

# The POA BULLETIN

The Property Owners' Association of The Villages

Champions of Residents' Rights Since 1975 August 2003

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## **Review of the Award-Winning Orlando Sentinel Articles About Community Development Districts (CDDs)**

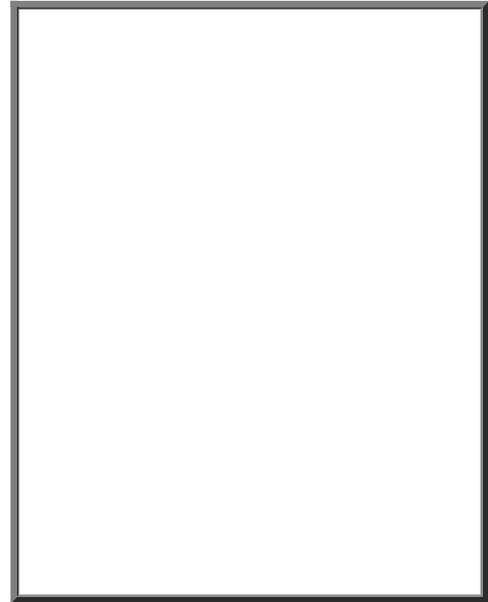
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The Orlando Sentinel published an award-winning series of articles about Community Development Districts (CDDs) in October and November, 2000. The POA Bulletin has referred to these often in a variety of articles since then. These are informative and valuable articles that should be reviewed by every Village resident.

A summary of the articles is presented below. These are worthwhile as a primer on the operations of CDDs in general and also about the creation, operations, and financing of The Villages.

All of these articles were published in the Sentinel from October 15, 2000, through November 5, 2000. Each is still available from the archives on the Orlando Sentinel website ([www.orlandosentinel.com](http://www.orlandosentinel.com)) for a nominal charge. The best deal appears to be for the one-week download of up to 15 articles for \$9.95.

**(1) Top Dollar For Plain Old Stuff** – This is the key article in the series. It explains the series of deals in The Villages from 1996 to 1999 involving \$84 million in payments for \$8.8 in property values as determined by appraisers in Lake and Sumter counties. The income-approach appraisal method used by the Fishkind consulting group is mentioned. The Sentinel said that Fishkind worked for both The Villages developer (seller) and the VCCDD (buyer) in these transactions. Tax-free bonds valued at \$84 million will be repaid over 20 years from the “recreational fees” paid by residents. Resident have no say in how these “public” facilities are managed.



**(2) It Takes a Village To Raise a Fortune - A** private land developer gets \$84 million for a collection of land

and buildings worth just a tenth of that amount. The developer controlled the public board spending the money. In fact, all five members of the board (VCCDD) are employees or business associates of the developer. The University of Florida professor who helped draft the law that set up the CDDs called some of the cases documented by the Sentinel’s articles “abuses that cry out for an overhaul of the system.” Many CDD consultants work both sides of the fence: for the districts, the developers, and/or the county boards. As a reform, the UF professor suggested shifting control from appointed boards to elected officials and requiring that all bond debt be built into the price of a home rather than strung out for decades.

**(3) Villages “Government” Makes Fortune** - In the \$84 million transaction for \$8.8 million in property in The Villages, much of the property that was bought – retention ponds, landscaped cul-de-sac parks, entry gates, clubhouses, and swimming pools – would usually be deemed common property and dedicated to a city or homeowners association in a conventional development. Gary L. Moyer, manager of The Villages government, says the transaction is value neutral to residents. Potential conflicts of interests on the part of various consultants involved are mentioned. A Volusia County developer and attorney familiar with these issues says that CDDs are a means “for legalized land fraud.”

**(4) Lake Official Found a Future at The Villages** - Explains how Pete Wahl, then Lake County Administrator, recommended approval and scheduled a commissioner’s vote to approve some of the initial VCCDD organizational actions in 1995. Wahl did not disclose that he would take the VCCDD’s administrator job just a week later. Some county officials reacted to this potential conflict of interests and the manner in which Wahl scheduled the vote. At that time, Wahl had lost support of a majority of the commissioners and was scheduled to leave his Administrator position shortly after the vote.

**(5) Country Lawyer Helps Build New City** - Explains background and activities of Randall Thornton, Sumter County attorney and advisor to CDDs throughout the state. The Orlando Sentinel first raised questions in 1998 about a potential conflict between Thornton’s two roles in Sumter county as a part-time country attorney and attorney for the development districts. Thornton denies any conflict. The start of The Villages in the

early 1970s by Harold Schwartz and Thornton's role are also described.

**(6) Players in the Shadows, People in the Dark** - How the main advisors and consultants got involved with CDDs. Featured are: Gary L. Moyer, manager of many Florida CDDs, Hank Fishkind, income-approach appraiser, and others.

**(7) Five Resident Who Refused to Buckle Under** - Stories of five resident across Florida who refused to be intimidated by big developers on CDD issues. One of the profiles is of Russ Day, a resident of The Villages. He unsuccessfully tried in 1995 to prevent The Village's developer from selling recreational facilities to the VCCDD and using resident's monthly amenity fees to pay off bonds.

**(8) Series Hits Nerve for Villages Residents** - Reaction among Villages residents to the Sentinel articles. Dozens of readers shared their varied opinions about the districts.

**(9) Playing By Their Own Rules** - A review of CDD records from around the state turned up cases of developer-appointed public officials casting votes or signing deals that would be conflicts of interests in conventional governments. But the Legislature has exempted them from regular rules. Abuses mentioned include: "Deals - With Themselves," "Road: \$50,000 an Acre," "Top Dollar For Bottom Land," "Bonds For Ponds," "Questionable Checks," "Base Land Values Zoom," and "Contract to Wife's Firm."

**(10) Islands of Luxury** - Analysis of a variety of other CDDs in Florida. Good points, bad points, resident's opinions, etc.

**(11) Pockets of Rebellion Emerge Here, There** - Residents fight developers and consultant in many of the 116 CDDs across Florida over surprise fees, inadequate disclosure, extra charges, etc. Some sales personnel are not well versed on CDD arrangements and sometimes give misleading information.

**Summary** - Residents are urged to review these article for valuable background information. Residents need to be familiar with the operations and history of their local government.

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## **District Administrator Withholds Information Again From Residents**

The District Administrator of the Villages, Mr. Pete Wahl of the VCCDD, has again withheld important information from Villages residents.

This was mentioned in the July 3, 2003, issue of The Reporter newspaper, which is sent to the homes of Villages residents through the U. S. mail service.

In this issue, Mr. Wahl was quoted from the June 27, 2003, meeting of the VCCDD as commenting on the proposed Villages budget for the 2003-2004 fiscal year.

However, several unusual budget items needed clarification. When asked for an explanation, The Reporter article noted that Mr. Wahl "would not comment further on the budget."

The POA is most disappointed with Mr. Wahl's response. Residents of The Villages have a right to know the details of a significant financial development like a new budget. Mr. Wahl should make an effort to explain details like this when asked to do so by the press. Residents rely on the press to investigate and print important stories like this and be a watchdog for us.

Unfortunately, Mr. Wahl's comments repeat a pattern, the POA believes, of evasive, incomplete, and sometimes misleading comments. The POA believes this is an arrogant disregard for the Rights of Residents to be kept informed about significant developments in our community.

The POA Bulletin reported in its May issue that Mr. Wahl previously chose to sit on information about the \$60 million purchase by the VCCDD of facilities from the developer. He provided no press release. He scheduled no press conference. It is not enough for him to say that the information was available in his office – he has a responsibility to take positive steps to publicize this information for residents.

In another example detailed in the May POA Bulletin, Mr. Wahl had an opportunity to report in his Pete's Place column on the \$127,000 charge to CDD #2 residents for the Lago Bonito lake liner. His column, published right after the CDD #2 meeting in question, made no mention of the unusual charge. Again, information was withheld from residents.

The solution to this serious problem is important to mention as a part of this article.

The solution is for Mr. Wahl to have periodic press conferences in which he stands in front of the press and residents and answers questions about Villages operations. "Periodic" means at least quarterly (monthly would be better) and whenever important news needs to be explained. And, his demeanor should be helpful, candid, thorough, straightforward, and professional. Evasiveness, arrogance, and misleading comments should not be tolerated.

The Daily Sun should also insist on more complete information from Mr. Wahl. The newspaper is the main source of information for many residents. And, right now, the Sun does not routinely cover VCCDD meetings or any of the other CDDs. The Sun should cover these meetings and start doing its job as a responsible newspaper in our community.

Because this issue is so important, the POA calls on the VHA for support. The VHA should publish an editorial in its newspaper calling for Mr. Wahl to act as suggested in this article. If the VHA is going to be a responsible organization in this community, it should support an important Resident's Rights initiative like this.

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## **New VCCDD Supervisor Named**

Don Waggoner, an employee of the developer, succeeds John Wise, another developer employee, as a supervisor on the five-member VCCDD board. Wise recently resigned.

The developer moved quickly to name the successor. This was especially disappointing since this was a perfect opportunity for the developer to allow residents to select the successor in a Villages-wide election. Elections are coming up in November of 2003 and 2004, and an election by all qualified voters in The Villages could have been arranged. This would have started the process of eliminating the conflict of interests that the POA believes the supervisors have.

This is the number one issue in the [POA listing of Residents' Rights](#) (see page 2) in this Bulletin. It looks like the developer had no intention of recognizing this Right of Residents.

The Villages is a community for the residents, paid by the residents, and populated by the residents. Yet the developer maintains control of all the big money decisions by

ignoring Residents' Rights and perpetuating his hand-picked board of accommodating supervisors. Residents have no say in VCCDD decisions.

Waggoner's first order of business should be to resign and call for Villages-wide elections.

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## THE VHA CORNER

The VHA monthly publication does an acceptable job of covering issues important to the VHA. However, some of its comments are over-simplified and maddeningly incomplete.

Notice the question in a recent issue: "Has there been any progress regarding a putting green at the Chula golf course? Last update indicated it was not in the budget. Is it in the budget now?"

The VHA provided the District answer as follows: "Not at this time."

It is incomplete answers like this that sometimes drive you mad. The VHA should have followed up with the District or the developer to get additional information.

The follow-up questions are:

1. Why isn't it in the budget now?
2. How can it be put into the budget now?
3. To whom do we have to talk to about getting it into the budget now?
4. What is the proposed cost?
5. Who is expected to pay?

The VHA has been talking about this for the past five years, at least. It should not accept the curt and incomplete District answer and its obvious stalling tactic.

Another recent question: "Is there going to be a cart path going from the east side of The Villages to Cracker Barrel, Lowe's and Wal-Mart?"

The VHA answer from the District: "Neither the Villages or the District owns any property over which a cart path could be constructed."

This is another evasive answer. We want the developer to go talk to the property owners in question and sell them on the idea of allowing a golf cart path to cross their properties. Many commercial advantages to these businesses could be mentioned. Costs could be shared. Advantages to Villages residents could be considerable.

In summary, the Q&A section in the VHA paper is worthwhile. However, incomplete, curt, and evasive answers are not acceptable.

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## Cheers and Jeers

**CHEERS** – To Charles White for his fine article in The Reporter detailing the lack of safety problems with nighttime golf cart driving in 23 golf cart communities in seven states. Thanks to Charles for doing this fact-finding and to The Reporter for printing the result. No matter how you feel about this issue, you have to welcome good factual analysis. Commentary prior to this was just unsubstantiated personal opinion.

**JEERS** – To the Sumter county supervisors for redistricting The Villages. The Villages will have representation with only two of the five supervisors, even though it now accounts for about 40% of the county population and roughly 50% of the property taxes. Both figures are expected to increase substantially in coming years. This is a

form of Taxation Without Representation.

**CHEERS** – To the Daily Sun for the absolutely great coverage of life in The Villages. Coverage of activities, entertainment events, personal stories are first rate. Now, if it could only put equal energies and talent into covering the CDDs and the VCCDD.

**CHEERS** – To the developer and the catering division for its success in attracting Bob Evans as a full-service restaurant, on the East side of the 441/27 highway, that residents can reach by golf cart. This is sorely needed to replace the closed OBH-Hilltop and Silverlake clubs. Thanks also to Ron Kershner and the focus group he headed up for representing residents on these issues.

**CHEERS** – To the developer for offering to build a facility for a VA clinic in or close to The Villages. This is a really fine gesture. Thanks

**CHEERS** – To Senior Sleuths for their efforts to confront fraud in our community. On just the magnetic mattress alone, the Sleuths recovered \$60,000 for consumers. Thanks to past Attorney General Butterworth for starting the program and to current Attorney General Charlie Crist for continuing the program.

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## **April Fools Day Revisited**

### **(Don't Believe Any Of This)**

The VCCDD has decided to re-populate the nature preserves in which burrowing owls have been decimated by foxes and feral cats. However, common city pigeons will be used rather than owls for the re-population. When asked about this, the VCCDD said “birds is birds.”

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