

From the Puget Sound Business Journal:

<https://www.bizjournals.com/seattle/news/2019/06/20/charlie-wright-middle-market-rd-merrill-gardens.html>

Charlie Wright says 'middle market companies are economy drivers'

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Charlie Wright joined the family business in 1994 as chairman and CEO of R.D. Merrill Co., historically a timberland holding company, but one that was looking to reposition itself, find new opportunities and diversity.

Founded in 1890, family-owned R.D. Merrill is now the parent company of Merrill Gardens, which owns and operates 33 senior communities in eight states and has 10 in development over the next few years, as well as Pillar Properties, which has built eight apartment buildings and has five more in development over the next few years.

Pillar properties recently announced a joint venture with Innovation Realty Partners to develop phase one of the Sammamish Town Center, and Merrill Gardens is now expanding into China with four communities operating there and several in development.

As a fourth-generation leader of the family business, Wright was named Middle Market Family Business Executive of the Year by the Puget Sound Business Journal.

How would you describe how your leadership style and how it has contributed to the company's growth? When I came on board there were no constraints placed on the R.D. Merrill Co.'s ability to diversify away from timberland, and there was strong encouragement from family shareholders to try new ventures and to take risk. I had the same view that we should be wide open to new opportunities. We tried a lot of things in the early 1990s before settling on a plan to build Merrill Gardens as the centerpiece of the re-envisioned R.D. Merrill Co. and we launched Pillar Properties 10 years ago. I have always been willing to finding top tier talent to carry out our operations initiatives. So far, so good.

What has led to the impressive growth R.D. Merrill has seen over the last few years? The most significant catalyst for growth in the past 20 years has been the launch and the steady expansion of Merrill Gardens senior living. R.D. Merrill President Bill Pettit guided the assembling of an excellent operating team and buoyed by aging demographics, Merrill Gardens has been able to grow almost without interruption since 1994. Pillar Properties has grown quickly as well, with a focus on developing, owning and operating a core portfolio of premier multifamily properties in the Puget Sound region — and handling all the development for Merrill Gardens.

How do you plan to keep that momentum going? On the senior living side, the United States population continues to age, with the most significant bulge expected several years from now. We have three new communities slated to open next year. We recently announced our partnership between Pillar Properties and Innovation Realty Partners to develop the Sammamish Town Center, and that project will include senior living and multifamily properties. In terms of the family business, we are preparing for a generational transition in the R.D. Merrill Co. It is very exciting that there are members of the next generation of the family who are part of the company. They are learning the ropes in senior housing and preparing to step up and move the business forward.

Why did you decide to expand into China? The senior population in China is immense, yet there is very little availability in the way of established modern senior housing models. The industry in China in many ways is where it was in the United States over 20 years ago. My son Cole Wright was living in China for much of the last decade and we put all these things together and concluded we should step in and see if we could build a company there. Under Cole's leadership we launched our operations in China in the same way we launched Merrill Gardens, with a focus on quality characteristics.



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Charles Wright is the chairman of the R.D. Merrill Co.

How do you describe the middle market in Washington? These middle market companies are economy drivers in our state. They may fly under the radar at times but in many cases, these are innovative companies that continue to grow and evolve. We are proud to be considered part of that group.

Why does there seem to be a lack of family-owned businesses in the Middle Market? Maintaining a family business long term can be challenging, and we are proud of our history that dates to the 1890s. It is easy to see how family companies could dismantle after a few generations or be purchased by larger public companies. It is a testament to the generations that came before me and those who will follow me that we are able to maintain and grow as a family enterprise.

What went into the decision to have top executives who are not family members? There are many aspects of the overall scope of R.D. Merrill Co.'s business that entail considerable risk and complexity, principally Merrill Gardens, and to a lesser extent, development activities at Pillar Properties. Because of that, it was essential for us to have seasoned professional managers in these divisions.

This story has been edited for length and clarity.

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