

Oral History Interview
with
Wayne E. Peterson

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Interviewer: Robert David Breton
Location: Mission Viejo Library
Mission Viejo, California

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Wayne E. Peterson

January 29, 2012

Robert David Breton,
interviewer

BRETON: Today is January 29, 2012, and I, Robert David Breton, am interviewing Wayne [E.] Peterson of the Mission Viejo Company at the studios of MVTV [Mission Viejo Television] inside the Mission Viejo Library as part of this Oral History Project.

Wayne, where were you born and raised?

PETERSON: I was born in Los Angeles area, Lynwood. I grew up in South Gate, very middle-class town, born and raised there, went through school there.

BRETON: Where did you go to college?

PETERSON: Long Beach, Cal State Long Beach [California State University, Long Beach]. Graduated from there in 1973.

BRETON: What degree?

PETERSON: Political science and public administration.

BRETON: Then what was your first job after that?

PETERSON: Actually, looked around quite a bit for a job in the public sector, wanted to get into city planning, wasn't really sure what I was getting into, but literally went to virtually every city in Southern California. In those days, it was knocking on the door, going to the Personnel Office, getting the forms, filling them out, nothing online and that sort of thing. So it took me several months, and I went to work for County of Orange, got a job at the County of Orange in the Planning Department there and got hired by a former Marine, military man, obviously. My father was in the Army, military, and my upbringing clearly rang a bell with him, not so much

about experience or my grades or anything like that, but just personality and work ethic and those sorts of things got me a job, so very pleased for that.

BRETON: Once a Marine, always a Marine.

PETERSON: Yes. He was a very interesting guy to work for, would give you an assignment once, and sure as heck better get it right and better get it right on time. Of course, my upbringing was fairly strict and the same situation, same vein. My dad was fairly strict, and the expectation was you did what you were told when you were told to do it, and that was all there was to it. So that, fortunately, carried over to my professional career and got me a good job.

BRETON: Great. When was that?

PETERSON: 1973 when I started at County of Orange, October of '73.

BRETON: At that time did you happen to be processing any of the Mission Viejo Company applications? Did you interface with anybody from the company?

PETERSON: Not at that time, not when I first started. I had absolutely zero experience in planning, and I did a lot of fairly basic work at the beginning, a lot of field work, a lot of posting of public notices at various properties. I was obviously the low man on the totem pole. I was twenty-two years old and literally learned everything from the ground up, working the public counter, answering zoning questions, researching zoning for property owners.

I did come out to Mission Viejo several times to post projects. The earliest one I remember is the retail center at Trabuco [Road] and Alicia [Parkway], where the CVS and the Ralphs are now. When that was first being built, I was out posting notices out there, and I thought, "Boy, this is a long way—." Working in Santa Ana, of course, and it was a long way down to Mission Viejo at the time.

BRETON: Were you living in Santa Ana?

PETERSON: At that time I had just moved, living in Fullerton at the time, and I had moved out of my parents' house once I got my job. So I moved down into Orange County, shared an apartment with a good friend of mine, and been in Orange County ever since.

BRETON: So when did you first come in contact with someone from the Mission Viejo Company regarding a job opportunity?

PETERSON: Well, as I began to get more and more experience at the county, I moved into current planning, which was the group that handled new applications, tract maps, site plans for commercial centers, industrial parks, and there was a group of four or five of us that processed all of those applications. I got an opportunity to interface with a lot of different builders, a lot of different engineering consultants. We would take a project all the way through the entitlement process, through the public hearings, [Orange] County Planning Commission, [Orange] County Board of Supervisors. Very good thing about county planning at the time was once you were on the project, you stayed on the project, so I got an opportunity to see how the system worked all the way through, which was very good.

At the time I was doing that, a gentleman by the name of Jerry Poston was working for the Jack G. Raub Company, which was Mission Viejo Company's engineering consultant at the time. I was working in the subdivision section for a gentleman by the name of Al Girado [phonetic], and got to know Jerry fairly well. He would bring in applications for Mission Viejo Company projects. He and I would work through them.

My job at the time was to review them for completeness, making sure they complied with all the code requirements, distribute them within the county family for comments from Engineering and Planning and Road Department and that sort of thing. I was kind of the interface between the county family and the applicant, in this case Jerry. Jerry was a great guy,

very patient, very understanding that when a project comes in, the people on the public side of the counter really don't know much about it. So the assumption that a lot of applicants make is that we're supposed to know everything there is to know about these things from day one, but Jerry was very patient and was able to point out areas where things may not have been done exactly per code, but that there was an explanation for why, requesting variances or modifications to standards. He and I got along very, very well.

The good news about Mission Viejo Company at that time was that applications didn't come into the county until they were virtually perfect. It was not at all unusual for various builders to bring in a project that was half done, half planned, "Let's get the process started and we'll fix it on the fly," or, "We'll wait to see if they catch this or catch that." Mission Viejo Company applications were always done very well, very clean, very correct, very accurate, the right number of copies. Everything was made very easy for us to deal with, not to say we didn't have issues. We would fight over various design elements of a project.

"You should do it this way."

"No, we want to do it that way."

But more often than not, there was a sense of cooperation and, "Let's get this done right," kind of thing. So most, if not all, of the projects that I handled—and I was at the subdivision level, not the big general planning level, but subdivision or applications level—more often than not, they went through very smoothly.

That's where I ran into Jerry, and about that time I had been there for or five years. It was 1978, and the big thing in 1978 was Proposition 13. Proposition 13, of course, got passed, and I immediately thought, "Boy, if anything's going to get cut in the county family, it's planning," so I was very nervous about my career and my job. Not long after Prop 13 was

passed, Jerry approached me and asked if I was at all interested in going to work outside, outside of the county family.

A little bit about my history. I was totally tuned into the idea that I would be a career county employee. My father worked forty-five years for Firestone, started in the cafeteria and worked his way up into senior management, and the idea of working for a company and staying with a company was just what you did. So I had no inclination at all to do anything other than county planning.

When Jerry asked me, my first reaction was, “No, I don’t see myself doing that.” But then the more I thought about it, I talked with my wife about it, and I thought, again back to the Prop 13 thing, I said, “Boy, if the county does a lot of cuts, I’m relatively young and relatively low on the totem pole. I’m probably going to one of the first to get cut.”

And then the idea that of all the builders that are out there and all the developers and all the engineering companies, the Jack Raub Company was far and away the topnotch company that I interfaced with. I’m not sure what caused me to do it, but I finally said, “Okay, I’ll go.” So I told Jerry, and we went down and I interviewed with Rudy [M.] Garcia at the Raub Company and Jack Raub personally, and was offered a job, and in 1978 I went to work for Jack Raub.

BRETON: At some point, then, there was an opportunity with the company itself.

PETERSON: Jack Raub, like I said, they were their civil engineering consultant, and the Jack Raub Company handled all of the applications through the city [county?]. So literally I left the county on a Friday, and the following Monday I was at the front counter processing plans for Mission Viejo Company projects. It was very comfortable in that I knew everybody, I knew the process, I knew the system. It was uncomfortable in that I couldn’t just go around behind the

counter, take care of everything myself, because that's what I did the previous week. I was processing plans. A little bit of an adjustment, but got along very well with everybody.

I pretty much picked up the same attitude that Mission Viejo Company had always had, that things had to be done right the first time. The submittals went in correctly. There were no engineering errors. There were no math errors. There were no missing pieces of information. I earned a reputation on that side of the counter, the private side, as somebody who meant what he said and could be trusted to carry out any promises that were made, and that applied all the way through the Mission Viejo Company situation with whoever we were dealing with. That was '78.

BRETON: Jack Raub Company had not been acquired by Philip Morris [USA, Inc.] at that time.

PETERSON: Correct. It was independent, but it was under contract to Mission Viejo Company, and not long after that, Philip Morris did acquire the Jack Raub Company, so I kind of came into the Mission Viejo family officially.

Then in 1982, I believe it was, early eighties, in one of the recessions, one of the downturns in the residential market, there was a fairly large cut at the Raub Company, and a group of us were reassigned to Mission Viejo Company. So I became, literally overnight, an employee at Mission Viejo Company with [David] Dave Celestin, who I know you've spoken with; [Paul] Van Stevens; Dan Kelly, who's now out at Rancho Mission Viejo; and a group of folks who were kind of like an all-star team, I'll say, of expertise and experience that was brought into the Planning Department in Mission Viejo Company. I carried on doing the exact same thing as a Mission Viejo Company employee that I was doing as a Jack Raub employee.

BRETON: To what extent did the company then benefit from its having hired people who were former county employees or, in the case of Van Stevens and [James G.] Jim Toepfer, former

Santa Ana Planning Department? Did the company benefit from having former governmental employees?

PETERSON: Oh, absolutely, on several levels. First of all, just the experience of understanding what the criteria and what the responsibilities are and what the purposes of that process are. A lot of people on the private side of the process just see it as a major obstruction, just an opportunity for people to get you to do stuff that you wouldn't ordinarily do. Clearly the idea is that there is a public interest in what happens in land development, and, unfortunately, there are enough people who take advantage of the situation, that you need to have rules and regulations like that. So the whole idea of understanding why certain things are done the way they are done is huge in understanding what they're trying to find out, why it's significant to them, what's going to resonate with a city planner or a planning commissioner or a Board of Supervisors member.

The other thing is, as I said before, I knew everybody in the process and I knew what they did and I knew how they did it and I knew how the process was supposed to work. It was an opportunity for me to be able to make the system work as smoothly as it could possibly work. I've answered that similar question a number of times, and the initial impression was, "Well, you have access that nobody else has as a former employee." That is categorically not the truth. In fact, as I said, I went to work on the Monday following, that when I walked into the County Planning Department, there was a sign on the door that says "Wayne, Keep Out." It was done in jest, because it was very clear that you stayed on your side of the counter and they stayed on their side of the counter, and you played by the rules. But the point is, if you knew what the rules were, you had an advantage over somebody who just walks in off the street.

The other thing is I had a reputation—and I had a good reputation, I believe—as an honest person who, if we had issues, we would lay them out on the table and fight through them, didn't try to sneak anything through. I could pick up the phone and call somebody and we'd have a reasonable conversation. There are others who were in my same position for other companies who didn't have that reputation, and the phone never got answered or the phone message got put to the bottom of the stack because they knew it was going to be a fight, it was going to be argument and dispute and those sorts of things.

So the benefit that Mission Viejo Company got, I think, is, like I said, on several levels, familiarity with the rules, understanding of the people and personalities that were involved, what were hot buttons, and things that were going to be sensitive and things where there was room to negotiate. So it worked out very, very well.

BRETON: So who would you report to?

PETERSON: When I was Mission Viejo Company, Dave Celestin was my direct supervisor. Dave and I worked together for many years, and a very, very good relationship. He had also been on the public side, on the city side. He had a great deal of similar experiences that I did, and we had the responsibility—I did kind of the day-to-day work with the engineers and the planners in the trenches, if you will. Dave was more involved in the politics and the policy kinds of issues, but Dave and I would work day to day on any issues, constantly keeping him updated if issues were coming up. If issues I saw on the horizon were going to come up, we started laying groundwork with the various people.

Then Dave and I worked for Van Stevens. Then our group worked for [James G.] Jim Gilleran.

BRETON: What division was that? That's not corporate. Was it Building Division?

PETERSON: It was in the California Division. We had a whole series of different of names, but I believe it was Planning, Community Planning, I believe.

BRETON: Jim Toepfer had already left at that point.

PETERSON: Right. I only knew Jim by reputation and stories in history and reading a bunch of materials that was in files and that sort of thing, but I didn't meet Jim for several years after I had started.

BRETON: When you first came to work for the company, were you trained? Did someone hand you the PC [Planned Community] text and say, "Read it"? How were you oriented to the position?

PETERSON: Fortunately, and I think it had a lot to do with how I got the position, was I knew the Mission Viejo Company very well from my work at the county. I knew the people, I knew personalities, and I certainly knew the zoning code and the PC text, the rules and regulations that applied to Mission Viejo that didn't apply to everybody else, or extra requirements that Mission Viejo had to do because it was in a planned community.

So I walked in pretty much knowing what the rules were, but I knew them from the county side, from the public side, and there's a difference, even though you're reading the same set of rules. How do you make these work to accomplish what Mission Viejo Company needs to get accomplished? How do you anticipate how long it's going to take to go through these processes? Where are we going to have issues? What special assistance do we need? What special consultants do we need to bring in, so that we don't get held up? How to make it go as smoothly as possible, again, with the idea that our job wasn't to try to find ways to skip steps, but our job was to try to make sure that we touched every base in the right order, but dang it, do it quick and do it cheap and do it accurately.

If there's an opportunity to write conditions of approval that still accomplished the same goal, but did it in a way that we could accomplish better or fit into our system somehow, that was part of my job, was to help to negotiate those things and convince the county folks that they were still getting all the rules and regulations and the reviews that they wanted, but we were able to do it either a little bit faster or take a different route to get where we needed to go. That was my job, is to understand their system well enough to be able to suggest alternatives that still met their goals and met all the rules, but also met our demand to get things done quickly.

BRETON: At one point in our interview with Dave Celestin he said that the confidence placed by the County Planning Department in Mission Viejo Company submissions, applications, was so great that they either took the Mission Viejo Company's report and application and simply retyped it on a county letterhead or they simply gave you the county paperwork and said, "Here, you type the staff report."

PETERSON: All of that is true. All of that is true. We had a reputation—we earned a reputation, I should say, that when the application came in through the front door, it was complete, it had all the right letters in it, it had all the right signatures in it, the fees were calculated correctly, all the engineering drawings were done correctly, and they literally would take—recall that the people that I was dealing with on the other side of the counter are in the position that I used to have. In other words, I used to be the one taking it in. It was not at all unusual to take any applicant's stack, and you put off to the side and you say, "I'm going to go through this, make sure it's all complete." It got to the point where Mission Viejo Company applications would come in and literally they would go from the counter directly out to the various agencies and departments for review, because everybody knew it would be thorough, not that it was not without issues, but that it was a thorough application, that the guy at the counter

wasn't going to get in trouble because the guy in Flood Department didn't get a complete submittal. It was all done, all right.

In many cases when we had an issue where there was a great deal of research necessary, we would do the research, we would hand it to the staff, and say, "Here's the straight scoop. Here's the information. We've written it from the county standpoint. Use it or don't use it, but I guarantee you it's right." In most cases—and I know from experience, most cases—the staff planner would review it just to make sure, but almost verbatim would end up in staff reports, and especially if we were on a real tight timeframe.

You're exactly right. It was a confidence level that they knew, the staff knew, that we were going to be coming back there next week with another application, or the following week, that if we fouled them up, that if we double-crossed them or if we got them in trouble or embarrassed them, which is the worst of all, that we would never get another break. So the idea was this isn't just a one-shot deal. You're establishing credibility, and it has to continue, and we did that. Dave and I worked very, very well together.

It was almost an unspoken rule that, without question, everything has to be done correctly, and if it's not and you still want to make a submittal, you go in and you tell the guy, "Okay, everything's here except for this, and I'll be back tomorrow with that missing piece," and, dang it, you were there the following day. That's how we built a reputation.

BRETON: Trust and integrity.

PETERSON: Yes, exactly.

BRETON: You're to be commended for that. That's very unusual in the industry.

PETERSON: The other part of it, and it carries through, we would process an application, we'd get conditions of approval or we'd get a project approved, and for whatever reason, something

might go sideways out in the field, and instead of pointing back to the map and saying, “No, no, no, you’ve got to let us build it that way because that’s what the plan said,” if somehow something slipped through and should have been corrected, Mission Viejo Company had the reputation that we’d fix it in the field.

Even if something slipped by, even if something didn’t get done exactly right, the county would call us and say, “We’ve got to fix this. We’ve got to work this out. The drainage isn’t quite right,” or, “We need an extra catch basin,” or something like that. Not to say we wouldn’t argue about it, but it was always fixed. So there was always the understanding that dealing with Mission Viejo Company—and I can’t speak for everybody else, but certainly dealing with Mission Viejo Company, you knew it was going to get done right.

BRETON: Could you tell me what was distinctive about the company itself, about just working with the company?

PETERSON: It’s hard to say because I really didn’t have a lot of experience with anybody else.

BRETON: That’s true.

PETERSON: It’s my only frame of reference. The things that I recall most clearly, especially when I was first starting working there, was a very, very high expectation of quality, a very high expectation of performance. If you set a deadline, you met a deadline, and by all means, if something was going sideways, you didn’t swallow it and hide it and try to fix it. You manned up and you admitted that you’d made a mistake, or you would at least make sure that there was no surprises later on down the road. Not that you wouldn’t get chewed on and chewed out appropriately, but the idea was that information, the dispensation of information, I guess the spread of information through the company—

BRETON: Dissemination?

PETERSON: Dissemination, that's the word, was huge, was very, very important. In fact, when you were on the MAC [Municipal Advisory Council] and on the City Council, our standing rule was this if you had a hearing, that literally as soon as you got out of that hearing—we had a phone system set up; this is in the days before cell phones—we had to call in and leave a message literally that night and explain what happened at the hearing, things went well, things went poorly, here's the issues, and there would be a follow-up memo in the morning, but information.

On more than one occasion I would get phone calls at home from some of the senior executives late at night—and you know some of those meetings went on well into late at night—looking for those reports, “What happened? What happened? What happened?” But the idea was the following morning you'd go into the office and that information had to be out there. But it was high expectations of quality, high expectations of performance. They knew they hired quality people. They expected quality performance, and there was no question that you were there at their pleasure, and if things went sideways, they'd make changes.

BRETON: But it must have also been exciting, on the other hand, exciting and vibrant and dynamic and fun.

PETERSON: All of those things, and again, it was my only frame of reference, so I didn't know how other development companies worked, but in talking with a lot of people that I knew, the idea of the company picnics and the camaraderie of the company and just the interaction of the various departments being very positive and everybody pulling on the same end of the rope was unique, was very different. So it was very enjoyable, a tremendous collection of very skilled, very capable people who had a single focus, and that was to develop a very, very special place.

So everybody had their own take on that and contributed their own piece of it, but everybody had the same goal in mind.

BRETON: How did the company go about creating this camaraderie, this sense of teamwork and a fabric of friendship?

PETERSON: You know, it's funny, I was thinking about that on the way over because that is a legitimate question to ask. There wasn't somebody in charge of camaraderie in the company, and my experience in doing this for a long, long time is that it's almost impossible to manufacture that. It's got to happen. I think it was the idea of the company hired people who were skilled, hired people who they knew knew what they were doing, and that attitude was kind of pervasive through the company. Everybody knew that they were dealing with a first-class group of people and everybody knew that they were expected to contribute their part.

The idea of creating something special and being part of something special came from the top down. Working for [Philip J.] Phil Reilly or working for Jim Gilleran, working for Van Stevens, the whole idea was we have a major goal in mind, and we all need to work together to make it happen. There was no manual that said "You shall have fun and you shall smile every day." There were conflicts. I mean, it was a huge company. There were a lot of very, very strong personalities. But I think for the most part, almost everybody was able to focus those energies or focus their uniqueness to aim towards the same goal. The idea that you could laugh and joke and have fun and go out and have an interesting lunch and then get back and get your butt back in gear was just a given. It was certainly not a slave shop. It wasn't like somebody standing over you forcing you to work faster, faster, faster. There certainly was a high expectation of performance and quality and cranking the work out and getting it done on time.

BRETON: Did it help that so many of the executives as well as the employees lived in Mission Viejo?

PETERSON: Absolutely. I mean, it was an unspoken testimony, if you will, to the quality of what we were creating that people not only wanted to work here, they wanted to be involved in creating a community like this, but they wanted it to be their home. I did the same thing. I lived in Mission Viejo for years and years and years, and the idea that it was something you wanted to be a part of personally in addition to professionally. Again, there wasn't any kind of a memo that went out that said that, but you just sensed it, you just felt it.

BRETON: Did you participate in any of the activities with the [Mission Viejo] Activities Committee or any of the company events or the community events?

PETERSON: Yes. I wasn't as visible as, say, [Arthur S.] Art [Cook] or [Mark] Ziggy [Wilczynski] or some of the others, [Martin G.] Marty [Russo] certainly, but I helped out where I could, more on the labor end than being involved in organization. One of the most fun one was the '84 Olympics, getting ready for the bike races and things. That was really a lot of fun, and there were hundreds of company people who were involved in that.

BRETON: You mentioned that the company always hired topnotch experts, people who really were knowledgeable in their field. What other qualities was the company looking for? Were they looking to the left-brain also, looking for people that were creative, who could think outside the box who had perhaps innovative ways of approaching a problem rather than just pure experts who were going to come in and do it the way they had been taught?

PETERSON: Yes, and it was a blend of those things. Clearly in the land development area you need people who can follow the rules and crank the numbers and do the engineering to make sure everything's going to work out, but you also need the other side too. There was a large

number of very creative people, the marketing group, the design group, Harvey Stearn, Horace Hogan [II], a lot of those guys who were involved in not only the mechanics of it, but how do we continue to make ourselves special, how do we continue to set ourselves apart from everybody else that's out there.

Of course, at that time there was a lot of development going on and a lot of competition, so you not only had to meet the market in terms of delivering homes that people wanted to buy, you also had to deliver a community that set you apart from everybody else. I've always said it, and I'll probably get shot for saying it, but the homes in Mission Viejo aren't radically different than anything else that's out there. It's a quality home in an extraordinary community. I know when I bought my house, it was the community I was buying. I enjoyed the house and it was a great house and a great neighborhood, but it was the community that I was buying, and I know that applied to tens of thousands of people who bought homes here.

BRETON: When you bought a home here, you knew you were not just buying a house, but you were buying all the amenities that surrounded the house.

PETERSON: Yes, and again, not just the physical amenities; it was the attitude of people. I mentioned earlier that I did a lot of the public presentations for the company, and over time, my face got known in the community, and it was not at all unusual to go the supermarket and somebody from behind says, "Well, wait a minute. I know you. Oh, yeah, you're the Mission Viejo Company guy."

It was always a concern that you go, "Okay, what did he hear? Is he happy? Is he mad?" For the most part, it was all very positive, or you were an opportunity to express a concern. The visibility of the company was very prominent, the company and many of its executives. I

certainly wasn't an executive at the time, but I was a public face. I was a face of the company for many years. We were in the community. We were in the community all the time.

BRETON: From your description of the atmosphere that existed, whereby you were given an assignment and you were expected to do it and then report back and just make sure it gets done properly, etc., that leads me to think that there was very little micromanagement within the company.

PETERSON: That's true. That's true. The nature of the company and what we were doing, fortunately, we had a master plan for the city, for the community of Mission Viejo, and within that master plan there were a lot of assumptions, there were a lot of policies, a lot of general overarching approaches that were going to take place and filter down through the entire project. When a decision was made that, "Okay, we're going to go build this product on that piece of property," it was assumed that the team, the Mission Viejo Company team, and its team of consultants would figure out a way to make it happen, make it happen with the yield that we needed, make it happen in the most economical way possible, and deliver it on time. Not to say that they weren't very involved, but it wasn't a situation where every time I had an issue at the county dealing with flood control or planning a road or whatever, that everybody up the chain of command would know about it and there would be giant meetings and get it all solved.

We went as high as we needed to go and got the people involved as high as we needed to go to get the problem fixed, and then we were back on track and going full speed. There was always information being forwarded. We were always communicating up the ladder, so that when I was processing an application, my response back to my supervisors, Dave and Van and up to Jim [Gillera], was that the project's in process, we're on schedule, we've got these issues relative to flood or whatever, and here's our solution. It was more information as opposed to

them saying, “Okay, here’s how you’re going to fix that.” It was my job to fix it, and if I ran into trouble, if I ran out of ideas, if I ran into an issue that was going to get bumped up the line at the county, then I would bring in the next level of people. But we were allowed to do our work, and, again, with the assumption that it was going to be done right and on time, and we always had the horsepower and the tools that we needed to make sure that we did that.

BRETON: In speaking about the PC text and some of the underlying policies or overarching considerations that went into making that magnificent plan, master plan, describe your feelings about the sense of stewardship that the company had over this land as a former rancho, as an early California rancho, and the extent to which that guided some of your thoughts in the planning process.

PETERSON: Like I said earlier, all the way through the process we knew we were creating a community. The community was a lot more than just a collection of tracts, a collection of home sites or commercial sites, and that’s one of the things that really set Mission Viejo Company apart from a lot of the others. Projects were done as part of the plan. They were important on their own, but they were also important as how is this particular project furthering the goal of the Mission Viejo master plan and the planned community text.

The history as a rancho didn’t involve me that much. In other words, my focus really was the community, and once the decision was made that this was going to be a planned community of approximately 30,000 homes at that time—30,383 is the number, not that I don’t remember that—that that was the goal, that we were trying to create that master plan, that there was a well-thought-out concept as to why it was done the way it was done.

With that being said, though, the importance of getting each individual tract done, it was more important to be correct in terms of its carrying out of the theme of the community than it

was to hit an arbitrary number, let's say, a number of units. You know, on the MAC and in the city process we would propose an application that would have a certain number of homes in it or a certain number of condos or a certain amount of square footage of commercial, and as I said, it wouldn't have been submitted if it wasn't consistent with the plan. But as we went through the details of each of those applications, some issue would come up that, well, maybe the trail needs to go this way instead of that way or the grading needs to be done this way versus that way. Issues that were raised by the community would get reviewed and analyzed, and, "Well, maybe they're right. Maybe we do need to make that change." The importance of meeting the goal of the community was more important than meeting a particular tract-by-tract criteria. We always had the big picture in mind, and that was really the driving force in all of these applications.

BRETON: You mentioned grading. To what extent was the company trying to preserve the natural contours of the rolling hills, of the ridgelines and the arroyos, to the extent possible?

PETERSON: The idea of creating a community over 10,000 acres of 30,000 homes, the assumption was that most of it would be modified to some degree to create flat pads. I mean, that was the only way to do it economically in that era and still today. This was in the day before EIRs [Environmental Impact Report] and all of those kinds of things. The company took the position that there were certain sensitive areas in the community, English [Canyon] Creek, Jeronimo Creek, those areas where they were environmentally sensitive, they were aesthetically sensitive, and it made sense from a community standpoint to preserve those.

There's a name I'm sure isn't mentioned very often of a gentleman who worked at the Raub Company, Bert [A.] Heidelberg. I'm not sure if you've ever heard that name before.

BRETON: I haven't.

PETERSON: Bert was a designer, a tract designer, and he worked for the Jack Raub Company for years and years and years. He literally would take a piece of ground, one of the planning areas in the community, and the marketing folks would say, “We need this many houses, we need this many of this product, this many of that product, this many of this elevation, that elevation.” He would take that piece of ground and design it from top to bottom with all of the considerations of drainage and water and utilities. He was an absolute master at creating something out of nothing that met all of these marketing kinds of things, but also respected all of the technical aspects of it. Literally his work, he would work in those days on a big giant drafting table, and he did a lot of his design work on what we called flimsy, like vellum. The work that he did in his plans and his layouts were like works of art. I mean, they were just beautifully done, and dang it if they didn’t work.

It gets back to the whole confidence issue, that you knew if you had one of Bert’s studies, that you could literally take it out into the field and tell the guy to go grade it and it would work. Bert was one of those unsung heroes in the back room that was producing these sorts of things that allowed me to stand up in front of the Planning Commission or the Municipal Advisory Council and say, “I commit to the fact that this is going to work. This is what’s going to happen. This is how it’s going to work. This is how many units we can get. These will have views. These won’t have views.” I knew from having worked with Bert for so many years and having seen his product actually built out in the field that, dang it, if it didn’t nail it almost every time. So again, the idea of people with experience and people with quality and commitment to excellence was able to perform and create things that really set Mission Viejo apart from a lot of the other communities.

BRETON: I think we heard about them yesterday, but I don't think that they mentioned that his name was recalled. He must have had a special gift to be able to visualize how this would look.

PETERSON: Yes. It clearly is a gift, because there a lot of people that do what he did without anywhere near the success. That expertise and that level of quality applied to the entire Raub Company, and the Raub Company was a spinoff of the Raub, Bein, & Frost group, RBF. Their attitude is the same. They came out of the same mold. So there's a group of people out there who had similar training as I have had, that I still run into to this day, and that basic learning and basic training of how to do your job and how to do this job, community development, has spread throughout the whole industry.

BRETON: How were the environmental considerations that we're talking about now affected by economic and feasibility considerations, the balance between profitability factors and environmental impact?

PETERSON: Those sorts of things I was involved with, but not really directly. Those kinds of things were happening at the more senior level, Van Stevens and Harvey Stearn and Jim Gilleran and [William K.] Bill Smith, the attorneys, and the finance folks.

There was the constant battle of those who wanted to build more in order to make the yield work out right, to increase profits or to make profits, with the commitments, if you will, to the master plan. From my experience—and again, I wasn't in the direct negotiations—from my experience, the carrying out of the Mission Viejo goal always won out. We may want to try to change product. In fact, I know you and I spent many evenings talking about different kinds of products where we might be able to get a little bit better yield, attached products or small-lot single-family. Where people might have been expecting a quote, unquote, “conventional”

single-family detached lot, we would come in with an application that would be a little bit different than that.

BRETON: A different setback.

PETERSON: Exactly. Modified setbacks, smaller driveways, smaller rear yards. As the world progressed, obviously the market demand changed. People, again, were still buying the community of Mission Viejo, so even though your lot might be a little different than the guy down the street from you, you were still a Mission Viejo resident, and that was where a good deal of the value was.

BRETON: Tell us a little bit about the lengths to which the company would go to employ paleontologists, archeologists, to preserve fossil beds when they were encountered during the rough grading.

PETERSON: We had several people on call, if you will, for those kinds of activities. In the very, very early years we would have people guide us and give us information ahead of time in terms of inclinations that there are certain physical features out here where we think you may encounter based on flood plains or old ancient water courses, or those sorts of things that might give you a hint that you may encounter these sorts of things. We would have monitoring folks actually watching the grading operations going on to keep an eye out for those things.

Nowadays all of that is required and you have to do that, but I think we were out there ahead of everybody else.

Not only was it from an environmental standpoint and a scientific standpoint that those things are valuable, accidentally stumbling on those things had huge impacts on schedules. I mean, if you uncovered a fossil bed that you didn't know about and all of a sudden your grading operation was shut down for a week or six weeks while they were excavating whale bones with

dental tools, the clock is running, the money's spending, that was huge. So there was an economic benefit for us doing that and anticipating those sorts of things so we could grade around them or we could anticipate that, okay, we've got to be sensitive to this. If we find something, then we need to be prepared to move over into another area to keep grading, to keep moving, keep making progress. So it wasn't all altruistic, but it was very beneficial. We uncovered a great deal of material that wouldn't have been uncovered, and we were still able to keep the system moving.

BRETON: By doing this, you preserved artifacts and fossils that someday will be in the [Orange County] Great Park in Irvine in a natural history museum. Do you remember the small museum that was in the light industrial park off Via Fabricante when you first moved here, with arrowheads and shark teeth?

PETERSON: Vaguely. I remember that it was there. I don't know that I ever actually saw it, but if I remember, that was a Mission Viejo Company museum that we created because the county was not able to take those sorts of things. They certainly didn't have the ability to display them. They didn't have the ability to inventory them or archive them, so Mission Viejo Company did. I know we had in our warehouses boxes and boxes and boxes and boxes of all sorts of stuff that everybody said, "Don't throw that away, but we can't afford to take it, so you hold onto it."

BRETON: That's a testament to the wisdom and the vision of the leaders of the company, that they would set that aside and preserve it and protect it.

Why was it critical to the success of the master plan that there be a single developer from inception to completion, someone that had written it, would be all the way over the long haul to the end?

PETERSON: I'm not sure that it couldn't have been done another way, but the fact that Mission Viejo Company was in charge of virtually all aspects of the development for almost the full length of the development of the community, it would have been a completely—not completely. It would have been a significantly different community, I think, had Mission Viejo Company not stayed directly involved through all of it.

You mentioned the economic ups and downs. Having one company that was willing to endure those ups and downs with the idea that when things come back, we're going to continue on this same plan, as opposed to doing things that were expedient at the moment and say, "Okay, economic downturn, we're going to make a 90-degree turn in this plan. The old plan is just that. It's an old plan. Here's where we're going now." That happened everywhere. Fortunately, it didn't happen in Mission Viejo.

BRETON: We're ready now to move into an area involving governmental relations. So let's take a break.

BRETON: Before we move on to governmental approvals and government relations, we were just talking about grading. Tell us about the [California] Gnatcatcher.

PETERSON: Gnatcatcher was, or is, continues to be, a sensitive species. I'm sure not politically correct, but there has always been a question of the veracity and the validity of a lot of the claims that were made as to its rarity and where its habitats are or aren't and whether you can prove it or can't prove it. But regardless of any of that, it became a huge issue for us to deal with. We obviously had an approved plan that showed grading in certain areas, but, nonetheless, we still had to do a lot of biological research and a lot of biological surveys to decide whether or not we had gnatcatcher habitat on property. It was a big deal in terms of putting together the plans, because obviously we had, like I say, a master plan that we were still trying to build to, but

these gnatcatcher habitat areas had a tendency to always show up right in the middle of a tract somewhere that needed to be resolved. So we would either set aside other habitat as an exchange, hopefully in an area that we had already designated as open space, or in certain areas, areas of a tract that was planned for development all of a sudden became open space, and we had to deal with it, just work around it.

While, from a practical standpoint, you said, “Darn it, I know this isn’t right. I know this isn’t the right way to do it, but we’ve got to get going. We’ve got to get this done,” so you swallow hard and set aside some open space that you weren’t planning on and keep going. A lot of that builds up to the point where you end up with some neighborhoods with slightly higher density than you might have had otherwise, but that’s the price that’s paid when master plans aren’t allowed to build out the way they were intended. Theoretically, that’s what the government wanted to do. That’s what we had to do, and we found a way to deal with it.

We had more than a few confrontations, if you will, with [California Department of] Fish and Game and [United States] Fish and Wildlife [Service] over those sorts of things and where we could or couldn’t grade, but we worked hard to understand the rules, and again, we played by the rules as tightly as we could. We had a few, like I say, confrontations with various governmental agencies and fortunately got things worked out.

BRETON: I know that the Gnatcatcher has habitat in northern Mexico, in Baja, and desert areas in Southern California, and so it seemed to me all blown out of proportion. Wasn’t the company tempted to help some Gnatcatchers relocate to another subdivision?

PETERSON: There were all kinds of ideas thrown around. How do we deal with this? How do we pick them up and move them? Of course, they’re birds about that big, so the idea of finding them first—and it wasn’t so much that the birds were there, but it was habitat that they could be

there. So how do you deal with that? A certain kind of a brush, who's to say that they—and not only just a bird, but maybe a nesting pair and all those kinds of things. It got almost to the point of being ludicrous, how convoluted the process was. Frankly, the governmental entities who were enforcing it knew that time was on their side, that if they stretched this out long enough, they could get what they wanted with or without the right rules, and in a lot of cases it happened. They were successful.

BRETON: And some of the environmental lobby groups as well.

PETERSON: Right. And frankly, that goes on today. The idea is if you can stretch out a challenge or stretch out a lawsuit to the point where a builder or developer trying to build something can't afford to do it anymore, right or wrong, you've reached your goal.

BRETON: Look at what the [Rancho] Santa Margarita had to do in setting aside thousands of acres.

PETERSON: Thousands of acres. Very close to home, Aliso Viejo, I worked on Aliso Viejo. Right off the bat we had to give away half of the property. That's some of the most prime developable land, and it was already general planned and zoned. Give it away.

BRETON: Amazing.

PETERSON: Give it away, and then we'll talk about what's left and what you have to do on the rest of that. We're still going to get parks, still going to get schools, still going to get open space. So it was a very interesting time.

BRETON: The company at least was endeavoring to work with the appropriate agencies and, to its credit, did set aside quite an enormous amount, a percentage of open space and, to my knowledge, from day one had always set aside more parks, more parkland acreage per thousand population than was required by the county. Isn't that correct?

PETERSON: That's correct. Part of the subdivision process—and it applies to everybody—is a very technical calculation on the number of homes that you're building, the density of those homes, and how many acres of parks that you're supposed to provide. That was a fairly large part of the work that I did, was going through all those calculations, making sure that the tracts satisfied all of those calculations literally down to a thousandth of an acre, which is kind of silly, but that was the degree to which we did it.

Then there was a constant battle over what constituted a park site. Is it a park where you can play baseball and soccer and basketball? Is that a park? Does it qualify as a park if you can walk through it, trails, passive parks, greenbelts, slopes? How steep is the slope to qualify? So it was huge, and what was the hardest part about that whole thing was we'd be working with the staff, and I said, "For crying out loud, just come down to Mission Viejo and look and you tell me we don't have enough parks." We're the only community around that was building parks at that time. They were, and continue to be, the envy of most cities around. The company was committed to making sure that it happened, but we were insistent on the fact that the county would acknowledge that we not only met our requirement, but we were exceeding our requirement for nothing more than to acknowledge the fact that we're doing it on our own. The company's doing it on our own, not because you're making us. We had this conversation many times. We will match our park system against anybody's. The only other community that was even close was Irvine.

BRETON: So you always exceeded the formula, the baseline formula.

PETERSON: Always. Frankly, as an aside, that's how the Youth Athletic Park, a great deal of the Youth Athletic Park was generated, that the idea of creating—and again, this is a way that the company distinguishes itself, or distinguished itself from others, that the idea of when you're

doing tracts by tract and, say, a hundred homes, five hundred homes, you do the mathematical calculation and you could end up with a community park in the middle of a tract that would be an acre, two acres, three acres. If you did that through an entire community, you would end up with a community with a lot of relatively small parks, which are valuable in their own right, but you would never have a Youth Athletic Park. You'd never have a [James G.] Gilleran Park or a [Robert A.] Curtis [Park] or a [William M.] Beebe [Park], any of the facilities that were large enough to really do something significant.

So Mission Viejo Company was one of the first companies, if not the first, to go to the county and say, "We need to figure out another way to do this. We need to figure out a way to assemble that park credit requirement to be able to deliver parks of this magnitude, because we're going to have a community of 30,000 people. We can't be expecting their needs, their park needs, to be met by just their own little neighborhood park. But you, the county, have to create the incentive to make those things happen." They're ridiculously expensive, and more often than not, it requires not only parkland, but developable land, to make these things to be large enough that they're really functional.

BRETON: And flat.

PETERSON: And flat, parking, access, drainage, all the things that make park sites really work.

BRETON: So the original concept was to have within walking distance of every child a neighborhood park, a neighborhood elementary school, but then Mission Viejo Company decided that in order to meet other needs for organized sports, for instance, that they should be given credit for the creation of community parks, larger parks.

PETERSON: So the logical progression of that is you would still have neighborhood parks, but they might be a little bit smaller than you might get otherwise, and that, for lack of a better term,

excess acreage could be accumulated to the point where you could put it together and create a really nice large field sport facility.

BRETON: Let's talk a little bit about Santa Margarita. All along, Mission Viejo Company got along famously with Santa Margarita, Rancho Santa Margarita, and, of course, Jerome [Moiso] and [Anthony R.] Tony Moiso were on the Board of Directors, and the O'Neills were always involved.

There came a time in the development of our community when Santa Margarita had grown to such a size that they wanted access down Alicia Parkway, and the Mission Viejo Company wasn't willing to grant that access or to extend Melinda [Road] until the other roads were in place, the other bridges over Oso [Parkway] and Crown Valley [Parkway]. Gaddi [H.] Vasquez intervened and accelerated, expedited, the road construction program so that everyone could win, but that there wouldn't be an excessive amount of traffic flow on Alicia that wasn't designed to handle all of that capacity. Could you describe that and how it affected your relationship with the Santa Margarita company?

PETERSON: Again, that was an issue that was being handled at a level at least one level above me and probably at the very highest levels of the company. My involvement was more the day-to-day entitlement work, obviously very much aware of what was going on. The company's attitude in general terms was why should the community of Mission Viejo suffer the impacts of excess traffic or traffic that is, as you said, the roads were not designed to handle that traffic, simply because Santa Margarita—and not because it was Santa Margarita, but any other developer—wants to build on a certain timeframe? If you want to build, fine, build the structures and build the infrastructure to serve it. If you can't for whatever reason, political, economic, environmental, that's not our job figure out a way to accommodate you. Then on top of all that

was just the basic competition aspect of it. I mean, clearly Santa Margarita was going to be a competitor to our marketing needs, and so just common sense tells you you don't bend over backwards to try to help a competitor.

But before that, the whole issue of we have spent a ton of money, a ton of time, a ton of effort to create an environment here in Mission Viejo, and we are going to defend that as hard as we can to make sure that things happening outside the community don't disintegrate or denigrate the lifestyle that we're creating here. And it was a fight. It was a huge fight. Like you say, the Board of Supervisors got involved and eventually created programs where alternative roadways were built. Mission Viejo Company didn't get its way, Santa Margarita didn't get its way, but ultimately there was a political solution worked out, and I think we're on good terms these days.

BRETON: I think so. Dan Kelly left the company and went to work for the other side of the fence.

PETERSON: Yes, changed his white hat for a black hat.

BRETON: As did [Thomas C.] Tom Blum.

PETERSON: Yes.

BRETON: Now let's talk about the other side of the fence on the other side of Mission Viejo, relations with Nellie Gail [Ranch] and Laguna Hills. There was a time that the company was beginning to invite proposals for the development of Planning Area 87 for the freeway, commercial development on the other side of the freeway. Describe some of the difficulties that were encountered in trying to obtain the approval of an at-grade crossing, and then having to resort to a bridge, and then the opposition from Nellie Gail, Laguna Hills, and everything that we had to go through in order to obtain those approvals.

PETERSON: That piece of property was probably the most difficult to deal with of all the properties in Mission Viejo for a whole series of reasons. Obviously it was right next to the I-5 Freeway, tremendous involvement with Caltrans [California Department of Transportation]; the railroad line going right by it, tremendous amount of interface with the railroads with what we could and couldn't do; down in a hole, needed to worry about access; what the land uses should be, shouldn't be; what the demand was going to be; trying to anticipate what the timing should be for the development of it. Just a whole slew of issues, absent the politics as to what you wanted to do with it, how you do it, and dealing with all the different governmental agencies that were involved.

The access was huge. Everybody knows there's a single way in and out of the property. Everybody that I talk to that is familiar with that and knows that I worked for the company, they go, "What in the world were you thinking? Why not a second access?"

I tell them the story. I said we started with two accesses. We insisted that at the very north end of the property a crossing was appropriate, and as you mentioned, it would have been at grade, in other words, at the same grade as the railroad track rather than a bridge. There wasn't enough room to get a bridge in, so our thought was, it's not going to be the primary access, it will be a secondary access, and have an at-grade crossing with the bells and whistles that would stop the trains as necessary to allow traffic to come across.

We worked for years with the railroads, and to their credit, the first time we met with them their answer was, "Absolutely not. We are not going to do an at-grade crossing." We worked and worked and worked, and they never changed their mind. Their attitude—and in twenty-twenty hindsight it makes sense—the idea is, "Why would we introduce a potential conflict between traffic and our trains? Our trains need to get where they're going. Your cars

need to get where they're going. What you're doing is introducing an opportunity for our trains to slow down your cars, your cars to slow down our trains, and the worst of all possible worlds is a potential for accidents." So we were entirely unsuccessful.

But if you drive around that project, you see all kinds of separate roadways, emergency roadways, that have been designed. Nobody knows that they're there. I'm sure the people who operate the center don't even know that they're there anymore. Thank god we've never had a situation where we've needed to use them, but there is a secondary way for cars to get out of that project, and that involved a whole other slew of governmental agencies to create this secondary drive.

The issue with the City of Laguna Hills was really interesting because, with the exception of Mission Viejo Company and the County of Orange, very few people knew that that was even in the City of Mission Viejo. Everybody just intuitively assumed it was Laguna Hills. When the City of Laguna Hills came to that realization, and then the realization that it was commercial and the anticipated revenue source that that was, instantly it was World War III. We couldn't agree on what day it was, much less what to do with that piece of property.

I'm drawing a blank on the gentleman's name now, but the city manager at the time was very vocal about how important that was, that there should be a switch in jurisdiction, it should be transferred over to the City of Laguna Hills, it has nothing to do with Mission Viejo, it has everything to do with Laguna Hills. Like I say, there was no detail too small that we argued about. The design of Cabot [Road] as it goes by that, weeks and weeks and months and months of work, because the city boundary line, if I recall correctly, goes right down the middle of Cabot Road, so half the street is in Mission Viejo, half the street is in Laguna Hills. Even in the best of circumstances, two cities to agree on how to design something like that is very, very difficult.

This was horrible. Whether they said it publicly or not, it was fairly obvious that they were going to do everything that they could to be difficult.

BRETON: Obstreperous.

PETERSON: Yes, any of those words. Fortunately, it all worked out. I mean, there's dozens of gory stories to tell about that. It all worked out, but even now, if you drive by—actually, now that I'm thinking about it, the city boundary is over on the side of the street close to the project area—you'll see a line of—what are those bushes that they plant along the freeways, big giant bushes. They built and designed and installed a tremendous amount of very thick landscaping along there. Clearly, as a commercial operator, you want visibility and exposure.

BRETON: Oleander?

PETERSON: Oleander. So as soon as we got the project built, the city installed this big line of oleanders. So that was kind of the last shot. But anyway, very difficult. It turned out to be extremely successful. Struggling a little bit now with everybody else, but—

BRETON: It ended up going to the PUC [Public Utilities Commission] in San Francisco.

PETERSON: Yes. Like I say, that was probably the most complicated project that we had to deal with.

BRETON: And ended up in the renaming of Oso Parkway.

PETERSON: Correct. I didn't remember that specific part, Pacific Park [Drive]. Aliso Viejo was going on at the time, and Pacific Park was a part of the project over there. Then when Laguna Hills figured out that it was Mission Viejo Company on both sides of them, it really didn't set well.

BRETON: As a planner from both the public and private sector, tell us a little bit about the difficulty in developing remnant parcels.

PETERSON: One of the philosophies that we had from the very beginning—and it goes all the way to the original founders of the community—was the idea of trying to build out the community in the old “concentric zone” theory. You start in one spot and you just build out from there with the theory being that you would not end up with holes in the plan, if you will, that you had to come back in later and build. We weren’t all that successful in Mission doing that. Over time, for any number of reasons, there were pieces that didn’t get built when the rest of the areas got built.

Commercial centers were classic examples of that, where there wasn’t enough houses or rooftops around to support a commercial site, so they wouldn’t built it right then. They’d have to come back and build it later. Things like Old MacDonald’s Farm, where Kaleidoscope is today, sat empty for years and years and years. Lots of property along the eastern edge of the community sat empty. The classic was Los Alisos [Boulevard] up by Vista del Lago, a big piece of property there that was zoned for residential and ended up being converted to open space.

Inevitably, not doing project by project consecutively, people would move into an area, would get used to a property not being developed— God love real estate people, but inevitably somebody would say, “Well, my salesman told me that was going to be open space forever. What are you doing talking about building homes on that?” Or, “I walked my dog on that property for twenty years.” It inevitably creates conflicts and friction, but the idea is that there are overarching reasons why it makes sense not to build them out at that particular time, being any one of many issues. But it’s certainly not anything that made my life any easier. That’s for sure.

BRETON: But you could always resort to the Contiguous Area Report to show them that they knew all along that was going to be developed.

PETERSON: They should have. Interesting you mention that. The Contiguous Area Report was a thought of Marty Russo's. Marty was the guy who handled all the community complaints and all the angry neighbors. So to make his life a little easier, he recommended to the company that when we sold property to individuals, that we prepare a report that told them what was going to happen next door.

The only way that that even worked was the fact that we had a master plan and that we intended to carry out that master plan, so that we could tell somebody five, ten, fifteen years before the adjacent property built out what that was going to be. We had that confidence, and we were confident that the city and the county would carry that out, and so we were confident in telling a homeowner that that open space behind you is ultimately going to be more homes like yours.

Great idea, and it worked more often than it failed, but—and I'm sure you went through this—when you buy your home, you get a stack of documents like that, and you're asked to sign them all in a three-minute or a five-minute signing session, and god only knows what's in that stack. The Contiguous Area Report was one of those things that every owner had to sign. I sat through dozens of meetings where people would say, "I never signed anything like that. I didn't see it. I didn't see it. I didn't see it." Marty was great at keeping copies of those, and, sure enough, he'd pull out a copy and it'd have the owner's signature right on it.

To their defense, they said, "Well, that was then. This is now. Whether I signed it or not, it still should be open space or it still should stay the way it is." It was a huge help. It helped immeasurably, especially when we went to governmental agencies, when a homeowner would stand up and say, "No, that should be open space," and you're able to produce this document that

says—“Right here it says, Mr. Smith, you signed that you acknowledge that it was going to be developed.”

BRETON: “But my realtor didn’t point that out to me.”

PETERSON: Exactly. “Okay, you get your realtor in here and we’ll talk to him too.”

But from a governmental standpoint, the Mission Viejo Company doing that, I think we were the first company that did that, and it has been very well adopted throughout the industry. From a planning commissioner standpoint or a city councilman standpoint, that gave them the ability to say, “Okay, whether you knew or not, you should have known. You signed it. What do you want us to do?” So it helped a lot.

BRETON: Didn’t the company take the extra step of putting up large billboards on that vacant parcel notifying the homeowner, warning the homeowners, that this is the site of future retail or future school or whatever?

PETERSON: Yes, we did a lot of that, and, frankly, I think that was probably more beneficial because it was something that they saw every single day driving to their homes, but it didn’t stop anything. In fact, that open space over on Los Alisos had the signs up for years that it was residential, and it’s not residential.

BRETON: You described the tremendous trust that the county placed in the Mission Viejo Company in the quality of your work and the integrity of your assurances. I would like to know if you could describe to us how the company cultivated and nourished that sense of trust by divulging with the various agencies or to the various agencies and governmental entities what their plans were for the future through preview meetings and descriptions. We won’t talk about the MAC now, but just basically what was the concept of including them as part of the process so that they didn’t get caught with backorders for materials, whether it’s a water agency, water

district or flood control channels that needed to be built, or simply working with the school districts and the county? How important was it for the company to do this, and why did the company, rather than, like most developers, playing their cards close to the vest and not wanting to divulge inside data, why was the company so open?

PETERSON: Two things. Number one, we had a master plan. I keep coming back to that, but it turned out to be a benefit through so many levels of the company, having a plan that you knew you were building toward. We were able to go to these various agencies and, years in advance, be able to tell the water district or the flood control district, Caltrans, that we were going to need these certain things in roughly this timeframe. Freeway interchanges take years to get designed and approved. Not quite so bad with some of the other agencies, but some of the lead times are ridiculously long to get facilities in place when you need them in place.

So the only way to do that was to be able to go to those districts or the agencies, the county, state, cities, and be able to share with them, "Here's our long-range plan." In most cases we tried to be as general as we could. The water district doesn't necessarily care whether it's a three-bedroom house or a four-bedroom house or the architecture or any of that sort of thing, as long as they're able to know that a house is going to be planned in this area at roughly this period of time, and therefore the water delivery system needs to be in place and the sewer treatment plants have to be in place and the capacity. The idea of being able to go to those agencies and say, "This is our plan to do this, and we feel very comfortable that we're going to hold on to this plan and this schedule, so go ahead and invest the money and start working on plans to deliver these things."

We used to do an event we called the Review Preview, and every year we would meet with the County Planning Commission, Board of Supervisors, city planning staff, and review all

the projects that had been approved in the year previous, go through the status of every one of them, any issues that may have been debated during the approval process, show what the progress is that we're making on those, kind of bring them up to date on everything that they had approved over the last year, and then also preview all of the projects that we thought would be coming through in the upcoming year.

We used to fill conference rooms with exhibits and charts and plans that showed in pretty good detail the areas that we were going to be building, what kind of product we were going to be building, and shared with them what we expected would be the issues that were going to be coming up. "We need county help to get this road built. We're prepared to build it, but we need it to be moved up on your master plan or schedule," and then the same with all the other jurisdictions.

So it was a commitment on our part to, like you say, kind of pull your cards away from your vest a little bit and share with them information about our plans and schedules, but there was a benefit to us as well, plus the idea of not being surprised. If you know a year ahead of time that you've got a planning commissioner who, for whatever reason, is sensitive to the interface with Trabuco Creek or something, boy, the flag goes up and you know you've got an issue, rather than wait until the application actually gets processed and you've got a big issue that is holding up your whole project. So it works both ways, but you're right, it was something that very few builders did.

BRETON: It made good business sense.

PETERSON: It did. At the time you were getting peppered with all these questions you were questioning whether it made good business sense, but in the long run, it absolutely did. Even if people were upset, even if people were to say, "Well, wait a minute. We don't like the idea of

going higher density in that area. We think it should be over there,” at least you knew you had an issue, and you could begin working on it and solving it and either making changes or not making changes. The idea of having schedules that were predictable were huge for a company, and knowing where the issues were. You could factor in more time for the process, or, “Okay, we need to go talk to the state about this issue or that issue,” helped a lot.

BRETON: To follow on that same line of reasoning, how important was it for the company to have a good rapport with all of these agencies, not just good trust, complete implicit confidence, but good rapport, good relationships, and know these people and be on friendly terms with them?

PETERSON: Because we were building out a master plan that we knew was going to take twenty years, thirty years to build out, we knew we were going to keep coming back to these same agencies over and over and over again. Like anything else, you want to create a positive relationship, so, I gave the example before, that when your application comes through the front door, it’s viewed positively as opposed, “Oh, no. This is going to be horrible. I’ll put this over on the side and I’ll deal with it later.” We knew we had to deal with these folks all the time, and not to say that it was a cakewalk every time.

A good relationship simply got you an opportunity to express your concerns or open a debate, access to get technical information that might take a month if you go through the normal channels, to be able to call somebody and say, “We’re going to be submitting these plans in a couple months. Can we get access to your technical data to help us prepare so that we know what you’re expecting from us?” A level of cooperation doesn’t guarantee you anything other than an opportunity to express yourself, to get your point of view made, to open discussions and open dialogue that may take twice as long or three times as long without that.

BRETON: With the school boards and the water districts and the county, Board of Supervisors, the County Planning Commission, and later with the MAC, how did the company cultivate these relationships? Didn't the company also invite these individuals to come down to certain celebrations or to go to the Rose Parade [Tournament of Roses Parade] or to go to the ballet or something just so that they could become more friendly?

PETERSON: Yes. Our relationship with those people was much more than just nine-to-five across the public counter negotiating over details of tracts. We dealt with them on a frequent basis, on a personal basis, and there were a lot of friendships made. There were personal relationships as well as technical, and the company certainly did invite them to social events. A good example is the Rose Parade. Mission Viejo Company helped put rose floats in the parade for many years, and we would invite supervisors or planning commissioners or local representatives to those kinds of events.

When we were acquired by Philip Morris, Philip Morris was a huge sponsor of the arts, and we had access to tickets and that sort of thing, so those folks were invited. That was part of doing business.

BRETON: And the fishing trips.

PETERSON: Fishing trips were legend. Marty used to coordinate an annual fishing trip out of San Diego. I had heard about them. When I was at the county, I never made it on the list to get to go to a Mission Viejo fishing trip, but when I became part of the company, fortunately, I was smart enough to get to know Marty well and got invited to several. Tremendous fun, an opportunity to meet people and deal with people that you work with all day long on a professional level, to meet with them on a personal level, get to know them, their families and interests and stuff, and it helped immeasurably.

BRETON: Didn't it say something about the company that they would always invite the family, not just the single individual to develop that personal relationship, but the entire family?

PETERSON: The company from day one was oriented toward creating a community that would be oriented to the family. It was not just a bunch of houses, and it was parks and schools and things that the kids were going to be involved with, that most of the people who were attracted to Mission Viejo at that time were young people, young families or families in the future. It was good planning, good PR, good marketing to know that that was your market, and so clearly that had to be one of your primary focuses. That carried over towards events and social events and invitations as well.

BRETON: Philip Morris company simply considered this as a cost of doing business.

PETERSON: Yes, and I'm sure through all their companies, that was, like you say, part of doing business. We like to think it was done on a more personal basis because we had a special relationship with our residents that Philip Morris or Marlboro or 7UP or Kraft or any of their arms of their company perhaps didn't. I mean, there were consumers and there were affiliates and that sort of thing, but all of that was pretty professional and business oriented. We dealt with the people and we deal with families and we dealt with individuals who were buying our product.

BRETON: Let me move now a little bit to the commercial aspect, or residential, for that matter. When you were in discussions with a potential buyer, whether it be Barratt [American] or Standard Pacific [Homes] or whether it be some restaurant owner, restaurant chain, whatever, was the proposition that you would sell the land after all of the governmental approvals had been obtained, that you would do that work for them, and therefore they would get property that was already graded and all the utilities were in place and the governmental approvals for the project?

PETERSON: Yes and no. At least, in my tenure, it happened all different kinds of ways, but the consistent part of it was that nobody, no buyer of our properties, was ever allowed to go to any public agency before their plans were approved by Mission Viejo Company categorically, absolutely nothing. The intent there was that Mission Viejo Company had a master plan that it was carrying out. We did not want to rely on a third party to be responsible for carrying that out, and so we required any buyer of our property to submit to us a complete package of submittal materials before it would go to the county for review or to the city, and we would do our own reviews, just like the city or county would do, architecture, landscaping, design, engineering, water, sewer, everything, all elements of it. It was like our own governmental review.

An interesting spinoff of that was we would talk to the city, county afterwards, or after we had reviewed it, and the staff would say, "Oh, gee, what a surprise. Mission Viejo Company is in support of this application, as if you guys are going to [dis]approve anything that comes in. They're a buyer. They're buying your land," when the exact opposite was true. Some of the most horrible arguments and debates and disputes would happen between Mission Viejo Company and a buyer because Mission Viejo Company insisted on things being done a certain way, and if you can't do it that way, then we'll get another buyer. It was not a situation where whatever they wanted they got. That was the exact opposite.

Again, it goes back to the fact that we had a master plan that we were trying to carry out, that, sure, we wanted to sell the land, sure, we wanted to make the profit and that sort of thing, but that could wait if, by continuing to debate and discuss with a potential buyer, we knew we were going to get closer to our plan or carry out an element otherwise that they might not have wanted to do. That was what was important. All of that happened behind the scenes, so nobody

was aware of that, and, of course, the buyer, once he was passed the Mission Viejo Company approval, was going full speed ahead through the county or the city.

BRETON: Did you offer then to sell this buyer the land and that you would assist them in obtaining the governmental approval, and that if the conditions imposed by the county were too onerous, there could be an adjustment of the sale price or they could back out?

PETERSON: I don't know those details. I wasn't involved in the sales end of it. It would not surprise me at all. But I do know I spent a great deal of time escorting, if you will, or accompanying buyers down to the county to make sure they talked to the right people, got in the right applications, they got in the right order, you got the right fees done, pretty much shepherding it through the system. That happened all the time, and in some cases, like you said earlier, we literally did not sell the property to them until all of the applications were done, all the conditions were negotiated, but it varied from time to time and from builder to builder. It was a very, very hands-on situation. We certainly did not sell any property and say, "Good luck."

BRETON: You were not involved in any of the other developments in The Lakes in Arizona or in Colorado or in other parts of California?

PETERSON: No, not directly, no.

BRETON: But you later did go to Aliso Viejo to work on that project.

PETERSON: Yes, I was involved with Aliso Viejo from very, very early on, from the master planning all the way through the entitlement process, and then all through the development process as well.

BRETON: Did the company encounter some pretty tough times there in the—there was a recession in '81 and '82, and there was another one in the nineties. Why did the company, at some point, decide that it would no longer build all of the housing units, but would go out to

other quality, well-respected developers and sell them the land, such as Barratt or Standard Pacific or [William] Lyon [Homes]?

PETERSON: Again, those discussions and those decisions were way above my pay grade. I was not involved with them other than to be directly involved in how we mechanically did that. If we were going to have another builder involved in Mission Viejo, what did we need to worry about? How did we protect ourselves? How did we protect the community?

Why was it was done, I'm sure, are economic reasons. You had builders who were builders, and that's what they did, and the idea of being able to purchase completed lots so they could go immediately into building and knew that they didn't have to deal with the entitlement process and EIRs and plan reviews and all that sort of nonsense, they knew that they could come into Mission Viejo, an extraordinarily strong community, strong marketing image to begin with, and buy lots and not have to ask anybody anything. I mean, my god, it's like died and gone to heaven, so it was tremendously valuable for those folks. The downside to us, obviously, is bringing in another entity into the community, and what did we need to worry about? How did we protect ourselves and protect the plan?

BRETON: The plan was approved by the county, and yet one of the beauties of the plan, the PC text, is that it did have, to a degree, a modicum of flexibility so that as times changed, as the housing market changed, there could be some architectural features that would be modified. So some of these new builders could bring in their product and not necessarily fit it to the original mold of early California rancho or Spanish motifs. Could you describe some of the thinking or debates that took place within the company with regard to bringing in Cape Cod and other architectural designs?

PETERSON: Yes. Needless to say, the history of Mission Viejo was fairly—I don't want to say uniform, but compatible architecture, heavy Spanish orientation. One of the criticisms of Mission was that you could drive for miles and miles and miles and everything was beige stucco and dark wood trim on houses. The houses would look different. Clearly that was part of the attraction, too, the idea that there was a consistency. There was a strength of architecture. You knew your next-door neighbor wasn't going to paint their house blue. So your property values were retained. There was a comfort level in that stability and standardization.

The idea that somebody would come in and build a Cape Cod tract, there was huge debates internally as to whether or not that was—is that part of the plan or is it not part of the plan? Are we abandoning the commitments that we made to the earlier residents by making that shift? The conclusion that I think that we came up with—and again, this was happening in the upper levels of the company—that I got the good fortune of delivering to the county this new architectural plan, the idea being that the value and the strength of the community is more than just what the outside of the buildings look like, that you could create and market a wide variety of architectural styles, if you will, to attract a broader range of the market and still be completely consistent with the master plan as far as densities and road alignments and facilities that you're creating and parks and schools and commercial.

So again, I wasn't directly involved with it, but I'm sure there were many, many heated arguments over whether this was a good idea or bad idea, and it more often than not probably boiled down to philosophy as opposed to hard and fast numbers, because from a practical standpoint, you had somebody standing there ready to purchase property at, I'm sure, a very attractive price, but this is what I want to build. So the hard decision was do we make that shift

or not? Obviously we did. There are those who still insist that it was a bad idea, but I think the community is just as strong as had those been different architecture.

BRETON: The unifying elements are still found throughout the community.

PETERSON: Correct, a lot of heavy orientation on landscaping, on the arterials. A lot of the walls and fences and things are consistent, entry walls, streetlights, of course, a lot of the things that don't necessarily jump out at you as you drive through the community, but are all there. A lot of that has to do with Mission Viejo Company being directly involved all the way through the plan, literally reviewing landscape plans before the guys are out there planting plants saying, "No, put those over here because this way you'll screen that valve box," or sprinkler box or whatever, just relatively minor things, but you put them all together and it delivers the community.

BRETON: How has the landscape changed over the years as far as the growth of the trees?

PETERSON: Funny story. My mother-in-law lives in Mission Viejo. We see her every weekend, and it never fails that as we're driving through the community—and she's lived a lot of places—she just marvels at roads like Jeronimo [Road], for example, where you've got slopes on both sides beautifully landscaped and a median. You can't even see that there's houses on either side, and she just marvels at these sort of things.

She knows I was involved with Mission Viejo Company, and I tell her that's not accidental. I mean, it just didn't happen that way. I've shown her several of the photographs of how few trees there were here, and I said virtually all of these were planted and part of a plan and part of a thought that over time, as this matures, we're going to really be able to create something special, and we did. Even from the very beginning, the roadways and the streets were different than anywhere else. We don't have miles of block walls right next to the street right

away, like you see through a lot of the other communities. One of the huge benefits that we have over the Irvine community is we have topography where we can have slopes that get landscaped, and you see them all the time. So it's a tremendous opportunity, and it was an opportunity taken with the foresight to create something that was going to last forever, and it has. It's spectacularly beautiful.

BRETON: The rolling hills and the deep canyons are what give Mission Viejo its character. Yesterday Harvey Stearn was talking about how he wanted a three-word slogan that would instantly brand Mission Viejo, and he came up with "The California Promise." Another slogan that I've often resorted to is three words also, "It's no accident," that everything was planned, and that's why it is the way it is.

PETERSON: The one I liked was, "It's [so] nice to have Mission Viejo around the house." That one rings.

BRETON: The other day, going through some boxes, we found our children's shirts that said that.

Let's talk about the government, the local governance. When you came and started working for Jack Raub in '78, was that just shortly after the MAC had been created?

PETERSON: It was just about the same time. My recollection is we were kind of—me personally and the MAC were getting started about the same time. I think you may have predated my direct involvement by several months.

BRETON: For the benefit of those who are watching this, what does the MAC stand for?

PETERSON: Municipal Advisory Council. Again, it was an opportunity to set the community of Mission Viejo apart from most other communities by encouraging and facilitating a degree of self-governance in the very, very early days of the community.

BRETON: How did the company look upon this possibility? Did the company actually foster or encourage use of the MAC, utilization of the Municipal Advisory Council, so that rather than going to Santa Ana for all the decisions, they could be made locally?

PETERSON: Yes, and I know the company was very involved with it. I don't know if they had the original idea or one of the residents or some of the locals thought it up, but it certainly was a positive as far as the company was concerned, although I'm sure there was concern, if you will, that, "Are you sure we really want to do this?"

BRETON: Because now you would be dealing with local citizens who are untrained, and all of the verbiage and complicated analysis, environmental, traffic studies.

PETERSON: The good thing about that was that we still had the county. The good or the bad, we still had to go through the county process. The Municipal Advisory Council created another layer, if you will, of review that the county would not approve anything, wouldn't take any action, approve or deny, without first getting input from the Municipal Advisory Council, and that was very unique as far as the county was concerned. There was no small degree of resistance on the county's part of, "Well, why do we want to abdicate any of our responsibility or authority to this group of untrained non-technical people?"

Twenty-twenty hindsight, it turned out to be hugely beneficial because the county, being in Santa Ana, did not have any day-to-day interaction with the community, did not understand—and frankly, didn't have the opportunity understand—local issues as well as were understood here locally. The County of Orange dealt with Mission Viejo as just another one of those planned communities down in the south county.

The Municipal Advisory Council brought a whole other layer of local review, local interest, local issues to light to the county that, frankly, they had never seen before and I'm sure a

lot of them wish they had never seen after, but a lot of issues that they were forced to deal with that were really new to them, local issues, aesthetics, youth sports, the need for various facilities, that forced the county to take a different look on a lot of these things.

Mission Viejo Company took the Municipal Advisory Council extremely seriously. We met, as I said earlier, for hours and hours and hours with Municipal Advisory Council on a monthly basis. Every project that we took to the county came to the MAC first. We would have multiple meetings and hearings, making sure that the Municipal Advisory Council understood what was being proposed, how it fit into the master plan, how it related to other neighborhoods, all of the things that were important to the community, which may or may not have been important in Santa Ana.

So it was tremendously valuable for us to understand local issues, whether we were hitting the nail on the head, whether we had issues that weren't coming up through the entitlement process that we needed to be sensitive to, view impacts and road alignments and noise and school locations and park locations. The County of Orange, good, bad or indifferent, pretty much left it to the master developer to try to figure out where schools should go and parks should go, and the advent of the Municipal Advisory Council brought in the locals, the residents, the people who were actually going to live with these facilities, to not direct the county and not certainly have a position of authority, but certainly an opportunity to have an active part in the process, that things weren't going to happen without the county knowing what the locals thought. It was tremendously valuable.

BRETON: The county may not have simply rubber stamped whatever the MAC recommended, but to what extent did it facilitate the process? When you went to the county, did it help to be

able to say, “We’ve already discussed all these issues, we’ve been over this for months with the MAC Planning Committee and the MAC, and this is exactly what our local residents want”?”

PETERSON: At the Board of Supervisors level, yes, and the Planning Commission, yes, because those two bodies were responsible for the, for lack of a better term, the non-technical side of planning approvals. They assumed that the county technical folks took care of all the road issues and design and grading and all of the nuts and bolts of it, and their responsibility was is this a good idea or a bad idea? Is it consistent with the plan or not consistent with the plan?

The Municipal Advisory Council, after they would take an action, gave the Planning Commission and the city and the County Board of Supervisors the opportunity to say, “Who are we to tell them what their community ought to be like?” So it took a tremendous amount of weight off of their political position. They knew that the local group was in support of this, so they knew they weren’t going to get a lot of heat for approving it later on. As you said, it would sometimes take months for a project to go through the MAC process.

Mission Viejo Company made a philosophical statement that we would not take a project to the county without a MAC approval, not just a review, but an approval. So we spent months going through details and issues and road alignments and parks and paths, which way do the trails connect and all those kinds of things, and worked all of that stuff out before we went to the county.

So it got to the point where the county, the staff folks, would say, “Oh, what a surprise. You have a MAC approval,” not realizing how much work went into that. They kind of had the attitude that it was a rubber stamp, and it couldn’t have been farther from the truth.

In fact, I invited the planning director down to a couple of MAC meetings just to show him what the process was like, and he was very, very impressed, that the fact that the local

community here took such a strong interest in these sorts of things and really did get into the nuts and bolts of these designs. It helped hugely, and I know the county used the Municipal Advisory Council a lot as an example of local involvement where you could get local input without completely disrupting the overall process. Not to say that there weren't arguments and fights and disagreements and that sort of thing, but overall it was a very, very positive aspect to the process, and all of our projects were better as a result of it.

BRETON: So it was a useful tool, then.

PETERSON: It was. At the time it was very difficult to say—I was telling you earlier, you have to call Jim Gilleran and say, "Well, we got delayed or got continued at the MAC." Like I say, they only met once a month, so it was a month delay, and a month delay in a construction project is not a good thing.

BRETON: Which is why some of the meetings that I presided over went so long, because I was fully aware that you had some people in the back of the room that didn't want to wait a month for the next meeting. They wanted a decision tonight.

PETERSON: Sit here until we figure it out.

BRETON: Exactly. So you viewed the MAC as a sounding board, as a valuable tool. Did the company think that this really is a city in embryo and the MAC is a good example of a way that our community can someday metamorphize into a city?

PETERSON: Yes. Very, very early on the idea of the community becoming a city was always part of the background conversation that went on, and I think the best way to describe it was that we as a company were cognizant of the fact that that was perhaps a very predictable outcome, but that cityhood was going to happen without necessarily Mission Viejo Company directing that. Our attitude was we want this community to be in a position to become a city if the

community wants it, so the structure was there, the infrastructure was designed correctly, the plans were all done. The idea was that in the event that someday this becomes a city, that it will have been constructed and managed and orchestrated, if you will, with that in mind. If the locals don't want to become a city and stay part of the county, that works too.

BRETON: The company had seen the wisdom of allowing local residents to participate in the decision-making process through the MAC, which was formed in 1974. 1974 was a few years before you started working with Jack Raub. Did the County Planning Commission ever reject a plan that had been approved by the MAC, as far as you know?

PETERSON: Boy, not that I recall. The flip side might have occurred, in that we may have agreed to disagree with the MAC over a particular issue, and we went ahead and pursued it at the county, clearly would not have been a big issue, but whatever, I mean, where the county may have overridden a MAC [negative] recommendation. But I can't recall at all being a situation where the county would have rejected anything that the MAC had approved.

BRETON: How did the company view the gathering groundswell of support in the Saddleback Valley for the incorporation of a Saddleback City?

PETERSON: From a company standpoint, I think that was an idea that was DOA [dead on arrival]. I don't think there was anybody who saw the value of that, and that's probably not a good term—not the value of it, but that we had something special. Even though south county is a beautiful place throughout and people were flocking to live in south county, all the other neighborhoods were different, that they did not have what Mission Viejo had.

BRETON: The highest standards.

PETERSON: Exactly, the highest standards, the sense of community, the willingness to go the extra mile to create something that is maybe more expensive and harder to do, but that we had a

master plan that we were going to carry out. I think the best way to describe it was we didn't want that uniqueness, that special situation, to be diluted, if you will, by being incorporated into a group of other cities, other communities, into a super-city that, frankly, we would see Mission Viejo and Mission Viejo Company as being perhaps the crown jewel of that city to the point where we would become very much like we were at the county, a donor. We were generating all kinds of tax revenues and doing all kinds of positive things that other communities weren't, and we didn't want to be in a situation where the tax monies that we were generating here would be used in other communities to try to bring it up to the Mission Viejo standard. We worked hard to create what we did, and, darn it, we wanted to have it retained and protected. So I know Mission Viejo Company used its influence where it could to discourage that, that if incorporation was going to happen, it should happen as the City of Mission Viejo.

BRETON: Rather than the lowest common denominator that would prevail.

PETERSON: That's probably a better way to describe it, right. The idea of incorporation was important. Incorporation should happen. Everybody was in favor of it in the south county, but Mission was so special and so different than everywhere else that it deserved to be treated separately.

BRETON: So did the company consider the threat of this groundswell of support for cityhood, Saddleback cityhood, a threat to its autonomy, to its control over the approval of projects under its master plan, that some other council, a council composed of only one Mission Viejo resident and four others who lived in other areas, would be controlling the destiny of the completion of the master plan?

PETERSON: I'm sure that was part of it, but even at the very early inklings of that theory, nobody really knew what the structure was going to be, what the voting situation would or

wouldn't be. But the idea of being combined in a regulatory sense with any other community that didn't have the same history and didn't have the same structure over the years was a bad thing.

BRETON: Did the company then decide to support the creation of a Community Services District?

PETERSON: Aggressively, yes. The idea was the company knew that the incorporation pressure was probably strong enough that it would happen, and again, the idea was we wanted to do what we could to make sure that Mission Viejo incorporated as a separate entity, and one of the ways to do that was to begin creating this structure of autonomy. Again, the whole structure of the community and the maintenance districts and things like that were all crafted that way.

BRETON: It saw that as an interim step to cityhood.

PETERSON: Correct, and again, the idea was if the community wants it, we will help where we can to create this structure, the Community Services District primarily, so that monies that ordinarily would be going to Santa Ana would stay in the community. That was a positive. Absent any of the other issues, just intuitively you knew that that was best for the community, is to keep its money locally. The fact that it was a stepping stone into a city was an extra positive, if you will.

BRETON: Do you know if the company appeared before LAFCO [Orange County Local Agency Formation Committee] or before the County Board of Supervisors as an advocate in favor of the formation of the Community Services District?

PETERSON: I don't know that particularly, but I can't imagine we didn't.

BRETON: Was there any discussion in the company that if Mission Viejo were to incorporate, that the housing element might be disrupted, disregarded, and therefore we need to quickly enter into a developer agreement with the county?

PETERSON: Boy, that goes back a ways. I know at that point in time there was a tremendous pressure for affordable housing, and the county was actively pursuing mandatory affordable housing programs in county areas. To be honest with you, Bob, I don't know how those meshed. I don't recall the specific details of that, but I know it was all wrapped together, that there was a certain amount of sense that we, the community of Mission Viejo, wanted to make those decisions as opposed to people in Santa Ana as to what our community would be like and how we would meet our obligations from the state as far as affordable housing.

BRETON: But on the other side of the coin, wasn't the company worried that the new City Council might decide to simply eliminate a certain housing tract and rezone it as open space?

PETERSON: Oh, sure, sure. I see where you're heading with this. As much as we supported the idea of cityhood and as much as we supported the idea that the community would be built out according to the master plan, we realized that once there was an incorporated city, that city would have the ability to make a whole lot of other decisions that may or may not be consistent with what we felt was the appropriate way to go in long-term development. The development agreement was a mechanism whereby we could lock in the existing master plan and say, "Do whatever else you want, but the master plan is going to stay, and it is cast in stone."

BRETON: As an entitlement.

PETERSON: As an entitlement, guaranteed. As long as we complied with it and did everything that we said we were going to do, the local government was required to approve projects that were consistent with that, and we did that and we executed that with the county. Fortunately, it

turned out not to be particularly necessary. I mean, there were a few occasions where we needed it, but the City Council was very supportive of the plan and encouraged it to go on, not without its ups and downs, but ultimately we got there.

BRETON: Did the company eventually not only support, but advocate cityhood to the residents when it was placed on the ballot?

PETERSON: Yes.

BRETON: How do you measure the success of the master plan?

PETERSON: Well, there's several ways. My job at the time I was doing entitlement work was to make sure that all the commitments of the master plan were being carried out. Some of them were very mechanical. Some of them were just counting of dwelling units and making sure that we were consistent with the master plan as far as we were committed to and what had been permitted and where the commercial areas were going to go and how many square feet of commercial you could have. There was the mechanical side.

But then the non-mechanical side, the sense of place, the positive aspect, the creation of community, is something that you can't do by engineering and you can't necessarily do by counting of dwelling units and that sort of thing. The master plan was not only a planning document; it was a community development document, which is much more than just planning, and the commitment on the part of the company and, in the end, the commitment of the city to see that through is what really delivered, in my mind, on that master plan.

There were changes during my tenure. There were two changes of substance to the master plan. One was the addition of Saddleback College in the very, very early years, and the other was the addition of Lake Mission Viejo much later on. But absent those two pieces, the master plan that was done in the early sixties was essentially retained from start to finish.

Cityhood occurred and other changes and tweaks were made for a lot of other reasons, but again, the idea of the basic thrust of the community to create something special, being Mission Viejo, carried through. The master plan that Mission Viejo Company did was one way to do that, and the city had different criteria, different requirements that they had to meet, and over the years made some modifications to that, but it's still the same plan, the same goals in mind, the same social atmosphere, the same commitment to excellence. All those things were carried through in a slightly different way, but all in all, virtually since the beginning the master plan has held constant.

BRETON: From a professional and personal point of view, how would you describe the experience, your experience?

PETERSON: Everybody knows Mission Viejo. Everybody in Southern California certainly knows Mission Viejo, and even nationally Mission Viejo is known as one of the first and certainly one of the most successful planned communities. I've been in the business thirty-eight years, and one of the highlights of my career was being involved with Mission Viejo and carrying over to Aliso Viejo and carrying over to that community what we learned here with its differences and its different requirements and goals. But anybody in my line of work in the planning world knows Mission Viejo, and to me, that speaks volumes, and it's known from a very positive standpoint.

In—I can't remember what it was. We did the International New Town Conference in eighty—

BRETON: Eighty-six.

PETERSON: Eighty-six. People from all over the world came to Mission Viejo, came to Southern California and toured Mission Viejo, and literally hundreds and hundreds of people,

professionals, knew a lot about the community already before they even got here, very unique situation. There are probably a handful of communities across the country that have that kind of reputation and history. I'm extremely proud professionally, personally, to have been involved.

BRETON: Why was the company given the Urban Land Institute's Award of [for] Excellence in 1992 for pioneering many of the physical, social, and recreational planning and land use concepts that today are commonplace in the development of new communities?

PETERSON: Yes. Mission Viejo was, to use a current term, kind of on the cutting edge of community development, the idea of looking at things beyond tract-by-tract frame of reference that you were creating something that these tracts were a part of as opposed to standalone entities that you would just move on to the next tract, to the next tract, to the next tract.

BRETON: Haphazard.

PETERSON: Haphazard being one of them, but continuity, flow, that things that you were doing in one tract might carry over to the next tract. The example I always use are pedestrian trails through the community. We have a community that's more than ten miles long. In order for a trail system to serve that entire community, builder A's got build a piece of it, builder B's got to build a piece of it, builder C's got build a piece of it. It all has to fit together, arterial alignments. Landscape treatments on arterials have to be consistent throughout. The whole idea of looking at the big picture, in many cases, thirty years before you were actually going to build it and being able to decide what's going to happen and making sure that that did happen was absolutely unheard of. Even in the East Coast a lot of the new towns that were built there were very small, very compact. The idea of doing something like this on a scale of more than 10,000 acres was just unbelievable, and many places tried. Many places followed that example of Mission Viejo. Fortunately, as you mentioned earlier, virtually none of them were able to do so with a continuity

of ownership that not only had the same set of plans, but had the same commitment to carry those out, Irvine being the only other example locally.

BRETON: The O'Neills were happy with the end result, I'm sure.

PETERSON: I certainly hope so.

BRETON: The example I like to use is—you use the footpaths. I use the bicycle trails that are found throughout our community.

PETERSON: The things that people just take for granted here that are just—

BRETON: Reverse bay stations.

PETERSON: Yes, gas stations that were built backwards. For all intents and purposes, people drive by from most other areas and they see, “Who in the heck put the gas station in backwards?” But the people who live here and drive by it every day, not having to look into the gas stations—of course, those were built in the days when gas stations did service.

But the idea of telling a gas station builder, “If you want to be in Mission Viejo, this is the way you're going to do it,” was no easy issue, clearly.

I mean, we built these things, four gas stations on an intersection, and they all face into the middle of the intersection, and that's just the way we do it. “Who the heck do you think you are?”

Everybody's heard the story about the Kentucky Fried Chicken without the bucket in the sky. Everybody at Kentucky Fried Chicken felt this was a disaster waiting to happen, and sure enough, it was one of their most successful restaurants.

BRETON: Do you know who owned that?

PETERSON: No, I don't.

BRETON: Jim Toepfer.

PETERSON: No way.

BRETON: Yes.

PETERSON: When, at the beginning?

BRETON: Yes.

PETERSON: [laughs] No, I never knew that.

BRETON: I found that out here [unclear].

PETERSON: Fascinating, fascinating.

BRETON: Then it required a dreamer, the whole master plan. Before Jim Toepfer, before Phil Reilly, there was Donald [L.] Bren, the one who came up with these ideas. Dreamers and doers. You needed a dreamer to be the genius for the overall concept, and for some of the small ones, too, the slumpstone and the Mission Bell [street lights]. But then you need the doers, the Phil Reillys and the Jim Toepfers, who would actually carry it out, implement it. What advice would you give to future city planners?

PETERSON: Since my Mission Viejo days, I've had the good fortune of dealing with a lot of different builders, a lot of different community developers, a lot of major landowners, and my sense is that it's almost impossible to do another Mission Viejo, only because everything is so much bigger, so much more complicated, so much more regulated, that a lot of situations aren't available to landowners to make those kinds of decisions anymore. They're made for you. The state or the feds will have rules and regulations, local governments have regulations, and the economics of things are such that it's much more difficult to take the kind of risks that Mission Viejo did. Don Bren and the whole group of the people who put the company together, they were able to have these big visions and not be as constrained as people are today, being able to

work with the various jurisdictions and create things that are special, create things that are different.

But with that being said, the process is still the same. I mean, there are still landowners out there, and I have the good fortune of working for a company like that now who takes a very big-picture look at things, that it is more than a collection of individual homes or a collection of individual commercial buildings; it's all of those things taken together. Twenty years from now, fifteen years from now, fifty years from now when people drive by, they will reap the benefits of your forward thinking now. The idea is that it's not only good enough to come up with the idea; you've got to fight for it and you've got to make it happen. You've got to change the rules if you have to if you know you've got a better idea than what the existing rules are. You've got to absorb the time to make those changes, otherwise you're going to end up with just more of the same, more of the same.

There is a tendency to create sameness in a lot of community development, that whatever's easiest and fastest to build is what gets built. If you want to do something different, do something a little bit out of the box, it takes time, it takes money, it takes effort to convince others that that's the way we used to do things, and it works and it functions fine, but we can do something really different, and it's worth that effort. It's hard. It's hard and it's time-consuming and it's expensive, but it's still possible.

BRETON: Speaking of looking down the road twenty years, fifty years, what advice would you have to future City Councils in Mission Viejo? How can they remain true to the legacy of the O'Neills and the Moisos and of the Mission Viejo Company to maintain or improve the quality [of life] and the strong foundation that was laid by the company?

PETERSON: The difficult part is going to be when properties begin to turn over. In other words, here we are in 2012, and some of these neighborhoods developed in the early sixties. They're aging, and some of the commercial centers are aging. The tendency is going to be to change them and update them and bring them into currency, whatever might be necessary. The idea that there was a master plan doesn't necessarily mean that that master plan will be the correct master plan forever, but that the important part is that the entire community be considered before reviewing individual pieces of it and maybe making a change or changing architecture on a new commercial center or something, that the community be taken into consideration, that a lot of decisions that were made on a tract-by-tract basis have significance throughout the entire community. While it may be expedient to deal with things on a project-by-project basis, it's important that this community didn't get here on an accident. Like you said, it was very well thought out. That effort needs to be recognized and consciously part of the process.

The councils are made up of individuals, of people who have their own ideas about what is good and bad and what the company did right or didn't do right and what the city should do or shouldn't do, so there's always that opportunity for variation and changes in direction. The idea that there is a master plan for the overall community that isn't necessarily cast in stone, but that it needs to be recognized that this was developed and planned as a community, needs to be part of that thought process.

BRETON: What about the idea that this Council or future City Councils should be willing to invest money in the future so that it can not only preserve, but enhance the community facilities that we have?

PETERSON: Yes, it's huge. They are undoubtedly very expensive. They undoubtedly probably never did, and they certainly never were intended to be cost centered [revenue

generators], to be able to be self-supporting, although it'd be great if they could be. Those are amenities in this community. Those are the things that make this community what it is, and it's important that those be adequately funded, adequately part of the overall plan of the city. Like I say, even though they're probably expensive—and more expensive than it could be if you were to convert them into homes or commercial centers or whatever—they are part of the fabric of this community, and they are significant parts of that, that again, it's not a collection of commercial centers or tracts that are independent pieces; it's all part of the overall plan for the community.

BRETON: They make Mission Viejo special and increase our property values.

PETERSON: Exactly. From an individual homeowner's standpoint, everybody here benefits from the fact that they are in Mission Viejo. It's hard to put a dollar value on that, but even if those dollar values are the same, my sense is, completely non-scientific, from a point of view as a homeowner, my sense is, all things being equal, if I have a home in Mission Viejo versus a home in another community, my home is either going to be worth more or it's going to sell faster if I need to. There is a benefit to being in Mission Viejo. Who knows what that is, but there is so much positive attached to being here. Not that it's a perfect community by any means, but the idea is that there is so much positive here that maintaining that uniqueness and spending the money to make it special and keep it special is well worth it.

BRETON: Thank you very much, Wayne.

[End of interview]

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