A History of Emerald Heights



The Story of the Development of the Emerald Heights Life Care Retirement Community in Redmond, WA 1970 - 2023

by

Tom Stoebe 2023 This document may be downloaded for personal use. Download from the Emerald Heights Resident Portal, or visit <u>https://www.emeraldheights.com</u> and search <u>History</u>.

This document has been edited and proofed, but typographical errors ("typos") are like little gremlins that like to sneak in when we are not looking. We are sure that some have indeed snuck in, and we apologize. We hope that your use is not affected by typos and if it is, we apologize.

On the cover:

Photo of updated Emerald Heights Entrance, March 2023 Photo credit, Danielle Epp

The Giant Sequoia was transplanted to EH in 1995. See the photo of the 1995 Harry Wilson Circle dedication, page 12.

Compare both to the entrance photo from 2020 on page 31, courtesy RFM.

Table of Contents

Forward	iv
Chapter 1, Whitney Corwin's Vision, 1970 – 1992	1
Land	2
Marketing	4
Financing	5
Construction	7
Chapter 2, The First Five years 1992 – 1997	10
Opening	10
Full House	13
Chapter 3, Progress Among Changes, 1997 – 2017	10
A Great Place to Live	19
Leadership Transition and the Great Recession	24
Expansion Beyond EH: Emerald Communities	26
Major Campus Upgrades	27
Chapter 4, Emerald Heights Today	31
Looking to the Future	34
References and Resources	37
Glossary and Appendices	39
About the Author	41
Future layout for Emerald Heights	43/44

Forward

This work started as a pandemic project, to research and publish a series of articles in Emerald Lights for the 30th anniversary of Emerald Heights in 2022. The nine articles in that series led me to want to know more, leading to this overall description of the development of Emerald Heights. Those original articles are currently available on the Emerald Heights Resident Portal, as is a short summary video presentation of the highlights, focused on the early development of the community (see Resources).

Information in this history comes from many sources, with written resources noted in the reference list. Even better than references are the memories provided by Kay Wallin, ^ who was employed at of Emerald Heights in her original position of Marketing Director (1992) and currently holds the position of VP of Marketing and Public Relations for Emerald Communities. Kay's great knowledge and documentation of past events have been a great help, as was original and current resident **Jane Turnbul** for her recollections and documentation of her early days on the Board of Directors. Thanks also to **Don Bowman** for his recollections on architecture and finance and to **Larry Pinnt** for his input on Board discussions. Memories from **Dolores Griffith** and **Nina Bygland**, who are both current and original residents, helped considerably, as did the archival work established by **Donna Bailey** and input from many other current residents. Input from Grant Linacre, ^ Danielle Epp, ^ Dian Williamson, ^ **Jeff Jones** and **Judy Richardson** are gratefully noted. Finally, this work would not be complete without the editorial assistance of my wife, **Jan Stoebe**, of Emerald Lights editor, **Billie Ylvisaker**, and of internet specialist **Gordon Lindblom**.

Many of the photographs in this history are taken from Emerald Heights archives. The aerial views were taken by Sound View Aerial Photography and are also in the Emerald Heights Archives. Other photo credits are given in the photo captions; all are used with appreciation.

This History is dedicated to the current and future Residents of Emerald Heights. It is hoped that this will help all of us to understand how we got here and help us to appreciate the work of those who went before us in developing the Emerald Heights we have today.

Tom Stoebe April 2023

^{*} Denotes former resident; **Bold** denotes current resident 2023.

[^] Members of the EH administration and staff

Chapter One Whitney Corwin's Vision 1970 - 1992

This story of Emerald Heights begins in the 1970s when Whitney Corwin (Ref 1), a retired Bellevue, WA businessman spent winters in Arizona and Southern California. Corwin, with his wife Zada, enjoyed the senior communities there, and thought about moving to one of them, but did not want to live there in the summer. So, he thought, *"maybe we could build a place in Bellevue like one of these retirement communities."* He considered this, then invited his friend Harry Wilson to join him in talking to several communities in Phoenix. Corwin preferred a low-rise, campus-type community, despite the fact that such a community would require more land. They focused on the Life Care concept they learned about in Phoenix, in which a continuum of care is offered, from independent living to assisted living, to skilled nursing, depending on the resident's need. Based on his research, Corwin took it as his mission to see if he could develop such a community in Bellevue for residents living on the east side of Lake Washington.



Starting from scratch with no institutional support, Corwin worked on his idea with colleagues at Bellevue Presbyterian Church (now known as BelPres), where he was an elder. Several of his friends joined him, knowing that at some point they would need some sort of long term care. Others thought he was "nuts" to think that he could pull this off with no institutional backing. Harry Wilson and others did support the idea, although they all thought it would be difficult (<u>Ref 2</u>).

In 1979, Corwin, working with attorney James Gay, turned the idea into a real project with the development of Articles of Incorporation of the **Eastside Retirement**

Whitney Corwin, 1902 - 1988

Association (ERA). The Board of Directors included Whitney Corwin as President, James Gay* as their Attorney, Harry Wilson*, Kemper Freeman, Sr, and several other elders of the BelPres where they worked on their plans. All Board members served in a volunteer basis. Overall, they had little money—in fact, they had to take a collection among the Board and other interested people to afford the filing fee for ERA incorporation.

There was a lot of pushback on the senior community idea, not just by the Bellevue business community but by Corwin's colleagues and by local funding agencies (<u>Ref 3</u>). There were many times when the Board had doubts as to the project's success but Board members had faith in Corwin's vision and soldiered on to developed a plan based on the three most important steps needed to build a Life Care community:

- Land appropriate for the development, aiming at about 40 acres,
- **Marketing** to ensure that there was sufficient interest among prospective residents, and
- Financing for the project.

The initial development of Emerald Heights, with its problems and triumphs, is discussed in this and subsequent chapters, with details in the references.

As noted, Corwin's vision was to have a campus-type facility with no high-rises. Bellevue was his goal for the real estate, but when appropriate land was located in Bellevue, the Board ran into opposition from neighbors, the business community and from the City Council. Several initially available Bellevue sites seemed to end up as parks, ball fields or parking lots, NOT as a senior community, which some considered would not be good for the image of Bellevue.

The Board's favorite site was on Wilburton Hill, just to the southwest of downtown. This site enabled views of Seattle, recently named the "Emerald City." Zada Corwin suggested the name for the community should be "**Emerald Heights.**" The name stuck even though the site did not.

Land

When the Wilburton site was rejected by the city of Bellevue, the Board decided to look farther afield. Bellevue's City Manager, L. Joe Miller, suggested a site in Crossroads, while a site in Bothell was also of interest. Learning of the interest for land for a retirement community, current resident **Marie O'Connell**, who worked for the City of Bellevue, discussed the site question over lunch with her friend, Redmond's mayor Doreen Marchione. Marchione recommended the current site behind Redmond High School be evaluated as a location for the community. The site was owned by the Lake Washington School District, and was to be auctioned off by the State.

The actual site for sale was 130 acres, too large for Corwin's plan. However, Corwin and his friends found a developer who agreed to buy the whole site, then sell the needed 38 acres to ERA. This deal in 1988 culminated in Emerald Heights obtaining its current site. Now the need was to develop a marketing program and funding for Emerald Heights with no institutional backup funding.

The piece of land chosen has an interesting earlier history. In the 1870s, William Perrigo established a homestead where downtown Redmond is now located, then in 1877 he purchased land on the adjacent hill. Unfortunately, all attempts to dig wells on properties on the hill failed—the wells all came up dry. Residents had to carry water up the hill to their homes! For this reason, only poor folks lived on the hill, which got the name "Poverty Hill" (Ref 4, see reference section for information)



Emerald Heights site, October 1990. Note Redmond High School property at the bottom and the future street location on the right with the future EH entrance at the NE corner of the school property. Photo by Sound View Aerial Photography.

The city annexed the land on the hill in 1951 and in 1955 the Army announced its plans for a <u>Nike Missile Base</u>, part of a nation-wide cold war anti-missile defense system against the Soviet Union (<u>Ref 5</u>). The Redmond Nike headquarters with its radar installation was at NE 95th St. and 172nd Ave NE, along the ridge of the hill. The missiles themselves were stationed on the east side of Avondale Way at about 95th St. Both Ajax and Hercules missiles were stationed at the site, but were never fired (Ref 4). The only thing that remains of the site is "Nike Park," a neighborhood playground located east of 166th Ave NE at the end of NE 92nd St.

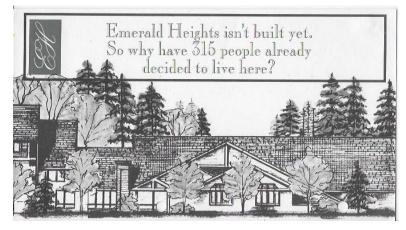


Nike Missile Family (photo credit: Wikimedia)

Annexation brought municipal water to the area, and the population of the area increased when the Army paved 166th Ave. NE. In 1958, a Junior High School was built on the site of the current middle school and the new Redmond High School in was opened in 1965. The current site of Emerald Heights (EH) was considered by the City Council to be a perfect spot for a community college, but the legislature had other ideas the college went to Bellevue. With water, annexation and all the schools in the area, the hill outgrew its "Poverty Hill" name—its new name is clearly much more appropriate for our top quality retirement community on "**Education Hill**."

Marketing

With the Emerald Heights site determined, the Board needed to develop an overall plan for the project. They worked with Retirement Centers of America (RCA) in Missouri to obtain a Certificate of Need from Washington State. RCA also agreed to front the funding needed to hire a marketing director and other initial costs for ERA! The marketing consultant was Wellington (Shady) Westbrook, who had worked on marketing several communities in the Midwest. Westbrook developed Emerald Heights' initial marketing plan, which demonstrated that there was sufficient demand in the community to support the project. Westbrook's nickname of "Shady," inherited from his dad, who was a big man and casted a shadow. The nickname had nothing to do with shady



dealings, but Corwin wanted nothing to do with anything "shady" and never called him by his nickname.

Westbrook organized the first mail, newspaper, radio and TV campaigns, which were quite successful in selling prospects on the idea of this new, unique Life Care retirement community. Emerald Heights was even a sponsor at that time

Emerald Heights Ad, 1990

of the <u>Lawrence Welk Show</u>! The marketing staff struggled to respond to telephone inquiries, sometimes up to 100 per day. The marketing office was in downtown Redmond and no marketing staff were allowed on the EH campus until just before move-in (<u>Ref 6</u>).

Once people were signed up, it was important to keep them involved via social events and outings on Lake Sammamish. They also held a Christmas banquet for those who had signed up, entertained by the Redmond High School Choir. Later, during

* Denotes former resident; Bold denotes current resident 2022.

(-) denotes a reference. Click on the number for a direct link, or refer to the reference section.

construction, Westbrook led groups of residents to visit the site on Sundays. He worked with EH for several years, then retired before EH opened. He and his wife liked the area and stayed in the Puget Sound area in their retirement. Kay Wallin and Marta Willson carried on in the Marketing office.

Financing

With land and a marketing plan in hand, the Board focused on sources for funding the venture. They used as a base an existing set of architectural drawings for a senior community in Phoenix, originally developed by the architecture firm RDG Schutte Wilson Birge in Omaha, NE. **Don Bowman** recalls a meeting with local architects to discuss adapting the basic design to the current site. With architectural plans in place, the Board then negotiated with builders and others to determine costs for the project. Redmond's interest in the project helped smooth the way in terms of regulations.

Costs were estimated to put together the full project, including land development, building construction, architecture including adapting the design to the site, marketing and administration. Cost estimates were as follows:

Local Banks and other institutions were under uncertain economic conditions during the early 1980s, creating a lack of financial liquidity and high interest rates. Combining that with the fact that banks were not familiar with the concept of Life Care, this meant that no funds were available in the U.S. RCA then helped the Board find FORCE Financial, a broker in Florida that specialized in funding from European banks and who were familiar with the Life Care concept. FORCE found four banking sources who were interested: Paribas Bank of Paris was the lead bank, with additional funding from the Banks of Scotland, the Netherlands, and Banque Nationale de Paris. These banks funded the requested housing bonds for \$58.3M, the equivalent of over \$150M today.

To show the banks that we meant business, EH sought a guarantee from the WA State Housing Finance Commission. The commission had supported only low income housing bonds to that point, and questioned providing a guarantee for a senior housing project for those with higher incomes. Marketing took a group of future residents to the hearing, and one prospective resident, grey-haired Ramona Bertch, challenged the Commission: "*You commissioners do not understand us (older folks)*. *I see no grey hair on any of your heads. This is IMPORTANT!*" EH got the endorsement and a Washington State guarantee for the full amount of bonds needed. EH also agreed to provide a donation to low income housing, and also agreed to a 25% set-aside requirement to provide housing for residents with income below the King County average (this set-aside is still in force today). These Washington State Housing Bonds have been refinanced several times and carry with them Emerald Heights' exemption from local property taxes.

Emerald Heights Cost Estimate, 1990	\$,	Millions
Construction	\$	39.0
Land and site preparation	\$	4.6
Architect cost	\$	1.8
Marketing and administration	\$	4.5
Loan costs and debt service	\$	5.9
Fees and assessments	\$	2.5
Total	\$	58.3

The funding Banks required that the project have strong sponsorship by a local church and that EH include members from that church on the Board of Directors. Reverend Dick Leon at Bellevue Presbyterian was enthusiastic about the project and the Church Session agreed to provide non-financial sponsorship. Reverend Leon became an exofficio Board member and Board membership. The requirement that least three Presbyterian Church members be members of the Board was written into the Board bylaws.

To obtain financing, the Board also had to demonstrate that there was sufficient interest in the community to buy the apartments in the project. There were a few senior communities in Seattle, but none on the Eastside—Whitney Corwin felt strongly that *"Eastsiders should not be forced to move to Seattle for retirement!"* The type A Life Care concept at Emerald Heights was not well understood in the community, so future resident and local Dr. Larry Turnbull* developed a persuasive article explaining that Life Care would minimize the need for expensive Long Term Care insurance and provide a more secure financial future for all residents (<u>Ref 7</u>). This article, along with related information, proved important in developing enthusiasm among the initial set of residents and enough interest to enhance the list of future residents.

There was still reluctance in the business community to support the senior community idea—local newspaper editors would not publish articles by reporters about Emerald Heights, feeling that it was a bad idea that would fail. Turnbull's article was never published but did its job.

In all things, Whitney Corwin was highly focused on his concepts for the community and he worked tirelessly to ensure that the project would succeed. As noted by **Barbara Knopf**, "Emerald Heights was part of every aspect of Whitney Corwin's life." Unfortunately, Corwin did not live to see his dream realized; he died in 1988 before financing was arranged.



Corwin was succeeded by his recently retired, long-time friend Harry Wilson* (Ref 8 p.7), who guided the development of Emerald Heights as Board President (1988 – 92). It was Wilson who led the finalization of the financing agreement. Even with the loan in hand, many businesses in the community felt that this project would not make it financially and some were reluctant to commit to participate in the project. However, with Wilson's persistence and with strong support from the Board, the construction of Emerald Heights moved strongly to its next stages.

Harry Wilson – 1913 - 2003

Emerald Heights had originally asked prospective residents to put down 5% of the entry fee, but the banks required 10%. This was a potential roadblock, since Marketing had to ask for an additional deposit! Fortunately, the depositors had faith in the Life Care concept and in the Board, and nearly all came up with the additional funds. The funding Banks also insisted in the 65% reserved apartment commitment before approval of the financing. In fact, this was close, with reservations at 63% in early September, 1990. The Certificate of need would expire in October, so getting to 65% by early October was critical. RCA added extra personnel for Marketing to help, but it seemed like every time there was a new deposit another one cancelled. Fortunately, hard work by Marketing brought the reserved list to 65% by late September 1990, allowing funding and ground breaking to occur in October.

It was Harry Wilson's job, as Board Chair, to sign the promissory note for \$58,300,000. Harry admitted to his friends that he was a bit shaky with signing for such a huge amount—and that he was not sure what to tell his wife! The signing of the legal documents for the bonds was done on the 40^{th} floor of the Columbia Tower in Seattle. It took nearly 2 days on October 9 and 10, 1990, to go through and sign or initial all 70 pages of the various documents needed (<u>Ref 2</u>).

Construction

By late 1990 it was clear that the Board finally had a real project, with a site, financing and a marketing plan. Ground breaking was held **Oct. 6, 1990** at the Redmond Senior Center—indoors, as it was (naturally) raining outside. Rev. Dick Leon of Bellevue Presbyterian Church provided the blessing for the project. With 65% of the apartments reserved and a future resident list of over 150, the project was a GO. As the project proceeded, bank representatives kept close watch, visiting with the Board, monitoring marketing and observing site development all during construction.



To provide overall management, the Board in 1991 hired Mr. Don Scott as Emerald Heights Chief Executive Officer (CEO) to oversee all management programs. Mr. Scott came to EH from a position of President of Operations for California Presbyterian Homes. With his experience and easy demeanor, he helped develop the "*esprit de corps*" of the early residents and led Emerald Heights for the next 16 years.

Don Scott, Emerald Heights original CEO.

Ellen Taves*, in discussing the beginnings of Emerald Heights (<u>Ref 2</u>) quotes Marta Willson, former Marketing associate, who characterized EH as a Bumble Bee: Aeronautically, the bumble bee should not be able to fly (<u>Ref 9</u>). However, the bumble-bee does not know that, so it flies anyway. In the beginning, there were so many factors against EH being able to fly—but as we know, it flew an<u>yway. That's E</u>merald Heights!

Site preparation began in October 1990--trees were removed, hilltops cut down and the site leveled to be ready for construction of foundations, and street locations were determined. 1990 was a particularly wet winter, so to allow construction to continue, "quarry soil (crushed rock, 2 to 6' in size) was brought in to stabilize the soil to allow construction to continue through the winter.



Building construction began in early1991 using the modified architectural drawings from the senior community in Phoenix, noted earlier. Harry Wilson* guided the project, hiring an architect to prepare the site drawings, adapting the design to the topography of the site. The project proceeded in stages, as noted in the construction plan.

Emerald Heights Entrance, late 1990

Board member Jack Wright,* an architect by training, was asked to oversee the construction process along with the assistance of another Board member, Frank McAllister.* Both were involved in the construction from the beginning and Wright was present daily during construction (<u>Ref 10</u>).

Cost overruns were a problem, causing funds for landscaping to be eliminated. In addition, it was so wet that one bulldozer sank into the mud, requiring a crane to pull it out! More significantly, a problem was caused by the original construction manager who, anticipating his dismissal, took with him the resident's records related to changes

in their apartment designs. Although the records were found a few months later, this caused extra delays in re-developing these design records.

The ratio of one- and two- bedroom apartments in the plans followed national guidelines, but it was found that for the local residents, more two-bedroom units were needed. This added to the architectural changes, and was accomplished by combining neighboring one-bedroom units into one, two-bedroom apartment. Portions of the interior did not have specific designs so that Board member Bill Dumar* helped with design and completion of several of the public areas such as the store and the craft room.



Along the way there were change orders, changes that some early depositors requested to personalize their apartments for them, and personnel problems with the contractors, but the exterior of the main building was essentially complete by May 1992, with interiors completed between September and December 1992. Cottages were started in late 1992 and completed in January 1993. Construction quality has stood the test of 30 years with few structural problems.

Land Cleared, Streets and Buildings located, June 1991. Photo by Sound View Aerial Photography.

In the end, construction was completed on time and within budget.

One of the problems with construction related to the recall of the plywood used for the roof. It could catch fire at high temperatures — yikes! The roof was replaced a couple of years after construction to the relief of all.

Finally after years of hard work and planning, 2 years of construction, and despite the lack of local financial support and the initial skepticism of the local business community and press, Emerald Heights was ready for its residents!



Campus taking shape, March 1992. Photo by Sound View Aerial Photography.

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section.

Chapter 2 The First Five Years 1992 - 1997

Opening, October 1992



Construction was still going on when Evelyn Flory*, the first resident, moved in on October 1, 1992. Thirty six residents moved that month into apartments in buildings C, D and E. In addition to these apartments, Assisted Living, the lobby and the dining room opened and were ready for business.

Emerald Heights Ready for Move-in; Cottages still under construction, October 1992. Photo by Sound View Aerial Photography.

Occupancy permits were expected by early September but they were delayed—they came through on September 29, just in time for the opening (<u>Ref 11</u>).

Additional buildings opened sequentially in November (buildings FGH and IJKL) and December (buildings MNOP). The original pool and fitness center opened in November, the cottages in December and January. Roads were paved and sidewalks added as buildings were completed. Some residents camped out in apartments waiting for theirs to be competed. Occasional problems occurred in some apartments—**Jane Turnbull** remembers water on the floor because the kitchen sink drain was not hooked up when they moved in November; **Dolores Griffith** remembers that her apartment had been used for storage by the contractors before she moved in in December 1992--she got a replacement carpet! And the hot water was set at a "safe" temperature, which was not high enough to make the dishwashers work. Reset ensued.

Since the cottages were the last to be completed, several residents, such as Omar* **and Nina Bygland**, "camped out" in vacant apartments while waiting for their cottage to be completed.

BelPres Pastor Dick Leon formally dedicated Emerald Heights November 22, 1992. In his address to residents Pastor Leon said "God bless each of you as you shape this new civilization called Emerald Heights. I believe you can do it well and do it right because of who you are, and because of the only Good and Wise God who has brought this community together."

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Plaque at the front entrance, showing members of the 1992 Board of Directors prior to move-in. Note that Eastside Retirement Association (ERA) is currently referred to as the Emerald Heights (EH) Board of Directors.

While apartments were "occupancy-ready," they were not necessarily move-in ready, with construction debris, sawdust and missing parts. Housekeeping kept incoming residents happy by cleaning each new resident apartment just before move-In. In all, 145 people moved in between October and December 1992.

After EH opened, nearly half of the depositors decided NOT to move in or planned to move in later. Strong marketing mailers, extra help by marketing consultants and some straight facts on Life Care proved sufficient to enhance the depositor list so that initial occupancy would match that expected by the banks. Marketing was not allowed on site until October—it took a rental truck on Saturday night to install their temporary office on campus in preparations for move-ins the following week. It certainly seemed to be true that "this whole project was built on faith!" as was indicated by new marketing director Kay Wallin (<u>Ref 11</u>).



Corwin Center Entrance



The Gazebo, in the courtyard between buildings F and J, was built in the spring of 1993. Kay Wallin remembers this opening as the first EH-arranged photo shoot. The Gazebo was all decorated with plants and the opening was a party for the residents. Later, for Christmas, it was decorated with lights by residents.

Our Health Center was dedicated to Whitney Corwin in November 1992 and began admitting Assisted Living residents that year:

Skilled Nursing opened in 1993. EH was allowed to admit residents direct to the Corwin Center during its first five years as a means to help finances, since most independent living (IL) residents were not

expected to need Corwin services during the initial period.

Gazebo decorated with lights by residents each December. Photo credit: T. Stoebe

Board members and residents offered leadership and assistance on a fully volunteer basis. Harry Wilson* led the Board until opening, and was then succeeded by Jack Wright* as Board Chair. Wright continued to monitor construction and also headed the "Beautification "committee. Resident volunteers "manned" the reception desk, showed prospects around the facility and maintained the landscaping along with other roles. Larry Turnbull* drove the bus (after being trained by Greyhound), while others helped with move-ins until EH had enough operating funds to expand the staff.



In 1995, the circle at the front door was dedicated to Harry Wilson. The Sequoia tree was transplanted to the circle at that time with the help of a helicopter. As CEO Don Scott, indicated in 1995, "Because of what we have been able to accomplish, we are ahead of projections and are being touted as a success story by our banks and consultants....We have much for which to be thankful (<u>Ref 12</u>, p.2)." Emerald Heights was off and running.

Wilson Circle Dedication: Don Scott, CEO; Barbara Knopf, Board Chair 1995-1997, Harry and Virginia Wilson.

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section. Areas in the main building for resident use had been roughed-in but left for residents to develop. This included an ice cream parlor (which later became the coffee shop), store, library, game room and craft room. **Nina Bygland** set up the store (now the Emerald Market) and other residents stocked the library (2700 books by 1996). A resident workshop had been allocated only a small space, but Bill Dumar* convinced the Board to enlarge the area; Dumar, who essentially moved his home workshop to EH when he moved in, was known as the handyman who could fix anything.

Landscaping was a continual problem since little top soil remained in areas that had been graded during site preparation, and little budget was available for topsoil purchase. Jack Wright,* who had overseen the construction from its beginning and also chaired the Beautification Committee, explained that since it never seemed to stop raining during construction, we had to use "quarry spoil," (crushed rock 2 to 6 inches in size) to stabilize the soil. This rock was distributed over the whole of the site in 1992 and later these rocks became a problem as they kept re-appearing in lawns and planting beds. Lawns were a particular problem and were eventually replaced (<u>Ref 13</u>).



A Greenhouse was completed in 1993 where new plantings could be developed and propagated—Jack* and Kay Wright* had earlier developed the plantings for the Sahalee Country Club and passed on this knowledge to EH. Upgrading the plantings at the entrance area of the building was a top priority. Rhododendrons and lilacs were planted and other plants propagated and planted by residents in critical and

Jack Wright 1916-2004

highly-photographed areas. Gordon Bear* developed and cared for roses in a plot that is now a parking lot between doors 9 and 10, and another in the area around the Gazebo. The lawn sprinkling system seemed to fail on a regular basis and was in need of a full upgrade (seems like we have the same problem in 2023!). The need to develop a master landscaping plan was recognized and approved by the Board of Directors for implementation in 1995 and 1996.

Full House

Occupancy continued to grow and stood at 93% by January 1995, with a projection of 95% by April. (Original apartments/cottages numbered 290 in independent living). To provide for residents in financial need, the Board had established the Benevolence Fund on 1994, with opportunity for Board members, resident and family to donate. In the Life Care system, residents may reside in EH for many years, leading to the possibility that, due to inflation and economic factors, some may develop financial need which can be covered by the Benevolence Fund. The original agreement to provide housing for residents with incomes under the median for King County, the original 25% set aside covenant, was maintained each year.

One outward manifestation of high occupancy: the dining room was getting overcrowded! There was no budget for expansion, so Harry Woodside* provided an initial donation followed by funds from residents and Board members, which enabled Emerald Heights to expand the dining room outward. This project was complete in early 1996 and provided for 50 to 60 more diners and a private dining area. Dining attire was a subject of discussion among residents: Dressy casual was OK but *NO shorts, tank tops, jeans or thongs*!

Included in the dining room project was an expansion of the "Convocation" room, renamed the Emerald Room (in the space currently called Copper and Hook). The Emerald room was the gathering place for all-campus programs, but suffered from a lack of space and audio-visual problems (which never seem it go away). Also, due to the increase in residents, parking was tight, and new parking spaces were opened when space was available. This was and is an ongoing problem.

Residents had requested that Metro extend a bus line to Emerald Heights for use by those who did not drive. Several routes were suggested, but our friendly neighbors in Abbey Road objected to <u>any</u> sort of bus service near their subdivision. This disagreement with Abbey Road lasted until the year 2000, when Metro decided in favor of Emerald Heights. (Round 1 to EH!)

With a strong waiting list, management in 1996 suggested adding apartments to meet some of that demand. Residents resisted this idea, developing a petition to the Board to stop additional expansion because it would overcrowd facilities. This concern seems to be the first of several similar concerns that have come forth in EH history. After discussion, the Board agreed to look more broadly into what would be needed in terms of all of EH's facilities and services if added apartments were built, and to include residents in facilities planning.

Our full house brought in many highly talented residents. Grace Koopmans* provided hospitality for new residents, while Jean Gallios* provided strong leadership in the development of the Resident's Association. Resident committees were developed as a means to better bring resident concerns to the Council, who took these concern to management. Some residents developed English as a second language classes to improve the language ability of our staff.

We also had some notable names among our resident population in the early days:

- Larney Meacham* who was an early developer of touch-tone phones and who worked with Alexander Graham Bell. Larney and his wife Vera* lived at EH from 1992 until 2002 (Larney) and 2006 (Vera).
- Ernest Knobloch*, who was an important U.S. representative to England during WWII. He advised Churchill, Eisenhower and DeGaulle; His wife Dorothy* had tea with the Queen on more than one occasion. Ernest and Dorothy moved to EH 1993; he died in 1996, while she lived here until 1999.
- John Archer*, an actor who played Lamont Cranston on <u>The Shadow</u> in 1944 and acted in numerous stage, movie and TV shows including McHale's Navy. Actress Ann Archer was his daughter. Archer lived at EH 1994 – 1999.

Harry Wilson* retired from the Board in 1992, and moved into EH with his wife Virginia in December that year, living here until he passed away in 2003. Virginia Wilson lived here until 2003. Jack Wright* became Board Chair in 1992, moved into EH with his wife Kay in November of that year and lived here until they passed away in 2013 (Kay) and 2014 (Jack).

The first issue of Emerald Lights was published in October 1993, the one-year mark for EH. The monthly magazine was developed under the leadership of editor Bob Temple.* Over the years, Emerald Lights articles have provided insight into activities in that period; all are available for review in the Archives under Resident Association on the resident portal.

Jim Heer (pronounced Hair), a Presbyterian pastor, was hired as EH Chaplain in 1994. The story is that on entering the lobby, Jim said to his wife Marcia, "Listen—they are laughing!" Yes, laughter was common in the halls, the dining room, committee meetings and in Board meetings, according to Cathie Moody*, who was Resident Association President at the time. They were a happy bunch! Jim Heer added to the laughter and to the musical program with several concerts—he exclaimed himself as the Heer on the Baldwin (piano)—and in later years directed our resident Christmas concerts. Heer retired as chaplain in 2002, but Jim* and **Marcia Heer** returned as residents in 2004.



1996 storm damage to carports, which all had to be re-built.

December 1995 found EH under a wind storm of up to 70 mph and at least one tree fell on a carport. Additional storms in 1996 caused electrical outages, prompting emergency drills and residents pitched in to help, as usual. During these wind/rain/snow storms, several more of the original carports were wiped out. Investigation showed that all carports were poorly constructed and needed replacement. Fortunately, EH had developed sufficient capital by this time to allow for the steel-braced carports that we use today.



Our system of trails was developed by residents in 1995 with the help of several Eagle Scout projects.

Trail Ribbon Cutting. Jack Wright and Don Scott are 2 and 3 from left.



Rush to explore the trail on its Opening.



While building the trail, residents discovered a chicken nesting nearby. The chicken clearly liked to supervise construction and commented on each part of the project. That chicken was named Emma and was so fast that she could not be caught; later, resident Wendell Wonderly* developed a small "Emerald Heights Farm" along the trail with an enclosed yard for

a variety of chickens and rabbits. Wendell also had

some fruit trees, but vegetables did not grow as it was too shaded. Additional chickens came to visit and were housed together on the farm.



Some chickens became prey for dogs or coyotes; the last of the flock was Henny Penney, who went the way of all good chickens.



Since vegetable gardening was not possible at the farm, Wendell developed a garden behind the facilities building. Other residents joined him and a large garden ensued. When EH needed the space for additional parking, a new vegetable garden was developed adjacent to the drainage pond.

In 1993, the lawn bowling green had been installed

outside the dining room at the request of several residents, and the putting green was developed and named for Jack Wright who continued his leadership of the Buildings and Grounds committee. Our own TV station, KHTS, started broadcasting in

September 1995. A full scale multi-year master landscape plan was adopted by the Board in 1996 and accomplished over several subsequent years.

In 1996 EH attained the status of being named to the top 20 CCRCs in the United States in a poll by *New Choices* magazine. EH excelled in the areas of value over luxury, enthusiasm of the residents and having a Board and Management that welcomed new ideas. Emerald Heights received the same distinction in 1997, and also achieved national accreditation from the Continuing Care Accreditation Commission. With technological advances, a special computer lab was developed in 1997 with the latest technology: An IBM clone computer with floppy disc drives! Residents gave lessons on computer use to their fellow residents.

The Emerald Heights staff has always been a strong point, and many made careers of working here. In 1997, EH had over 225 staff members. Early staff members who are still here in 2022 include Kay Wallin now VP for marketing and PR, Mrs. Ngoc Vu in Housekeeping and Terry Hardin in Elements.

By the five year point, 1997, it was clear that Emerald Heights was a going concern (<u>Ref</u> <u>3</u>), (<u>Ref 14</u>). Entry fees were providing both maintenance and capital for ongoing needs, the operating budget was in balance, and The Benevolence Fund was healthy. Both locally and nationally, EH was recognized as a great place to live. In his column in Emerald Lights for the 5 year anniversary of Emerald Heights, CEO Don Scott lists the many things that EH and its residents can celebrate and be thankful for (<u>Ref 14</u>, p.2)

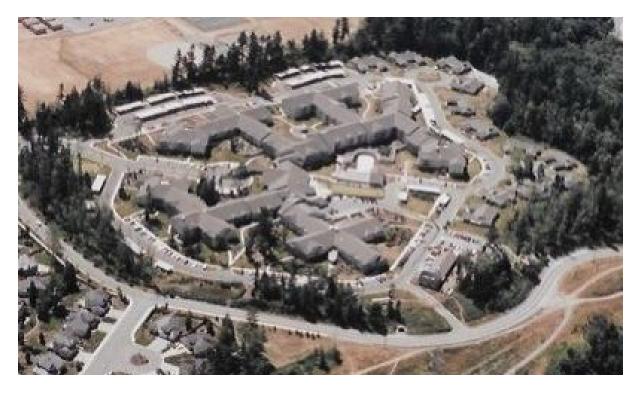
- "the vision, faith, foresight and endurance of Whitney Corwin, Harry Wilson and the founding Board of Directors, along with the continuing support of the current Board.
- the support of the international consortium of banks and groups that provided the financing and management input at the beginnings of EH,
- for the City of Redmond who welcomed our community,
- for the marketing team who sold the vision and dream of Emerald Heights,
- for the support of the Bellevue First Presbyterian Church.
- for the pioneering residents who signed up and made deposits on what was only a dream at the time,
- for the staff who worked tirelessly to ensure a smooth opening and welcoming process for resident,

And for the support of the residents as we have been working out the ins and outs of getting our community going and for their volunteerism in getting things done."

CEO Scott was instrumental in developing comradery among residents and between residents, staff and Board. This made him an ideal leader for a startup CCRC like EH! As current concierge Dian Williamson noted, "He developed comradery among residents and between residents, staff and Board." Scott worked closely with the original Board, and adapted its management structure as EH developed. In November 1997, Board and Management updated titles—Board President became Board Chair, CEO became President and CEO, with other realignment of committees and duties, all to make sure that Emerald Heights was ready for the future.

Clearly, Emerald Heights, a project that many thought would fail, is here to stay. The hard work of Corwin and Wilson, the Boards of Directors, the staff and residents clearly

has paid off both for us as current residents and for those who follow. As Harry Wilson remarked ($\underline{\text{Ref 2}}$), "I remember how many people thought that this project would never make it. Well, with all this support, **WE MADE IT**!"



EH site, 1997, with main entry on the upper left. Note the area between Corwin and Building P where the future Corwin expansion, the new Fitness center, and the Pavilion Building will be built in 2012-2014. Also note the future location for the Trailside building (which has replaced the carports opposite Building L) and the location for the Courtyard building (which is replacing the carports opposite Building G). Buildings are labeled by letter in diagram on the outside back page of this history.

Chapter 3 Progress Among Changes 1997 - 2017

A Great Place to Live

In 1997, Emerald Heights was awarded accreditation by the Continuing Care Accreditation Commission, and the popularity of Emerald Heights continued to grow. Emerald Heights' developed a reputation of being the preeminent provider of full-service not-for-profit retirement community for the Puget Sound region. Classified as a Continuing Care Retirement Community (CCRC), Emerald Heights emphasized that it is a <u>Life Care Community</u> (<u>Ref 7</u>), providing housing and services throughout residents' life cycle. Also popular was Emerald Heights focus on Christian values, welcoming "people of all faiths as residents and staff, working to create an inclusive climate for all".



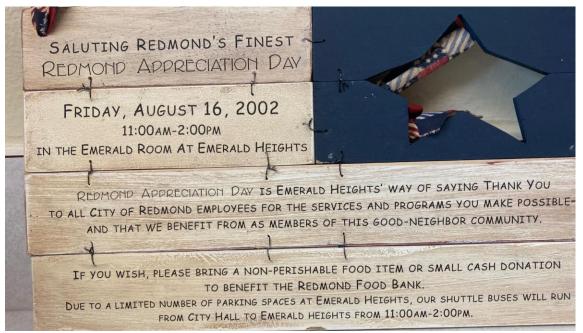
Original EH Logo, welcoming all, located at the front entrance until 2011 when a new logo was introduced. This logo now located near the Garden Plots.

The Board in 1999 had developed a planning committee consisting of Board, management and resident members to look at possible upgrades on campus. Initially this focused was on adding to the existing facility to allow more apartments; later it expanded its scope to find ways to serve seniors in other ways. New construction turned out to be just one of a number of challenges to be faced over the next few years, including a leadership transition, the Great Recession, and the formation of Emerald Communities.

The Residents' Association, which had been developed in 1993 by Jean Gallios*, became an important body that helped Emerald Heights run smoothly. A wide variety of

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section. resident committees were formed in areas as widespread as Building and Grounds, Health and Wellness, and Spiritual Life. The chairs of these committees made up the Residents' Council, which collects input from the committees and makes recommendations to the administration. This input provides the administration with the needs of residents, which then can be included in future programming and budgeting. Many residents have served in the Council, representing the full body of residents. Those who have served as Resident Association Presidents are listed in Appendix 1.

The City of Redmond had been very supportive of Emerald Heights, especially with the City's fire and police departments providing exceptional service. EMTs and Medic One in particular seem to visit EH daily and sometimes more. In response, EH developed an annual celebration called "Redmond Appreciation Days" beginning in 1996 and continuing for the next 10 years as a lunch for all City of Redmond employees. The event included presentation of a financial contribution, usually to the Police, Fire or Parks departments to support an unbudgeted "wish list" and was an opportunity for residents to personally thank Redmond employees.



Typical Redmond Appreciation Day invitation

In 1998, a special Y2K (Year 2000) task force was formed at EH and residents were warned to be prepared! This was a big excitement across the country and around the world, fearing potential computer errors related to the formatting and storage of calendar data for dates in and after the year 2000 by systems developed for the 1980s and 1990s. Computer system inability to distinguish dates correctly had the potential for bringing down worldwide infrastructures. The warning was that "everyone should have plenty of food on hand, stock up on batteries and check banking arrangements in case communication failures and supply chain upsets affect our community." Well, as we know now, little happened and the transition was generally painless.

A notable resident during this period was Joseph (Joe) Kimm, who was a resident of EH from 2000 until he passed away at 102 in 2013. Joe was an aviation pioneer, working

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section. for Northwest Airlines beginning in 1929. As a pilot he had an acute sense of what his passengers needed and developed an early version of the "barf bag" for passenger use. He pioneered the first direct flight from Minneapolis to Seattle, with Amelia Earhart as a passenger. He was part of the "Brass Hat Squadron" during WWII, transporting dignitaries all around the world, including General Dwight Eisenhower. Joe retired at age 60 (mandatory age for retirement as a pilot) only to take up skiing, golf, and was a driver for Meals on Wheels. Joe had been a pilot for 42 years, then was retired for 42 years. He was bright and chipper as a resident of Emerald Heights, although when Joe was still driving at age 102, residents were a bit cautious on the road.

The development of cell phones required additional telephone circuits to handle new requirements. As a result, ten digit phone dialing was instituted in this area in April 2001, a signal to all of us that technology was changing and that we may need to consider some sort of computer technology. At that point, few residents had computers of any kind unless they had become familiar with computers at work.

Resident volunteerism continued throughout EH history, providing service both on campus and off—EH residents were named "Volunteer Group of the Year" in 2001 by the Redmond Chamber of Commerce. Work outside EH included adopting and upgrading apartments in the Avondale Park transitional housing project. Residents painted and upgraded a home for a family, collecting furniture from a variety of locations. This was for transitional housing and several families benefitted. Volunteer hours clocked in at over 35,000 annually.

A big earthquake in the Olympia area in 2001 drove the need for safety alerts and readiness training, and regular earthquake and fire safety drills were instituted. Safety warnings were also issued to residents about car prowls, outside solicitations, and scams. At that time, there were no gates at the entrance and exterior doors were controlled by multiple keys issued to all residents. (Gates were not installed at the entrance until 2011 and outside doors were controlled by keys until the key fobs were installed in 2012). Larry Turnbull* drove the Emerald Heights bus until 2002—when he was disqualified for driving by the insurance company because he was over the age of 70.

One day in 2002, one of the men working on the new apartments found a parakeet in the woods. "Mama" Chi, then head of housekeeping, suggested taking the bird to the Hairport, located at the entrance to the Corwin Center. They found a small cage and beautician Terry Hardin took charge, even though she was afraid of the bird. The bird was named after Whitney Corwin's wife, Zada. Later, Cecil Emhoff* found a larger cage and the parakeet used this cage for several years. **Marie McEwen**, when coming to visit her parents who were residents, would bring her granddaughter, who always wanted to visit the Hairport to see Zada. The parakeet was the talk of the Hairport for several years, until the bird passed away.



Many resident activities, bazars and other volunteer activities flourished. The Country Store in 1999 had grossed over \$62,000 and the Coffee Shop had raised over \$100,000. The thrift shop opened in 2006, operated fully by residents; furniture sales had been active earlier on a less formal basis. All of these activities created income for the Residents' Association, which was generally transferred to the Benevolence Fund. * Denotes former resident: Bold denotes current resident 2022.

(-) denotes a reference. Click on the number for a direct link, or refer to the reference section.

At the **Tenth Anniversary of Emerald Heights in 2002**, the Benevolence Fund stood at over \$1M. It was agreed by all that Emerald Heights was a great place to live (<u>Ref 15</u>).

The Garden Railroad was conceived and initiated by the residents of Emerald Heights in 2004, led by resident **Jim Easley** who had brought his model railroads from his former home. Residents decided on a new layout, which was designed and built by a large group of volunteers. They shoveled the dirt, built the model of Mt. Si, added a tunnel under the mountain, and built the train barn. The installation ended up with 300 ft. of track, six bridges and trestles, and over 50 models of buildings that represent the Eastside in the early 1900s. Residents have also donated 13 locomotives and over 80 railcars to the collection.



The Railroad Garden was built outside the then-named Country Store and Craft Room, and originally was open on two sides. Later expansions added the new buildings that now surround the Garden. The setup has been continually upgraded over time to produce a top quality system. Trains continue to run during summer months, with electronic control and resident engineers in charge.

Passenger train approaches at the station; Freight train on a siding in the Garden Railroad.

An extensive article on the Emerald Heights Railroad was featured in in the November/December 2022 issue of <u>Garden Railroading News</u> (<u>Ref 16</u>).

Many of the servers in the dining room were students at Redmond High School, and residents appreciated their work. Residents supported various programs at the high school, including plays and music concerts. Residents also supported high school football games and in 2005, Emerald Heights donated funds for a new football scoreboard at the school.

A HUGE storm, with high winds and snow, blew through the area in the winter of 2007-8. If you can imagine, EH was out of power for <u>SIX DAYS</u>—Ouch! The only heat was in the kitchen or in Corwin, although some cottages had gas wall furnaces so it depended on who you know. Many residents moved to local hotels, although the power outage was widespread and many hotels relied on generator power. It was generally miserable for those on campus—lots of sandwiches and early to bed! The staff of Emerald Heights focuses on serving the residents and taking care of everything from housekeeping to cleanup. Emerald Heights in 2007 received an award for the recycling program from the King County Solid Waste Department, awarded for the joint efforts of both staff and residents for their focus on recycling. Landscaping, which originally had been maintained by residents, was now a job for the staff.

The facilities department dealt with building problems, including roof leakage, a problem that took years to resolve. Overall, Emerald Heights was recognized as a great place to work, and there was little staff turnover.



Then there is the story of the <u>BIG Emerald Heights Coffee Crisis of 2008</u>. One day the Chef arbitrarily changed the type of coffee that was being served in order lower costs.

Coffee drinkers were in an uproar about the lousy tasting coffee, and the whole of the community was upset for days. After several weeks of demonstrations and constant complaints, the administration agreed to a coffee taste-off. Five types of coffee were presented to a large contingent of residents for tasting. And the winner? The original type of coffee, a frozen concentrate, was chosen unanimously by the residents! That coffee is still served today.

Also of note was the administration's application for a liquor permit. Wine had been allowed but not hard liquor. **Don Bowman**, Association President, remembers a whole set of complaints from many residents about allowing hard liquor, with negative comments overflowing at an Association meeting. One Corwin resident presented her argument: "In Corwin we already have a drink every day at 4 o'clock!" As it turned out, the official notice requesting input from residents was taped to the window of the guard house, and was not noticed by any of the residents. As a result, the authorities received no negative comments and the liquor permit was granted! *Margarita, anyone?*

Back in 2002, CEO Don Scott felt that EH had to plan for the future or else "the future will happen to (us)...Stagnation is not an option, growth is, but where and how?"

(<u>Ref 15</u>, p.3). Detailed planning in 2000 had focused on enhanced services to residents along with added apartments for new residents. Marketing realized that the popularity of Emerald Heights could wane if prospective residents had to wait too long for space. In addition, space for resident activities was somewhat limited. The result of this process resulted in plans for

- The outward extension of the store, coffee shop, and the game room (now the library) to add space for these activities,
- Added maintenance facilities and expanded parking for residents,
- Building seventeen new Independent Living (IL) apartments, to be added at the ends of existing buildings, and
- The enlargement of the Corwin Center,

Additions to dining facilities were considered at this time but were delayed for future consideration.

The 17 new IL apartments, opened in 2003, were larger than most others in the community to attract those wanting additional space. They were located at the ends of Buildings D, G, L and N. The "Board Room' accompanied the apartments at the end of N. The Thrift shop space was included as part of the expansion of Building D.

The expansion of the Corwin Center was very important since it was often full and more space was needed (<u>Ref 17</u>, p.8). Assisted Living had opened with 30 rooms, while skilled nursing had 30 double-occupancy rooms. There were only a few patients at the beginning, but that grew over time until it was over capacity. The 2003 Corwin expansion increased AL from 30 to 40 AL rooms and 16 Memory Care studio apartments. Also added in this expansion was a kitchen, the Rainier dining room and enlarged common spaces, making living there a better experience.

Leadership Transition and the Great Recession, 2006-2009

Early in 2006, the Board was concerned with questions related to Emerald Heights budget allocations, the state of the national and local economies, and the need for the CEO to provide strong leadership for expansion projects. These considerations led long-time CEO Don Scott to decide to resign early in 2007.

The original Board of Directors, working with Scott, had carried out the work needed to start EH and guide it through its early years. Clearly, Mr. Scott was the right candidate to lead the development of the community, leaving a solid, caring community with strong social programs and with residents loving life at Emerald Heights. Now, at year 15, the Board needed to be proactive and provide the leadership that Emerald Heights needed for the future. The Board President, Andy Fallet, became interim CEO, and the Board developed a recruitment process for a new CEO. Fallet was a former CEO at Evergreen Healthcare, but declined the permanent position at EH.



Three candidates for CEO were interviewed by the Board and by a group of residents. Ms. Lisa A. Hardy was the unanimous choice of the residents and of the Board, and she was named CEO in January 2008. Hardy holds a B.S. in business administration with a management focus from St. Joseph College in Maine, and had considerable experience in senior community administration, including a license in Nursing Home administration. She had led the development of a new senior community in Georgia which was the type of experience that the Board wanted in their search for ways to serve seniors outside of Emerald Heights.

Lisa Hardy, CEO 2008-

CEO Hardy found a diminished Emerald Heights financial situation and had to deal with the effects of the recession. Hardy established three goals, which were outlined in the "Green sheet" in December 2009:

- Maintain high quality and service,
- Have reasonable increases in monthly service fees and ancillary charges,
- Reduce expenses and continue to manage them tightly.

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section.



Working with new Chief Financial Officer (CFO) Al Chambard, these goals were met through higher occupancy, more rapid turn-around of vacant apartments, and rate adjustments to keep up with real costs. Lower expenses came from streamlining the staff, reducing employee turnover and better managing food, supplies and outside services costs.

Al Chambard, CFO 2008 – 22.

These changes and Chambard's steady approach provided the enhanced financial situation that EH needed to survive the "Great Recession." Some of these changes, especially staff reductions, were not popular with residents, but they resulted in a stronger Emerald Heights.

The Great Recession, 2007 – 2009, was the most severe financial meltdown since the Great Depression. It was typified by an extended period of reduced financial activity. Causes varied, but primary among them was an increase in real estate prices in the 2003-2007 period, much of it fueled by the use of sub-prime mortgages to back real estate transactions (often involving financing with zero down payments). The value of mortgage-backed securities held by banks declined during this period, and several banks failed. Practically speaking, the result was that banks were unable to provide funds for individuals or businesses needing funds for operations or expansion.

A collapse of the real estate market followed, leading to a reduction in home values, sometimes up to more than 25% in parts of the Seattle market. The prospect of taking this much of a loss on the sale of their home caused many prospective residents to decide to wait before they could sell and move. Since moving to Emerald Heights also required payment of the entrance fee, many prospective residents were unable to pay as a result of not being able to sell their home. EH did provide some loan assistance for those who qualified, but apartments stood empty for longer than usual between tenants.

Emerald Heights weathered these storms with strong financials and actuarial data in the 90th percentile of CCRCs. This was actually a great time to move to EH for those who did not have a home to sell, but a difficult time for those locked in to higher priced real estate.

The liquidity crisis extended for several years, delayed any possibility of expanding to new sites. Basically, there were no funds for financing new projects, perhaps similar to the problems encountered by local lenders at the time of EH's initial financing.

A Gala Celebration was held in October 2012 to celebrate **Emerald Heights' Twenty Year Anniversary Celebration** (Ref 18). It was clear that Emerald Heights was a going concern, with a strong group of residents, a multitude of resident activities, a strong Board and a great campus. The big issues from that past 10 years had been addressed with improved space for resident activities and additional housing in both Independent Living and in the Corwin Center. Attendees at the Gala, including residents, staff and Board, heard from those who moved in in the 1990s, including 35 original residents who were still here. New CEO Lisa Hardy said: "This is a community that I call 'home,' a wonderful community of staff, residents and Board who share a common bond of appreciation for Emerald Heights and a shared passion for ensuring its future success."

Expansion Beyond EH: Emerald Communities

In 2004, the ERA Board had developed a separate Planning Committee to look at the possibilities of expanding to a new site. This was based on the original purpose of ERA when it incorporated as a 501© (3) charity, as stated in the articles of incorporation, "to provide, maintain and operate retirement homes and other facilities…for elderly persons, and to provide…services to meet (their needs)." There were no senior facilities in the area at the time, and it was understood by the founders and by future Boards of Directors that Emerald Heights was to be just the first of several retirement communities and related services that would serve the elderly in the area.

This planning committee considered national trends and local market potential to help them determine "what next?" Working from the strong base of EH financial reserves (primarily from entry fees), they explored affiliations, new business lines and possibly the purchasing of similar organizations. Also considered were possible "greenfield" (from scratch) developments. At the end of the strategic planning process, the Board agreed that ERA should look to create or acquire a second campus.

The ERA Board also realized that in developing the second campus, their overriding responsibility was to protect the assets of Emerald Heights, and to provide for the security of EH residents. The problem was that if funding for a new community were to be carried out directly by ERA, it would put EH's assets at risk since Emerald Heights' assets could be considered collateral for the loan. This is discussed in detail in the document "Why was Emerald Communities Formed?" available on the EH Resident's Portal (Ref 19).

To overcome this problem, a new, separate parent corporation was formed to oversee both EH and any new developments: ERA would continue to be the governing Board for EH, while the new parent corporation, now called "Emerald Communities" (EC), would handle all operations related to new sites or programs. Operating costs for the new corporation were not separately budgeted and EH would provide needed operating funds from its reserves. No capital funds were provided to Emerald Communities at that time. This lack of operating or capital funds for EC would become a sticking point in the relationship between the ERA and EC Boards, a difficulty not resolved until much later (see Appendix 2).

EH residents were NOT happy with this idea of developing other communities, principally because they feared that this would take away the focus from Emerald Heights in the governance structure. There was also lingering suspicion that EC could siphon funds away from EH. Several demonstrations along with heated remarks in Resident Association and in smaller group meetings did nothing to change the Boards' or the residents' minds. In the end, the only funds that were provided to EC by ERA was in the form of loans, and that was also dealt with by later boards.

The ERA Board forged ahead and formed the EC Board to enable possible expansion with EH assets protected. Once EC was formed, the ERA Board essentially reported to the EC Board, and ERA decisions needed approval of EC before being effective. The exception was that only the ERA Board could approve funds over \$1M that might be used by EH or advanced to EC. This reporting relationship continued until 2016 when a

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section. new management agreement provided that each Board would control its own budget. Details on the EH management agreement and on EH governance in general are provided on the EH "Board Corner" section of the resident portal (<u>Ref 20</u>).

Emerald Communities' search for a new site for a senior community was drawn out and difficult. Between 2004 and 2007, the EH and EC Boards reviewed dozens of potential sites. On the most promising sites, they checked everything from ground water to local regulations. Eventually, they felt that they had found an appropriate site and began detailed planning. However, proceeding became impossible—the Great Recession was here and no capital funds were available to develop anything. The project was put on hold and EC was at a standstill until after 2010, at which time they reviewed and updated potential sites.

In 2012, EC focused on a promising site in Gig Harbor, which later became the Heron's Key (HK) project which opened in 2017. To demonstrate that the EC Board's resolve NOT to use EH assets for the new community, funding for HK was kept entirely separate from EH—and as a result, HK funding required a higher interest rate than they could have had if EH assets had been provided as collateral. In 2022, EC was able to refinance the HK loan to reduce the loan interest rate.

EH did assist in the initial planning of HK by providing a \$10M loan to EC for that purpose, to be repaid when HK became self-sustaining. EH had also loaned funds to EC to cover administrative costs that HK could not pay during its development. These loans, taken from the EH reserve fund, appear as assets in the EH balance sheet. They are expected to be repaid when HK is 90% occupied and in a sound financial position.

Major EH Campus Upgrades 2012-2017

Emerald Heights planning in 2004-2006 had recommended the expansion of the fitness/wellness center and of our dining venues. Also recommended was a study for a new set of apartments in a new building. The development of detailed plans for these projects took place over several years and included considerable resident input. The result was the opening of

- A new Fitness center, 2012,
- The Pavilion building, 2014,
- New Dining venues, 2014,
- Forty three IL apartments in the new Trailside building in 2014.

Accompanying these additions were improvements is resident spaces. The living room was enlarged and redecorated by moving the library, which had been in the back part of the lobby area, to the former game room. The Tahoma room was created from unused outdoor space and took the place of the game room, and a new Chapel was created. The corridor updates in the main building included new lighting, new apartment portals and new art on the walls, the latter developed by a resident committee.

These enhancements and the increased spaces in the main building and in Trailside required the addition of new staff positions in maintenance and housekeeping, which

were partially paid for from the monthly service fees from the resident of the new apartments in the Trailside building.

During planning and constructions, many residents could see no reason for these enhancements, especially the updates for the living room (lobby). The administration went through quite a process to include resident input choosing chairs, wall coverings, and other upgrades. The overall result was a great improvement—and rendered immediate praise from most residents!



The new fitness center provided much improved facilities, including a weight room, fitness studio, changing rooms and a nearly-Olympic size pool equipped for both exercise and therapy. The fitness center greatly enhanced the opportunity for resident wellness and the fitness staff provided both fitness classes and individual personal training.

Fitness Pool during a class

The new dining venues, Madrona, Copper and Hook and Embers provided an immediate boost to morale, as they provided more and better space along with better service than before. Embers had been envisioned as an elegant, fine dining experience, but its enhanced menu (and prices) were not well received, leading to its eventual closure.

The Pavilion building, encompassing the new Emerald Room with the Avondale and Sammamish rooms provided enhanced space for both large and small meetings. Accompanying this was a KHTS studio with enhanced capabilities along with new audio-visual capabilities for the Emerald Room.

A computer-based Resident Portal, using newly developed technology, was developed in 2015 and residents were encouraged to use their computers to obtain information on current events and sign up for trips and other activities. For those without computers, many obtained tablet computers or smart phones. This made information more available, although in some cases it was still difficult to find specific information and some residents saw no reason to rely on a computer for up-to-date information.

Since Emerald Heights was developed as a 501©(3) charity, EH invests in Community Grants to local charitable organizations who provide services to the elderly and to others in need. The annual amount available for these contributions equals 10% of a 3-year trailing average of investment dividend and interest less fees. Recipients include organizations working to alleviate hunger, placing homeless in shelters, and organizations such as Medic 1 that provides emergency medical services to those in need. Residents and Board members provide input as to the charities considered. A listing of organizations receiving support annually is listed under Board publication on the resident portal.

With responsibilities for both Emerald Heights management and needs related to EC, CEO Hardy developed a new position, EH Executive Director, to take over the immediate administration of Emerald Heights. Ms. Leah Diehl served in this position,

2012 – 2015; Grant Linacre filled this position on an interim basis until he was appointed permanently as EH Executive director in 2017.



The new facilities and technology enhanced daily life at Emerald Heights. Jim Heer* presented numerous piano concerts and expanded the Christmas Choir to an annual event. The newly relocated lawn bowling green was open as was a new croquet court. On an EH-group Alaska cruise, 95-year-old Dave Merrill* went zip lining.

Leah Diehl, Executive Director 2014 – 2017

The Garden Railroad was upgraded and enhanced with train runs all summer. In Corwin, the use of therapy dogs was tried, and the resident's association in 2013 developed a new Communications Committee to try to provide enhanced communication between residents, administration and Board.

Trailside building construction meant removing over 40 carports, making parking more of a problem on campus, and new residents were asked to bring only one car with them. The construction itself was noisy and caused consternation of nearby residents who felt that they were living in a construction zone, but the construction finally was completed in 2014. Trailside originally was designed to be "green" with natural cooling and no need for air conditioning. This did not work out, and AC had to be added after completion, dislocating some residents when construction occurred in their apartments.

Somehow, construction and upset seemed to be a theme here, and some residents questioned whether construction at EH would ever stop; at least the Trailside and Pavilion projects were complete. Most residents were able to stick to their regular routines, until the dining room renovation project, which moved all meal service to the Emerald Room. This was very disruptive as the food did not seem so good, selections were limited, and service declined. Unfortunately all of these types of problems were to arrive again in 2022.

Finally, in 2017, with the Pavilion and its new Emerald room, the Trailside building and the dining room renovations all completed, EH held a Gala Celebration of the **25 years of Emerald Heights: "Remembering the Past, Looking to the Future"** (<u>Ref 21</u>). Grant Linacre, Executive Director, led a walk down memory lane by many residents.



A Time Capsule that had been buried in the fireplace chimney in 2002 was opened and the contents displayed for everyone to enjoy. This included a series of aerial photographs of the development of Emerald Heights, several of which have been included in this history. A new Time Capsule was filled and re-buried in the chimney, to be opened at the EH 50th anniversary in 2042.

When the celebration was over, the Ukulele Chorus closed the festivities with their appropriately re-written song for this occasion, "Over 520 and Up the Hill."

Over five-twenty and up the hill, to Emerald Heights we go! It's always a thrill to drive up that hill, when it's covered with ice and snow! Our twenty-fifth year, which we all cheer, a capsule of time's delights! And we will throng, should-we live so long, to the fiftieth of Emerald Heights!

Sung to the tune of "Over the River and Through the Woods to Grandmother's House We Go," words by David* and Marilyn Pratt.*



Opening Trailside also meant that we were introducing 80 new residents to EH all at once. The Residents' Council developed activities for welcoming these new residents and helping them integrate into our activities and life.

Chapter 4 Emerald Heights Today

It had been recognized as part of the strategic planning process in 2010 that EH's Assisted Living facilities were inadequate for today's needs and that a completely new AL building with single occupancy rooms would be needed. The plans for this new building included 56 one-bedroom AL apartments (later scaled down to 54) along with private rooms for the original Corwin Center space. Because the increased number of apartments in AL increases staff costs, part of this planning included additional IL apartments in the Courtyard building to bring in the needed extra operating funds to cover those costs.

These buildings were delayed by a lawsuit filed by residents of Abbey Road, the neighboring subdivision, who complained that the AL building would remove too many trees and sundry other complaints (several complained that they did not want a bunch of senior citizens monitoring their houses from across the street). This lawsuit was protracted and appealed several times, but was found in EH's favor and construction began in 2022 (Round 2 to EH!).



EH Main Entry prior to the Façade upgrade. Compare the Giant Sequoia to its photo in the Wilson Circle dedication in Ch. 2. Photo courtesy of RFM.

Also recognized was the need to update the "look and feel" of the Emerald Heights facility. The exterior looked dated with 1990s siding and the building also needed updated windows in all parts of the facility to improve insulation and save on utility costs. This plan, the "façade project" had been planned for 2021 when ideally the AL

* Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section. and Courtyard buildings would have been completed, had those buildings been allowed to start construction in 2015.

The delay for the Courtyard and AL projects to 2022 caused both projects to proceed together with the façade project, leading to more construction upset for residents. The façade project seemed to be proceeding very slowly, with different activities being undertaken when others could have been completed. This was quite concerning to those residents with completed interior windows and doors, but with incomplete work on balconies, the exterior and landscaping.

The centerpiece of the façade project was a new entry to the main building, which took many months to complete. This included a new front entry, new Porte Cochere and an upgraded look and feel.

The Courtyard building project began in late 2022 and included a tower crane that attracted interest. Courtyard is scheduled to be complete in 2024, with the new Assisted Living building in 2025. The planned footprint of Emerald Heights, including these new buildings, is presented in the diagram at the end of this chapter.

Add to these projects a needed kitchen upgrade along with staff shortages in the dining department, resulting in limited menu options with only take-out meals available. As a result there were no Thanksgiving or Christmas celebrations at Emerald Heights for 2022! Residents had lived through this sort of problem earlier when the Madrona and Copper and Hook spaces were remodeled in 2013. Needless to say, the situation was not ideal, but the result was worth the wait, as has been the case before.

Covid-19 also played an important role in Emerald Heights during 2019-22. Beginning in 2019, flu and then Covid-19 restrictions shut down admissions to the Corwin Center and restricted independent living residents interactions. Using masking requirements and extra cleaning, daily activities were restricted at various times until late 2022. Many interactions became Zoom events during this period, and the administration worked hard to develop EH vaccination programs for each batch and variant of the Covid-19 vaccine. Unfortunately, we lost a few residents and staff members due to Covid-19, and we grieve those losses.

Many of the inconveniences during this period were related to shipping problems and supply shortages related to the overall world economy in the wake of Covid-19. This led to a variety of shortages, which delayed parts of the upgrade program due to lack of materials. Inflation also hit everyday life, with increased gas and food prices and the need to increase salaries and wages to attract talent throughout the organization. Resident service fees were increased to match increased operations costs, especially related to our desire to attract and retain the best personnel.

Covid-19, followed by construction, slowed the normal interrelationships between residents, but, when possible, socialization and events did continue. The dining room

had special events for Octoberfest and Independence Day, as well as for Thanksgiving and Christmas, even though all meals were take-out. Food trucks were tried as a way to diversify the dining experience. Regular activities, including a Christmas Concert, Ukulele Chorus sing-alongs and many others continued. The EH Railroad lost a year due to façade construction, but was present in the display cases and train runs in the lobby as a Christmas treat for all. The fitness center made a strong comeback with new personnel and programs, while pickleball, golf, lawn bowling and croquet were going strong. And we finally got door openers for all laundry and other doors, thanks to the work of John Bailey*!

Emerald Heights 30th year came in the midst of all of these distractions and some disappointment related to the various delays, but the community spirit of Emerald Heights never left and the vitality is on its way back. The community celebrated its 30th in several ways, including a talk by the author with slides outlining the history of EH (see resources for the video), and a scavenger hunt in which residents searched for less-used areas in the building including the Hairport, Rainier Dining Room and the Craft Room to help newer resident further explore our facilities.

A celebratory Wine and Appetizer happy hour on October 30 wrapped up the 30 year anniversary event. Executive Director Grant Linacre noted the growth since 1992, when there was a total of 36 residents (the current number is 550). He also pointed out the original residents who are still with us: **Jane Turnbull, Nina Bygland** and **Dolores Griffith**. Staff who have been with us since the beginning are Ngoc Vu in housekeeping and Kay Wallin in Marketing, now VP for Marketing and PR for Emerald Communities.

Dwight Whiting, Board Chair, noted that the Board is always actively looking for ways to support the people who live and work here, which is part of our long term success. He indicated that catering to the lifestyles of those who live here, and by providing a compassionate environment, we believe that Emerald Heights will only keep progressing foreword and be shaped and re-shaped by residents and they progress through life.

Irene McEwen, current President of the Residents' Association, noted that one of her favorite thing about EH is how different each person who lives here is in their experiences and interests. This really creates a neighborhood where people find commonalities or try something new. Whether people are walking or dining together, there is an openness and willingness for interaction and community. She also shared personal stories about her parents, John* and Isabel* McEwen who were long-time residents of Emerald Heights.



This was a grand way to wrap up 30 years of Emerald Heights. Sure glad we got that liquor permit (see Ch. 3)!

Now, in early 2023, the façade project is near completion and residents rejoice that we can again use the new front entry. We see that the "look and feel" of EH has changed to something more modern and more functional, that will last for the next 30 years. The construction of the Courtyard and Assisted Living projects are proceeding and we will again be welcoming new residents. We look forward to a great future for this, our own Emerald Heights Community!

Looking to the Future

In 2016, a management agreement was adopted by the ERA (EH), Heron's Key (HK), and Emerald Communities (EC) Boards of Directors to define interactions of the three separate corporations, ERA, HK and EC, and to better protect the assets of each. ERA and Heron's Key are "Affiliates" of Emerald Communities, with each corporation having its own Board of Directors. The management agreement provided specifically that each Board controls its own budgets.

In 2017, EC realized that mutual needs and actions needed to be even better coordinated among the three boards, so the board structure was changed such that members of the Boards of ERA, HK and EC include all the same individuals. This enables each Board to focus on the separate business of each community, while having an understanding of the needs of each of the 3 corporations.

These actions by the Boards of the three corporations led to a great number of resident questions, many of which were answered during a set of small meetings in 2018 between residents and board members. To provide a permanent record of these and similar questions and their answers, the ERA Board developed a written set of responses, and provided them for resident reference in the Board section of the resident portal (<u>Ref 20</u>). This resource is periodically updated and enables residents direct access to answers related to EH finance and governance.

With the clarification of the reporting requirements and governance structure, the ERA board designated itself informally as the <u>Emerald Heights Board of Directors</u>. The EH Board continued its strategic planning process for future on-campus development, and obtained resident input on needed facilities enhancements. The clarification of the governance structure also enabled the EH Board to resolve several fiscal uncertainties from past ERA actions described in Chapter 3 above. Those specific actions are discussed in Appendix 2.

As in any corporation, it is important to understand the role of the EH Board of Directors. As s 501(3)(c) corporation, the Board governs the organization, and all funds are kept for use by the organization, as determined by the Board. The first and foremost job of any Board is the <u>Continuation of the Enterprise</u>. This is critical because each EH resident has a contract that states that they are to be cared-for for the rest of their lives. Each member of the Board has a fiduciary responsibility to each Board, making decisions with a duty of care, loyalty and commitment to each. This includes taking

^{*} Denotes former resident; Bold denotes current resident 2022. (-) denotes a reference. Click on the number for a direct link, or refer to the reference section.

care of resident needs, employee circumstances and investor expectations. That is, the Board makes its decisions taking each of these areas under consideration.



The Board reviews annual budgets proposed by management and makes appropriate adjustments by assessing a number of factors, one of the most important ones of these being occupancy. Changes in occupancy by a few percentage points can make a big difference in total income, since occupancy relates directly to the amount collected from monthly fees. An actuarial study, done periodically, ensures that there are sufficient assets to guarantee resident contracts.

Diana Jamison, CFO. 2022-

Budgets and finance are coordinated by new Chief Finance Officer (CFO) Diana Jamison. Finances are fully audited annually by an outside national firm, in compliance with industry "best practice."

The Board also focuses on considerations of resident finances, which may be tied to the variability of the stock market. The Board reviews local and national salary levels and fixes EH staff salaries at levels to ensure that we keep our best employees. Careful fiscal management is always a focus of the Board, including the need to pay debt service as part of the operating budget and not from reserves; this is one of the reasons that EH has an excellent credit rating. And, of course, inflation impacts all parts of the budget.

Many factors need to be considered to develop a budget that works for the community. Capital expenses rely on the EH reserves held in the stock and bond markets. These reserves, in turn, give EH a strong basis for borrowing funds as needed for major projects. However, added expenses for operations of the new spaces, including maintenance, housekeeping and serving staff add to the operations budget. Clearly, budgeting is complex and requires considerable expertise and understanding by the administration and the Board. Residents have often criticized specific actions of the Board and of the administration, but it must be understood that such actions are taken only in light of considerations needed to ensure continuation of the enterprise.

This emphasis on the Board of Directors is important for residents to understand. The Board developed Emerald Heights in the beginning and has faithfully carried through these 30+ years, developing a top quality life care community that is prepared for the future. All Board members are volunteers, and the Board has always included both community members and EH residents; three residents currently serve on the Board, with two from Emerald Heights and one from Heron's Key.

It should be noted that the residents who serve on the Board serve not as representatives of the residents, but as members who have the success of Emerald Heights as their fiduciary duty, and vote accordingly. This ensures that Board actions focus on both long and short term actions of importance to the community, and to its long range health. Having residents on the Board is somewhat unique among CCRCs; having the resident voices on the Board also ensures that resident concerns are heard. Residents who have served on the Board over the years are listed in Appendix 1.

As we go into the future, we see that Emerald Heights has a sound financial basis, energetic and interested residents, a focused administration and a strong Board, ready for whatever the future holds. The Reality of today is that Emerald Heights is here to stay. Whitney Corwin's Vision has been fulfilled!

References

From your computer, click the link or follow the details below.

- Ref 1. "Whitney Corwin—A Man of Vision," article by Frances Faulkner* from <u>Emerald Lights,</u> <u>Fifth Anniversary Issue, Oct. 1997</u>, p. 3.
- Ref 2. History 1, Harry Wilson video interview by Ellen Taves.
- Ref 3. "Determination and Realization," interview of Harry Wilson with Beth Cole,* <u>Emerald Lights, Oct. 1997</u> p. 4.
- Ref 4. <u>Our Town Redmond</u>, by Nancy Way, published by Marymoor Museum, 1989, pp 144 and 150-152; on reserve in the Emerald Heights Library and available at Amazon.
- Ref 5. "Cold War Defense on the Eastside: Redmond, WA and the Nike Missile Project," May 27, 2020 is <u>Here</u> Eastside Heritage Center, Bellevue, WA.,
- Ref 6. History 3, Wellington Westbrook video interview by Ellen Taves.
- Ref 7. "Lifetime Guarantee Sets Emerald Heights Apart from other Retirement Communities," by Dr Larry Turnbull, 1992 (unpublished) <u>Here</u>.
- Ref 8. "An Emerald Heights Man of Distinction," Interview of Harry Wilson by Joe Coppock, <u>Emerald Lights, May 1994</u>, p. 7.
- Ref 9. "<u>The Bumblebee Cannot Fly</u>," A.S. Waldrop, World Press 2015; see also section on "<u>Misconception about Flight</u>" on Wikipedia.
- Ref 10. "At the Construction Site Every Day," an interview of Jack Wright by Joe Coppock, <u>Emerald Lights, July 1994</u> p. 8.
- Ref 11. <u>History 4</u>, video of interview with Kay Wallin and Marta Wilson by Ellen Taves.
- Ref 12. CEO Don Scott in <u>Emerald Lights, January 1995</u> p. 2.
- Ref 13. "History of our Campus Landscaping" by Jack Wright, Emerald Lights. July 1997 p. 8.
- Ref 14. "Five Great Years" Anniversary Issue," Emerald Lights, October 1997.
- Ref 15. "A Decade of Excellence," Tenth Anniversary Issue, Emerald Heights, October 2002.
- Ref 16. "Emerald Heights Garden Railroad," in <u>Garden Railroading News, November/December</u> <u>2022</u>, pp. 8- 13.
- Ref 17. "The Corwin Center: Making Life More Enjoyable," Emerald Lights, October 2002, p. 8.

Ref 18. "Twentieth Anniversary Celebration 1992-2012", Emerald Lights, October 2012.

- Ref 19. "<u>Why Was Emerald Communities Formed?</u>" report by Tom Stoebe, 2015.
- Ref 20. "Board Corner" Discussion on Management and Governance.
- Ref 21. "25 Years of Emerald Heights: Remembering the Past, Looking to the Future," <u>Emerald Lights, October 2017</u>.
- Ref 22. "Emerald Heights Mission Fulfilment" Video Presentation, 2022.

Additional resource that may be of interest:

"<u>Thirty Years of Emerald Heights</u>," Video summary focused on the early years of Emerald Heights, by Tom Stoebe. The Presentation slides are <u>Here</u>

Appendix 1

Glossary

ERA is the Eastside Retirement Association, doing business as Emerald Heights, an affiliate of Emerald Communities. The ERA Board of Directors is known informally as the Emerald Heights Board of Directors.

HK refers to the Herons Key retirement community in Gig Harbor, an affiliate of Emerald Communities. HK has a separate Board of Directors.

EC refers to Emerald Communities and the Emerald Communities Board of Directors.

IL refers to Independent Living AL refers to Assisted Living SN refers to Skilled Nursing MC refers to Memory Care

Presidents of the Emerald Heights Resident Association 1993 - 2023

Jean Gallios 1993 Ginny Ean 1998 Dick Pryne 1999 Jane Turnbull 2001 Cathy Moody 2002 Gene Hall 2003 Don Bowman 2007 Ralph Dines 2009 Don T. Williams 2010 Keith Gilbert 2011 Tom Stoebe 2012 Ted Bell 2014 Marilyn Baier 2015 Pat Duffy 2016 Carlos Caguiat 2017 Nancy Clancy 2019 Irene McEwen 2021

Emerald Heights Residents who have served on the Emerald Heights Board, 1992 – 2023, In Order of Service

Harry Wilson Jack Wright Bill Dumar Frank McAllister Jane Turnbull Don Peterson Cathy Volwieler Jean Gallios James McGrath Ginny Ean Daryl Plager Barbara Knopf Ron Kroeger Jane Walls Dick Swope Larry Pinnt Gordon Lindblom Tom Stoebe John Clark Pat Duffy Jeff Jones Judy Richards

Appendix 2

- When the Board structure was changed, the Affiliate Management Agreement was agreed to by each of the three corporations. This agreement transferred certain personnel, previously on the EH payroll, to the EC payroll in exchange for a management fee. In essence, the EH payroll decreased when this transfer of individuals occurred, to be replaced by the fee paid to EC. The terms of the Affiliate Management Agreement are subject to periodic reviews.
- When EC was formed, its operating costs were paid by EH from its reserve funds. These costs were accounted for and reported in fiscal data, but it was recognized that these were "sunk costs"—that is, costs that have already been incurred and cannot be recovered. Payment for these costs came originally from EH reserves and did not involve the operating budget. For these reasons, the EH Board wrote off these costs and removed them from the financial statements.
- When EC was developing Heron's Key, the ERA Board in 2012 provided a loan of \$10M to EC to cover startup costs. In addition, while HK was filling its apartments, their original funding covenants limited the amount it could pay to EC for management services. The difference between what HK could pay and the required EC fee for management services was made up by further loans from EH to EC while that covenant was active. It is important to note that all of the loans were always to EC—there has never been any direct fiscal interaction between the EH and HK corporations, specifically to protect EH assets. Both sets of loans to EC carry a 4% interest rate. An initial repayment of \$3M toward the principle of these loans has been paid to EH in early 2023.
- EC was also developed as a 501©(3) charitable institution specifically to handle the expansion of services to seniors. That mission had originally been part of the ERA charter, and the most impactful way to do this was determined to be the development of new senior communities, as discussed earlier. As has been noted, no capital funds for any new ventures were provided to EC when it was founded. As a result, in 2012 EC had to borrow funds from the EH board for the preliminary development work on HK, as noted earlier. To avoid this type of need in the future, the Boards of EH, HK and EC developed a "Mission Fulfillment" program to provide EC with funds for future capital development. The Mission Fulfillment program was undertaken in 2020, funded initially with \$10M from EH reserves; this fund is enhanced further by an annual transfer of 10% of net entrance fees received by EH (22).

About the Author

Thomas G. (Tom) Stoebe moved with his wife Jan to Emerald Heights in 2009. He has served as President of the Residents' Association (2012-2014) and as a member of the ERA Board of Directors (2014 – 2020). On the Board, he served on the Finance Committee, co-chaired the Board Communications Task Force and served on the Governance Task Force.

Tom was a Professor of Engineering at the University of Washington from 1966 – 2006, where he enjoyed teaching both undergraduate and graduate students. He also served as an administrator, including service as Associate Dean of Engineering and Chair of the Department of Materials Science and Engineering. His research programs involved electronic and optical materials with application in semiconductors and sensors, areas in which he has published widely.

This history project was not an unfamiliar project to Tom. He edited a history of his Department of Materials Science and Engineering, which is the successor of the original UW College of Mines, on its 100th anniversary in 1994 and provided input for the Department's 125th anniversary in 2019.

Tom is a strong supporter of ways to enhance science teaching in K-12 Schools, and has developed curricula in that area focusing on using everyday uses of engineering and science to demonstrate to students the importance of science in our everyday lives. This includes founding of two ongoing programs, the Washington Mathematics Engineering Science Achievement program (MESA) for disadvantaged secondary students, and a program to help teachers include more applied and engineering in science classes. Tom's consulting activities includes editing and publishing educational curricula as part of a program supported by the National Science Foundation. His consulting company, Materials Education Associates, partially supported production of this History.

Jan and Tom have enjoyed travelling the world, their favorite trip being to Antarctica. Locally, they have enjoyed boating and skiing, tennis and other sports. Tom is currently a member of the Garden Railroad Committee, the Ukulele Chorus and the Lawn Bowling group.







A MEMBER OF EMERALD COMMUNITIES

On the back cover: Emerald Heights 2025, showing building names and building letter nomenclature.

