Sun Cities Area Historical Society ORAL HISTORY PROJECT

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Case # 198

INTERVIEW with L.C. Jacobson and Tom Breen

November 18, 1983

WHERE: Phoenix Office of O.C. Jacobson, former president of Webb Corp. 1130 E. Missouri Ave. Ste 400 Phoenix (602-248-0322)

PRESENT: In addition to Mr. Jacobson and Mr. Breen were: Glenn Sanberg and Louise and John Byrne.

PURPOSE: To gather background information to be used in the writing of a 25-yr. history of Sun City.

BACKGROUND INFORMATION (not on tape):

We were welcomed by Mr. Jacobson's secretary (Sylvia) who ushered us into the conference room where we had coffee. Mr. Jacobson joined us a little later and gave us copies of the 1959 SPINNER (a Del Webb publication) and copies of 1960-61 issues to browse while he asked us to wait.

The 1959 SPINNER was especially interesting as it announced the acquisition of 20,000 acres from the J.G. Boswell Company ranch operation. Mr. Jacobson asked his secretary to loan us her complete set when we would like the review them.

Tom Breen (Webb vice president for housing and development) flew in from San Diego to join us for this meeting. Mr. Breen had a short red beard, appeared to be about 62 years old, affable and cooperative. Jacobson was high in his praise of Mr. Breen in that he was really the power behind the Sun City development.

Mr. Jacobson, a wiry man in his early 70s was affable and glad to share his memories with us. He seemed to really enjoy it.

FIRST BOSWELL CONNECTION:

Robert H. Johnson (manager of the Los Angeles Webb office) played golf with Jim Boswell at the Annenberg Country Club, Pasadena. Boswell told Johnson he had

some cotton land in Arizona and inquired what he might do with it. Johnson suggested he contact Jacobson (who by now was Webb's partner having a 35% interest in the business). Jacobson and Webb were already high on land acquisition; when somebody came to me with 20,000 acres, "my ears pricked up".

<u>Jacobson</u>: "They got me cooked up on it, but we weren't sure... we weren't sure Breen didn't belong on 24th St. (asylum).

Jacobson got in touch with the Urban Land Institute, a national organization in Washington, D.C. and invited six of their top people to a 3-day seminar in Scottsdale. These were foremost developers in the country. They submitted a report saying it wouldn't work... old people wanted to be with their families... not together in an isolated community. It would fail because more people would die than you could get in.

<u>Jacobson</u>: We bristled up like a dog in a dog fight... and decided we'd give it a whirl contrary to their recommendations.

\$1.3 million was committed and first nine holes of a golf course (North course) were started. In today's market that would be \$10 million. The recreation center (Oakmont) and a shopping center were also started. Boswell was on the board of directors of Safeway Stores and was able to get a lease even thought there were still no homes. It was difficult to get stores to come in... we even financed a man to start a liquor store.

At the same time Webb had been negotiating with Kemper Marley for 20,000 acres north of Phoenix near Pinnacle Peak. Marley was unable to get a clear title and there was also a question of available water. Jacobson said it would have been an ideal place for Sun City. "We ripped them off" for a course lot at \$5,000, and that financed the first nine holes of the course.

In a speech Webb once said he "wanted to do something for my aging parents". Webb never made the opening of Sun City and didn't get there until the following year when the second set of model homes were built.

Webb used to call Breen from New York, or anywhere, and ask, "Tom, how's your Old Folks Home coming? I hope you know what you're doing because we have a lot of money riding on it."

Webb was used as the organization's "front man" ... Jacobson was the 'nuts and bolts' guy.

<u>Jacobson</u> explained that the project was a team effort - everybody had a hand in it. Went on to say that Webb was already one of the biggest builders in the country... Kansas City, Cedar Rapids, Air Force Academy, Offut Air Force Base... in Parker, AZ, he build a relocation center for 20,000 Japanese in 3 months. Other projects included Luke and Williams Air Force bases, and Papago Park. Webb used a lot of sub-contractors but always did his own millwork on housing projects.

Begin side 2 of tape:

Jacobson meets Del Webb: It was 1930, and the Depression had hit Tucson where Mr. Jacobson lived and worked as a carpenter. He was married with 3 children, and came to Phoenix to look for work. Webb had advertised for carpenters to work on a State Capitol project. There was a long line of applicants and he knew he didn't stand a chance so he went to the Webb office, a small two-room building. He couldn't get by the secretary and finally took charge and said, "Young Lady, I'm a contractor from Tucson and you tell Mr. Webb I want to see him." Mr. Webb heard the commotion, cam out and invited Mr. Jacobson into his office.

Webb offered Jacobson a job as time-keeper; they haggled over wages and Webb finally agreed to pay \$100 a week and if Jacobson delivered as he said he could, he would raise him in a week. Mr. Webb kept his word and gave him a raise every month for the rest of the year.

The same secretary who wouldn't let Jacobson see Webb later became Jacobson's secretary. She often said, "I've been paying the penalty ever since". She retired in 1982.

Breen: Explained the first studies leading to Sun City: "not knowing what we were doing, the first thing we did was to commission a study by Western Business Consultants of Phoenix, at a cost of \$10,000, which turned out to be nothing more than a compilation of government reports. It was unsatisfactory as it did not tell us what we wanted to know.

A friend of Breen's, Lou Silverstein, was going to Florida to open a radio station with his brother. Breen made a deal with him to interview ten different people on different jobs to get first-hand information in a return for gas money and travel

expenses. The biggest comment he got was "I love children and grandchildren, but I don't want to raise someone else's children."

That was the best market study we did. There were also complaints about failure to deliver what was promised when sold... selling lots from pictures and blueprints instead of tangible improvements.

<u>Breen</u> continued: "The commitment to put everything in before we opened was a hell of a big gamble"...also we turned our back on 80% of the potential market by restricting sales to retired people.

<u>Jacobson</u> explained how jealous Webb was of the company image and he didn't want to be connected with "schlock".

<u>Louise Byrne</u> explained the results of interviews with "pioneers" and the unanimous reports that they were able to trust Webb... even bought over the phone after picking home from a brochure... everything was as promised. No high-pressure sales.

<u>Jacobson</u>: "We were a proud company... we tried to be a cut above anyone else in our business and we tried to maintain that trust and integrity."

He extolled Breen's part in the Sun City development. We were selling Del Webb but the man who was doing the selling was Breen. Webb's picture appeared on the TIME magazine cover – that was a big plus.

<u>Breen</u> explained the great difference between a "development" in or near an existing community and a whole new community from scratch which included water and sewer systems, police, fire protection, etc. Mentioned advent of Sun Cities in Florida and California; people wanted to be near the water (seashore), but not too close.

Discussion about Webb the Man: Jacobson was high in his praise of Webb, good story teller like Will Rogers... could command attention wherever he was... liberal with his employees. His wife was a nurse and they lived in the San Carlos Hotel. When Jacobson first started to work for Webb, they lived over the office at 1633 North Jefferson and Mrs. Webb helped with the bookkeeping. Webb came to Phoenix because of his health, and he also thought the warmer weather would help his pitching arm (baseball player). Today the health problem would probably have been valley fever.

Webb had the ability to surround himself with people who could 'get the job done'. We were often referred to as the 'Webb Academy of Business'.

Side 3 (separate tape):

Someone said when Jacobson left the company in 1965 he took a lot of the good people with him. Jacobson said this was not so. Yes, there was an exodus but for other reasons.

Louise Byrne: Commented that at a general meeting held for Sun City residents Swanson (then president of the Webb Co) gave the impression that he had turned the company around. Under Johnson there was a lot of drift and not much direction. Jacobson was not involved with the company at that time except for the sale of some of the hotels (Sahara, Mountain Shadows, etc.). It was a thought recession period and properties had to be sold. Johnson was not to blame, but there was need to raise money.

Discussion ensued as to the availability of Webb publications showing predevelopment plans for Sun City.

<u>Louise Byrne</u>: Was concerned about the indiscriminate selling of land to outside investors and the possibility of commercial businesses and apartments not conforming to Sun City standards.

<u>Jacobson</u>: Over the years, employees demonstrated a loyalty to Del Webb Co. that went far beyond monetary measures.

<u>Breen</u>: We tried to create good will and not just be 'big daddy'. It was never meant to be that Sun City would remain dependent upon Webb upon completion of construction.

Politicians soon learned of the voting power in Sun City and the ability to vote down that which they did not approve, e.g. school bond issues. They also learned to take advantage of the expertise retirees brought with them.

Company did a good selling job on Del Webb. Many early retirees swear they knew him... probably confused him with the director of activities, Tom Austin, who was very visible. The Webb name permeated the community and the real powers were never recognized.

'Jim Boswell' was a quality partner... don't come any better, first rate.

Breen: CONTEST TO NAME SUN CITY: There were three prizes: a house, a golf course lot, and a two-week trip to Las Vegas. Del Webb chose the name Sun City. Breen and Joe Ashton had a job getting the winners to sign an agreement (the fourth name, 'Sun City', was not among the three finalists selected by the company conducting the search). We knew we might have a legal problem. One winner lived in Pierre, South Dakota, and we called the County Attorney and asked him to get the agreement, which was dictated over the phone, unsigned. We couldn't reach the guy who lived in Portland, Oregon, and was on a trip in his trailer.

Promotional record WAKE UP AND LIVE IN SUN CITY popular and took a national public relations award.

MANUAL'S PLACE – PEORIA: It was New Year's Eve before the grand opening. Owen Childress, John Meeker, Tom Breen, Jack Ford, and Joe Ashton were gathered about 8:00 p.m. Everybody was very quiet... nobody was talking... wondering if anyone will come. <u>Childress</u>: I'm worried about how I'm going to get a 30-yr. mortgage on a guy who's 60 years old."

Highway Patrol said next day traffic was backed up for more than two miles. There was a four-page spread in the <u>Arizona Republic</u>.

END

SUN CITIES AREA HISTORICAL SOCIETY

L. C. Jacobson and Tom Breen

Interviewed by Glenn Sanberg and Louise & John Byrne on November 29, 1983.

Transcribed by Belva McIntosh 13 April 2007

(Speakers were difficult to identify and often talked over each other. There was a great deal of background noise.)

This is **Glenn Sanberg**. This is Monday, November 28, 1983. We are in the office of Mr. L. C. Jacobsen, former President of the Del Webb Corporation. With Mr. Jacobsen is Mr. Tom Breen, also a former executive of the Del Webb Corporation. With me, helping to conduct this interview is Mr. & Mrs. John Byrne. John and Louise have arranged this interview for us on behalf of the Sun City Oral History Project.

(Jacobsen speaking): As I said before the first contact we had with Boswell on the land he wanted to develop out there was in a golf game that he was playing with Bob Johnson, manager of our Los Angeles Office. They were playing at (---) Country Club in Pasadena and Jimmy told Bob he had some land out there that, lousy cotton land, and he wanted to know about some way there was to do something with it, the proper way, so it would have some kind of future. So Bob told him that the person he should get in touch with was me with the Phoenix Office. And Jimmy came in and we discussed the development with him and I painted the best picture that I could. One point that I brought out before that I didn't just know, was at that particular time Del and I were very bullish in land. We had decided to chuck it in. We had had some conversations with Tom Breen who was the head of our housing development. So when somebody came in to talk to me about 20,000 acres that they wanted to turn over to someone that they wanted to develop my ears perked up right away. We talked about it and came to a tentative agreement. Then the agreement was drawn up and as I recall from a check list of Jim. Then the agreement I think was about to be signed, it was prepared at that time. I was painting a picture of what might be done if we got the trend going out that way and through my personal connections with Las Vegas, we could get Las Vegas and the Las Vegas town to come down here. And one

thing in particular I remember was I mentioned well maybe we could get a farm team from the New York Yankees since Del Webb was half owner. Anyway I was painting this beautiful picture for Jimmy as best I could then finally he said, don't give me all that bullshit, where do I sign.

Louise: Then the fact that Sun City was right next to Youngtown was purely happenstance.

Jacobson: No. So that was where we were at. So we got Tom Breen (head of our housing and development). So we got Tom and his group together at that time Tom was working with Joe Ashton who was Executive Vice President of the housing and development. We have twenty thousand acres of land, now how do we approach this. We knew it was a long term deal because the deal we made with Boswell gave us plenty of latitude concerning the land purchase requirements each year. So they took it under study and advisement and then one day the next contact I had with it one day Joe and Tom came in and they said, you got some time, I would like to take you out and show you something. So I got in the car with Tom and Joe and they took me out to Youngtown. They said, look at this. We looked it and we marveled, it was way out in the middle of no place right along side that ditch and some guy sold a few lots, looking across that canyon there. Tom said, you can pick this up (----) and so they were enthusiastic that this might be the idea. I said well you better pick it up Tom because you are more intimately associated with it.

Breen: Well, I had been feeling around with this idea for about two years prior to this. But the problem was that everybody I communicated with were gerontologists and would not deal with what you do with your life after you retire and the time you die. I think the only guy that put it well was one guy I wrote to who was name was Robert Hagenhurst of the University of Northwestern. He said that basically what I was talking about was separating gerontology from a social structure designed for the elderly, which he was not an authority on and he didn't know anybody that was. Nothing happened with it and I just kept thinking about it until Jake made this deal with Boswell. In talking to Joe – I had already been out and seen Youngtown, it amazed me that all you had really was the

concept, an exclusive community for elderly people with no kids, etc, no facilities other than just sell houses.

Sanberg: Do you know who started that?

Breen: Yes, Ben Schliefer.

Louise: He was from somewhere back east, wasn't he?

Breen: I don't know where he was from.

Sanberg: There were some homes there when you first saw it.

Breen: Oh yeah. There were about – I'd say about twenty, thirty houses. It was pretty small. He only bought a forty acre piece from Jim.

Sanberg: It started with forty acres?

Breen: Had a store, but not a damn thing, that is what we were remarking about. No facilities, no nothing, just the idea of an exclusive community.

Sanberg: Would this be 1958?

Breen: Yeah. So then Jake said I was working with Joe Ashton and we kicked around the idea of a retirement community. We got down to the wire and I'll never forget something I thought was very funny. Ashton tells me, well you got all these wild assed ideas, why don't you put the thing down in black and white and two pages. So I wrote him a memo. The essence of it was – the community would be based on three things. Activity – economy – individuality. Activity of course means you have to provide the facilities for people to be active. Economy was based on the fact that by communal use and having an entity there that would support itself which would be much more economical, usually facilities are owned by everybody. The individuality was the thing that we felt very strongly about which was that we would not in anyway shape or form direct any activity or any function. We would stay the hell out of it and there would be no organized this or

organized that, have you do organized exercise class or any of this nonsense, that we would just keep our nose out of it. We would build it and let the people run it and do what they want to because it is their community. Ashton called me on a Saturday morning, after reading my memo said maybe I should go to the 24th street sanatorium. That was how hot my memo was. He said you got to go see a psychiatrist. And we did. We went down to see -

Louise: You really saw a psychiatrist? Not because he questioned your sanity but because you wanted to see what he thought.

Breen: We were walking in an area we didn't know anything about and neither did anybody else. So we went to see him, his name was Beal. Ashton gave him my memo and he read it and said, well I think you are right, but I don't think you know how right you are. Then he got into a lot of involved things about, repressed hostilities and so on and so forth. But I think he confirmed at least at that point what our approach psychologically was and to some degree the societal aspects of it. Then we went to work. We got Jake and Webb to commit, which was not easy.

He encouraged you didn't he?

Oh yeah, I say Jake more than Del because ---

(Transcriber: it is very difficult to tell which person is talking and some time several of them talk at once. All I can do is hopefully get the gist of the conversation.)

It was a very interesting experience, at least to my way of thinking it was a very big part of this community, structuring a totally different community. There are going to be things that aren't going to be there and things that are going to be there. But that was going to affect a person's quality of life. Anyway we had been out to Youngtown before that and then we had a horrendous capitol –

(Another speaker) We went to Youngtown first and then they got me pumped up on it and we weren't sure about this, we weren't sure about this. There is an

organization in the United States, the foremost realtors and developers in the country, called the Urban Land Institute and so by this time we had already committed the funds to do the master planning --- and we had the big maps and the all this kind of stuff. We had a large planning department at that time in house. We paid the Urban Land Institute to send a half dozen of their top people who ----- this type of developments. We had a three day seminar at Mountain Shadows. They were from San Francisco, Washington, the foremost developers in the country. So we had this three day seminar there and paid quite a substantial amount of money to get them to come out. We presented this whole plan to them. And their report, after the three days, they all got together in private and they reported to us and told us this wouldn't work. First that old people didn't want to be together, they wanted to be with young people. But second and more important as a profit making venture it would fail because the cannibalism would more than offset the new potential. It was a very negative report and they recommended that we didn't go ahead with it.

What did they mean by cannibalism?

Well, there would be more people die than you could get new people in.

And so I guess we were one of the original contrarians down there so we gave them one of our good ideas and they gave us a report that so we sort of bristled up and we decided right then well we are going to give it a whirl, contrary to their recommendations. So we did.

They didn't know anything about this area, we maybe knew a little more about it than they did. There was a risk there but we went out and we committed a hell of a development. We scratched out nine holes of golf and we had a little recreation center.

Was this pretty well budgeted?

Yes (couldn't understand the money mentioned – something like one million something.) and in today's market that would be about ten million. We scratched

out the nine holes of golf, we built a motor hotel. We built an arts and crafts and what do you call that?

Jim Boswell was on the board of Safeway markets so we got a Safeway, matter of fact to show you how much people believed in it we couldn't - we had to finance a guy to go into the liquor store. There was a liquor store there originally one of the first little shops there. (Transcriber – lots of people talking – unable to understand it.) I'll tell you something else that was a negative to us going ahead with it. We had been negotiating with Kemper Marley for 20,000 acres that was north of Scottsdale and we were about to make a deal with him and he couldn't get the land free and clear for us at that time, that was one thing, and the second thing was that there was a question about the water out there. That would have been an ideal place for this. We took it out there because there was the land and it was good priced land and you had to go out through Peoria and then there is that other little El Mirage and they had old automobiles dumped in along there. Everything thing that you can think of that was an approach we had to fight. But we did. The first year we had nine holes of golf, we had the golf course homes and we had the homes off the golf course. We really ripped them off for the golf course sites - \$500 for the golf course sites. But even at that that really cracked the nut on that first nine holes at least on construction costs. We wanted to get the cost of the golf course out of it. (more inaudible talk)

Of course it was up to us to prove the economic feasibility of it.

Now your approach as a developer and how old were you at the time that you were planning this and you were thinking about what retired people would want.

About 25 years ago and I am 59 now.

You can take this story and do whatever you want with it but we are giving you the facts here. We aren't going into superlatives and things like ---

We don't want any superlatives.

For example when Tom was studying gerontology and the elderly it was strictly a commercial proposition. I remember a speech ----- I don't mean this derogatory but Del Webb was a very good friend, best friend and no one had a closer relationship -----but when I give you these facts without superlatives – I remember the first speech we wrote for him he said now when I saw my parents growing old I knew I had to do something for the elderly. That was what was in the newspapers and they ate it up. But that is part of the promotion, but we wrote it for him, matter of fact I think the first time he saw it was when we invited him to the opening, and he didn't make the opening.

You mean he had never even seen this?

No, he didn't know what it was. He used to call me up on the phone from New York or someplace and god I can still remember that, he would get on the phone and say, Tom, how is your old folks home coming. Then he would say, well I hope you know what the hell you are doing. And I would say well I hope so. Finally I ask him one day after one of Del's calls, I said why don't you give him a piece of the action. I said tell him and he would be like the rest of us, tell him you don't know what you are doing.

That is quite contrary to what people think.

(transcriber – too many voices and lots of laughing.)

Well, here is the thing, we were a company and Del was the front guy, the publicity guy. (now audible) and we fell into this recognition thing. You can't sell an organization if I am trying to sell -----When Webb and I visited Iran, the Del Webb Corporation – no question about that and he supported me in everything I did. We never had one single difference in opinion. Oh, we would argue among ourselves about this and that. I was the nuts and bolts guy. I had a hell of a group behind me. Joe Risen and Tom Breen. One guy who should get the most credit for this idea, the idea itself, that would be Tom Breen. He painted a picture up there of what we were going to do which Boswell didn't believe and nobody did. It was greater than even I had dreamed of. You are going to have to give me credit for that. You have to give me credit for getting behind this idea.

But it was a team effort. Everybody had a part to play. But these guys down the line – you can't from a publicity standpoint sell a deal like this. You can't go out and say this is Del Webb, Tom Breen, Joe Reisen – you got to sell one guy. Del Webb – here's a guy with the dream, you can't say it was Tom Breen's dream or Jacobsen did this stuff over here and somebody else did this stuff over here.

What I am interested in is how far into the housing business was Del Webb when this thing started?

(answer garbled)

OK, this is what we don't understand. You were selling homes over in (several people talking at once) – San Diego

Bit project in north Kansas City.

So you were experienced in the housing business.

Oh absolutely and planning

(many voices talking at once)

What was this community you built down here for the oil company? I mean the first one down here in Arizona.

Oh a mining town, San Manuel. That was a contract deal though that was a different route. That was a job that we bid successfully for and we planned it (more voices)

Was that the first community you built?

When you say community ---

That was a community wasn't it?

It was a whole town.

You had never built a whole town before had you.

No I don't think we had but what are you talking about a whole town. You build a segment of a whole town too like in Kansas City there were several hundred houses there and we had a shopping center there, a shopping area ----

So you were already big time in the housing business.

Oh yes, I'll say we were – one of the biggest in the country.

But did I understand you to say that housing business was sort of slow in '59 and you were wanting a way to get out of a slow industry.

It wasn't so much that it was slow; Phoenix has always been historically a very tough and a very low margin housing market. I hadn't sold anything in Phoenix since '65, no '68, I came in about three years ago with my own company operating out of California. Nothing has changed. It's still competitive. You wouldn't believe and a low margin – very cyclical, very tough housing market. Could be that everybody wants an excuse to come out here – good climate. We had a lot of good competition at that time too, John Hall and John Long. (more voices talking over each other) We built the housing at Fort Huachuca. We built a lot of houses in Phoenix too.

How about Williams Air Force Base. Did you build that?

At this point how big was Del Webb from the standpoint of dollars?

Well, I would say in present day dollars that Webb was worth about-----

Now when you talk about building all these places did you do it all through subcontractors so that Webb's actual force wasn't all that large.

We had several thousand employees (too much noise to understand) We would subcontract the excavation but we would do the carpentry and concrete work which was the control job, that controlled how fast the job goes, then you get the subcontractors in for the plumbing and the heating and the electrical work and those items. On all housing jobs we did all the mill work.

Were you gambling a great deal or did you think------

To give you one example I flew into Williams and General Marshall was in command at that time and we talked about the housing there and he said well Del Webb told me there was going to be all the housing here whether they get paid or not.

Well, I'll tell you what we did. We built the Japanese Relocation Center in Parker. We built a complete town there for twenty thousand people, Japanese. Shopping and everything, in ninety days. We had so many lumber trucks coming down that they sent a wire out and said what in the hell is Del Webb doing – you could run over the tops of these trucks. They gave us a ----- for a million two hundred thousand dollars. (more low voices) then it finally ended up being twenty million.----

That was soon after Pearl Harbor. We built the Blythe Airport.

When did you join up with Del Webb.

Well, I came in January 13, 1938.

We haven't found that many people who knew Mr. Webb and called him Del on a person to person basis. Everyone knew Del Webb but in the Del Webb Company the people we talked to were the younger ones just coming up and he was Mr. Webb. Was he Del to you then?

He was Del to me. He was Del to the inner group of the executives.

Was he Del to Tom?

You were just out of college then weren't you?

I didn't go to college. My father contracted tuberculosis when I was fourteen, he worked as a carpenter. Then I became a contractor in Tucson.

Are you a native Arizonian?

Well, except for the first year of my life. We lived in Tucson. And then I borrowed a tank full of gas and ten dollars from a friend of mine on New Years Day of 1938. I heard that — I had a job as a carpenter for Robert E. McKee at the Union Depot in Los Angeles. Now that kind of dates me. I turned it down. So I had heard that Webb had gotten the addition to the state capitol in 1938. There was nothing building in the state. It was depression. He had gotten this job and so I thought well I'll go up there and catch a week's work and that will give me enough to get to Los Angeles on. So I came out here the first day, and my god there were lines three blocks long. I am a carpenter and I am clearing into this local and I'm not even a native. I thought oh hell I'll never get that. So I thought well I'm going to see if I can't talk to the head guy. There office was really at 733 West Jefferson, catty cornered across the street from the capitol. So went over there and I (I was 25 years old then and I looked a lot younger than that). So I came into the office and here was a room about this wide and there was a little

blond headed gal about 17 or 18 here at the telephone and another girl right back there ----she was an accountant and there was a gate over here with one of those buzzers. So I came up and she said may I help you and I said yes I would like to see Mr. Webb, and she said, is it about a job? I said, I didn't want to give my self away but I said. Yes, but it is a special kind of a job. I didn't want her to send me back out to that field. I'd have no chance out there. So she said, well all of the hiring is being done my Mr. Reed, the superintendent. And I said, well if you will just tell Mr. Webb that I'd like to see him. She said, well I'm sorry but Mr. Webb is getting ready to go Los Angeles and he won't be able to see you. I thought, geeze, I've got no job and I don't have a nickel in my pocket. And so I got to shoot my wad see. I said listen young lady you go in there and tell Mr. Webb there is a contractor from Tucson out here and I want to see him and I want to see him right now. The secretary said yes sir, yes sir. There was just a little short partition and he had an office in there. Well, being the inquisitive guy that he was he wanted to see about this contractor from Tucson. I had been but I went broke there (unable to understand what is being said). So here comes Webb. Now he was about forty years old, had these big horn-rimmed glasses. He comes out looking for the contractor from Tucson and I was no more a contractor from Tucson than the man in the moon. And I looked at him and he looked so young and I thought damn I want to see the old man. He looked like a college kid just out of school you know. And you can't get much sympathy from a young whippersnapper. So he is looking for a contractor? I had a little money in the bank – up to \$60,000 and he said, we will starte the company with \$500,000. \$125,000 from you and \$375,000 from me. He said I will loan you whatever you are short. -----

So you really were -----

Now the secretary that tried to keep me from getting a job there finally became my secretary. She just retired last year and she likes to say she has been paying the penalty ever since. She is Amy Jo Hafford. She was married many, many years ago but she got divorced and took back her maiden name.

So in other words you had about 20% of the action.

25%. No one else had any interest.

And it all goes back to that first ----- You took charge in other words didn't you?

Well, I came in and I got lucky and I think the first job that I did myself was the -----building in ------they were about to tear that down. And then during the war I got lucky and got a reputation as an estimator.

Tom, there is a point that hasn't been covered here and I want to know what you remember about this. Somewhere along the line we learned that you were sent to Florida. Was this when you were checking out the gerontology thing?

No, before we started, again not knowing what we were doing here-----there was no way we could really put together a package. First thing we did was requisition a study from Western Business Consultants. As I recall it cost us \$10,000, and you or I could have made the same study without paying for it.

It was nothing but a compilation of government publications

Where were they from?

well there has got to be something to our basic idea. We took, what I thought, were the three basic elements of it and structured the questionnaires around it to see if they were really important. And his beating on doors in Florida we learned a heck of a lot.

You didn't go down with him.

Not at that point. I went down later at the time that Jake is talking about and started the Sun City Florida. ----- But that was the most meaningful market research that we did of all the high flown expensive stuff that didn't do anything for us.

And the biggest thing that came out of this was that we love our children but we don't want to raise any one else's.

There was no talk about the disappointment of buying lots from a blueprint, pictures and all this sort of thing.

We never did that. One of the things that took the capitol commitment that we had to make at Sun City - Ash and I were both convinced that we had to have everything in when we opened.

Where did you come to that conclusion, this is what I am getting at.

Well, our feeling was, say that you got man that is seventy years old that wants to live there, what the hell does he care if you got a sign that says future shopping center – that isn't going to do much for him.

Did you get those kind of complaints down there in Florida?

Oh sure. They were promised stuff that never happened. Most of the buyers down there – it was phenomenal – people would buy lots and go into these general developments offices like say in -----or some place like that, they would go in there to see how far under water it was. It was a peculiar attitude. The people knew they were getting robbed and wanted to find out how badly. But that was

one thing that we also wanted to stay away from, that is why we never sold a single lot in Sun City. The commitment to put everything in before we opened was a hell of a big gamble obviously. I had to go to Jake and convince him that it was necessary. The other argument was that we were turning our back on probably 80% of the potential market by limiting it to a retirement community.

(much noise)

But we couldn't stand that for our own image. We didn't want to be known as a schlock lot seller operator.

You were always successful in other areas.

Yes, our reputation was too important to us to be identified with that kind of a thing. We consulted with Lehman Brothers who were backers when we went public----we were tempted because we could have sold those lots in two or three years and made much more than we made this way.

Something that interests me about Webb. The people I talked with who came out there and put down the \$500 said the price was right and it was a small risk because \$500 wasn't too much. But more than that there are people who say we bought over the phone when we got home, or we bought over the phone from a brochure our neighbor had. They say consistently, that everything was as promised. People who are living in those first houses are still happy with it. They think they got a great bargain. They say that the salesman, there was no pressure. One couple told us that they gave a salesman a check and told him to hold it until we get home so we are sure we can cover it in the bank. No one has said they were high pressured. Now this had to be a feeling in the Webb company that permeated the whole town.

Well, we were a very proud company. We felt we were just a cut above anyone else in our business. We tried to maintain that. We tried to maintain that image. Although you can lay a lot of that to the quality of the Del Webb Corporation. But here is a guy that deserves a whole lot more credit for Sun City than he has been getting.

Because it was your idea that it all had to be ----

No, because he carried it through and Webb hit the cover of Time magazine. Well, that went two ways. One – Del Webb was known throughout the United States as a sportsman and co-owner of the New York Yankees. So that gave him and us a lot of prestige, it opened a lot of doors. Whenever I wanted to meet anybody in the United States I said, Del, I want to see this guy and he could arrange it just like that. So that started it, but the guy that went back and sat around with Times editorial staff and sold the deal was Tom Breen. It was Del Webb, the name we were selling. ------- but if the truth were known the guy who should have had his picture there was Tom Breen. He was our authority.

And he just learned it from a basic idea -----

No question we learned a hell of a lot the first year. There were a lot of contributions from the rest of the organization. We were a team – we weren't individuals -----

At what point did Del Webb start getting a little excited about this?

A year after we opened to tell you the truth. He was still asking us, are you sure you know what you are doing. He got reports and he knew more than that but he would ------

Well some of this was just your money wasn't it?

Well, sure it was.

So you had something to say about putting up the front money.

I had everything to say. If I had said, Del, we want to quit now there would never be a question about it. He backed me up in everything I did.

But you made the decision to see it through didn't you?

That is exactly right. The facts are that I made the major decisions-----How long were you out there and active in Sun City? Until '65. You went on your own then did you? Something that interests me was that everybody that was in Sun City couldn't have been the product of one man. So, someone had to be receptive to ideas which the residents brought in or other people to start adding to this thing. Who got the idea that a bowling alley was a good idea or the Sun Bowl. What we did originally and again -----for instance we put lawn bowling in ----- What the hell that was nothing but Bocce we played that in Italy. There was some of that in Florida wasn't there? Not that I was aware of. But again we would all get together, we had a great staff and say what shall we put in. ----it wasn't a one man deal at all. ------Was Childress in this picture too? No, not at this point. When did he come? Well, he was handling mortgage money and -----processing. Meeker wasn't in it at that time was he? Yeah. Meeker was working for Jack Ford ----- Jack Ford and ----- and myself were probably the three guys that were responsible for the ----

There was a pretty well recognized fact that anytime you wanted to develop something you put the recreation facilities in first. That was the radical difference, nobody had ever done that before.

As I mentioned earlier we had a 10,000 square foot Safeway market
(transcriber: much laughing and coughing and moving of the microphone.)
you know because when they were going to put the Safeway in at Sun City West that was a big and I think Webb is still underwriting that Safeway. You know it was months before
We've heard the figure two million dollars, front money Is that about right?
We had a million three of Webb capitol in it not counting what he had to finance through the banks. That was another question, we were walking in a dark area. When we started talking about financing houses, you know, you're talking about a 30 year loan for a guy 65 years old.
What were we selling some of those first houses out there? 8500 – that same house now would cost about 60,000, or maybe more than that. ————————————————————————————————————

When you talk about community development versus sub-dividing, there is a tremendous difference. Like if I want to build a subdivision in Phoenix I would just tie into the local sewer system and the water system, and I would have fire protection and police and all this. We didn't have any of that. We had to build our own------. Couldn't get a doctor. First guy we got was Dr. Stump and he has a nine year old son and they wouldn't let him in at first then they made a special exception. And he was retired he was something else. There is a guy who knows something about gerontology than anybody in the country.

Someone told that at one time Webb considered building a retirement community in Oracle. Have you ever heard of that?

Why? What happened?

Well, it was successful but not on the grand scale. ------But Sun City California and Sun City Florida – Sun City Florida was the slowest to get going.

Somewhere along the way here we learned that there was a land company that was involved in Youngtown. They wanted, according to the news item, they wanted to combine forces with Del Webb and it never went through. Do you know anything about that?

As I recall it there was a question -----Jim Boswell sold them a piece of land to get started and Ben Schlieffer tried to make a deal through Jim -------but it didn't go anywhere. I think we agreed with Jim that if they needed another 80 acres or whatever------but we didn't want to combine our resources for obvious reasons.

When did you quit Webb?

65

I'm	going	to ask	Bob	then.	Why	did	you	quit?
	88				2		2	

What was Del Webb really like? It's pretty hard to separate the image --- he apparently was a nice guy. Tell us what he really was like. What his interests were and what kind of a business man he was.

Well, a newspaper writer described him the best I have ever heard one time. Said he reminded you of someone from your own home town. ------a very personable guy, a great story teller, in kind of a Will Rogers type of way. He was an avid sportsman--------as a baseball player, and golfer. He had a way with people that I have never seen the equal of in my life. I remember one time out at Bumstead's ranch they had some Prince of Arabia or somebody, some notable like that. He came out there to see the cardinal grapes that they were growing. They had all the press out there and they had all kinds of politicians and statesmen who wanted to meet this fellow. Well Webb walked right into the group and walks right up to him and say hello and how are you and captivated the conversation. He had that ability. He generated loyalty. One of the big complaints when we went public and people were hesitant to buy our stock because we had been so liberal with our employees. He believed in sharing.

What about his first wife?

Off the record.

This is before he came to Phoenix and he had to quit baseball, way back.

I think I would have known it if he had had tuberculosis back then. -------But he came to Phoenix because he was a baseball player and he pitched his arm out and he thought this warm weather would help his arm so he pitched in semi pro league around here and he was a carpenter at the Westward Ho Hotel. I would question that tuberculosis story. I do know that he was out for quite a period of time right after we started for Huachuca and it was fever or something and they never did find out what it was. It might have been valley fever. He had a room at

the San Carlos Hotel. I used to go-----The first Mrs. Webb was a nurse. She was taking care of him up there. When I started at the offices at 1632 West Jefferson there was an apartment upstairs where they lived.

Now you managed the store for him from early days. How keen a business man was he? He made the final decisions or gave final approval but would Webb have gotten as far as he did or been as big as he was if he had been managing the details.

Now that is kind of a loaded question but I will go back to what I said. We were a team. Nobody can be all things-------that is one thing that Webb always prided himself on. He would say himself. Maybe I can't get the job done but I have the ability to surround my self with people who can get the job done. He was a great PR guy with the employees. He had a great concern for them. Always calling Tom on the phone and saying how is your old folk's home coming and things like that.

I talked to Jim Boswell and he said the guy you want to talk to is Jacobson, and you are going the same things, you said you need to talk to Tom Breen. That kind of loyalty is hard to come by.

We were a team. I'll tell you about the Webb Corporation. We were often referred to as the Webb Academy of Business. Take this guy who in the past six or seven years as become a multi-millionaire Rex Maughm. Well he was in our development department. Buss Kroger who has Sun Lakes out there he was part of the Webb Corporation. Dick Johns of the Westcor who built the -- they have a big development now at Pinnacle Peak. Here is Ed Robson who is owner of Sun Lakes, he got his start in Webb Corp.

TAPE 2

-----that you agreed on everything ------ but he indicated, an this was just on a phone conversation so you are reading into it more or maybe less than if you were in person. He said that when Jacobsen left the company he took a lot of people with him and he said, in Boswell's opinion Webb lost a lot of what the company had then.

I didn't take one person with me. I went just myself. Here is Ron Klein the chief councilor, -head of our legal department. He finally went on and was with Norton Simon and was chief councilor with 75 lawyers under him for Occidental. He always said that when I left the Webb Corporation that there was no future. And that is the story that I heard of course Del would tell ------and as it happens there was an exodus at the time but I didn't take a single person.

Well, I'm not saying that he said that you took them but he said----of them left-------within the organization------and so Bill Barry who was brought in to be the replacement, he stayed about two years I guess. But anyway ------

When I left the corporation I thought it best that I not inject myself into it that I remove myself completely, give them a chance without any influence at all. So I can't say, I wasn't that close to the company. The only business I had with them after that was the sale of the Grand Hotel to Webb. I'll say this I don't know, I may have a little bit of knowledge and have more people talking to me than other people, but I get the feeling from reading the papers unless they come up with some kind of a plan to make money – they just sold off a lot of their money making assets to reduce the tremendous loans they had------ I can say this in defense of Johnson that is that he went through a tough period there. We went through a depression and I don't care if it's Bob Johnson or whoever it is they had a tough time going through this last recession we went through. It was the worst one since 1931. And when you are an aggressive company like the Webb Corporation you are out extended pretty well. Now that is the only comment that I can make but Swanson. Maybe he has a plan, I don't know. But when you sell

off Mt. Shadows and you sell off the -----and you sell off the Sahara and you sell off ----

They sold off land like it was going out of style.

I just don't know. Some people say, I was talking to one fellow, I don't seek this information, people come to me and talk to me and say what do you think and I say I don't know. One fellow who was pretty close to ----a stock broker, he says well their future earning capacity rests with their success in New Jersey. ------

(talk about copies being made and pictures etc.)

Have you been out to see Sun City anytime recently?

Oh yeah, we go by periodically. It's our baby, you have to visit your baby once in a while.

That is not a part of Sun City.

It is a part of Sun City. That's the whole thing.

If you moved into the Arab's apartment you can't use any of the facilities.

But that's the big argument right now. You see any of this land that is in Sun City now they are claiming that the people who live there have full access to the Recreation Centers. And the big hassle now is that the recreation centers (people talking over people – can't understand)

But the terrible thing is and I just clipped this article from the newspapers that this land is being sold and what they are planning on developing. I have counted something over 1100 units, apartments that are going to be added down at 99th and Peoria, there is an area that does not belong to Sun City around 99th and Peoria but then east of 99th past that little area then there are another 30 or 40 acres that are part of Sun City. So what it really means is that there is a possibility of 10% of the present population of Sun City, an increase of 10% in these apartments, many of them which are being built as rental units. It is kind of a frightening thing, plus there was a lot of bank corner lots and filling station corner lots that they sold off and they are putting in centers, they are saying it is retail and/or offices. In other words they don't have a-----and Westcor is building, it is almost completed a shopping are out there, it is just south of Bell Road, between Bell Road and the recreation center and they have space for 30 to 40 shops in there. Now they have been building that for six months and the first shops are just ready to open and so far they have announced five tenants. There is another outfit that is building, and this is very close to us so we watch it, at the corner of Burns and Bell which is about the equivalent-----It is flip-flop of the one that is on the south side of Bell they built this little are here, it is limited there are about six units in there. So now they have filled it with a medical center, gift shop, a paint store a fan store, you know just a mish-mash, but they have like 36 parking places there, if business ever gets rushing and they have a flip flop of that building right across the street---

I might say this Mrs. Byrnes, you might say the company has drifted under Johnson, but whether that is true or not I don't know. But there is one thing I do know about Johnson, he was brought up with the same loyalty to company, his

ideals, that the rest of us were. I know the old timers of the Webb Corporation had more than a profit interest in Sun City and their people. No question about that. If a new broom comes in and sweeps it clean will have that same kind of loyalty I don't know.

But under Meeker, and of course we only know------------Meeker had the same philosophy of doing what was right for the community and maybe too much so. Maybe they had to disassociate in order to peel off------------They shouldn't have had to sit there with all these unsold lots.

About incorporation, I remember when that first came up there was a commissioner named Barney Burns and he came to see me and said what is your position on this and I said we don't have one. He said you are crazy you would get rid of a lot of headaches by incorporating, and I said we don't have a position on anything going on in Sun City, that would be up to the people.

That would have been contrary to your original concept wouldn't it?

And this was early in the game and I told Barney, you know, you underestimate what is out there. In the first place I think their political leanings are predominantly republican, in the second place you are going to get about 95% voter turn out as opposed to the usual 35%. I never forget, about a year later, right after Burns was re-elected he called me and said that was an education. This is incredible. That is when the people of Sun City voted through the bond issue to improve Peoria High and the rest of the things and Peoria was scared to death. They said they will kill us. They voted down what they wanted, but they cut it down and made it reasonable and if it weren't for the Sun City people it never would have passed.

That was a pretty bitter thing, but as you say wiser heads prevailed to some extent, you know, Dysart School was sitting there with bond funding that they hadn't used, but when Sun City West started building they got together and said lets float a big bond issue because Sun City West will pay for it. And they came up with this tremendous bond issue for things they hadn't even had planned and Sun City West voted it down. They thought they were going to get to stick it to the Sun City West people. ———————These people, as educators tend to do when they think they are going to get the money, they had this huge athletic complex or science building and they had buildings they weren't even using out there. So again they came across on that.

We learned very early in the game and there are many amusing stories about this but invariably when we got involved with a committee for anything in Sun City you had the guy that wrote the book heading the committee up. I remember a certain character who shall remain nameless who would rather con than do it the straight way. We were doing that job up in Fort Lewis, Washington, capehart housing, and the big engineering firm up there, this isn't the exact name but it is something like Parker, Smith or Jones or something. And the facilities committee came to see me because they wanted to talk to me about fire protection and insurance rates and stuff like that. So I told Herb you better sit in on this thing seeing as how this is your baby. So we started talking to them and the first guy was asking questions about insurance rates and what underwriters would go for and this that and the other thing and Herb jumps up and starts telling them well you know that doesn't make any difference----then the next thing they get into is why don't we have a loop system in there which is like paralleling a good portion of it and you got a standby water system and also putting in fire hydrants. I know the reason for it was that it cost too damn much to begin with and secondly we only had chemical equipment. If we put fire items in we couldn't use them anyway because we didn't have that kind of equipment out there. But I listened to this other fellow answering their questions and I was sitting there shaking my head. One guy popped up and said are you talking about friction loss or are you talking about static loss, you know, rattling off these computations like that. This was Parker. Then he got to talking about underwriting and what the insurance companies will do and what they won't do and another guy who was the head of the Underwriter's Association of America in Detroit for like fifteen years and this

guy Finally I said, I think the reason is really very
simple, first place it costs too damn much and also we couldn't utilize it because
we don't have the right equipment. This Parker says fine. In other words that's a
nice answer. And that was always the case. Everytime we put a committee
together there and by god they had talent you wouldn't believe.
Yes, but the point is the Webb people had the sense to appreciate us and use us
and work with them even when they had some difficulties.

That was always our-----

As I say, I am just talking to the old people. They all have this feeling about Webb. The interesting thing is that Del Webb's presence and the name Del Webb has so permeated their thoughts and their memories that today they think they saw Del Webb a lot. And I was just thinking I think what they saw was the Del Webb representatives. PR man or whoever it was that came to their pot lucks. And in their minds that was Del Webb. You did a great job of promoting his image or something.

His picture was there for all to see. Tom Breen's picture was there and it didn't mean anything. My picture doesn't mean anything. ------One thing that I would like to comment on before the meeting adjourns here is that-----a better partner than Jim Boswell. When I had him he was just absolutely first rate and never any friction or anything. Fully cooperative at all times. Fine partner.

Do you remember Marinette?

Oh sure.

Do you know anybody who had any original pictures ---

There was pictures of when we started out there, south of the highway, it was all in cotton. We had to make a deal with Boswell ------

We are looking for a picture of that first Marinette sign.

Yeah. We tried to talk him out of it and he wouldn't talk. Ashton and I sat down and we took the list of names and addresses of the four people and we figured the only fair way to do it is to give everybody a prize but just to do it on a drawing basis. But, to do that we had to get each one of them to sign an agreement to the fact that they would be willing to go along with it. They would get one of the four prizes but we couldn't guarantee which one. We had a lot, and a trip to Vegas, I think at the Sahara, a house, I think we only had three prizes originally, yeah, a house, a lot and a two week trip to Vegas. So we added two more two week trips to Vegas----and I'll never forget, Ashton and I were sitting in the office trying to get these damn agreements signed and like one guy lived like in someplace like Pierre, South Dakota and we figured how the hell – there was no way we could send----all over the place. I told Ashton, they got to have a county attorney down there and he said I don't even know what county Pierre is in. So we found out what county it was in and called the county seat, got hold of the county attorney then we put Al Stewart on the line and read the agreement to the guy and said we will pay you to go out see this guy and get him to sign it. Bill came up with a better name but I don't remember what the hell it was now. But it was a pretty good name. -----but we got over-ruled.

There was a name called New Town at first wasn't there?

No. The only name that was ever put out was Sun City. But the funniest part of it was we got everybody signed up except the guy in Portland. He was in a trailer somewhere. We could have had a little liability in this thing. -----For the one in Youngtown we sent Al Stewart out with an agreement and he talked to her and she agreed she would take one of the four when we drew by lot. ------Stewart us driving out there and they are putting out this sign -------

----very conscious of PR.

Now this is something we didn't know.
And one time we got this radio announcementbut the best one he and this guy got together and they posed and produced (transcriber: singing – apparently the song that was written about Sun City/) What commercial was it where these guys
That was Camelback Village. That was "a home with a heart"
That won some kind of a national merchandising deal.
Some woman said that she had this record of that song.
Oh yes, we used to give them away
I made a tape of that so we have the tape. Oh, I have the words
Well I think you have about milked us dry here and it has been an awful lot of fun. Tell me what are you going to do with all this material.
Well, we have to distill it of course and
I thought you put it all in verbatim.
Anyway, hopefully we are going to get this book into press in time for the January 1985 for the 25 th Anniversary. We haven't even named the book yet.
I think I would suggest that in order for you to get the flavor of it, we have tried to relate the facts as best we could. But it would seem to me that you could color it a little bit
You can't do just a documentary, it has got to be an interesting
Joe Ashton died in the past two or three years. He was a real mover.

We have interviewed Meeker and of course he came into the picture quite a little bit later than you. But he gave us some pretty good background information on the development of the housing as it went along. -------He told about, he and Childress, I think it was, that last night, New Year's Eve, he said they had a lot of things to do and they got through about 2 o'clock in the morning and they went over to a restaurant in Peoria and he said they sat there and they looked at each other and said Do you think any body is going to come? And then the next day there were 25,000 people.

That happened about 8 o'clock at night. There was Owen Childress, myself, Meeker, Ford and we stopped off at Manuel's and ordered a drink and every body was very quiet. Nobody was talking. There were five of us. Somebody started laughing and said what are all you guys thinking about. And Owen Childress said I am thinking about how the hell I am going to get a 30 year mortgage for a guy 60 years old. We have to prove that they are good loans. And everybody had a concern.

Who were the five?

Myself, Owen Childress, John Meeker, Jack Ford. Just the four of us.

Jack Ford?

Joe Ashton was Executive vice president of the housing development. Tom Breen was his right hand man. Sun City was directly under Tom Breen. Jack Ford was Tom's project manager, chief operations. Owen Childress was ------and John Meeker was an operations manager.

I think it was Childress that told us that -----the first morning you ran out of official contracts.

Funny about that though, the part you are talking about was different guys worried about different things and I think Owen asked me what my major concern was and I said real simple, if nobody comes. He said, My God, you can't be serious.

------According to the highway patrol we had closer to 100,000 people that first day. Traffic backed up ------

Not the first day, I heard it was the first weekend.

A man told me that they arrived – they wintered out here, and they were due to arrive Dec 30, but they encountered so much bad weather that they arrived the morning of the 31st and he said they went to their apartment and he went out to get groceries and to buy a paper. He said there was a big spread in the paper, now do you remember how many pages that was? Some people say two and some say four.

It was four. It was a section that we took.

It says here it was 50,000.

In three days there were more than 100,000 visitors.

(Transcriber: I struggled through this because I thought it had some interesting information. There were people all talking at the same time, much laughing, and other noises that it made it hard to get it all.)