

# LAKELAND HILLS HISTORY PART 7

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## Transition to Evergreen-Tucci

The Fall 1999 Lakeland Living Newsletter set out the tone of the moment following months of uncertainty as things drug on with insufficient sales of completed units in relation to the costs going into the development. Several emails, phone calls and a personal interview with Chuck Reppas, Henderson - Lakeland companies CFO from the mid 1990's and former Homeowners Association BOD President, was very helpful in interpreting Newsletter and Newspaper articles of that time. His stories and lore provided a much clearer understanding of conditions in the background of what otherwise could only be seen on the surface.

Chuck Henderson understood the size and complexity of the development. He knew the importance of keeping it in the public eye, providing curb appeal and ensuring satisfied homeowners. To that end he assigned responsibilities of planning, engineering, publicity, finance, construction, and sales, with himself acting in an overall coordination position. As part of this action, he subsidized maintenance of the common areas, fought the consistent roadblocks to clearing title to sections of the property, and worked with the City of Auburn, the City of Pacific and Pierce County. To address the deep felt concerns of homeowners about traffic, amenities, and on site administration, he brought in professional management to build committees and oversee onsite HOA management.

He also subsidized a commercially printed Newsletter, a Social and other committees, involving many volunteers, to provide leadership in community activities.

The plans for the neighborhood monuments, the Community Center building and landscaping were all done under his oversight. Early in 1999, however, with several monuments complete and applications for permits and necessary financing thought in place for the Community Center building, the Nations Bank acquisition of Bank America brought about policy changes. The Henderson companies were given a schedule for action that included substantial changes in the asset/payables relationship. Henderson hired Price Waterhouse to find a source of capital infusion, but this moved too slowly and the company's credit lines were lost. Development and construction by his company(s) ground to a halt.

In a publicized press conference and meeting with local residents in August 1999, Michael J. Corliss and Michael F. Tucci, as principals of Lakeland Communities LLC, laid out some of their plans as the new Developer of Lakeland. Clearly,

their plan was based on a schedule they had already put into place. They announced some of their progress:

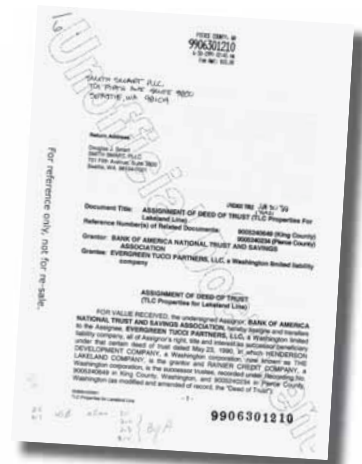
- Management and development of the property had been put into the hands of Investco, a Mike Corliss enterprise.
- Incomplete homes had been sold to builders for completion.
- Lake Tapps Parkway construction was moving forward.
- The Lakeland Community Center construction would soon start.

Marty Waiss, Investco President (an ex CPA in the Banking industry) was a valuable resource for information about this transition period. He was on site and shared much of the action. Working alongside him was Chris Huss, Attorney on the Tucci and Sons staff. When work ground down, Tucci and Sons was working on the Lake Tapps Parkway and, at the time, they were the largest of the Henderson Companies 270 creditors.

When crunch time came, Chris remembers they had just six weeks to do all "due diligence" and set up the acquisition plan. Although there was a "whole pile of work left to do", the ribbon was tied soon after their analysis. The data corroborates what had been gathered through other sources. The Creditors shared alike, settling at \$.50 on the dollar of debt they were owed. It is suspected the lenders also took a hit, but less deep.

Searching the recordings, a picture comes to mind of the bow being put onto a package. At 2:45 PM on June 30, 1999, a series of documents were recorded with great precision. Each had a small number in the upper left corner.

Numbers 1 through 8 were "Deeds of Trust" for properties set up in the name of the Henderson Companies by the U.S. Bank, National Association. These were assigned to Evergreen Tucci Partners, LLC. Going on, numbers 9 through 15, "Deeds of Trust" for properties set up in the name of the Henderson Companies by the Bank of America National Trust and Savings Association were also assigned to Evergreen Tucci Partners, LLC. On July 15, 1999, further transfers to the Tucci Partners, LLC, in the form of "Deeds In Lieu of Foreclosure" were granted by The Lakeland Company as signed by Charles Henderson, President. This created an almost total transfer of ownership and established the plan referenced in the August press conference. Properties involved in the ownership transfer that were not located in Lakeland are not addressed herein.



## HOA Management Transfer

As Investco assumed the overall management, including property development and internal policies, Chuck Reppas was given a one year contract to continue administering the external and social issues of the Association. The BOD and officers were all chosen from the Tucci and Corliss companies. This

worked well as the unfinished condition of several divisions under development were addressed. The Lake Tapps Parkway was the essential key to residential and commercial construction permits. Over a three year period, the Tucci Bros completed these projects as well as handled negotiations with the State, Pierce and King Counties, Auburn and Pacific; and the Great Northern Railway.



At the end of the transition year with Chuck Reppas, total management was assumed by Investco. The most visible lead was Sandi Roberts as the HOA President. She had previously been with the Weyerhaeuser Properties. Site management was changed from Kappas Miller to Michael Taylor Inc with a goal of more hours on site leading to greater enforcement of the rules and more promotion of owner involvement.



Just one year after that introductory Tucci/Corliss press conference, the Fall 2000 Newsletter updated development in a very upbeat manner: *"a) It is expected the Parkway will be completed between East Valley Highway and the Sumner Tapps Highway by the beginning of 2001, b) Sunset Park construction is starting, c) The Athletic Center Building (as a portion of the Town Center) and the Town Center are underway with expected completion near the end of 2001, d) Housing developments coming on line are the second phase of Viewridge, Ashton Ph I, Evergreen Ph I, Eastpointe, and the first phases of condominium projects Heatherwood and Foxwood, e) Polygon is joining the builder pool, f) The Information Center is open daily between 10 AM and 6 PM."*

The builders who were in some of the areas at the time of transition completed their commitments. To introduce different housing styles, the Heatherwood condominiums and the Foxwood townhomes were built by Tarragon, a Mike Corliss company. Polygon entered a joint venture with the developer, covering about 400 lots, to build out the balance of Ashton, Evergreen and a portion of Eastpointe.

**The projections made at the August 1999 Press Conference had come to pass.**

### Some Interesting Points

Lakeland Communities LLC later became Evergreen Tucci.

Though as an Association, the Lakeland HOA is not taxed on our King County COMMON area, we are charged with property taxes for "open space" within Pierce County. When this issue was discussed with Chris, he shared that they had made an attempt to get these taxes forgiven in the earlier years but that failed. He was pleased to hear that we are now coming close to some satisfaction on this "costly problem".

To a direct question, Chris gave an offhand estimate that more than \$50,000 of the cost of the Community Center Building and grounds was forgiven as the title was transferred to the HOA. As "Developer", they also continued with necessary subsidies in the development of committees, social activities, and to an extent, the HOA operating budget.

Chris wanted to once again express their satisfaction of the coop-

eration received in working with the Public and Private crews, including Chuck Henderson who had set up the Public – Private Development program for building the Parkway. The number of officials and ordinary citizens is LONG – one of the many names standing TALL is Pierce Co. Engineer Tom Ballard.

Marty shared a story concerning a building inspector from Florida doing ongoing due-diligence for the lender in 2006. During their parting conversation the inspector said he had inspected over 1,000 grocery anchored shopping centers all across the country, and in this category, the Lakeland TOP Food was the nicest grocery store that he had ever stepped foot into. TOP Food and Investco, who had built and owned the buildings, were both given quite a tribute.

*Author's note: Chapter 8 will appear in the January 2011 Issue of the Newsletter bringing a year by year report of growth as the buildable space nears completion and management transitioned from the Developer to an all Owner Board.*

## New home electrical service can keep your house from 'burning up'

Every year, tens of thousands of homes burn down due to faulty electrical systems. Most of these electrical fires, and subsequent loss of life and property, could have been prevented. Here in the Puget Sound area, homeowners now have access to the gold standard in electrical system evaluation, know as CurrentSAFE. Offered through the Residential Services Department of Independent

Electric, one of Western Washington's most trusted electrical contractors, CurrentSAFE is a revolutionary method of electrical testing. With state-of-the-art equipment, Independent Electric's ASNT-certified electricians can test the wiring behind the walls to uncover issues before it's too late. After a thorough inspection, homeowners receive a comprehensive report detailing shock hazards and electrical

issues for every single outlet, appliance, light fixture, and electrical panel. With more than 25 years of experience in residential and commercial projects, Independent Electric can easily handle any residential repair. Puget Sound homeowners can now take advantage of a free visual electrical system assessment, which usually takes less than 2 hours, to help determine if their home needs CurrentSAFE.



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