

Growth spurt positions senior living complexes

Project expansions dot the landscape in West Michigan. **JAKE HIMMELSPACH**

Even a down economy can't stop the aging process and although in some cases financing may have been tough, a trio of senior residential communities have been very busy over the last year.

Waterford Place, Heron Manor and Beacon Hill at Eastgate are among the local complexes that are experiencing rapid growth. Following is a breakdown of their activity.

Waterford Place, 1725 Port Sheldon St., Jenison

Ever since the opening of its model home in June 2009, Waterford Place has been busy.

"Our model opened for tour on June 1st, and since that time we have been inundated with phone calls, people stopping in for tours, people scheduling appointments wanting to see it — not only during our normal business hours but after hours, bringing their families in," said Nicole Swart, marketing specialist at Waterford Place.

"People need to see things in order to visualize if this community is going to work for them."

"Active" seems to be a theme for Waterford Place as it seems to attract a younger, more active crowd of seniors.

"It wasn't intentional targeting, but what we are finding is we are appealing more to the younger seniors," Swart said.

"They don't really call themselves seniors. Our average age right now is 74. We're finding that the community is appealing toward those that are still working part-time (or) full-time, very active and very independent, who



HERON MANOR is the first senior aging-in-place apartment complex developed through the MSHDA Affordable Assisted Living program. Courtesy Felder Communications Group

are wanting to live hassle free, not wanting to worry about yard work and interior maintenance, and who's going to watch my house for the winters ... because we take care of that for them.

"We've had people come in in their 50s, but, unfortunately, they have to be at least 62."

One of the attractions to seniors is the "all inclusive" aspect of the community. Instead of receiving multiple bills, residents receive one bill each month, making payments easier to understand and track.

While it might seem natural to assume that the down stock market would slow sales, only 10 of Waterford's 84 units remained at the time of the interview. Swart believes the success in sales is due to the multiple pricing options, which correlate with the four different floor plans available, starting at \$127,000.

She also pointed out Waterford Place's life lease. The life lease breaks into two parts: the entrance fee, which is 90 percent refundable when the resident is no longer living at Waterford

Place, and the monthly service fee, which covers maintenance costs.

"There's a higher entrance rate and they're going to get more back when they move out, and they pay a lower monthly. They can pay a lower entrance rate when they move in ... and their monthly is a little bit higher," said Swart. "So depending if somebody has a larger nest egg and is able to only get one social security check a month, one option may work for them."

While the pricing options

are attractive, Swart said the No. 1 selling point is the size of the units.

"They didn't realize how big it was. Our model is 971 square feet, and that's really one of the biggest comments we get," she said.

The community will be ready for move in Oct. 10, 2009.

Heron Manor, 2106 Leonard St. NE, Grand Rapids

This spring marked the ribbon-cutting for Heron Manor, a LEED Platinum certified senior assisted living complex targeted toward low- and moderate-income individuals. Grand Rapids-based Triangle Associates Inc. was selected by Genesis Non-Profit Corp. as the construction manager for Heron Manor Apartments, a three-story, 55-unit senior apartment facility designed for independent seniors.

"Heron Manor is the first 'affordable assisted living' facility in Michigan funded through MSHDA — Michigan State Housing Development Authority," said John Wynbeek, executive director of Genesis Non-Profit Housing Corp., the developing entity behind Heron Manor.

The goal of the MSHDA AAL program is to provide low- to moderate-income seniors with individual apartments as well as supportive services and functional support.

"It's special in that it targets

both low- and moderate-income persons for assisted living. It provides a new concept for assisted living where people have full apartments that they live in. ... Health care is brought to them."

Heron Manor has partnered with Porter Hills to provide on-site care around the clock.

"It's a strategic partnership. They work independently with the residents of the facility, so it's not a business relationship, in that they are contracting directly with the residents of the program," said Wynbeek.

"They're our primary contractor. Residents are able to bring in other health care providers."

Wynbeek said that after surveying the community, Porter Hills was the No. 1 recommended choice for assisted living health care. Porter Hills also keeps staff on the campus to allow residents to receive care when they need it and for as long as they need it.

"They're able to provide assistance in small time increments throughout the day," he said. "In this concept where we have 55 apartments in one facility, it allows Porter Hills to staff it and deliver service as needed. Instead of two hours at one time during the day, you could have that same two hours worth of service multiple times during the day in 15-minute increments."

Of the 55 apartments, 30 are market rate, 25 are for lower in-

come and 22 participate in the Grand Rapids Housing Commission Section 8 housing choice voucher program.

"We will accept 30 percent of the tenant's income as payment, and the Grand Rapids Housing Commission will make up the balance," said Wynbeek. "When you combine that with a Medicaid waiver for health services,

land was offering to serve as for us," said Huegeli of a system that was considered standard for the senior community development market.

"We were primed and ready to close on that deal on October 2nd. ... But at the last minute, basically a chasm opened up in the banking market and ate the Bank of Scotland; they don't exist anymore."

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NICOLE SWART
Waterford Place

it allows people who are low income to access really high-quality care."

Wynbeek said the main focus behind the MSHDA Affordable Assisted Living program is to reduce the use of nursing homes for those who can still manage an active lifestyle. Heron Manor has already moved one person from a hospital setting and is looking to transfer about 12 more.

Heron Manor, which was completed last April, cost \$9,580,000 and is one of the first LEED Platinum certified senior residential facilities. It is also the first of the MSHDA Affordable Assisted Living programs to open its doors. Genesis was selected out of 26 applicants as one of five sites in the state for the pilot program.

Beacon Hill at Eastgate, 1801 Breton Road SE, Grand Rapids

For Beacon Hill, it has been a hectic year.

"It's been really dynamic," said Jeff Huegeli, president of Beacon Hill. "A year ago we had a whole other set of ideas of what would happen, but I don't think any of us could have foreseen the market collapse."

A year ago, Beacon Hill at Eastgate was set up as a roughly \$70 million project that included a letter of credit from the Bank of Scotland — a bank which, having been taken over by Lloyds, now only exists as a brand name.

"That deal was based on an entirely different type of financing, where we would enter into an agreement with a letter of credit bank, which the Bank of Scot-

This put Beacon Hill in a mad scramble to find new financing. Huegeli said it was not possible to find financing the traditional way through a letter of credit, so Beacon Hill went back to its regular banker at Huntington Bank to find an alternate route.

"We began talking with Huntington about what their appetite might be. They agreed that they would be interested in a construction loan, which as it turned out, really delivered a really low cost-to-capital anyway," said Huegeli. "We're actually quite pleased. It feels like forever, but in six months time, we basically constructed an entirely new plan for financing the project."

Beacon Hill obtained \$50 million in construction financing through its new plan with Huntington Bank and BB&T bank. The organization made up the loss of the additional \$20 million in other ways, most notably by reusing its former building for the dementia program instead of building all new.

All of the 219 units at Beacon Hill have been pre-sold and will be open in the fall of 2010. The organization plans to offer services such as memory support, independent-living, assisted-living, rehabilitation and skilled nursing.



A VIEW OF the living room area at Waterford Place.
Courtesy Sunset Retirement Communities and Services