

VINTAGE PARK SENIOR HOUSING DEVELOPMENT PROPOSAL

11/21/2019

PRESENTED TO THE JUNEAU CITY ASSEMBLY

NOVEMBER 21, 2019



TABLE OF CONTENTS

I. PROJECT OVERVIEW...	4
II. TEAM & EXPERIENCE...	9
III. PROJECT DESIGN & CHARACTERISTICS...	14
IV. FINANCIAL FEASIBILITY...	21

An architectural rendering of a multi-story building complex. The main building on the left is a four-story structure with a grid of windows. To its right is a longer, two-story building. The foreground features a parking lot with several cars, including a white sedan and a dark car. Landscaping includes various trees, including tall, thin evergreens and deciduous trees, as well as shrubs. The sky is a uniform light gray.

I. PROJECT OVERVIEW

OVERVIEW: VINTAGE PARK SITE



The site is currently a vacant land area of approximately 2.35 acres, of which 2.31 acres are usable land.

Located in the Mendenhall Valley, the site is suburban in nature; surrounding land use include restaurants, banks, grocery stores, motels and senior citizen housing.

The site boasts views of both the Mendenhall Glacier and the Mendenhall River and is surrounded by natural vegetation and forest.



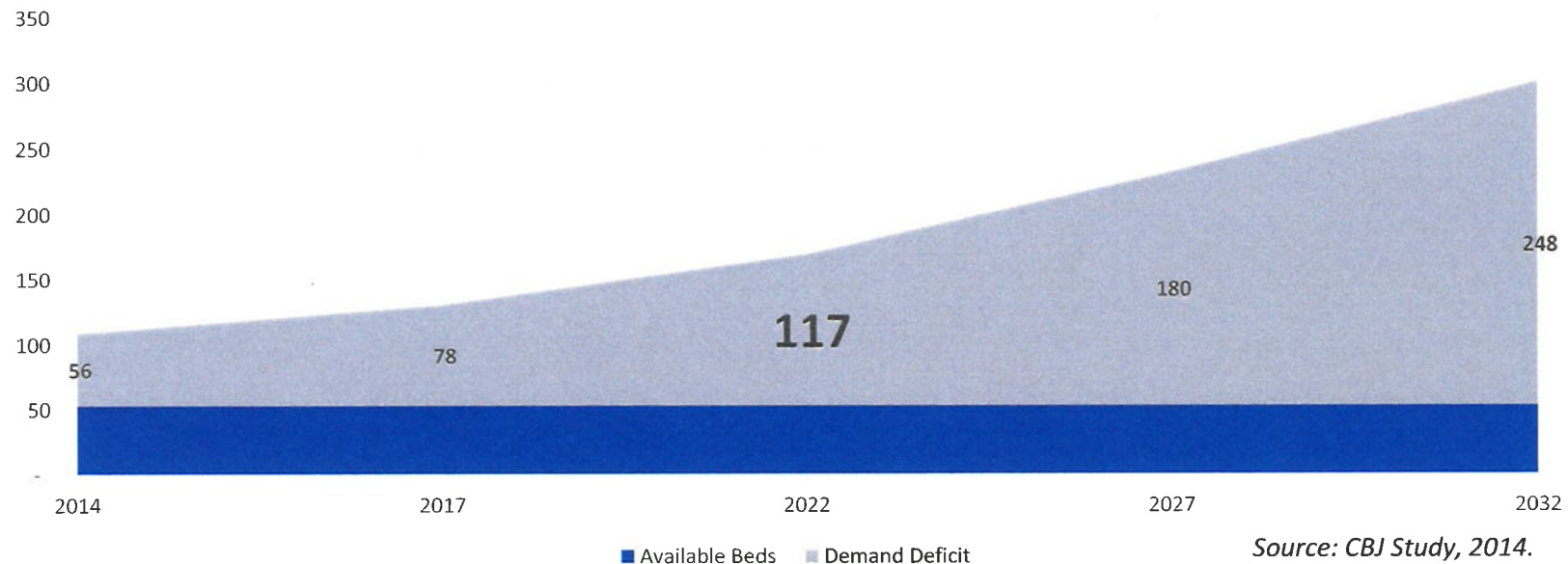
OVERVIEW: MARKET DEMAND FOR SENIOR LIVING

True assisted living services in Juneau are very limited. Juneau Pioneer Home waitlist has at times been triple the capacity of the facility. (Interview with Pioneer Home staff, 2019)

Maintaining current supply/demand ratios is not enough; current services statewide do not address the current deficits in senior housing faced by regions throughout the state. (AHFC Housing Needs Assessment, 2018)

Analysis of existing demand studies indicate Juneau's assisted living housing demand deficit is expected to reach approximately 117 beds by 2022, not including those seniors who have moved away for care and would return given sufficient facilities. (Estimate based on Adjusted Forecast from CBJ Study, 2014)

Forecasted Juneau demand for assisted living beds, assuming no additional supply.



OVERVIEW: PROPOSAL HIGHLIGHTS

Leverage Alaska-experienced partnership with developer, Baxter Senior Living, and experienced operator, Paradigm Senior Living, who have just successfully pre-leased to 45% prior to opening at a 116-bed best-in-class facility in Anchorage, Alaska.

Develop 94 units of high-quality senior housing with a mix of assisted living, memory care, and acute care that meets the growing demand projected by multiple studies.

Create living space with dignity through quality architecture that elevates the natural surroundings of the site and contemporary interior design that provide tenants with opportunities to engage with the community without sacrificing privacy.

Ensure viable market return thresholds are met through incentive financing, prudent construction management, and hands-on operational oversight.



II. TEAM & EXPERIENCE

11/21/2019

CONFIDENTIAL - ALASKA LEGACY PARTNERS

9

OVERVIEW: STRATEGY FOR PROJECT SUCCESS

CONNECT CBJ **RECENT, RELEVANT, ALASKA-BASED DEVELOPER** THAT JUST COMPLETED CONSTRUCTION ON 116-UNIT FACILITY IN ANCHORAGE.

ALASKAN EXPERIENCE WITH PRE-OPENING LEASE-UP TO 45%; BEATING PRO FORMA PROJECTIONS FOR **BEST-IN-CLASS SENIOR HOUSING IN THE STATE.**

SEASONED OPERATING PARTNER HAS 60 FACILITIES ACROSS THE US AND MANAGES OVER 5,000 BEDS.

LOCAL OVERSIGHT AND PROJECT COORDINATION WITH PROFESSIONAL, RELEVANT EXPERIENCE.





JR WILCOX - DEVELOPMENT

- JR Wilcox is a 4th-generation Alaskan entrepreneur who was born in Fairbanks. He has broad experience doing business in Alaska, from co-founding Cook Inlet Energy to serving as president of CIE through 2014.
- JR currently serves as the president of Baxter Senior Living, the largest, highest quality senior community in the state. Baxter Senior Living brings a new standard of senior living experience to the state of Alaska.
- JR has served on the Board of the Anchorage Chamber of Commerce since 2011 and served as Chairman in 2016/17. He was recognized as one of Alaska's top 40 Under 40 in 2012.
- JR is a national merit Scholar who holds a BS in Chemistry and an MS in Environmental Chemistry from UAF. His graduate work has been published and reported on in local media.



Baxter Senior Living staff, Anchorage



PARADIGM
SENIOR LIVING

Established 1994

"Bringing Ideas to Life"

PARADIGM SENIOR LIVING - OPERATIONS

- Since 1983, Paradigm Senior Living has developed and operated more than 60 successful senior living communities across the continental US, Alaska, and Hawaii. Encompassing more than 5,000 units, Paradigm understands the lifestyles and values of both the people who reside in senior living communities as well as the people who serve them.
- With "Service above all else" as their guiding principle, Paradigm encourages resident's fullest potential for independence while making services available that enhance their capabilities and interest.
- Paradigm's mission is to create extraordinary value for the residents, families, employees, and financial partners of the senior living communities with which they interact.
- Paradigm is a talented operations partner that boasts a track record of safety and transparency and has a reputation for maintaining confidence from its residents and their families.
- Having just completed a successfully leasing project in Anchorage (Baxter Senior Living), Paradigm has firsthand knowledge of the unique challenges facing the Alaska market, including high construction costs and scarcity of talented labor.



61 North projects

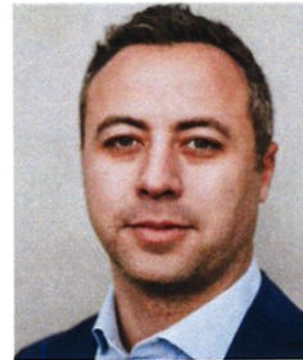


CHRIS COLE, 61NORTH ARCHITECTS - DESIGN

- 61 North Architects is an architecture and planning firm in Anchorage, Alaska founded in 2000. Since its inception, the firm has provided architectural services within downtown Anchorage and throughout Alaska, from Barrow to Shemya.
- 61 North Architects has completed large and small assisted living, multi-family, and hotel projects, including HUD-approved multi-family. Recent success with Baxter Senior Living in Anchorage is similar in size and scope to the proposed project at Vintage Park.
- The goals for the Vintage Park project are to create contemporary assisted living community that allows seniors to continue to be active in the natural setting of the site and to preserve greenspace on the site for community use while taking advantage of the views of the Mendenhall river and Mendenhall Glacier.



- Alaska Legacy Partners will provide oversight and coordination at a local level, leveraging local knowledge and professional experience to ensure the project's success.
- Alaska Legacy Partners specializes in real estate development and venture capital and is uniquely positioned to attract both talented partners as well as capital investment to the project.
- With a commitment to transparency and fiscal responsibility, Alaska Legacy Partners will provide professional asset management services, including budget management, development coordination and operations oversight.



PAUL SIMPSON
CO-FOUNDER,
VENTURE CAPITAL



GARRETT SCHOENBERGER
CO-FOUNDER,
REAL ESTATE



JAKE LOGSDON
ASSET MANAGEMENT

An architectural rendering of a modern, multi-story building. The building features a prominent grid-like facade with numerous rectangular windows. A rooftop structure, possibly a solar panel array or a walkway, is visible on top. The building is surrounded by landscaping, including trees and shrubs. In the foreground, there is a paved area with some horizontal lines, possibly representing a parking lot or a plaza. The overall style is a detailed architectural sketch or rendering.

III. PROJECT DESIGN & CHARACTERISTICS

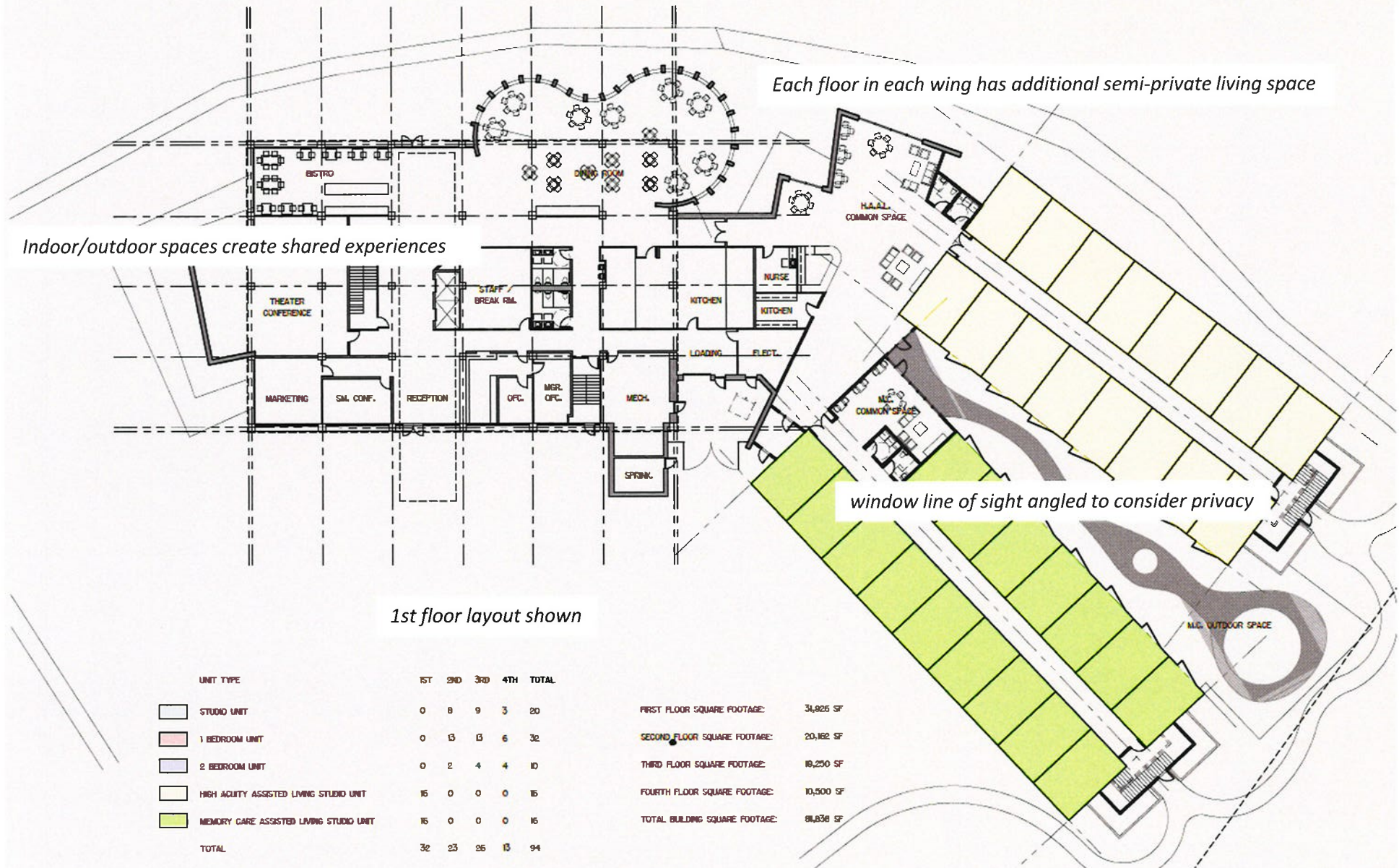


LOCAL SENIOR
LIVING IN A
WORLD-CLASS
SETTING

FACILITIES
DESIGNED
WITH DIGNITY
IN MIND



A THOUGHTFUL BALANCE OF COMMUNITY AND PRIVACY





SOUTH WING, RIVERSIDE TERRACES, COMMUNITY GREEN SPACE

- Almost 1/3rd of the entire site is left as open green space, maximizing housing density and publicly accessible park-like lawn.
- South Wing has 36 units on 3 floors; each wing has a riverside terrace for dining, entertaining, or relaxing.
- A landscaped rooftop deck and riverside park provide space for the community to enjoy stunning views of the Mendenhall River and Glacier.

NORTH WING & MEMORY CARE GARDEN

- 16-bed memory care wing separate from less intensive care but provided just as much thoughtful amenity and outdoor space.
- “Living wall” vertical landscaping employed to integrate new buildings into natural beauty of surroundings.
- Lines of sight on first floor designed to maximize privacy.
- Ample parking for community members and their families.



DESIGN
DETAILS
FROM BAXTER
SENIOR
LIVING



Semi-private 3rd floor living room



Main entrance



1-bedroom bathroom



1-bedroom entry





IV. FINANCIAL FEASIBILITY

FINANCIALS: DEMAND-DRIVEN UNIT MIX FOR RAPID LEASE-UP

The experienced development and operations team have just completed a pro forma-beating lease up of a 116-bed facility in Anchorage.

The pre-opening budget includes sufficient time and resources for proper marketing and lease-up (see next page).

The unit mix (below) reflects the demand needs identified in research and analysis, taking into consideration lessons learned in Baxter Senior Living's recent opening.

PROPOSED UNIT MIX AND BASE RENT	Average Unit Size	Number of Units	Average Monthly Rent	Base Rent per Sq Ft
Assisted Living Studio	390	20	\$ 6,425	\$ 16.47
Assisted Living 1 Bedroom	565	32	\$ 6,825	\$ 12.08
Assisted Living 2 Bedroom	857	10	\$ 7,000	\$ 8.17
High Acuity AL Studio	340	16	\$ 7,875	\$ 23.16
Memory Care AL Studio	340	16	\$ 6,975	\$ 20.51
TOTAL	482	94	\$ 6,963	\$ 14.44

FINANCIALS: DEVELOPMENT & PREOPENING BUDGETS

DEVELOPMENT BUDGET				PRE-OPENING OPERATING BUDGET			
	\$	per Unit	per Sq Ft		\$	per Unit	per Sq Ft
LAND ACQUISITION	1,860,000	19,787	0.24	General & Administrative	141,000	1,500	0.02
Building (base cost incl. overhead)	20,500,000	218,085	2.66	Health Services	27,000	287	0.00
Contingency	415,000	4,415	0.05	Food Services	5,000	53	0.00
HARD COST BUILDING	20,915,000	222,500	2.72	Activities	2,000	21	0.00
Architect	840,000	8,936	0.11	Transportation	6,000	64	0.00
Engineering (structural and other)	520,000	5,532	0.07	Marketing	137,000	1,457	0.02
Fees and Premiums	820,000	8,723	0.11	DEPARTMENTAL EXPENSES	318,000	3,383	0.04
SOFT COSTS - PROFESSIONAL SERVICES	2,180,000	23,191	0.28	Recruiting, Hiring & Training	7,000	74	0.00
Working Capital	1,540,000	16,383	0.20	Payroll Taxes & Employee Benefits	33,000	351	0.00
PreSale Site Lease	75,000	798	0.01	PERSONNEL RELATED EXPENSES	40,000	426	0.01
Legal / Credit / Development Costs	946,000	10,064	0.12	Management Fee	75,000	798	0.01
Marketing & Other Pre-Opening	548,000	5,830	0.07	GRAND TOTAL PRE-OPENING	433,000	4,606	0.06
SOFT COSTS - START UP COSTS	3,109,000	33,074	0.40				
SUBTOTAL - ALL IMPROVEMENTS	28,064,000	298,553	3.65				
Debt Service Reserve	534,000	5,681	0.07				
Title, Closing, Organization & Other	1,063,000	11,309	0.14				
FINANCING COSTS	1,597,000	16,989	0.21				
GRAND TOTAL DEVELOPMENT COSTS	29,661,000	315,543	3.86				

FINANCIALS: OPERATING PRO FORMA

10-YEAR PROJECTIONS	Year 1	Year 2	Year 3							
	Construction	60% Occupied	Stabilization	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>\$s in 000's</i>										
Rental Income		4,525	8,512	9,194	9,470	9,754	10,047	10,348	10,659	10,978
Other Income		532	860	974	1,003	1,033	1,064	1,096	1,129	1,163
TOTAL INCOME		5,057	9,372	10,168	10,473	10,787	11,111	11,444	11,788	12,141
General & Administrative		368	379	391	402	414	427	439	453	467
Health Services		1,409	1,556	1,569	1,617	1,665	1,715	1,767	1,820	1,876
Food Services		623	849	871	896	923	951	980	1,009	1,039
Housekeeping		107	119	124	128	132	136	140	144	148
Activities & Lifestyle		137	145	150	155	159	164	169	174	179
Transportation		30	30	31	31	32	33	34	35	36
Maintenance		152	155	156	161	166	171	176	181	187
Utilities		656	829	853	878	905	932	961	989	1,019
Marketing		225	125	125	128	132	136	140	144	149
DEPARTMENTAL EXPENSES		3,707	4,187	4,270	4,396	4,528	4,665	4,806	4,951	5,100
Personnel-Related Costs		779	1,025	1,043	1,074	1,106	1,139	1,173	1,209	1,245
Professional Fees		3	3	3	3	3	3	4	4	4
Taxes & Insurance		377	392	428	441	455	468	482	497	511
OPERATING EXPENSES		1,159	1,420	1,474	1,518	1,564	1,611	1,659	1,709	1,760
Management Fee		253	469	508	524	539	555	572	589	607
TOTAL EXPENSES		5,119	6,076	6,252	6,438	6,631	6,831	7,037	7,249	7,467
NET OPERATING INCOME		-62	3,296	3,916	4,035	4,156	4,280	4,407	4,539	4,674
Debt Service		1,457	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608
NET INCOME		-1,519	1,688	2,308	2,427	2,548	2,672	2,799	2,931	3,066

CONTACT BAXTER SENIOR LIVING OR ALASKA LEGACY PARTNERS
FOR MORE INFORMATION

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