



CREATING CARING COMMUNITIES

## HISTORY OF THE HIGNELL COMPANIES

The foundation of The Hignell Companies (formerly Hignell & Hignell, Inc.) was laid over 60 years ago in 1948, when Fred Hignell Jr. partnered with Floyd Strange to begin Hignell & Strange, Inc. Prior to this time, Fred was working and began some real estate investing on the side in the Bay Area, then bought a cattle ranch in Alturas. After a year of cattle ranching Fred's wife found the location too remote and wanted to relocate to Chico. Meanwhile, Floyd had his own company and was building individual homes in Chico. When Fred and Floyd joined forces, they were able to build large numbers of homes. Over the course of nearly 20 years, they built approximately 1000 homes in Chico, along with an apartment complex and Longfellow Shopping Center.

In the mid 1960's the market was in a downturn and Floyd Strange wanted to retire, so they went their separate ways, and Fred went into "semi-retirement". From the mid 1960's to 1971 Fred continued to work part time developing lots that could be sold and managing his investment portfolio.

In 1971, Fred's son Doug was 28 years old and had completed a Masters in Civil Engineering from Stanford, and an MBA in Finance and PhD in "Management of the Total Enterprise" with an emphasis in long term planning from The Stanford University Graduate School of Business. During his PhD program he partnered with two friends from his MBA program and started a small consulting firm where they helped businesses find money for startups. His most interesting client was a real estate syndication group. Taking the theoretical models they were learning in business school and applying them practically enabled Doug to see what kind of work he most enjoyed. He had a developer's itch that he inherited from his dad and loved seeing building projects emerge from nothing. When he completed his PhD, Doug and his wife had three small children and he was tired of life in the city. Since he had been raised in a smaller town he felt more comfortable pursuing his real estate ideas in a smaller community rather than a metropolitan environment.

Doug contacted his father and asked him if he would be willing to come out of retirement and start a business with him with a real estate focus if he moved his family back to Chico. Doug was willing to work full time and Fred wanted to work part time, allowing him to travel regularly. Doug had few assets coming out of school, and Fred had more assets to work with. Fred had development experience and Doug had little experience but did have formal business training. With these complimentary skill sets, a general sense of what they wanted to achieve, and a secretary, The Hignell Companies was born.

From the very beginning Doug took on a great deal of responsibility with his father traveling 3-4 months out of the year. In the back of Doug's mind was the concept of forming group real estate investments. After only one year, in 1972 they found their first good investment property and partners who were willing to invest with them. They worked hard to keep the investors local and worked with such families as the second generation of the Enloe family, best known for the hospital that bears their name.

By the mid 1970's they had formed general partnership investments for several apartment complexes and developed their first commercial property at 5th and Mangrove in Chico. In the late 1970s they moved from finding investment properties to building their first investment property, a 114 unit apartment complex called Train Station. Since that time The Hignell Companies has continued to build investment properties, including apartment complexes and commercial properties.

Early on, the need for professional property management became apparent, so rather than outsourcing this, they formed their own property management company and hired somebody with that experience to manage their



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## HISTORY (CONT.)

properties. They also developed a strong accounting department to ensure the investors and owners had clear reporting and disbursements. It took a number of years before they began expanding to manage other properties that they had no ownership in but with the ups and downs of the investment market, the need for steady cash flow, and the expertise they had pulled together, this direction made sense. In addition to managing apartment complexes, they also began managing Homeowner Associations, with an ever increasing portfolio of properties.

The next step was developing their own construction and maintenance department so that they would not have to always rely on 3rd party vendors to take care of the properties that they oversaw. Over time that department came to include construction, painting, plumbing, electrical, heating and air conditioning and cleaning services. This department serves not only the Hignell managed properties, but also any homeowner or commercial project that requires services.

In the late 1980s and early 1990s The Hignell Companies continued to build properties, including two large apartment complexes in town, Amanda Place with 144 units, and Forest Avenue with 224 units. In 1999 they built a 44 unit Senior Assisted Living Facility, The Courtyard at Little Chico Creek and in 2004 they built Sterling Oaks, a 188 unit luxury apartment complex. Because of the ups and downs of the economy and the careful thought of not overbuilding the local real estate market, the Property Management, Community Association Management and Construction Services arms of the business have become, in recent years, a more significant focus than the development arm.

Several years ago Doug determined that it was essential to adjust the leadership of the company in order to grow to the next level and have the impact on Northern California that he wanted the company to have. Doug hired high quality executive leadership to take over the day to day operations of the business, including a Phil Larios as President, as well as a CFO and a professional HR Director. They moved into their current facility in 2004 and have been growing ever since. Eventually, Phil Larios became President & CEO. The company expanded into Redding in 2017 and operates offices now in both Chico and Redding.

With a strong executive team in place, Doug's role is now to be the Chairman and oversee the company from a bigger picture and a strategic level. His key focus is on ensuring the culture of the company stays on course and is living out their mission to "Create Caring Communities that Transform Lives." With every decision that is made, Doug's eye is on the principles that define The Hignell Companies...Living in His Presence, Resting in His Provision, Demonstrating His Kingdom. He is also the "chief lover of people" in the company, working hard to ensure that he connects with the employees in meaningful ways.

Today the business has approximately 180 employees, and manages over 40 associations comprising over 6,000 homes in the Community Association Management division, along with 20 apartment complexes, 12 commercial properties and hundreds of single family homes in Northern California.

Fred worked with Doug until 2005, when he retired at 86 years old to take care of his wife, who is suffering from Alzheimer's disease. To this day Fred and his wife still live in the same home he built in 1958, and through wise investing and careful living, Fred and his wife have been incredibly generous with their family and community.