

I-DRIVE: HOW IT GREW

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By Jim Leusner

Like much of modern-day Central Florida, International Drive was created by a land speculator.

Finley Hamilton -- an Orlando attorney turned developer -- was looking for ways to profit from Walt Disney's 1965 announcement that he would build a huge new theme park southwest of Orlando.

On April Fools' Day 1968, his company paid \$90,000 for about 10 acres of sand, scrub and palmetto a quarter-mile north of Sand Lake Road and just east of Interstate 4. It was quite literally in the middle of nowhere, accessible only by a dirt road. But Hamilton figured that Disney-bound tourists would spot his planned new Hilton Inn, get off I-4 at Sand Lake Road and drive north on the paved road he would build.

And so International Drive was born.

"They called the hotel 'Finley's Folly' -- everyone, all of my friends," Hamilton said. "They said it was in the boondocks. . . . But it turned out to be highly successful."

Hamilton was the first of a series of entrepreneurs who helped create International Drive, a 14.5-mile strip of hotels, restaurants, attractions, time-shares, T-shirt shops and discount everything that's as well-known in Boston, England, as it is in Boston, Mass. They are men who put themselves in the right place at the right time, who saw the possibilities presented by Disney, who invested everything they had -- and who made a fortune.

They are the Kings of I-Drive.

"This place is a bunch of entrepreneurs, one by one," said Kelly Smith, an Orlando real-estate development attorney who has worked on and invested in I-Drive projects for more than 30 years. "I've never seen anything like it anywhere else. . . . It's been the Wild West of capitalism."

And it all started with Finley Hamilton's gamble.

"I didn't do anything heroic," said Hamilton, now 81, who divides his time between Orlando and Pebble Beach, Calif. "I made a lucky guess. That's what it amounts to."

DEVELOPMENT PIONEER

As a young graduate of Stetson Law School in 1949, Hamilton set up practice in an Orlando then known -- if people had heard of it at all -- as a sleepy town in the middle of millions of orange trees.

He quickly branched into development, opened a Hilton Inn on West Colonial Drive and earned enough to afford a Cadillac limousine and a chauffeur.

He opened the Hilton Inn South in May 1970, 17 months before Disney World opened.

Three months later, Hamilton and his partner, sign-company owner Jack Zimmer, bought 28.4 more acres to the north for \$10,000 an acre. They would soon resell it as hotel sites for up to \$200,000 an acre.

To help sales, Hamilton linked up with R.F. Raidle's Major Realty, which was developing 2,700 acres straddling Kirkman Road. By early 1972, the two men had paved a 1 1/2-mile road connecting Kirkman and Sand Lake.

Because Hamilton had built the original stretch, he got to name it. He asked for Hamilton Drive, but that name was taken. So he picked another.

"I came up with International Drive," he recalled, "because it sounded big and important."

It soon was.

By early 1973, investors had spent \$60 million to build 11 hotels with 3,900 rooms along the new I-Drive's west side -- about half of the rooms built in Central Florida during Disney's first year. But by the fall, those rooms were largely vacant.

A boycott by oil-producing Arab nations protesting U.S. support for Israel doubled gas prices virtually overnight, causing shortages and long lines at the pump and plunging the economy into a recession that would linger for years.

ENTER HARRIS ROSEN

The recession opened the door for Harris Rosen, a 34-year-old former Disney and Hilton hotel executive who more than any other individual would shape the future of I-Drive.

Said longtime Orlando marketing consultant Cathy Kerns: "He saw what the market was, the family tourist market . . . and went after them."

Partnering with husband-and-wife investors Alan and Joanne Dayton from Palm Beach in June 1974, Rosen picked up the 256-room Quality Inn at Sand Lake Road at a fire-sale price: roughly \$150,000 cash and assumption of a \$2.5 million mortgage. Rosen lived at the hotel to supervise operations -- and save money.

The following year, they bought the 10-story Solage Hotel -- now a Rodeway Inn -- after a Philadelphia bank agreed to cut the mortgage from \$5.2 million to \$3.1 million.

A native New Yorker and graduate of Cornell University's School of Hotel Administration, Rosen hitchhiked to the Northeast to sell blocks of rooms to tour-bus companies and senior-citizen groups for as little as \$7 a night.

He and his dog, Rin-Tin-Tin, lived at the Quality Inn for years. He often was seen landscaping, walking security patrol or carving meat in the restaurant. His "minimalist" lifestyle included old clothes and a 10-year-old car, friends said.

Rosen, now 65, declined interview requests. But in 1988, he told the Sentinel his key to success: "I knew I could outwork any other human being."

During the recession, Rosen charged \$12 to \$18 a night while competitors' rates were \$17 to \$30, said Clayne Dice, an executive whose firm managed a dozen failing hotels around Orlando and I-Drive.

Early on, Rosen got help from a cadre of private investors, among them the Daytons.

Others included a group headed by Winter Park investor Phil Grace; Kelly Smith, Rosen's longtime real-estate attorney; and later, Winter Garden citrus-company owner Harvey Heller, land records and principals say.

In 1984, he added a Quality Inn near the convention center. In the 1990s, he built two big convention hotels, now called the Rosen Plaza and Rosen Centre.

Rosen's strategy of undercutting his competition was not without critics: "They hated him around here because they thought he was killing the price" other hotels wanted to charge, said Heller, a longtime friend.

But it paid off. Occupancy rates at his I-Drive hotels have averaged an astounding 90-plus percent for the past 25 years, according to Rosen's chief financial officer, Frank Santos. Rooms range from \$50 to \$70 on I-Drive's north end to \$200 at the convention properties.

Today, Rosen and his Rosen Hotels & Resorts control I-Drive property assessed at \$225 million, more than any individual along I-Drive.

It includes 4,200 existing rooms as well as the 1,500-room, \$300 million Rosen Shingle Creek golf resort, hotel and spa now under construction.

PARK MAKES SPLASH

By the late 1970s, I-Drive comprised a dozen hotels, two dozen restaurants and four gas stations, most clustered at the two major intersections. Much of the east side of the road was scrub. Though SeaWorld had opened in 1973 two miles to the south, there was no road connecting the two.

Then George Millay built Wet 'n Wild. With its playground, wave pool and towering water slides, it was billed as the nation's first water park. More importantly, it transformed I-Drive from a hotel site into a tourist destination and paved the way for the dinner theaters and attractions ranging from Ripley's Believe It or Not! to Skull Kingdom that sprang up during the next 25 years.

Millay, a co-founder of SeaWorld who left the parent company in 1974, had been dreaming of building a water park since he saw a water playground at the 1970 Canadian National Exposition in Toronto. His chosen site: 12 acres on Sandy Lake along I-Drive. But he needed \$4 million -- and could raise only half of it.

So he turned to Elmer "Al" Slavik, a Southern California industrialist and developer whom he had met years earlier in a failed venture to market actress Zsa Zsa Gabor's perfume. The two men had lost \$500,000 in the deal but became friends.

Slavik bought the land, leased it to Millay and put up another \$2 million for rides. "We liked the quality of the real estate," said Slavik's son, Jim. "It was like nothing else we did before. It was risky."

"Hell, I had reservations about it," Millay said recently. "I wasn't concerned about kids accepting Wet 'n Wild. I was concerned about middle-aged mothers accepting it."

Wet 'n Wild lost \$500,000 in 1977, but the park steadily added new rides with an array of slides, flumes and tunnels and names such as the Kamikaze and Der Stuka. Within a decade, attendance topped 1 million.

"We certainly brought a hell of a lot more attention to that part of International Drive," said Millay, who lives outside San Diego.

Millay went on to build water parks in Las Vegas and Brazil. He sold those and the Orlando park in 1998 for \$41 million to a subsidiary of Universal Studios, now part of NBC Universal. Slavik's heirs still own the land in the family's firm, Mark IV Capital Inc.

"We paid Mark IV \$25 million rent over the years," said Millay, 75, whose biography, *The Wave Maker*, was released earlier this year. "And the land is worth \$25 million today. So Al was pretty smart. It was a good deal for everyone."

PARK ATTRACTS MERCHANTS

The new water park attracted more people -- and that in turn attracted people who wanted to sell stuff to them. People like Eli Sfassie.

An eighth-grade dropout from Hobart, Ind., Sfassie moved to Florida in 1971 to open a Texaco station on U.S. Highway 192 near Disney. But he earned only \$11,000 that year, despite Disney's opening. Desperate to supplement his business, he converted the mechanic's bays into a gift shop offering T-shirts, hats and towels.

Sfassie discovered the gift shop's profit margin was 50 percent, so he opened others in a nearby Texaco station and a convenience store. And in 1977, he moved to I-Drive.

He opened up Eli's Gifts -- I-Drive's first free-standing T-shirt emporium -- about a half-mile south of Wet 'n Wild. Within a year, he opened a second one directly across from the water park -- and watched as lines of tourists snaked outside his door each night to buy Mickey Mouse T-shirts at \$9.99 each.

"My desk was a 4-by-8 piece of plywood, and I would count \$100,000 on that desk every Monday morning" for the week's take during the peak summer season, Sfassie said. ". . . Nothing brilliant by me. It was about being at the right place at the right time."

He sold the I-Drive stores in 1982 to Nur Ullah Khan -- who would become the king of gift shops throughout the tourist corridor in the 1980s and 1990s -- in a \$4 million-plus deal that included two U.S. Highway 192 stores and a water slide.

"We were so lucky," Sfassie said. "Timing was everything."

Today, Sfassie is best known for Eli's Orange World, a landmark on 192 near Kissimmee. A citrus stand and gift shop, it's topped by a 60-by-92-foot fiberglass orange that Sfassie bills as the "world's largest orange." Though considered tacky by some, the gimmick helps sell fruit, shirts, mugs and alligator heads -- items that tourists want, Sfassie said.

"How else can you do it?" he asked.

GIFT-SHOP MAGNATE

Ron Dowdy also saw the potential in selling stuff to tourists. But he really prospered as a landowner.

A B-52 navigator and bombardier who flew 232 missions over Vietnam, Dowdy left the Air Force in 1971 at age 28 and headed to the city where he had been stationed three years earlier at McCoy Air Force Base.

In 1973, he answered an ad for a hotel gift-shop manager at a Howard Johnson's near Walt Disney World. He wound up leasing the 14-by-20-foot space for \$250 a month.

"I leased it, thinking I'd make \$5,000 a year," he said. "If I had 10, I'd make \$50,000 a year."

By 1976, Dowdy had 15 hotel gift shops under lease. He was also buying land south of Wet 'n Wild on I-Drive's east side, much of it owned by Finley Hamilton.

By 1985, he owned 15 acres that included a doughnut shop; land leased to restaurants and a miniature-golf course; and retail stores. He opened a bowling alley and a now-closed ice-skating rink on adjacent Canada Avenue.

He also owned a Rolls-Royce.

"I made my money selling Kotex, gum and cigarettes," he said, smiling.

Dowdy, now 62, runs his empire from the third-floor office of Dowdy Plaza and jokingly calls himself the "mayor of Dowdyville." His office walls are crammed with plaques recognizing him as a major Florida Citrus Sports Association member, University of Central Florida booster and \$1 million donor to East Carolina University, which named its football stadium after him.

In recent years, though, neighbors have complained about the condition of Dowdy's properties -- and the gift shops, \$1.99 stores and tattoo-parlor tenants he has brought in. Dowdy, though, is unfazed.

He acknowledges much of North I-Drive is "tacky." But he says his contribution was wholly unplanned: "I don't bring them in," Dowdy said. "They just come and find me."

Looking over the office balcony of Dowdy Plaza, he proudly points at a 16-by-7-foot mobile sandwich kitchen that moved into his parking lot for the summer.

"Four thousand a month [rent]," he said. The tenant said he pays \$2,500.

I-DRIVE'S OUTLET KING

The final act in the development of North I-Drive came courtesy of a young Tennessean whose family owned the Peabody hotel in downtown Memphis and a factory outlet mall on the outskirts of town. Ultimately, Marty Belz would replicate both on I-Drive.

The outlet mall came first.

Belz, like so many others, wanted to cash in on the area's proximity to Disney World. "One thing we found with outlet malls was to have a high number of tourists," Belz said. "So we came to Orlando."

He built a mall in late 1981 on a triangular, 80-acre tract off Oak Ridge Road. It was accessible only from Oak Ridge, which then snaked beside the interstate to where I-Drive ended east of Kirkman Road.

Offering stores such as the Bag and Baggage Outlet, the U.S. Golf Manufacturer's Outlet and Kuppenheimer Factory Stores, the Belz Factory Outlet provided I-Drive with a different kind of attraction, one that appealed to local residents as well as tourists. As Belz expanded, I-Drive was extended to his site in 1984. He would help develop a "designer" outlet center in the mid-1990s and -- more recently -- partner in building the nearby Festival Bay mall.

Today, I-Drive is home to roughly 500 shops and outlet stores selling everything from electronics to shoes, watches and golf clubs to millions of shoppers a year.

Belz's bigger gamble was agreeing in 1984 to partner with Plaza International's Jim Brown, whose company was the developer of South I-Drive, to build an 891-room hotel to serve the county's then-new convention center. Originally named the Hotel Plaza International, its pre-opening bookings suffered because the name meant nothing. By the time it opened in November 1986, it had been renamed the Peabody Hotel -- after Belz's flagship Memphis hotel.

The hotel lost money the first three or four years as the convention center was growing its business, but it has boomed since. Today, it has the only four-star rating -- and highest room rates -- on I-Drive.

The Belz family sold the original outlet malls in 1993. They later built the Festival Bay mall across the street. But Belz remains most proud of his hotel contribution to I-Drive.

"In the development business, a lot of times it's a matter of having some degree of faith and risk and experience," said Belz, now 55. "We had a lot of faith in what we thought would happen down here. Obviously, that's proved out."

THE MASTER PLANNER

By the late 1970s, I-Drive and Central Florida were coming out of the recession. Disney was building Epcot, SeaWorld was expanding and Orange County voters approved a new 2 percent tax on hotel rooms to build a convention center to help boost tourism.

Seventy acres for the convention-center site, just north of the Bee Line Expressway, were donated by Orlando Central Park, the real-estate arm of Martin Marietta Corp. Nearly 20 years earlier in 1956, its predecessor, the Glenn L. Martin Co., had bought 7,300 acres -- bisected by Sand Lake Road and bordered on the west by I-4 -- to build a missile factory.

Now, the company was ready to sell off 722 acres for a development it would call Plaza International. The convention center would be the catalyst -- and the architect was a 44-year-old executive named Jim Brown.

Brown, a Texas native and electrical engineer, came to town in 1963 as general manager of Orlando Central Park, a 4,300-acre office and industrial complex owned by Martin east of its missile-factory property. By 1975, he was made president, and his track record caught the eye of county officials when they started looking for a convention-center site.

"Jim Brown brought quality to the International Drive area for the first time," said Jim Harris, the county administrator from 1972 to 1985. "And he carried forth what he said he would do."

As OCP president, Brown was determined not to repeat the mistakes made on North I-Drive. His master plan featured wide roads with large medians and turn lanes, landscaping, limited signage and shopping and entertainment districts.

Prices started at more than \$230,000 an acre, nearly four times what Millay had paid for his Wet 'n Wild property six years earlier. Early buyers were corporations with franchises on North I-Drive: McDonald's, Days Inn, Red Lobster and another Quality Inn built by Rosen and his partners.

Brown's insistence on quality design paid off. OCP would gross \$97.5 million in sales for just its International Drive property -- about 50 times what Martin had paid for its entire 1956 purchase.

"God created the land," Brown, now 71 and retired in Orlando, said of his development. "All I did was market it."

IMMIGRANT INFLUX

By the early 1980s, a group of immigrant businessmen gave new energy to North I-Drive.

Nur Ullah Khan, an Indian-born accountant who relocated from England, where he had successful vacation-apartment-rental and shoe businesses, bought Sfassie's four gift shops in 1982. By the late 1990s, he owned 18 gift shops and several strip centers.

"I helped the tourists out a lot," said Khan, now 66, adding that he also helped mentor Middle Eastern and South Asian gift-store operators who followed him.

There was Jesse Maali, a Palestinian immigrant who operated inner-city grocery stores in New York. He came to the drive in 1985 to open a Ponderosa Steakhouse near Wet 'n Wild and made it the busiest in the world with \$6 million in annual sales. In fact, before he died in January at age 59, Maali owned the top four restaurants in the Ponderosa chain, including one on South I-Drive and two on U.S. Highway 192.

"He just had a feeling about it," Maali's brother, A.J., said of the first Ponderosa site. "Ponderosa did not approve of the site."

(When he died, Maali was awaiting trial on federal immigration and tax charges, accused of secretly hiring and paying dozens of undocumented workers from 1999 to 2001 at gift and apparel stores he co-owned.)

Pakistani Tahir Ansari built gift shops, strip centers and the Skull Kingdom haunted castle; Palestinian Rashid Khatib developed shopping centers and opened Friday's restaurants, sometimes with Maali.

All started small, invested their profits or brought in additional partners, expanded and became multimillionaires.

Fiercely competitive and determined to make their stores stand out, this new wave of businessmen made a distinctive architectural contribution to North I-Drive.

Outlandish lights, larger-than-life statues of athletes and sports equipment, even a model of the space shuttle set off a round of garish-is-better signage -- which further set the tone of the area.

"It's not aesthetically pleasing," said Richard Foglesong, a Rollins College professor who studied Orlando's tourist evolution in his 2001 book, *Married to the Mouse*. "And it does not appear to invite well-heeled tourists, but rather it's an appeal for . . . lower-income tourists."

THE PIONEER RETURNS

For the man who started the development 37 years ago with his land purchase in the middle of nowhere, Finley Hamilton marvels at its growth.

Through the years, Hamilton and his partner sold land they had bought for \$474,000 for nearly \$6 million -- and then sold their former Hilton Inn in 1998 for almost \$18 million more.

"I suppose I'm a little bit in awe of it," Hamilton said as he drove along I-Drive in March. "I thought it would be a good, solid success, but never expected it would be developed to the extent it has been.

"I regret I didn't buy more land."

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