The Historian

Preserving Today for Tomorrow

Historical Society of Laguna Woods

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1980 - 81 Inflation, Weather and Land Swaps

The material in this edition was taken from numerous articles written Myra Neben, Elaine Osborn, Liz Amante, and William Boyer in numerous issues of the 1978 and 1979 *Leisure World News.* Additional information was taken from *Fulfilling Retirement Dreams*, published by the Historical Society in 1989.

Interest Rates and Home Prices

Interest rates peaked in March 1980, when Gibraltar guaranteed a "rock solid interest for 26 weeks of 15.742% annualized yield and 14.956% annual rate on money market deposits of $10,000 or more." The annual interest rate on a 30-month certificate was 12.00% for a minimum deposit of $100.

Statistics provided by the Saddleback Valley Board of Realtors showed that the average selling of a local home in January 1980 was $123,000 up from $47,772 in January 1974. Prices continued to increase until housing prices plunged during 1989.

In 1980, Leisure World recognized its the 20th Leisure Worlder to become 100 years old. An age analysis indicated the average age of residents was 71.4 years, a jump from 70.8 years about nine months earlier.

Weather

To digress just one month back to Christmas 1979, the temperature reached 80 , not quite the record breaking 85 , but enough to charm Santa out of his heavy red suit.

After 6 inches of rain during the first two weeks of January 1980, what was described as a "little twister," tore through Gate 3 at 1:45 p.m. on January 28, breaking and uprooting about a dozen trees. Just over 2.7 inches of rain fell from Monday morning until early Tuesday. Over eight inches of rain pelted the area in another storm which began on February 13. Aliso Creek overflowed its banks. Steep banks in other parts of the community began to slip, roofs leaked and maintenance crews worked round the clock to take care of the problems. Over 21 inches of rainfall was recorded for the year that began on July 1.

The rains were down to a trickle by April and repairs were made to Aliso Creek. For most residents the rains that overflowed the banks of Aliso Creek in the first months of 1980 were little more than a bad memory. But for those living in the area where repair crews tore through the sod with heavy machinery in an emergency effort to bolster the creek banks with heavy boulders, the storm raged on.

In mid-April, maintenance crews began top dressing and sodding the area, a large gash, created by a 40 ton caterpillar backhoe that carried 200 tons of rock, blemished the land behind manor 926. The gash was not just unsightly, it created a hazard for people who picked their way across the tire ruts to the laundry room, eliminated guest parking, bred mosquitoes and generated dust and dirt.

By July, the Golden Rain Foundation (GRF) started to implement measures to control the damage compounded each year by winter storm runoff water in the Leisure World segment of Aliso Creek. Staff reported a threat that winter runoff could cut a channel and isolate the sycamore tree which has flourished in-

Backhoe fortifies the banks of Aliso Creek in February 1980, in an attempt to prevent further erosion.
Leisure World News

Continued on Page 2

In danger of being surrounded by water if there was another onslaught of heavy winter rains, the decision was made to surround the 450-year-old sycamore in Aliso Creek with huge boulders. Leisure World News

to an historical monument over its 450-year residency alongside the creek. In August, the decision was made to surround the sycamore with huge boulders. The outdoor exercise class that used the sycamore to provide shade was relegated to another shady spot as trucks moved with the materials to surround the tree and shore up the creek banks.

Rossmoor Corporation Liquidation

Among the early stories in 1980, was Rossmoor Corporation's announcement that it was considering liquidation after the completion of Leisure World Laguna Hills. In January 1981, Rossmoor reiterated the possibility of liquidation. According to its 1980 Annual Report, "current economic conditions and the climate for real estate development," make "liquidation of the company a significant possibility."

In March 1981, Rossmoor President Al Ceresa addressed a meeting of the Historical Society. In his opening comments he said that during his 18-year association with the community, he watched it grow from "a hope, a sand pile out there" into the successful, thriving development. He said he has "a warm and very long lasting feeling" toward Leisure World Laguna Hills as the community entered its last phase with the possible liquidation of Rossmoor.

During the first week of April 1981, the Board of Directors of Rossmoor adopted a plan to completely liquidate the corporation's assets and dissolve the firm. The plan was subsequently approved by its stockholders. At that time, Ross Cortese, or members of his family, owned about 61% of the outstanding shares.

The plan, approved by the stockholders in June 1981, stated that Rossmoor would have one year from the date of approval by the shareholders, to liquidate its assets. Remaining assets would go into a liquidation trust. While it was expected the final 110 manors would be completed and occupied early in 1982, Ceresa said Rossmoor would continue with its new manor warranty program through the trust. He explained that the life of the trust cannot be more than three years, after which all assets must be disposed of.

Rossmoor immediately started to sell assets such as its office building on Calle Sonora and El Toro Road, its 5.25-acre model home complex on Valencia and Avenida de la Carlota, the Rossmoor warehouse on Moulton Parkway across from Moulton Plaza and the five acre parcel near Gate 3 zoned for medical or office buildings.

Rossmoor, also owned the Moulton Parkway Plaza and Willow Tree shopping centers, Delaney's Sea Shanty located where Laguna Hills City Hall stand and 159 acres of residential property in Rancho Mirage.

Cortese remained board chairman of Laguna Hills Utility Company and RCC Inc., neither of which were involved in the liquidation. The utility firm subsidiaries Laguna Hills Water Co. and Laguna Hills Sanitation Co., were built by Rossmoor to provide those services to Leisure World. RCC Inc., is a private company categorized under Real Estate Developers, established in 1969 and incorporated in California.

The Globe

In February 1981, Rossmoor announced that the Globe, a trademark of Rossmoor Corporation and the symbol of Leisure World, could be abandoned if GRF refused to take custody. Rossmoor also offered GRF the electrically lighted Leisure World sign on Avenida de Carlota which was visible from the southbound freeway at night. At that time, the sign was the only thing that marked the entrance to Leisure World. The annual cost of operation and maintenance was about $5,000.

A few months later, GRF turned down Rossmoor's offer to deed the globe to Leisure World and Rossmoor started discussions with the Leisure World Historical Society.

Gate 9 Construction

At the end of September 1980, only 23 new manors in Leisure World were delivered as compared with 148 during the same period in 1979. The 23 were part of the new manors in the Gate 9 area. In November, 1980, the last 110 manors, called Leisure

The last 110 homes were called Leisure World Estates. Photos of his home by John Dudley.

World Estates, were advertised for the first time– 37 had already been sold. The average price of the new manors was $300,000.

In November 1981, Rossmoor announced that the expected sales of the last 29 manors in Leisure World Estates during 1981, would probably not be achieved until the summer of 1982. The sluggish housing market caused Rossmoor to announce that the January 1982 cash distribution to shareholders was expected to be reduced from $10 to less than $6 a share.

Business Park

In May 1980, Rossmoor announced plans to build a major business park just below the manors in the Gate 14 area. When the residents in Fourth Laguna Hills Mutual, inside Gate 14 heard the news, they raised all manner of objections, and eventually when the plan went before the board of supervisors it was temporarily rejected.

Rossmoor's plan to build a million square foot professional office complex on 170 acres of open space near the corner of El Toro Road and Moulton Parkway was opposed by more than 800 Leisure World residents. However, during 1980 and 1981 Rossmoor officials continued to negotiate with the Navy Department in an attempt to find a way out of the restrictions on the business park property. The United States government had paid Rossmoor $4.2 million to keep the property in green space claiming the danger of an air crash since the property is under the approach path to El Toro Marine Air Station.

Leisure Worlders proved formidable opponents to the corporation's plans and made their views known to the board of supervisors. The directors of GRF refused to take a position on the park, but the battle was won by the residents themselves when, in mid-August 1980, the Orange County supervisors laid the Rossmoor proposal to rest indefinitely by dropping it from a list of proposed land use amendments to the county's general plan.

However, in October 1980, Al Ceresa presented a preliminary design, developed by the Koll Company, for the proposed business park, planned for the greenbelt area below Gate 14, in an open meeting at Clubhouse III. Ceresa said the plans showed that only 13% of the 154-acre business park would be developed with one, two and some three story buildings and "it will be a development of the highest quality, enhancing rather than hurting the area." The rest of the area will be for parking and landscaping.

Ceresa described the history of the Marine Corps restrictions on the land, originally declared a "hazard area" because if falls directly under the military flight path. He compared the corporation's $4.2 million settlement with the Marine Corps, to being "pick pocketed," saying, "We didn't have any choice. Rossmoor didn't seek the money as compensation." It wasn't until other property all along the flight path had been developed and "ours was a weed patch–it didn't look right, like a hole in the donut," that Rossmoor sought to lift the restrictions to allow development, Ceresa said, adding that the Marine Corps would retain its navigation easement and therefore military flights would not be affected.

Land Deals - 18 Acres

Rossmoor gave GRF a present in July 1980, 18 acres of land for $1. The 18-acre parcel of Rossmoor property is located on the west side of Moulton Parkway on the south side of its intersection with Santa Maria Avenue. Aliso Nursery, a part of Rossmoor Corporation, subsequently leased the parcel from GRF. In April 1981, Ali-

***Land Deals* — The parcels of land are involved in the June 1980 GRF agreements with Rossmoor were: The proposed Rossmoor Business Park, which was being studied by the county, would be located in two parcels: the first (1) and largest, about 154 acres, can be seen to the left of Calle Sonora, just below Fourth Laguna Hills Mutual, and above El Toro Road. The second parcel (2) is located in the triangle created by El Toro Road at top, Moulton Parkway to the left and Calle Sonora to the right. Two water tanks are in the center of the approximately 14-acre parcel. An 18-acre parcel (3) of Rossmoor property, located to the right of Moulton Parkway, at its intersection with Santa Maria Avenue was offered to GRF for $1.00.**

In another transaction, GRF agreed to give Rossmoor a small triangle (4) of about 3,484 square feet, on the corner of Moulton Parkway and El Toro Road adjacent to the golf course. In return GRF was given 3,385 square feet of land (5) just outside the Leisure World wall at Calle Sonora near Gate 7, to relocate part of the golf cart path that ran down to the golf driving range (6) and Clubhouse 2 (7).

Ace Aerial Photo

so Nursery shut down its operations. GRF assumed responsibility for the $2,400 property taxes in 1985.

Governance - Policies

Third Dryer Costs

In July 1981, the Third Mutual Board agreed to install coin boxes on dryers charging 25¢ for 30 minutes of drying time, plus the 50¢ cents charged for use of the washing machines. The directors confirmed their stated policy of not having residents with private laundry facilities subsidize those who use the community laundries. At that time there was a $1 per manor per month charge levied on those using community laundries in Third Mutual.

Architectural Committee Patio regulations

Specifications and procedures for patio additions and modifications on condominiums were outlined by GRF's Architectural Control Committee in August 1981. The new patio rules reflected committee goals to restrict "common area" take over, protect the view and livability of adjoining manors, improve building appearance and permit the enjoyment of an extended patio when there was no serious encroachment on the property rights of all condominium mutual members.

Maximum patio dimensions provided for full manor width, with a depth of 10 feet and wall height of three feet. A roof to cover the indicated footage could be added. If the maximum dimensions were judged to unreasonably interfere with the view or general enjoyment of adjoining manors, a smaller and more appropriate patio would be specified. Roofs of wood construction were preferred and recommended. Metal construction would require wood posts and a wood overlay on all fascia to create the appearance of overall wood construction. Open glass balcony and patio enclosures are now permitted wherever original building construction provides an enclosure roof.

Applicants were required to get written approval from owners of adjacent manors.

Single-family Manor Surcharge

In November 1981, Third Mutual added $20 per month to the 1982 carrying charges for single-family dwellings. The basic Third Mutual monthly carrying charge for all manors in 1982 was $168.12.

Consolidation

To consolidate or not to consolidate, that was the question the small Leisure World mutuals asked themselves in 1980. The answer became doubly important when the subject of the 1981 budget and carrying charges was discussed. The long range goal of the community, General Manager Russ Disbro explained, was to eventually have only three mutual corporations plus GRF. The small cooperative mutuals consolidated almost as soon as they could with United and the same was generally true of the condominium mutuals with Third.

As a result of the 414 units located inside Gate 14, that comprised Fourth Laguna Hills Mutual, reluctance to consolidate, United Laguna Hills Mutual and Third Laguna Hills Mutual, decided prior to budget reviews, that they no longer wanted to carry the small corporations with regard to shared management expenses. The directors asked PCM to break out the costs, not by individual manor, but by mutual.

PCM reported that the costs ranged from an estimated increase of about $7 per manor per month in Fourth Mutual if it elected to retain its independence, to about $35 per manor per mouth in Mutual 73. For United and Third, the reduction in cost would be minimal, somewhere between $1 and $2 per manor per month. What this meant, was that the combined manors in Third Mutual, were subsidizing the cost of preparing financial reports and the staff time utilized in the smaller mutuals.

Fifth Mutual, along with Mutuals 35, and 73 voted to join forces with Third effective January 1, 1981. In November 1980, 90% of the owners in Fourth Mutual, after much debate, voted to retain its independence and pay and additional $7.15 a month for their carrying charges based upon the belief that if Fourth joined with Third, then all the projects in Fourth would be at the bottom of the list.

Born on Nov. 6, 1978, Fourth Mutual voted in November 1981to transfer its assets and liabilities in consolidation with Third Mutual on January 1, 1982 increasing Third's memberships to 5,908.

Landscaping

As the trees and plants in Leisure World attained full bloom in June, residents in the cooperative mutual were blooming with anger at the removal of numerous trees by the landscape department. The fuss died down after the landscape committee of United explained that early over planting by the builder to make the community look attractive was causing problems with roots and trees destroying property.

Cityhood

The possibility, of cityhood for Leisure World was in *The News* again, and again and again as the committee continued its study.

The major story of 1980 and 1981 had its start in February 1980, with the establishment of a new committee to study governance alternatives for Leisure World. The ultimate report, released in December 1980, called for Leisure World to become a city. Right on the heels of the Leisure World committee was another committee studying the same issue, organized by the Saddleback Area Coordinating Council, chaired by Leisure Worlder Harry Grossman.

GRF passed a resolution in May 1981 that was designed to stop committee discussions regarding incorporation until GRF received an updated report from their consultant, Arthur Andersen, LLP.

Facilities

Tennis Courts

As early as 1975 tennis players, were clamoring for additional courts. There were plans for development of the 18-acre outdoor recreation center on Moulton Parkway (Gate 16) with more courts. But wait they did, in May 1981, GRF signed a $415,600 contract for the construction of four courts and additional parking at the outdoor recreation site which was scheduled to be completed in January 1982.

Two days later, Ross Cortese handed outgoing GRF President Al Hanson a check for $25,000, to fulfill a commitment Cortese made back in 1975. The bulk of the funding for the four new courts came from Community Facilities funds, attained from the sale of each new manor and the resale transfer fee paid by buyers of pre-owned manors.

Golf Starter Building

In September 1981, after seven years of study, plans were approved and bids were formally accepted to begin a $155,000 renovation of the golf starter building at the 27-hole golf course.

Recreation

In May 1981, GRF re-adopted the 11-year-old policy that designated who is to be charged fees, rather than the actual amount of the charges.

The policy stated that there are four basic circumstances under which fees may be charged: First, to control utilization of facilities, to minimize over-usage and enable third party use. Second, to support a high-cost facility–to share in the cost of operation and maintenance and to reduce the impact on the monthly carrying charge. Third, for service and support of personally owned property and fourth, a charge to be used as income to support a new facility or service.

Facility	1979	2012
Swimming Pools	207,475	131,127
Fitness Center(s)	76,366	268,123
Golf - 9 holes	68,311	49,166
Golf - 18 holes	48,764	62,579
Garden Centers	46,376	64,412
Shuffleboard Courts	35,386	2,257
Lawn Bowling	34,083	8,687
Tennis	19,980	24,015
Stables	16,368	30,584
Table Tennis	15,006	29,660
Golf - Par 3 - 9 holes	9,968	21,909
Bocce	8,415	3,904

The staff report listed the breakdowns on usage for some of the community's recreational facilities in calendar 1979. They are compared to the usage in 2012 in the table above.

Saddleback Community Hospital

New Medical Building

The Saddleback Medical Center was built by Rossmoor in 1965, specifically for Leisure World medical purposes. Purchased later by GRF, the medical center and the land on which Saddleback Community Hospital was built, was sold to Saddleback in 1971.

In March 1980, a five-story private medical building under construction adjacent to the hospital threatened to leave large sections of the Medical Center temporarily vacant as physicians flocked to rent space in the new building on Calle de la Louisa. Physicians were willing to pay up to twice as much rent to coordinate their services and custom design their offices in the building.

Hospital Management Agreement

An agreement to manage the administrative operation of Saddleback Community Hospital was signed on December 1, 1980, with Regional Medical Services, Inc., a wholly owned subsidiary of Memorial Hospital Center of Long Beach. The management affiliation, would provide for consolidation of activities at the administrative level but each organization would continue to be managed as an independent entity.

In March 1981, a new nine-bed medical-surgical unit was completed and certified at Saddleback Hospital brought the hospital to its licensed capacity of 155 beds. In 1976, the hospital filed a certificate of need application with the state, requesting permission to add 10 beds. That application was subsequently modified because of the state's restriction on adding beds in an already over-bedded region. Delay in the processing of Saddleback's application, at a time when patients were being turned away from Saddleback Hospital for lack of available beds, prompted the hospital's management to seek other methods to bring the number of beds back up to the full 155- bed complement licensed.

Home Care Fee Increase

In April 1981, GRF approved a new contract with Saddleback Community Hospital that increased the charge for 24 hour-a-day home visits by the doctor and nurse assigned to Leisure World. The vote came after debate on the merits of the medical support program by both directors and retired community doctors. The new six-month contract became effective in July, called for an increase in the monthly per manor charge from $1.31 to about $1.35.

The individual charges for home visits which would go into effect in January 1982 and was up 15% from 1980 which was the first increase since the program started in 1971. The rates for a house call by a doctor increased from $24 to $32 and by a nurse from $8 to $12. The hospital anticipated receiving $203,000 from the per manor charge and $40,000 from the house calls.

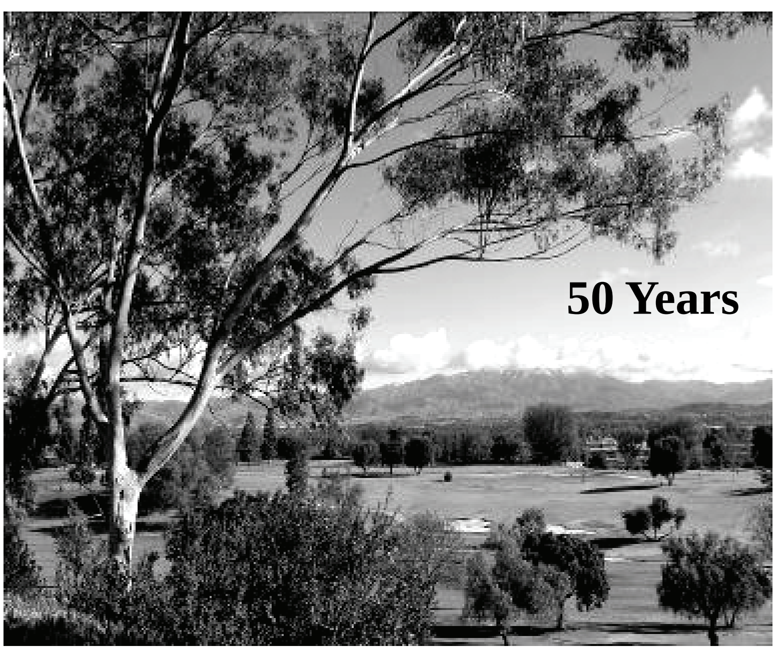
Shopping Centers & Businesses

The Willow Tree Shopping Center opened in 1979 and was to be the last to be built in Leisure World. Located at Moulton Parkway and El Toro Road and it would contain 103,000 square feet of shopping area when completed.

Groundbreaking took place in late June 1980, for an addition to the Lutheran Church of the Cross's new facility on El Toro Road. Leisure World News

The 40,000 square foot Safeway Supermarket was the anchor store in the center. [In 1970, Vons had 128 stores, making it the second largest supermarket chain in southern California behind Safeway. In 1988, Safeway withdrew from southern California and sold most of its stores to Vons in exchange for an ownership stake. In April 1997, Safeway exercised its option to acquire control of the company, and Vons has since operated as a subsidiary.]

Gibraltar Savings and Loan was completed and occupied in December, 1979 and United California Bank was completed opened in May, 1980. Future construction was to include the Cook Book Restaurant adjacent to Gibraltar Savings. Negotiations were underway for other shops. The balance of the center, with the exception of the Cook Book Restaurant, was to be completed in October 1980.



NOTICE

Effective this issue, *The Historian* will be published quarterly so that we can devote additional resources to the publication of the 144 page Laguna Woods Village 50th Anniversary coffee table book.

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1964 - 2014
LAGUNA WOODS VILLAGE

Laguna Woods Village

Save the Date

Second Annual
Laguna Woods Village
Anniversary Golf Tournament

Benefiting the
Historical Society of Laguna Woods

Thursday, Sept. 12

Start time: 8:30 a.m.
Shotgun start: 10 a.m.

Buffet Lunch included

Sign-ups will begin in July.

www.lagunawoodsvillage.com

Editor — Bob Ring

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