



The State of Senior Living & Long-Term Care



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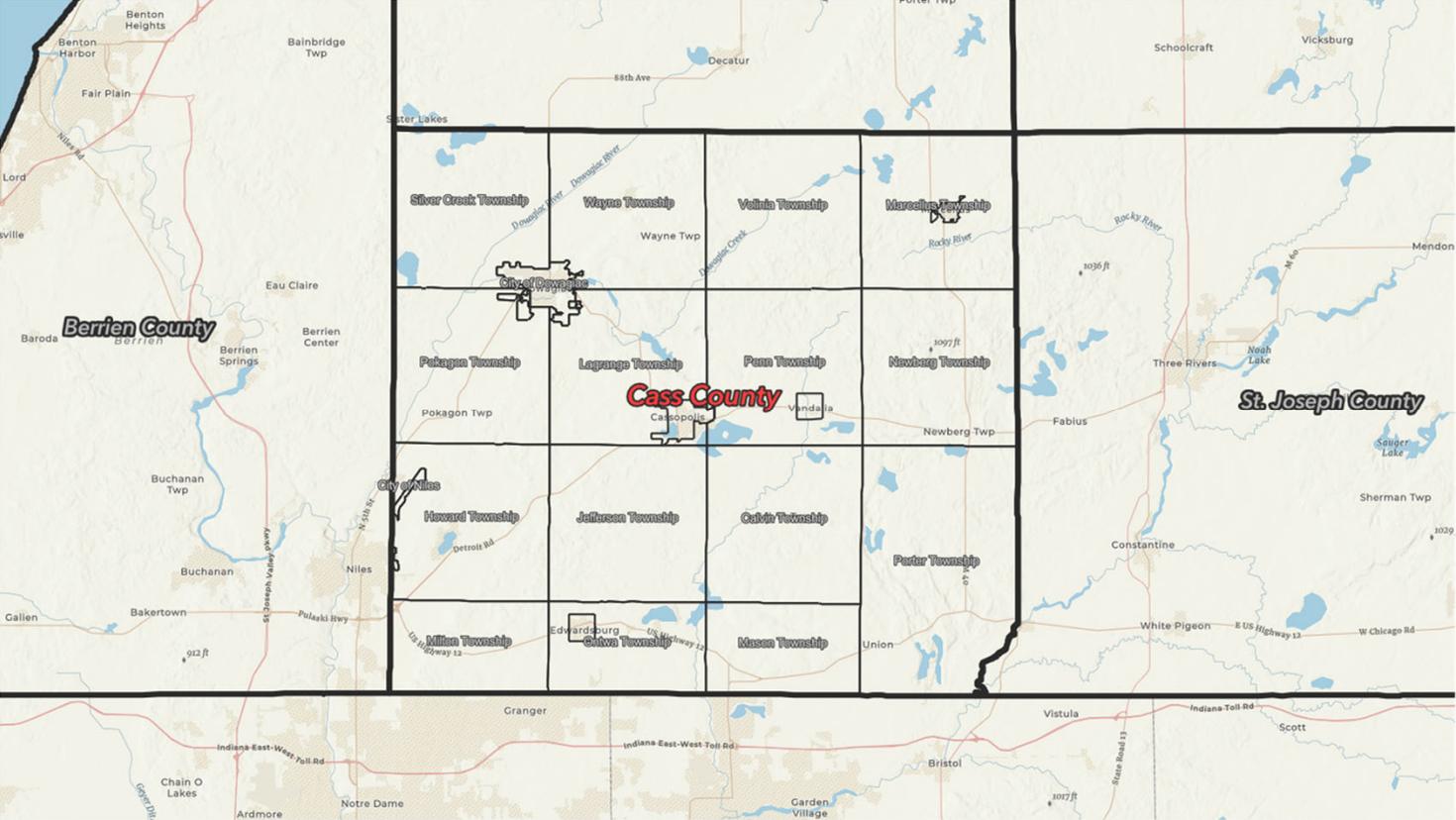


Proposed Agenda

- Introductions All
- Site Overview Matt Davis
- Market Study Results Sally Heffernan
- The State of Senior Living for Long Term Care Providers Dana Wollschlager
 - Senior Living in a Post COVID World
 - Industry Dynamics and Market Realities
 - Asset Repositioning for Long Term Care Facilities
- Options for Future Development Dana Wollschlager

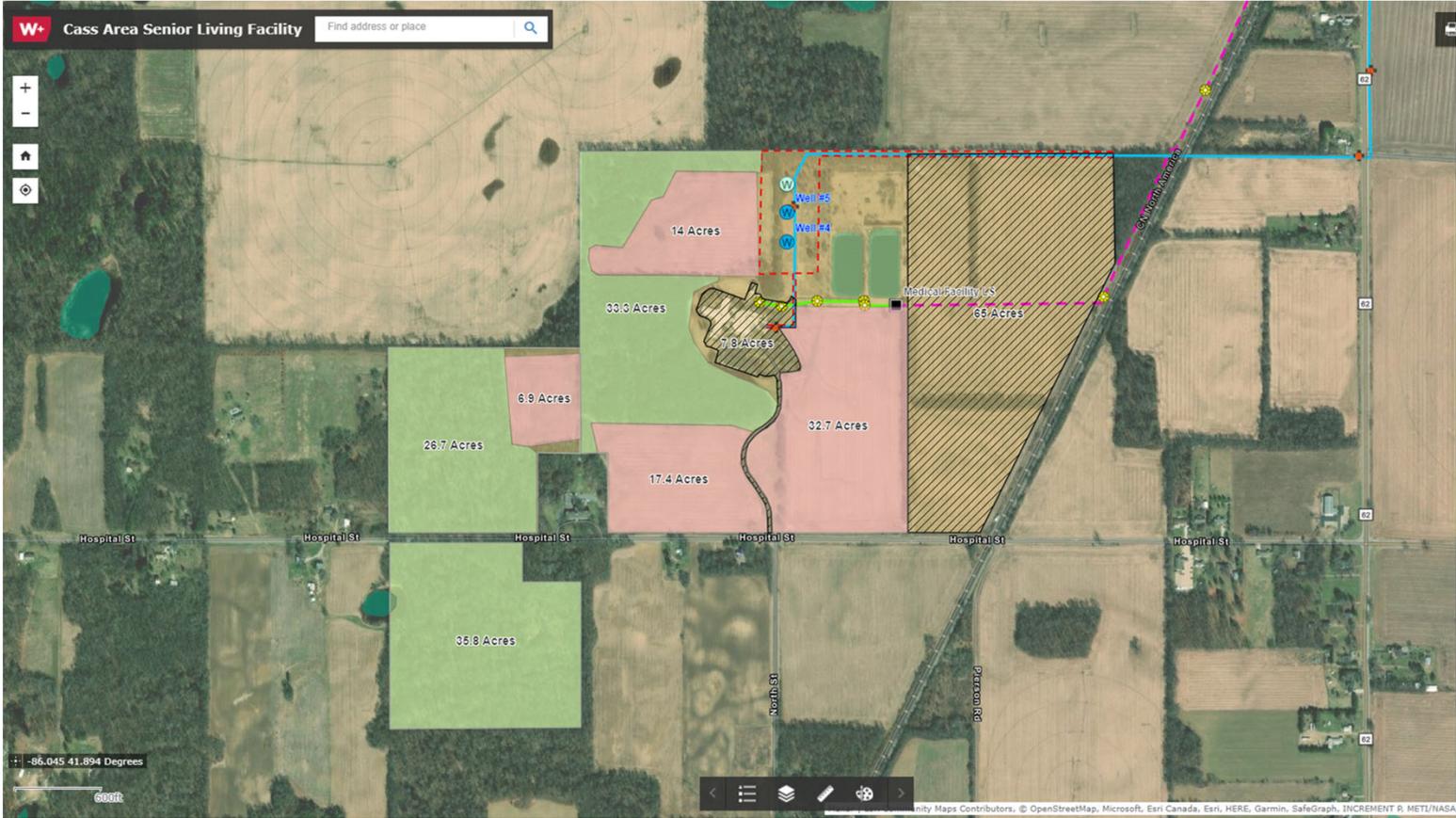


Site Overview





Site Overview





Engagement Overview

Market Study:

- Private pay and low income/subsidized market analysis of the following care levels:
 - ✓ Independent Living (IL)
 - ✓ Assisted Living (AL)
 - ✓ Assisted Living Memory Care (MC)
 - ✓ Nursing Home (NH): long term care and short-term rehab
- Stakeholder interviews with key community members

Summarization of options for future development:

- ✓ Public
- ✓ Private
- ✓ Public Private Partnership (P3)

Review of Market Study Results





Market Feasibility Analysis

- Definition of primary market area based on analysis of historical resident origin and discussions with management
- Analysis of economic and demographic characteristics of the market area
- Analysis of existing and planned competitive offerings in the market
- Unit potential and penetration rates calculations
- Interviews with key influencers in the area



Market Feasibility Analysis

Owner Occupied Housing	Housing					A La Carte Services
Active Adult	Housing	Socialization				A La Carte Services
Independent Living	Housing	Socialization	Housekeeping	Laundry	Meals	
Assisted Living	Housing	Socialization	Housekeeping	Laundry	Meals	Personal Care
Memory Support	Housing	Socialization	Housekeeping	Laundry	Meals	Personal Care Memory Support
Nursing Care	Housing	Socialization	Housekeeping	Laundry	Meals	Nursing Care





Market Feasibility Analysis

Cass County MCF Unit Configuration

Care Level, Unit Type	Size (Sq Ft)	Rates	Beds
Skilled Nursing			
Private	200	\$ 340	6
Semi-private			74
Total			80

	Occupancy		
	2019	2020	Jun-21
Skilled Nursing	91%	76%	82%



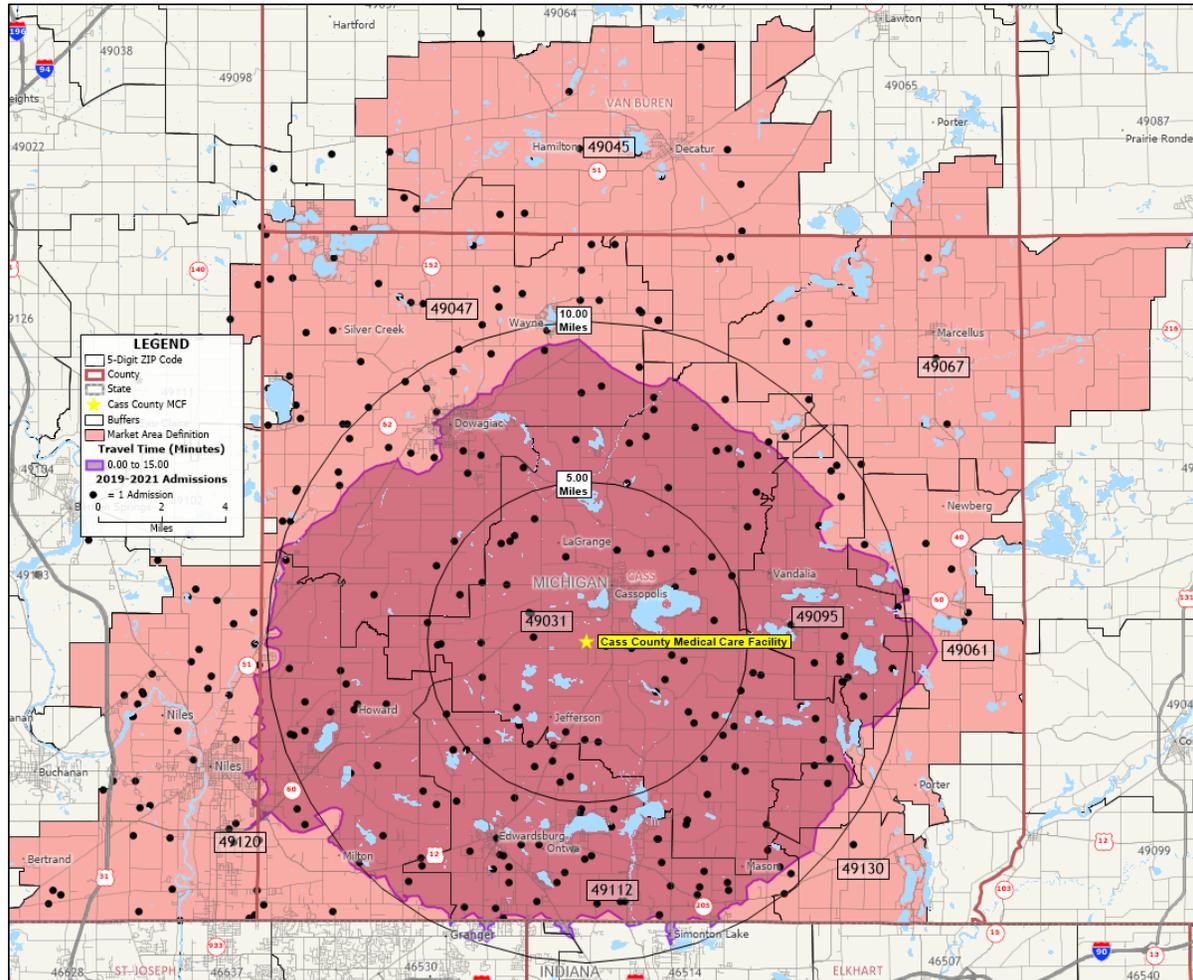
Market Feasibility Analysis

Unit Potential		
Independent Living:		<u>Subsets</u>
Market Rate: \$35,000 screen	80	
Subset: Entrance Fee		70
Affordable	180	
Assisted Living & Memory Care:		
Market Rate: \$50,000 screen	60	
Subset: Assisted Living Memory Care		40
Affordable	80	
Nursing Home:	-21	

- The market can support up to:
 - **80** additional market rate independent living units (assuming a \$35,000 income screen), of which up to 70 could be entrance fee units
 - **180** additional affordable IL units
 - **60** additional market rate assisted living & memory care units (assuming a \$50,000 income screen), of which up to 40 could be memory care units
 - **80** additional affordable AL units
- The nursing home market has **excess beds**. Even though there is no additional nursing home bed potential, CCMCF should consider repositioning the existing 80 beds to add additional private units as the consumer preference is for private units.



Market Feasibility Analysis



91% of resident admissions from 2019-2021 came from these 9 zip codes.



Market Feasibility Analysis

Demographics			
		<u>2021</u>	<u>2026</u>
Total Households		33,736	33,751
Households Age 65+		11,389	12,486
HH 65+; Household Income <\$28,500		3,111	2,993
Households Age 75+		4,703	4,873
HH 75+; Household Income <\$28,500		1,648	1,557
HH 75+; Household Income \$28,500+		3,055	3,316
HH 75+; Household Income \$35,000+		2,612	2,892
Households Age 45-64		12,713	11,820
HH 45-64; Household Income \$75,000+		5,954	6,323
HH 45-64; Household Income \$100,000+		3,975	4,518
Median Owner-Occupied Housing Unit Value	\$	147,598	\$ 160,598
Percent HH Age 75+ Owner-Occupied		84%	83%
Median 65+ HH Income	\$	46,524	\$ 52,154
Median HH Income	\$	57,149	\$ 63,950

The market area has:

- **Low** number of senior and adult child households
- **Below average** homes values and **high home ownership** among seniors

Long Term Population Projections for Cass County as a whole:

- 65+ population will grow **21%** from 2020-2040
- 85+ population will grow **93%** from 2020-2040

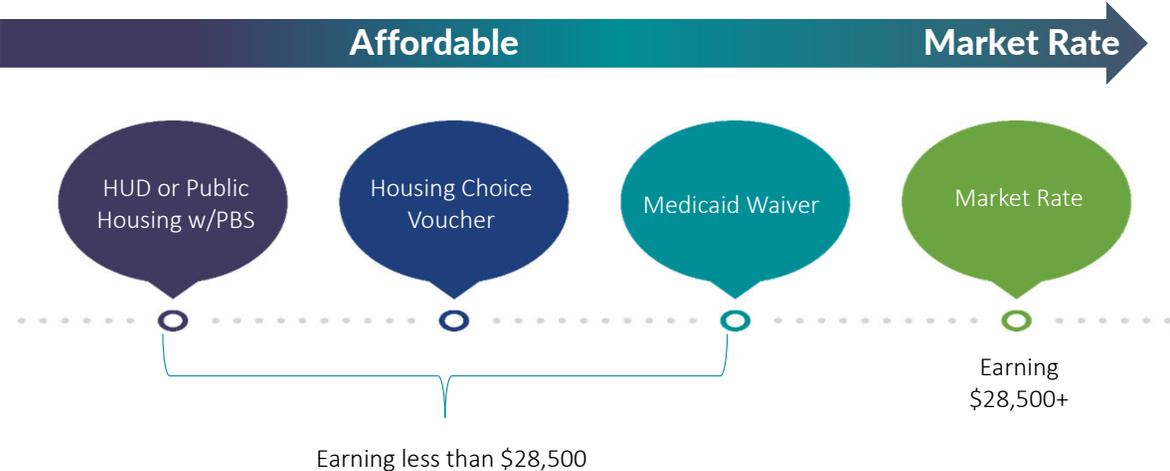


Market Feasibility Analysis

2021 Area Median Income (AMI)

Cass County, MI			Median Family Income 1 Person: \$47,800		Median Family Income 2 Person: \$54,600	
Household Size	30% of AMI Extremely Low	50% of AMI Very Low	60% of AMI LIHTC Max	80% of AMI Low	140% of 60% of AMI	
1 Person	\$14,340	\$23,900	\$28,680	\$38,200	\$40,152	
2 Person	\$17,420	\$27,300	\$32,760	\$43,650	\$45,864	

Source: FY 2021 HUD Income Limits per Novogradac & Company LLC





Market Feasibility Analysis

Households Ages 65+ and Ages 75+ by Income			
	2021 Estimate	2026 Projected	Percent Change 2021 - 2026
Householder Age 65+			
Affordable			
< \$28,500	3,111	2,993	-3.78%
% of total 65+HH	27%	24%	
Michigan	29%	26%	
Nation	30%	27%	
Market Rate			
\$28,500+	8,278	9,493	14.67%
% of total 65+HH	73%	76%	
Michigan	71%	74%	
Nation	70%	73%	
Householder Age 75+			
Affordable			
< \$28,500	1,648	1,557	-5.49%
% of total 75+HH	35%	32%	
Michigan	37%	34%	
Nation	38%	35%	
Market Rate			
\$28,500+	3,055	3,316	8.53%
% of total 75+HH	65%	68%	
Michigan	63%	66%	
Nation	62%	65%	

The market area has a **lower percentage** of low-income seniors compared to the state and nation.



Market Feasibility Analysis

Supply		
	<u>Current Market Area Occupancy</u>	<u>National Occupancy 2Q 2021</u>
Market Rate Independent Living	75%	83%
Affordable Independent Living	Upper 90%	Upper 90%
Market Rate Assisted Living & AL Memory Care	88%	76%
Affordable Assisted Living	Upper 90%	Upper 90%
	<u>2019 (Pre-Covid)</u>	
Nursing Home	79%	80%
excluding low performing outlier	87%	

The market area has:

- **Below average** market rate independent living occupancy; however, there is only 1 market rate independent living provider in the market area
- **Typical** affordable occupancies
- **Above average** market rate AL and MC occupancy
- **Above average** NH occupancy (excluding the low performing outlier)
- No known active development



Market Feasibility Analysis

Penetration Rates		
Market Rate Independent Living: 80 unit project		
	<u>2021</u>	<u>2025</u>
Gross Market: \$35,000 screen	0%	2%
<i>Benchmark</i>	15%	
Affordable Independent Living: 180 unit project		
	<u>2021</u>	<u>2025</u>
Gross Market: <\$28,500 screen	9%	14%
Market Rate Assisted Living & MC: 60 unit project		
	<u>2021</u>	<u>2025</u>
Gross Market: \$35,000 screen	24%	28%
<i>Benchmark</i>	40%	
Affordable Assisted Living: 80 unit project		
	<u>2021</u>	<u>2025</u>
Gross Market: <\$28,500 screen	4%	14%
Nursing Home		
	<u>2021</u>	<u>2025</u>
Gross Market: All Payors	2%	2%
<i>Benchmark</i>	2%	

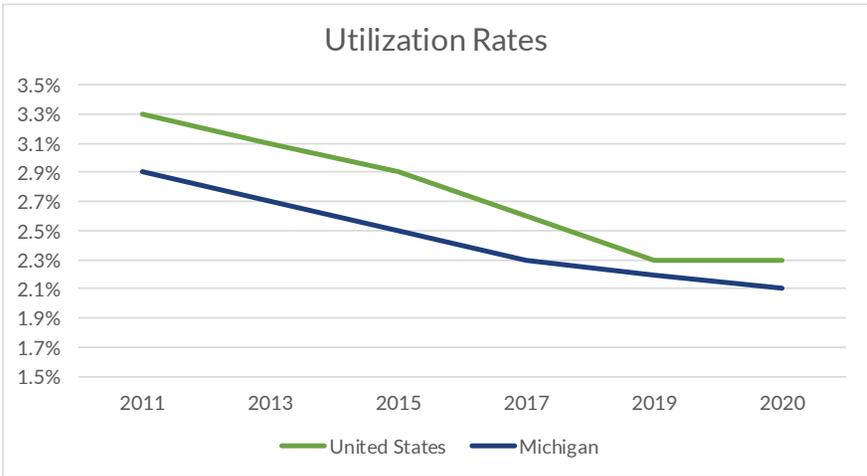
- The market rate IL, AL, &MC penetration rates are below the national benchmarks which is a **favorable indicator**.
- There are no national benchmarks for affordable senior living, but the penetrations rates appear appropriate compared to market rate senior living.
- The NH penetration rates are in line with the national benchmarks.



Market Feasibility Analysis

National and State Historical Nursing Home Utilization Rates							
Location	2011	2013	2015	2017	2019	2020	% decrease from 2011 to 2020
United States							
Nursing Home Residents (A)	1,370,680	1,359,645	1,351,616	1,321,663	1,246,079	1,290,177	
Population 65+ (B)	41,346,659	43,861,920	46,876,971	50,275,374	53,490,437	54,964,989	
Utilization Rate (A/B)	3.3%	3.1%	2.9%	2.6%	2.3%	2.3%	-30%
Michigan							
Nursing Home Residents (A)	39,664	39,254	39,144	38,062	37,547	36,749	
Population 65+ (B)	1,375,627	1,453,612	1,549,903	1,644,061	1,735,634	1,791,548	
Utilization Rate (A/B)	2.9%	2.7%	2.5%	2.3%	2.2%	2.1%	-28%

Sources:
 KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data.
 Claritas



From 2011-2020, nursing home utilization has **decreased** 30% for the US as a whole and 28% for Michigan



Market Feasibility Analysis

Estimation of Nursing Home Bed Need What If Pre-Covid Utilization Continues

	2025
Total Age Qualified Population 65+ (A)	19,433
2025 Utilization Rate	2.18%
2025 Calculated Bed Need Based on Utilization (B)	423
Less: MA Competitive Beds at 90%	444
Bed Need (Excess)	(21)

What If Utilization Decreases by 25%

	2025
Population age 65+	19,433
Utilization at 75% of current	1.63%
2025 Calculated Bed Need Based on 75% of Utilization	318
Less: MA Competitive Beds at 90%	444
Bed Need (Excess)	(126)

What If Utilization Decreases to 1%

	2025
Population age 65+	19,433
Utilization at 1%	1.0%
2025 Calculated Bed Need Based on 1% Utilization	194
Less: MA Competitive Beds at 90%	444
Bed Need (Excess)	(250)

The “What If Pre-Covid Utilization Continues” estimates a **bed excess** of 21 beds in 2025. This excess assumes the current utilization continues as 65+ population grows.

The “What If Utilization Decreases by 25%” is a calculation to estimate the impact of seniors choosing to utilize home and community-based services rather than move into a nursing home. Based on industry research, a 25% decrease in the nursing home utilization is used and results in a **bed excess** of 126 beds.

The “What If Utilization Decreases to 1.0%” is based on the utilization experienced in Oregon and Arizona. This calculation results in a **bed excess** of 250 beds.



Key Influencer Interviews

Take aways from the key influencer interviews include:

- There is a need for more senior housing in Cass County, especially targeted to the **affordable** and **moderate-income** markets
- More assisted living **memory care** is needed in Cass County
- **Transportation** issues impact a large number of Cass County residents
- There is a **staffing** shortage in Cass County which is impacting the ability to provide home health services
- Mixed opinions exist on the appropriateness of the **CCMCF campus** for expansion of senior living. All agree the property is beautiful. About half the respondents are worried about the isolated location and the inability for residents there to access the greater community and socialization, especially once they can no longer drive. Others say that the county is very rural, and the residents are used to that.
- Cass County residents requiring dialysis, TPN (infusion), and tracheotomy care must **leave the county for treatments**

Exponential Change Requires Transformational Leadership





Influencers that **CANNOT** be Ignored

- Inadequate reimbursements & financial pressures
- Increased demand for Home and Community Based Services
- Increased competition and preferred senior living options in the marketplace
- Significant leadership turnover
- Caregiver/Labor Shortages
- Increased consumer expectations
- Functionally obsolete buildings/assets
- Inadequate capital investments over the years
- Increased acuity and shorter lengths of stay
- Increased technology demands





Survey by Longevity Economy & Dr. Joseph Coughlin

#1

2020 becomes distant memory...gradual rebound to 2019 levels and then growth occurs aligned with pre-pandemic projections.

2020 

#2

Older adults delay entrance into senior living, utilizing technology to remain in the family home



#3

Senior Housing without Walls Grows – Enable tech supported solutions and other home and community-based services



#4

Innovators create a more desirable product that simply excites prospects more than staying in their family home or existing residence – Its Nirvana





COVID-19 Impact on Industry



Continued Bifurcation of the LTC Industry

- Financial Sustainability
- Transparency in reporting to residents, families, investors, etc.
- Strong v. Weak performance, Stable v. Declining
- High Quality v. Low Ratings

Headwinds

- **Struggling Census** – likely the best we will see if for some time
- **Increased competition** across all levels of care
- Increasingly **elevated expenses** are likely here to stay
- **Consumer appeal**
- Need to **rebuild** in times of high expectations and deep anxiety, uncertainty
- Federal, state and local guidelines and restrictions, increased regulations = **operational changes**
- **Labor considerations** – attracting and retaining talent
- Higher lender/investor **scrutiny**
- **Leadership fatigue:** Avg. NFP CEO 16 years



COVID-19 Impact on Industry



Tailwinds

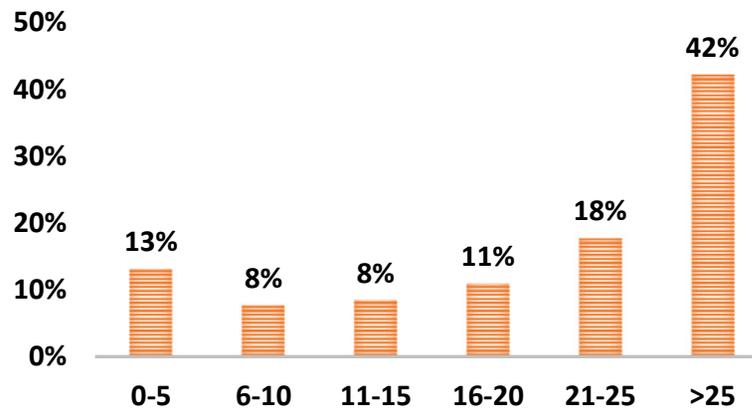
- Overall **demographics** are still strong for senior living
- This recession/depression was caused by a health crisis, NOT an economic crisis. The **economy was healthy**
- Many feel that **housing prices** may hold and that volumes may only be affected
- **Favorable** interest rates
- **Strong housing market** in many regions
- High amount of **capital** has been raised for senior living investment and it is not going anywhere
- **Slowdown in new projects** in overbuilt areas will be good for those markets
- Senior living as an **asset class** compared to office, retail, and hospitality is better off



Senior Living in a Post-COVID World

Critical Actions – Asset Repositioning

PERCENTAGE OF SENIOR HOUSING PROPERTIES BY AGE GROUP



Much of the existing supply is outdated:

60% of Senior Housing is more than 20 years old



Senior Living in a Post-COVID World

Critical Actions – Asset Repositioning

- **Increased square footage** – allowing for social distancing in common areas, production areas, resident spaces, and staff areas.
- Ongoing Resident and Employee **Protection**
- Improved **Air Quality**
- **Security**
- **Technology** & IT Infrastructure
- Enhanced **Outdoor Spaces**
- Perceived & Actual **Cleanliness**
- The **Dining** & **Culinary** Experience
- **Socialization**, Health & Wellness
- **Capital Expenditures**





Senior Living in a Post-COVID World

Critical Actions – Technology

Providers must accelerate the digital transformation While many were already taking an agile approach to digital transformation, the crisis likely exposed deficiencies and forced organizations to move faster. The crisis may have also unearthed some opportunities to pursue competitive advantage as well.

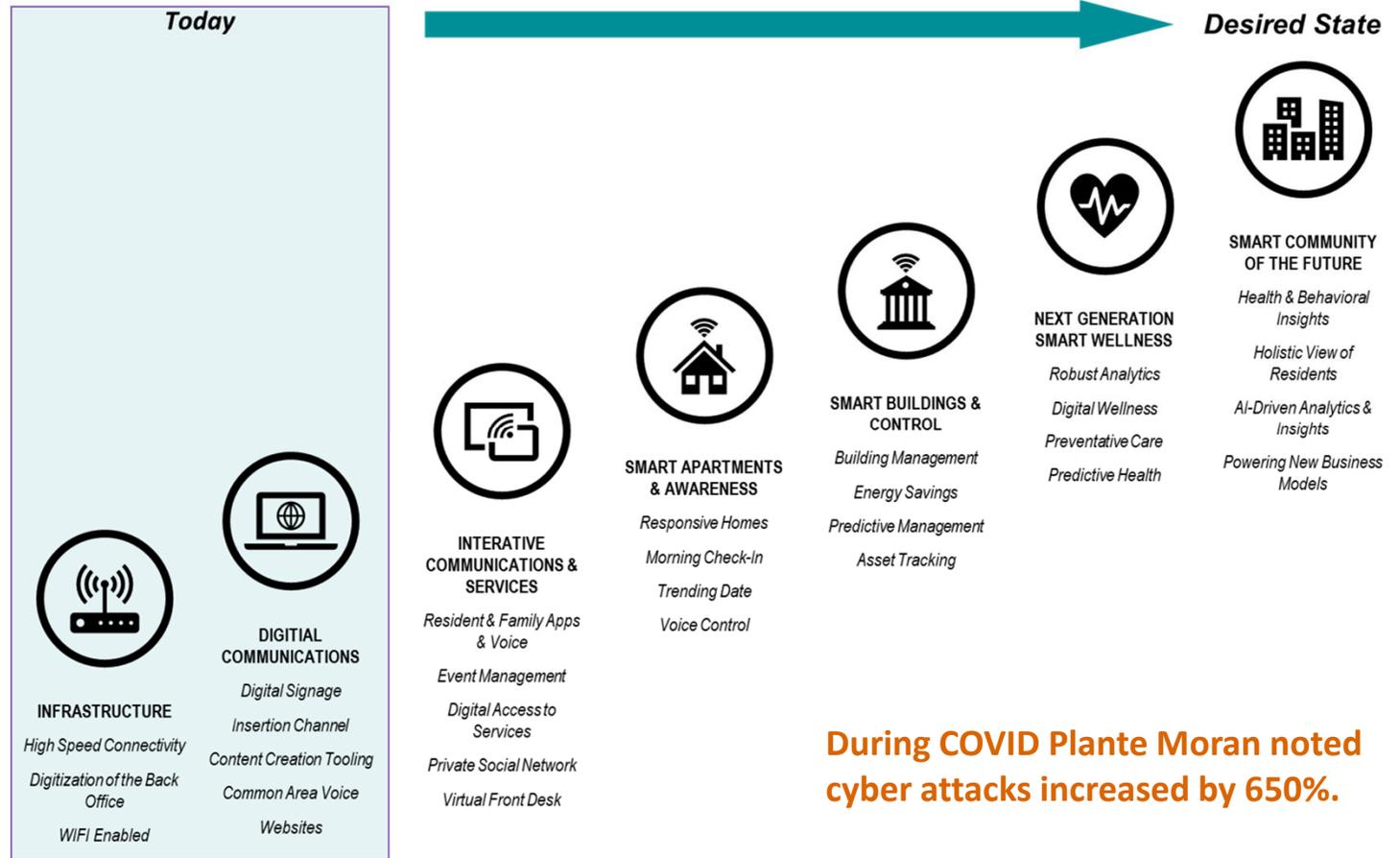
- Technology & IT Infrastructure
- Stable high-speed internet
- Virtual Programming
- Social Connectivity
- Telehealth
- Thermal Scanning
- Online Ordering & Cashless Sales
- Robotics & Drones
- Control Access & Security to manage entrance and exits onto the campus
- Cyber Security





Senior Living in a Post-COVID World

Critical Actions – Technology

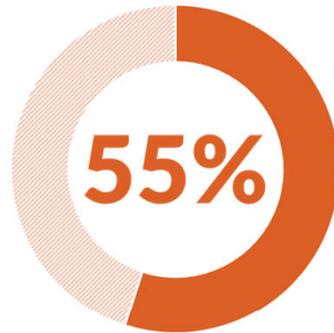


During COVID Plante Moran noted cyber attacks increased by 650%.

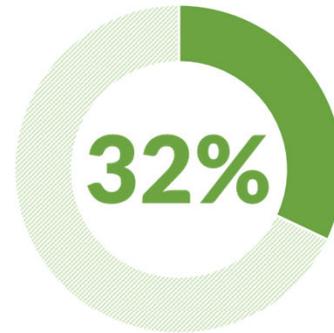


Senior Living in a Post-COVID World

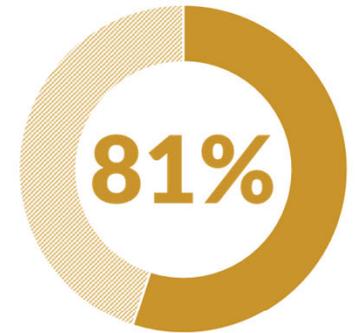
Critical Actions – Consumer Expectations



Believe **VALUE** is most important to Baby Boomers as they access senior-focused care and services.



Said rental with à la carte services/fees is the **most attractive financial model** for the middle-income consumer



Of senior living providers surveyed believe the **ability to stay at home and access services** is most important to Baby Boomers as they look for supportive housing.

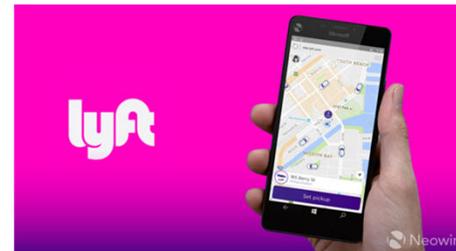
Source: Perkins Eastman Design Research 2019 and 2021 The State of Senior Living Report



Senior Living in a Post-COVID World

Critical Actions – Consumer Expectations

Why move to a retirement community?



What is your value proposition?



Senior Living in a Post-COVID World

Critical Actions – Consumer Expectations

Personalized care. Real convenience.

We select the best, most-skilled caregivers in advance so they're ready to provide the care you want, right when you need it. Our easy-to-use apps let you schedule and monitor care from anywhere. Honor Care Professionals are here to help—24/7.

<p>Amazing caregivers</p> <p>We carefully screen and interview every Honor Care Pro so you don't have to.</p> 	<p>Easy to manage</p> <p>Stay in touch with your Care Pro and informed with real-time information.</p> 	<p>Flexible scheduling</p> <p>Schedule care by the hour, pay by the hour. No long-term contracts.</p> 
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Uber-ish Home Health Services



Medication Reminders
Timely prompts to take medication, drink water, and other daily wellness needs.



Staying Active
Support to keep you moving and healthy, from a simple walk to specific exercises.



Meal Prep & Groceries
From shopping for groceries to planning and preparing healthy meals you'll love.



Transportation
Wherever you're going, get a ride in a comfortable car—or yours if you prefer.



Light Housekeeping
Doing dishes or laundry, taking out the trash, plus seasonal projects and organizing.



Personal Care & Hygiene
Assistance with dressing, bathing, or toileting—always respectful and professional.



Companionship
Doing activities, building friendships, fellowship, and community—or just talking.

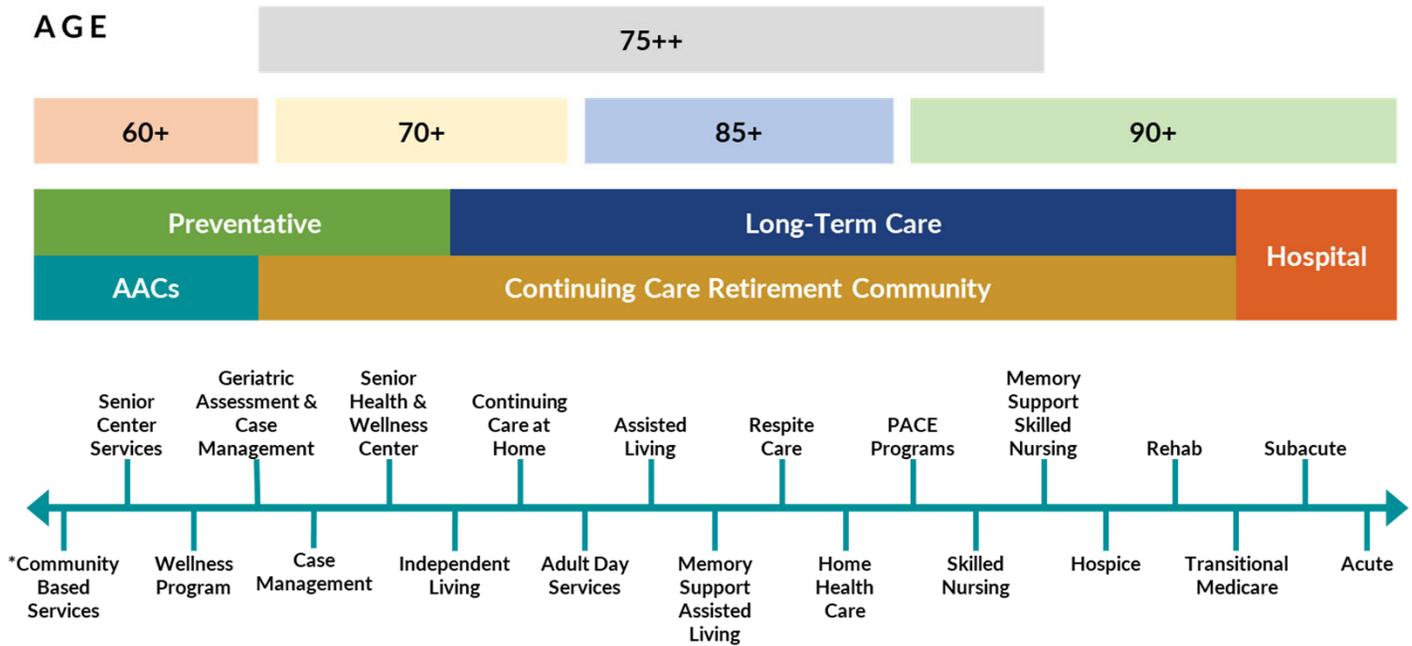


Check-in Visits
We can visit you or a loved one at home to check on wellness and well being.





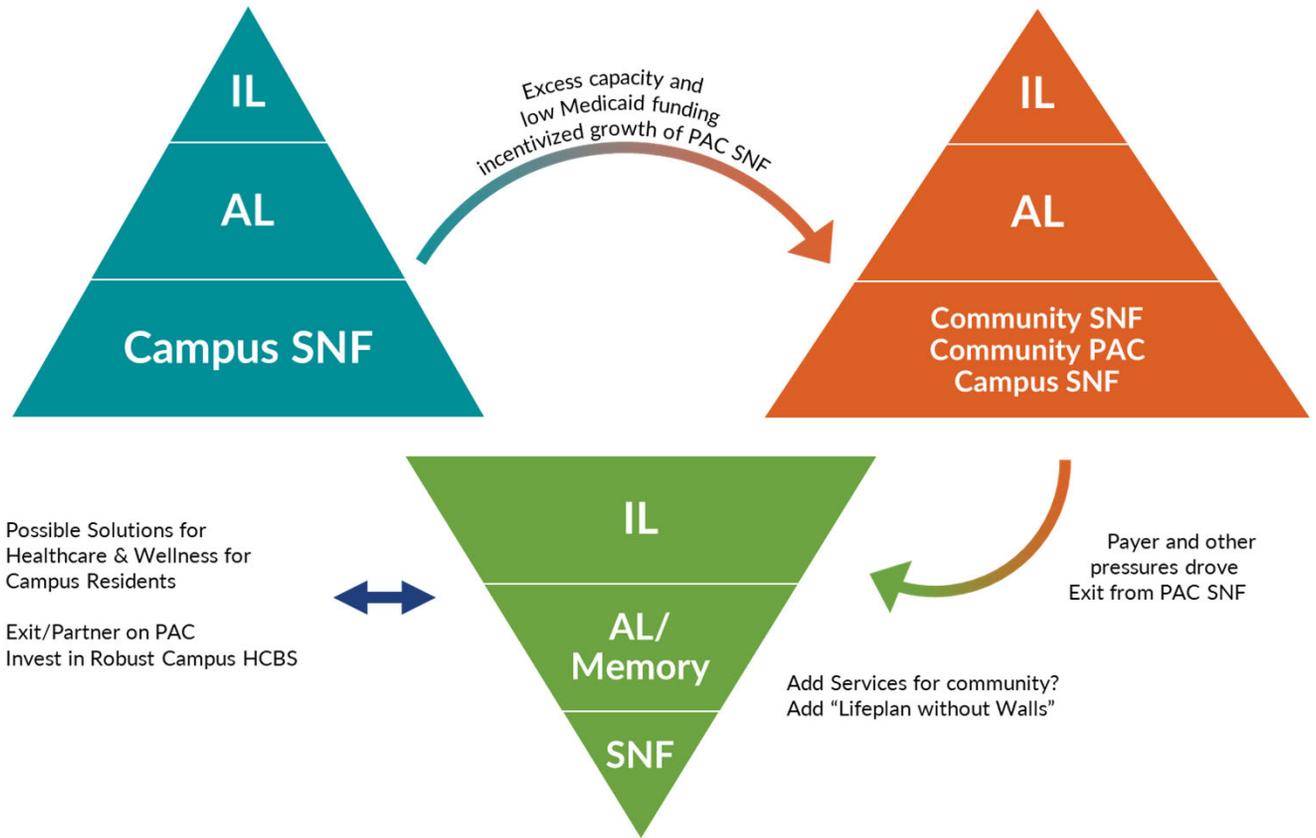
The Evolving Senior Living Continuum



*Transportation; Information/Referral; Counseling; Meals-on-Wheels; Integrated Day Care; Homemaker/Chore/Housekeeping; and Emergency Response System



The Evolving Senior Living Continuum

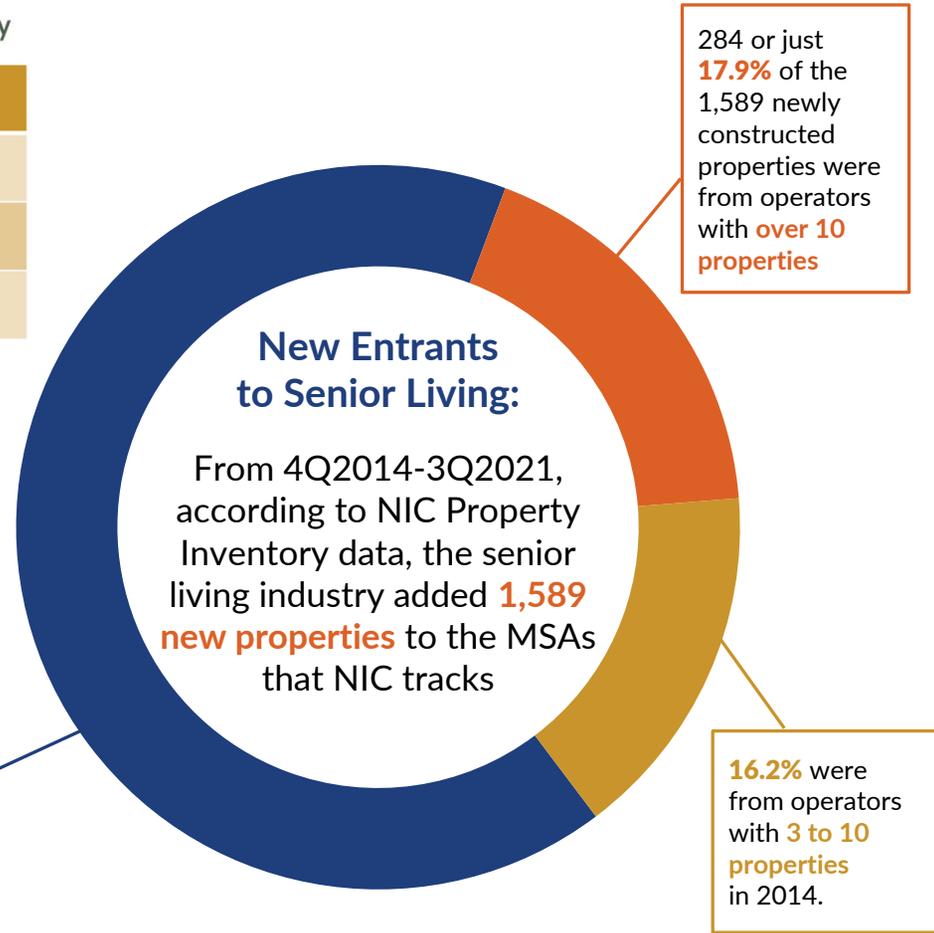




Competitive Market Conditions

Changes in Occupancy based on Age of Property

Product	2-10 Years	All Properties
IL	98.2%	90.4%
AL	88.1%	86.8%
NH	87.1%	81%



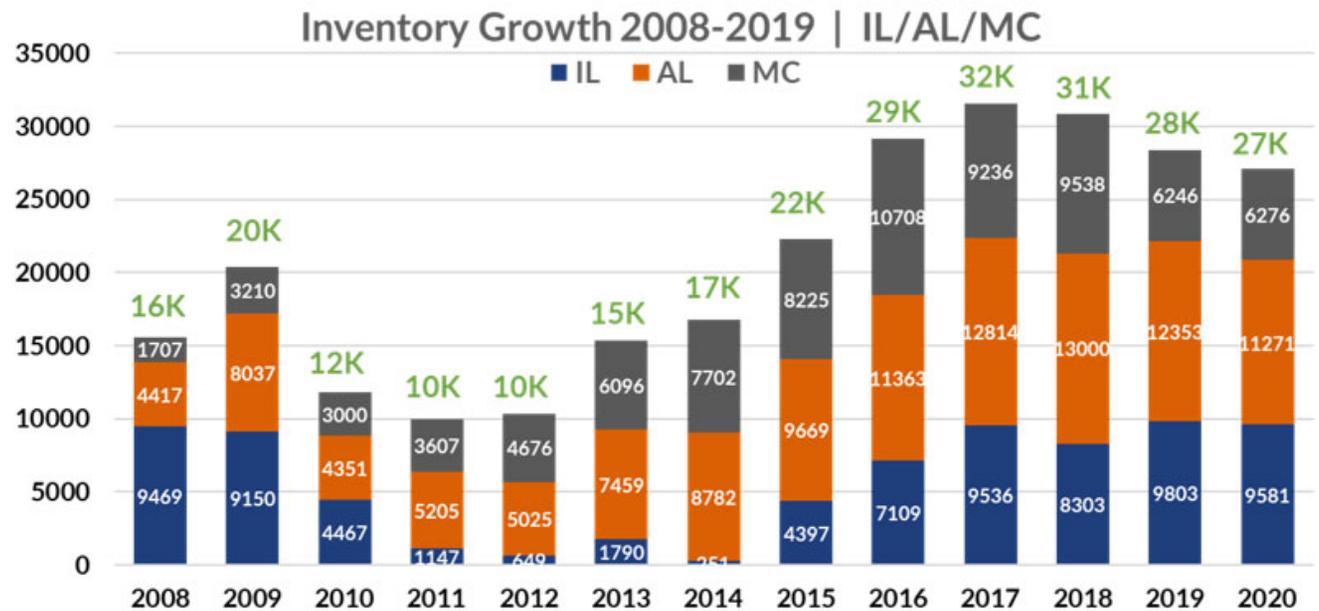
Source: NIC MAP. Reflects inventory growth in Primary & Secondary Markets.



Competitive Market Conditions

The Senior Housing Construction Boom

54% of senior living product added over the last 10 years has been developed in the last four years.



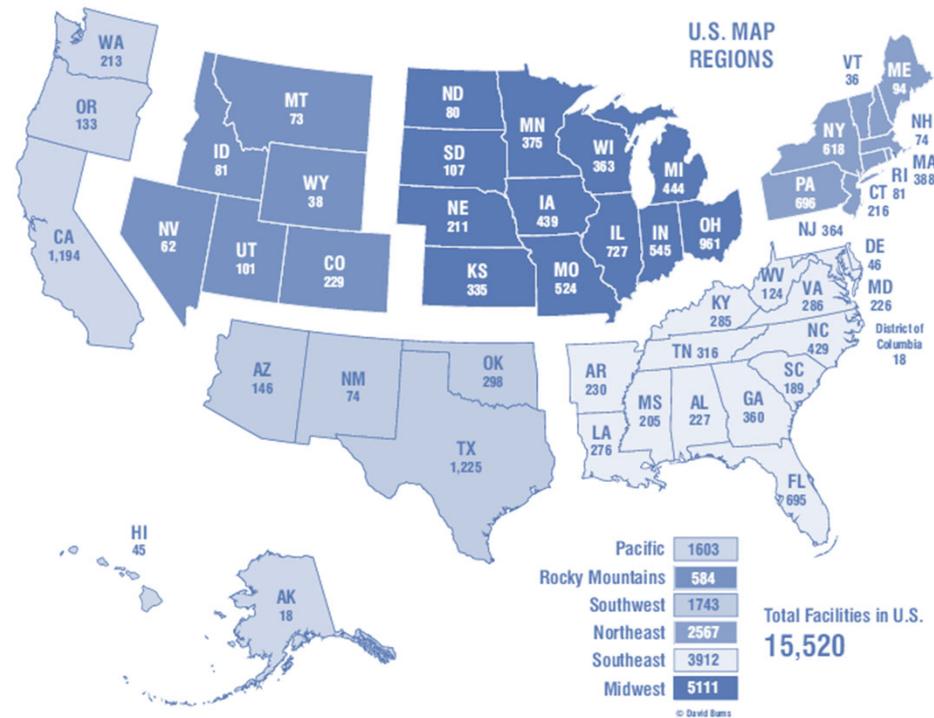
Source: NIC MAP. Reflects inventory growth in Primary & Secondary Markets.



Competitive Market Conditions

Preferred Senior Living Options Impact on Skilled Nursing

Number of Skilled Nursing Facilities by State (2017)



Source: <https://www.medicare.gov/nursinghomecompare>
 Source: KFF - [Total Number of Certified Nursing Facilities](#)

SNF Bed Reduction – Net Loss of 22,236

Year	Inventory Growth/Reduction
2008	- 850 Beds
2009	- 985 Beds
2010	+ 519 Beds
2011	- 248 Beds
2012	- 2,207 Beds
2013	+ 471 Beds
2014	- 1,977 Beds
2015	+ 473 Beds
2016	- 1,595 Beds
2017	- 3,125 Beds
2018	- 5,949 Beds
2019	-3,888 Beds
2020	-2,875 Beds

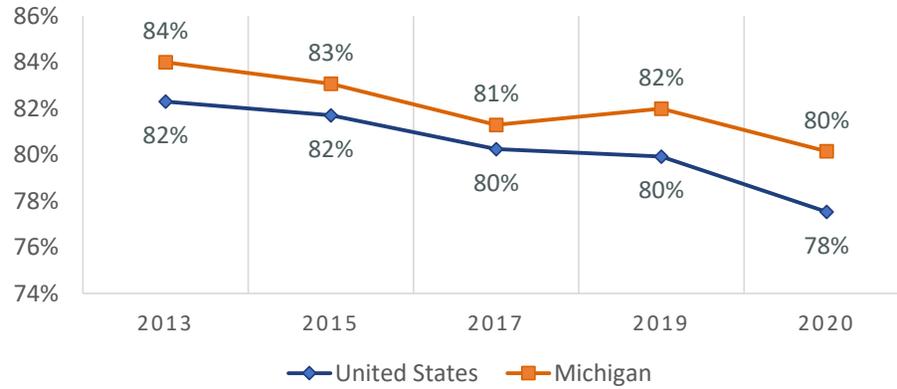
Source: NIC MAP. Reflects inventory growth in Primary & Secondary Markets.



Competitive Market Conditions

SNF Occupancy Trends

All Certified Nursing Facilities in the U.S.

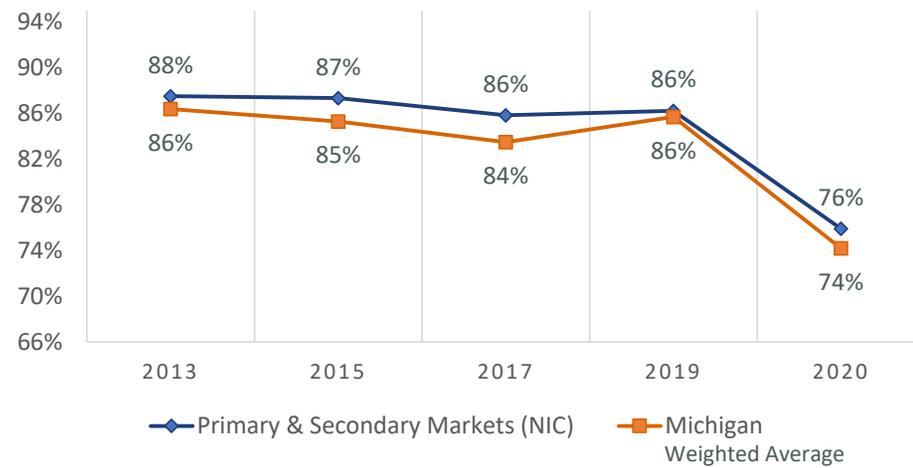


Source: KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data.

Primary & Secondary Markets in Michigan Include:

- Ann Arbor, MI
- Detroit, MI
- Flint, MI
- Grand Rapids, MI
- Lansing, MI
- Monroe, MI
- Saginaw, MI

SNF Occupancy - NIC Data Top 140 MSAs

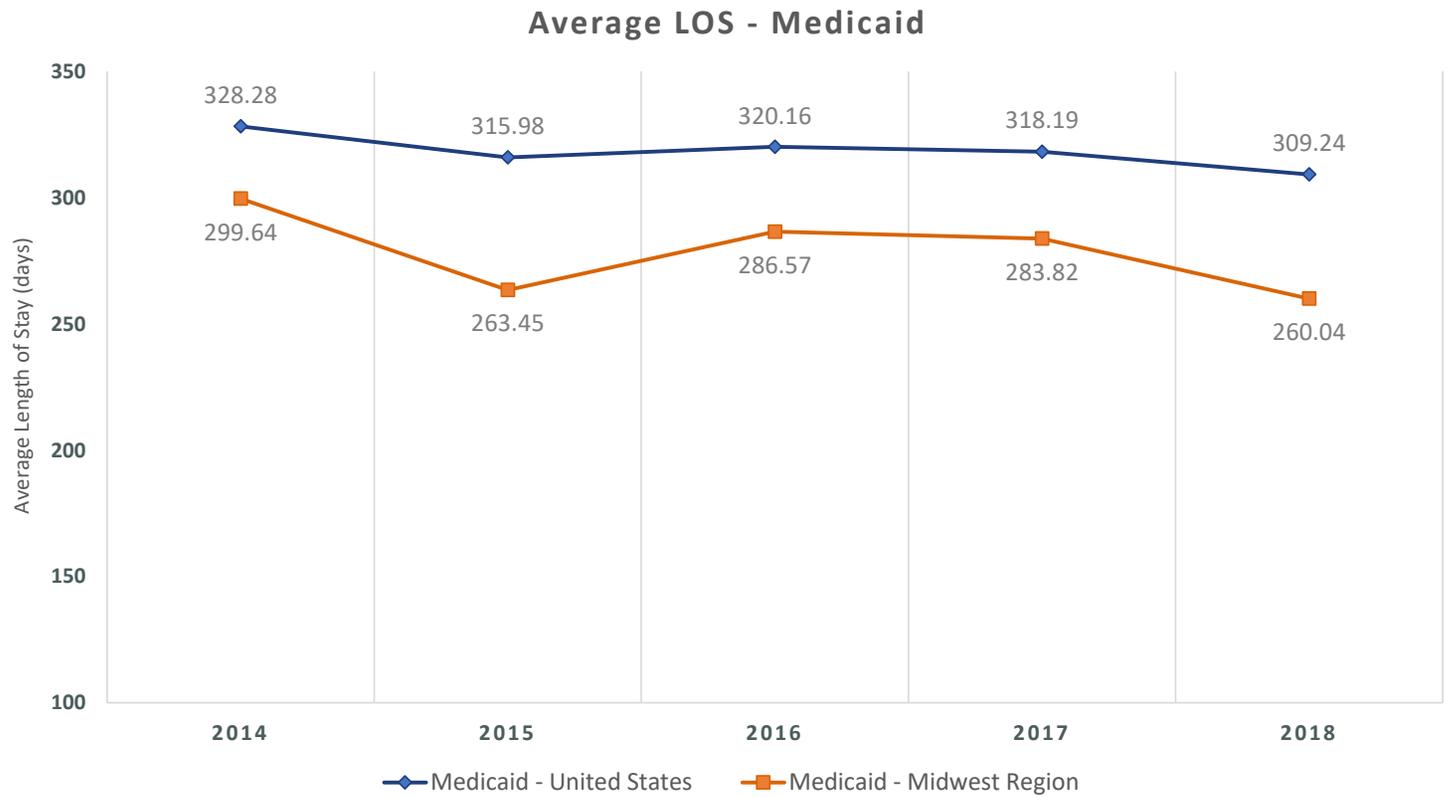


Source: NIC MAP. Occupancy Trends in Primary & Secondary Markets.



Competitive Market Conditions

SNF Average Length of Stay Trends



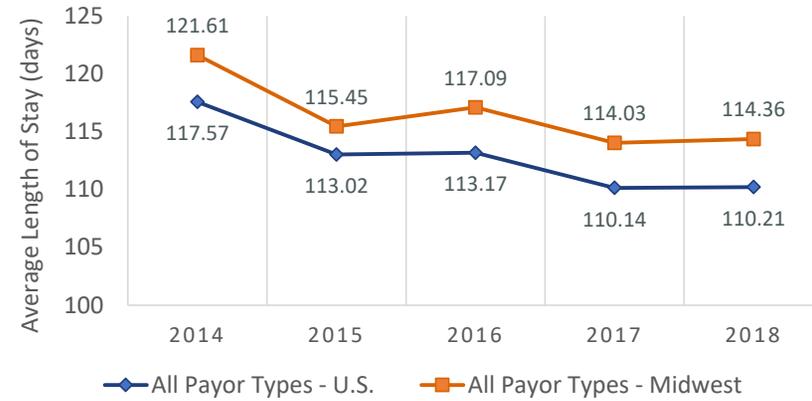
Source: Marcum: A Five-Year Nursing Home Statistical Analysis (2014 – 2018)



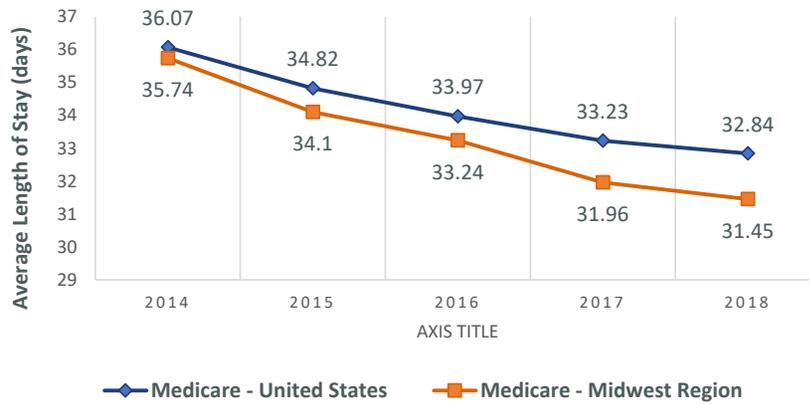
Competitive Market Conditions

SNF Average Length of Stay Trends

All Payor Types Average LOS



Average LOS - Medicare



Source: Marcum: A Five-Year Nursing Home Statistical Analysis (2014 – 2018)



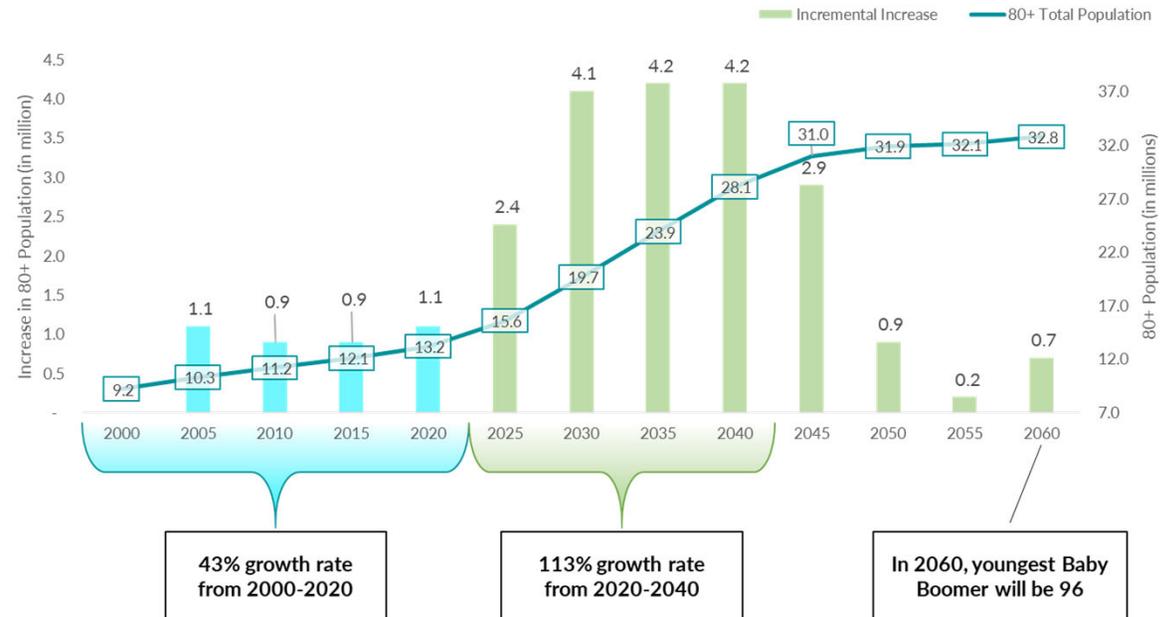
Demographic Tailwinds – Long Term U.S.

Tremendous growth in the 80+ population over the next 40 years; with the most growth occurring over the next 20 years; beginning in **2026**.

80+ population is expected to grow at more than **double** the growth rate from 2020-2040 than 2000-2020.

80+ population grew **4M** from 2000 to 2020; it will grow **15M** from 2020 to 2040.

80+ population will grow by **113%** from 2020 to 2040 compared to an **8%** for the rest of the population.



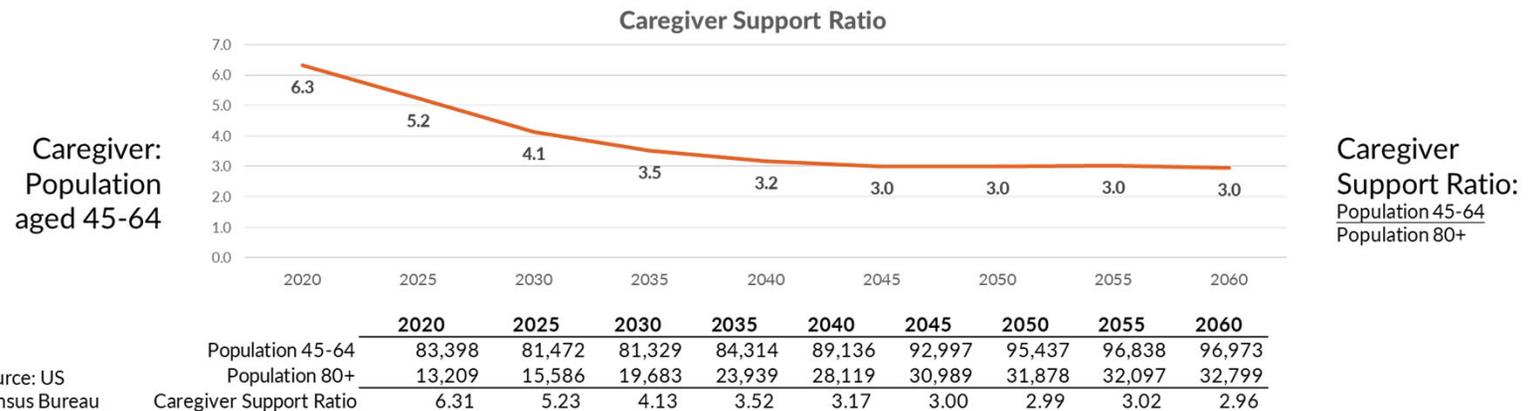


Demographic Tailwinds – Long Term U.S.

Not only is the 80+ population growing, but the caregiver support ratio is also decreasing.

Caregiver support ratio represents the 45-64 population divided by the 80+ population. This means there will be less people to care for the 80+ population, causing more seniors to seek housing and care outside of their home.

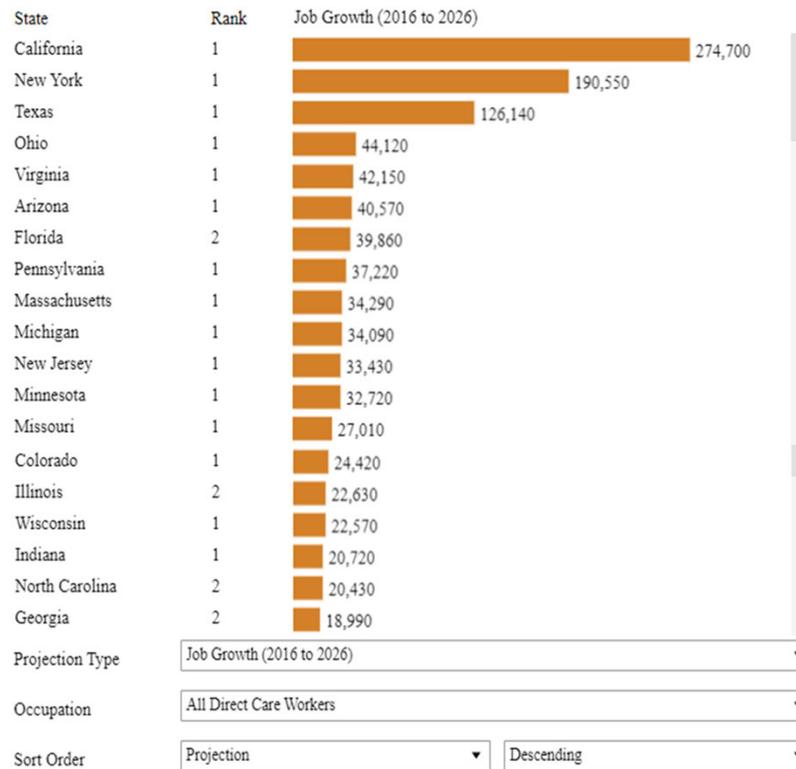
- At any given point, 6 percent of adult children serve as caregivers, and 17 percent will take on this role at some point in their lives.
- Those who do provide care devote an average of 77 hours per month, which can take a toll on both the finances and health of the caregiver.





Continued Labor Market Challenges

Figure 1: Projected Job Growth (2016 to 2026) for All Direct Care Workers Ranked Against All Other Occupations by State



Source: PHI. "Workforce Data Center." Last modified December 17, 2018. <https://phinational.org/policy-research/workforce-data-center/>.

From 2016 to 2026, the direct care workforce will **add the greatest number of new jobs** (as compared to other occupations) in 38 states—and by 2026, it will be the largest workforce in 21 states (see Figure 1). In California, Minnesota, New Mexico, and Vermont, personal care aides *alone* will be the largest single occupation in 2026.



SUCCESSFUL
CASE STUDIES





Park Rapids, Minnesota



A Brief History Lesson



- Initially opened as the Hubbard County Poor Farm in the early 1900s
- Evolved overtime to become a 130-bed Skilled Nursing Facility called Heritage Living Center owned by Hubbard County.
- Starting in 2000 the Hubbard County Commissioners and Heritage Living Center Board recognized the need to provide other senior living options as they continued to see the census decline in addition to recognizing that it was not a sustainable financial model.



A Brief History Lesson

Beds/Unit Mix	Product	Yesterday	Today	Year Opened	Comments
Heritage Living Center	Long Term Care and Skilled Nursing	130 Beds	60 Beds	Initially 1973 – rebuilt and opened in 2017	Rebuilt under the moratorium exception grant program. Owned by Hubbard County and managed by Ecumen.
Park Villa Apartments	Independent Living – Affordable Housing	0	27 Units	2001	HUD 202 Financing – 600 sq. ft. one-bedroom apartments. Sponsored and managed by Ecumen.
Heritage Manor Apartments	Assisted Living Apartments	0	26 Units	2003	600 – 800 sq. ft. 1 and 2-bedroom apartments. Owned by Hubbard County, Land Leased from the County HRA, Managed by Ecumen.
Heritage Cottages	Assisted Living Memory Care	0	18 Units	2009	All studio apartments designed as two small houses of 9. Owned by Hubbard County and Managed by Ecumen.
Total		130	131		



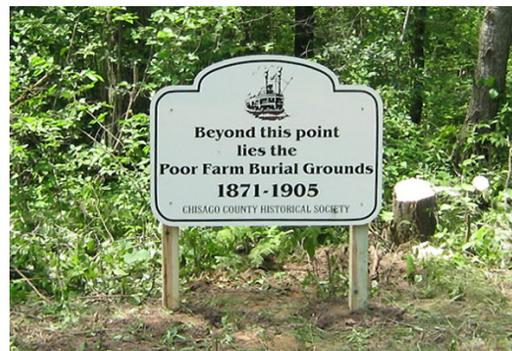
HERITAGE
COMMUNITY



From County "Poor Farm" to a Place to call HOME



1871 - Sunrise Poor Farm
North Branch, MN



1970 - Green Acres Country Care Center
North Branch, MN 148 Beds



Long Institutional
Hallways



Four Bed Wards - Green Acres
North Branch, MN



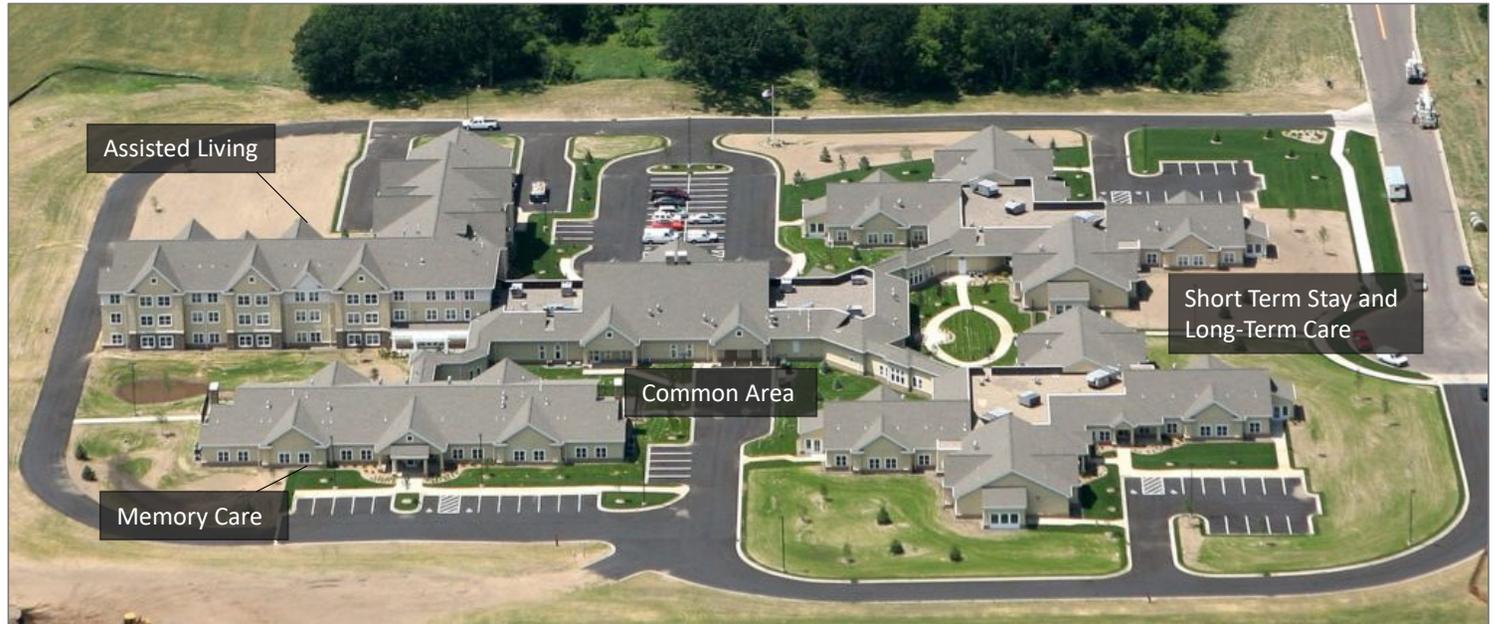
ECUMEN®

North Branch

- Chisago County Commissioners sell 80-acre site to Ecumen for \$1.00 who had managed the operation for two decades.
- Ecumen sells the land to a single-family home builder for \$2.8M.
- Family gifts a 17-acre site across town to Ecumen to build a new campus for the older adults of North Branch, MN.
- Ecumen uses the \$2.8M and value of the land as the equity contribution for the development of the new campus.
- New Campus opens in July 2007



From County “Poor Farm” to a Place to call HOME



Level of Care	Number of Beds/Units	Comments
SNF	68 Beds/Rooms	4 neighborhoods of 17 private rooms
Assisted Living	51 Apartments	1- and 2-bedroom apartments
Memory Care	20 Apartments	Private studio 340 sq. ft. apartments
Independent Living	29 Apartments	Satellite Campus – LIHTC apartments partnered with the Senior Center
Total	168 beds/units	

How Did These Organizations Become Successful?



1. Adapt or die - You must be willing to adapt, and half measures will not cut it.
2. Consumer driven approach will always win.
3. Don't be afraid to fail
4. Disruption is critical to success.
5. Ask yourself what you need to STOP doing in order to be successful into the future.



How Did These Organizations Become Successful?



1. Commitment to transforming housing & services for older adults
2. "Can-Do Spirit", even when it seemed impossible
3. Focus and emphasis on creative solutions with a commitment to affordability
4. Development of a long-term strategic plan
5. Discipline

Options for Future Development





Options for Future Development

Three options for future development include:

1. Public
2. Private
3. Public Private Partnership (P3)



Options for Future Development

Public

Under public development, the county would maintain full ownership of the development and future senior housing.

Pros

- Maintain control of both the project and future operations, ensuring quality of the buildings and operations
- Community pride in the public ownership and operating of a new senior living development
- Ability to leverage existing operations to support new senior living operations
- Ability to access fiscal incentives and government cost of capital
- Ability to streamline entitlements and approval process
- Competing with existing providers in the market

Cons

- Large capital outlay over a number of years
- Development and long-term operating risk
- Staff experience and capacity
- Competing with existing providers in the market



Options for Future Development

Private

Under private development, the county would outsource the development, ownership, and operations to a third party.

Pros

- Readily available capital, allowing the county to free up capital for other purposes
- Transference of development and long-term operating risk
- County can monetize its land up front
- Expedited procurement
- Lower cost of delivery
- Development expertise

Cons

- Give up control over the project and future operations; a private developer and operator will most likely be more focused on feasibility metrics over quality
- May be difficult to attract a 3rd party developer to develop and operate



Options for Future Development

Public Private Partnership (P3)

A public private partnership is an agreement, usually creating a lasting relationship, between a private party and public entity to share the risk and rewards of delivering a public service.

Pros

- Same as those listed in both previous sections
- Synergistic in coordinating with outside/3rd party agencies

Cons

- Could have higher financing costs
- Deal alignment may limit flexibility and increase cost
- A private partner will most likely be more focused on feasibility metrics



What is your
Vision for the
Future?



Where do we begin?

Set direction for the organization



Q&A



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