was a carpenter working on a Bayless grocery store in Phoenix when he suddenly found himself without a boss and a job. His boss had abandoned the job and left his workers without pay. A.J. Bayless asked Webb to complete the job, so he did.

That was the beginning of a long relationship with the Bayless family and its chain of grocery-department stores and the inception of a corporation that was to become one of the larger construction companies in the United States.

In the early 1930s, Webb did simple remodeling jobs for department store giants Woolworth, Sears, J.C. Penney and Korrick's in Phoenix. They eventually asked Webb to build their new downtown stores.

Ultimately, with shopping center magnate Roy Drachman, Webb developed Chris-Town shopping center and built anchor stores there for Woolworth, Sears, J.C. Penney and Korrick's (now The Broadway).

In 1945, Webb purchased a controlling share of the Yankees. Also during the '40s, he built air bases and missile sites and his commercial building clients often came from the Fortune 500.

In the 1950s, he built and owned gambling casinos and hotels and his businesses included construction, development and management.

But when Webb was once asked what his company's greatest accomplishment and legacy to the nation was, he made it clear that it was the development of Sun City.

On its grand opening weekend in 1960, 263 homes were sold and 100,000 visitors were in attendance, company histories say.

Long-time Webb employees said, "We were nervous. We wondered if anyone would come. They lined up before dawn and were waiting in line for miles to see this new phenomenon called active adult living."

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FOR IMMEDIATE RELEASE

DEL WEBB CORPORATION LOOKS TO THE FUTURE ON ITS 60TH ANNIVERSARY

Phoenix, AZ (December 1, 1988) (WBB:NYSE) -- It started as a construction company. No job was too small - shelves in a department store; varnish for the front door of the Goldwater residence. And no job was too large - Madison Square Garden; the Beverly Wilshire Hotel; a highway in Honduras; a portion of the United States Air Force Academy.

It began in 1928 when Del Webb, a high school dropout who had come to Phoenix for his health, was a carpenter on the Bayless store in Phoenix when he suddenly found himself without a boss and without a job. The boss had abandoned the job and left his workers without pay. Bayless asked Webb to complete the job...and complete it he did.

That was the beginning of a long relationship with the Bayless family and their chain of stores. It was the inception of a company that was to become one of the largest construction companies in the nation. It was the foundation for today's Del Webb Corporation - builder and developer of master-planned communities.

Del Webb built his company one step at a time. The pages of Webb's job construction book tell the story of the Company's thoroughness, attention to detail and ultimate success.

- more -

In the early 1930's Webb did simple remodeling jobs for such giants as Woolworth, Sears, J.C. Penney and Korrick's in Phoenix. So impressed were these companies with the Webb quality through the years, the company was asked to build their new stores in downtown Phoenix.

Ultimately, with shopping center guru Roy Drachman, Webb developed Christown shopping center in Phoenix and built anchor stores for Woolworth, Sears, J.C. Penney and Korrick's (now the Broadway) there.

When Del Webb acquired a client, he never let go. Service was the name of his business and quality was the by-product evident in buildings and developments throughout the nation. Legendary in development annals are Webb's master-planned Oakbrook, Illinois and San Manuel - a mining town in Arizona built by Webb from the ground up.

He co-owned the New York Yankees, he built air bases and missile sites and his commercial building clients read like the top of the Fortune 500. He built and owned gambling casinos and hotels and his businesses included construction, development and management.

Of all his accomplishments his greatest legacy to the nation and to the Del Webb Corporation of today came in 1960 as he opened Sun City, the retirement community near Phoenix which would change the pattern of retirement in America forever.

Webb's creativity is evident in the gamble he took when he built the golf course and other amenities in Sun City prior to selling a house.

And sell houses he did. On grand opening weekend in 1960, 263 homes were sold and 100,000 visitors were in attendance. Long time Webb employees said, "We were nervous. We wondered if anyone would come. They lined up before dawn and were waiting in line for miles to see this new phenomenon called active adult living."

The 1960's saw rapid expansion in many areas of business - construction, hotel ownership and regional shopping centers. But the development that drew national and international attention and became the pinnacle of Webb's genius was Sun City.

Just as Webb recognized the value of Sun City - so did the company's competitors. Active retirement communities began to spring up all across the Sun Belt. Sun City was copied but never duplicated.

In 1978 with 46,000 residents occupying homes in Sun City, the Corporation opened Sun City West, home today to 18,000 and still growing.

The growth of the Sun Cities continued as Webb expanded to Sun City Vistoso near Tucson, opened in January 1987. In August 1987 Webb announced the purchase of 1,000 acres near Las Vegas, the site of Webb's fourth active adult community, Sun City Summerlin. Public acceptance was overwhelming and the inquiry list swelled to 6,000 during the first few months. More than 100 contracts were written during the first week of pre-sales, in November of this year. Sun City Summerlin's grand opening will be held January 12, 1989.

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In November 1987 Philip Dion became chairman and CEO of the Del Webb Corporation. He immediately took steps to reorganize the company into one corporation - The Del Webb Corporation, eliminating the subsidiaries. The recreational properties division which included the marinas and concessions at Lake Powell were sold; The Mint in Las Vegas and the Nevada Club in Laughlin were sold and steps were taken for Webb to totally withdraw from the Claridge in Atlantic City by early 1989.

Last month Dion declared, "The Del Webb Corporation is alive and well. We have completely restructured our company, selling two of the three major segments of our business and we will go into the 1990's and beyond a strong, well capitalized company whose name will continue to be synonymous with active adults as we continue to build America's premier retirement communities."

Buoyed by the success of the Sun Cities and the continued public recognition of the Del Webb Corporation as the premier builder and developer of quality active adult communities, Dion announced the company had entered into options on 1,200 acres at Roseville near Sacramento, California, and 2,000 acres of land near Albuquerque for possible future Sun Cities.

Dion describes the Del Webb Corporation as "a natural evolution. We are concentrating on doing what we do best, - real estate development and specifically the development and building of America's finest retirement communities." Dion added that he expected rapid growth of the Sun Cities in the sun belt over the next 25 years. He added, "Del Webb founded this company 60 years ago. It grew because of the quality of his work, his attention to detail, and dedication to serve his customers. Those are principles this company lives by today and we will enter the 21st century knowing that the Del Webb Corporation builds the finest active adult community in America today."

The December 5, 1988 issue of Fortune Magazine declared one of the most profitable investments in the coming decade is in the seniors market.

Del Webb, a visionary - a legend in his own time - determined that in 1960 when thousands thronged to the original Sun City.

Martha Moyer, Del E. Webb Communities Inc. Manager Public Affairs

by Stan Steciak
Staff Writer

Duluth, Minnesota, lost a gem of a young lady when Martha Moyer came to SCW. The youngest of five Moyer children, Martha decided AZ was the place for her. John and Charlotte Moyer were reluctant to have her leave, mainly because the Moyers were a close family. John Moyer a Physician and specialist in internal medicine saw to it that the Moyer children were well educated. Mom Charlotte, although active in various hospital auxiliaries, and library work, always had time to keep a careful watch over her beautiful family. Mom and Dad Moyer were an inspiration for the children, especially Martha.

Schooling

After elementary and high school classes, Miss Moyer attended the College of St. Scholastica in Duluth. Her extra curricular activities in college included playing piano and water skiing. Martha said there were many small, quiet lakes in MN where she could enjoy water sports. During her college senior year, she worked in the news room of the ABC TV affiliate station in Duluth. The experience



Martha Moyer, Mgr. Public Affairs, Del E. Webb Communities, Inc.

(Photo by Stan Steciak)

gained there helped her get a Bachelors Degree in communications.

On Television

After graduation from St. Scholastica in 1981, Martha was hired by the NBC TV affiliate in that city and handled general assignments and later was weekend news co-anchor. This extremely young news person was the first female week day news co-anchor in that area. I'm sure this was because of not only her articulate speech but also because of her beautiful looks. I am also certain that Charlotte and John were extra

proud of their daughter when they heard the announcer say, "and now, here's the ten o'clock news with Martha Moyer." After four years in TV with the last year and a half as co-anchor on the news, Miss Moyer made a tremendous decision. She was bitten by the career change bug. Most young people are, but Martha wasn't 25 years old, yet. So in 1985, young Moyer moved to Phoenix.

Now In Arizona

There were TV jobs available in Phoenix but Miss Moyer elected to answer an ad by Del E. Webb. At first Webb thought Martha did not have enough experience in Public Affairs. Imagine that? Then DEW made their best move, they hired the ex-TV news anchor. Young Martha worked in Public Affairs for Del E. Webb Communities, Inc. Later she became Assistant Manager, Public Affairs, reporting to Ken Plonski. Now that Ken is at Corporate offices, Martha is Manager of Public Affairs. Miss Moyer told me that Ken Plonski was a fine man to work with. He is a most motivating person and she said he was most helpful, in her career change. A good guy.

Her Job

Martha is responsible for 21 special events in SCW. Important ones are the "Concerts in the Park" and the "Giant Garage Sale." She serves as spokesperson and hosts the media from all over the world. SCW is known world wide. She travels extensively to put on exhibitions for DEW, at home shows, and even for the new community at Las Vegas,

Summerlin. Martha is a member of the Sun Cities Art Museum and the Sun Cities Area Community Council. In her job, she reports to Phil Petersen, Vice President of Marketing.

Her Life Style

Miss Moyer said she learned a great deal from Westers who volunteer, and have a certain lust for a great life. She devotes much of her spare time to the Junior League of Phoenix. The Junior League is an organization of women who raise funds and volunteer for community projects. Martha is Public Relations Chairperson for the League. Her pet projects are the Ronald McDonald House, the Rosson Historic Home and the Science and Technology Museum. Martha Moyer, even with her busy job, finds time for volunteer work. She lives in central Phoenix and travels 25 miles to her job. I asked her if marriage was in the future. She said, some day, but she hasn't found prince charming yet. She is pushing age 30, but she sure would like to live right here with all the fine Westers. This writer met Martha when she started work with DEW and must say she is still the same nice person — and beautiful, too.

Webb Communities makes new appointments

daily news-sun MARCH 30, 1988

PHOENIX — Del E. Webb Corp.'s restructuring continues with the appointment of three executives to head marketing and legal affairs at the newly formed Del Webb Real Estate Group.

Don Tuffs has been named senior vice president of marketing, Ken Plonski has been appointed manager of public affairs and Tim Hoyt has been named vice president of legal affairs.

All three held similar positions at Del E. Webb Communities Inc.

Phil Petersen has been promoted to vice president of



Tuffs



Plonski



Petersen



Hoyt

marketing at Del E. Webb Communities. He will be responsible for the marketing campaigns at Sun City West, Sun City Vistoso and Sun City Summerlin in Las Vegas, according to Chuck Roach, executive vice president of Webb Communities.

In announcing the Webb Corp. appointments, Paul Tatz, Webb executive vice president in charge of the Real Estate Group, said the company will begin to "coordinate communications" at its real estate subsidiaries.

"Both the marketing and le-

gal functions are of particular importance as we continue our restructuring of the Real Estate Group," he said. "We need to communicate effectively what this restructuring means to all the people we do business with. We're moving in a very positive direction and are encouraged with the prospects."

Webb's Real Estate Group consists of Webb Communities, Construction Services and Commercial Properties, which is involved in metro Phoenix with the Foothills at South Mountain and Glen Harbor Business Park in Glendale.

Tuffs will be responsible for

coordinating the marketing programs of the Real Estate Group. He has been with Webb for 16 years doing public relations, advertising and marketing and was also general manager of the Sundome Center for the Performing Arts.

Plonski joined Webb in 1981 to direct the Sundome's public relations activities. More recently, he has been manager of public affairs, responsible for community and media relations.

Hoyt will direct the legal reorganization of the Real Estate Group and be responsible for all legal affairs.

Petersen joined Webb in 1984 as marketing manager. He previously had been director of information and membership services for the Society of American Foresters in Washington, D.C.

Tatz indicated that Tuffs, Plonski and Hoyt will maintain their involvement in the Sun Cities.

"Their familiarity with these communities and their years of expertise make them valuable assets and we intend to keep them involved in our planning activities here," he said.

A4 Community Thursday, Jan. 14, 1988 Daily News-Sun, Sun City, Ariz.

Webb announces restructuring

Company divided into real estate, leisure operating groups

News-Sun staff

PHOENIX — As rumored since last fall, Del E. Webb Corp. announced Wednesday it has restructured the company into two operating groups — real estate and leisure.

A series of personnel changes includes Del E. Webb Communities President and Chief Executive Officer Paul Tatz being elected executive vice president of Webb Corp. in charge of all real estate operations.

Webb Communities Director of Public Affairs Ken Plonski said Tatz would remain as president and CEO while assuming his additional duties. He said some of Tatz's previous Sun City West responsibilities have already been assumed by Chuck Roach, Webb Communities executive vice president and Sun City West general manager.

"This is a natural division of Webb into two entities whose

needs and objectives are different with respect to such things as personnel, customers, marketing and financing," said Philip J. Dion, chairman and chief executive officer of Del E. Webb Corp.

Dion said Tatz will be directly responsible for Webb's commercial properties and construction services operations.

Frank Pankratz, president of Foothills Management Corp., Webb's 4,140-acre master-planned community joint venture in Phoenix with The Adams Group Inc., has been named executive vice president and chief administrative officer of the real estate group, reporting to Tatz.

Pankratz also will act in a dual capacity until a replacement is selected at the Foothills development and will be appointed to the Foothills executive committee.

Dion said that for the present, the leisure group, consisting of Webb's gaming and recreational properties operations, will report directly to him.

He announced that Tony Atchley, president of Del Webb Hotels/Nevada, would direct all of Webb's gaming operations in Nevada and New Jersey. Al Earley, president of Del E. Webb Recreational Properties Inc., will continue to direct the Lake Powell and Colorado River operations.

Dion said the board's recognition of Tatz's excellent performance at Webb Communities led to its quick conclusion that he was the individual to lead the real estate group.

"We are looking for his leisure counterpart both inside and outside the company and will make a future announcement in that regard," Dion said.

Tatz, 52, has been president

and CEO of Webb Communities since 1984. He joined Webb Communities as senior vice president in 1983 from Del E. Webb Corp., where he had been assistant secretary and assistant general counsel. Before joining Webb, he owned a legal and consulting firm and held legal positions with The Wickes Corp. and Inland Steel.

Pankratz, 38, joined Webb as president of The Foothills Management Co., in January 1987. Before that, he had been president of The Marlboro Group, a Phoenix-based land development company, and had worked in managerial positions for other Arizona and California developers.

"The result of the restructuring will be a smaller corporate staff, with more authority placed at the operating group levels," Dion said in making the announcement Wednesday.



PROMOTED — Del E. Webb Communities President and chief executive officer Paul Tatz has assumed the additional duties of executive vice president of Del E. Webb Corp. in charge of its new real estate operation. The announcement was made Wednesday. (Del Webb photo)

Webb reports 8-year peak in home deliveries

SUN CITY WEST — Del E. Webb Communities' 1987 home deliveries reached an eight-year high while sales were off by 35 compared to 1986, the firm reports.

Webb sales still led all other Northwest Phoenix builders and developers for the 12 months from December 1986 through November 1987.

Webb Communities delivered 1,161 homes during 1987, a 40 percent increase over 1986. There were 964 Sun City West deliveries (the most since 1979) and 197 at Sun City Vistoso, Webb's newest community north of Tucson, according to Webb Commu-

nities President Paul Tatz.

"Despite a softening of the housing market and growing competition locally, we posted a significant increase at Sun City West," Tatz said. Webb delivered 832 Sun City West homes in 1986.

"Our efforts at Sun City Vistoso have also been very successful," Tatz said. "Considering the fact that the community is only a year old, we already have nearly 400 residents, a golf course and a recreation center. A large part of our 40 percent increase can be attributed to expansion."

Tatz said economic factors such as the stock market and consumer confi-

dence had an adverse impact on sales during the fourth quarter. Webb finished the year with 913 sales, compared to 948 in 1986. Sun City West sales totaled 714 while Sun City Vistoso accounted for 199.

Webb's 659 sales through November represented 13.3 percent of the 4,951 new home sales in the area north of South Mountain and west of Interstate 17, according to The Griffin Co., which released a list of the Top 10 builders-developers Wednesday.

Running second to Webb's 659 was Continental Homes with 470 sales in its 13 northwest Phoenix projects for a 9.5 percent share of all units sold.

Rounding out the top 10 were The Estes Co., 389 sales; UDC Homes, 383; Emerald Homes, 214; General Homes, 177; Cardon Homes, 157; US Home Corp. 148; Dave Brown, 141; and Coventry Homes, 140.

The top 10 sold 2,878 homes for a 58.1 percent market share.

"While much of the Valley's home building industry has been concerned about weak and uncertain employment as the cause of the year-long slippage in new home sales, others have maintained an aggressive focus on buyers insulated from employment problems such as the retired," said David Kipnis, vice president.

"As a result, Webb, The Estes Co. and others are turning what would be a flat or negative new home sales picture into a very positive one. And in so doing, they're helping along the valleywide employment picture with the construction jobs their projects provide," he said.

As for what 1988 has in store for Webb, Tatz was cautious.

"No one is making any firm predictions about what 1988 holds for the housing industry," he said. "We're expecting a moderate year at Sun City West, while Sun City Vistoso should continue at its current pace."

New Webb CEO doesn't plan major changes



PHILIP J. DION — New chairman and chief executive officer for Del E. Webb Corp.

Staff and wire reports

PHOENIX — Del E. Webb Corp.'s new chairman and chief executive officer said today he isn't going to try to fix something that isn't broken — namely Webb's Sun City projects.

Philip J. Dion, newly installed Monday by Webb's board of directors as chairman and chief executive officer, said today there won't be any noticeable changes in the way its most profitable subsidiary, Del E. Webb Communities, operates its Sun City retirement communities.

A Webb executive since 1982, Dion had been named president, chief operating officer and chief financial officer in May and was made acting CEO after Robert K. Swanson resigned as chairman and CEO on Oct. 30, citing

health problems.

"I'm not going to do anything to change the fundamental operation of the business," said Dion, 42.

"We have an outstanding group of employees and managers in Sun City West and I'm confident that whatever the situation demands they will continue to do a fine job," Dion said.

He said he hopes to eventually find time to come to Sun City West and meet with the community's various organizations. But several urgent priorities have to first be addressed.

Dion announced Monday that Webb plans to sell off \$62 million in long-term receivables for a quick \$57 million in cash to reduce debt.

Dion and his spokesman, Ed Wren, declined to say with

whom Webb had signed a letter of intent to sell the long-term receivables and the particulars of what those receivables are.

But they said the company also had renewed a revolving credit agreement with a group of 13 banks led by Morgan Guaranty & Trust Co. and had increased the ceiling to \$78 million from \$70 million. Terms of the agreement call for Webb to pay interest at prime or at the London inter-bank rate known as LIBOR 1.

Webb reported a third-quarter loss of \$65.7 million, or \$7.91 per share, earlier this year, principally because of one-time write-downs associated with its Atlantic City, N.J., hotel and casino operations, and has said another \$27 million in non-recurring losses is possible in the fourth quarter. Prior to that,

it had posted earnings of \$60.7 million since 1982 under what had been a dramatic turnaround directed by Swanson.

"I have directed our managers to recommend where we can quickly achieve significant cash savings in our operations, and we will be taking appropriate action in the near future to achieve this cost-cutting objective," Dion said in a statement prepared before Monday's board meeting and released part-way through it.

"We are optimistic about our future, one which is tied to core businesses — real estate, recreation and gaming — located for the most part in the fastest growing part of the United States," he said.

Dion said today that Webb is continuing to study a corporate restructuring plan begun under

Swanson to possibly separate its real estate and recreation interests from its money-losing gaming operations.

"We have been studying several alternatives for the past several months and I expect the board to adopt a direction the company will take within the next 90 days," said Dion.

While acknowledging it will be a formidable task, Dion doesn't expect any major problems in raising the necessary capital to finance Webb's debt.

"We've got ample assets and resources and have a host of alternatives available to us. We took the first big step last week with the revolving credit plan.

"We have established a good track record of doing business and I expect to accomplish what we've set out to do."

Webb chief Swanson quits; has health problems

SUN CITY — Robert K. Swanson, Del E. Webb Corp.'s chief executive officer and board chairman, resigned Monday because of bad health.

Swanson, 55, would not say what is wrong with him.

He reportedly is an outpatient at the Scripps Clinic in La Jolla, Calif.

Richard A. Beyer, a Chicago



attorney and Webb director, said Monday that Swanson's doctor had ordered his patient to "leave immediately" his Webb posts. Swanson was told that if he stayed on the job "he wouldn't survive very long at all," according to Beyer.

"I don't think Swanson knows either" the exact nature of his ailment, Beyer said, adding the Webb directors were "filled with regret" about Swanson's unexpected resignation.

People closest to Swanson say a serious health problem is about the only reason he would resign —

that it had nothing to do with some of the problems Webb Corp. has experienced this year.

Swanson's closest friends say he is a fighter who attacks problems head on and wouldn't have taken the Webb job in 1981 when the company was on the verge of bankruptcy had he been one to back off from challenges.

Retired Del E. Webb Development Co. (now Webb Communities) president and chairman Fred Kuentz said he has remained close friends with Swanson, who first encouraged Kuentz to take the

Devco job when Fred was considering retirement after 32 years with Webb.

About Swanson quitting, Kuentz said, "I don't think he had any choice."

Kuentz remembers the early days when Swanson took over a troubled, money-losing company.

"I think I was his first contact at Webb after he came on board," said Kuentz, who remains a Webb advisor-consultant. "We both had small offices on the bottom floor of the Del-Webb building when he

was (president and chief operating officer) at Greyhound. We know each other but I don't think either of us really knew what the other did. After he took over, we became very close friends."

That still didn't make Swanson easy to work for.

"He was a very strong, demanding person, although along with him fine," Kuentz said. "He would try to demand more of you than he thought you could produce, hoping you would produce a major portion of his exp

See Webb, A5

Tuesday, Nov. 3, 1987 Daily News-Sun, Sun City, Ariz.

WEBB

Continued from B5

Swanson is reported to be suffering from high-blood pressure, and had recently lost about 30 pounds in doctor's orders.

Business associates said the stress of reorganizing Webb for the second time in six years appeared to be taking a toll. He is reported to have blacked out at least twice recently while working.

An energetic man with a forceful personality, Swanson sometimes appeared "pale and listless" in recent days, one associate said. Swanson was successfully treated for throat cancer as a younger man. The previous illness reportedly has not recurred.

Swanson earned the equivalent of \$813,647 in salary and benefits last year at Webb.

He is credited with rescuing the company from the brink of bankruptcy in 1981 and guiding it through five successive years of increasing profitability.

Swanson appeared to be running out of options earlier this year as real-estate earnings fell and losses mounted at the Claridge Casino/Hotel in Atlantic City, N.J.

By July, the company announced it faced multimillion losses, and Swanson began considering restructuring. That same month, two potential raiders targeted Webb, and the company's stock shot up on takeover speculation.

On Friday, Webb announced losses of \$65.7 million or \$7.91 per

share on revenues of \$84 million for the third quarter. This compared with earnings of \$7 million or 86 cents a share on revenues of \$85.1 million for the same period last year.

The one-time losses were due to write-downs and loss reserves, primarily related to the Claridge.

Analysts said Monday that Swanson will be hard to replace. William Hallinan, president of the Ashling Corp., a Phoenix-based investment company, said, "Bob was responsible for saving the company, in my opinion, and for restoring them to profitability."

William Searles, an analyst for Bear Stearns Cos. in New York, termed the action "unfortunate."

"It comes at an awkward time," he said. "It raises a question in my mind about how they will proceed on their restructuring plan, but I suspect they won't be derailed."

"Ultimately the company was going to be divided into two companies, the two logical people were Bob Swanson and Phil Dion. I assume, somewhere, they'll reach out and find another executive to work with Phil Dion."

Dion took charge Monday with at least one management change. Joanne Ralston confirmed that she was fired by Dion. Ralston, of Nelson, Ralston, Robb Communications, had been Swanson's public-affairs consultant since Oct. 1, 1981.

2 more Sun Cities planned

By MIKE GARRETT
Financial Editor

SUN CITY WEST—With Del E. Webb Corp. radiating continued good financial health and getting better with each quarterly report, board chairman and chief executive officer Robert K. Swanson told shareholders at Webb's annual meeting Thursday in the Sundome that two more Sun Cities will be developed by 1990.

Swanson said after the 37-minute meeting that Webb is looking at many of the same areas for future Sun Cities as it did before finally deciding on the Tucson Sun City Vistoso project.

As Swanson issued the corporation's annual report card, he stressed that Webb would confine its future growth in seven southwestern states, including Arizona, California, Colorado, New Mexico, Nevada, Texas and Utah.

Swanson indicated after the meeting that California and New Mexico were prime target areas for Sun Cities IV and V.

He said they would continue the same successful tradition and format as Sun City and Sun City West with the possible exception of a lower age restriction of 45 to live in the community.

"It would depend on the area

where we locate and what adult communities have that are already there."

The Tucson Vistoso project will have the 45 age restriction because that's what Tucson's other two adult communities offer, including Green Valley.

Swanson had nothing but good news for shareholders. He expects 1986 earnings per share to be in the range of \$2.25 to \$2.50 compared with 1985's \$1.98 per share.

Swanson expects earnings to increase from 1985's \$16.2 million to somewhere between \$18.6 million and \$20.3 million this year.

Reasons include significantly reduced income taxes, no additional losses from discontinued construction operations, continued real estate operations growth, a good summer season at Webb's Lake Powell and Colorado River operations due to lower gas prices and marginal growth of Webb's four casino-hotels due to recent physical improvements at the three Nevada casinos and the opening of The Claridge gaming space expansion in Atlantic City this fall.

Webb President Thomas E. Arnold said real estate-related subsidiaries have "expanded their operations significantly."

He said that:

—Del E. Webb Communities Inc. (formerly Devco) has 3,500 undeveloped acres, including the new Sun City Vistoso which officially broke ground last week. Vistoso sales are expected to begin late this year.

Sun City West sales are also ahead of projection through April.

—Del E. Webb Realty & Management Co. has already expanded its property management portfolio by nearly 1 million square feet against a 1.5 million-square-foot 1986 goal, bringing its total to more than 7 million square feet managed for third parties in Arizona, Colorado and Utah. It opened an East Valley office in February.

—Del E. Webb Commercial Properties Corp. and its joint venture partners now own almost 7,000 acres in eight projects in Arizona and Colorado. It has already met its 1986 objective of adding four new projects. They are:

The Foothills, a 4,140-acre mixed-use planned community adjacent to South Mountain Preserve; a joint venture with The Adams Group Inc.

Towne Meadows, a 224-acre mixed-use project near the Superstition Freeway and Power

Road in Mesa; a joint venture with Brighton Development Inc.

Jordan Business Park, a 230-acre mixed-use project in Denver's growing southeast corridor; a joint venture with Thomas M. Vickers Limited Partnership.

And, *Pivotal Skinner*, a 155-acre mixed-use project immediately east of Mayo Clinic in northwest Scottsdale, a joint venture with Pivotal Skinner principals F. Ken Skinner and F. Francis Najafi.

Shareholders approved and elected three new directors to the expanded 12-member board and current directors standing for reelection were reinstated.

New directors include Arnold, 41, for a two-year term; Richard A. Beyer, 63, senior partner in the Chicago law firm of Tenney & Bentley, for a three-year term, and Philip J. Dion, 41, executive vice president and chief administrative officer of Del E. Webb Corp., for a one-year term.

J. Russell Nelson, L. Roy Papp and A. Jack Pfister were re-elected to hold office until the annual meeting of shareholders in 1989 or when their successors have been elected and have qualified.

Shareholders also approved a restricted stock plan and a stock option and stock appreciation rights plan.



ROBERT SWANSON

Sun shining for Webb Communities

Area developer compiles record sales

By MIKE GARRETT
Financial editor

SUN CITY WEST — While clouds linger over the parent company and some of its other subsidiaries, the sun continues to shine for Del E. Webb Communities Inc., an executive says.

The Sun City West-based retirement community developer is still on a roll from last year when it sold 948 homes, the most since 1979. The company had a record fourth quarter total of 287.

Sales also have been higher than anticipated for Webb's Sun City Vistoso project in Tucson, says Webb Communities President Paul Tatz.

That's in contrast to Del E. Webb Corp.'s Commercial Properties subsidiary, which barely managed to break even in 1986 after posting a \$5.2 million profit in 1985. Last year, the commercial properties branch also lost six senior management people, including President Tom Arnold.

Del E. Webb Realty & Management lost about \$1.7 million last year, after a 1985 profit of \$1.1 million, and it, too, shuffled its personnel.

But Tatz and Webb Communities have a lot to smile about as Webb Corp.'s chief breadwinner.

"The opening of Echo Mesa (Webb's newest SCW subdivision) was excellent," says Tatz. "Sales in January were right on budget, which was an increase of 45 percent over January of last year."

He says Echo Mesa sales have been very brisk and the first unit is virtually sold out. Sales started this week on the second unit.

"February to date (for all of Sun City West) is holding its own with last year in sales," Tatz adds. "Traffic has been very good in Sun City West as well as Sun City Vistoso. We're still averaging 700 people a day through the sales pavilion at Vistoso."

Tatz says that 165 Vistoso homes have been sold since the project officially opened Jan. 10.

"We consider that excellent. Our forecasted budget projections for the year were 250. So we're substantially ahead of target. The acceptability has been very favorable in Tucson."

Tatz says he anticipates the trend will continue as long as retirees believe there's a stable economy.

"Stability in the economy is more important than actually what is going on at the time," explains Tatz. "Since we still have a large number of cash buyers, they're only affected by interest rates on selling their existing home and moving here. With the interest rates low, that's a plus because resale statistics are good."

The Webb executive says Sun City West still attracts the majority of its buyers from Arizona, Illinois and California. The Golden State has been sending more buyers to Arizona every year because of escalating home prices there.



PAUL TATZ

Things are going so well for the retirement communities that Webb is intensifying its search for the next Sun City.

"We're actively looking in both Southern and Northern California (the Sacramento area) and near Las Vegas in Nevada," Tatz says. "We're keeping our eyes on Utah, New Mexico and Texas."

Tatz says Texas will be a prime target if its oil and energy economy shows a strong rebound. Dallas-Fort Worth and Austin are attractive areas, Tatz says.

"Buyers are still looking at lifestyle. Climate is a major factor along with the amenities."

Tatz says Webb Communities is taking a cautious approach to its growth and expansion.

"We've been very prudent and cautious about everything that we do in the expansion line. We know the market is there before we even consider going into a place. We have financial and marketing

models to match any area against.

"We did our homework completely at Vistoso. We feel in the areas we're looking at and the people we've talked to that we'll be able to duplicate that effort in getting locations at prices that fit our financial goals and objectives."

Tatz says the addition of other adult communities to the Northwest Valley has not altered Webb's basic marketing strategies. Nor does he expect anybody to try to directly compete with Webb.

"We are obviously No. 1 in the industry and certainly No. 1 in the area and I think we've seen positive effects from the competition.

"I think we have a good blend and obviously the Northwest Valley area is going to grow substantially, including the retirement and adult housing. I think there is room for everybody. With 63,000 people in the Sun Cities, we have

to be doing something right."

Tatz acknowledges that some problems exist in the area, notably the traffic congestion and transportation issues.

"About three years ago we started taking a look at that and we met with ADOT (Arizona Department of Transportation) and I think we were instrumental in getting the Grand Avenue widening project off the ground, because when we sold our Phase II it was pretty apparent that there was going to be faster development from what Webb would have accomplished out there.

"We've been working closely with the developers who bought the land and other owners of land in the area from Peoria clear on out to the northern border of Sun City West. We've been vitally interested in that corridor and the Bell Road corridor."

THURSDAY, FEBRUARY 26, 1987 NEWS-SUN A13

'Individual who wants to get things done' hotfoots it to helm of Del E. Webb Corp.

By JOANN BRAAM
Northwest Valley Bureau

Tom Arnold is a man in a hurry.

He grumbles when a traffic light turns red. He leaves a store rather than wait in line.

At his Phoenix office, he gives you his undivided attention. But he fidgets a little, and you sense there are a million things running through his head. A million things that need to be done NOW.

As a student, Arnold was the same way. He often was bored with college. He skipped classes and, later, enrolled at the University of Arizona College of Law only to drop out after six weeks.

"It seemed confining," he said, thinking back to his days as a law student. "I felt held back. I wanted to go out and do things."

Arnold, 41, last month was named president of Phoenix-based Del E. Webb Corp., a realty-investment company with offices in six cities and 7,000 employees.

"He (Arnold) is clearly an individual who wants to get things done," said Jim Haynes, president and general manager of the Phoenix Metropolitan Chamber of Commerce.

Haynes, who has known Arnold as an active member of the Chamber for the past three years or so, said Arnold appears "laid back" but "to get where he is at his age, you know he pedals pretty fast."

Arnold has been pedaling in commercial real estate for 12 years, first with Webb, then with Murdoch Management Co., a Webb competitor, and now back with Webb.

The lifetime Phoenix resident, who loves the "fast-paced creativity of putting deals

together," figures he has sold or leased more than \$1 billion in real estate. That averages out to more than \$1 million a week since 1973.

Selling and leasing property wasn't a lifelong ambition for Arnold. All through his childhood, the expectation in his family was that he would become a lawyer like his grandfather.

But Arnold hated law school. When he quit, he was drafted into the Army and sent to Korea.

Arnold returned to Phoenix two years later with no idea what he would do with his life. He tried insurance sales and banking, but neither fulfilled him.

Then at age 28, he took a job as a real-estate trainee at Webb. Something clicked.

Like a caged animal let loose, Arnold suddenly was full of energy. He worked long hours and immersed himself in sales technique and transaction strategy.

At age 30, he became a leasing agent at Murdoch. At 32, he was named the company's president.

He said he would have stayed longer at Murdoch, but it diversified and moved its headquarters from Phoenix to Los Angeles. He didn't want to leave Phoenix.

At 36, Arnold returned to Webb as president of Webb Realty & Management Co., a Webb subsidiary. He was hired to help turn the company and the corporation around. It was 1981, and Webb was on the brink of bankruptcy.

Dick Allen, who hired Arnold at Murdoch, said he knew the day they met that Arnold would succeed.

"He looked like a winner and talked like one," he said. "He's honest, sincere, hard-working and



Tom Arnold
"If you try harder, you'll do better than the other guy."

talented. It's nearly impossible to find all four qualities in one person, and I've hired hundreds of people."

Payne Palmer, vice president of Palmer-Whitehead Inc., a realty-investment company in Phoenix, said Arnold is especially good at inspiring confidence.

"He honors a handshake agreement with people," Palmer said. "It's hard to find someone in Tom's position of responsibility that would conduct business with a handshake."

Arnold said there's "nothing fancy" about the steps he has followed to become the president of Webb, a Fortune 500 company.

"I really do believe that things like persistence, hard work, integrity and optimism are important. . . . If you try harder, you'll do better than the other guy."

He said a person can be told "no" 25 times in a row when it's 110 degrees outside, but "you still pull yourself together, go into the next building and make your best pitch."

As a leasing agent with Murdoch, Arnold made himself visit or call 20 prospects a day, or at least 100 a week, and "I did it consistently for 18 months."

Robert K. Swanson, chairman and chief executive officer of Webb, said Arnold did an "excellent job" rebuilding Webb Realty & Management and overseeing other corporation functions.

Corporate records show Webb Realty grew from managing and leasing \$600 million worth of property in 1981, the year Arnold returned to Webb, to managing and leasing about \$1 billion worth in 1985.

The subsidiary's continued success is seen by Swanson as a key reason the corporation's earnings jumped by almost 21 percent in 1985.

But the 1985 bottom line isn't any reason for taking it easy in 1986. At least not as long as Arnold is on top.

"I want the company to grow," he said. "I want the employees to realize they have expansive careers ahead of them."

When he's not working, Arnold is usually either attending a meeting of one of the dozen or so civic organizations to which he belongs or spending time with his wife, Kimball, and their three children, Betsy, 12, Tres, 9, and Charlie, 1.

He often goes with his family to their cabin near Prescott to get away — at least for awhile — from the work he can't live without.

A2. Republic Sec. E. p.1 Feb 23, 1986



Thomas E. Arnold

He has been executive vice president for real estate at Webb.

11/17/86

President is selected by Webb

Thomas E. Arnold on Thursday became president of the Phoenix-based Del E. Webb Corp.

The announcement was made by Robert K. Swanson, Webb chairman and chief executive officer, who had held the title of president.

Arnold, 41, has been executive vice president for real estate at Webb.

Swanson said his recommendation of Arnold for president fulfilled an agreement he made with the board when he was elected chairman in 1981.

"I told the board that we'd get (the company) turned around and, by no later than five years, I'd recommend a president," he said.

Asked whether he was grooming Arnold as his successor, Swanson said he has "no plans or desires to leave Del Webb."

"Tom has done an exceptional job overseeing our real-estate activities," Swanson said. "The board of directors and I have the utmost confidence that he will continue the superb record in this expanded role."

The board also proposed expanding its size to 12 members from nine. It nominated Arnold; Philip J. Dion, Webb executive vice president and chief administrative and financial officer; and Richard A. Beyer, a Chicago lawyer, for the three seats.

Shareholders will vote on the board proposals May 29.

Reporting to Arnold will be Del E. Webb Recreational Properties Inc. and the firm's four real-estate-related subsidiaries: realty and management, commercial properties, the Sun Cities, and Phoenix construction services.

Casino-management groups at the Claridge in Atlantic City, N.J., and at Webb's three Nevada casinos in Las Vegas will continue to report to Swanson.

JAN. 10 1986

PHOENIX GAZETTE

Phoenix, AZ

Circ: 275,000 (Dly)

MAR-JON

Del Webb subsidiary split into three parts

By Carl Young
Phoenix Gazette Northwest Bureau

SUN CITY WEST — When is one really three?

When it comes to the Del E. Webb Development Co., officials say. The company, once known as DevCo., has been restructured into three entities: Del E. Webb Communities Inc., Del E. Webb Development Co. Ltd. partnership and Sun City West Development Inc.

"It is confusing," Webb Communities president Paul Tatz said. "It took me a while to straighten it out."

Webb Communities is a wholly owned subsidiary of Del E. Webb

Corp. and is the general partner in Del E. Webb Development Co. Ltd. partnership. Sun City West Development Inc. is the limited partner in Del E. Webb Development Co. Ltd.

Tatz said most former DevCo. employees work for Sun City West Development Inc. Sun City West Development sells the houses, but Del E. Webb Development Co. Ltd. owns the land in Sun City West and constructs the homes.

Restructured as a limited partnership, the company can involve other investors in the new adult communities it plans in the Southwest, Tatz said.

Since the company will be building adult communities other than Sun City West, the name Del E. Webb Communities Inc., reflects that wider scope, he said.

Tatz said no other investors are involved in Sun City West. The restructuring was done for "financial reasons, including taxation," he said. He declined to elaborate.

Although DevCo. no longer legally exists, Tatz said most employees still refer to the company as DevCo. and the Del E. Webb Development Co. sign will remain in front of headquarters.

In news releases, however, the developer of Sun City West is identified as Del E. Webb Communities Inc.

The name changes were made in December.

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FRIDAY, FEBRUARY 22, 1985

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Webb doubles earnings

Del E. Webb Corp. Tuesday reported that 1984's audited \$1.64 earnings per share more than doubled 1983's 81 cents per share.

Webb reported a profit of \$13.4 million, or \$1.64 per share, on revenues of \$478.9 million, compared to 1983 earnings of \$6.9 million, or 81 cents per share, on revenues of \$364.5 million.

Del E. Webb Development Co. (Devco) reported record operating earnings because of significant land sales and good margins on deliveries of 951 homes and sales of 785 units in Sun City West.

"WE'RE extremely pleased with these results. Last year our goal was to double 1983's record and we did. We're optimistic about 1985," said Robert Swanson, Webb chairman, president and chief executive officer.

Operating profit in 1984 accounted for \$12.6 million, or \$1.61 per share, compared to \$6.6 million, or 77 cents per share in 1983.

Net gain of disposal of assets in 1984 accounted for about \$873,000, or 11 cents per share, compared to about \$315,000, or four cents per share, in 1983.

WEBB ALSO paid out about \$600,000, or eight cents per share in preferred stock dividends in 1984, reducing common share earnings by eight cents.

For the quarter ending Dec. 31, earnings were \$2.5 million, or 30 cents per share, on revenues of \$114.8 million, compared to 1983 quarterly earnings of \$1.2 million, or 15 cents per share, on revenues of \$108.2 million.

Total 1984 earnings were up 93 percent and earnings per share were up 102 percent on an increase in revenues of 31 percent.

SWANSON attributed Webb's earnings performance to excellent results from its real estate-related and Lake Powell subsidiaries.

Del E. Webb Realty & Management Co. also posted excellent results from its real estate management and brokerage operations.

Del E. Webb Commercial Properties Corp., a new subsidiary formed in May 1984, posted good earnings, mainly due to

profit from its Fort Collins, Colo. mixed-use development.

Webb's ownership and management of casino/hotels in Atlantic City, N.J., and Nevada produced 1984 earnings less than 1983's, mainly because of construction at The Mint in Las Vegas closely followed by the 75-day culinary workers strike and the decline in Atlantic City market growth rate.

Del E. Webb Construction Services Co. posted a significant loss. While its Phoenix and Los Angeles offices were profitable, the company experienced major problems in its Chicago and Dallas offices.

Devco home deliveries up; new Sun City to be built

Del E. Webb Development Co. (Devco) delivered 61 percent more homes last year in Sun City West than it did in 1983, making it one of the fastest growing major adult communities in Arizona and the country.

Meanwhile, Devco's parent company, the Del E. Webb Corp., announced plans Thursday to build a third Sun City-type retirement community somewhere in the Southwest.

Devco delivered 951 units last year compared with 592 in 1983.

"While statistics aren't available, we're convinced our 1984 delivery record puts us at or very near the top in growth rates for active adult communities," said Devco President Paul Tatz.

THE INCREASED competition for adult home buyers is apparently having a negligible impact on Sun City West home sales. In the last two years several adult communities have broken ground in the Sun Cities area but SCW sales are the best in five years, according to Tatz.

"Deliveries are what keeps every developer in business," said Tatz. "With 951 deliveries and a successful year in commercial sales in 1984, we expect to post significant operating income."

1984 sales figures also exceeded 1983 totals. Devco sold 785 units compared to 782 the previous year. Tatz said he expects Devco's newest line of model homes to sell very well during early 1985.

"WE OPENED our new models in November, and with interest rates coming down, our buyers will find it easier to sell their existing homes and purchase a new home in Sun City West," Tatz said.

Tatz' optimism for 1985 is based on a probable increase in the resale market outside of Arizona. He said many people have already expressed an interest in moving to Sun City West, but haven't been able to sell their existing home.

"Making an accurate prediction in the home building industry is extremely difficult because so many factors effect our product," said Tatz. "We expect 1985 sales to be slightly better than 1984's. Despite the increase in competition, we expect to maintain our share."

Webb Corp.'s new retirement project will be in either Arizona, southern Utah, California or New Mexico, said Robert Swanson, chairman, president and chief executive of Webb Corp.

The site will not be in the Phoenix metropolitan area in order to avoid competing with the Sun Cities, where development will continue through the 1990s, Swanson said Wednesday.

THE COMPLEX will involve the purchase of "between 3,000 and 5,000 acres of land," said Swanson, adding that Webb will concentrate future expansion "in the southwestern United States—a proven growth area."

"Webb is now primarily a management-development company, not an owner of casino-hotels nor a construction company, but a manager and developer of leisure options and real estate," Swanson said. "We have moved money out of bricks and mortar to both reduce debt and have a balance sheet which will let us expand where we have opportunities."

The move toward management services will de-emphasize the firm's construction-services company, he said, adding that Webb will close its offices in Dallas and Chicago, leaving only the profitable Phoenix and Los Angeles operations.

SWANSON SAID Webb "would not resist a friendly takeover by the right people, at the right time," but "some companies we wouldn't sell to for any price."

Swanson also said Webb expects to report 1984 profits "roughly double" from the \$6.9 million or 81 cents per share of the previous year.

Webb expects to report revenues of "\$465 million to \$475 million in 1984" with earnings of "\$1.60 to \$1.70 per share," he said.

Sun City West acquires 308 acres

By JIM WALSH
Northwest Valley Bureau

SUN CITY WEST — Acquisition of more than 308 acres by the Del E. Webb Development Co. will make room for an additional 4,000 residents in Phase 2 of the retirement community.

Development of Phase 1, with a population of 25,000 north of Grand Avenue, is not expected to be finished until 1990, said Paul Tatz, president and chief operating officer.

Purchase of the 308 acres, north of Union Hills Road and adjacent to property planned previously for Phase 2, should increase Sun City West's ultimate population to 44,000 or 45,000 from about 40,000, Tatz said.

The community's current population, which varies greatly between summer and winter, is estimated at about 10,500.

Dan Sagramoso, chief engineer and general manager of the Maricopa County Flood Control District, said the land acquired by

Webb was subject to possible flood damage before McMicken Dam was repaired by the district.

The dam, which borders the land, was built by the Army Corps of Engineers in 1956 but declared unsafe in 1977, when it was breached to allow water that drains off nearby mountains to flow through in the Trilby Wash.

The 9-mile-long earthen dam was repaired for \$2 million and rededicated last week, with Webb and Maricopa County Municipal Water Conservation District 1 paying one-third of the cost, Sagramoso said.

The dam diverts water that could have flooded Luke Air Force Base, El Mirage, Avondale and other west-side communities into a natural wash that feeds the Agua Fria River, he said.

"Of course, it's vital to the Del E. Webb Development Co.," Tatz said.

Webb, a wholly-owned subsidiary of the Del E. Webb Corp., bought the 308 acres from the water conservation district for \$2.6 million. The sale is scheduled to be completed Friday.

The land is bordered by Union Hills Road to the south, Beardsley Road to the north, Cotton Lane on the east and the Beardsley Canal and the dam on the west.

"It's over a 10 percent increase in the size of Phase 2," which will be expanded to 3,000 from 2,600 acres, Tatz said.

Webb tentatively has decided to use the acreage to add a fourth golf course to Phase 2 because "golf is so popular and golf-course lots are good for the company," Tatz said.

Homes on golf courses are sold at a premium to homebuyers by Webb.

The land acquisition follows the sale in May by Webb of 1,169 acres south of Union Hills Road to Palmer-Whitehead, a real-estate company, for \$18.5 million.

Tatz said the land south of Union Hills was not needed for Sun City West, although is in "an ideal location" for the retirement community.

Union Hills makes an excellent natural boundary for the development, he said.

Meanwhile, Tatz said Webb plans to file an updated master plan on Oct. 15 with the Maricopa County Department of Planning and Development that will outline the company's intent for undeveloped portions of Phase 1.

A major change in the master plan calls for construction of a seventh golf course in Phase 1 that would be similar to Stardust, a par-60 "executive" course.

Grandview Golf Course is progressing on schedule and should be finished by the end of December, and the clubhouse at Briarwood Country Club should be done by May 1, Tatz said.

Swanson's feet firmly planted in Webb turf

Last of three parts
By MIKE GARRETT
Financial Editor

Robert Swanson, Del E. Webb Corp. chief executive officer, board chairman and president, has indicated he's going to be around to finish what he has started in getting Webb and its subsidiaries back on their financial feet.

Swanson said his Webb contract has been extended to 1988 and he has no plans nor desire to do anything differently from what he has been doing at least until then.

"That's the board's desire and that's my desire. We both agree to that very, very much," Swanson stressed.

"I have no desire to leave the Valley. I like Arizona very much. I like the lifestyle, I like the people. My wife (Nancy) and kids all like it so we have no desire to leave Arizona at all.

"SO I WOULD have no desire to go to another company. I've changed a number of companies. Whether I will continue to be as active at Del Webb in 1989-90 is somewhat doubtful.

"Right now I'm chairman, president and CEO. Sometime in the next four years, there will be a president appointed. I also am positive that no company should have a CEO for more than eight to 10 years.

"I think you always start to say, well somebody comes up with a suggestion and I say no because we looked at it six years ago. And all the circumstances may have changed.

"So I think there should be a new CEO at Del Webb by 1988-89. Maybe at that stage I would stay on as chairman and possibly do some teaching.

"BUT I HAVE no plans or desire to leave the Valley of the Sun and no plans

or desire to leave Del Webb for four years and I hope after that I'd even stay longer. But maybe not with all three titles."

While Swanson's personal plans are long-term, he and his staff have enough short-term goals to keep them occupied for a while.

Webb recently added its sixth subsidiary, Del E. Webb Commercial Properties Corp., and has already acquired its first major land parcel, 536 acres in Fort Collins, Colo.

"Of the six, we are pushing two for expansion right now," said Swanson. "Realty and Management, which is managing and leasing buildings and rec properties, has a good record, has good management in place and we think there are opportunities.

"THE SECOND WE have now given more of a permission to go ahead is

commercial properties which we just established and have done the one deal in Colorado. We'll do another sometime in the next few weeks."

Swanson also indicated that he will likely give Del E. Webb Development Co. permission to expand as long as Devco confines its expansion within the state of Arizona.

He noted that Devco now has good management in place, good succession management from board chairman Fred Kuentz to President Paul Tatz and good backup people.

"I basically said hey, if Devco wants to expand, as long as it's within the capability of the management group we have there, they can expand.

"BASICALLY, WE defined the capabilities of that group. They can handle expansion in the state of Arizona. But if all of a sudden they set up in Texas,

then you have to duplicate everything and that's too far away. So they are looking at a means of expansion. It could be adjoining Sun City. It could be some place else from Sun City."

Devco is only considering expansion in the context of its overall five-year plan.

"A year and-a-half ago, I said forget about it. Run what you're doing well, then come back and talk to me. Well, they're now running what they're doing well at Devco. So they're right now in the process of pulling together their 1984-88 plans which they'll present to me early in the fall.

"We are not going to expand in construction and we, at least as of now, are not going to expand in hotel-casinos. By that I mean we're not going into new ones. We are going to fix up what we

* Swanson, A2

* Swanson's at Webb till '88

—From A1

have and we may expand the number of square feet at High Sierra or at the Claridge (Webb's Atlantic City property)."

THE HOTEL-CASINO group showed a \$400,000 first-quarter loss but that compared to a \$1.6 million loss in last year's first quarter.

"We're not going into another casino, with one qualifier, until we can manage our existing hotel-casinos better and get a better return.

"The only qualifier to all that is if another state—and I don't know which one—decided to open up for gaming, we would look at it. I don't think any are going to open up in the next few years but we would at least look at it."

Swanson simply doesn't want to make the same mistakes Webb made in 1979-80 when the company tried to expand too rapidly in its hotel-casino operations and piled up more than \$100 million in debt. "They didn't have the money or the resources to do it then," he said.

With all of Swanson's wheeling and dealing to get Webb back on the right track, does he have any regrets with some of his decisions?

"I NEVER WORRY about things I should have done. I've tried to teach my (three) children other than learning from your mistakes, there's no sense looking backwards."

"Sure there were a number of things I wish would have happened differently. We had some licensing problems in New Jersey which basically kept us out of control of the hotel-casino for almost two years. I wish we could have gotten those solved quicker. I think now with the benefit of hindsight, I know how we could have speeded that up.

"I also wish I would have locked in some of our fixed-rate debt a little earlier so it would have been at a better interest rate."

But the bottom line is that if Del Webb were alive today, Swanson believes that he would be pleased with what the son of a

South Dakota wholesale grocer has accomplished.

"ONE OF MY BIG regrets in life is that I never knew Del Webb, the man. I've read everything I could find in the files about him.

"The office I have was Del's. The desk I have was Webb's. When I moved into the office it was full of baseball bats from the New York Yankees. I opened my closet and it was full of films taken before the days of television getting into the locker rooms—homemade movies—and they are riots."

Swanson said he hopes someday to exhibit some of Webb's memorabilia, possibly in a Sun City museum or a special wing in one of Webb's buildings.

"He was a very colorful, dynamic man and some of the stories I've heard about him are great.

"But I think if he had been alive and saw the shape that the company was in, I would like to think that he would be pleased with what we've done to turn it around.

"DURING HIS CAREER, the company got in trouble a couple of times and he had to bring in, I've been told, his own money to really save the company or at least provide the facilities to expand again.

"I hope he would be pleased with what we're doing, specifically in Sun City and Sun City West, because that was his baby. He had the foresight—maybe he didn't have the long-range plan written down but he had long-range vision.

"I hope he would look with favor. I'm sure he'd disagree with some of the things I did because in looking back at some of the things he did, I disagree with them. But that's the benefit of hindsight."

Certainly Webb and Swanson have one thing in common.

They both made their presence felt and put their stamp on the entire corporation. And it wasn't a rubber stamp.

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Webb to build eye institute

Del E. Webb Construction Services Co., a wholly-owned subsidiary of Del E. Webb Corp., is building the \$1.1 million Boswell Eye Institute at Boswell Memorial Hospital's Sun City campus.

Construction on the one-story masonry structure should be complete in late October, said Bob Sheer, vice president for Del E. Webb Construction Services Co.

Sun Health Properties has leased the 14,000-square-foot facility to a partnership of 15 Boswell Hospital staff ophthalmologists for outpatient eye surgery and related procedures, Sheer said.

Del E. Webb Construction Services, Co., which built Boswell Memorial Hospital and subsequent additions, negotiated the contract with Sun Health Properties.

Architect is Devenney & Associates, Unified Architectural Services of Phoenix.

Del E. Webb Construction Services Co. has built healthcare facilities for the University of Arizona in Tucson, Martin Luther King Hospital in Los Angeles and Portland's Adventist Hospital, among others.

The company is also building medical facilities in Richardson, Tex., Boulder, Colo., and Yuma.

Swanson returns houses to Devco formula

Second of three parts
By MIKE GARRETT
Financial Editor

In 1981, the year Robert Swanson assumed control of Del E. Webb Corp. as its chief executive officer and board chairman, new home sales in Sun City West totaled 171 from a high of 3,485 in Sun City in 1977.

Del E. Webb Development Co. had taken on \$87 million in debt and the Webb Corp. subsidiary was in disarray, not unlike its parent company.

While Swanson began selling corporate assets to reduce debt, he and his management team also had to do something about reversing Devco's fortunes.

"By March 1981, our management group had come to two conclusions," said Swanson. "No. 1 was from a financial or management standpoint: Devco had gotten too diversified. It was into running everything from King's Inns to restaurants to

nurseries to Sunland Memorial Park.

"THEY HAD GOTTEN away from their prime job—build a shopping center and build the houses and facilities around it."

Swanson noted that Devco management was spending too much time worrying about what was happening at the

Swanson, A8

King's Inn and Sunland Memorial Park and not enough with selling homes.

"So the first thing we said was hey, we've got to get them back to what they're basically supposed to do. That's run the development of the Sun Cities, not run restaurants."

Swanson said that once Devco began concentrating on what it does best, it began to enjoy more success. In 1983, Devco was again Webb Corp.'s most profitable subsidiary.

"THE SECOND THING which became very, very obvious early on was there had to be more open communications between the people in Sun City and Sun City West and Devco management.

"Three years ago there was very little communication. There was much more of an antagonistic atmosphere. I have files full of letters from people who would write telling me how bad things were.

"We wanted to make an effort to improve that. We had some bad starts and bad decisions but I think having Fred and Paul (Devco board chairman Kuentz and president Tatz) and the way they are now, maybe it took us longer than it should have to correct. But I think it is now fairly well corrected."

The Webb buyout of J.G. Boswell's 49 percent interest in Devco last year also helped facilitate the turnaround, according to Swanson.

"I DIDN'T HAVE the right to

change management without Jim Boswell or his representatives' approval," noted Swanson in explaining the existing partnership. "I could only sell certain assets—up to \$250,000 without Jim Boswell's approval—and I could only make certain investments."

Swanson stressed that Boswell was a good partner and he liked and admired the company. But they were completely different companies, one private, family-held and the other public.

"When you have two masters, that caused some confusion to the Devco people."

"So when the opportunity came in 1983 for us to buy out Jim Boswell, we were in a position to do it. We had the plan but there was also some luck. Fortunately from '81 to '83 we had made enough steps to correct the situation at Del Webb so that when the opportunity

* Swanson, A2

* Swanson reverses Devco fortunes

—From A1
came to buy and he (Boswell) wanted to sell, we could take advantage of that opportunity.”

Planning for such opportunities is part of Swanson's basic company operating philosophy.

A Fulbright Scholar at the University of Melbourne in Australia with post-graduate work at the Harvard Business School and London School of Business (he was a seven-year resident of London) Swanson has an international background to draw from in resolving problems.

ONE OF HIS more notable turnarounds transpired during the two years he was board chairman and CEO of the S.H. Benson Advertising Agency in London, a partner to the Chicago advertising firm of Needham, Harper and Steers.

He also was instrumental in turning around General Mills non-food Accessories Group.

Four group vice presidents reported to Swanson at General Mills. He was in charge of five diverse company businesses: accessories, apparel, craft and toy specialty retailing and travel.

His many experiences led to his basic philosophy which is: “Get very good people to run the individual divisions or compa-

nies and set up profit and objective programs.

“AS LONG AS they're (management executives) accomplishing them fairly well, let them do it on their own—with two qualifiers. Always have good controllers in their operations who have what I call a strong dotted line back to my controller and always have good personnel people from the operations who have a strong dotted line back to my director of human resources.

“As long as they're performing to agreed upon one and five-year programs, they pretty well run their own shops,” Swanson said. “If they're not performing on their one and five-year programs, one of their benefits is they see an awful lot of me and my staff.”

Swanson complimented Devco's current management team, noting that they're seeing less and less of him. He's also getting fewer complaint calls and letters from Sun City and Sun City West.

“THE FINANCIAL figures are there and you can feel it when you go out there. Three years ago we were having a lot of problems at Devco and I was probably out there once every 2½

weeks. Now I sometimes go out on weekends and just drive around or go out and see some friends out there (retired General Mills executives).

“I get a feel that way when I watch the figures. We have problems in other parts of Del Webb and I'm spending more time there.”

Swanson keeps track of who is doing what through Webb's five-year plans (which are board approved and updated annually), an annual plan and quarterly operations reviews.

“Every quarter I will sit down with the top management at Devco or any of our other subsidiary companies and will look at their performance and what I think they should be able to accomplish the rest of the year.

“AT DEVCO, that gets down to housing and land sales. Then we'll talk over any problems they may have. It could be communications problems, it could be a performance problem at the Sundome, it could be problems getting Meeker Boulevard through—something like that.”

Swanson said he tries to visit each of the six (including the recently added commercial properties division) subsidiaries at least once a quarter, including the hotel-casino operation in Atlantic City, the reality-management operation in Houston and the construction firm in Chicago.

NEXT: How Swanson sees the future of Del Webb and Devco and his own future the rest of this decade.

ductibles to the insured while offering a wider range of lower-cost care.

With it is a companion referendum, requiring voter approval, that would extend regulatory control over hospital expansion and freeze existing rates until Jan. 1, 1985. Without legislative action, the certificate of need for hospital additions costing more than \$750,000 will expire Aug. 1.

Swanson's corporate turnaround rules

Robert Swanson, Del E. Webb Corp. chief executive officer, board chairman and president, has an extensive background in corporate turnarounds.

He has devised a set of rules and guidelines he follows to accomplish a turnaround, all of which he has applied in Del Webb Corp.'s three-year turnaround.

The basic questions on a turnaround are always:

How do you turn a company from a loss position to a profit position? Or from a company in decline to one in a growth mode? Or—as has been all too prevalent lately—How do you turn a company facing bankruptcy back to a profitable growth company?

FIRST—Recognize it isn't going to be easy. There is no easy or magic solution. It usually takes a company years to get into trouble and you aren't going to change things in a day or a month. It usually takes at least a couple years. Even if you're a miracle worker, you're not going to be able to turn it around in days, weeks or months.

SECOND—Prepare yourself for a lot of criticism. A lot of people will disagree with what you are doing. Some will even tell you to sit on your hands and everything will take care of itself. I've studied successful Corporate Turnarounds and unsuccessful attempts and not one of the successful efforts followed the "sit on your hands" approach.

THIRD—Once you decide on your plan, pursue it with vigor—don't change it unless the evidence is overwhelmingly against your course of action. Directing a turnaround requires sound, firm commitments and if you begin to weaken in your resolve, or your board does, you are in trouble. The Del Webb board stood with me and there were a lot of criticisms early on.

So what do you do when you join a company in trouble—and when you may have only a short time to take corrective actions before the ship sinks?

—Find out How or Why the company got into its problems. Usually this is not hard to discover. However, it will be difficult to find out who led them down this path because everyone in the company will blame others. But really don't worry about who it was, because it is not that important.

—Once you know the how and why, develop an action plan to solve the problem and get your board and management to support it. Compromise on minor points to get basic agreement and support. If you can't get it, either don't take the job—or if you have the board's support but can't get your top management's support, then get new top management.

It is absolutely vital that your board and your top management understand and support the turnaround plan. If they don't it won't work. Recognize that you can't turn a company around by yourself.

—Once you have agreed upon an action plan with board and management support, communicate it to your employees, to your shareholders, to your banks, to the business community.

If a company is in trouble, employees, shareholders, financial institutions and the business community know it. If you tell them your plan to correct your problems, they may help.

Once you have started communicating, give each of your constituents periodic updates. Don't lie, don't over-promise, just give them the facts as they are. In Swanson's situation with Webb, it was go to the banks, then the employees, shareholders and residents of Sun City-Sun City West.

—In all actions, keep the long-term strategy in mind, but concentrate on solving short-term problems. This is absolutely essential. After all, there won't be a long-term if you aren't successful short-term.

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Devco aims at smooth transition

Second of two parts
 By MIKE GARRETT
 Financial Editor

It's an old cliché but it fits Paul Tatz, Del E. Webb Development Corp. president and chief operating officer, to a T.

He was the right man in the right place at the right time.

Tatz has quietly assumed Devco's presidency while Fred Kuentz was promoted to board chairman and chief executive officer.

ANY NOTICEABLE changes at Devco headquarters will be subtle and gradual because Kuentz and Tatz have been working together as a team even before Kuentz assumed the Devco presidency in April 1983.

Both had been involved in special projects at Del E. Webb Corp. with Tatz, as Webb's legal counsel, doing the legal work. "Paul and I went through some fairly sticky things before I came out here," said Kuentz.

"There almost really hasn't been a transition," said Tatz. "It's a culmination of a plan that Fred put in place when he came out here. The organization is finally in

place that we had basically conceived and designed more than a year ago."

"WE THOUGHT IT would take longer but Paul has progressed so rapidly and so well," added Kuentz.

"We had no commitment to the situation but we had a plan in mind," explained Tatz. "The plan was if I work out, if I fit into the organization, that I would progress and eventually succeed over a period of time to the presidency as a chief operating officer with Fred as chief executive officer."

"But there was no commitment during that time frame and there was no guarantee that it would happen at all. It was up to Fred whether I made it or not."

WHEN KUENTZ ARRIVED on the Devco scene, he noted that legal matters at the time were something less than ideal. So Tatz was brought in to clear up the legal situation. At that time, Kuentz was thought to be only an interim president while Webb conducted a search for his successor.

When it was decided Kuentz' interim status should become more permanent because of the much-needed stability he added to Devco, the search for a successor was put on hold.

"That's how Paul knew we were looking for a president and how he became part of the team," said Kuentz, who said it took him only 30 days to decide that Tatz had a definite future with Devco.

"REGARDLESS OF WHETHER we felt Paul might have been ready six months before he was, we knew we had to take a very deliberate direction. So we developed a specific program outlining both our parts from the beginning."

Kuentz explained that the key to Tatz rising so fast in the Devco hierarchy was his ability to establish himself with both residents and employees.

"I knew of no reluctance either with the employees or the residents to him coming aboard. We have not had one negative comment that I know of. I give Paul a lot of credit for that."

SINCE THE PROMOTIONS were announced at the annual residents meeting May 17, Kuentz and Tatz have continued the trend to gradually change each executive's area of influence and authority.

"Paul has assumed a lot more of the direct operating



* Devco, A2

PAUL TATZ

* Devco strives for harmony

From A1

situation," Kuentz said. "But we still work very much in harmony and conjunction. The people are starting to gradually go to Paul instead of me. We didn't want an abrupt, you can't talk to me anymore, go talk to Paul. He and I have both told everybody, including all our key people, to start working with Paul. There's no hurry, just keep me informed."

Although he will maintain his open-door policy, Kuentz hopes to be spending more time brainstorming future projects and delving into the financial-administrative aspects of the company while Tatz can concentrate more on day-to-day operations.

"IT'S ONLY IN the past couple of months that Paul and I have been able to sit down and even brainstorm a few of these things. We've just been snowed."

Kuentz also credited Ann Loos, the new vice president and ombudsman in charge of special projects, with being instrumental in taking a big load off himself and Tatz and allowing them to make the move sooner.

"We used to spend one helluva lot of time on that situation. But we couldn't give it away right away because we had to get on top of the situation, get a handle on it and not let people feel like we were running from the situation," said Kuentz. "So we had a transition and she now handles 90 percent of it and is doing a fabulous job."

TATZ NOTED THAT the new motto adopted by the Webb

corporation—"Plans are nothing, planning is everything," is another key element.

"I think the corporation has proven that is the case because everything is done with a plan and when you get there you're not surprised."

While some people may be surprised that a corporate lawyer could succeed to the presidency of a development company so quickly, Tatz training and background has actually prepared him well for such a responsibility.

"MY TRAINING AND background has probably equipped me to assume the different positions that I have but I think the two things that had to be dealt with first were the learning experience for me in dealing with residents in a retirement community," Tatz pointed out.

"It's a different environment. I've dealt with builders and contractors and developers virtually all my business career. But this situation out here is so unique from day to day. Most builders build a project and they're gone and nobody knows their address when they leave. But 25 years later Devco is still here. You do things different, you approach things on a different basis because of that."

Tatz also had the task of winning over Devco's holdover employees, which was aided in large part by the open door policy he and Kuentz instituted.

"BEFORE FRED AND I got here, there had been quite an upheaval. Morale was the lowest

in any organization I think I've ever been affiliated with. We had employees who I think were really afraid to speak their minds to even let you know what they were thinking."

"We were also the third change in a very short period of time. That always rattles people. People like stability," added Kuentz.

Tatz's background with the Wickes Corp. helped prepare him to run a business. He was a

senior vice president and general counsel, served as general manager of Wickes Furniture which involved managing a warehouse-showroom operation and helped launch Wickes European division which he headed for six months.

The Wickes Corp. is a multi-billion dollar conglomerate engaged in agriculture, manufacturing, wholesaling and retailing. It's the largest retail lumber company in the world.

SCW building projects take shape



FRED KUENTZ

First of two parts
By MIKE GARRETT
Financial Editor

The sight of dust mushrooming into the air from graders and the sound of pounding nails are coming from every direction in Sun City West these days as one project after another begins to take shape.

Unlike resident activities, there will be no lull in Del E. Webb Development Co. building this summer as work progresses on a golf course, country club, Devco administration building, the second rec center, catered living facility, nursing home, new model homes, rental apartments, a condominium project and even two new clock faces for the Johnson Library tower.

Fred Kuentz, Devco board chairman and chief executive officer, and Paul Tatz, president and chief operating officer, gave a progress report on current and future Devco projects, all of which continue to reveal Devco's commitment to the Sun City West lifestyle.

KUENTZ SAID THE new model homes are scheduled for an Oct. 15 opening. "They're a new breed of cat altogether, real spectacular, I think," said Kuentz.

Kuentz also noted that the 62 rental apartments are

under construction and scheduled for a Labor Day completion date if not before. Rental reservations are being accepted.

The 105-unit condominium project (to be built between the Crestview and the Sundome) plans have just been reviewed to the point where brochures and sales aides are being prepared.

"THE PLAN THERE is to presell or prereserve 40 or 50 percent of the units before we start actual construction," said Kuentz.

So far, 43 people have placed their names on a prospect list and the project has generated a tremendous amount of inquiries, according to Kuentz.

The new Devco administration building is nearing completion. Tatz said the move to the new headquarters will be made by departments, starting with marketing and public relations, then administration and finally planning and construction. The entire move is expected to be completed by the first week in August.

GRADING IS UNDERWAY for the front nine of Grandview Golf Course and at the proposed hospital site. Grading will be finished within 30 days, Kuentz said.

"The back nine is completely graded, the sprinklers

and trees are in, pumps will be installed and seeding will begin in two weeks."

Grading has also been completed on the new Briarwood Country Club clubhouse site, furniture and color selection have been made and actual physical construction should start by July 1, according to Kuentz.

GRADING ON THE new Beardsley Park Recreation Center is also nearing completion and construction drawings are finalized.

Completion dates on the new rec center and Briarwood clubhouse are expected in the first quarter of 1985.

The new hospital project is still on hold until the Certificate of Need situation is resolved in the state Legislature.

"We're waiting to see what comes out of the special legislative session," said Kuentz, who is optimistic approval will eventually be granted.

"WE'RE STILL PURSUING the appeal. I can't understand somebody saying you don't need a hospital in Sun City West because you have empty beds in Scottsdale."

On a more upbeat note, Kuentz and Tatz are both

*** Devco, A2**

* Devco projects take shape

—From A1

excited about the new Frank Lloyd Wright idea house which Devco hopes to begin construction on in October and complete in January. The house will feature many of the latest design concepts in homebuilding.

Another new project for this summer according to Tatz will be the installation of an entrance sign off the new Meeker Boulevard entrance to Sun City West.

DEVCO IS also continuing its hot pace in homes delivered and sold. 1984 sales now total 423, including 39 this month, compared to 492 through end of June 1983. Devco officials are hoping to sell 1,000 homes this year.

Grading on units 15 and 19 in the northeast subdivisions is finished and is underway on unit 21, according to Tatz. Perimeter fencing around the units is also being installed.

The proposed Americare Camino del Sol Health Corp. skilled-nursing facility has also under construction at the corner

of Lava and Spanish Garden Drive while the 196-unit Danmore catered-living project has just been approved. Construction will start this summer.

THE CATERED-living concept is designed to provide meals, basic health care and various amenities to people who no longer are able or have the desire to maintain their own homes.

Meeker Boulevard is also the site of multiple church construction. A Lutheran church, synagogue and Methodist church will be adjacent to each other and all are scheduled to begin construction soon, Tatz said.

The old Glendale Westside Food Bank has relocated and will move into a new permanent building south of the sheriff's substation at the corner of Bell and Dysart roads.

DEVCO DONATED one of its construction yard warehouses as temporary Food Bank quarters after Westside lost its lease.

Devco has donated land for a community services building for use by various Sun City-Sun City West welfare and community service agencies.

Finally, Devco's new national relocation assistance program has been slow to take hold, according to Tatz, because most prospective SCW homebuyers have been able to sell their homes in the Midwest and East without it.

OTHER PROJECTS, thanks to SCW resident suggestions, include putting a clockface on all four sides of the Johnson Library tower instead of only two and the installation of stop signs guarding the parking lot exits from the Crestview, Sundome and Johnson Center.

NEXT: An insight into Paul Tatz.

Webb chief: debt to dividends



ROBERT SWANSON

First of three parts
By MIKE GARRETT
Financial Editor

A mystique seems to surround Robert Swanson, Del E. Webb Corp.'s chief executive officer, board chairman and president. It's there despite the fact that he's an accessible, straightforward, honest, open and down-to-earth chief executive whose accomplishments in his 3½ years with Webb certainly speak for themselves.

His peers, associates and employees speak of Swanson, not so much in awe of his accomplishments, but with respect and admiration.

In a nutshell, Swanson, 51, is a master of planning, persuasion, perseverance and promotion. He gets things done where others have failed.

Once his management team's plans are implemented, Swanson is perfectly willing to let his executives run their own show—as long as their performance remains within established standards.

HIS CHIEF TALENTS seem to be as an organizer and communicator.

And what he has been communicating the past year is what Del E. Webb Corp. stockholders, executives and employees have been waiting to hear since Swanson took over as CEO and board chairman in July 1981. The company has made one of

the most dramatic U.S. corporate turnarounds in history. It has come from a company that had been projected to be \$279 million in debt by the end of 1981 to a company that will be paying its first dividend since October 1980 on July 2.

When Swanson first joined Webb Corp. as president in January 1981 following a nine-month tenure as Greyhound Corp.'s president and chief operating officer, he was well prepared to take over a company that had greatly overextended itself and was deeply in debt.

Swanson had already helped orchestrate numerous turnarounds with several subsidiaries of General Mills Inc. and Needham, Harper & Steers Inc., a Chicago advertising conglomerate.

MUCH OF WHAT he learned in his experiences with those two corporations he applied to the Webb turnaround.

"A lot of the things I learned at General Mills (which he calls one of the best-managed companies in the U.S.) I've applied at Del Webb—the way we're organized, the function of the public relations and the control departments and some of my attitudes on human resources."

After a recent human resources convention speech in San Diego, Swanson said he was asked how similar General Mills was to Del Webb.

"I said it's not similar at all, it's a duplication, or almost is. They're different industries but the organizational structure is the same. So I think what I learned at General Mills was a great help to my efforts at Del Webb."

SWANSON HAD HOPED to stay in the Valley despite a scarcity of opportunities after a mutual agreement to leave Greyhound in October 1980. But it was only when a newspaper article appeared noting that fact which was spotted by Dave Babcock, Webb's executive committee chairman, that the wheels began turning to bring Swanson to Webb.

Actually, Swanson only had to move 17 floors, since he had been working in the ground floor of the Webb building where his Greyhound office had been.

Swanson said he took three months to scrutinize Webb before he decided to take the presidency.

He talked to local and national bankers, other companies, securities analysts who followed the company, top Webb management and visited Del Webb properties.

"WHEN THE BOARD made me an offer and I finally accepted, I was pretty well aware of the problems and had a fair idea of what had to be done," said Swanson. "So I think I knew a lot of what was

* Swanson, A2

OVER

* Swanson turns debt into dividends

—From A1

wrong and I had a broad scheme plan on what it would take to turn it around.

"However, you never really know everything about a company until you get into a company, not that anybody tried to hide it from me. But until you're here, and are living with it day to day and get into the details, you don't know all the problems."

Swanson noted that the banks were willing to give Webb six months to begin enacting a turnaround program.

"BY THE END OF six months we had done everything we had said we would do or at least most of it. So they relaxed a little bit more and we were able to turn the company around.

"At that time we had 17 banks in our revolving credit and 15 of them were very supportive and helpful, including the four major banks in Phoenix."

Although many people thought Webb was on the verge of bankruptcy in 1981, Swanson saw right away that it was an asset-rich company. As such his course of action was clear—sell some of the assets.

"Part of that asset base is Sun City. Other parts of it are the recreational properties, the casinos, two of which we sold—Mountain Shadows and Newport Beach. But we did have the assets in which to make the corrections. If we hadn't had those assets, I probably wouldn't have taken the job.

"WHEN I JOINED Webb, the projection was in January 1981 that by the end of 1981 we would have had \$279 million in debt and most of that (90-95 percent) was service at 120 percent of prime and prime in 1981-82 was 20 percent.

"At one stage we were paying 24 percent interest. That's why in '81, even though we sold some assets, we had a debt service charge of around \$32 million."

Swanson remarked that it was a lot easier for him to sell off company assets than it was for longtime company management who had such an emotional attachment to their properties.

"I didn't have any emotional ties. I like Mountain Shadows

very much. It's a beautiful resort and I love Newport Beach but I hadn't been a part of the group that bought it or built it or like Bob Johnson (former Webb chairman) who lived there.

"I WISH WE WOULD not have had to sell Mountain Shadows and Newport but we did because we had to get the debt down and we got good prices for them."

Swanson also realized when he took over that Webb needed new people and some of its younger employees were not being utilized to their fullest potential.

For the first six or eight months Swanson was meeting with his top management every Saturday morning to develop long-term plans while the rest of the week was devoted to just surviving.

"It (the turnaround) was not just my plan. It was top management's plan and the board's plan. Not only do they develop it,

but they have to believe in it and then they'll make it happen. If somebody else hands them a plan that they don't really understand, which they haven't been participating in or work with, they probably won't execute it. Then if it doesn't go, it's not their fault. It's somebody else's fault.

"BUT IF THEY'RE part of it, and they develop the plan and believe in it, then the odds are that they'll execute it and execute it very well."

And that's just what happened. By 1982, Webb reported a profit of one penny. In 1983, the profit was \$6.9 million or 81 cents a share and through the first quarter of this year it was already \$3.8 million or 48 cents a share.

As a result, Swanson is predicting a doubling of 1983 earnings this year.

NEXT: Swanson's philosophy in running a company, his future plans and the Devco turnaround.

NEWS - SUN
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PHOENIX

maps 10-year plan for SC West

W By HELEN ALLEN
Staff Writer

Sun City West's smaller size will have little effect on both the community and the developer, Del E. Webb Development Co. chief Fred Kuentz said Wednesday.

The community's size was reduced by 4,200 acres over the past year through three land sales in Phase II.

All of the property sold to Western Savings and Palmer-Whitehead Inc., a Phoenix real estate investment group, is west of Grand Avenue and south of Union Hills Drive.

PHASE II AS a result now consists of 2,600 acres and is bounded by Grand Avenue, the Beardsley Canal, Cotton Lane and Union Hills Drive.

Original development plans called for a community of about 70,000 people, but the figure now will more likely be just a little over 40,000, according to Devco's board chairman and chief executive officer.

"It will be roughly the same size as Sun City," Kuentz said.

SUN CITY COVERS more than 9,000 acres and, according to rec center records, has a population of about 44,000. Sun City West will sit on 8,300 acres.

Estimates are that Phase I will have a population of about

25,000 and Phase II, about 15,000.

Kuentz feels the shrinkage will have little effect on the Sun City West as Phase I has been designed to be a "complete community within itself" and Phase II "will be almost a total community."

EXPLAINING THE "almost," the Devco chief said an example would be Johnson Center, which will remain as the principal recreational facility in Sun City West.

Phase II, he added, will "also benefit from the larger aspects of Phase I." However, both phases are to have their own golf courses and recreation centers.

"Phase II," Kuentz mentioned, "may also have more density as some of the things in Phase I took a lot of land and don't have to be repeated."

AS FOR DEVCO, itself, the developer expects to be around for at least 16 years—the time estimated to complete Sun City West.

Kuentz said if an average of 800 homes are sold a year, the entire project will take 20 years to complete. If the average is 900 homes a year, this should take 18 years. And if sales are 1,000 homes a year, then Sun City West should be finished in 16 years.

"It would have been 16 to 20 years before we ever got to the Palmer-Whitehead property," the Devco chief noted, "and we would have had an \$18 million asset sitting there with no return."

KUENTZ ALSO estimated it would have been 20 to 30 years before the site taken by Western Savings could be developed.

The 1,500 acres purchased by Palmer-Whitehead are between Bell Road and Union Hills Drive and extend west from Bullard Avenue to midway between Sarival Avenue and Cotton Lane.

The 2,700-acre site bought by Western Savings is adjacent to the Palmer-Whitehead property and goes west to the Beardsley Canal.

THE ARIZONA REPUBLIC - March 4, 1984



Development company heals the wounds inflicted by ailing economy and marketing blunders and pushes ahead to promote its second retirement community

SUN CITY WEST

By Tom Bauer
Republic Staff

The thought of building \$375,000 homes in Sun City West leaves Fred P. Kuentz at a loss for words.

The 62-year-old president of the Del E. Webb Development Co. throws his arms in the air and looks at the ceiling, turning to the Almighty as if to ask, "Why did we ever do that?"

It was not the best idea the Webb company, developer of Sun City and Sun City West, has had. The company, known in the retirement communities as Devco, built two colossal models hoping to launch a new line of homes with a price tags as high as \$400,000.

Devco eventually sold the models, but no others.

Kuentz received no divine answer, but he did say, "We got carried away with the grandeur. We lost the feeling of what Sun City or Sun City West was supposed to be."

Devco's nearly unsalable mansions were only one of several mistakes or occurrences in the late '70s and early '80s that led the development company, a subsidiary of the Del E. Webb Corp., to the brink of bankruptcy, paying off a \$75 million debt at 18 percent interest. During the same five years, Devco went through four presidents, and other developers began to make inroads into what was once an almost exclusive market.

That Devco and Sun City West are still operable is a feat. The fact that 1983 was as successful as it was is called by Kuentz "an absolute miracle."

Sun City West is a sister to Sun City, the so-called original active adult retirement community, born in 1960. Neighboring Youngtown, another community of retirees, was founded in 1957 but lacks the recreational facilities of Devco's communities. Transplants moving to Sun City were purchasing a lifestyle, not just a retirement home, Devco officials say, which created a virtual monopoly for the company because no other developer had quite the same offerings.

Sun City residents, who must be at least 50 years old, pay required annual fees (now about \$50) for use of the seven recreational facilities and their accompaniments. Additional fees are charged for bowling, golf (on 11 courses) and certain other activities.

In 1975, 15 years after the first Sun City resident moved in, the community's 8,900 acres were on the verge of being filled. At that time, Devco began planning the 11,100-acre Sun City West, a new and separate community 2½ miles

to the west across the Agua Fria River. Devco's reasoning was sound: The U.S. economy was strong, having just emerged from a downturn in 1974, and projections were that the older-than-65 age group would double in 25 years.

According to Ken Parker, Devco vice president of sales, the company put the finishing touches on Sun City and began sales in Sun City West in 1978. It recorded more than 3,000 sales in the two communities that year, mostly in the final phase of Sun City. The following year, in Sun City West alone, Devco sold 1,272 homes.

As interest rates skyrocketed in late '79 and '80, Devco's bubble burst. Ken Plonski, the company's public relations manager, said because 70 percent of Sun City and Sun City West buyers pay cash, it was a not a question of high interest rates in Arizona, but a problem with selling a paid-off home before moving.

"People were unable to sell their homes back East, especially in our 'feeder' states like Ohio and Michigan," Plonski said. "People wanting to move to Sun City West couldn't sell their homes."

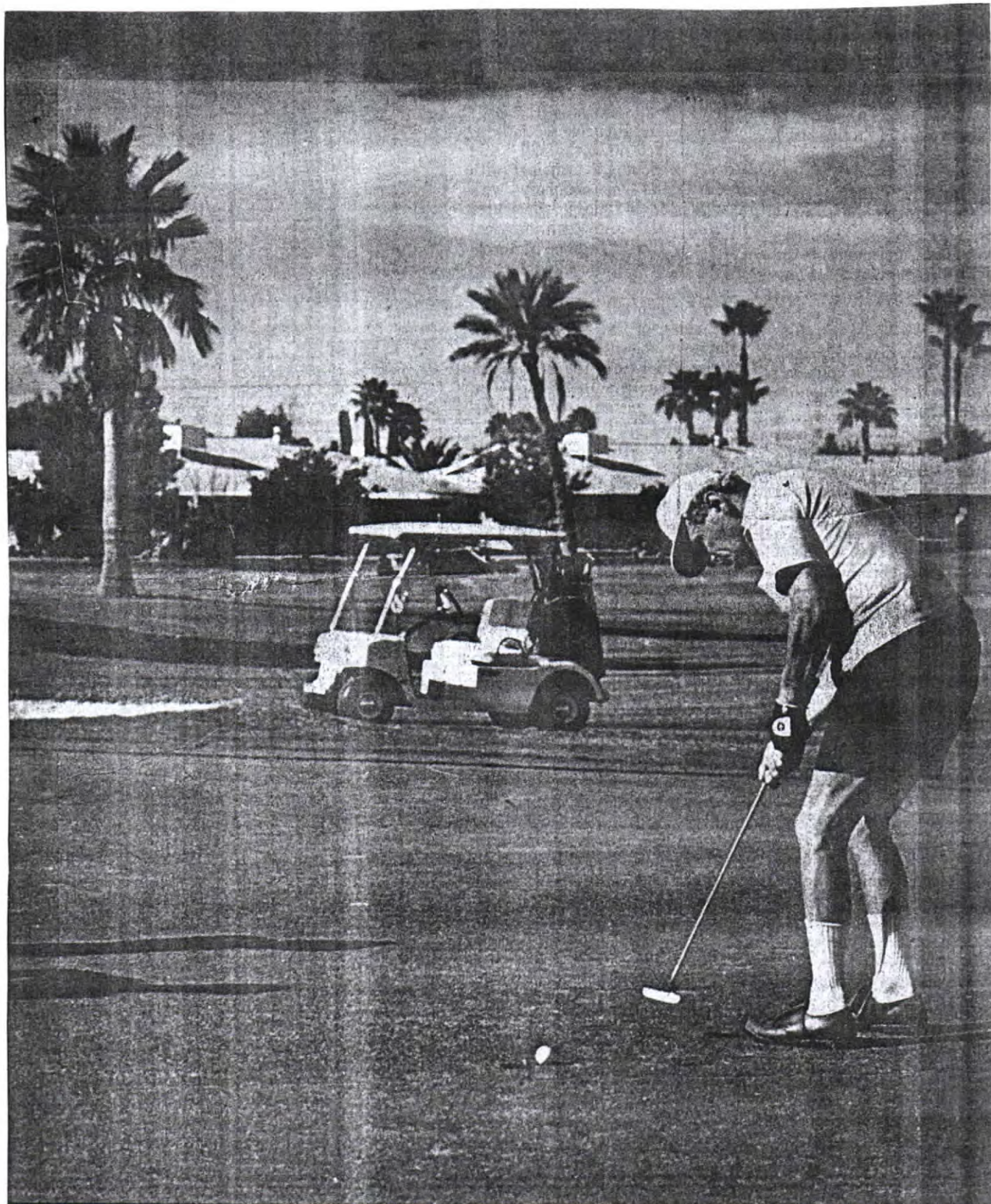
Sales in the new retirement community dropped dramatically. From 1,272 in 1979, the company recorded 388 sales in 1980 and 239 in 1981. In 1982, sales increased slightly to 279, but 131 were vacation apartments, Plonski said. "We had a large inventory of spec homes and a large work force of more than 800 people."

George Reeve, then president of Devco, trimmed the work force in half and began an aggressive campaign to alleviate the \$75 million debt. The company sold most of its holdings in Sun City, including the shopping centers, and made a number of land deals, including a large parcel to Western Savings.

The only holdings Devco now has in Sun City are the Sun Bowl (which is soon to be sold for \$1 to the community), the land on which Beverly Manor Convalescent Center is sitting and some billboard space along Grand Avenue.

The transactions, however beneficial for the company, produced a fear of abandonment in the residents, Kuentz recalled. "It started when we sold the shopping centers," he said. "People didn't realize that we have 14 or 15 more years to work here. We've made a lot of commitments."

In the midst of the downturn, Devco introduced its line of expensive homes, from the low end of about \$80,000 up to



Golf is a favorite recreational activity of residents of Sun City West.

Tom Story/Republic

Buyers get helping hand

The Del E. Webb Development Co. has introduced a new mortgage plan designed to help potential Sun City buyers avoid the problems many would-be buyers experienced in the late '70s, when they could not sell homes back East and failed to move.

The development company, known as Devco, will provide below-market financing nationally to make funds available to help potential Sun City West residents sell their out-of-state homes and buy locally.

The plan, called the Relocation Assistance Program, was introduced Thursday.

According to Chuck Roach, Devco's chief financial officer, the company will work with Lomas and Nettleton Securities Corp. to offer a mortgage indexed to the Veterans Administration rate, normally 1 percent below conventional rates. The rate would be in the form of a builder-subsidized program.

A homeowner in Chicago, for example, could offer a below-

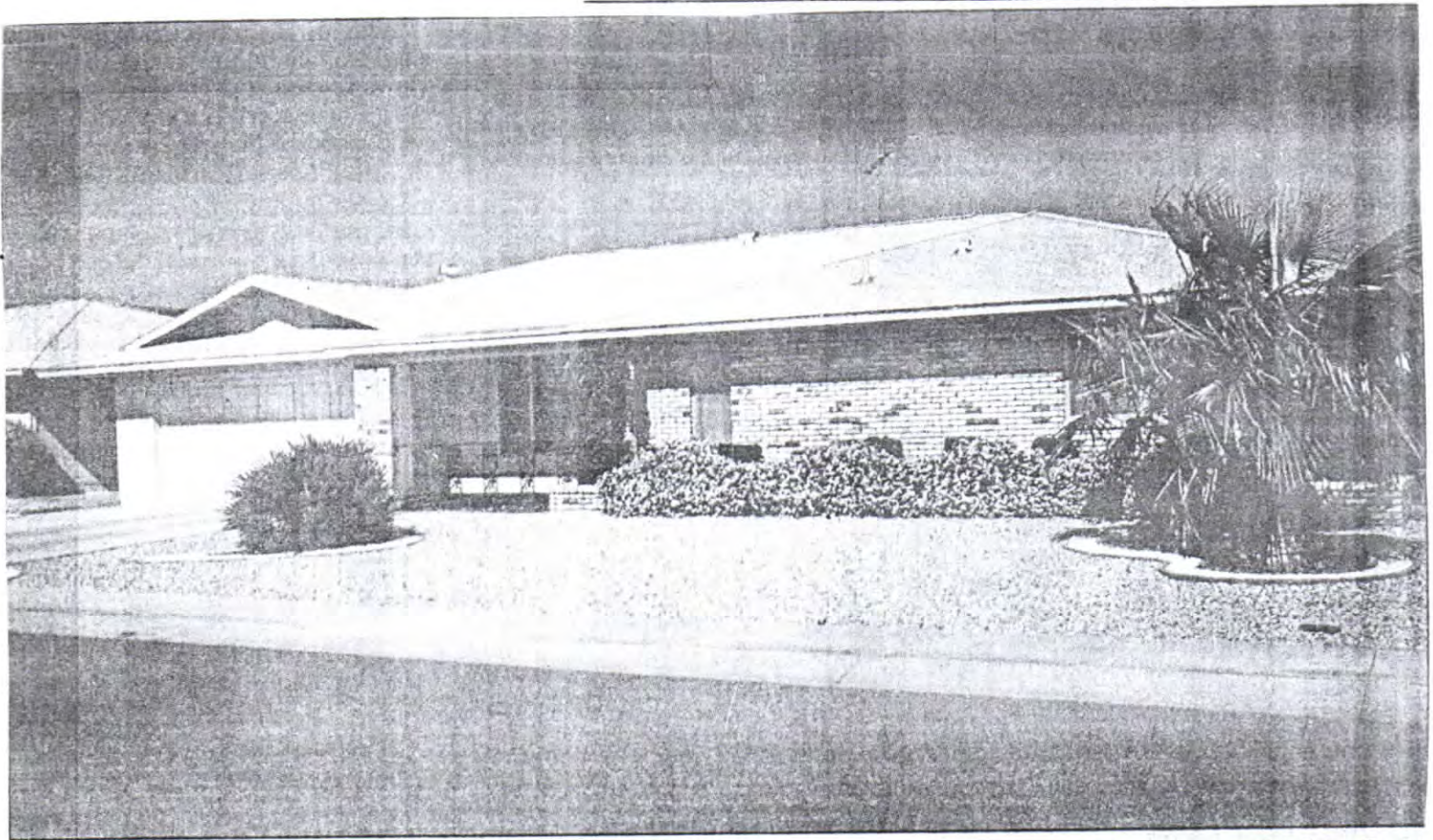
market rate to a buyer there, then move to Sun City West.

The company is working on another plan to offer below-market financing once the couple moves to the Valley, Roach said. The plan should be in effect by April 1.

"Most construction firms from local areas have chosen not to get involved in the resale market," Roach said. "Our buyers are buying probably the last house they will ever own. That market is very soft. Rather than be at the whims of the resale market, we would try to come out and dispose of the house."

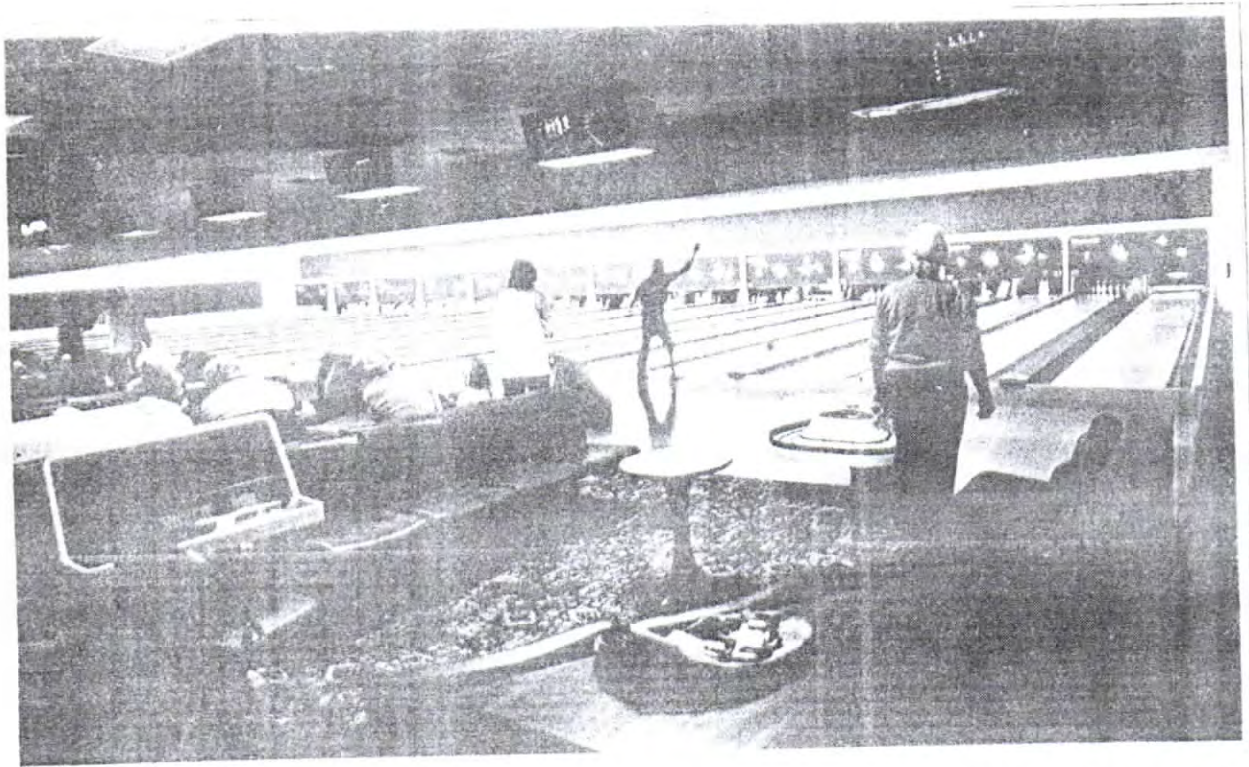
Devco's sales slumped in the late '70s partially because potential buyers were unable to sell homes and move West.

According to Ken Plonski, manager of public affairs for Devco, 70 percent of Sun City West buyers pay cash for their homes. The remaining 30 percent finance through conventional methods, although the average down payment is 50 percent.



Pete Peters/Republi

A typical house in the development features low-maintenance landscaping.



Pete Peters / Republic

APR 17 1984

MAR JON

Devco marketing campaign blitzes area

First of two parts
By MIKE GARRETT
Financial Editor

You can't go anywhere in the Phoenix area these days without hearing or seeing something about "incomparable" Sun City West.

Billboards, radio, TV, newspapers and magazines are carrying the message that Sun City West is the place to retire because it has more to offer than any other retirement community.

It's all quite by design, thanks to Del E. Webb Development Co.'s increased marketing strategy as organized by Don Tuffs, Devco vice president of marketing, and his staff.

OR AS Devco President Fred Kuentz says, "Everyone working for Devco is now involved with marketing in some way."

The exposure, especially when Tuffs was on the "Phil Donahue" show in February, is unprecedented and comes at a time of increased competition from Peoria's Westbrook Village and Mesa's Leisure World whose ads poke fun at the huge size of "Retirement City USA."

Tuffs estimated the Donahue show exposure was worth a minimum of \$600,000, with residuals in the millions.

WHAT KIND of feedback has Devco received from the Donahue appearance?

"Everything has been extremely positive both locally and nationally," said Tuffs. "We received several dozen letters requesting more information." Tuffs said buyers from California and Chicago purchased homes as a direct result of the Donahue show.

Tuffs said he heard from casual acquaintances he hadn't seen or heard from in 15 years, saying they had seen him.

TUFFS BELIEVES the show was a great plug for the Sun Cities' retirement concept in comparison to the representation some of the Florida retiree communities received on the show.

"From day one the people here knew exactly what the situation was going to be. The problem they (Florida) have is in the cities in replacing people in apartment buildings where there were families and all of a

sudden the owner says I want my apartment building to be adults only, out."

While Devco and the Sun Cities certainly benefitted from the national exposure, it's in the Valley of the Sun that the company has concentrated most of its media blitz.

"THE WINTER visitors are here so let's take advantage of that opportunity rather than going out and trying to advertise nationally and bring people here," is Tuffs' philosophy.

And while the Leisure World ads expound on the virtue of small being a nice alternative, Tuffs and Co. use Sun City West's size as an advantage.

"In our ads we say we're big because we're good and because people choose us and we're successful."

WHILE Westbrook Village's ad campaign with actor Dick Van Patten and his duck friends have received a lot of attention, Tuffs and Kuentz believe it takes away from what you're actually trying to sell.

"They really don't say much about the community itself and what it has to offer," noted Kuentz. "You don't really see anything."

Which is why the current Sun City West ads have focused on actual SCW retirees pointing out the virtues of living there.

"A YEAR AGO we did not have a marketing department. It was all very splintered. So what has happened has all been created since then and the whole organization is pleased with it," added Kuentz. "That's Swanson's (Del E. Webb Corp. president and board chairman Robert) background, so we

have a severe critic in that area.

"If he approves of it, then we must be doing something right. And he's fair. But the market is getting tougher all the time."

The target market competition includes Sun City.

"**WE FEEL** that Sun City and its resales are our biggest competition," Tuffs pointed out.

But they say many Sun Citians have liked the newer home models in Sun City West and have moved there.

The out-of-state marketing is concentrated in the Midwest and North Central states, including Michigan, Iowa, Colorado, Illinois, Ohio, Wisconsin, New York, Minnesota, California and Illinois. The latter two are running neck and neck for attracting the most out-of-state visitors to Sun City West.

"**CALIFORNIA** would be much greater but we can't advertise over there," noted Executive Vice President Paul Tatz. "You have to register every lot within the state of California as if you were in an in-state builder. Costs and time there are just too prohibitive so we have to depend on word of mouth."

But the average California home costing more than double what an equivalent home would sell for here has attracted a large number of California buyers, according to Kuentz.

Devco believes in using just about all its SCW assets as marketing tools. The Sundome, for example, or events like the recent Esperanca 500 Golf Car Rally and the upcoming Senior PGA tournament are heavily used in promoting the area.

"**THE SUNDOME** is a tre-

mendous marketing tool just by the fact that again many of the other retirement areas can say we have tennis courts, swimming pools, golf courses and shuffleboard courts but how many have theaters for the performing arts and bring in 110 events a year?" Tuffs asked.

"The Sundome is considered a major theater in the country already because of the number and quality of events. And it's right in our own backyard."

Tuffs noted that the Sundome often schedules Sunday afternoon performances so winter visitors from around the state

can visit for an afternoon and see the new home models before or after a show.

"**IT'S SURPRISING** the number of people who live in Phoenix who have never been to Sun City West and have no idea what's out here," said Tuffs.

Tatz added that Devco also has gotten a lot of nationwide interest from the ASU campus project. "I've had calls on that from just about everywhere that I've ever been."

NEXT: The intricacies of a complete marketing campaign: To whom, what, where, why and how does the message get through?

REPRODUCTION
Sun City
Cir: 17, W
JAN 5 1984

Devco sees long-term commitment to SC area



FRED KUENTZ

Second of two parts:
By MIKE GARRETT
Financial Editor

Del E. Webb Development Co. President Fred Kuentz has resigned himself to the fact that no matter how many good things Devco does for the Sun Cities, there will always be complaints like the recent Hillcrest Men's Golf Association ruckus over annual greens fees.

"I work on batting averages," said Kuentz. "We try to satisfy them but there will always be a small group out there you can't please."

To what extent and how long is Devco obligated to its past and present homebuyers?

"WE THINK it's forever," Kuentz laughed. "We're still talking to people in Sun City and looking at things there. You can look at it legally, contractually or morally."

"Contractually, we have a one-year warranty. Morally, we try not to turn down anybody's request."

"Occasionally there'll be an error on our part and we'll rectify it," added Tom Ryan, Devco senior vice president and land man-

ager. "As long as we're in the community we're a part of it. There is no in between."

"I THINK MOST all of us think we've got an obligation too," noted Kuentz. "You have to be careful because you have a lot of people who come after you. But if it was an error of omission or mistake out there we'll take a hard look and go back. We've gone back on places that were 7 years old and taken care of it."

"We are certainly willing to talk to any of those groups within reason on any problems they may be having."

Sometimes it's the little things Devco does which may go unnoticed that demonstrate the company's commitment to the Sun Cities.

FOR EXAMPLE, Devco is contributing a three-acre site for a building to consolidate volunteer groups in the Sun City area.

It's also obvious Devco will be in Sun City West for the long haul. Kuentz said there are no plans to sell off any more large parcels of land to outside parties.

Ryan said that although Phase II plans of Sun City West are being formulated, 89 more homes remain to be built to complete Phase I.

"I WOULD SAY it will take six years to finish Phase I and somewhere around the fourth year we'll move into Phase II because we'll overlap," added Kuentz.

Kuentz doesn't think the same thing will happen in SCW as happened in Sun City with the recent condominium developments.

"So far as residential development is concerned, we're pretty well controlling it. That's our policy. But some isolated residential areas may be filled in after we go full bore on Phase II."

DEVCO WILL gradually turn over management of its various SCW enterprises to residents after they're self-sufficient. No firm date has been set for turnover of Johnson Center.

Steve Tuttle, Devco director of communications, said the master agreement calls for a December 1985 turnover but noted that in November of 1981 residents voted for a turnover when it was financially self-sufficient. Tuttle felt that time was not far off, based on the current balance sheet.

Devco also is keeping the home buyer in mind by adopting a semi-custom home building program after a year's trial basis to better accommodate buyers' needs.

"WHAT WE'VE DONE is structure it to two separate construction functions," said Ryan. "It doesn't mix with production now. So we are setting up a separate group to handle these houses from the time the buyer signs the contract until the house is delivered."

"That includes not only the actual construction but also the planning, the administrative work while the house is being built, changes and consultation with our personnel which the custom buyer will receive."

Along with the planned new models, Tuttle said Devco will build an experimental showcase house of the future "to be at the cutting edge of home building technology in both exteriors and interiors so it won't become obsolete in five years."

RYAN SAID SOME of the home's innovations may be incorporated in future production housing. Basically it will be a "fussin' around house," said Kuentz.

"Things that don't work or are too far out will be removed or replaced," said Ryan.

Due to some of these innovations, Devco has discovered many Sun Citians selling

* Devco renews SC commitment

From AD
their homes and moving to Sun City West.

DEVCO HAS been given a lot of incentive to continue its large-scale building program based on 1983 sales figures.

They sold 817 SCW homes in 1983 which doesn't beat the 1979 record but is a big improvement over the 147 sold in 1982 and the 142 of 1981.

The strong sales figures will also provide a better base for the 38-acre Arizona State satellite campus which will be built just off the Agua Fria floodplain north of Bell Road.

MOST OF THE planning is finished, said Ryan and dedication of the property is upcoming. "They're anticipating

opening for classes in January 1985 with 3,000 students."

"I think they're going to be overwhelmed by what happens out there," said Kuentz.

There has already been a lot of interest nationwide in this project. We also will have a natural laboratory and source of research out here to develop a gerontology research center, which is part of what they intend to do and is something that's needed."

"ANOTHER thing we're going to get into is an RV storage park for both Sun City and Sun City West with 3,600 spaces," added Ryan.

"That will be located south of Bell on the east side of the river."

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NEW CENTER, CAMPUS TOP LIST

Devco outlines future projects

First of two parts:

By **MIKE GARRETT**
Financial Editor

Del E. Webb Development Co. is trying to build a high profile in the Sun Cities to develop a better rapport with the community.

The movement began last year with two Sundome residents meetings in May and November. Now, Devco President Fred Kuentz and Tom Ryan, senior vice president and land manager, have given an update of current and future projects and answered questions on Devco's role in the Sun City area.

It's obvious that Devco management is excited about its projects and ventures: the new Arizona State satellite campus, the second SCW rec center, the next championship golf course, an experimental house of the future, new home models, a new headquarters building and SCW road improvements.

RYAN SAID construction on the second SCW rec center, to be located at Beardsley and Stardust (128th Avenue), will start in May. He said the Beardsley Center's budget of \$5 million is nearly double the original allotment. It will be the first center to have residents' input in its planning.

"We tried to get a (planning) committee that represented most of the rec center users. "They polled the community and met over a long period of time and came up with a wish list. We then met with them and went through it and refined it, retained an architect and did some preliminary studies and were able to include most of the things they asked for in the center."

IT WILL INCLUDE picnic grounds, greenhouse, indoor-outdoor pool and a bandstand. Only Johnson and Bell Centers will have more square footage than Beardsley Center.

Extension of Meeker Boulevard to Grand to provide a second major access to Sun City West and to the proposed SCW hospital is well underway and is expected to be finished in mid-March.

A nursing home, recently approved as the first increment to the SCW hospital, will be on the 38-acre hospital grounds. Also underway on the site is Devco's new headquarters building.

RYAN SAID DIRT will be moved on the next golf course within the next week or two. "It will be an 18-hole championship course running parallel along Grand Avenue from the

(Devco) construction yard about a mile and a half."

Kuentz said the Meeker Boulevard entrance off Grand will be especially attractive with an adjacent golf hole at the site.

The new golf course, which will be rec center-controlled, is expected to open in December.

"WE ARE RETURNING to the single fairway concept like the first two courses in Sun City, the North and South courses," said Ryan. "We're getting so much demand for golf course lots plus the drainage works out much better with single fairways."

Devco hopes to have the new Briarwood clubhouse and country club operational by December. "We're also finishing off subdivision work," added Ryan. "We will continue with completion of the unfinished subdivisions in the northeast corner of the project."

A new model home complex with a price range of \$60,000 to \$150,000 is also in the planning stages, according to director of communications Steve Tuttle. "The new models will be open in October for sale next winter," he said.

NEXT: How Devco sees its role

OCT 29 1983

MAR JON

Devco launches street flooding control projects

^{WW}
Street flooding in Sun City West will be tackled by the Del E. Webb Development Co. over the next two months, according to an official of the firm.

Tom Ryan, senior vice president and land manager for Devco, said work on one of four projects may even be started next week.

The first phase will include adding catch basins on Johnson Boulevard east of 132nd Avenue and on Desert Glen Drive at the channel, also adding catch basins and drainage pipe on 132nd north of Desert Glen Drive.

The second phase, expected to get under way in mid-November, calls for catch basins and pipe to be installed at Buntline Drive and 125th Avenue.

The third project, which Ryan referred to as the "most involved, also is expected to be started in mid-November. This plan calls for additional catch

basins and a three- to four-inch pipe to be installed at two locations on Conquistador Drive—one at Banyan Drive and the other at 125th Avenue.

Water from this area will be directed to the Pebblebrook Golf Course.

The Devco official mentioned that the present catch basins, spotted around the community, were never intended as drainage for storm run-offs. The original purpose, he added, was to pick up "nuisance water" caused by over-watering yards.

Additional catch basins, he said, will be similar to those already installed.

Ryan contended that Devco could not follow a suggestion by Sun City West resident Robert Ode, which was to install cattle guard type of drains across the width of the street, as this would interfere with bike riders.

Sun City West's drainage arrangement, he said, follows the general practice of using streets to carry off initial flows of rain water. This method is utilized, he added, to keep down the cost to home buyers.

In reference to the street run-offs, Ryan issued a reminder that the actual right-of-way extends beyond the curb. The street right-of-way, he said, is five feet beyond the sidewalk in most residential areas and in some, such as on Conquistador Drive, extends 12 feet beyond the sidewalk.

The idea of the right-of-way, he said, is to allow a place for utilities and future street widening, should it be necessary.

Regarding complaints of flooding on Beardsley Road, Ryan said this area still is not considered a

problem as the rain run-off remains on the street. He added, however, that another look will be taken at the area after it is fully developed.

Complaints that run-offs from the Johnson Center and Sundome parking lots caused flooding of Johnson Boulevard were contradicted by the official.

This run-off, he said, is caught by a drainage system located in a recessed section of the parking lot and routed to the Hillcrest Golf Course. The only place the water on Johnson Boulevard could be coming from, he added, is Meeker Boulevard.

A fourth project proposed by Devco to alleviate flooding will require the approval of the county Highway Department.

The plan here is to remove all metal guard rails, required by the county as a safety feature, and replace them with pipe handrails.

The present rails, Ryan said, are causing flooding by holding back the flow of street water.

Despite attempts to alleviate flooding, the official stressed, there is no exact science for storm run-offs.

Webb in Sun Cities to stay, Swanson tells community

By MIKE GARRETT
Financial Editor

Robert Swanson, Del E. Webb Corp. president, board chairman and chief executive officer, left no doubt Thursday that Webb will stay in the Sun Cities.

As proof of Webb's good intentions, Swanson told 1,800 Sun City and Sun City Westers in the Sundome that Del E. Webb Development Co. is donating 24 acres of land valued at more than \$500,000 to Boswell Memorial Hospital for a future health-care facility.

The 24 acres, along with 24 already owned by Boswell, is at Grand Avenue and Meeker Boulevard.

"THIS DONATION will contribute toward cutting rising health-care costs since it represents in today's dollars a contribution substantially in excess of a half-million dollars which we're giving to the Boswell Hospital and therefore the citizens of Sun City West," said Swanson.

Boswell board of directors will determine when and for what purpose it uses the land.

Dr. Haakon Bang, chairman of the board of the Sun Health Corp. (parent company of Boswell) accepted the donation from Webb.

SWANSON ALSO announced that Devco and another Webb subsidiary, Del E. Webb Realty & Management Co., are completing plans to construct a Devco administrative headquarters office building in Sun City West.

The single-story building will house all Devco functions except residential sales. Swanson said the building should be ready for occupancy in mid-1984.

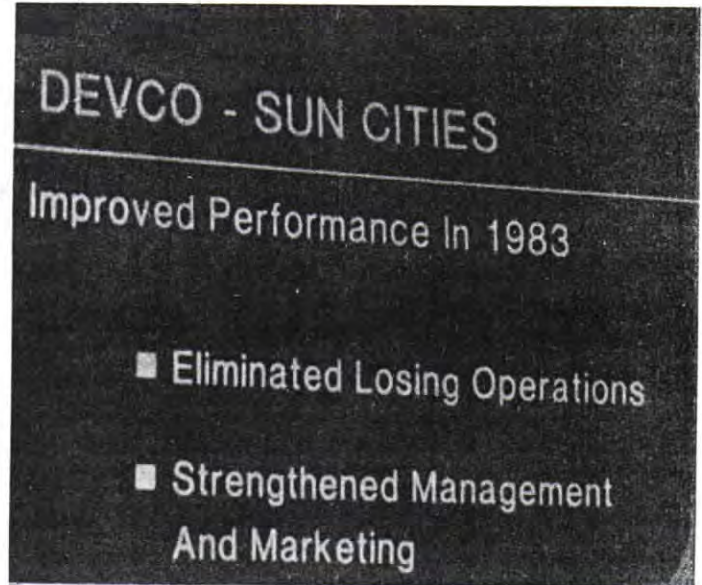
Also announced at the presentation, which followed Webb Corp.'s first annual meeting in the Sun City area, was an agreement to sell to Ratliff, Miller & Muhr Inc., for \$3.2 million, a 55-acre commercial core site across from the Sundome for a proposed shopping center and a \$1 million, 15-acre shopping center site at 128th Avenue and Beardsley Road.

SWANSON ALSO announced that Devco has sold SCW's Sundome Plaza shopping center to the Jaydon Corp. which last week took over operation of the Crestview and also owns the King's Inn in Sun City.

Swanson offered a number of reasons why Webb will remain in



Robert Swanson reports on progress in Sun Cities.



(News-Sun photos)

control of its Sun City-Sun City West interests.

"Since I've been at Del Webb, one outside company and J.G. Boswell tried to buy Webb's interest in Sun City. We wouldn't sell and I think a number of you knew this.

"ALSO, IN THE past two or three weeks after Del Webb management and Fred Kuentz (acting Devco president) became aware of Sun City West's feelings on time-sharing 48 apartments in Sun City West, we bought them back.

"Although I had to beat up a few people to get it done, we officially closed the deal at 4 yesterday (Wednesday) afternoon. Although we're very pleased to do it and it was our decision to do it, it did cost Del Webb over \$400,000. I think that's one way we can say we're going to be here.

"Last but not least, I plan to spend the rest of my life in the Valley of the Sun and I don't want to have 65,000 enemies out here," Swanson joked.

WESTERN SAVINGS board chairman John Driggs reviewed Western's purchase earlier this month of up to 2,763 acres of Sun City West land and its continued involvement in the Sun City financial community.

PORA President Bob Williams

noted that the lines of communication between SCW homeowners and Webb have been improved with this meeting.

"I'm sure you've found out that while you may have thought there are a lot of China and Russia watchers in Washington, D.C., there are just as many Webb watchers in Sun City West," Williams told Swanson.

"I NOTICE that four of your five enterprises are fairly cold-blooded money-making propositions. This one just doesn't fit that mold.

"This one is very personal. This one is selling a way of life, and that's the way I think the people in Sun City West feel about it. It's not selling a bunch of homes.

"When you move in here, you move into a way of life. And we hope your corporation will sell that and quit thinking simply in

terms of numbers of houses sold.

"THIS IS THE first time since I moved here in 1979 that I feel there could be a cautious union between the developer and the homeowners in promoting Sun City West. I think if they can get together and honestly see each other's points of view, be frank with each other and form a possible union, that could do this Sun City West project more good than all the advertising brochures, all the TV ads, all the publicity you could ever think of, Mr. Swanson."

Swanson replied that he, too, felt the lines of communications are improving. "I think all citizens of Sun City and Sun City West will find out I'm known for being frank with all people and will try to do what's right for Sun City, Sun City West and for Del Webb. I think all three can prosper together."

Webb buys out Boswell in SC-SCW

By MIKE GARRETT
Business Editor

Sun City and Sun City West will be 100 percent owned by the Del E. Webb Corp. after a \$42 million transaction Friday between Del E. Webb Development Co. and the J.G. Boswell Co.

Del E. Webb Corp.'s board of directors gave final approval to the purchase of Boswell's 49 percent interest in Devco, subject to lender approval, at a Friday board meeting in Las Vegas. Webb already owns 51 percent of Devco.

"The transaction involved \$8.4 million in cash with the balance due in long term notes in April," said Robert Swanson, Webb Corp. chairman, president and chief executive officer, at a press conference Friday afternoon in Webb headquarters.

"WE VIEW THIS transaction as an excellent opportunity to increase our ownership in these premiere retirement communities, which Webb master-planned and is developing," Swanson said. "This acquisition fits our corporate objectives to grow in the southwest."

James Boswell, chairman of J.G. Boswell Co., said the mutually satisfactory transaction "permits both companies to pursue their individual business objectives. I have every confidence that the Sun Cities will continue to be the most successful retirement communities in the world."

Swanson said there will be no change in Devco management or operating philosophy.

DEVCO President George Reeve echoed Swanson, saying that there "will really be no difference in the way Devco itself will operate."

"Jim Boswell has been a very good corporate shareholder for years and we certainly have respected his guidance and advice. We will continue the (Sun Cities) development in the same manner consistent with Webb's philosophies of the past so you shouldn't notice any change."

Reeve added: "Basically it's a situation now where Del Webb will have 100 percent of the project and we'll continue its development."

SUN CITY WEST, with a current population of nearly 9,000, is projected to eventually have 62,000 residents by 1990.

Webb Corp. and Devco's current solid financial status, which has seen the company come back from the depths of financial despair under Swanson's guidance, certainly played a large role in the transaction, according to Reeve.

"The economy has turned around, (home) sales are up in Sun City West and as a result of that, we feel that now is the time to buy and we think the upturn is going to continue. We're very confident about the future of our sales."

SWANSON summarized the current financial state of Webb Corp., at the press conference, pointing out all current holdings are doing well, especially the Chicago construction operation and the Claridge Hotel and Casino in Atlantic City.

"We have no intention of pulling out of either of those operations, but as far as growth is concerned, it will come in the Western 11 states and the Southwest."

Friday's transaction means the J.G. Boswell Co., will be out of Devco entirely, according to Reeve. "It will be a 100 percent wholly-owned subsidiary of the Webb Corp."

DEVCO WAS created by Del E. Webb Construction Co. and the J.G. Boswell Co. almost 30 years ago.

Devco sale finalized

The \$42 million sale of the J.G. Boswell Company's 49 percent interest in the Del E. Webb Development Co. became final Friday, according to Robert Swanson, chairman, president and chief executive officer of the Del E. Webb Corp.

Boswell sold the 49 percent share to Devco, master planner and developer of the Sun Cities. Before the transaction, the Webb Corp. owned 51 percent of Devco. The acquisition makes Devco 100 percent owned by the Webb Corporation.

The transaction, announced March 25, involved \$8.4 million in cash with the balance in long term notes. Devco now becomes a wholly-owned subsidiary of the Del E. Webb Corp.

Webb buys out Boswell in SC-SCW

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SCW phase two plan stage nears

Webb

By HELEN ALLEN
Staff Writer

Although the second phase of Sun City West is still considered 5 to 7 years away, work on a master plan is expected to get underway next year.

This was the indication given the Daily News-Sun by Tom Ryan, senior vice president and land manager of Del E. Webb Development Co.

Ryan estimated, as a "shot in the dark," that it will take about 5 to 7 years to complete the first phase of the community.

AS A tentative measure, Devco is considering building 22,000 dwelling units in the second phase which consists of some 7,500 acres.

Phase II boundaries generally run along Grand Avenue on the west, Deer Valley Drive on the north, the Beardsley Canal on the east, with Greenway and Bell roads on the south.

While some of the land in Phase II is unimproved desert, most is being farmed.

REGARDING the master plan for Phase I, Ryan said a reduction has been made in the number of dwellings to be built.

Phase I consists of some 5,700 acres of land.

Original plans called for 17,000 units, but Devco is now "looking at" about 15,000.

"WE WERE pretty much guessing at the start," Ryan remarked. "As the community developed, we could project densities better."

A major item in the Phase I master plan is a regional shopping center planned for the area behind "financial row" on Johnson Boulevard.

Surrounding the shopping center core will be current bank branches plus other commercial entities, such as an auto dealership, restaurants and a service station.

THE REGIONAL center, which Devco hopes will include large department stores, will not be started until building begins in Phase II, Ryan said.

He added that property also has been set aside in this concentric-

circle area for five fast-food type restaurants. All five, however, will not adjoin each other.

Three neighborhood shopping centers are included in the master plan. One is in operation at Camino del Sol and Johnson Boulevard.

THE OTHERS are planned for Beardsley Road at Stardust Boulevard on the east side, and Stardust at the extension of Johnson on the west side.

Two additional recreation centers, smaller in "size and scope" than Johnson Center, also are slated for each of these locations.

Phase I provides for six golf courses, four of which have been completed. The others are planned for a stretch along the north side of Grand Avenue and the northwest corner of Sun City West.

PROPERTY IN the northwest corner, at the Deer Valley Drive and Grand Avenue intersections, has been set aside for a cemetery.

The master plan originally provided sites for 10 churches, Ryan said, but the number is expected to be increased.

Another provision on the Phase I master plan is the location of a nursing home and medical offices at Meeker and Johnson boulevards.

RYAN SAID consideration has been given to a hospital site but ideas are "very tentative" right now. They hinge on the future plans of Boswell Memorial Hospital.

"There is a hospital plan but it is not yet at a stage where it can be considered firm."

Devco's construction yard at Bell and Dysart roads is expected to remain in some form.

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The New York Times



Del Webb's Divestitures

Properties sold are listed with sales price

Mountain Shadows Hotel
\$30 million in cash
Sold this Scottsdale, Ariz., resort to the Marriott Corporation in June 1981.

Sahara Reno Hotel and Primadonna Club
\$34.5 million in cash and notes
Sold this Reno hotel and casino to Hilton Hotels in Dec. 1981.

Newporter Inn
\$25 million in cash
Sold this Newport Beach, Calif., resort to the Billmore Hotel of Los Angeles in Sept. 1981.

Cottonwood Cove and Callville Bay Marinas
\$6 million in cash
The marinas, on Lakes Mohave and Mead in Nevada were sold to a privately-held, beauty products company in Dec. 1981.

President Hotel Site in Atlantic City
\$9 million in cash
Sold this Boardwalk lot, on which the Sahara Boardwalk was to be built, to a subsidiary of Golden Nugget Inc. in July 1982.

Sahara Las Vegas
\$60 million in cash and notes
Reached an agreement to sell this hotel-casino complex to a Las Vegas casino owner in May 1982. The transaction needs the approval of the Nevada Gaming Commission.



The New York Times/Tim Koors

Robert K. Swanson, chief executive officer of the Del E. Webb Corporation, in his Phoenix headquarters.

The Struggle at Del Webb

New Chief Retrenches

By THOMAS C. HAYES

Special to The New York Times

SUN CITY, Ariz., Aug. 9 — Along a broad expanse of healthy, green lawn beside Del Webb Boulevard here, there are four churches hard by a golf course and a cemetery. It is a tidy, tranquil scene, befitting the nation's most populous retirement village.

Tidiness and tranquility, however, are absent 15 miles away in the Phoenix headquarters of Sun City's builder, the Del E. Webb Corporation. For the last year, the diversified company has been selling properties to keep from foundering under a huge debt

and high interest rates.

It lost \$884,000 in the second quarter ended June 30, compared with a \$10.8 million gain a year ago, a profit based largely on the sale of the popular Mountain Shadows Resort near Phoenix to the Marriott Corporation. Sales fell by 21 percent, to \$84.2 million from \$107.1 million a year ago. Del Webb's stock pays no dividend.

By most accounts, however, Del Webb seems to have survived the worst and, with a strong dose of professional management beginning to take effect, may be on the way back.

A New Approach

A new chief executive, Robert K. Swanson, has mapped the company's first long-range plan, directed its first regular management conventions and set annual personnel reviews. Moreover, Mr. Swanson raised more than \$100 million by selling five properties in a retrenchment program.

Analysts said the auction helped

pull Del Webb from the brink of bankruptcy. And they agree with both Mr. Swanson and eight outside board members who hired him 18 months ago that the company has a good base and could make a profit from its operations in 1983.

"Del Webb was in uncharted waters prior to Swanson's arrival," said Steven Eisenberg, an analyst with Bear, Stearns & Company, the brokerage firm.

Mr. Swanson, 49 years old, came to Phoenix in 1980 as the No. 2 man at the Greyhound Corporation, the heir-apparent to Gerald Trautman. But the two clashed before the year was out and Mr. Swanson, who earlier had been head of the fashion group at General Mills as executive vice president, was out of a job by October.

Before he signed on as president and chief operating officer three months later at Del Webb, whose of

Continued on Page D5

Del Webb Retrenching to Cut Its Losses

Continued From First Business Page
 fices are situated less than 100 yards from Greyhound's headquarters on North Central Avenue, Mr. Swanson made sure he got a guarantee that he would be chief executive within 18 months. "I learned," he said somewhat ruefully.

A Sharp Rise in Debt

The company's financial troubles started with a costly and, as it turned out, ill-conceived expansion of its hotel-casino business in Atlantic City and Reno, Nev. in the late 1970's. Long-term debt had risen to nearly \$300 million by mid-1981 from \$42 million at the end of 1977. Interest expenses alone were \$30 million last year.

Del Webb, once the biggest Nevada casino operator, was crushed by more sophisticated competitors such as Resorts International and the Golden Nugget. Moreover, it ran into legal difficulties after it admitted procuring prostitutes for big bettors at its Sahara resort in Las Vegas.

Del Webb's Nevada hotel-casino business, including sites in Las Vegas, Reno, Lake Tahoe and Laughlin, contributed \$247.1 million, or 60 percent, of total revenues last year, and about 45 percent of pretax profits. Its construction business, which contributed \$117.6 million in revenues, or about 27 percent of the company's total, is its other major activity.

The company also has a small but profitable commercial real estate management arm, with sales of \$7 million last year, and a recreational

management division that took in \$29.3 million in sales last year.

These varied operations reflect the interest of the company's founder, Delbert E. Webb, once a co-owner of the New York Yankees baseball team, who died in 1974. His hand-picked successor, Robert H. Johnson, came up through the construction side of the company.

Analysts say Mr. Johnson, who retired a year ago at age 65 as chairman and chief executive, had difficulty managing the free-wheeling company that he had inherited from Mr. Webb.

"Webb was a good company but not managed with sophistication," said David Babcock, a Del Webb board member who is the retired chairman of the May Company department store group. Daniel R. Lee, an analyst with Drexel Burnham Lambert, put it more bluntly: "It was grotesquely mismanaged."

\$50 Million Hotel Sale

Del Webb is waiting for the Nevada Gaming Commission to approve a \$50 million sale of the Sahara Vegas Hotel. The buyer, Paul W. Lowden, also owns the Hacienda Resort in Las Vegas. His past association with a casino operator linked to organized crime has caused some concern that the sale might fall through. However, most analysts believe the sale will be approved.

If so, it would push Del Webb's long-term debt below \$140 million, or near Mr. Swanson's goal of a level debt-equity ratio. The remaining barriers to profitability then would be its Cla-

ridge Hotel in Atlantic City and the slump in home sales at Sun City West, a retirement community clone of Sun City, eight miles away.

Although well situated between Bally's Park Place and the Sands in Atlantic City, the Claridge ranked last among the nine Atlantic City casinos in revenues last month. The Claridge's small and poorly arranged casino, distributed over five floors, took in less than \$8 million last month. The break-even point is estimated at \$10.8 million.

In contrast, four casinos reported revenues of more than \$20 million in July, the biggest month in Atlantic City's four years as a gambling center, according to Al Glasgow, publisher of a trade newsletter.

Although Del Webb is losing money in booming Atlantic City, its three remaining Nevada casinos — the Mint, in Las Vegas, the Nevada Club in Laughlin and the Sahara Tahoe — are profitable. (The Sahara Vegas is not profitable, according to analysts.)

Del Webb's trimmer base, analysts say, is more competitive. The construction business, focused mainly in the South and Southwest, has weathered the recession in good condition so far. But the stalled economy will delay improvement, the analysts said, notably in sales at Sun City West.

The company also owns what some analysts consider a prized hidden asset — water and sewer rights to the 11,000 undeveloped acres at Sun City West.

William E. Hallinan, director of research at Young, Smith & Peacock Inc., a Phoenix brokerage, told the New Jersey Casino Control Commission that he estimated Del Webb's book value at more than \$30 a share, compared with the stated book value of \$13.25.

The company's shares, which are listed on the New York Stock Exchange, closed at \$6.25 today, unchanged. William A. Searles, an analyst at Bear, Stearns & Company, attributed the stock's poor showing to Del Webb's history. "Things are happening there," he said. "And people don't understand the company."

The stock is also under pressure, inadvertently, from the Del E. Webb Foundation, which owns 28.5 percent of the total common shares. The foundation, which is headed by Mr. Johnson, the former corporate chairman, must sell 5 percent of its holdings this year to comply with Internal Revenue regulations.

With voting control over such a large block of Del Webb shares, Mr. Johnson is in a position to second-

AT A GLANCE

Del E. Webb Corporation

All dollar amounts in thousands, except per share data

Three months ended	1982	1981
June 30		
Revenues	\$84,174	\$107,098
Net income	(884)	10,776
Earnings per share	—	\$1.13
Year ended		
Dec. 31	1981	1980
Revenues	\$414,700	\$405,500
Net income	5,300	4,100
Earnings per share	\$0.56	\$0.42

Main Lines of Business

Contribution to 1981 revenues

Nevada hotels and casinos	59%
Other recreation activities	11%
Construction	28%
Real estate	2%

Total assets, Dec. 31, 1981	\$357,857
Current assets	59,510
Current liabilities	56,030
Long-term debt	154,416
Stock price, Aug. 10, 1982	
N.Y.S.E. consolidated close	6 1/4
Stock price, 52-week range	10 1/2-4 1/2
Employees, Dec. 31, 1981	8,100
Headquarters	Phoenix
(Loss)	

guess Mr. Swanson should he stumble. But Keith Turley, a Del Webb board member, said that Mr. Johnson "is not involved in any way in management decisions."

However, a sign of his continuing presence is evident at Sun City West, where the main avenue, a wide, palm-tree-lined thoroughfare, is named the R. H. Johnson Boulevard.

COMPANY NEWS

Del Webb Retrenching to Cut Its Losses

Continued From First Business Page
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The company also has a small but profitable commercial real estate management arm, with sales of \$7 million last year, and a recreational

management division that took in \$29.3 million in sales last year.

These varied operations reflect the interest of the company's founder, Delbert E. Webb, once a co-owner of the New York Yankees baseball team, who died in 1974. His hand-picked successor, Robert H. Johnson, came up through the construction side of the company.

Analysts say Mr. Johnson, who retired a year ago at age 65 as chairman and chief executive, had difficulty managing the free-wheeling company that he had inherited from Mr. Webb.

"Webb was a good company but not managed with sophistication," said David Babcock, a Del Webb board member who is the retired chairman of the May Company department store group. Daniel R. Lee, an analyst with Drexel Burnham Lambert, put it more bluntly: "It was grotesquely mismanaged."

\$50 Million Hotel Sale

Del Webb is waiting for the Nevada Gaming Commission to approve a \$50 million sale of the Sahara Vegas Hotel. The buyer, Paul W. Lowden, also owns the Hacienda Resort in Las Vegas. His past association with a casino operator linked to organized crime has caused some concern that the sale might fall through. However, most analysts believe the sale will be approved.

If so, it would push Del Webb's long-term debt below \$140 million, or near Mr. Swanson's goal of a level debt-equity ratio. The remaining barriers to profitability then would be its Cla-

ridge Hotel in Atlantic City and the slump in home sales at Sun City West, a retirement community clone of Sun City, eight miles away.

Although well situated between Bally's Park Place and the Sands in Atlantic City, the Claridge ranked last among the nine Atlantic City casinos in revenues last month. The Claridge's small and poorly arranged casino, distributed over five floors, took in less than \$8 million last month. The break-even point is estimated at \$10.8 million.

In contrast, four casinos reported revenues of more than \$20 million in July, the biggest month in Atlantic City's four years as a gambling center, according to Al Glasgow, publisher of a trade newsletter.

Although Del Webb is losing money in booming Atlantic City, its three remaining Nevada casinos — the Mint, in Las Vegas, the Nevada Club in Laughlin and the Sahara Tahoe — are profitable. (The Sahara Vegas is not profitable, according to analysts.)

McDonnell Douglas

LONG BEACH, Calif., Aug. 10 (Reuters) — The McDonnell Douglas Corporation said today that ALM Antillean Airways had purchased two of its super 80 jetliners, to be equipped with the United Technologies Corporation's Pratt & Whitney JT8D-217A engines. The planes will replace two DC-9 series 30 jetliners now operated by the Netherlands Antilles airline.

Del Webb's trimmer base, analysts say, is more competitive. The construction business, focused mainly in the South and Southwest, has weathered the recession in good condition so far. But the stalled economy will delay improvement, the analysts said, notably in sales at Sun City West.

The company also owns what some analysts consider a prized hidden asset — water and sewer rights to the 11,000 undeveloped acres at Sun City West.

William E. Hallinan, director of research at Young, Smith & Peacock Inc., a Phoenix brokerage, told the New Jersey Casino Control Commission that he estimated Del Webb's book value at more than \$30 a share, compared with the stated book value of \$13.25.

The company's shares, which are listed on the New York Stock Exchange, closed at \$6.25 today, unchanged. William A. Searles, an analyst at Bear, Stearns & Company, attributed the stock's poor showing to Del Webb's history. "Things are happening there," he said. "And people don't understand the company."

The stock is also under pressure, inadvertently, from the Del E. Webb Foundation, which owns 28.5 percent of the total common shares. The foundation, which is headed by Mr. Johnson, the former corporate chairman, must sell 5 percent of its holdings this year to comply with Internal Revenue regulations.

With voting control over such a large block of Del Webb shares, Mr. Johnson is in a position to second-

AT A GLANCE

Del E. Webb Corporation

All dollar amounts in thousands, except per share data

Three months ended	1982	1981
June 30		
Revenues	\$84,174	\$107,098
Net income	(884)	10,776
Earnings per share	—	\$1.13
Year ended		
Dec. 31	1981	1980
Revenues	\$414,700	\$405,500
Net income	5,300	4,100
Earnings per share	\$0.56	\$0.42

Main Lines of Business

Contribution to 1981 revenues	
Nevada hotels and casinos	59%
Other recreation activities	11%
Construction	28%
Real estate	2%

Total assets, Dec. 31, 1981	\$357,857
Current assets	59,510
Current liabilities	56,030
Long-term debt	154,416
Stock price, Aug. 10, 1982	
N.Y.S.E. consolidated close	6 1/2
Stock price, 52-week range	10% - 4 1/2
Employees, Dec. 31, 1981	8,100
Headquarters	Phoenix
(Loss)	

guess Mr. Swanson should he stumble. But Keith Turley, a Del Webb board member, said that Mr. Johnson "is not involved in any way in management decisions."

However, a sign of his continuing presence is evident at Sun City West, where the main avenue, a wide, palm-tree-lined thoroughfare, is named the R. H. Johnson Boulevard.

Reeve appointed Devco president, general manager



GEORGE REEVE

Del E. Webb Development Co. has reorganized its top management.

Robert Swanson, chairman, president and chief executive officer of Del E. Webb Corp., said George Reeve has been named president and general manager of Devco, effective immediately.

Reeve, 42, will oversee all Webb operations in Sun City and Sun City West. He previously served as executive vice president of Webb's Commercial Group.

JOE AUBIN, WHO HAD been Devco's acting general manager, has resigned.

The five-member Devco board will be composed of Swanson, chairman; Reeve; Owen Childress, executive vice president of finance, Del E. Webb Corp.; J.G. Boswell and Jim Fisher, both of the J.G. Boswell Co.

Swanson said the major management changes "are reflective of both Del E. Webb Corp. and the J.G. Boswell Co.'s long-term commitment to the development of Sun City and Sun City West.

"DEVCO WILL INTRODUCE a new home product line based on intensive market research in keeping with Webb's historic pioneering approach to resort-retirement living," Swanson said.

"The new product line will involve 11 models, some of which will be unveiled this summer with the balance scheduled for late 1982," he said.

Reeve joined Webb in 1962 as a building porter-management trainee. Within four years, he became manager of operations for the firm's commercial ventures, responsible for more than \$50 million in property.

HE WAS ELECTED VICE president of Webb in 1968 and executive vice president in 1971.

Active in civic activities, Reeve is an executive group member of the Urban Land Institute and holds membership in the Arizona Association of Realtors, National Association of Real Estate Boards and Central Arizona Chapter, Institute of Real Estate Management.

Reeve was named "Citizen of the Year" in 1975 by the Phoenix Real Estate Board and has served in key chairmanships of presidencies of the Phoenix Metropolitan Chamber of Commerce, United Way, Phoenix BOMA, Pacific Southwest BOMA, Proper Environmental Planning and Central Phoenix Redevelopment Committee.

Reeve also serves on the board of the Phoenix and Valley of the Sun Convention and Visitors Bureau. He is also a director of Home Federal Savings & Loan Association.

ON WEBB BRIDGE, ROAD

State studies further trespass suits ²⁻⁸⁻⁸⁰

By RICHARD MOORE
Staff Writer

Officials from the state land department are still trying to decide what to do about a bridge which crosses a 40-foot wide drainage ditch on El Mirage Road at Bell.

Engineers from the land department discovered last month that the bridge, built last year by the Del E. Webb Corp., is partially constructed on state-owned property adjacent to the Sun City West development area.

The land department has already filed two lawsuits against Del E. Webb and is asking punitive damages amounting to more than \$14.5 million.

BOB LANE, assistant land commissioner, has been reviewing the latest information on the bridge, which reportedly lies 18 feet on state land.

Lane said his office has not yet decided whether to ask the attorney general's office to file a separate tres-

passing suit or amend the original one filed last October in Maricopa County Superior Court.

In further developments concerning the bridge and access road used by construction crews, investigators from the attorney general's office said Wednesday that a portion of the partially paved El Mirage Road access also lies on state land.

Webb officials said the road was dedicated to the county after it was completed. However, Maricopa County Highway Department officials say there is no record that the El Mirage Road access has been dedicated to the county.

A SPOKESMAN from the attorney general's office said Del E. Webb Corp. filed application for a temporary right-of-way to construct the temporary material hauling road and that the application expires in 1985.

The official said that the actual

boundaries of the road extend beyond those stated in the original application for right-of-way; thus, the possibility of still another lawsuit looms.

Legal representatives of Del E. Webb Corp. have declined to discuss the investigation and charges so far. Ron Warnecke, chief outside legal counsel, said information concerning charges against the firm will be made public when the cases are presented in court.

ACTIONS TAKEN by the state land department against both Webb and Citizens Utilities Inc. will establish new dimensions for the department, should the state win the trespassing suits.

As the state land department receives additional powers and responsibilities through new legislation being passed, the lawsuits will set a precedent in Arizona, a department spokesman said.

Many corporations, as well as private individuals, have been guilty in the

past of trespassing and defacing state owned land. Because of the land department's relatively small staff, there has been little opportunity to seek out and prosecute violators.

NEARLY 13 percent of all the land in Arizona is under land department jurisdiction. Much of that land is considered prime real estate since many sections are located near thriving development areas.

Land department officials say they have no personal vendetta against Webb or Citizens Utilities. But, they say, the action they are taking against the two firms will start others thinking about what will happen if they are accused of trespassing or defacing state land.

"It's our responsibility to maintain the land placed under our jurisdiction," commented one state official. "It's our responsibility to the people of the state."

Suit considered on bridge 1-31-80

By RICHARD MOORE
Staff Writer

The possibility of still another lawsuit against the Del E. Webb Corp. for trespassing on state-owned land is being considered by the state land department.

The development firm built a bridge over the allegedly illegal 40-foot wide drainage ditch paralleling Bell Road near the Agua Fria riverbed. The bridge apparently crosses east onto state land.

The El Mirage Road bridge connects the north-south dirt lane with Bell Road and has been an access for construction crews entering the east side of the Sun City West development area.

A SIGN, recently posted by Webb, indicates the road is located on private land and is to be used by authorized personnel only.

After close examination by an outside contractor hired by the land department, it was discovered that 18 feet of the east side of the bridge is built on state land.

"We'll have to make an assessment of how this particular structure affects us before we decide to take any action," said Robert Lane, assistant land commissioner.

"HOWEVER, it is trespassing and eventually some sort of legitimate right-of-way will have to be worked out."

Lane said he would ask the attorney general's office either to amend the trespassing lawsuit filed Oct. 31 in Maricopa County Superior Court against Webb or file a new suit if land department officials feel the bridge is detrimental.

On Monday, the attorney general's

office filed a \$14.5 million trespassing suit against Citizens Utilities and Del E. Webb Corp. which charges them with illegally constructing sewage lines across state land from Sun City West to the riverbed.

THE ATTORNEY general's office also has requested an audit of Webb's profits from the Sun City West development area.

"That's absurd," said Ron Warnecke, Webb's outside legal counsel. "If the court was to rule in favor of the land department, they would only be able to collect three times the amount of actual damages done to the land, and that certainly doesn't come to \$14.5 million."

When asked about the El Mirage Road bridge problem, Warnecke and other Webb officials said they were unaware that part of the bridge was built on state land.

NEWS-SUN Wednesday, January 30, 1980

State sues Webb, utility for \$14.5 million

By RICHARD MOORE
Staff Writer

The state attorney general's office is asking for \$14.5 million in punitive damages from the Del E. Webb Corp. and Citizens Utilities in two lawsuits filed Monday in Maricopa County Superior Court.

The action stems from charges that the two firms trespassed on state-owned land on Bell Road near the Agua Fria River adjacent to Sun City West.

Both lawsuits are in addition to one filed last October by the attorney general's office against Del. E. Webb for constructing a 40-foot drainage ditch across the same state owned property.

LITIGATION proceedings dealing with those charges began in December.

Bob Lane, assistant land commissioner, said the two lawsuits filed Monday are the result of similar charges of trespassing and defacing state-owned property.

The most recent action alleges that Citizens Utilities and Del E. Webb "knowingly and willfully" constructed and are operating sewage force mains on the state property for the benefit of Sun City West without the permission of the state land department.

ONE OF THE suits asks \$4.5 million as a result of alleged illegal construction and operation of the force mains on state land. The second suit asks \$10

million in damages.

"The second lawsuit is tied in with the illegal use of the state land," Lane said. "The idea behind the second suit is that Del E. Webb has benefited from the illegal use of state land. The punitive damage amount being asked represents an estimated amount of that benefit."

Citizens Utilities applied for a right-of-way last summer in behalf of Del E. Webb's Sun City West development to construct the sewage mains. The land department turned down the application two weeks ago after the project had already been completed months ago.

LANE SAID that in addition to the lawsuits, the attorney general's office

will seek an audit of Del E. Webb Corp. profits from Sun City West.

"One of the things that's important about the lawsuit is that without the illegal use of the state land, Sun City West could not operate, particularly when you're dealing with the sewage mains," Lane said.

Spokesmen for Citizens Utilities—Bobby Pierce, vice-president at the company's Connecticut-based office, and Bill Raymo, general manager for the Sun City and Sun City West Water Co.—declined to comment on the allegations.

Both men said the utility company has not yet been notified of the lawsuits.

1-30-80

ON 'INACCURACIES'

10-31-79

Webb challenges state lawsuit

By RICHARD MOORE
Staff Writer

A spokesman for the Del E. Webb Corp. said today that the \$1-million lawsuit filed Tuesday in Maricopa County Superior Court against the development corporation was filed against the wrong entity.

Gerald Williams, chief legal counsel for Del E. Webb, said that the state attorney general's office filed the action against the Sun City, Calif.-based operation which has nothing to do with the firm's Arizona development.

"The substance of the matter has to do with Sun City West but the action has been filed against the wrong people," Williams said.

The suit, filed at the request of the Arizona State Land Department, charges that Del E. Webb not only

trespassed on state-owned land, but that they defaced a section of the property and dumped garbage and other debris on it as well.

The state-owned land is adjacent to the east side of Sun City West on Bell Road at El Mirage.

Russell Kolsrud, Land Department attorney with the Attorney General's office, said that the firm committed several violations.

"First, they dug a 40-foot wide drainage ditch across the frontage road knowing it was state-owned land," Kolsrud said. "On the same parcel just north of the ditch, they stripped the top soil and hauled it off to be used in Sun City West. Third, they dumped construction debris on the property—large blocks of concrete and cement, cable, asphalt, inferior-type soil and even garbage."

Ron Warnicke, Del E. Webb's outside legal counsel, said today that some of the charges are not valid.

"Del E. Webb filed for a right-of-way application June 21, 1978, to construct the drainage ditch and oral approval was given by the State Land Department. This is the way the State Land Department has done business for years and it wasn't until last summer that the state took the position they weren't going to approve it."

Warnicke added that an appraisal and determination was mailed last December to the company by Michael Steffan, sales section manager for the land department, concerning the drainage ditch and that construction of the ditch began afterwards.

Warnicke indicated that the other charges named in the lawsuit were inaccurate.

"As far as stripping the land, there was an incident where an outside contractor was taking soil from the state-owned property and using it. But as soon as Del E. Webb found out about it, they put a stop to it."

Williams said that, to his knowledge, the debris which was on the land had been removed and that the property had been restored.

"We even cleared some garbage that I know didn't come from our construction crews."

Del E. Webb must file answers to the complaints within 20 days, according to Kolsrud. He added that interrogatories or questions concerning the firm's conduct, have also been requested by the Attorney General's office and that the company has 45 days in which to answer them.

10

Thursday, January 17, 1980

Trespass suit asked against utility

By RICHARD MOORE
Staff Writer

The state Land Department Tuesday asked the attorney general's office to file a trespassing suit against the Phoenix-based Citizen's Utility Co.

Citizen's Utility, which handles sewage disposal and treatment for Sun City and Sun City West, reportedly will be charged with criminal trespassing resulting from a construction project on state owned land adjacent to the Agua Fria riverbed near Sun City West.

Robert Lane, assistant land commissioner, added that Del E. Webb Corp., already being sued by the land department for similar charges involving criminal trespass and defacing state owned land, also will be named in the suit against the utility company.

WEBB OFFICIALS said Wednesday they are aware of the situation with Citizen's Utility, but were unable to clarify how they were involved with them.

Lane said information land department officials have obtained so far indicates that Del E. Webb Corp. entered into an agreement with the utility company to construct a waste disposal plant at the riverbed.

Lane said the utility company filed a right-of-way application with the land department last summer to construct a sewage drainage ditch across the state land from Sun City West to the waste disposal plant. However, Lane said the application was denied several weeks ago.

AN OFFICIAL from Citizen's Utility,

Lacey Marion, was contacted Monday by the News-Sun. Mrs. Marion said she knew nothing about the charges. Since then, no one from the company could be reached for comment.

Meanwhile, Gerald Williams, Webb's chief in-house legal counsel, responded Wednesday to comments land department officials made last week about the way Webb's attorneys answered a recent interrogatory submitted to them.

The interrogatories, or questions concerning the firm's conduct, stem from the \$1 million lawsuit filed in Maricopa County Superior Court Oct. 31 charging Del E. Webb Corp. with criminal trespassing and defacing state-owned land.

LAND DEPARTMENT officials said that Webb's attorneys failed to answer

a number of questions in the interrogatory.

"Some of the questions (the attorney general's office asked Webb) were fairly stupid," Williams said. "For instance, to paraphrase one which asked, 'How many of the above questions have you answered truthfully?' would be ridiculous to even answer."

Ron Warnecke, Webb's outside legal counsel, said many of the questions simply weren't applicable.

"We answered all of the questions in one way or another," Warnecke said. "Several didn't even apply because the first part of the question may have required just a yes or no answer, and would not have warranted additional explanations asked in following questions."

OVER

A Land Department aerial photo of Sun City West at Bell Road near the Agua Fria riverbed shows state owned property where the Del E. Webb Corp. allegedly committed criminal trespassing acts. Arrows indicate the 40-foot wide drainage ditch constructed from Sun City West to the riverbed across the state land. North of the ditch is an area which has been stripped of valuable top soil. Robert Lane, assistant state land commissioner, said that an outside firm contracted by the Webb Corp. took the soil from the state land and used it in a construction area in Sun City West. The state land department filed a \$1 million lawsuit against Webb in Maricopa County Superior Court Oct. 31, charging the firm with defacing state-owned land and criminal trespassing.



IC

(Section D) Page 17

THE ARIZONA REPUBLIC

Sunday, April 9, 1978

Weathers turbulent times

Webb Corp. financially strong as its 50th anniversary nears

The Del E. Webb Corp. is approaching its 50th anniversary in apparently good order after some emotionally and financially painful recent years.

The company was founded by its near-legendary late namesake sometime in July 1928, the official company history has it. Webb was working as a carpenter for a contractor on a grocery store when the contractor skipped and the grocer asked Webb to complete the job.

Webb took the company to \$307 million in sales in 1974, the year he died, along the way giving the nation Sun City, the world-famous retirement community; colorful years as a co-owner of the New York Yankees professional baseball club; some public diversion as the owner and operator of Nevada hotels and casinos, and perhaps hundreds of billions of dollars' worth of public and commercial buildings and projects.

Since his death, the company has grown by half as much again—nearly \$425 million in sales and markedly improved earnings in 1977 after struggling through the process of ridding itself of losing properties, particularly in the second-home and retirement community market.

The company also has found some of its business associations questioned and its management challenged by minority shareholders, in both cases in public.

Webb's chair has been occupied by company veteran and longtime close associate Robert H. Johnson, chairman of the board, president and chief executive officer, trustee of the Del E. Webb Foundation and executor of Webb's estate.

Johnson, in the 1977 annual report to shareholders just released, described the company's position thus: "The objectives your management set several years ago to dispose of loss operations and to seek new growth opportunities consistent with our basic lines of business have proven eminently successful.

"We have strengthened our financial condition, initiated cash dividends, enhanced our earnings potential and paved the way for continued growth.

"With such a solid base to build upon, plus the contributions of our dedicated employees and confidence of our shareholders, we anticipate another good year in 1978."

For Del E. Webb Corp., 1977 was the best in the company's history. Revenues were \$424,748,000, up 31 percent from the \$323,062,000 reported in 1976, an increase for the second straight year after three spotty years in a row.

Net earnings last year were \$13,366,000, equivalent to \$1.51 a share, compared with \$5,088,000, or 61 cents, in 1976. (The company took a write-down of 39 cents per share from losses on divestitures in 1976.)

The year saw a return to near historical normal distribution of profits among the company's lines of business after three years of the Nevada hotels and casinos carrying the load, offsetting losses in Webb's non-Sun City real estate operations.

The Nevada properties contributed 57 percent of Webb's earnings before taxes, interest and general corporate expenses in 1977, compared with shares above 90 percent in 1974, 1975 and 1976.

The 1977 performance led to declaration at midyear of the first stock dividend in the company's history, a payout of 5 cents a share that has been repeated each quarter since.

Johnson, who joined the company in 1935 as a 19-year-old timekeeper on a dormitory construction project at what has become Northern Arizona University in Flagstaff, recently discussed the state of the corporation in an interview in his offices on the 17th floor of the Del E. Webb Building. The structure is part of the Webb-built Rosenzweig Center at Central and Clarendon, which the corporation co-owns with Harry and Newton Rosenzweig, whose family owned the land.

The corporation, Johnson said, is aiming for the immediate future to complete its expansion plans for its resort hotel and casino properties in Nevada.

Sun City West, the second and larger phase of the retirement community northwest of Phoenix, launched early this year, is "gobbling up land like crazy," he said.

Continued on Page D-20 - MISSING



Robert H. Johnson

More about Webb firm is in its 50th anniversary year

Continued from Page D-17

The 130,000-acre project, co-owned with the J. G. Boswell Co., Webb's only major remaining land holding, soon will reach a pace of 20 home completions a day, a level tied largely to the pace of sales, he said.

The company also is pursuing its contract construction and commercial property management businesses, running its other hotels including the TowneHouse and Mountain Shadows in the Valley, and developing its facilities at Lake Powell.

The Powell properties are among the latest acquisitions of the company. Webb lacks one marina to have control of all the public facilities there, and is negotiating for that one, he said.

The expansion at Wahweap on the lake is awaiting development by the National Park Service of additional sewage facilities there. The park service regulations won't permit more facilities for visitors until the park's capacity to handle them is improved, he said.

That is a manifestation of the governmental over-regulation that is one of the company's greatest frustrations, Johnson said, calling the Environmental Protection Agency in particular "one helluva problem" that is "going to get worse before it gets better" with its concerns about automobile pollution.

The company, he said, is not seeking any mergers or major acquisitions at this point.

Webb officials are "monitoring" the situation in Atlantic City, N.J., which is in the early stages of developing facilities for its newly legalized gambling industry, but the licensing red tape is "tough," he said. Webb might consider managing gambling properties for someone else there,



Del E. Webb in 1973 official photograph

he added, but it will be difficult to make acquisitions or obtain financing for new projects there.

Johnson said he had no comment on the most recent development on the company's financial front, the acquisition in March by Ramada Inns Inc. of 629,600 shares, amounting to approximately 7 percent, of Webb's common stock for \$10 million.

He said there had been no previous connection between the two firms in modern years, although early Ramada owners and Webb had been involved in a string of motels.

Ramada bought the stock in a block from a group of dissidents including entertainer Frank Sinatra, Las Vegas newspaper publisher Hank Greenspun and Milton A. "Mickey" Rudin, a Beverly Hills attorney who represents Sinatra and has represented Greenspun.

The stock sale and subsequent resignation from the Webb board of directors by Rudin, a

seat he won in a proxy fight last year, were the latest in a series of public hostilities between the two interests.

Rudin and his associates have accused the Webb top echelon of mismanaging assets, mainly not fully developing the Nevada hotel-casino properties, and of a conflict of interest on Johnson's part as corporate chief executive, foundation trustee and Webb estate executor. The estate reportedly controls approximately 35 percent of the stock, giving Johnson a powerful hand in the firm.

Johnson said Rudin takes credit for forcing the company to sell off its losers and rejuvenate the gambling properties when in fact those moves were "in the mill" when Rudin began taking an interest in the company.

The fight may not be over. Lawsuits flung by both sides have not been fully resolved.

Disposing of failing properties isn't as easy as some think, Johnson said — the Fresno, Calif., TowneHouse hotel and office property was

"sold" four times before it "stayed sold," he said.

It took five years to find a buyer for Sun City, Fla., he added.

Johnson appears to be running the company with a strong grip from the N. Central office, his home in California and company properties in between. (He served many years in California as head of Webb's construction operations there.)

Although corporate bylaws call for executive retirement at 65, Johnson gave no indication he expects to leave when he hits that point next Feb. 26.

The Phoenix native, who likes to point out he is "only the second" chairman in the firm's history, said the company is "grooming people from within" to succeed him whenever that time comes.

Johnson's hold on the company is at a zenith reached since he took over the presidency in 1967 from Webb, who had held it for about a year in addition to being chairman after L. C. Jacobson, longtime No. 2 in the company, and T. F. Hetherington, senior vice president and general counsel, resigned in 1966.

Those immediately under Johnson include Owen F. Childress, executive vice president for finance and treasurer, who has been with the firm since 1951; executive vice presidents Frederic P. Kunitz, William P. Collins and George W. Reeve and senior vice president A. S. Guizot.

Johnson said the firm is not big on resting on achievements that include:

—Being the first large publicly held corporation to enter the Nevada hotel field (in 1961, a year after the company went public. The stock was accepted for listing on the New York Stock Exchange in 1963).

—Building a complete new "company town," San Manuel in central Arizona, in the early 1950s to replace Ray, which was torn down by the mining company that owned it to develop the ore body under it.

—Developing Phoenix' first shopping center, Uptown Plaza, and developing the Southwest's first shopping center with an enclosed and air-conditioned mall, Chris-Town.

—Building such local landmarks as Rosenzweig Center, the Phoenix Civic Plaza Convention Center, the Maricopa County Hospital, the Phoenix Main Post Office on E. Buckeye Road and the pyramid marker on Gov. George W. P. Hunt's tomb in Papago Park, along with a number of commercial and public projects in other western states.

At the same time, the company has not been without its unwanted moments in the limelight.

In addition to the attacks by Rudin and Greenspun, the company drew some attention in a series of newspaper

articles about organized crime in Arizona by the Investigative Reporters and Editors Inc. in 1977.

The IRE said its investigation had shown that the Del E. Webb Corp. had been "an active business partner with organized crime figures" in Nevada.

At the time, Johnson denied the published allegations, calling them "irresponsible, historically distorted, inaccurate and rife with misleading insinuations and innuendos" and defending Webb's memory.

That memory lives on in the company well beyond the legacy of the name he left on it.

At the TowneHouse (Del Webb's TowneHouse, to be precise), a full-color portrait of Webb hangs over the desk, accompanied by a plaque with this inscription:

"Mr. Webb was a legend in his own time. A quietly colorful man, warmly human, inherently honest, with a creative business imagination. . . . His friends came from all walks and stations of life, from U.S. presidents to common laborers."

IC

Feb. 1, 1978—

SHARP INCREASE OVER PREVIOUS YEAR Feb. 1, 1978

Webb Reports Record Earnings Of \$13.3 Million

Del E. Webb Corporation has reported record net earnings for 1977 of \$13,370,000, or \$1.51 per share, up sharply from 1976 net earnings of \$5,088,000, or 61 cents per share.

The 1976 figure reflects write-downs of 39 cents per share relating to the divestiture of marginal operations. Thus 1977 represents an increase of 163 percent in net earnings and 148 percent in earnings per share.

Revenues increased to \$425,300,000 in 1977 from \$323,600,000 the year before.

For the fourth quarter

of 1977 the Sun City developer registered net earnings of \$2,540,000, or 28 cents per share, on revenues of \$112 million. This compared with a loss in 1976's fourth quarter of \$1,240,000 or 15 cents per share, on revenues of \$78.2 million. The loss in the 1976 quarter was attributed to the \$2,870,000 after tax, or 34 cents per share, in write-downs.

Robert H. Johnson, chairman and chief executive officer, said that all company entities proved profitable in 1977. The largest earnings were from its Nevada hotel-casino operations. John-

son said that considering the momentum of 1977, another good year can be expected in 1978.

Webb's directors declared a 5-cent cash dividend per share on its common stock payable March 31, 1978, to holders of record at the close of business March 10, 1978.

Webb Corporation, headquartered in Phoenix, is a diversified company engaged in hotel-casino ownership and management, general contracting, and real estate development and management.

APR 18 1984

MAR JON

Devco seeks to hit all marketing bases

W3
Second of two parts
By MIKE GARRETT
Financial Editor

It's one thing to decide that you have to present your product to the public if you're going to sell it to anybody.

But with the retirement dollar competition getting tougher, you better know when and where to invest advertising dollars for maximum return.

In that respect, Del E. Webb Development Co. has virtually saturated the Valley with its "Incomparable" Sun City West ad campaign.

BUT DEVCO is still relatively new in marketing its product and a lot of research is yet to be done, according to Don Tuffs, Devco vice president of marketing.

"A big part of the marketing area that we're just getting into is the research," said Tuffs. "We've never really had any kind of defined research out here. We've had a few projects here and there to help us make a decision or put out a fire or something like that.

"But now we're putting out a strategic research plan for the company so we'll have a lot of statistics."

DEVCO HOPES the research will show the company why people move to the Sun Cities, what they like and dislike after they're here and the response they have to various Devco community promotions.

Tuffs and his staff already know from previous research that the Sun Cities lifestyle, the recreational amenities and everything the community has to offer is the No. 1 reason retirees

move here.

It's no coincidence that a recent Western Savings survey for its Forecast 84 series showed that Sun Citians were the most satisfied of any Valley residents in how they perceive their community and the services it offers.

"**FOR THESE** people, the only reason they have to leave here as far as shopping is to buy a car. Everything else is here," said Tuffs.

Devco's challenge is getting them here in the first place.

From October 1983 through April 1984, a period encompassing the prime winter visitor season, Devco's total campaign media budget, including contingency allowances, was set at \$700,000.

"**OUR CREATIVE** strategy was to convince our primary target audience—both winter visitors and local residents—that Sun City West stands substantially above its competitors in quality," said Tuffs. "The challenge is clearly one of putting Sun City West on the visiting list of as many people as possible.

"We have found that the majority of buyers have chosen our community once they have seen first-hand what Sun City West has to offer. Our advertising seeks the position that Sun City West is the one adult community without equal, without comparison, in other words the incomparable adult community.

"We realize people are skeptical of both claims so we devised the campaign strategy built upon the natural believability of our own Sun City West home-



DON TUFFS

owners. We feel the use of real Sun City Westers' endorsements underscores the authenticity of our message."

TUFFS SAID the campaign media mix targeted in the Phoenix metropolitan area utilizes spot television as a primary medium with additional support from outdoor billboards, local newspapers, radio and magazines. A contingency budget was also created to cover unforeseen advertising needs and or opportunities such as when a half-price spot was unexpectedly offered to Devco on "60 minutes" following this year's Super Bowl.

Tuffs estimates that Devco's

media message reaches an average of 85 percent of the 50-plus adults in the Phoenix area 11.3 times a month.

To accomplish that, Devco carefully picks its times and spots, advertising with 60-second radio spots on stations like KTAR, KMEQ, KQYT, KLFE and KHEP which have the heaviest senior citizen listenership. The last 10 seconds of the ad promote a current event, such as the PGA Seniors Golf Tournament.

SOME 75 (including 15 permanent) outdoor billboards distributed throughout the Phoenix area supplement local TV and radio support and increase local message frequency. Special emphasis is concentrated along approaches to Sun City West, in north-central and northeast Phoenix, in the visitor heavy Scottsdale-Mesa area and around the airport.

Tuffs noted that in marketing, it's important to chart the effectiveness of one's campaign. Devco monitors its success (or failure) through several channels, maintaining weekly traffic counts of visitors viewing models.

"We also chart the number of sales presentations and new sales from week to week to find out if we're attracting the right demographics. And finally we poll residents and visitors in

three Valley shopping centers to determine the effectiveness of our various media forms in reaching our target audience. "WE ASK them if they can recall the Sun City West advertising message and theme line. We also check the effectiveness of competitive advertising."

In addition to the research studies, Tuffs said Devco is getting more free publicity than ever before, about \$3 million worth, including the Phil Donahue Show and hundreds of national publications.

Devco doesn't neglect community relations activities, either. "They play an important role in our overall marketing strategy, recognizing that resident referrals account for more than two thirds of all home sales, our activities within the community such as the recent golf car rally are as important as our outside marketing."

FINALLY, Devco seeks to promote the great diversity of living in the state of Arizona. "With many Sun City West visitors also visiting the state for first time, we feel it's extremely important to sell them on the state of Arizona. So we put

together a 14-minute projector slide show theme on the seven wonders of Arizona."

And for those people who aren't initially sold on the merits of Sun City West, Devco has announced it's building 62 rental apartments with groundbreaking expected this month. The project will also give Devco continued cash flow.

"We get a lot of prospective customers who come in on vacation specials," said Executive Vice President Paul Tatz. "We've found a lot of people don't buy on their first visit and other people for a lot of reasons aren't ready to make that sizeable commitment to uprooting and changing their lifestyles.

"One of the ways we can compete with Phoenix and Scottsdale is offering a sampling of the lifestyle for an extended period of time. We have some strict guidelines we have to put in that is acceptable to the community such as requiring minimum one-year leases, unfurnished, rec center memberships, senior citizens overlay, and we have to build them in the same mold as our garden apartments."

10

Del Webb, one of the biggest, big-time contractors

'I don't think anybody can stop progress'

By WILLIAM OVEREND

It would be a beautiful view, up there on the 17th floor, except that the smog's bad this morning, and looking east it's kind of hard to see exactly where Camelback Mountain stops and the sky begins. It doesn't matter, though, because the curtains are closed, like they almost always are in Del Webb's office, even when the sky is blue instead of brown. Del Webb says he doesn't look out the window much. He's got other things to do.

He's at his desk in his office on the top floor of the Del. E. Webb Building, 3800 N. Central, talking about Phoenix and how it's grown, and whether that's good or bad. "You have to go along with the times," Webb is saying. "I don't think anybody can stop progress. You try to stop progress and you're in trouble."

But that's exactly the point. Down there in the smog, some people have started saying maybe progress isn't so good, not when all it means is more people, more cars, more time to get to work, more kids in the schools, more freeways, less empty space. It's not just a polite little disagreement, either. It gets a bit emotional and sometimes a bit irrational down there in the traffic jams. Sometimes the people start looking for villains to put the blame on. And when that happens, sooner or later, the talk gets around to the builders, the land developers, the men like Delbert Eugene Webb.

You get the impression Webb honestly can't even understand how people can take that view. To Del Webb, growth is inevitable. It's silly to talk about stopping it. For one thing, that would be impossible. But more importantly, it would be unwise. Growth, as Webb sees it, is a positive good in and of itself. "You can't stop growth," he says. "I look at this town, and I want to see it grow. I want to look into the future, and not worry about all the problems you might have. You've got to be aggressive, and look at the good things that come with growth"

He's not quite what you'd expect. You're prepared for a rougher exterior, a lot of quick energy, fast movement. After all, this man is the best known of the major contractors, still always on the move, flying all over the country, seldom in the same city more than two or three days, 8,000 employes scrambling around with their hammers and slide rules all over the world, building new hotels, new towns.

But all the same, Webb is 73 years old. And even though he's a long way from the horse-shoe team out at Sun City, he's got to take it a little slower than younger men. And that's what you notice first. It's almost like he's conserving his energy, possibly a trait learned long ago. He moves slowly across the room. He speaks slowly. He speaks softly, too. And his movements are deliberate, almost slow motion.

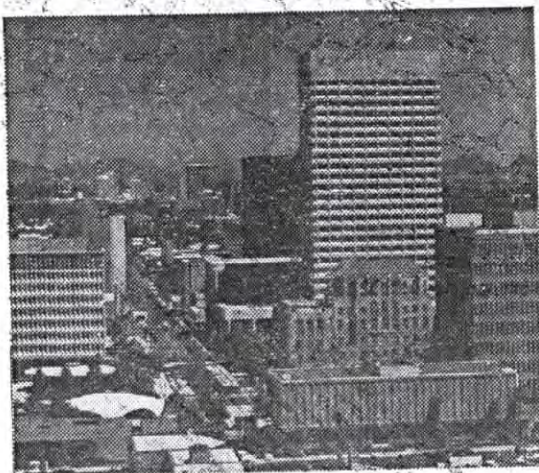
"You just can't look at growth as something bad," Webb is saying. He's sitting there, taking a phone call every few minutes, just a faint resemblance to Lyndon Johnson, about as tall, six foot four, but thinner, trimmer. He's got a hard-bottomed chair specially built for him because he doesn't like soft cushions, never has. They always make a point of what a sharp dresser Webb is, this high school dropout, how he owns 150 or so suits and keeps matching wardrobes in New York, Los Angeles and Phoenix. The suit he's wearing now is a pin-stripe, and it makes you think of Webb's baseball days and the old Yankee uniforms. It's been almost eight years since Webb sold his half of the Yankees, but reminders of those baseball years are everywhere in the office, from a pile of souvenir Louisville Sluggers in the corner to Webb himself, the way he talks.

"It's the same old question of whether or not your modern day ball player is better than the old time stars," Webb says, talking about the growth question. "Me, I like to see the modern-day players with their modern equipment, and all the benefits they've got now. Not like some of those old guys who ended up drunks." Webb starts to warm up with the baseball analogy. "Take some of the folks out in Sun City," he says. "A lot of people don't want to see it grow. But you can't stop it. There's no way."

Webb frequently is described as a shy man. Somebody once called him "the bashful Barnum." Some others have described him as cold and impersonal. One of his former top executives, L. C. Jacobson, said after leaving the company in 1966: "To me the company was a means to an end. To Del, it's his whole life. If he has one flaw it's that he really has no other interests." It's clear in even a brief conversation that that's not true. Jacobson forgot to mention baseball. Webb constantly finds a way to bring it up, the old semi-pro pitcher-carpenter who went on to own his own big league team and big time company.

In Webb's office, for example, there are many more reminders of his years in baseball than of the buildings and the entire communities that he has built. The baseball bats are on one end table, 14 of them, each standing for a Yankee pennant or World Series win, all of them autographed, the great old Yankee names, Mickey Mantle, Yogi Berra, Whitey Ford. On the same table, a little plastic statue of Mantle, the kind you might pay 79 cents for if they sold them in a dime store.

The rest of the office is simply furnished. Junior vice presidents at companies one-tenth the size have flashier furnishings. There's a



big custom-made desk, but nothing fancy. The carpet is red, walnut paneling along one wall, three black leather channel back chairs facing Webb's, two others up against the wall, all black leather. At the west end of the room, a couple of couches. Overhead, an Elaine Michelsen mural showing the pyramids being constructed, one of the few big development projects Webb missed out on. Jerry Starr was the man who selected the furnishings. He's a salesman for PBSW Office and School Products. "Yes, it was a pretty modest order," he remembers. "I'd say it pretty much fits the character of the man."

But the character of the man is a bit more elusive than that. He avoids volunteering any clues to his personal feelings. Ask Del Webb what he thinks is the greatest achievement of his life. Webb thinks a minute, then answers: "I think the greatest thing our company ever did was move the Japs out of California. We did it in 90 days back in the war." Or ask Webb whether he has any regrets as he looks back over his life. Again, a pause. Then he says he thinks he should have taken a tougher line in opposing the expansion of the major leagues.

Webb has been married twice, to his present wife since 1961. He has no children, and he says that's not a regret. He says he's wondered from time to time whether, if he had raised a family, he'd be where he is today or still maybe just a carpenter. "I guess I've been a little freer in moving around," he says. "I'm not saying it's the best way to live. But I'm used to it." Webb really was a carpenter here, 45 years ago. He left California for Phoenix in 1928. And he got his first job here helping to build the Hotel Westward Ho. Then, for a few years, it was small-time construction, but always growing.

(Continued on Page 4)



"I want to see the town grow"

page design ☆ John Wallace



Del Webb

It would be impossible to stop growth

Continued from Page 1

BACK THEN, of course, it was taken for granted that growth was good. It was right up there with motherhood and irrigation. But that was before the boom, with the 1940 Census putting the Phoenix population at just over 65,000. It was before the growth explosion of the '50s and '60s. It was before the projections of millions more new residents in the decades to come. The situation hasn't come full circle, not in the sense that those responsible now think that growth is bad. But there

is consensus now that growth must be planned and that the planning has to be good. Webb strongly shares that view.

"Everybody likes to remember the good old days when you knew everybody in town," Webb's saying. "I like to remember the days when I knew the names of all the people in my company. But that's the price you have to pay. When I was first working here, I used to come home at night and try to eat my din-

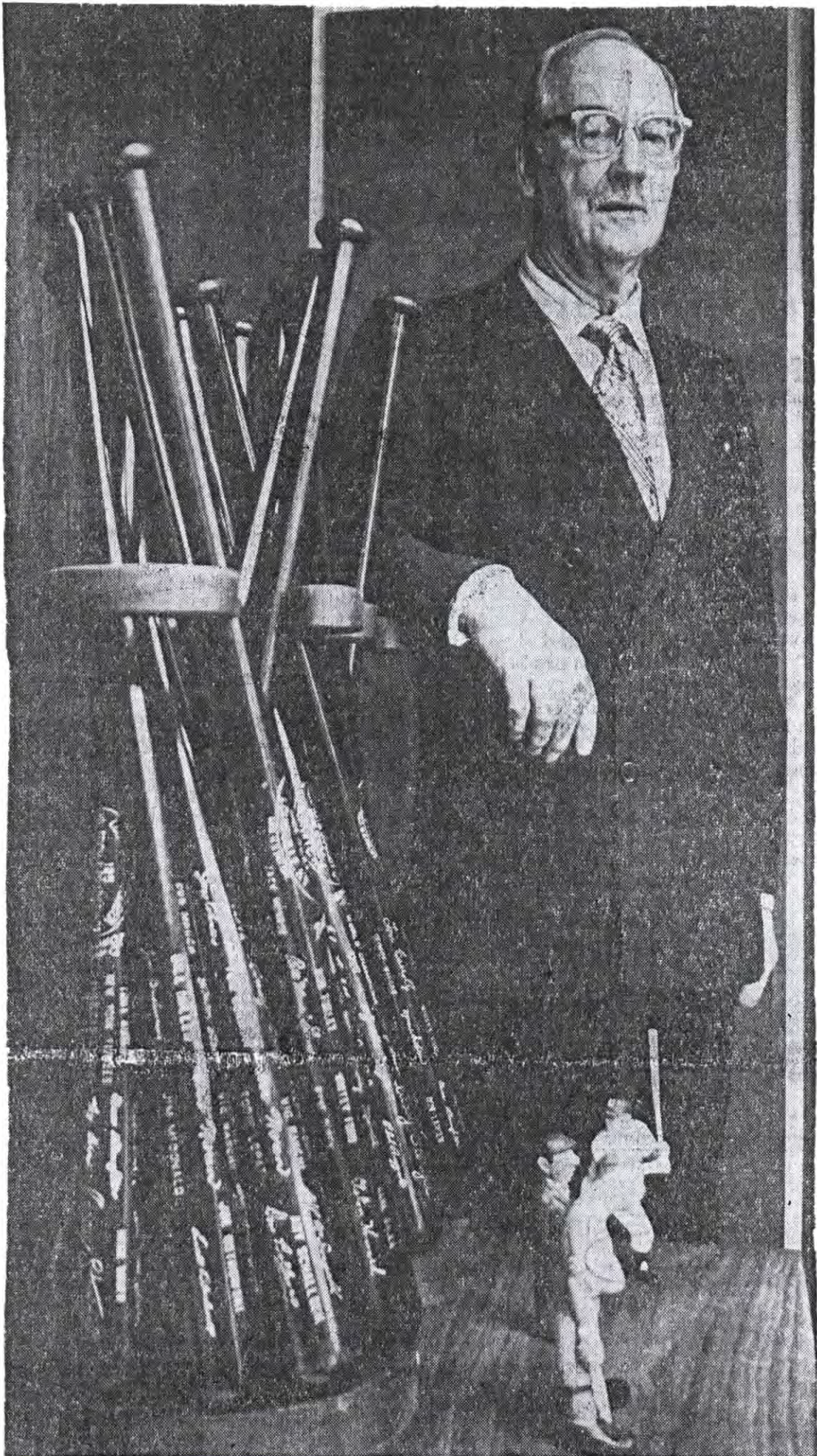
ner, sitting there in my shorts and the perspiration would come running down and almost ruin my dinner. I look back and I don't know how some of those people lived back then. Life's not so bad now, when you think back to some of that."

WEBB'S AN expert on growth, of course. He's made a couple hundred million dollars because of it over the years. He's even got a theory about growth, what might be

termed the meteorological concept of population growth. "You've got one thing here," Webb says. "You got climate. Let's go back to history. Take the Greeks. Now you know, back in those days, whenever there was a war whoever was victorious took Athens. You know why? The climate."

Phoenix is going to keep on growing, Webb says, there's no way to stop it, you simply have to plan for it. He's polite as he talks about what

some people see as the problems of growth. But it's clear Webb sees it all in different terms. After all, his whole career, his every success, have been dependent on growth. That smog down there may bother some. But on the 17th floor, where the curtains are closed, Del Webb says it doesn't bother him. He says you'll never have the smog problem here that you have in Los Angeles because there's always a good wind here to lift it out.



Republic photos ☆ Lud Keaton

Builder Del Webb still likes to talk about the baseball years



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Del E. Webb Development Co., L.P.

Del E. Webb Communities, Inc. — Lic. Broker

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TERRY CONRAD



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Keep me on your mailing list Yes No

Is Sun City West in your future plans? Yes No

If "Yes," when? _____

**PLEASE SEND
THE SUN CITY WEST, ARIZONA STORY TO:**

Name _____

Address _____

City _____ State _____ Zip _____

Phone (____) _____

Name _____

Address _____

City _____ State _____ Zip _____

Phone (____) _____

Name _____

Address _____

City _____ State _____ Zip _____

Phone (____) _____

002R9/87 50M

RON FRIEST

PLEASE SEND THE STORY OF SUN CITY WEST TO:

(Please Print)

Name _____

Address _____

City _____ State _____ Zip _____

Retirement Date _____ Phone (____) _____

Name _____

Address _____

City _____ State _____ Zip _____

Retirement Date _____ Phone (____) _____

Name _____

Address _____

City _____ State _____ Zip _____

Retirement Date _____ Phone (____) _____

RECOMMENDED BY:

Name _____

Address _____

City _____ State _____ Zip _____

Retirement Date _____ Phone (____) _____

O132R7/87 25M

RON FRIEST

COLOR SCHEDULE

SUN CITY, ARIZONA

Subdivision Sun City #4 Lot No. 641 Plan & Elev. 17-C Sequence No. 364
DC

EXTERIOR

Masonry Walls Hopi White Eaves and Trim Hopi White Carport Fence, Storage & Gable End Siding Hopi White
 Shutters NONE Sash Surrounds Catalina Green Fencing NONE
 Pot Shelves NONE Front Wall Siding (LR) Catalina Green Front Wall Siding (BR) NONE
 Front Door Catalina Green Rear Door Catalina Green Roof Silver White

INTERIOR

WALL & TRIM PAINT	CEILING	ASPHALT TILE	MARBLE VANITIES	CERAMIC TILE
Hall Bath <u>Sunny Yellow</u>	Same As Walls	<u>D-2601</u>	<u>BEIGE</u>	<u>#105-0 Ivory</u>
B. R. Bath <u>Pearl Gray</u>	Same As Walls	<u>D-2225</u>	<u>GRAY</u>	<u>#129-0 Blue</u>
Kitchen <u>STONE</u>	Off White	<u>C-452</u>	<u>(Utility same as Kitchen)</u>	<u>#217 Catmeal</u>
Leisure Room <u>STONE</u>	Off White	<u>C-452</u>		Inlay # <u>45.P. (Tea Pot on # 217)</u>
Living Room & Hall <u>STONE</u>	Off White	<u>B-405 (Brown/A)</u>		
Bedroom #1 <u>Pina White</u>	Off White	<u>B-405</u>		
Bedroom #2 <u>HORIZON Blue</u>	Off White	<u>B-405</u>		
Bedroom #3 <u>—</u>	Off White	<u>—</u>		

KITCHEN CABINETS TEAK FORMICA TOP 29-5-87-Champagne
 **All finishes subject to variation in shade. Spindrift

Dishwasher TURQUOISE Remarks _____

This is your copy.

	✓	Cr.	Chg.
Bookkeeping			
Housing			
Project Sup't.			
Sun Valley Tile			
Silvey			
King			
Sun Control			
File			

NOTE: DUE TO THE NECESSITY OF ORDERING MATERIALS IN ADVANCE OF CONSTRUCTION AND IN ORDER TO AVOID POSSIBLE ERRORS IN PROCESSING, REVISIONS OF THIS CHART CANNOT BE ACCEPTED.

SIGNATURE: (SIGNED) J. F. Rice

BY: Louis C. Lenzgar

DATE: 8-26-63

COLOR SCHEDULE

SUN CITY, ARIZONA

Subdivision #4 Lot No. 641 Plan & Elev. 17-C DC. Sequence No. _____

EXTERIOR

Masonry Walls HOP, WHITE Eaves and Trim Hopi White Carport Fence, Storage & Gable End Siding Hopi White
 Shutters None Sash Surrounds CATALINA GREEN Fencing None
 Pot Shelves CAT GRN Front Wall Siding (LR) CATALINA GREEN Front Wall Siding (BR) None
 Front Door CAT GRN Rear Door CAT GRN Roof Silver White

INTERIOR

WALL & TRIM PAINT	CEILING	ASPHALT TILE	MARBLE VANITIES	CERAMIC TILE
Hall Bath <u>SUNNY YELLOW</u>	Same As Walls	<u>D-2601</u>	<u>BEIGE</u>	<u>#105 IVORY/CIRCLE</u>
B. R. Bath <u>PEARL GRAY</u>	Same As Walls	<u>D-2225</u>	<u>LIGHT GRAY</u>	<u>#129 BLUE/CIRCLE</u>
Kitchen <u>SPRAY GREEN</u> ^{STONE}	Off White	<u>D-630 452</u>		<u>#217 OATMEAL</u>
Leisure Room <u>STONE</u>	Off White	<u>C-452</u>		Kitchen Inlay # <u>#4 S.P. (TEA POT)</u> ^{BW}
Living Room & Hall <u>STONE</u>	Off White	<u>B-405</u>		
Bedroom #1 <u>PIMA WHITE</u>	Off White	<u>B-405</u>		
Bedroom #2 <u>HORIZON BLUE</u>	Off White	<u>B-405</u>		Marble vanity tops available in <u>Beige</u> or <u>Grey</u> .
Bedroom #3 <u>----</u>	Off White	<u>----</u>		

KITCHEN CABINETS TEAK FORMICA TOP WHITE SPENDRIFT 11-3-1
 **All finishes subject to variation in shade. ALT CHAMPAGNE 29-3-87

Dishwasher OPEN Remarks YOUR COLOR SKED INCOMPLETE
 Optional sculptured panel insets for the baths (see bath pictures) are available in white only and in either a Star or Moon design. Please indicate whether or not you would like these insets, and in which design.
 Please fill out your chart in full, sign and return one copy to us in the enclosed Air-Mail envelope. Return Kit in the manila envelope provided. Thank you.
(as soon as possible)

	✓	Cr.	Chg.
Bookkeeping			
Housing			
Project Sup't.			
Sun Valley Tile			
Silvey			
King			
Sun Control			
File			

NOTE: DUE TO THE NECESSITY OF ORDERING MATERIALS IN ADVANCE OF CONSTRUCTION AND IN ORDER TO AVOID POSSIBLE ERRORS IN PROCESSING, REVISIONS OF THIS CHART CANNOT BE ACCEPTED

SIGNATURE: _____
 BY: _____
 DATE: _____



The Rutledge \$14,550
 Plan 17-C. 2 Bedrooms, 2 Baths, Leisure Room, built-in range and oven.

DEL E. WEBB DEVELOPMENT CO.

P. O. BOX 555
SUN CITY, ARIZONA



Mr. and Mrs. J. F. Rice
3264 San Simeon Court
Reno, Nevada

COLOR SCHEDULE

SUN CITY

SUB-DIVISION Suncity-Unit #1

LOT NO. 304

PLAN & ELEVATION 2-C

SEQUENCE NO. 340

EXTERIOR

MASONRY WALLS Haze Gray EAVES & TRIM PIMA WHITE SHUTTERS Pebble Pink
 STORAGE & GABLE END SIDING PIMA WHITE POT SHELVES _____ SASH SURROUNDS _____
 FRONT WALL SIDING _____ FRONT DOOR white REAR DOORS white ROOF White

INTERIOR

PAINT

WALLS & TRIM	CEILING	ASPHALT TILE	CERAMIC TILE
Hall Bath <u>Fashion Pink</u>	Same as Walls	<u>#751 confetti</u>	<u>#137 Granite</u>
B.R. Bath <u>_____</u>	Same as Walls	<u>_____</u>	<u>_____</u>
Kitchen <u>Lark Blue</u>	PIMA WHITE	<u>#751 ^{confetti} Bl/white</u>	<u>#200 white</u>
Living Room & Hall <u>Pima white</u>	PIMA WHITE	<u>Delete b.r. only - lay Entire Hall with #751 same as Kitchen + Bath</u>	
Bedroom #1 <u>Pima white</u>	PIMA WHITE	<u>Delete</u>	
Bedroom #2 <u>Pima white</u>	PIMA WHITE	<u>Delete</u>	
Bedroom #3 <u>_____</u>	PIMA WHITE	<u>_____</u>	
Kitchen Cabinets & Doors <u>w-1 white</u>	Kitchen Ceramic Tile Inlay <u>Jewel</u>		
Consoweld Breakfast Bar <u>_____</u>	Bath Vanity Marble Top <u>Gray</u>		

REMARKS _____

	✓	Cr.	Chg.
Bookkeeping		16 ⁰⁰	
Housing		<u>Deleted Floor Tile</u>	
Project Sup't.			
Sun Valley Tile			
Cluer			
King			
Sun Control			
File			

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SIGNATURE: Ruby E. Clubb

BY: Mary Jane Green

DATE: Sept 23, 1960

September 19, 1960

DEL E. WEBB DEVELOPMENT CO.
Sun City, Arizona

TO: All Home Buyers in Sun City

FROM: Mary Jane Green, Color Consultant

Please read the following carefully, as I believe this will answer many of the questions you have and perhaps will help you in making some decisions before you see me for your final selection of colors:

APPOINTMENTS:

Appointments are taken from 9:00 A.M. until 4:00 P.M., Monday through Friday.

To avoid waiting, we prefer that you call in advance for an appointment. However, if your time is limited, we will make every effort to see you whenever you are here.

EXTERIOR MASONRY COLOR:

We try, as nearly as possible, to have the masonry on no two houses painted the same color next door to one another. If you have a particular color in mind, ask your Salesman if it is available. If so, we will reserve that color for your lot.

FLOORING:

The floors in your new home are covered throughout with asphalt tile -- light colors for kitchen and baths, dark colors ONLY for balance of house (Dining-Living area, Hall and Bedrooms).

Lighter colors in asphalt tile may be installed in balance of your house at additional cost.

Vinyl-Asbestos flooring may be installed in any area of house at additional cost. Prices will be quoted on request.

Asphalt tile may be deleted from livingroom, hall and bedrooms for future carpet installation and credit will be allowed for areas deleted. Floor tile cannot be deleted from kitchen and baths. In most cases, floor tile deleted from areas to be carpeted will more than cover additional cost of vinyl-asbestos in kitchen and baths.

Concrete floors will be sanded where floor tile is deleted same as if tile were to be installed, however, paint spots or any other discolorations will not be removed.

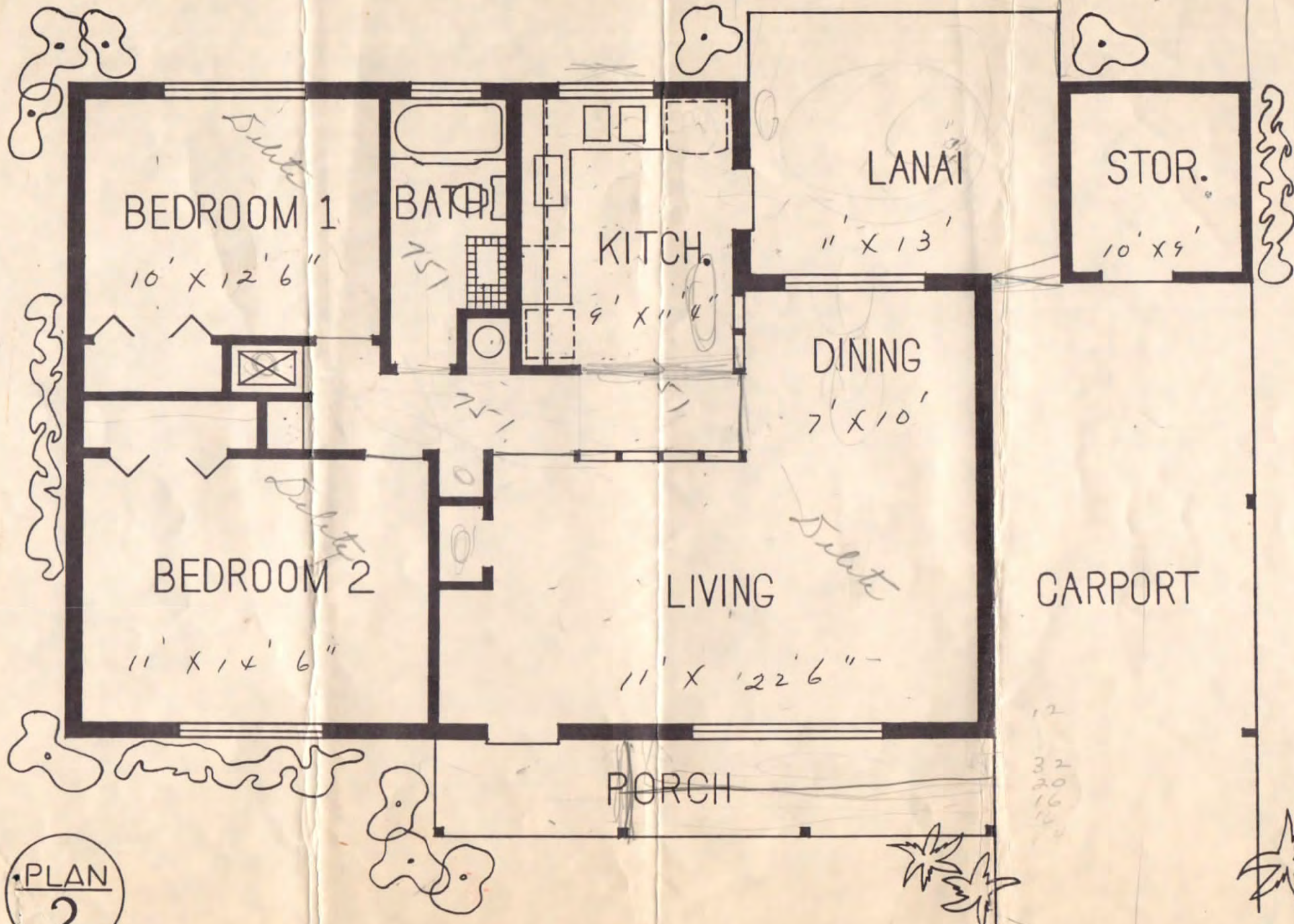
We use "Matico" brand asphalt and Vinyl-Asbestos tile. We cannot allow substitution of any other brand.

Any extra charges involved for flooring, etc. must be paid for when ordered.

REQUESTS FOR CHANGES:

No changes will be accepted on color charts after construction has started on your home.

There will be a \$10.00 Handling Charge on any change order if accepted before start of construction.



PLAN
 2

DEL E. WEBB DEVELOPMENT CO.

DEL E. WEBB DEVELOPMENT Co.

P. O. BOX 555

SUN CITY, ARIZONA



Mr. and Mrs. Joe F. Rice

3264 San Simeon Court

Reno, Nevada

Webb Corporation Folks Look Back On 35 Busy Years Of 'Building A Better America'

The 35th Anniversary of the Del E. Webb Corporation, observed last month, saw approval of the firm's bid for listing on the New York Stock Exchange as well as new achievements in building and development taking shape on both the East and West Coasts. Thirty-five years of "Building a Better America" were observed by a company founded by a man who began his construction career as a carpenter, and another who came along a decade later to join him as a timekeeper.

Today the founder, Del E. Webb, is chairman of the board and chief executive officer. The onetime construction timekeeper, L. C. Jacobson, is the Webb Corporation's president.

From such humble beginnings they have directed the creation of a building and development firm which today, as a publicly-owned company, has more than 4,700 stockholders and conducts its business nationwide.

Besides owning and operating hotels, shopping centers, office buildings, retirement communities and other entities it has built, the Webb Corporation today is building the prestige United States Exhibit at the New York World's Fair, the first phase of the \$50 million Del Webb's International Airport Center in Los Angeles, and — also on the West Coast — the largest art museum erected in the U.S. in 22 years.

The company's Sun City retirement communities have won national and even international recognition.

Joint-venture projects align the Webb Corporation with Texas' giant Humble Oil and Refining Company in development of a complete new community near Houston known as Clear Lake City, and with California's Kern County Land Company in construction of the \$60 million Santa Monica Redevelopment Project.

What are some of the activities of Webb builders within the past decade? Here is a thumbnail sketch:

1953 — Webb crews put finishing touches on modification facilities for B-47 Stratojets at Tucson, Ariz.; completed St. Joseph's Hospital and J. C. Penney Co. store and underground parking garage at Phoenix; started building town of San Manuel in Southeastern Arizona, and new Beverly Hilton Hotel in Los Angeles.

1954 — San Manuel welcomed first residents; Webb crews launched multi-million dollar Clairemont, Calif., housing development near San Diego; opened Swanway Plaza shopping center at Tucson; completed Fort Ord and Travis Air Force Base military housing projects, began construction of Uptown Plaza shopping center at Phoenix.

1955 — Hotel Sahara's first 200-room expansion completed at Las Vegas; Kansas City, Mo. stadium brought up to major league standards in rush project; motor hotels built in San Antonio and El Paso, Tex.; Beverly Hilton Hotel completed; Uptown Plaza completed; work started on Union Oil Center office complex in Los Angeles.

1956 — Sahara Motor Hotel was opened in Phoenix; construction started on California's largest and most modern lumber manufacturing facility for Diamond Match at Red Bluff; work began on Phoenix Towers cooperative apartments, the Flamingo motor hotel in Arcadia, Calif., and Del Webb's HiwayHouse motor hotel at Phoenix;



Del E. Webb

L. C. Jacobson

Clairemont Estates housing in San Diego topped the \$11 million mark; construction of the Texaco Building was started in Los Angeles, as well as an expansion program for Hughes Aircraft at Culver City.

1957 — Phoenix HiwayHouse and Santa Anita Flamingo motor hotels completed; HiwayHouse motor hotels built in Arizona at Flagstaff and Holbrook, and another at Blythe, Calif.; Continental-Denver hotel completed in Denver, Colo.; Phoenix Towers completed; Flamingo Hotel started at Los Angeles airport, and HiwayHouse hotels at West Palm Springs, Calif., and Albuquerque, N. M.

1958 — Pacific Northwest Pipeline building completed at Salt Lake City; Los Angeles Coliseum renovated for major league play by Dodgers; Union Oil Center complex completed; Flamingo Hotel completed at Los Angeles; Diamond-Gardner forest products plant completed; \$26 million in Capehart housing started at U.S. Air Force Academy in Colorado and for Strategic Air Command at Vandenberg AFB in California; HiwayHouse motor hotel chain ownership acquired by Webb company; ground radar systems manufacturing plant started for Hughes at Fullerton, Calif., nuclear field lab facilities built near Canoga Park, Calif., for Atomics International; West Palm Springs HiwayHouse completed; Union Bank Building built in Beverly Hills; Texaco Building completed.

1959 — HiwayInn built at Phoenix; Hughes ground radar plant completed; Camelback Village Square shopping center built at Phoenix; missile center built at Tucson for Hughes; Air Force Academy and Vandenberg AFB military housing delivered; Arrowhead Ranch near Phoenix acquired by Webb-Henry Crown interests; 14-story addition to Las Vegas Sahara started; first Sun City retirement community started near Phoenix; Del Webb's TowneHouse in San Francisco under construction; rocket engine test stand built in Southern California.

1960 — Arizona's Sun City attracts national attention from day of opening; second increment of military housing started at Vandenberg AFB; Campbell Plaza shopping center opened at Tucson; Kern City retirement community and Stockdale project launched at Bakersfield, Calif.; construction started on Grossmont Center shopping city at San Diego and Chris-Town Center at Phoenix; multi-million dollar Budweiser brewery addition started in Los Angeles; Almaden development launched near San Jose, Calif.; Webb Corporation becomes publicly-owned with \$12 million stock offering.

1961 — Webb firm joins George A. Fuller Co. and Paul Hardeman, Inc., in Kansas and Montana missile silo projects; San Francisco TowneHouse hotel opened; Capehart housing project built at Offutt AFB near Omaha, Neb.; Vandenberg housing completed; construction started on Del Webb Building as first unit in Rosenzweig Center at Phoenix; ten HiwayHouse motor hotels sold; Webb firm acquires ownership of

600-room Hotel Sahara at Las Vegas; Kern City opened to retirees; Chris-Town and Grossmont Centers greet thousands of first customers; First National Bank Building East started in Albuquerque; Budweiser brewery addition completed; Southern California land acquired for second Sun City, and Florida land for third Sun City; Webb-Fuller missile construction combine named No. 1 defense contractor of year.

1962 — Florida's Sun City opening attracts 41,000 despite inclement weather; Webb company joins Humble Oil in huge Clear Lake City development near Houston; space environmental laboratory built for Hughes at El Segundo, Calif.; asbestos cement pipe plant started for Flintkote near Ravenna, Ohio, and a gypsum board products plant at Camden, N. J.; land purchase agreement signed for Santa Monica, Calif., site on which Webb will joint-venture with Kern County Land Company in a \$65 million redevelopment project; Webb Corporation assigned management contract for 1967-68 Long Beach, Calif., World's Fair; 12-story McCulloch Building and Security First National Bank branch started in Del Webb's International Airport Center at Los Angeles; Hughes research building is started at Santa Barbara, Calif; 17-story Del Webb Building completed and occupied at Phoenix; "twin" 17-story Albuquerque building completed and occupied; Montana and Kansas missile projects virtually completed; Chula Vista, Calif., shopping center built for Broadway-Hale stores; Del Webb steps upward to become chairman of the board and chief executive officer, and is succeeded as corporation president by L. C. Jacobson.

TC

Real Estate

Part 3 Thurs., Nov. 30, 1961 *LOS ANGELES MIRROR

Fetish for Detail Explains Success of Del Webb

BY GILBERT SIMON, Real Estate Editor

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* *



**Del Webb
Corporation**

We at Del Webb Corporation are in the business of building and developing master planned communities of extraordinary quality.

Our primary market is the ever-increasing population of active adults who seek residential communities offering quality homes and incomparable amenities.

Through innovation and expertise, we're creating communities designed to enrich the lives of today's active adults...communities



which enhance the lifestyle of neighboring communities and exist in harmony with the environment.

Today, we're better positioned to meet the lifestyle needs of America's

50 million active adults than any other real estate development company in the United States.

A handwritten signature in black ink that reads "Phil Dion". The signature is stylized and fluid.

Philip J. Dion
Chairman of the Board & Chief Executive Officer



“Concrete, steel and lumber make the buildings, but people make the community. Together, we can realize a way-of-life unprecedented in America.”

Del E. Webb

AN EXTRAORDINARY ENTERPRISE

Del Webb Corporation, a New York Stock Exchange company, was founded by a man of uncommon vision over 60 years ago. Today, the corporation has become an extraordinary enterprise, excelling in one of America’s most competitive arenas, real estate development.



FOUNDATION OF EXPERIENCE AND EXPERTISE

Our credentials as a builder include more than 73,000 homes and such diverse projects as hospitals, casinos, hotels, convention centers, airport facilities, high rise office buildings, schools, shopping centers, stadiums and sports complexes.

Our innovative expertise in land development extends back to Oakbrook, Illinois, a landmark master-planned city where Del Webb served as the key contributing developer. Currently, we are the





managing partner of The Foothills, a 4,140-acre mixed use, master-planned development. It is the largest and one of the most successful master-planned family communities in metropolitan Phoenix.

FROM PIONEER TO MASTER BUILDER-DEVELOPER

In 1960, Del Webb created, for the very first time anywhere, an unprecedented community—Sun City. Exclusively designed for active adults, it offered quality homes, rich amenities, comfort, security, and all of the conveniences of a full-service city. Today, nearly 70,000 residents enjoy Del Webb's Sun Cities way of life in Arizona and Nevada.

As we embark upon the final decade of the 20th century our primary focus continues on the active adult market. Thirty years ago, we were the pioneer; today we're America's leading builder-developer of master-planned active adult communities.

A DYNAMIC MARKET

Today's over-55 population is healthier, wealthier and more mobile than ever before.

They comprise only one-fifth of the population, yet account for more than half of the nation's disposable income. Their net worth exceeds \$7 trillion. They want and can afford larger and more luxurious homes than their predecessors...and they desire amenity-rich environments.

THE SUN CITIES TRADITION

Del E. Webb's legacy is thriving in Sun City West, Phoenix; in Sun City Tucson, nestled at the foot of the magnificent Catalina Mountains; and in Sun City Las Vegas, ten minutes from the entertainment capital of the West.

The Sun Cities of Phoenix, Tucson and Las Vegas offer thousands of over-55 Americans an



incomparable quality of life in communities tailor-made for them.

As a new decade dawns, Del Webb Corporation continues to break new ground, responding innovatively to the ever-changing needs and preferences of America's increasingly affluent senior population.

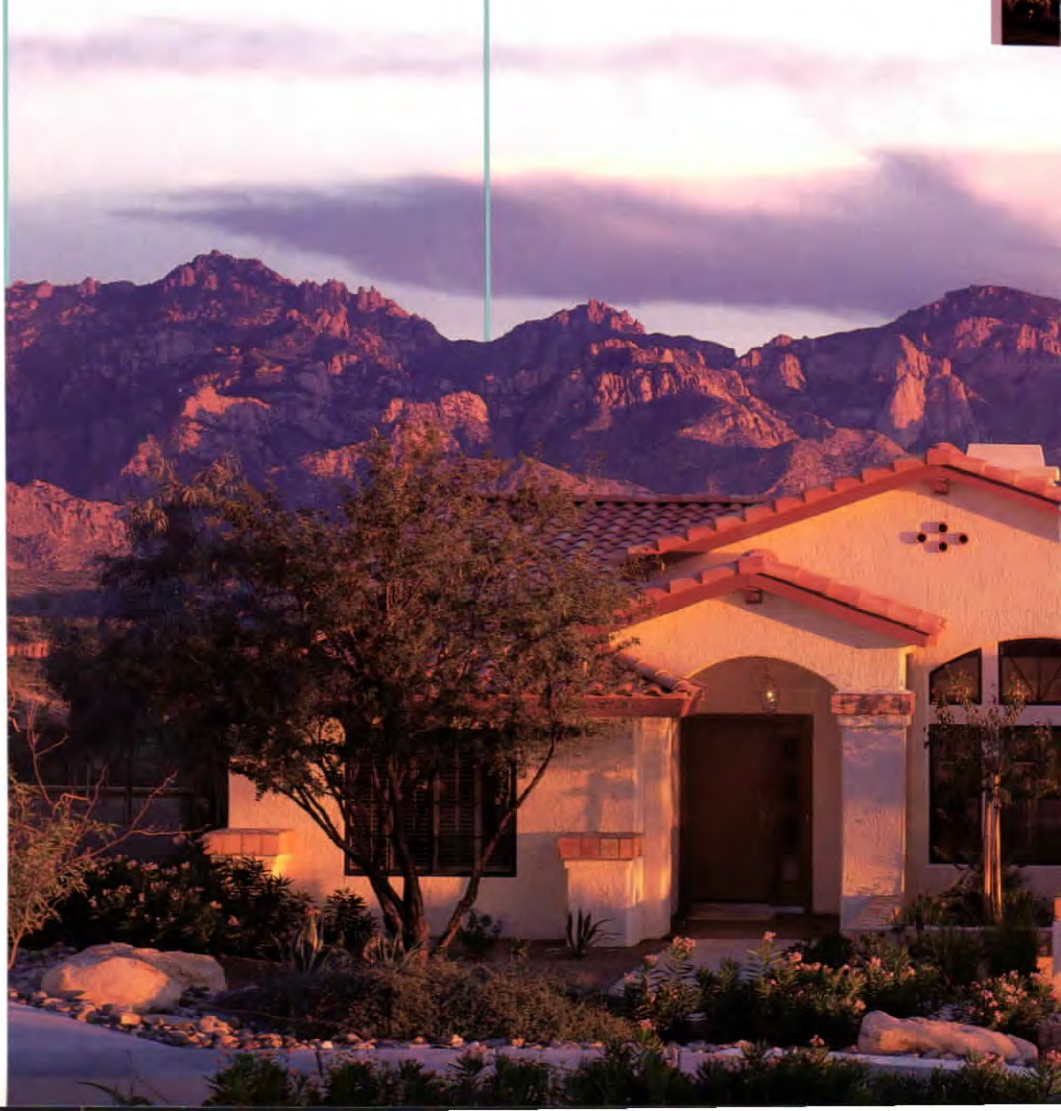
DIVERSITY AND QUALITY

The Sun Cities offer a wide range of home styles and sizes: villa, patio and single family homes, with designs and amenities tailored to our customers. All feature construction of the highest quality.

Each Sun City is a total community featuring outstanding recreation and leisure opportunities:

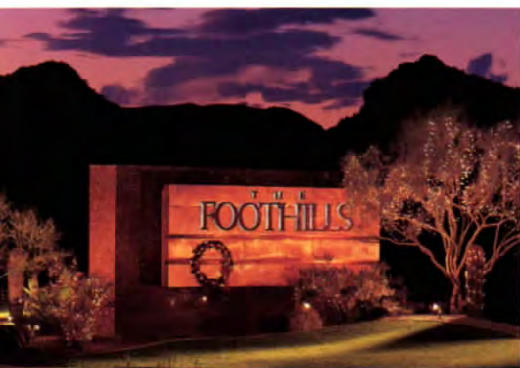


lush and challenging golf courses; fully equipped arts and crafts facilities; magnificent sports complexes with tennis, swimming and fitness facilities; and spectacular recreation centers hosting a wide array of day and night activities.





These innovative residential communities provide for commercial, retail, medical and religious facilities, and they are close to major metropolitan centers.



EVERYONE BENEFITS

Del Webb's revenues from Sun City West alone have exceeded \$1 billion since 1978.

Sun City West residents' homes had the highest appreciation rate

in the Phoenix area during the 1980's, according to an independent study conducted by Arizona State University.

The positive impact of the Sun Cities on nearby metropolitan areas is enormous. Sun City communities create jobs and profits for area businesses, and provide taxes to support public services. Metropolitan Phoenix continues to enjoy significant economic benefits from Sun City and Sun City West, where residents spend approximately \$500 million annually on goods and services.

Sun City residents bring more than money into the area. They generously donate time and energy through a wide array of volunteer services that benefit their neighbors and the surrounding communities.



RESearch IS THE KEY

Research is at the heart of every marketing decision Del Webb Corporation makes: where to build?...what to build?...how to anticipate the ever-changing recreational and social preferences of America's over-55 consumers?

A TOTAL TEAM EFFORT

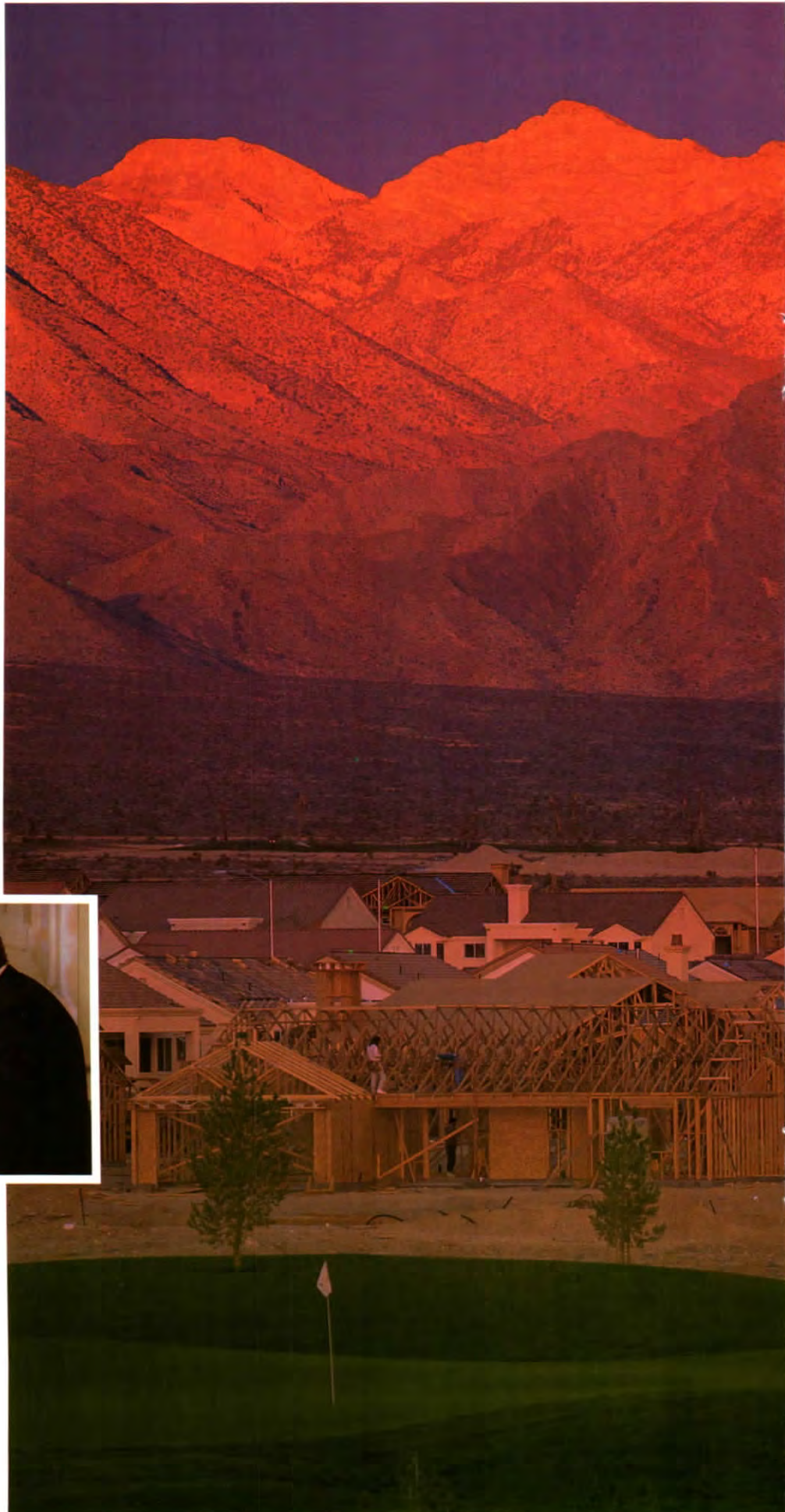
Del Webb is proud to be the acknowledged leader in active adult community development. No other company can match our experience or success in this growing industry. Our company is comprised of some of the most knowledgeable professionals in this industry, men and women with expertise in research, planning, marketing, sales, finance, architecture, engineering and construction.

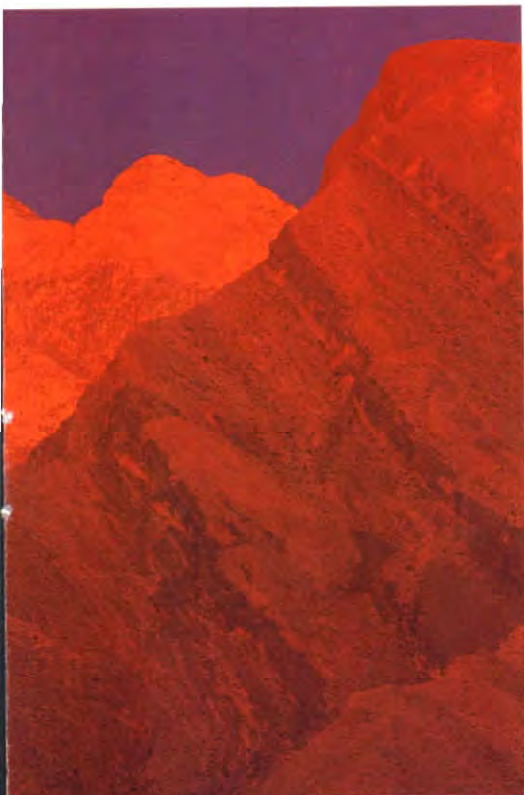
To insure that our communities continue to meet the evolving needs of our customers, we also



draw upon the experience of some of this country's leading professional consultants in a vast array of disciplines.

Del Webb has combined exceptional research expertise with imaginative and sensitive





community master planning, innovative architectural design, resourceful engineering, quality construction and creative management to earn a reputation for excellence as a builder-developer.

In its first year, more than 1,000 new homes were sold at Sun City Las Vegas; overwhelming evidence of Del Webb Corporation's research and management expertise.



The up-front financial commitment required to launch a Sun City community is enormous. Land acquisition, up-front infrastructure and amenity investments, together with overhead and carrying costs on a new Sun City run into the tens of millions before the first home sale is closed.

Del Webb is uniquely positioned to undertake this type of community development. The Corporation has the financial stability and management expertise to commit significant resources over the long term.

A long term commitment requires establishing and nurturing business relationships with individuals, companies, cities, counties and states in which Del Webb commits its development expertise.

Del Webb Corporation has a history of honoring commitments...keeping promises over the long term.



HONORING COMMITMENTS, KEEPING PROMISES

Creating quality adult communities requires an enormous commitment of people, money and time. Del Webb makes long term commitments. For example, Sun City was developed over an 18-year period. Sun City West is a 15-year enterprise, from ground-breaking in 1978 to estimated completion in the mid-1990's.



AN EXCEPTIONAL ACHIEVEMENT

The magnitude and size of the original Sun City in Phoenix is unparalleled.

It is a community of 46,000 people; eleven golf courses, seven magnificent recreation centers, more than 400 businesses; world-class medical facilities; churches; and hundreds of organizations that enhance the lives of Sun City's residents.

FUTURE DRIVEN

No builder-developer in the United States is better positioned to meet the future lifestyle needs of America's active adult population than Del Webb Corporation.

THE SUN BELT AND BEYOND

The 1990's will witness the creation of new Sun City communities throughout the Sun Belt, particularly in California. Serious evaluations are underway in Texas, Florida



and the Eastern Seaboard.

Research reveals that many adults purchase retirement homes within 200 miles of their lifetime home. The Sun City Total Community concept is readily adaptable to all of America's metropolitan areas. Accordingly, Del Webb is responding to this national trend by aggressively pursuing the development of active adult communities throughout the United States...beyond our traditional market, the Sun Belt.

Del Webb's Sun City communities invite America's retirees to enjoy a new lifestyle that includes new activities and new friends... a new beginning.

"Del Webb has taken active adult community development from its infancy to a future filled with promise."

Philip J. Dion



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* *

THE DO'S AND DON'T'S OF ADULT HOUSING

...DO stress quality. These are buyers who like to "kick the tires." They remember when they did "build 'em like they used to." If the quality isn't there, get ready to make a lot of service calls.

...DON'T see them as old. No one likes to admit their age. To many, the word senior carries a negative connotation. It's a turn-off. Don't market "older" looking people. The age restriction at Webb's new Sun Cities is 45 -- that's not old!

...DO provide plenty of storage. These are people who have been collecting their "treasures" for at least 30 years. They need storage space. Build big closets and give them areas to display those knick-knacks.

...DO control the energy bills. While this group of buyers is more affluent than ever, they are still frugal. They demand homes that are energy efficient. Prove it with features that local utilities endorse, i.e. high insulation values, high efficiency equipment.

...DON'T build homes with stairways. This is a big don't! It's an inconvenience and not good planning. It's a fact that people do age. Sooner or later, those stairs will become a barrier. Eliminate those steps!

...DO make it easy. Use lever-type door handles and single-handle faucets. Low maintenance is important so select surfaces that are easy to clean. Garage door openers, luminous light switches and raised electrical outlets are very much appreciated.

...DO offer a wide selection. This is not a homogeneous group. They have different tastes and needs. Consider price ranges carefully. Offer a large selection of optional features and upgrades.

...DON'T design with the old house in mind. These are people who are looking for a change. The small should be replaced by the spacious. The dark by the bright. The inconvenient by the functional. Make the changes exciting.

...DO consider the kitchen. She's put up with that dinky kitchen long enough. Give her one that is large, well-lit and has plenty of shelf and cabinet space. Lazy Susans are out (inefficient, things fall off.) Pull out drawers, wall ovens and cooktops are in.

...DO keep the lifestyle in mind. What are their hobbies? Make space available for those special interests and crafts. If the second car has become a golf cart, plan the garage efficiently and provide a charging outlet!

...DON'T assume. The only way to understand the likes and dislikes of this market is to ask. It helps define their priorities and allows architects and designers to better understand the buyers needs. Just because they're older doesn't mean they need ramps, handrails and emergency call buttons.

...DO design bigger bathrooms. Even though they've been together for 30+ years, he still hates all that makeup scattered around and she still hates his shaving. Give them room. Double sinks are a plus. Shower stalls are more popular than tub showers.

...DON'T offer just one look. The exterior design of the home is very important. Allow it to make a statement for the buyer. Don't be afraid to introduce new looks. They don't want the same old style. Consider the market's geographic diversity.

BACKGROUND: THE ACTIVE ADULT COMMUNITY

In 1960, Del Webb changed the nation's perception of retirement from a withdrawal from involvement to an emphasis on activity, particularly in social, cultural and recreational opportunities. That year, he introduced the concept of active retirement, with the development of a community -- Sun City -- which offered both quality housing and a new lifestyle to senior citizens.

The Webb communities, which now include Sun City and Sun City West, northwest of Phoenix and Sun City Vistoso, northwest of Tucson, offer a full array of recreational entertainment and personal development facilities.

Webb's beliefs about the need for a community for adults 50 and older which would promote life after retirement were well-founded. The current generation of elderly Americans is healthier, a result of the advances of medical science. In 1900, the average life expectancy was only 47. While today it is 74, the wave of baby boomers now beginning to hit mid-life will have an average life expectancy of 79 for men and 84 for women. By the year 2000, one out of every eight Americans will be age 65 or over.

The growth in the senior citizen population and longer life expectancy reinforce the importance of an active retirement lifestyle. In a study conducted by the University of Arizona's Long Term Gerontology Center, Dr. Michael Baker reported that residents in the Sun Cities appear to lead healthier lives. "More than 78 percent of the over-65 group surveyed in the Sun Cities study indicated that present health was excellent or good. This is substantially above the 69 percent reported in national surveys," he reported.

This same survey found that Sun Cities residents are "on the average, healthier, better educated and more affluent than older Americans in general."

The combination of Social Security benefits and improved pensions has resulted in better retirement incomes. While Americans over 50 make up a quarter of the population, they account for half of the nation's discretionary income. This financial clout is compelling both manufacturers and the service industry to study and re-evaluate the needs and interests of this group and provide for them. Webb took this shift in buying power into account, as well as the senior's need for more independence, when he perfected the active adult concept. According to the National Association of Home Builders, by the age of 50, people have 2-3 times the discretionary buying power of younger people, and in fact, 50 percent of all Americans over 65 own their own homes. As they near retirement, more seniors are considering a second home or a new home for convenience, security and improved social interaction.

According to environmental psychologist Dr. Deborah Rhoades, "When you have retired people who have the support often found in the workplace, it becomes very important to form new social relationships to replace the ones they've lost. An active retirement community that is properly planned and managed can lengthen the time people can be independent and in control of their lives." In the University of Arizona study, 92 percent of Sun Cities residents are able to care for themselves and 94 percent are completely satisfied with their surroundings.

Part of the satisfaction stems from the variety of active lifestyle amenities offered at these communities. Del Webb, for example, has invested about \$400 million to-date in order to make sure that regardless of socio-economic status, individuals could partake equally in the rich lifestyle opportunities available in the community.

Del Webb Corporation

*Built on Tradition,
Challenge
and Change*

The Del Webb Corporation stands firmly on the threshold of the future. Drawing on a 60 year history of tradition and experience, we are strongly positioned for continued growth. We gained substance during the troubled years of the depression and the turbulent war years, we expanded and diversified during the 50's and 60's, and we learned to adapt to the changing times in the 70's and 80's. We're honored to welcome you to the Del Webb of today and share our proud history with you.



1928-1939

The young Del E. Webb opened a one-man construction shop in Phoenix in 1928 with ten wheelbarrows, twenty shovels and ten picks his only assets. The stock market crash of 1929 and the subsequent depression paved a rocky road for the fledgling company...

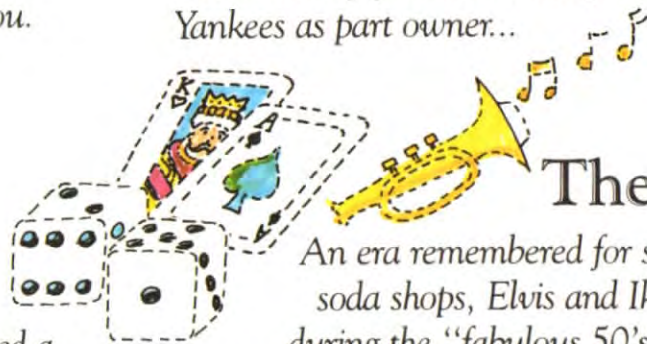
The 40's

Del Webb Corporation continued to grow with major government contract construction projects and Veterans' hospitals despite a world war that preoccupied the minds of Americans. As they prayed for our country's service people, they also needed heroes on the home front and many found a target for their cheers in the New York Yankee baseball team. Del E. Webb, himself a former semi-pro player, turned his lifetime love of the game into a twenty year relationship with the Yankees as part owner...



The 50's

An era remembered for sock hops, soda shops, Elvis and Ike. It was during the "fabulous 50's" that the Del Webb Corporation began diversifying with its entry into the gaming industry. Already a major player in Las Vegas casino construction through numerous projects, Webb purchased The Thunderbird on the city's bustling downtown strip...



The 60's & 70's



The 60's marked the birth of a revolutionary new concept in active retirement living. On January 1, 1960 Del E. Webb unveiled his unique Sun City to an enthusiastic public. Grand opening weekend brought over 100,000 visitors and home sales of nearly 270 units. As the nation's leader in active adult community development, Del Webb's Sun Cities are now home to over 64,000 residents coming together from all 50 states and 50 foreign countries...

THE 80's

The 80's may well be remembered as a decade of new horizons: Technology expanded the limits of industry, medicine and space. Business and world leaders recognized the trend toward a global economy. And the Del Webb Corporation recognized the need to respond and adapt.

Capitalizing on the proven strength of the Sun City adult communities in Phoenix, Tucson, and Las Vegas, the Del Webb Corporation underwent a major transition. Concentrating on the business we know best, the company moved out of the ownership and operation of gaming and leisure facilities and more heavily into real estate management and financial services...



The Future

The next 60 years will see the turn of a century, and Del Webb will make that turn with strength built on success, tradition and vision. We are not the same company that we were 60 years ago. Strategically, we are concentrating on our leadership position in adult community development and refining our commercial project activities. The Del Webb Corporation is becoming a marketing-dominated company, able to anticipate and adapt our products to the customers we serve in the real estate arena.

The next 60 years will bring exciting opportunities. We will be at the forefront, not just accepting the opportunities but creating them. We will be there because we have the desire not only to compete but to lead. It was the nature of Del Webb, the man, and it's the nature of his company, 60 years later.

12-2-

Hawaii Ruled Out As 'Sun City' Site

By BOB KRAUSS

Multi-millionaire Del Webb, who has made a fortune building retirement centers for the aging, sees little future for a large "retirement industry" in Hawaii.

Webb has built four flourishing centers for retired people over 50 on the Mainland: Sun City, Ariz.; Sun City, Fla.; Sun City, Calif.; and Kern City, Calif. In the process, he said, "We made a survey on the cost of retirement in Hawaii.

"We found that this place is too extravagant for our people. That's one reason we're not looking on Hawaii as a retirement center.

"People who live in our Sun Cities have incomes of from \$7,000 to \$8,000 a year. Their net worth is between \$70,000 and \$80,000. About 60 per cent of them pay cash for their houses.

"This is the middle income group—doctors, lawyers, retired Army officers. A lot of people retire on a lot less, \$300 to \$400 a month. With the prices what they are in Hawaii, we don't feel we'd get enough volume here.

"Another factor is distance. These retired people like to travel, especially to see their children. They don't want to live with their families but they want to be close enough to be able to visit. Hawaii is so far from the Mainland.

"And we found out another thing. A retirement center must be on the outskirts of a large city. These people like to do the things everyone else does—eat in good restaurants, now and then, go shopping, see plays.

"If we built a Sun City on Maui, the residents would feel cut off from Honolulu. It would be all wrong."

Webb, whose empire is based on one of the largest construction firms in the nation, said he became interested in going into the



WEBB

Korean war when "we made a lot of money and gave it all back to the government.

"Not that we weren't glad to do it. But we thought it was time to use the money to build some equities of our own. We began looking into apartments, office buildings, homes. Our researchers turned up the fact that we could do better in developing land and that led to the retirement field.

"Retirement is one of our big problems in the nation

A Bob Krauss SPECIAL

today. I'm convinced that fewer and fewer people in the future will retire on welfare. That's because practically every company in the country has a pension or retirement program."

In each of his Sun Cities, Webb provides a maximum opportunity for activity—golf courses, community centers, bowling greens, theaters. As a result, his retirement centers are

among the most successful in the nation.

Sun City, Ariz., a patch of desert outside of Phoenix 10 years ago, is now a small metropolis of 12,000 persons. They are applying for a city charter of their own.

"It's a little embarrassing when I go to visit," said Webb, who is tall and taciturn and talks like Gary Cooper. "The people treat me like some sort of god. They say things like, 'You saved my life,' or 'Because of you, I've got 40 years of living ahead of me.'"

Webb has a few tips for people who are planning to retire. "They should have some plan of activity," he said. "If a fella doesn't plan anything ahead he might take a trip around the world or play golf or fish for a while, but after about six months he gets tired of that. He starts to miss the people he's worked with. He feels lost. That's why we stress what we call active retirement. The people in Sun Cities do all kinds of things, hardly ever what they did for a living before.

"Some of them paint, some enter politics, some go into charity work. In fact, there's a great interest in charity work among the aging... some become amateur carpenters."

I asked Webb, who is 65 this year, the mandatory retirement age in most corporations in the United States, what he intends to do when he retires.

For the first time the president of the board of the giant Del E. Webb Corp. seemed a bit embarrassed. "I've never thought too much about retiring. Maybe I should. I think I might just work half a day at a few projects for the corporation. The trouble is, there aren't enough hours in the day. Before I know it, I'd be spending 24 hours there."

Top Webb Aide Creates New Cities

By BERNICE JONES

4-F The Arizona Republic

Phoenix, Sunday, Aug. 18, 1963

If Tom Breen had stayed in the movies, they might key his color shots with copper tones.

On first meeting, chestnut hair, eyes with an amber cast, and a well tanned complexion combined with a flashing smile to make his former movie career easily understandable.



What may be more difficult to fathom is why he traded it in 1952 for something less than a star part with the rising Del Webb Corp.

He has a simple explanation. "I liked the work but not the life."

In 1951 he played the lead opposite Jane Powell in "Luxury Liner," was also a writer-actor for MGM. He grew up in the Hollywood theater, the son of a father who was on production crews and an administrator in the propriety-judging Hays office.

Actor Breen took a lively leave of absence during World War II. Fresh out of high school, he donned the uniform of the U.S. Marines for a role as a member of the First Marine Raider Battalion. In the thick of the battles of the South Pacific that made bloody history, he came home with four wounds that were acquired within a single hour.

He remarks laconically, "I'm not the best at ducking."

NOW—Tom Breen is now Del Webb's senior vice president in charge of the commercial development division. He is credited with the research and formalizing the "active retirement" philosophy behind Del Webb's Sun City communities. In 1961 the former boy actor, still a young man, was named to Governor Paul Fannin's Committee for the White House Conference on the Aging.

His only previous housing experience, before joining the now nationwide Webb firm, was a somewhat harrowing flyer in Hollywood.

He and some buddies built a house across the road from a golf course; saw the beginning of a little real estate empire of their own.

"The best buyer prospect was a woman who lived by numerology. The address of the house was nine, the one number she couldn't 'live under.'"

They hied to the post office to make a simple request. And learned that you can't just change house addresses willy-nilly. But they finagled the next door neighbor into accepting the number nine in informal exchange for his.

ONE NIGHT—Since the golf course had been sold, profits from the sale were hardly as munificent as the embryonic contractors had anticipated.

"We blew them all in one night on a quiet dinner party," the executive admits.

But since the project obviously

demonstrated resourcefulness, and real estate development held a definite lure, Mr. Breen moved slightly eastward to booming Phoenix.

He began as Del Webb's assistant advertising director for subdivision promotions. He was manager of a 120 house development in Casa Grande, one in Coolidge, and Eloy.

His apprenticeship was, in his own words, "the cactus circuit."

EVERYWHERE — Now he is everywhere the Webb Corp. has an arm of its building empire.

He dislikes the term "trouble-shooter." But when things jam up a bit, Mr. Breen takes off to help find some solutions.

He's split his age span somewhat. At the moment the chief object of his travels is the Clear Lake community being built a mere 15 miles outside Houston, Texas.

When completed it will be as though a city was born full grown. It will provide housing for the young families whose incomes will come from the NASA moon project, the National Aeronautics and Space Agency installation from which, it is

hoped, moon traveling will become reality.

On 15,000 acres of land owned by the Humboldt Oil Co., Clear Lake, when completed, will provide housing for an estimated 200,000 population. In addition to homes for NASA workers, there will be a motel, shopping centers, office buildings, a country club, schools. Everything it takes to make a city.

NEW FORM — Backed by a vast research staff which digs for every conceivable statistic necessary for making wise decisions, the creation of cities of a size it formerly took decades to grow presents new concepts of civilization.

From the lessons of the past, these city builders can by-pass the painful mistakes that give us patch-work land use, road construction, re-laying of utility lines and pipes, emergency flood control construction, and a myriad of other expensive make-shifts.

It also presents a new concept of government, and tax payments.

Says Mr. Breen: "Home buyers in a ready-made community must agree to accept the responsibility of taking leadership. We work with the residents for a given period of time, helping them to establish their civic group which will eventually take over."

ADVISORS — The company continues to stand by to help solve such argumentative issues as financing police protection, garbage collection, electing officers, outlining a form of rule, the collection of taxes, and all the other problems that beset city governments.

HIS ROLE — Much of this arbitration falls to Mr. Breen, who apparently enjoys every minute of it, headaches and all.

Part of what he sees in the future is the new type of edu-

cation that will become necessary in civic duties and responsibilities.

For himself, the former actor

is a happy man. Now he not only likes work; he loves the busy life he leads.

He's already in a new proj-

ect, about which he will only say excitedly, "it will be close to the congested Loop of Chicago."



Tom Breen, Left, With Jack Ford, Both Vice Presidents
From Movie Leading Man To Del Webb Corp. V.P.

*Put It In
Writing*

DEL E. WEBB DEVELOPMENT CO.

Date October 21, 1974To Childress From ChapmanSubject WAC:105 Vacation Apartment Investment Proposalcc: Harper ✓
Wallace

The sample presentation proposal we gave you this morning, together with the proposed layout, will depend, of course, upon completion of the various other sections giving cost and investment breakdown, including profit opportunities, an updated story for maintenance costs, if desired, and the story on management operation by Del Webb plus various pictures and illustrations.

I am attaching the photos I showed you this morning. If you prefer colored pictures, on all pictures taken by Pat the only additional cost will be film, developing and printing. The 36 picture roll of colored film, print and negative will cost \$5.50 per roll. All colored prints in lots of 10 will cost \$19.90 for 5 x 7's and \$26.38 for 8 x 10's. If you will advise Edith which of the pictures and quantity of each you want, as well as sizes, she will have Pat provide them.

The 5 x 7 would be used for the show-through picture on the front page and two of this size can be put in an 8 x 10 plastic envelope on one page. Interior shots or close-ups could also use the 5 x 7 size. On any of the shots of the courts or panorama views of the project, the larger size is preferable.

We will need to know the number of these proposals you will want.

I will be in touch with Edith by phone during my trip and if anything else needs to be handled or re-written, she can let me know as I will take a sample proposal with me.

WAC:ew
Attachments

*See
Keep in a
DEVCO-Boswell file*

DRAFT

3/18/83 8:00A

March ____, 1983

J. G. Boswell Co.
333 S. Hope Street
Los Angeles, CA 90071

Gentlemen:

The purpose of this letter is to set forth our agreement with respect to the purchase from J. G. Boswell Co. ("Boswell") of its 14.70 shares of Del E. Webb Development Co. ("DEVCO") by DEVCO. We have agreed Boswell shall sell and DEVCO shall purchase the 14.70 shares upon the following terms and conditions:

1. The purchase of the shares contemplated herein is conditioned upon and subject to the approval of the Board of Directors of Del E. Webb Corporation ("Webb") and Webb's lenders.
2. Boswell sells and delivers to DEVCO and DEVCO purchases from Boswell, 14.70 shares of DEVCO for the sum of \$42,000,000, payable as follows:
 - (a) \$8,400,000 at the closing; and
 - (b) By delivering to Boswell at the closing a promissory note in the principal sum of \$33,600,000 bearing interest from June 30, 1983 at the rate of 9% per annum, principal and interest payable in equal annual installments of \$8,638,307 on June 30, 1984, 1985, 1986, 1987 and 1988.

3. At the Closing, Boswell shall deliver to DEVCO Certificate No. 11 dated December 31, 1959 for 14.70 shares of the 30 shares of DEVCO which are issued and outstanding (Webb owns the remaining 15.30 shares) which 14.70 shares shall be duly endorsed for transfer to DEVCO. Boswell represents and warrants which representation and warranty shall be true at the Closing, that it is the owner of the 14.70 DEVCO shares and has good and marketable title thereto, with full right, power and authority to transfer and sell the shares to DEVCO, free and clear of all liens, encumbrances, restrictions and claims.

4. Failure by DEVCO to pay any installment when due as provided in paragraph 2 above or failure by DEVCO to maintain a net worth in an amount that is at least equal to the balance due to Boswell on the promissory note shall each constitute defaults by DEVCO hereunder. In the event of any such default by DEVCO, and if such default shall continue for 10 days following notice of default from Boswell to DEVCO, Boswell shall have the right to declare the entire balance owing to Boswell immediately due and payable. Until Boswell is paid in full, DEVCO shall furnish to Boswell within 60 days after the close of DEVCO's fiscal year, which is the calendar year, financial statements consisting of a balance sheet and statement of income duly certified by the chief financial officer of DEVCO.

5. DEVCO and Boswell agree that each corporation will cause to be taken all requisite and appropriate corporate action to effectuate the transaction provided for herein.

6. At the Closing, DEVCO shall deliver to Boswell a general release without any exceptions thereon, and Boswell shall deliver to DEVCO a general release which excepts therefrom only DEVCO's obligations hereunder.

7. The Closing shall take place at the Del E Webb office in
at 11:00, 11.M., on Friday, April 1, 1983, or within 3 business days following Webb's lenders' approval if such approval is not obtained by April 1, 1983 but in the event the Closing does not take place on or before April 30, 1983, this agreement shall be null and void.

8. The Agreement dated _____ pertaining to Boswell's farming of certain DEVCO land shall remain in full force and effect, notwithstanding this agreement.

If the foregoing reflects our agreement, please execute and return a copy of this letter.

DEL E. WEBB DEVELOPMENT CO.

By _____
R. K. Swanson
Chairman of the Board

Accepted and Agreed
March _____, 1983
J. G. BOSWELL CO.

By _____
J. G. Boswell
Chairman of the Board

CONFIDENTIAL
DRAFT FOR APPROVAL ONLY
RKS 3/21

Contact:
Joanne Ralston (602) 264-8379 or 997-8161
Bill Acton (602) 264-8302 or 833-3124

CAUTION: NOT FOR RELEASE
PRIOR TO 2:30 P.M. MST
FRIDAY, MARCH 25, 1983

WEBB PURCHASES BOSWELL INTEREST IN SUN CITIES FOR \$42 MILLION

PHOENIX, Ariz. (March 25) -- A \$42 million transaction announced today between Del E. Webb Development Co. (DEVCO) and the J. G. Boswell Co. will make the adult resort communities of Sun City and Sun City West 100 percent owned by the Del E. Webb Corporation (DEWC).

Robert K. Swanson, chairman, president and chief executive officer of DEWC said the DEWC board today approved the purchase of Boswell's 49 percent interest, subject to lender approval. DEVCO is already 51 percent owned by Webb.

The transaction, involving \$8.4 million cash with the balance in long term notes, is due for completion in April, Swanson said.

"We view this transaction as an excellent opportunity to increase our ownership in these premiere retirement communities, which Webb master planned and is developing," Swanson said. "The acquisition fits our corporate objectives to grow in our current areas of business in the southwest."

James G. Boswell, chairman of J. G. Boswell Co., said the mutually satisfactory transaction "permits both companies to pursue their individual business objectives. I have every confidence that the Sun Cities will continue to be the most successful retirement communities in the world."

Swanson said there will be no change in DEVCO management or operating philosophy.

Sun City is located on 9,000 acres about 20 miles northwest of Phoenix. Begun in 1960 as the first community anywhere devoted entirely to the adult lifestyle in a resort setting, it has become the prototype for other developments. It has a current population of about 48,000.

(MORE)

Sun City West, begun in 1978 on 13,000 acres about three miles west of Sun City, has a current population of about 9,000, with an ultimate projected population of 62,000.

DEVCO was created by Del E. Webb Construction Co. and the J. G. Boswell Co. almost 30 years ago. DEVCO purchased about 11,000 acres from Boswell for an estimated \$13 million, for the purpose of transforming it into a master planned retirement community.

Population trends show senior Americans topping all groups in disposable income. In fact, they make up the fastest-growing segment of population.

Webb foresaw these trends. Sun City was the town which helped change America's viewpoint on retirement, and today, it is Arizona's seventh largest population center. Sun City West is the fastest growing adult retirement community in Arizona.

Del E. Webb Corporation, headquartered in Phoenix, is a diversified company engaged in leisure, real estate and construction industries. It is listed on the New York and Pacific stock exchanges.

-30-

Enclosed: Sun City and Sun City West Fact Sheet

The Men of Del E. Webb Development Company (DEVCO)

Del E. Webb

Del Webb began his construction career in Phoenix hanging doors at the Westward Ho Hotel. When a carpenter was needed at the hotel's formal opening to make sure nothing went haywire, Webb (the only one with a dark suit) volunteered. His meeting that night with grocer A. J. Bayless turned his life in a new direction.

Webb was already a laborer on the new Bayless grocery store when the contractor decamped. Bayless hired Webb to finish the job, which he completed in 27 days. The subsequent work, building and repairing Bayless grocery stores, provided steady work and **Del E. Webb Contractor** was in business.

During the lean depression years, government-backed jobs were not greatly profitable but offered a margin of security that allowed the company to expand. The 1938 addition to the **Arizona State Capitol** was a "breakthrough job... that led to constant alterations and repairs" and established Del Webb as a major builder in the area.

Germany's invasion of Poland in 1939 brought demands for **military installations** in Arizona. Del Webb formed a joint venture with Tucson road contractors to use part of their bonding capacity to cover his building projects at Fort Huachuca, Luke Field in Glendale, Williams Field in Mesa and, its biggest challenge to date, the Japanese Relocation Camp in Parker required to house 125,000 internees within 120 days.

The **company's reputation for on-time quality** was the product of hand-picked supervisors, subcontractors, craftsmen and laborers carrying out their tasks as evidenced by massive reports, endless phone calls and under the scrutiny of Del Webb himself.

Webb's standardization and efficiency were legendary. The offices were run according to a "Blue Book" which specified even what kind of desk calendar pads were to be used and what kind of lettering must be on the door. When one Webb employee drove a tan car instead of the required black one, he found it towed and repainted while he was at work. Only when a group of employees carried out tests to prove that light colored cars were cooler in the Arizona heat did Webb eventually relent.

The nerve center of each construction site was a specially designed "portable office building" with identical layout and furniture and progress reports on each area of construction, electrical, plumbing, carpentry, posted in the same place. Webb was able to walk into any of his projects anywhere in the country and check its progress.

By 1960, the Del E. Webb Company was building on a scale that could only be financed by public ownership. On December 8, 1960, the Del E Webb Construction Company became the **Del E. Webb Corporation**. The stock sold quickly and within three years the company would be listed on the New York Stock Exchange.

Webb's greatest strength was his ability to choose good men and let them work. This exhibit is the story of those "Men Who Built the Sun Cities."

While Del Webb delegated to others most of the planning for his new retirement community in Arizona, he did make one personal contribution. A contest was announced to find a name for the venture, a company hired to oversee the contest and the entries were reduced to just a few when Del Webb walked into the deliberations and said "I like Sun City". His decision was final and today, with 44 Sun Cities across the country, it is a name synonymous with active, retirement communities.

Webb's other forte was traveling the country, supervising his farflung enterprises and meeting the glamorous, powerful people who helped build his business. Logging 50-125,000 miles a year and living out of hotel suites, he was never destined to retire. He died on July 4, 1974 at age 75. Ten days later, 5000 of Del Webb's "closest friends", most of whom had never met him, gathered in Sun City to memorialize the man who built their community and challenged them to fulfill its promise.

L. C. "Jake" Jacobson

While Webb acted as "front man", the "street-smart man" tending the store back home and keeping things going was **L. C. Jacobson** who came on board in 1938. An out-of-work carpenter with \$10 and no union card, he bypassed the long line of applicants, went straight to Del Webb's office and finessed himself past the secretary by representing himself as "a contractor from Tucson here to see him about something important." Webb called him in, they talked for a long time and he was hired.

Jacobson started as a timekeeper, became one of the first estimators and rose in the ranks to become a working partner with 25% ownership of the company. It was Jacobson who helped build the Webb empire into national leadership not only as a huge contractor for government, corporate

and residential projects but also as a diversified developer owning hotels, motels and casinos.

When a *Today Show* report on Youngtown, the newly organized community in Arizona for people over age 60, elicited 50,000 responses, Jacobson gave the go-ahead to explore possibilities in the market for **retirement housing**. When other developers discouraged the idea of separating retired people from their families in age-restricted communities where more would die than move in, Jacobson persisted. "We bristled like a hound dog in a fight," Jacobson said, "and we decided to give the idea a whirl contrary to their recommendations."

Jacobson went on to serve as company president from 1962 to 1965 when a disagreement over how to dispose of losing properties caused a rift with Del Webb that led to **Jacobson's resignation** and the end of a friendship that spanned four decades.

Tom Breen and J. R. "Joe" Ashton

In 1956, Webb Vice President Tom Breen was given the task of analyzing the retirement market and he set out to study geriatrics with a vengeance. When consultations with the so-called experts did not elicit the answers he wanted, he asked a disk jockey friend to survey retired people in Florida.

The result was "the best information we got" compressed into a memo stressing "Activity, Economy, and Individuality." The company should build affordable housing with shared recreational facilities and leave it up to the residents to organize and make the most of it.

Next to get involved with the project was Webb Vice-President and Land Developer Joe Ashton, who sent Breen to consult a state psychiatrist! Dr. Robert L. Beal gave the first positive professional opinion of the idea...longer life expectancy and better pension plans would mean a growing population of affluent retirees.

The team of Jacobson, Ashton and Breen convinced Del Webb that investment in a new retirement concept could succeed and they became the prime movers in the creation of Sun City.

On December 31, 1959, after four years of study and an investment of \$2 million, the new venture was ready for opening day. Tom Breen remembers, "We were all wondering the same thing. Will anyone come tomorrow?"

By daybreak of New Year's Day 1960, cars were lining up. Many people bought within an hour of arrival and 237 homes were sold in the first weekend. Before the end of the first month, plans were being made to open the second group of 675 homes. Tom Breen, who headed the housing department, had stepped up the construction schedule by 6 months. Sun City was "Arizona's fastest growing" community.

James G. Boswell II

James Boswell was president of a family company that owned cotton fields between Peoria and Luke Air Force Base. Predictions of a falling water table had him looking for a buyer when he heard that Webb was seeking property to develop.

Arriving unannounced at Jacobson's office, he was first greeted with skepticism. "We're looking for rather large tracts and you're probably not qualified to provide that." Surprised to hear that Boswell had 10,000 acres along Grand Avenue, Jacobson went out to take a look and immediately saw the possibilities. On their return trip, Boswell casually mentioned that he had another 10,000 acres on the opposite side of Grand Avenue.

Once he saw the extent of Boswell's holdings, Jacobson was eager to make a **deal** and the two men hammered out the essentials: the land was to be transferred as building proceeded so that the Webb Company did not need to tie up large amounts of cash and the Boswells could reduce their ranching operations at a gradual rate.

The partnership became the **Del E. Webb Development Company (DEVCO)** with Webb and Boswell each owning 50%. In addition to the \$50,000 start-up money for the company, Boswell advanced \$600,000 to build a golf course, recreation center and shopping center with Webb to match the amount "in kind."

When the shopping center on Grand Avenue was under construction, there were as yet no residents and no grocery store was interested in leasing the space. Joe Ashton called Boswell, who was on the board of **Safeway**, and a deal was worked out by which Safeway would pay no rent and only a percentage of its sales. The store was ready for business on Sun City's opening day.

In 1962, when the lack of medical facilities in Sun City became an issue, James Boswell opposed the plan for a 62-bed medical center in favor of a **state-of-the art hospital** to serve the entire region. Named for

Walter O. Boswell, the "original Arizona Boswell", it became a monument to the family who contributed \$1.2 million to get it started.

As one Webb executive said, "You talk about having **partners** who hinder you and give you problems; Jim was totally the opposite. He religiously would attend all the board meetings, he would listen to our ideas, he would make contributions or suggestions about what he thought was the way to go, but it was never on the basis that you better do it this way or else. Jim Boswell, and the residents themselves, were two of the reasons we were successful." In 1983, DEVCO bought out the J.G. Boswell Company's then-49% share of Sun City.

Tom Austin

Tom Austin was Sun City's first Activities Director. With his encouragement, 32 clubs were organized in the first two years including swimming, lapidary, exercise, dance, chess, photography, ceramics, art, woodworking, knitting, sewing, agriculture and mosaics. He also provided space at the Town Center (Fairway Rec Center) for the first library.

The Recreation Center became the meeting place for residents and Austin spent many nights and weekends working to meet the new homeowners expectations and allay their misgivings, offering friendship, guidance and support for new ideas.

He organized the resident Hostess Group who welcomed visitors to the model homes and presided over the Sun City exhibits at area fairs.

Austin led the first Easter Sunrise Service at the Greek Theater (now Fairway Rec Center) finishing his inspiring talk just as a flock of silvery birds flew over into the rising sun. On January 1, 1961, Sun City's first anniversary, Austin presented a cake with one candle to Ralph Hawley, president of the Sun City Civic Association, forerunner of the Recreation Centers of Sun City. Both events became annual Sun City traditions.

He and the other DEVCO executives projected the image of Del Webb so effectively that many residents later remembered seeing Webb at local events when it was really Tom Austin. Austin later became

the first administrator at Sun Valley Lodge, the community's first nursing home, and then Sun City Hospital Planning Director in 1966.

John Meeker

Few people had more to do with the success of Sun City than **John Meeker** who started with Del Webb as an office boy in 1946 and advanced steadily to become supervisor of design and engineering by the grand opening in 1960. When the company was hit by the recession of 1964-5, L.C. Jacobson and Tom Breen had moved on. Webb asked Meeker to turn things around. Meeker was named president of DEVCO and held that position for 16 years.

Meeker **reversed the existing policy** that DEVCO would build houses but not become involved in the lives of the people. He diverted money from expensive national advertising to projects like Viewpoint Lake, the Lakes Club, the Vacation Apartments, the stadium and the Sun Bowl.

To promote use of the recreation centers, he offered color television sets as door prizes. He encouraged the building of churches by providing lots at low cost and gave land for the Sheriff's Posse, Community Center, agricultural club, RV storage and Sunshine Services.

A 60-day Warranty Program was instituted that corrected any problems with a new house no matter who caused them. Cheap vacations, celebrity performers and enthusiastic residents became his best selling tools.

In 1975, Meeker announced plans for a second adult community to be built on 13,000 acres northwest of Sun City. This would be a "bigger and bolder" **Sun City West**, with facilities unmatched anywhere else and centered on **Hillcrest**, a major professional golf course qualified to host PGA tournaments.

On the northeast corner was "the largest private facility for recreational and creative activities in Arizona" covering 48 acres and named **R. H. Johnson Recreation Center** in honor of the company president.

Along the western edge he built the **Sundome**, Arizona's largest indoor theater, a multipurpose auditorium that could accommodate any theatrical or musical performance, with seating for 7000 on one floor, state of the art sound system and air conditioned comfort.

Overlooking the golf course was **Crestview**, a lavish clubhouse with space for a major restaurant, private banquet rooms, an informal

bar and headquarters for the vacation apartments that would house visitors to the area.

Meeker also constructed a separate **library** building distinguished by its bell tower that could be seen far across the flat desert landscape. It soon became a local landmark and the most used facility in the community.

No detail was overlooked...Meeker even had a **100-acre nursery** growing and transplanting mature trees so that there would be plenty of greenery to welcome new residents from more verdant areas.

Following a pattern that had proven successful in Sun City, Meeker offered a new set of **model homes** every few years, each set more elaborate and expensive than the last.

Although originally projected to have a **population** of 70,000, Sun City West topped out at 32,500 after part of its land was sold off during a recession in the 1980's and an additional "expansion area" to the north was added in 1992. Meeker's plans for a major shopping mall and hotel were never realized.

Owen Childress

Owen Childress was in charge of contracts for Sun City's 1960 Grand Opening and he was worried..."how I'm going to get a 30-year mortgage on a guy who is 65 years old." He soon had another problem to worry about...the line of buyers was so long, he had to call in Webb secretaries to help process the down payments and had to send out for printed store receipts when the supply of contracts ran out.

The growth of Sun City was steady and substantial. Childress originally projected construction would reach from Grand Avenue south to Olive about the time he was ready to retire. Instead, it took just 10 years to reach that point and begin Phase II on the other side of Grand.

As Project Director in 1966, Childress pursued amalgamation of the feuding recreation center groups and successfully resolved

the conflict in a little over a year, assuring that residents had full access to all present and future Sun City facilities.

In 1974, Owen Childress, then Executive Vice President of DEVCO, announced the planning of a separate library facility to be built as part of the Bell Recreation Center complex with 10,250 square feet and room for a 5,400 square foot expansion.

Jerry Svendsen

Jerry Svendsen, who arrived on the scene in 1962, spearheaded public relations for DEVCO, planned the programs, arranged for entertainment and often acted as MC. He saw the start of the Newcomers' Coffees, Mother's Day Strawberry Festival, Root Beer Blast, the July Fourth fireworks and many other Sun City traditions.

The residents themselves were the best salespeople. Childress and Jerry Svendsen concentrated on community relations, calling on residents in their homes to make sure they were satisfied.

Over his 20-year tenure, Svendsen saw a growing interest in physical fitness and organized the first Physical Fitness Festival in 1977 and the first 5000-meter run in 1978

According to John Meeker, "it took the constant efforts of Public Relations personnel Jerry Svendsen and Don Tufts to keep the year-round resident involvement programs and esprit de corps ongoing. Their excellent work made the program a resounding success, especially when residents were complaining about being too busy in Sun City to write to their family and friends back home. Many residents looked upon these young men like their own sons and let DEVCO management know that they really appreciated their efforts, bad jokes and all, in no uncertain terms."

Fred Kuentz

Fred Kuentz was an electrical contractor who joined the Del Webb Company in 1949. His early projects included building factories and scouting foreign locations for development.

When L.C. Jacobson left the company in 1965, Kuentz became corporate executive vice president and president of the International Division. Faced with serious company losses, Kuentz (along with Webb, Johnson and others) pledged his own funds to guarantee bonding for international projects. Major projects in Honduras and El Salvador were completed by 1972.

In 1982, during a period of financial crisis, he took over management of DEVCO and the Sun Cities developments. Home sales and profits increased dramatically when he "renewed emphasis on community relations, realigned home prices, built new and up-to-date models and initiated a quality assurance program that enhanced the community's twenty-four-year-record of fine craftsmanship."

In 1983, Kuentz announced the gift of 3.63 acres at R.H. Johnson and Stardust for charitable and educational purposes. One acre was used for the SCW Posse building.

The **Community Center** building is operated by the Sun City West Foundation and houses Interfaith Day Care, a thrift shop, and meeting rooms.

The PRIDES. volunteers who look after the plantings

Robert H. Johnson

After working his way through business school, **Bob Johnson** joined the Del Webb Company in 1935 as a timekeeper, on-the-spot personnel officer and materials manager responsible for reports and paperwork. He implemented the efficiencies that made construction go smoothly and did the extensive traveling that was necessary to oversee far-flung work sites.

When L.C. Jacobson left the company in 1965, the way was open for Johnson to become **president** of the firm in 1967 and **Chief Executive Officer** in 1973, just months before Del Webb's death on July 4, 1974.

Under his leadership, **Sun City** reached its planned goal of 25,000 residences and 48,000 population. In 1978, a new 13,000-acre companion development called **Sun City West** was launched.

Heavily invested in casino operations, the corporation was targeted for takeover by Frank Sinatra and others. Bob Johnson successfully resisted that takeover and continued as head of the company until 1981 when he retired to devote his time to the **Del E. Webb Foundation**, which was the beneficiary of the bulk of Del Webb's estate.

Starting with \$28 million from the sale of Webb's stock in the corporation, the Foundation, under Johnson's management, had built up assets of more than \$60 million and had given away \$50 million more by 1997. It ranks as **one of Arizona's largest charitable organizations**. Major beneficiaries of grants have been Del E. Webb Hospital in Sun City West and Walter O. Boswell Hospital in Sun City.

DEL E. WEBB



(602) 264-8011

R. H. JOHNSON

CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER
DEL E. WEBB CORPORATION

DEL WEBB BUILDING
3800 N. CENTRAL AVENUE
P. O. BOX 29040
PHOENIX, ARIZONA 85038

DEL E. WEBB DEVELOPMENT CO.

P. O. BOX 555 - SUN CITY, ARIZONA 85351



ADMINISTRATION OFFICE 977-7241
SALES OFFICE 933-0173
CONSTRUCTION OFFICE 977-4211

December 28, 1972

Mr. and Mrs. George W. Eisenhardt
3016 Orchard Avenue
Minneapolis, MN 55422

Dear Mr. and Mrs. Eisenhardt:

On behalf of the entire Del E. Webb Development Company staff, I wish to welcome you to your future home in Sun City.

One of our residents once said to me that he noted only two things missing in Sun City - a dull moment and a total stranger. We feel confident that you will agree with his observation.

In the weeks to come, you will be receiving copies of our Newsletter to keep you posted on local activities and help introduce you to some of your neighbors-to-be. Upon your arrival, we hope you will attend one of our monthly get-togethers for Sun City residents. You will receive a personal invitation to this affair.

We are enclosing a copy of our Sun City Newcomers Directory which lists the numerous services and commercial outlets available in Sun City. We believe you will find this to be a most comprehensive and informative booklet and hope that it will serve as a helpful guideline to you in Sun City.

In the meantime, the Webb Company staff will be happy to help you in any way possible, so please feel free to call on us.

Very truly yours,
O. F. Childress

O. F. Childress
Executive Vice President

OFC:lk

Encl.

Contact: Martha Moyer
(602) 876-3567

1990

FOR USE ANYTIME

DEL WEBB CORPORATION: AN OVERVIEW

The Company

Del Webb Corporation, a public company traded on the New York Stock Exchange and headquartered in Phoenix, Arizona, is a real estate company primarily involved in the master-planning, development and construction of active adult communities in the Sunbelt.

At the same time, the Company is drawing on its experience as master developer of large-scale communities and is joint venturing the land development of two conventional residential communities in the greater Phoenix area. Land development provides the Company another avenue in which to diversify activities and pursue real estate opportunities.

In 1988, the year of the Company's 60th anniversary, Del Webb underwent a reorganization to redirect its focus to the expansion of Sun Cities active adult communities. Hotels and casinos were sold, as were other recreational properties such as river rafting and marina operations.

Del Webb has returned to what it does best. And, with the maturing nature of the country's population, Del Webb is well positioned to meet the housing and lifestyle needs of today's and tomorrow's, retiree.

The Market

Today, one in five Americans is at least 55 years of age. By 2050, more than one person in three will be 55 or older. Every segment of the 50+ market has a higher discretionary income than the U.S. average on both a per capita and per household basis -- twice that of those under 35 -- representing at least \$800 billion in personal annual income.

This financially prosperous mature market is also a relatively mobile group. The 1990 U.S. Census is expected to indicate that four million people age 60 and over have moved to another state to retire during the last decade - that's 400,000 annually. When they do move an increasing number of them are choosing to live in communities specially designed for their needs.

(more)

DEL WEBB CORPORATION: AN OVERVIEW, 2-2-2-2

Why is the active adult community concept increasing in popularity? Today's retirees are more likely to desire a physical and mental challenge, pushing themselves to achieve new levels. They also find the companionship an important element. Unlike a conventional neighborhood where most people work during the day, in an active adult community there is always a tennis partner available.

Independent research conducted by Arizona State University concludes that those living in such communities experience a significantly higher level of well being and happiness, enjoy better mental health and report greater quality of life and life satisfaction. Another independent researcher studying the Sun Cities noted that an active retirement community that is properly planned and managed can lengthen the time people can be independent and in control of their lives.

SUN CITY, ARIZONA

The first Sun City was a \$1.3 million gamble begun in 1960 amidst 8,900 acres of cotton field, sage brush, mesquite and desert sand 12 miles northwest of Phoenix.

The night before the grand opening Del Webb executives were wondering if anyone would show up for the debut of the world's first active adult community. To their delight, some 100,000 people strolled through the five model homes on opening weekend and 263 homes were sold.

No other community had what Del Webb created. A lifestyle that offered recreation and social opportunities and fostered new challenges for retirees.

Sun City, completed in 1978 with 46,000 residents and 26,000 homes, has since served as the prototype of active adult communities worldwide. In fact, since 1960 some 2,400 active adult communities have been developed in this country.

The community has an impressive array of recreational amenities built by Del Webb and deeded to the residents free and clear. The seven recreation centers offer seven swimming pools, eight lawn bowling greens, 72 shuffleboard courts, four miniature golf courses, hobby and craft studios, card and meeting rooms, exercise rooms, therapy pools, five auditoriums, 17 tennis courts, 40 bowling lanes, bocce and horseshoe courts, boating, pool and billiard rooms, a 40,000 volume library and racquetball courts.

The residents own the recreation centers and have set up a non-profit corporation with a paid staff to govern and maintain
(more)

DEL WEBB CORPORATION: AN OVERVIEW, 3-3-3-3

them. To provide an orderly pattern of use of their facilities, Sun Citians have formed over 300 clubs and charitable, recreation and service.

Other outstanding features of Sun City include 11 private golf courses, the Walter O. Boswell Memorial Hospital, eight medical buildings, an outdoor amphitheater, ten major shopping centers, 20 restaurants, 35 religious organizations, 23 branch banks, 22 savings and loans, eight brokerage houses, three country clubs, several lifecare and nursing home facilities and horse stables.

The community also has an outstanding volunteer force composed of thousands of members. In fact, Congress recently proclaimed the Sun Cities as the volunteerism capital.

The Sun Cities Sheriff's Posse is a very visible example of that community pride and support. Working under the auspices of the Maricopa County Sheriff's department the Posse acts as the eyes and ears of the sheriff, patrolling the community and offering a vacation watch program for traveling residents. Their efforts have helped Sun Cities earn the distinction of having the lowest crime rate per capita in the country.

Another colorful volunteer group is the PRIDES (Proud Residents Independently Donating Essential Services). Each Saturday morning they don their orange safety vests, arm themselves with rakes, clippers and brooms and head to the main boulevards. They prune trees, pick up fallen oranges and debris, sweep the sidewalks, keeping the community spotless.

The Sun Cities Lions Clubs have a united effort of a different focus. Their entrepreneurial spirit has resulted in an annual income of \$250,000 - all from a paper recycling operation in the community! The proceeds support a northern Arizona summer camp for handicapped children. The efforts of the organization have been recognized nationally and they were recently profiled on Cable News Network (CNN).

These service groups exemplify the spirit of Sun Cities residents. Many are actively involved in shaping the structure of the community; they are contributing individuals who believe retirement opens a new chapter in their lives.

Sun City has created immense social and economic benefits for the greater Phoenix area and the state of Arizona. Del Webb Corporation is proud to have been the sole developer of this unique community.

(more)

DEL WEBB CORPORATION: AN OVERVIEW, 4-4-4-4

SUN CITY WEST, ARIZONA

Upon the completion of Sun City in 1978, a new active adult community was conceived just two miles away. Sun City West, being built on 5,700 acres, is now 70% completed with more than 18,000 residents. When completed in the mid-1990's Sun City West will be home to 25,000 people.

New home buyers may choose from 19 model homes including single family, duplexes, executive villas and garden homes. The floor plans range from 1,038 to 2,790 square feet with prices ranging from \$72,000 to \$193,900.

This community carries on the tradition of excellence established in Sun City with a focus on lifestyle. It is anticipated that construction costs, including all facilities, will be more than \$1 billion.

Sun City West offers more than \$70 million in lifestyle amenities including:

The Sundome Center for the Performing Arts, the largest single level theatre in the country with 7,169 seats.

Three multi-million dollar recreation campuses including the \$14 million R.H. Johnson Recreation Center, the largest privately owned recreation complex in the southwest.

Seven 18-hole golf courses including the championship Hillcrest Golf Club, the only course in the Sun Cities open to the public, which has hosted the LPGA and Sr. PGA Tours. All of the other courses are reserved for the exclusive use of residents and their guests.

More than 70 businesses offering a variety of shopping, dining and service opportunities such as a grocery store, a drug store, barber shops, travel agencies, clothing shops, furniture and interior design stores and restaurants.

The self contained community also features the Del E. Webb Memorial Hospital complementing the services offered by its sister hospital in Sun City, specializing in diseases of the aging. This hospital was built on land donated by Del Webb and was constructed at cost by Del Webb Construction Services.

Sun City West also offers 12 religious organizations, an extended care facility and a catered living project.

Like Sun City, Sun City West has an extensive volunteer force including its own chapters of the Posse, Prides, Lions clubs and more. The Sun Health Auxiliary, servicing the

(more)

DEL WEBB CORPORATION: AN OVERVIEW, 5-5-5-5

volunteer needs of Boswell and Del Webb Hospitals, has more than 2,000 members. Sun City West residents have also established recreational, cultural and social programs for needy children in nearby communities and have helped construct homes for the poor in those same towns.

The economic impact of the Sun Cities is equally impressive. Sun City and Sun City West residents have a net worth of more than \$8 billion. They spend more than \$200 million annually for retail purchases, contribute more than \$32 million to state and county tax coffers, and have more than \$4 billion on deposit in local banks.

Their financial strength is infused into the local economy in the form of bank loans to area residents and businesses, retail purchases and the jobs created to meet their lifestyle needs. The construction and trade jobs created by the development of Sun City West alone have a tremendous impact on the local economy.

SUN CITY TUCSON, ARIZONA

Del Webb's third Arizona Sun City is located ten miles northwest of Tucson. Sun City Tucson comprises approximately 1,000 acres near the foothills of the towering Santa Catalina Mountains and is a part of the 7,500 acre master planned development called Rancho Vistoso.

Home buyers may choose from 10 model homes ranging in size from 1,035 to 2,328 square feet with prices from the mid-80's to more than \$183,800.

Celebrating its third anniversary in January, 1990, Sun City Tucson is home to 1,000 residents. This smaller village-like community will be complete when the population reaches 5,000 people.

The community sports an 18-hole championship golf course, complete with multiple tee placements accommodating all skill levels. At this time, the course is open for public play, but it will eventually be reserved for residents and their guests. This course was built in harmony with the desert, utilizing the existing terrain and natural vegetation to challenge even a seasoned professional. Environmental protection is a critical factor at Sun City Tucson. Del Webb spent several million dollars to preserve the desert vegetation.

Looking out over that golf course is the Mountain Vista Recreation Center, a \$6 million complex featuring tennis, shuffleboard, mini golf, bocce, racquetball, card rooms,

(more)

DEL WEBB CORPORATION: AN OVERVIEW, 6-6-6-6

billiards, an auditorium, swimming pool, a therapy pool, exercise room, picnic areas, and an arts and crafts village. All home owners must become a member of the recreation center and pay a nominal annual fee as is done in the other Sun Cities.

While this community is still quite young the volunteerism spirit that is so prevalent in the other Sun Cities has spread to Sun City Tucson. The residents Sheriff's Posse has been formed and they are patrolling the community keeping their eyes open for anything out of the ordinary. And, they've formed their own version of the PRIDES called the Litter Lifters, working to keep the community spotless.

SUN CITY LAS VEGAS, NEVADA

Del Webb's fourth active adult community officially opened January, 1989 in Las Vegas Nevada (pre-sales began in late November, 1988). Sun City Las Vegas opened to a resounding welcome and has enjoyed strong home sales - more than 1,000 in the first year.

Home buyers may choose from 13 model homes with floor plans ranging from 1,086 to 2,491 square feet and prices from \$78,878 to more than \$190,000.

The first community of its kind in the Las Vegas area, Sun City Las Vegas is located eight miles northwest of downtown Las Vegas and looks out onto the beautiful Spring Mountain Range.

Like Sun City Tucson, the 1,050 acre Sun City Las Vegas is a part of a larger master planned community called Summerlin. Del Webb also holds an option on an additional 842 contiguous acres. Development of the first phase will produce a population base of 5,900 people. Exercising the second phase option would boost the population figure to 11,000.

The Sun City Las Vegas Golf Club, built by golf course architect Greg Nash and Senior PGA Pro Billy Casper, offers multiple tee placements to accommodate golfers of all skill levels. The course is presently open to the public but eventually will be reserved for the exclusive use of Sun City Las Vegas residents and their guests. This transition will occur when the resident base is sufficient to warrant closing the course to outside play.

The \$6 million Mountain Shadows Recreation Center opened in October, 1989 and features swimming, tennis, racquetball, bocce, an exercise room, an arts and crafts village, multi-purpose rooms and more. Like the recreation centers in the other Sun Cities, residents must become a member and pay a modest annual recreation center fee.

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DEL WEBB CORPORATION: AN OVERVIEW, 7-7-7-7

Approximately 50 acres have been reserved for commercial development with plans for retail stores, banks, professional and medical offices, and other service related businesses. Numerous commercial buyers have already closed escrow and are proceeding with plans to develop the parcels.

The Future

Del Webb Corporation, the originator of the Sun Cities active adult lifestyle, plans to pursue expansion opportunities in the Sunbelt states. The company has options on 1,200 acres near Sacramento, California and 2,000 acres in Albuquerque, New Mexico. Del Webb has also spent considerable time examining and researching additional sites in the southern California and Texas markets.

IC

Public Relations Department
Del E. Webb Corporation
P. O. Box 29040
3800 North Central Avenue
Phoenix, Arizona 85038

DEL E. WEBB CORPORATION
BACKGROUND INFORMATION

A firm entering its second half century of operation--well known for leisure, real estate and construction activities--that's the Del E. Webb Corporation of Phoenix.

While its hotels are located principally in the West, the firm ranges from the East Coast to Hawaii for land development, property management and construction.

With its large resort hotel and marina operations, the Webb Corporation is solidly a part of the "leisure industry." In real estate, Sun City is one of the most-admired and most-copied resort-retirement developments ever introduced.

The Webb Corporation was founded as a construction firm in 1928 by the late Del Webb. In the 1940's it began participating in ownership of motels, shopping centers and office buildings, using what would have been contracting profits as its share of the equity. Backed by its construction experience, Webb developed the capabilities to locate sites, coordinate architecture, arrange financing, etc.

Hotels provide a good example of Webb's evolution. Whereas it first undertook construction of motor hotels in association with an established chain operator, the firm later became its own planner, developer, builder and operator of motels, then major hotels.

Today, Webb owns and operates hotels in Nevada, Arizona and California.

In Nevada are the Sahara and Mint Hotels in Las Vegas, the Sahara Tahoe on the shore of Lake Tahoe, and the Sahara Reno in Reno. In addition, Webb manages the Park Tahoe casino, located across the street from the Sahara Tahoe. These properties feature top Hollywood and Broadway entertainers, resort atmosphere and gaming facilities.

The Primadonna Club opposite the Sahara Reno hotel, and the Nevada Club in Laughlin, on the Colorado River, are Webb owned and operated casinos.

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Webb Corporation Background Information

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Webb is recognized as one of the largest operators of Nevada hotels, and among the first large publicly-held firms in the gaming industry.

It recently acquired property in Atlantic City, New Jersey, on which it intends to build a major hotel and casino following approval by Nevada and New Jersey gaming officials.

Other hotels widely known for their convention and resort appeal include Mountain Shadows, near Scottsdale, Arizona; Del Webb's TowneHouse in Phoenix and the Newporter Inn, Newport Beach, California. The firm manages the new La Posada resort hotel near its Mountain Shadows property.

Mountain Shadows is one of the few resorts in America to consistently receive the highest ratings bestowed by Mobil Travel Guide, and in 1978 was awarded the honor for the fifteenth consecutive year. Its resort attractions include 8 tennis courts and an 18-hole golf course which plays to the base of famed Camelback Mountain.

The firm in recent years has moved into one of the most attractive marina-resort operations in America, on Lake Powell, by acquiring Wahweap Lodge & Marina, Bullfrog Resort & Marina and Hite Marina.

Wahweap, five miles north of Page, Ariz., serves southern areas of the 180-mile-long lake formed by Glen Canyon Dam. Bullfrog is located 96 miles northeast of the dam, and Hite serves visitors to the northern parts of Lake Powell.

Acquired early in 1979 was Cottonwood Cove Resort & Marina on Lake Mohave, the first Colorado River lake below Lake Mead.

A 5000-acre tract near San Diego, California, is the site of Rancho San Diego. Webb is directing development of this fully-planned new town, to include recreation, schools and industry, as well as a variety of housing.

(more)

Webb Corporation Background Information

-3-

The firm recently completed development of more than 1500 acres of valuable suburban land 20 miles west of downtown Chicago at Oak Brook. The community is nationally known for beautiful homes, outstanding recreational facilities, and a "garden" industrial park.

With its Arizona Sun City community near Phoenix, opened January 1, 1960, the Webb company pioneered "active" retirement in the U. S. for persons 50 and older. Now, the completed Sun City encompasses homes, recreational and community facilities, shopping centers, churches, a 200-bed hospital, and 10 golf courses. Sun City represents an investment of over \$1 billion. With population approaching 50,000 it ranks as Arizona's seventh largest city.

Late in 1978, Webb opened Sun City West on 13,000 acres, one mile from the present 9,000-acre Sun City. It will be developed along the same pattern as its prototype.

In other real estate activity, the Webb firm owns and/or operates office buildings, shopping centers and apartments. Brokerage, auto parking, a security service and "package development" are other facets of Webb real estate services.

Rosenzweig Center in mid-town Phoenix contains the 20-story Greyhound Tower, world headquarters of Greyhound Corporation. This 18-acre co-owned development includes six buildings, among them Del Webb's TowneHouse and the 17-story Del Webb Building, Webb's corporate headquarters.

The firm became nationally recognized in shopping center development with construction and operation of Grossmont Center in San Diego and the Southwest's first shopping center with an air conditioned mall, Chris-Town Center in Phoenix. It earlier specialized to some degree in construction of commercial buildings, schools and homes.

Until the mid-1930's Webb's activities were quite localized. A Los Angeles office was established in 1942 to supervise activities in the Far West. Immediately prior to

(more)

World War II, Webb was awarded government contracts for the Armed Forces over a wide geographic area and began to develop a national reputation.

Building activity for the government, including veterans hospitals and housing developments, continued beyond the war years. As the Space Age unfolded, the firm built nuclear field laboratory facilities, radar systems design and manufacturing plants, and a 22-story-high rocket engine test stand.

Webb helped create the nation's second Titan II and first Minuteman projects. For their missile silo installations the George A. Fuller and Webb firms won major commendations for safety and for finishing work ahead of schedule.

Today, the firm's construction group, with offices in Los Angeles, Las Vegas, Phoenix, and Honolulu, erects such diversified projects as industrial, office and apartment buildings, hotels, schools, military and component housing, sports stadiums, and civic centers.

Contract negotiation, including construction management and "team building", is receiving increased attention by Webb officials.

The firm's operating groups are designed to complement one another in producing new construction, as well as serving growing leisure, travel, retirement and office worker markets.

Del Webb was chairman and chief executive officer when he passed away July 4, 1974, at age 75. Robert H. Johnson, president, assumed Mr. Webb's duties and offices.

The Webb Corporation became publicly-owned in 1960 and its stock began trading on the New York Exchange in 1963 and on the Pacific Stock Exchange in 1969. Its symbol is WBB.

Corporate directors include Robert H. Johnson; David Babcock, chairman and chief executive, May Department Stores Company; Dr. Joseph Jacobs, chairman and chief executive, Jacobs Engineering Group; Everett Mangam, retired partner, Peat Marwick, Mitchell & Co.;

(more)

John F. O'Hara, partner in the law firm of Parker, Milliken, Kohlmeier, Clark and O'Hara; Robert S. Olson, director N.R.G. Inc. and Patrick L. O'Malley, chairman and chief executive officer of Canteen Corporation.

Other corporate officers include: Owen Childress, William P. Collins, F. P. Kuentz and George W. Reeve, executive vice presidents; A. S. Guizot, senior vice president; Gaylen N. Bartlett, James R. Comer, Kenneth R. Dennis, Rex G. Maughan and Robert J. Sheer, vice presidents; and Fred G. Pace, secretary and general counsel.

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File - Webb Corp



Images courtesy of author

FORMER PHOENIX GROCERY WAREHOUSE REHABBED FOR WEBPT OFFICES

One are the days when goods from Southern Pacific Railroad boxcars arrived on a spur line adjacent to the east side loading docks at the former General Sales Company warehouse. The facility, located in downtown Phoenix at 515 East Grant Street, now has its "deliveries" arriving via the internet.

The newly renovated building now houses the offices of WebPT, one of the

fastest growing electronic medical records companies. Founded by Brad and Heidi Jannenga in 2008, WebPT had \$27 million in revenue in 2014.

Over half of the former 120,000 square-foot grocery warehouse is utilized by WebPT, with the remaining space used for tech co-working space.

Before the renovation, the building had last been used to store and sell electronic salvage. "It's where all the technology would come and die," Angel, who works nearby, says.

"From approximately 1988 to 2008, this business guy bought all the old equipment from the 1960s, 70s, and 80s - like stuff you would see on the old Batman TV series," Angel says. "He had a reclamation center, and collected all the old equipment."

When it opened in 1946, the General Sales Company building was touted as the largest grocery warehouse in the Southwest. Designed by the architectural firm of Lescher & Mahoney, and built by

the Del Webb Company, the building featured reinforced concrete walls, a steel roof, and a basement.

Much of the building, including a frozen food storage room, housed packaged goods that were delivered by either rail or truck. The General Sales Company's fleet of 28 trucks then made deliveries to local grocery stores.

A model grocery store displaying the latest retail merchandising fixtures occupied the second floor. The warehouse cost \$450,000 to construct.

The General Sales Company was owned and operated by seven Phoenix investors including Frank Brophy, according to a 1947 Del Webb newsletter.

Top: Store exterior, 2016.

Bottom, left to right: Railroad ties whose steel spikes flattened several equipment tires, 2016.

Interior roof shell of the building, 2016.

Alejandro Barajas salvages a 1949 concrete stamp by Homes & Sons Construction, 2016.



COME BACK AND SEE US
AGAIN....SOON

We hope you enjoyed your visit to Sun City West. We are proud of the progress we are making in the development of our new resort-retirement community, and we enjoy showing it to visitors. Having been here, we are certain you will agree that our original Sun City and our new Sun City West are musts on any visit to Arizona, particularly if one is in the 50+ set.

There is so much to see and do...so many warm and friendly people to meet. We hope that you had such an interesting and pleasurable time that you are planning to return for a longer stay, soon.

In the meantime, if you have such happy memories of your visit that you would like your friends or relatives to receive a full-color brochure showing the places and pleasures you enjoyed, just jot their names and addresses down on the enclosed postage-paid card and mail it to us.

If you or they wish further information about Sun City West just drop me a line or give me a call.

Very truly yours,

Sales Counselor

Sun City West

STANDARD OF THE WORLD IN RESORT-RETIREMENT LIVING

DEL E. WEBB DEVELOPMENT CO.
POST OFFICE BOX 1705
SUN CITY, ARIZONA 85372

WE HAVE RECEIVED YOUR
VACATION SPECIAL RESERVATION...

and thank you for your check. Just as soon as it can be determined that accommodations for the dates you requested are available, you shall be notified by mail. This information should reach you within a few days.

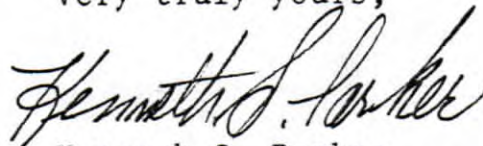
Enclosed is our latest brochure. It will give you an idea of what you can expect to see and do in our beautiful Resort-Retirement Community.

While vacationing, you'll be invited to swim, play tennis, play a round of golf, join us for a sit-down breakfast and tour of Sun City West and its sister city, Sun City, via a beautiful color-slide Presentation.

Being our Vacation Special guest will enable you to experience, first hand, the delights of resort-retirement living. You'll also find that your Vacation Special companions come from every part of the country and we think you'll make some interesting new friendships.

We'll be looking forward to your visit.

Very truly yours,



Kenneth S. Parker
Sales Manager

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DEL E. WEBB DEVELOPMENT CO.
POST OFFICE BOX 1705
SUN CITY, ARIZONA 85372

SUN CITY WEST MAKES OUR VACATION SPECIAL EVEN MORE SPECIAL

Read the enclosed brochure, and you'll discover an exciting new reason to treat yourself to an Arizona vacation...EVEN IF YOU HAVE VISITED SUN CITY, ARIZONA PREVIOUSLY!!!

Over the last two decades our original Sun City earned such accolades that, like the Grand Canyon, it attracted visitors from all over the world. Many found Sun City so appealing that they returned to live here. SO MANY, in fact, that it is now the seventh-largest population center in Arizona, and one of the few communities in the world with virtually all remaining residential property spoken for.

WHAT COULD THE DEL E. WEBB DEVELOPMENT CO. POSSIBLY DO AS AN ENCORE, FOLLOWING SUCH A SMASH HIT AS SUN CITY?

The answer is SUN CITY WEST, a brand new resort-retirement community with the immediate advantage of being 2½ miles west of fabulous Sun City, and the ultimate advantage of being even larger than its world-famous neighbor.

If you've been to Sun City you'll surely agree that America's Most Famous Resort-Retirement Community would be a tough act to follow...BUT...Sun City West is already following in Sun City's giant footsteps to set ever new world standards for Resort-Retirement Living, and to break Sun City's epic record in attracting visitors. Just imagine...during an average week in Sun City West over 7,000 will tour our beautiful ENCORE Model Home Exposition...2,000 will play our exciting Hillcrest Golf Course (made world-famous by its 1980 and 1981 LPGA Tournaments) ...20,000 will throng to see the superstars in person at our SUNDOME!

Our brochure will show you R. H. Johnson Recreation Center (and many other delights) in store for Sun City West residents. Did you know that as our Vacation Guests, people (50 and over) enjoy Guest Membership Privileges in this colossal private facility for recreation, physical conditioning and the Creative Arts? You really have to see it to believe it. DONT DELAY THOUGH...WE ONLY HAVE 300 VACATION APARTMENTS, and we'll soon be booked to capacity for the current season. A postage-paid Reservation Application Envelope is enclosed for your convenience. For rates and specific details, please read the accompanying sheet titled, ANSWERS TO YOUR QUESTIONS ABOUT THE VACATION SPECIAL PROGRAM.

We hope to see you soon.

Sincerely yours

A handwritten signature in black ink that reads "Kenneth S. Parker". The signature is written in a cursive, flowing style.

Kenneth S. Parker
Sales Manager

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THIS YEAR THERE'S AN EXCITING NEW REASON TO VACATION IN ARIZONA

Read the enclosed brochure, and you'll discover an exciting new reason to treat yourself to an Arizona Vacation...EVEN IF YOU HAVE VISITED SUN CITY, ARIZONA PREVIOUSLY!!!

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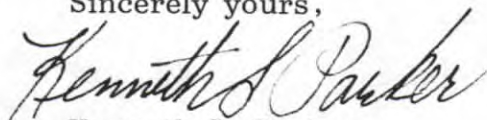
If you've been to Sun City you'll surely agree that America's Most Famous Resort-Retirement Community would be a tough act to follow...BUT...SUN CITY WEST IS ALREADY FOLLOWING IN SUN CITY'S GIANT FOOTSTEPS TO SET EVER NEW WORLD STANDARDS FOR RESORT-RETIREMENT LIVING, and (with 3,074 homes sold in its first 10½ months) to break Sun City's epic record in attracting new residents.

Our brochure will show you some of the delights in store for the new SUN CITY WESTERNERS...however, you really have to see Sun City West yourself to believe the astounding progress we've already made in bringing these delightful plans to reality.

DON'T DELAY, THOUGH...WE ONLY HAVE 300 VACATION APARTMENTS, and we'll soon be booked to capacity for the current season. A postage-paid Reservation Application Envelope is enclosed for your convenience. For rates and specific details please read the accompanying sheet titled, ANSWERS TO YOUR QUESTIONS ABOUT THE VACATION SPECIAL PROGRAM.

We hope to see you soon.

Sincerely yours,



Kenneth S. Parker
Sales Manager

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