

Title	Private Governance, Public Subsidies: The Cultural Politics of Exurban Sprawl in Florida, USA
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Private Governance, Public Subsidies: The Cultural Politics of Exurban Sprawl in Florida, USA

Abstract:

Florida is one of the fastest growing states in the USA and much of that growth has been fueled by the construction of large-scale, master-planned and—often—gated communities. A major factor influencing the emergence of these planned communities has been Florida’s unique Community Development District [CDD] law. CDDs are special-purpose governments formed in response to petitions filed by developers. CDDs allow developers to levy taxes and issue bonds to raise the capital needed to finance the planned community’s requisite infrastructure. They are initially governed by a board of supervisors who are elected by landowners, which results in a control of the CDD by the developer. Once the development is completed, residents achieve control of the CDDs. While CDDs have been present in Florida since the 1980s, they have become more widely used in recent years. In this paper, I analyze the proliferation of CDDs in Florida with a particular concern for how they impact metropolitan development in a fast-growing context.

A general analysis of the intersections between CDDs and metropolitan development is complemented by a discussion of one of the largest master-planned communities in Florida: The Villages. The Villages is located outside of Orlando and consists of over 40,000 residents restricted to age 55 years and older. The Villages is slated to grow to 100,000 residents and has been financed through the establishment of 10 Community Development Districts.

In order to distinguish The Villages from competing communities, the developers have sought to design and market the community as a nostalgic “hometown.” In its advertising and its built environment, The Villages is presented to potential residents as a stereotypical version of “slow-paced,” small town Americana.

This representation engenders political contestation surrounding both corporate policies within The Villages and relations between The Villages and neighbouring municipalities with regard to managing regional growth. As a result of fieldwork in the community I find that many residents are surprised to find that their “hometown” is largely governed by CDDs which are immune from democratic accountability. Residents face monthly assessments that go to pay off bonds which were issued without resident input.

I find that there is little incentive for The Villages' CDDs to engage in efforts of democratic accountability. This is largely due to the fact that the interests of the CDDs are dictated by the short-term profit-maximization motives of the developer which do not necessarily complement the long-term interests of CDD inhabitants. Furthermore, the cultural elements related to The Villages' theme as a leisure-filled "hometown" provide a rationale for political mobilization on the part of The Villages' homeowners.

I summarize my paper with a word of caution about the use of quasi-public governance structures such as CDDs. Since CDDs allow private developers to receive subsidized access to the finance essential for constructing large, master-planned communities, the impacts of such public policies need to be recognized.

Private Governance, Public Subsidies: The Cultural Politics of Exurban Sprawl in Florida, USA

Florida is one of the fastest growing states in the USA and much of that growth has been fueled by the construction of large-scale, master-planned and gated communities. These communities are generally situated on the fringe of the state's urban areas contributing to challenges in such essential policy areas as water provision, traffic congestion, and air pollution. While these new developments are planned and built by private interests seeking to exploit market opportunities, they are equally dependent for their success on a variety of public policy programs which provide various types of essential support.

A major public policy influencing the emergence of these exurban planned communities has been Florida's unique state-sanctioned Community Development District [CDD] program. CDDs are special-purpose governments formed in response to petitions filed by developers. A developer purchases a (usually) large parcel of land and applies to the state for a CDD to be established coterminous with the land in question. CDDs allow developers to levy taxes and issue bonds to raise the capital needed to finance the planned community's requisite infrastructure. They are initially governed by a board of supervisors who are elected by landowners. Because land is normally owned initially by a single entity, elections are perfunctory and result in a control of the CDD by the developer. As residents purchase lots, they have voting rights for the board of supervisors, but this normally happens years into the project.

While CDDs have been present in Florida since the 1980s, they have become more widely used in recent years: in October 2000 the Orlando Sentinel reported that there were 119, while the most recent list published by the State of Florida contains 449 CDDs.

In this paper, I will examine the proliferation of CDDs in Florida with a particular concern for how they impact development in a fast-growing, suburbanizing context. In addition to being a mechanism for financing initial development, CDDs are often involved in some of the more essential areas of local environmental policy, especially with regard to water provision and solid waste disposal. This poses particular challenges with regard to regional planning due to the highly privatized nature of these ostensibly public special-districts.

This general analysis of the intersections between CDDs and metropolitan policy will be complemented by the discussion of one of the largest master-planned communities in Florida: The Villages. The Villages is located outside of Orlando and consists of over 40,000 residents restricted to age 55 years and older. The Villages is slated to grow to 100,000 residents and has been financed through the establishment of a dozen Community Development Districts. In order to distinguish The Villages from competing communities, the developers have sought to design and market the community as a nostalgic "hometown." In its advertising and its built environment, The Villages is presented to potential residents as a stereotypical version of "slow-paced," small town Americana.

As I discuss in my analysis, this representation shrouds particular political contestation surrounding both corporate policies within The Villages and relations between The Villages and neighbouring municipalities with regard to managing regional growth. Based on fieldwork in the community I find that many residents are surprised to find that their "hometown" is largely governed by CDDs which are immune from democratic accountability. Residents face monthly assessments that go to pay off bonds which were issued without resident input.

I summarize my paper with a word of caution about the use of quasi-public governance structures such as CDDs. Since CDDs allow private developers to receive subsidized access to the finance essential for constructing large, master-planned communities, the environmental impacts of such public policies need to be recognized.

1 Community Development Districts: Introduction

Community Development Districts were established by the State of Florida in 1980 and are governed by Chapter 190 of the Florida Statutes. In order to establish a CDD, a petitioner—normally a large landowner—approaches either the municipality or county in which their land is situated (for projects less than 1,000 acres) or the State, for projects in excess of 1,000 acres. Upon a positive evaluation by the appropriate jurisdiction, the CDD is given the authority to operate by the State and becomes an independent municipal government. As a municipal government, the CDD can issue bonds and levy taxes and assessments. Like other municipal governments, CDDs are governed by a Board of Supervisors. However, unlike traditional municipalities, voting for a CDD's board is weighted according to the amount of land owned. Therefore, in the early years of a project's development, the CDD is essentially controlled by the developer/petitioner. As the land is developed and parcels are sold off, the developer gradually becomes a minority landowner and is less likely to be in *de facto* control of the board. Once the developer's interest is diluted, the board of supervisors landowners in the CDD have a greater ability to choose independent candidates.

The emergence of the state law establishing Community Development Districts should be understood within the context of a long history of various special districts chartered by the State of Florida. Because of the devolutionary nature of state government in the United States, historically states established sub-governments to coordinate essential public functions relating to issues as disparate as drainage or land management. Perhaps the most important precedent for CDDs was the provision for special districts to be established for drainage purposes in the early years of statehood. Like the CDDs that would emerge more than a century later, these early special districts were governed by elected commissioners who could finance projects by assessing landowners encompassing the district (Florida Department of Community Affairs, 2007).

The more modern antecedent of the CDD came with the expansion of special district powers for the Disney Company as they petitioned the legislature for a municipality that would be coterminous with their vast landholdings in the central part of the state. Richard Foglesong (2001) recounts the controversy and the relative audacity that marked Disney's request and the state's response. The company acquired its landholdings clandestinely in 1965 but once the local press revealed that Disney had been behind a series of large land purchases, they remained vague about their intentions for their new holdings. During this period of ambiguity the company undertook several internal studies which first recommended that they appeal to the circuit court for a traditional drainage district—which they did successfully in May of 1966—and, secondly, appeal for separate municipal status exclusively coterminous with their land holdings.

This second appeal set the stage for the proliferation of special districts designated specifically for the type of urban development engendered through the use of CDDs. Foglesong reports that relieving the hydrological issues on their property was only the first obstacle in Disney's plan to develop their site.

Given the elaborate and unusual requirements for developing a theme park, the company anticipated that their development plans could be compromised through the requirement that they conform to existing municipal urban growth plans and zoning codes. If their property was subject to public oversight, the company would be subject to significant transaction costs that would add to the expense of development and possibly restrict their autonomy. As a remedy, Disney petitioned the Florida legislature in 1967 to establish the Reedy Creek Improvement District that would serve as a catch-all municipal authority for governing development on Disney's land. The legislature granted the company their request, but this was done largely on the justification—set forth by the company in the form of a dramatic film shown to state legislators and the governor featuring a posthumous Walt Disney describing his Experimental Prototype Community of Tomorrow[EPCOT]—that the district would eventually be the site for a model residential community. EPCOT, of course, was eventually constructed in the late 1970s, but it was developed as a theme park.

While the Reedy Creek Improvement District is unique for its broad powers and its immunity from mandatory participation in regional planning with neighboring municipalities, its main significance for this discussion was that it extended the scope of private governance and it normalized the practice of private autonomy as it related to development. In some sense the establishment of Reedy Creek brought together the special district capacity for infrastructural improvement with the burgeoning common-interest housing development movement that was going through a period of nation-wide expansion during the 1960s (McKenzie, 1994). The fact that Reedy Creek never had any “real” residents to perform the public oversight function envisioned in the original legislation did not deter legislators from flirting with an expansion of special district functions as the challenges of development expanded with metropolitan growth.

By 1980, growth in Florida was proceeding at a quick pace. While the legislature passed its first comprehensive planning act in 1972 requiring localities to develop a framework to manage future growth, by the end of the decade there was little evidence of its general effectiveness. As the state's population grew, the requirements of an expanding population were met with an inadequate infrastructure. Roads could not handle traffic pressures, schools were not large enough to accommodate demand, and sewers and water supplies were subject to stress. The legislature revisited the issue of growth management in 1985 but in the interim took piecemeal steps to manage development.

Authorizing CDDs was an example of one of these piecemeal efforts. It took several years following the 1980 legislative action for developers to begin to experiment with the CDD as a financing mechanism. However, following the establishment of the first CDD in 1982 in the Tampa area, whenever they were subsequently proposed they were frequently rationalized as a way for development to “pay for itself.” During the first decade of existence they were used with relative infrequency. When they were proposed, however, they elicited little in the way of organized opposition. Part of this is due to the supportive political environment that has persisted in many Florida localities for development. Equally important is the fact that there is no natural constituency for opposing CDDs at the important instance of their genesis. The petition for the CDD is requested by a developer who then uses its bonding authority to pay for important infrastructure costs. The authorizing government for the CDD is normally the local municipal authority (city or county) which has a vested interest in approving a CDD. Prior to the law, municipalities would often pay for infrastructural improvements through their own general funds or bonding authority. Municipalities would be motivated to do this to take advantage of revenue growth that accompanied development. Many existing residents, however,

would object to having to pay off long term debt to accommodate new development. Thus, CDDs served to both enhance development while not placing a general burden on all of a community's taxpayers.

While the establishment of CDDs in many communities has been relatively uncontroversial, criticisms often emerged from a variety of quarters as CDDs became operational. The most prevalent sources of critique often have come from new residents in CDDs. Potential purchasers of property in a CDD are required to be informed of the CDD's existence. However, this often done at the closing and the implications of the governing structure and property owner obligations are not always clear for the consumer. CDD functions are not usually highlighted in the promotional literature that developers use to market their communities and given the fact that common-interest developments having mandatory homeowner associations are prevalent in the many gated communities and condominium developments in the state, new buyers are likely to perceive that the CDD is equivalent to a traditional homeowner association.

Once homeowners become ensconced in their new communities, however, tensions can emerge with the CDD. Most often these arise around new proposed bond issues, additional property purchases, and a developer's bankruptcy. Often all of these issues are manifest in a single CDD. Because the bond issues are designed to fund infrastructure development, there tends to be a front-loading of debt, meaning bonds are issued prior to the presence of significant numbers of residents. The residents, in turn, are responsible for the debt throughout the life of the bond. The CDD statute allows for resident control over the CDD boards after six years—unless there are less than 250 voters in the district in which case the developer retains control until the 250 threshold is reached. But for the first six years following a district's establishment a CDD's board of supervisors is elected proportionately by the landowners.

In large projects that take years to construct, early residents soon learn that when the developer controls the CDD it can respond to market fluctuations relatively unilaterally to acquire new financing. In an early high-profile case, the developer used the bonding authority to fund large amounts of infrastructure construction only to be caught in a downturn in the real estate market. Due to the fact that the CDD held the debt obligation, when this particular developer went bankrupt, the residents who had moved to the community during the early stages of the project were left with sole responsibility for debt repayment (Konrad 1992).

In addition to the novel characteristics of CDD governance, the ways in which CDD assessments are calculated is also unique. The statute allows for the CDD to levy Ad Valorem taxes, but according to a close observer of Florida's CDD law, they tend to use their other taxing powers through what are called "special assessments." (Goldstein 2003) These fall into two categories: benefit special assessments and maintenance special assessments. Unlike Ad Valorem taxes which are determined by a county assessor and based on market conditions, assessments are determined directly by the CDD. The benefit special assessments are especially subjective since they are assessed according to the standard of benefit a particular piece of land accrues from a project. This gives the CDD tremendous leeway in determining the allocation of funding obligations since property acquisitions and infrastructure development can be liberally defined as proportionately beneficial. Maintenance special assessments are similar in form to homeowners fees one would pay in common-interest housing developments like a condominium or a gated community. These assessments pay for the upkeep of common areas, costs associated with the administration of the CDD, and other fees—such as golf course or swim club memberships.

The use of CDDs has expanded significantly during the 1990s. Spurred by economic downturn in the early 1990s, developers found that banks were becoming increasingly reluctant to offer financing for large-scale projects. The traditional funding regime for developers involved getting a loan to finance initial infrastructure construction which would then be paid off as the developer sold lots. Using a CDD reduces the developer's private financial obligation, the CDD bonds are attractive to investors due to their favorable interest rates and tax advantages, and the responsibility for the debt belongs to the CDD and, by extension, future homeowners. CDD use also expanded due to increasingly stringent growth management laws passed at the state level. The 1985 Growth Management Act requires municipalities to pay for infrastructure along with new growth—as opposed to the previous practice of allowing residential and commercial development to occur and then being forced to pay for infrastructure improvements *ex post facto* using general revenues (Mormino, 2005). This, in turn, provided an incentive for developers to establish CDDs as a way of getting municipal approval for new development. Finally, CDDs allow the developer to reduce project costs, which offers a competitive advantage in a volatile real estate market.

This combination of factors—relative inaccessibility of private financing, state growth management laws, and market forces—has resulted in a proliferation of CDDs throughout Florida. It was not until 1982 that the first CDD was established. A decade later there were 43 statewide (Craddock 1992). By 2000 the number had more than doubled to 116 and the most recent figures for 2007 list close to 500 CDDs (Sargent, Campbell, and Leusner, 2000). Given the rapid rise in the numbers of CDDs it is likely that they will continue to be prominent features on the state's landscape and will likely impact the ways in which this increasingly urbanizing state will grow.

2 Case: The Villages, Florida

Because of the relative recency of CDD's proliferation, there is very little systematic research on the political, economic, and regional implications of their increasing prominence. This paper does not aspire to fill this gap, but rather builds on previous research (Bartling 2006; Bartling 2007) relating to one of the largest and most controversial real estate developments that has strategically employed CDDs: The Villages. This case offers a glimpse into the effects of this proliferating type of privatized governance in Florida. Given the propensity for localities across the globe to encourage private capital investment to fund metropolitan development, the CDD model is likely to attract attention in other contexts. Analyzing the ways in which CDD-driven development has been implemented in The Villages can provide an understanding of the various challenges this type of governance structure engenders.

The planned community marketed as “The Villages” began as a mobile home park in 1975. Situated approximately 90 kilometers west of Orlando straddling three counties, the community began to grow in earnest in the early 1990s when the owner, Gary Morse, began purchasing farm and ranch land in the park's vicinity and started to construct single-family homes. The expansion project was targeted at the growing baby-boomer demographic and was marketed in wide-circulation periodicals published by such groups as the American Association of Retired Persons. The construction and marketing strategy employed by the developer has been tremendously successful. In 1990, Sumter County—which contains most of The Villages' residential development—had a population of around 31,000. By the end of the decade, The Villages alone had a population approaching 30,000. In 2002, the developer received authorization to build enough housing to accommodate a population of 100,000 by 2020

(Sargent and Kunerth 2002).

The intersection between The Villages' growth and the political ecology that both animates and contests it is best discussed thematically. For the purposes of this discussion, I will look at The Villages from cultural and political perspectives paying special attention to the ways in which these elements contribute to the changes in the suburbanized landscape and the crucial role of private governance in the form of CDDs in undergirding these processes.

2.1 Realizing the Town: Culture and the City as Commodity

There are few states in the United States possessing such a pronounced identity as Florida. Dating as far back as the birth of modern tourism in the 1920s, developers, entrepreneurs, and politicians have carefully cultivated an image of Florida as being paradisaical. This vision gets reinscribed in the post-World War Two era as the democratization of automobile travel and the development of theme parks—culminating in the opening of Disney World in 1972—solidifies the state as a prime destination for leisure. Simultaneously, the state takes on an identity as a popular destination for middle-class retirees. Attractive weather, low taxes and home prices, and ample golf courses and beaches contribute to the state's tourist, consumptive identity (Mormino 2005). The development of this particular identity was not simply the product of market forces. Deliberate public policies in the form of state-financed tourism promotion boards and the minimal regulatory environment that induced investors to develop there socialized many of the costs associated with the state's growth.

Developers of The Villages—like thousands of other businesses enterprises—have unabashedly appealed to the state's identity as a tourist paradise, while offering their own embellishments to distinguish their planned community from the scores of others in the region. The developers have used a sophisticated strategy of “theming” to leverage popular cultural symbols in order to enhance the appeal of their development. The consumption of these symbols by residents, in turn, produces certain expectations about everyday life in the community. Mark Gottdiener (1997) has commented on the power of theming to forge urban spaces in the interest of capital accumulation on the part of producers. These themes, while recognizable by consumers, can often be reacted to in unanticipated ways. It is this tension between the productive requirements of the developer and the consumptive expectations of The Villages' homeowners that emerges by the complex deployment of cultural themes in the town's marketing and built environment.

As stated above, The Villages is geared towards “older adults” reaching retirement. While the covenant only restricts the residency of people under 19 years of age, the vast preponderance of residents are 55 years of age and older. The developer uses a marketing strategy reinforced by a compatible built environment to appeal to its targeted demographic. The developer's vice president explained the strategy as “creating a unique piece of American small town culture...Not a city, not a suburb—a small town.”¹ The appeal of a “small town” stems from a nostalgic yearning that occupies a prominent place in American culture. Exacerbated by the growing anonymity and homogeneity of suburbia, the desire for “community” has been tapped into by many developers—most notably many of the New Urbanist projects that proliferated during the 1990s.

The Villages markets the community as “Florida's Friendliest Hometown.” This, of course, is ironic given the fact that the town itself is designed for retirees and is barely a decade old (in its current

¹ Interview with Gary Lester, 16 August 2004.

incarnation). Rather than downplaying the incredulity of the literal argument of the The Villages as anyone's "hometown," the developer glorifies the fiction. The "hometown" aspect is manifest in several ways. Architecturally, the developer employs the New Urbanist technique of having two "town centers." The town centers—named, Spanish Springs and Lake Sumter Landing Market Square—feature "traditional" architectural facades (Figure 1). In the case of Spanish Springs, the theme is based on variations of "Mediterranean" architecture seen in many Sunbelt states: tiled roofs, adobe colors, and exposed wooden beams; in Lake Sumter Landing, the theme is an old Florida beach town, replete with a combination of clapboard and modified Colonial and Victorian facades ringing a man-made lake and boardwalk. Both town centers have pedestrian-friendly and comfortable public squares as focal points. Benches, fountains, and covered gazebos serve as flexible spaces for spontaneous social interaction and more formalized entertainment (e.g. bands, and dances).



Source: Author photograph

Figure 1: Spanish Springs town square and sales building, The Villages, FL

Surrounding the public squares in each "downtown" are a variety of restaurants, shops, and—dominating the squares—the real estate sales center. The theming continues throughout the business district as the developers have erected "historical" placards commemorating fictional events in the supposed history of The Villages. This constructed history follows an archetypal narrative of the founding of a US "frontier town." Placards depict the same type of "historical" people and events that

observers might expect from commemorations of any local history: names of original settlers, places of commerce, and the exploits of the town's early inhabitants. The history articulated in the placards generally corresponds to a common—and incomplete—version of American development that focuses on European-descended settlers transforming a hostile natural environment into one of great wealth. All of the pseudo-events and people portrayed in the placards are from the distant past of the nineteenth and early twentieth centuries. Social class is obscured behind the heroic individualism of “self-made” individuals. The individuals depicted are cattle barons, citrus magnates, hoteliers, and merchants. Stories from the placards are further reinforced by the decorative aspects of the buildings in front of which they are erected. Architecturally, the buildings reflect popular conceptions of the historical and they are also apportioned with a “distressed” look, often including faded “advertisements” painted on the building attesting to their “former” use (Figures 2 & 3).



Source: Author photograph

Figure 2: Faux historical placard, The Villages, FL



Source: Author photograph

Figure 3: Faux advertisement, The Villages, FL

In addition to deliberate construction of a small town Americana theme, The Villages puts nearly equal emphasis on the more conventional recreational amenities that are found in many Florida resorts. In a sales brochure under the heading welcoming readers to their “hometown,” the developer asserts that “life at The Villages is like being on a permanent vacation” (The Villages 2004, 2). The apparent incongruity of going on vacation in a “hometown” is assuaged by appealing to an equally idealistic cultural construction: the conception of retirement as a time of unadulterated leisure and consumption. This is reflected in much of the developer's promotional literature as they promise “free golf for the rest of your life” (The Villages 2004, 8) and attempt to probe the psyche of potential residents: “You've dreamed about your retirement life, come spend some time with people who are already living it” (The Villages 2004, 10). These exhortations are accompanied by images of youthful-appearing senior citizens engaged in physical activities such as cycling, dancing, rollerblading, and playing softball. Images of frailty and sickness are conspicuously absent. From an infrastructural standpoint also missing or insufficient are such services and amenities as funeral homes, cemeteries, and housing modifications for people using assistive technologies. While there is an assisted living facility in the community, it is likely not large enough to accommodate the aging population. A hospice was recently constructed but it is situated far from both the town centers and residential districts (Kunerth 2002).

While it is clear that the placards and the history of The Villages are contrived and the concept of being on “permanent vacation” ignores important aspects of the aging process, these cultural emphases remain significant for their essential contribution toward the developer's “theme.” These embellishments of the built environment subtly reinforce the marketing strategy of providing a “hometown” for potential home buyers. In the suburban fringes of many American metropolises where the homogeneity of architecture and the absence of anything resembling a city center are essential elements of the landscape, The Villages offers a decided alternative—even if it is based on a suspect logic. The Villages—as marketed—provides a “hometown” and “community” that fills a market niche.

Equally important for the discussion of private governance is how the theme serves to construct a coherent and cohesive narrative about small town life by excluding certain themes. Most explicitly in this regard is the absence of the *political*. Even in the historical fiction, the characters are business people and settlers—rather than elected officials. The Villages' town center public squares which, in an “authentic” small US town, would normally be dominated by a large public building like the city hall or courthouse, are instead overlooked by the ornate sales offices. The implications of the decidedly apolitical rendering of the hometown theme will be elaborated below; but, suffice to say, that the relational aspect of the homeowners to The Villages deviates from the developer's conception. The developer has employed a particular cultural referent as a way of making the town attractive for buyers in a competitive housing market. In this sense, the use of the hometown theme is similar to the way any contemporary producer of a commodity distinguishes their product. The main difference in this case is that the commodity is a lived community, rather than a more disposable consumer item. Furthermore, the thematic referent itself—small town America—is sufficiently mutable enough that homeowners can appeal to alternative conceptions of what should constitute a “hometown” as they begin to comprehend the corporate autonomy that governs the development through the CDD. The commodity becomes not simply a way to pursue personal pleasure, but also a mechanism for inspiring political action.

3 Private Governance in Florida's Friendliest Hometown

The Villages has grown into one of the largest real estate developments in the United States. As indicated above the developer's savvy marketing and successful theming strategy has clearly contributed to its successful growth. That growth and success, however, has been reliant on a public policy regime that has given the developer access to preferable financing through the use of CDDs. In this section, I will explore the contours of private governance in The Villages' CDDs, discussing how the developer has utilized this form of private governance and how residents' reactions to life in the CDD disrupts the thematic representations of life in “Florida's Friendliest Hometown.”

The Villages has twelve CDDs—the largest concentration in the state. The developers received approval to establish the first two CDDs in 1992; single districts were established in 1996, 1998, and 2000; two districts were established in 2002 and 2004 saw five new CDDs at The Villages. The staggered proliferation reflects the steady growth of the community and a recognition of the advantages of the CDD as a financing mechanism for the developer. While the statute governing CDDs does not specify that they must be established primarily for residential development, they have traditionally been used primarily to finance large-scale residential communities. The developers of The Villages broke from tradition in the ways in which they have structured the CDD powers. As mentioned above, the statute governing CDDs requires a board of supervisors to act as the legislative body for each district.

During the first six years, voting is done proportionately based on the amount of land owned by landowners in the district. This provision normally allows for developer control since they are usually the largest landowner during the early period of a project. As the developer sells property, they eventually relinquish their control over the board and the CDD is then more directly controlled by the residents.

In the case of The Villages, however, the developer has created two CDDs—Village Center CDD and Sumter Landing CDD—which contain no significant residential parcels. Their borders are roughly coterminous with the town centers mentioned earlier and are primarily commercial districts owned by the developer. State law, however, allows CDDs to acquire and construct utilities and recreational facilities. Using this power of acquisition, the two town center CDDs have purchased many of the improved recreational amenities that form the second pole of The Villages' thematic strategy: being on “permanent vacation.” These amenities include golf courses, tennis courts, swimming facilities, community centers, and private clubs for homeowners. They form the substance and requisite infrastructure to realize the ideal of “permanent vacation.” They also represent a lucrative amenity from the standpoint of the developer.

“Free golf for the rest of your life,” which features prominently in the developer's marketing materials, actually comes at a significant price. In the same fashion as the common-interest developments discussed by McKenzie, homeowners are bound by the terms of sale to pay monthly assessments for maintenance and upkeep of recreational amenities. While the amenities were built by the developer, they were subsequently sold—or are in the process of being sold in the case of the newer section of Lake Sumter Landing—to the perpetually developer-controlled CDDs. The developer-controlled CDDs floated bonds for the purchases. Essentially this allows the developer to sell the improved properties to themselves with the homeowners providing the financing through their assessments to pay off the bonds. Unlike a traditional property purchase where the buyer and seller engage in negotiations to determine the property's market value, these property transfers were unique in having the developer negotiating with themselves. The result has been allegations of inflated prices paid by the CDDs to the developer for improved land and increased monthly assessments for residents—a part of which is going to relieve the debt burden of the CDD. The recreational assessments paid by homeowners to the developer-controlled CDDs are compounded by payments to the developer-initiated CDDs that encompass the various residential districts. Residents, therefore, are paying directly and indirectly to pay off the debt financing in two districts.

It is not surprising that these financing schemes have been met with resistance by many—although, by no means all—homeowners in The Villages. Seeing their avenues for influence limited due to the bias in favor of developers made possible by the private governance provisions of the CDD legislation, residents have had to engage in alternative forms of action in attempts to influence policy in their communities. There is an independent “Property Owners Association” [POA] whose origins date back to the 1970s and which provides a space for residents to develop independent critique of corporate practices.

The POA publishes a regular newsletter and maintains a website, but their formal power is limited, and essentially restricted to informal influence. Representatives regularly attend CDD meetings—which have to operate under Florida's open meetings law—or other public forums, such as the circuit court bond approval hearings.

While these attempts at inserting political action into the mechanisms of private governance are marked by a degree of futility due to the institutional restrictions on popular participation, the developer has felt the need to respond at least superficially to some of the concerns related to CDD governance. In the spring of 2006, The Villages Inc. Chief Executive Officer, Gary Morse, in a letter to the board of supervisors suggested that the older of the two CDDs that controls the Spanish Springs town center [Villages Center CDD] develop a more accountable governance structure. Using the argument that there was no precedence in the CDD statute to allow for residential democratic control in a district without residences, Morse suggested that an advisory straw poll be taken that would measure support for an interlocal agreement giving residents of four of The Villages' residential CDDs some type of formal voice (Board of Supervisors 2006a). The gesture was greeted with skepticism by members of the POA, who expressed concern about the advisory nature of the referendum and the lack of specificity as to what would be the actual effects of its passage. When the developer-controlled Board of Supervisors agreed on the wording for the referendum, in August, 2006 the skepticism of homeowner critics seemed warranted. As reported in the Villages Center CDD minutes, the board unanimously approved a referendum that would be phrased thusly:

“Option #1 (I like the way the Amenity Programs, Facilities, and Services are currently being provided by The Village Center Community Development District and would prefer they continue to be operated as they are now) and option #2, as revised (I prefer to change the way that Amenity Programs, Facilities and Services are being provided north of County Road 466 by having Village Community Development Districts 1, 2, 3, 4, Lake County {representing Villages areas which are located in Lady Lake and Lake County which are not within a Community Development District} and Village Center Community Development District, pursuant to an interlocal agreement, provide a separate administrative entity to have operational and management control of Amenity Programs, Facilities and Services)” (Board of Supervisors 2006b)

This proposed ballot wording is presented intact to show the limited extent to which the developer-controlled CDD was willing to allow the question of expanding democratic influence be considered by homeowners. By having such two disparately-worded options, with option one slanted positively in the direction of the developer's interest and the second phrased rather clumsily, many critics believed the developer's suggestion for more democratic participation was disingenuous. Additionally, the fact that the second option mentioned “operational and management control” but was silent about financing and bonding authority was significant.

After a change in wording demanded by the Lake County Commission to make the referendum shorter and turned into a “yes” or “no” question, it was placed on the November 2006 ballot. By a vote of 10,792 in favor of establishing a democratically-controlled authority and 10,318 against, a slim majority endorsed the more democratic alternative. While the referendum was purely advisory, in the months following the election the VCCDD developed a proposal that would establish a transitional board to determine the specific processes of operation for a new interlocal board. It was decided that each of the CDDs involved as well as representatives of a preexisting municipality and County that also had jurisdiction over parts of The Villages would be responsible for appointing representatives to the new transitional board. Curiously, two of the residential CDDs that had reverted to resident control earlier in the decade failed to appoint representatives to the transitional board effectively nullifying the agreement and killing the idea.

From the standpoint of private governance, the experience of the referendum presents interesting insights. The critics of the developer-bias of CDDs frequently invoked issues of “community” that were at odds with the developers' vision of what constitutes “hometown.” From the developer's point of view, they ask prospective buyers to “come explore our hometown community and enjoy all the activities you are planning to do when you retire” (The Villages 2004, 9). Those activities, as dictated by the developer, are overwhelmingly consumptive. They present the Villages as a lived commodity where “you can socialize and spend time with neighbors: folks just like yourself who already call The Villages home” (The Villages 2004, 10). Yet, in their political activism, many critics of the developer forge the “small town community” offered at The Villages in very different ways. In the monthly issues of the independent Property Owners Association newsletter, the association publishes views from readers and members and general criticism of conditions in The Villages is a perennial theme:

“Hook, line, and sinker, I believed it all: now – no security gates – no parking – no security at town squares...Residents can't go to squares due to overcrowding with tourists. This is not what I wanted when I moved. They make their money and the VCCDD doesn't care!” (“POA Survey Comments Continued” 2006)

“I agree that 90% of Villages is wonderful. The dictatorial nature of local government is my main problem and leads to the ridiculous prices paid for developers properties.” (“POA Survey Comments Continued” 2006)

These comments are not from a random sample of Villages residents, so they should not be considered statistically representative. Yet, they expose an alternate view of life in The Villages which speaks to the dynamic aspect of how the city functions as a commodity. Corporate criticism and pleas for democracy are voiced, but they are generally done in the service of enhancing consumption or from the idea that they were the subject of a fraudulent sales pitch. Other voices are motivated by more liberal understandings of democracy as demonstrated in an anonymous editorial from the POA's newsletter titled, “What is the Ultimate Objective of the POA.” In an answer to the hypothetical question, “What does the POA really want,” the editorial is direct:

“...the ultimate objective of the POA is to bring representative and democratic government to The Villages. We have often said that if we could change just one thing here in The Villages, it would be to require that the supervisors of the central districts...stand for popular election by all residents in the administrative areas of those central districts...it is morally wrong for the developer to disenfranchise Villagers in their own community. American have a right to vote – but we are denied that right here in The Villages.” (“What is the Ultimate Objective of the POA?” 2006)

While this ideal of representative government may motivate some of the activists involved in the Property Owners Association, the fact that the straw poll referendum was so closely contested may suggest that many residents of The Villages were not motivated to see more democratic control over the Village Center CDD's governance. As indicated above, while the reformers squeaked by with a victory, the unwillingness of two of the resident-controlled CDDs to participate in a transitional board effectively killed the plan. This was primarily due to the uneven geographic dispersion of support for the initiative. In two of the resident-controlled CDDs (Districts 1 & 2), voters supported the developer by a margin of 54% to 46% while in District 4, voters opposed the developer by a margin of 61% to 39%. In their explanations for not appointing anyone to the transitional board, board of supervisors in

both District 1 and 2 argued that they did not want to violate the wishes of their constituents who expressed their support for corporate governance in the straw poll (Board of Supervisors 2007a; Board of Supervisors 2007b). The biased nature of the ballot and the vague depiction of the proposed interlocal board's duties, however, makes it difficult to fully ascertain the motivations of opposition (Giordano 2007).

While electoral motivations are challenging to decipher, it is safe to conclude that the nature of politics in The Villages diverges from the developer's cultural construction of the space as "Florida's Friendliest Hometown" without moving too far from the power of the commodity form. In other disputes between residents and the VCCDD, issues of leisure access predominate. Rampant growth has put a stress on the adequacy of amenities to meet demand and the popularity of the community has attracted efforts to increase density and, in turn, population. Additionally, the developer has been liquidating many of its original assets in the VCCDD. These are all commercial properties, so there not will be any residential control in the foreseeable future. However, as different firms begin to control property in the CDD there is the very real possibility that the "benevolent dictatorship" that the developer has cultivated could transform into something different. Questionable property sales from private ownership to the CDD perhaps could be minimized since there simply may not be any more revenue-generating property available. Given the CDDs ability to set fees and manage the existing amenities, it is likely that resident concern with future change in corporate control may manifest itself in this domain. Because the community is centered so much on consumption, it would not be surprising to see changes in the consumption regime accompanied by civic mobilization in opposition.

At this juncture, the developer is in the early stages of construction and selling homes in the Lake Sumter Landing district. The developer has used the Sumter CDD in the same way as they did previously with the VCCDD—issuing bonds and then purchasing improved properties from the developer. In a recent audit of the district's finances, the independent auditors found problems with this practice indicating that "the purchase price of Recreation Amenities acquired from the developer is implied in various documents and appraisal reports associated with the Recreation Amenity Bond issues, but is not spelled out conclusively in any one place" (Sumter Landing Community Development District 2006, p. 37).

The audit exposes the fiction of how the CDD's operate. They are ostensibly public governments, but they are, in practice, an extension of the developer. As seen in the various controversies discussed above, the close association is met with extreme skepticism by many individuals who eventually purchase homes in CDD lands. Furthermore, the ostensible "public" nature of these essentially private governance structures is incompatible with many popular conceptions of democratic accountability. On the other hand, the extraordinary powers granted by the state to corporations in the form of CDDs seem to be entirely compatible with the ethic of consumption that drives the US economic system and retains a primary place in the cultural mindset of many in the US. Giving real estate developers like The Villages, Inc. the power to float attractive bonds and generate profits through perennial covenants relating to amenities, provides them with the capacity to offer a residential commodity in the form of a "community." The tendency for the ideals of democracy and the desires of consumption to come into conflict will undoubtedly frame the contours of political contestation as mechanisms of private governance become commonplace.

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