

**Memorandum**

**To:** Mayor and Council  
**From:** Tom Baker, Town Administrator  
**Date:** January 5, 2016  
**Re:** Kuersten Property

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**Purpose:** The purpose of this item is four-fold:

1. To discuss with Ms. Borden (via phone) the draft Preliminary Demand Analysis and what it means for a project in New Castle, attached.
2. Ms. Borden will also summarize her list of potential developers, which she identified as possible for west slope development, attached.
3. Discuss next steps.
4. Jeff Simonson will talk to Council about the Kuersten site and how a project may fit on that site given the four product types we are considering. He will also show infrastructure options for other uses that may or may not be compatible with a Health and Wellness Campus. Jeff's site plans are attached to this memo and Jeff will use our powerpoint to present these ideas. (Please know that these are conceptual plans and we fully expect any developer to develop their own plans. The purpose of this exercise to illustrate how the project infrastructure can work – roads, water, wastewater, etc., given what we know today.)



THE HIGHLAND GROUP

## PRELIMINARY DEMAND REPORT

FOR-SALE HOUSING, INDEPENDENT LIVING, ASSISTED LIVING, AND  
MEMORY CARE

NEW CASTLE, COLORADO

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### Prepared for:

TOWN OF NEW CASTLE AND AUGUSTANA CARE

DECEMBER 21, 2015

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### PREPARED BY:

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**LIMITATIONS ON USE:** *The purpose of this report is to provide Client with a planning document indicating potential quantitative market opportunity for a geographic market area appropriate to Client's planned site. This work constitutes a preliminary review and Highland's opinions or conclusions might be different were we to complete a full market study. This report may be referenced or reviewed in initial discussions with lenders, investors, or potential buyers; however, neither the report nor its contents may be referred to as a "market study", nor referenced in or attached to any registration statement, prospectus, loan application, licensure application, or other similar document.*

PRELIMINARY ANALYSIS

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# Quick Look Preliminary Demand Report: Overview and Conclusions

## SUMMARY

The purpose of this report is to estimate preliminary quantitative demand for for-sale patio homes/condominiums/townhomes, independent living, assisted living, and memory care in New Castle, Colorado, expected to draw residents from Rifle on the west to Glenwood Springs on the east.

### Competitive Environment

**Existing Age-Qualified, For-Sale Housing (Patio Homes, Townhomes, Mobile Home Communities and/or Condominiums)** [Note for-sale, age-qualified homes are classified by the senior housing industry as “Active Adult”]: There are no known age-qualified for-sale communities in the market area.

**Existing Independent Living:** There are no market-rate independent living properties in the market area.

**Existing Assisted Living:** There are four properties in the primary market area (PMA) that offer assisted living. Of these, Chateau at Rifle (formerly Crossroads at Rifle) and Glenwood Springs Harmony House are considered reasonably comparable and account for 30 competitive market-rate units. The other two properties are older, lesser-quality properties and are not considered competitive for purposes of calculating demand.

**Existing Memory Care:** No properties in the PMA offer memory care assisted living.

**Planned Properties: Stoney River** is a planned assisted living (54 units) and memory care (26 units) property which is expected to begin construction in early 2016 in Glenwood Springs. At this time, we have assumed this project will move forward and that its units will be fully competitive within the market area. We also considered possible skilled or hospice units adjacent to Stoney River (Roaring Fork, LLC), and potential assisted living and memory care in Rifle (Grand River Health) and assumed those would not be competitive, either because of product type or because of timing.

### Quantitative Demand Findings

**For-Sale Patio Homes, Condominiums, and Townhomes:** This table displays our estimate of the annual qualified buyer pool throughout the PMA for all types of age-qualified, for-sale units in 2018 and projected in 2020, assuming a minimum sale price of \$200,000. **For-sale, age-qualified housing, if offered in New Castle, would be able to capture a portion of that total demand, dependent on development of desirable, competitively-priced homes that would attract buyers from Glenwood Springs and Rifle, as well as New Castle.**

Annual Potential Age-Restricted Buyer Pool (2018)	Annual Potential Age-Restricted Buyer Pool (2020)
77 annually	83 annually

**Independent Living:** This table displays our estimate of the maximum potential independent living units that could be offered in 2018 and projected to 2020, assuming a project penetration rate of 3.5% (industry median benchmark). This calculation assumes that 25% of residents would be drawn from outside the PMA, primarily those relocating at the influence of local adult children. **It appears that there is potential demand to offer up to 21 independent living units by 2018 and 23 independent living units by 2020.**

Net Qualified Households in PMA (2018)	Net Qualified Households in PMA (2020)	Maximum Project Penetration	Maximum Potential Units (2018)	Maximum Potential Units (2020)
428	473	3.5%	21	23

**Assisted Living and Memory Care:** This table displays our estimate of total net demand in 2018 and 2020, along with the maximum potential project units that could be offered in 2018 and 2020, assuming a maximum project penetration rate of 30%. **It appears there is little potential demand for additional assisted living in the market area, given existing units and pending construction in Glenwood Springs. That said, a small group home model of assisted living, located on a campus adjacent to for-sale homes and/or rental apartments/independent living, would most likely be feasible.**

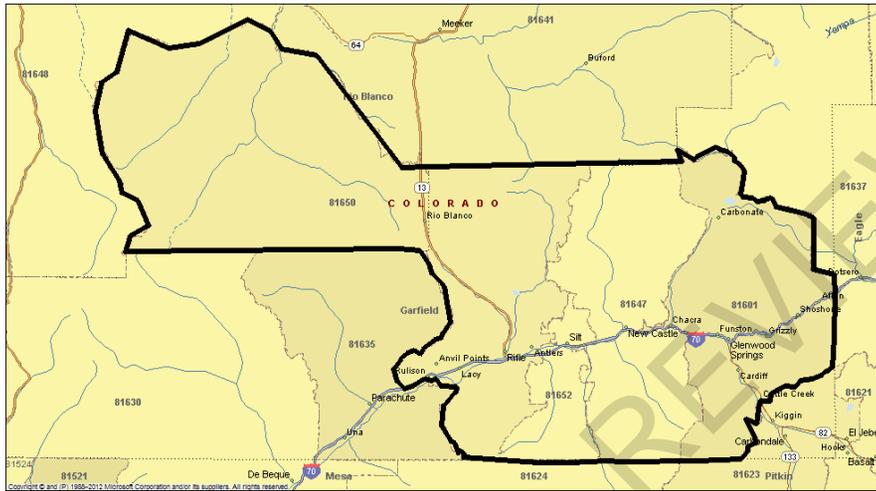
	Estimated Net Demand (2018)	Estimated Net Demand (2020)	Maximum Recommended Penetration Rate	Maximum Potential Units (2018)	Maximum Potential Units (2020)
Assisted Living	5 units	14 units	up to 30%	2	4
Memory Care	25 units	26 units	up to 30%	8	8

# Quick Look Preliminary Demand Report: Overview and Conclusions

## DEFINITION OF THE PRIMARY MARKET AREA (PMA)

For each market study, we create a custom primary market area (PMA), considering: natural boundaries; work and commuting patterns; location of retail, health and service centers; locations of other housing options; and major transportation corridors. Because we use census tract or zip code boundaries to obtain demographics, our market areas are defined along those boundary lines. In less populated areas (like rural/mountain areas and the suburban edges of metropolitan areas), zip codes and census tracts can be quite large and irregular (as can be seen in the map below), but typically contain little population in their further reaches.

The primary market area for the subject includes the Town of New Castle and the Cities of Glenwood Springs and Rifle. The vast majority of the population in the PMA is located along the I-70 corridor. Other major highways in the market area are CO-82, running south from Glenwood Springs toward Carbondale, and CO-13 which runs north from Rifle.



## POPULATION, GROWTH, AND AFFLUENCE IN THE PRIMARY MARKET AREA

The PMA has a small age-targeted population, with 1,713 households age 65 to 74 and 906 households age 75+. Between 2015 and 2020, the population is expected to grow by 45.6% for age 65 to 74 households and 29.1% for age 75+ households. Additionally, there are 6,336 caregiver-aged households (between 45 and 64) in the PMA, of which almost half have incomes over \$75,000 per year.

This is a relatively affluent market area, with median household income and median housing values at 95% and 114%, respectively, of those found statewide in Colorado. Also, the ratios of income-qualified households within targeted age groups are about the same as the state (the age 65 to 74 household average is about the state average and the age 75+ household average is slightly lower than the state average).

DEMOGRAPHIC PROFILE OF THE PMA	2015
<b>General PMA Demographics</b>	
Number of Individuals	41,456
Total Households	14,763
Median Household Income	\$57,191
Percent of State Median Household Income	95%
Median Owner Housing Value	\$303,547
Percent of State Median Owner Housing Value	114%
<b>Targeted Household Demographics</b>	
<b>Age 45 to 64 Households</b>	6,336
Age 45 to 64 Five-Year Household Growth Rate (2015-2020)	2.3%
Percent of State Age 45 to 64 Five-Year Growth Rate	58%
Age 45 to 64 Households with Incomes Exceeding \$75,000	2,756
Comparison to State Age 45 to 64, Incomes Exceeding \$75,000	89%
<b>Age 65 to 74 Households</b>	1,713
Age 65 to 74 Five-Year Household Growth Rate (2015-2020)	45.6%
Percent of State Age 65 to 74 Five-Year Growth Rate	162%
Age 65 to 74 Households with Incomes Exceeding \$50,000	903
Comparison to State Age 65 to 74, Incomes Exceeding \$50,000	99%
<b>Age 75+ Households</b>	906
Age 75+ Five-Year Household Growth Rate (2015-2020)	29.1%
Percent of State Age 75+ Five-Year Growth Rate	168%
Age 75+ Households with Incomes Exceeding \$35,000	360
Comparison to State Age 75+, Incomes Exceeding \$35,000	87%

# Quick Look Preliminary Demand Report: Overview and Conclusions

## COMPETITIVE SITUATION

### For-Sale, Age-Qualified (55+) Patio Homes, Condominiums, Townhomes and Mobile Home Communities - Existing Properties

There are no known for-sale, age-qualified patio homes, condominiums, or townhomes in the market area.

### Independent Living – Existing Properties

There are no market-rate independent living properties in the market area.

### Assisted Living - Existing Properties

There are two properties offering assisted living in the market area that we considered fully competitive, accounting for 30 competitive market-rate units after adjusting for comparability.

**Chateau at Rifle (2000)** is a good-quality assisted living property. **Glenwood Springs Harmony House (2007)** is a new, attractive, high-quality, stand-alone assisted living residence.

Two assisted living properties (**Creekside Assisted Living** and **Open Gate Residence in Glenwood Springs**) are dated assisted living properties that are not considered competitive with the subject in our demand calculation.

### Memory Care Assisted Living - Existing Properties

There are no memory care assisted living properties in the market area.

### Planned Properties

**Stoney River** developers report that construction is expected to begin on a planned assisted living (54 units) and memory care (26 units) property in early 2016. A City of Glenwood Springs planner reported to us in November 2015 that a building permit had been issued for Stoney River. These units were included in our demand calculation.

**Roaring Fork LLC, Glenwood Springs** - As of mid-December 2015, Roaring Fork LLC reported that it was in discussion with Hospice of the Valley about developing an inpatient hospice adjacent to the planned Stoney River assisted living and memory care property. This potential property was not included in our demand calculation.

**Grand River Health** - Per a City of Rifle planner in November 2015, Grand River Health (formerly called Grand River Hospital District) bought land adjacent to its existing skilled nursing facility (E Dene Moore), with the intent of replacing that facility and adding other senior housing and care options in the future. Per Dustin Dodson with Grand River Health (mid-December 2015), a bond issue will be on the ballot in November 2017 and the project is contingent on success in that election. If successful, Grand River intends to replace its existing nursing home with a 75-bed facility offering short-term rehabilitation and long-term skilled nursing beds. Also developed would be a geriatric psych unit, and 15 to 20 units each of assisted living and memory care. Because of the two-year time frame for the bond issue, this potential property was not included in our demand calculation.

### Important Note about Limitation of this Report Relative to Planned Properties

To make these preliminary demand calculations, we made an assumption that only one planned property would likely open ahead of the subject, and that would be expected to be competitive. It is certainly possible and perhaps likely that there are other projects being planned of which we are unaware. We recommend that you closely monitor other potential development on an ongoing basis.

## DEMAND CALCULATIONS AND CONCLUSIONS

### Potential Annual Demand for Age-Qualified (55+), For-Sale Patio Homes, Condominiums, or Townhomes

This calculation estimates the annual potential buyer pool within the primary market area (PMA) for all types of age-qualified for-sale homes (both resale and new homes): single-family homes, patio homes, townhomes, and condominiums. The demand assumptions are described in the table and related notes within this report.

It is assumed that the majority of potential buyers for age-qualified homes would be in the age group 55 to 74. Based on the expected starting sales price for the subject of \$200,000, the annual pool of potential buyers age 55 to 74 is estimated at 77 throughout the market area for 2018, the expected year the homes would be sold. The annual pool of potential buyers is projected to increase to 83 by 2020.

**For-sale, age-qualified housing, if offered in New Castle, should be able to capture a reasonable portion of that total demand, assuming the subject homes are well-designed and built, are price-competitive compared to other options in the area, and are marketed effectively.**

# Quick Look Preliminary Demand Report: Overview and Conclusions

## Overview of Independent Living Demand

We project there will be 428 net age- and income-qualified households in the market area in 2018 for market-rate independent living with no existing independent living properties or known planned properties to serve these households. This number increases to 473 qualified households in 2020 due to population growth.

To estimate demand for market-rate independent living, we use methodology and benchmarks developed by a Ziegler Capital Task Force (2007-2008), the "Methodology Task Force" (2014), and Dixon Hughes Goodman (2011). Based on a median industry benchmark for project penetration for independent living of 3.5%, up to 21 potential market-rate independent living units could be added by 2018. That number would increase to 23 by 2020 due to population growth, and assuming there are no other units added in the intervening years.

This demand projection assumes that the project, if developed, would be appropriately designed, priced, operated and marketed.

To make these demand calculations, we made an assumption about the number of planned, competitive units that are likely to open ahead of, or simultaneously with, the subject.

## Overview of Assisted Living Demand

Given existing competition and the current level of known development in this area, we estimate that there will be estimated net demand of 5 assisted living units by 2018, increasing to 14 units by 2020 due to population growth, assuming no other units are added in the intervening years. Our methodology assumes that 75% of residents would come from within the PMA and 25% would come from outside the PMA, primarily the parents of families that live in the PMA.

We believe it is reasonable to assume that an individual project in the PMA could potentially capture up to 30% of estimated net demand, or a potential project penetration of up to 2 units in 2018.

To make these demand calculations, we made an assumption about the number of planned, competitive units that are likely to open ahead of, or simultaneously with, the subject.

**It appears there is little potential demand for additional assisted living in the market area, given existing units and pending construction in Glenwood Springs. That said, a small group home model of assisted living/memory care, located on a campus adjacent to for-sale homes and/or rental apartments/independent living, would most likely be feasible.**

## Overview of Memory Care Assisted Living Demand

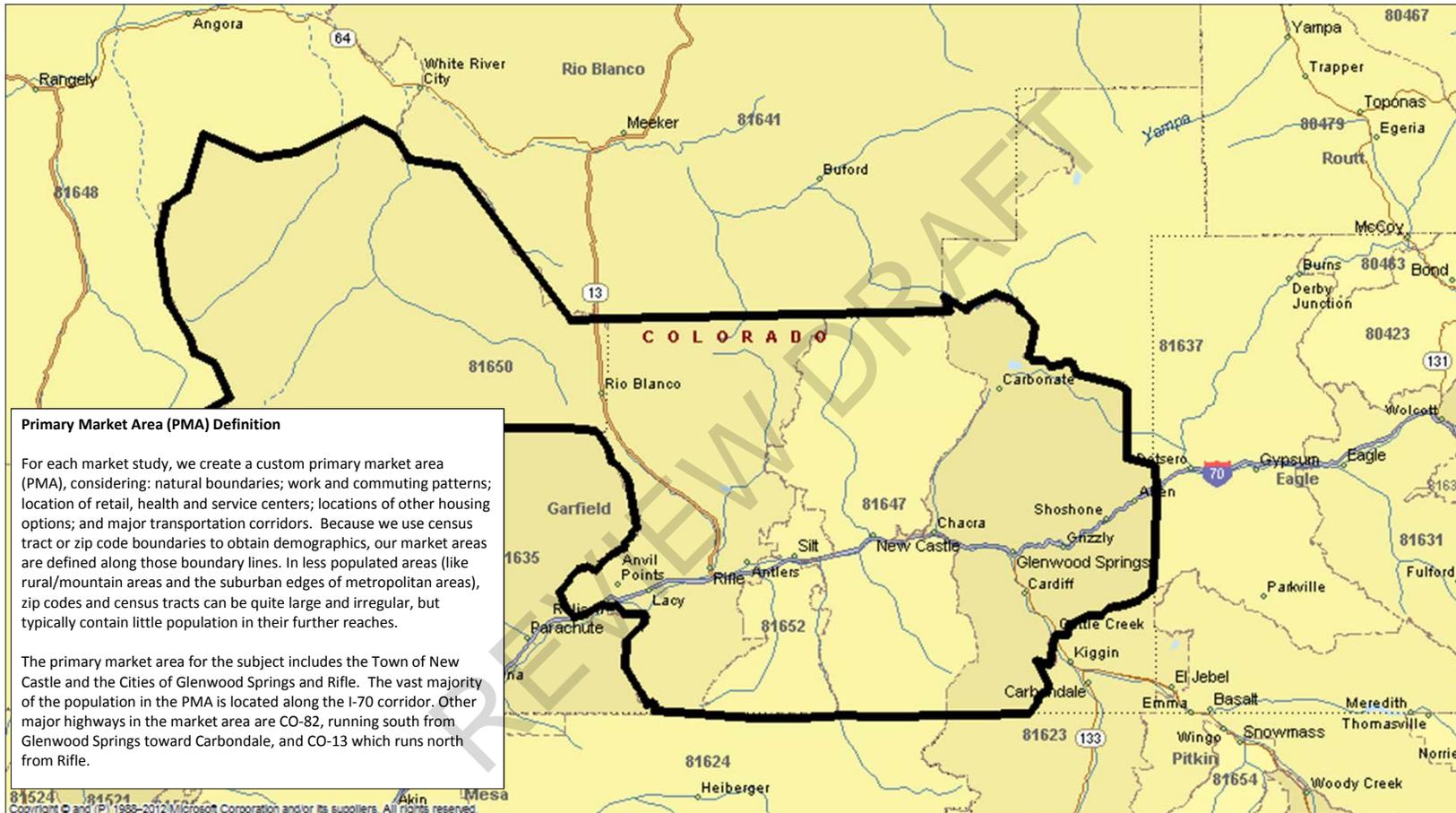
Given existing competition and the current level of known development in this area, we estimate that there will be estimated net demand of 25 memory care assisted living units by 2018, increasing to 26 units by 2020 due to population growth, assuming no other units are added in the intervening years. Our methodology assumes that 75% of residents would come from within the PMA and 25% would come from outside the PMA, primarily the parents of families that live in the PMA.

We believe it is reasonable to assume that an individual project in the PMA could potentially capture up to 30% of estimated net demand, or a potential project penetration of up to 8 units in 2018.

To make these demand calculations, we made an assumption about the number of planned, competitive units that are likely to open ahead of, or simultaneously with, the subject.

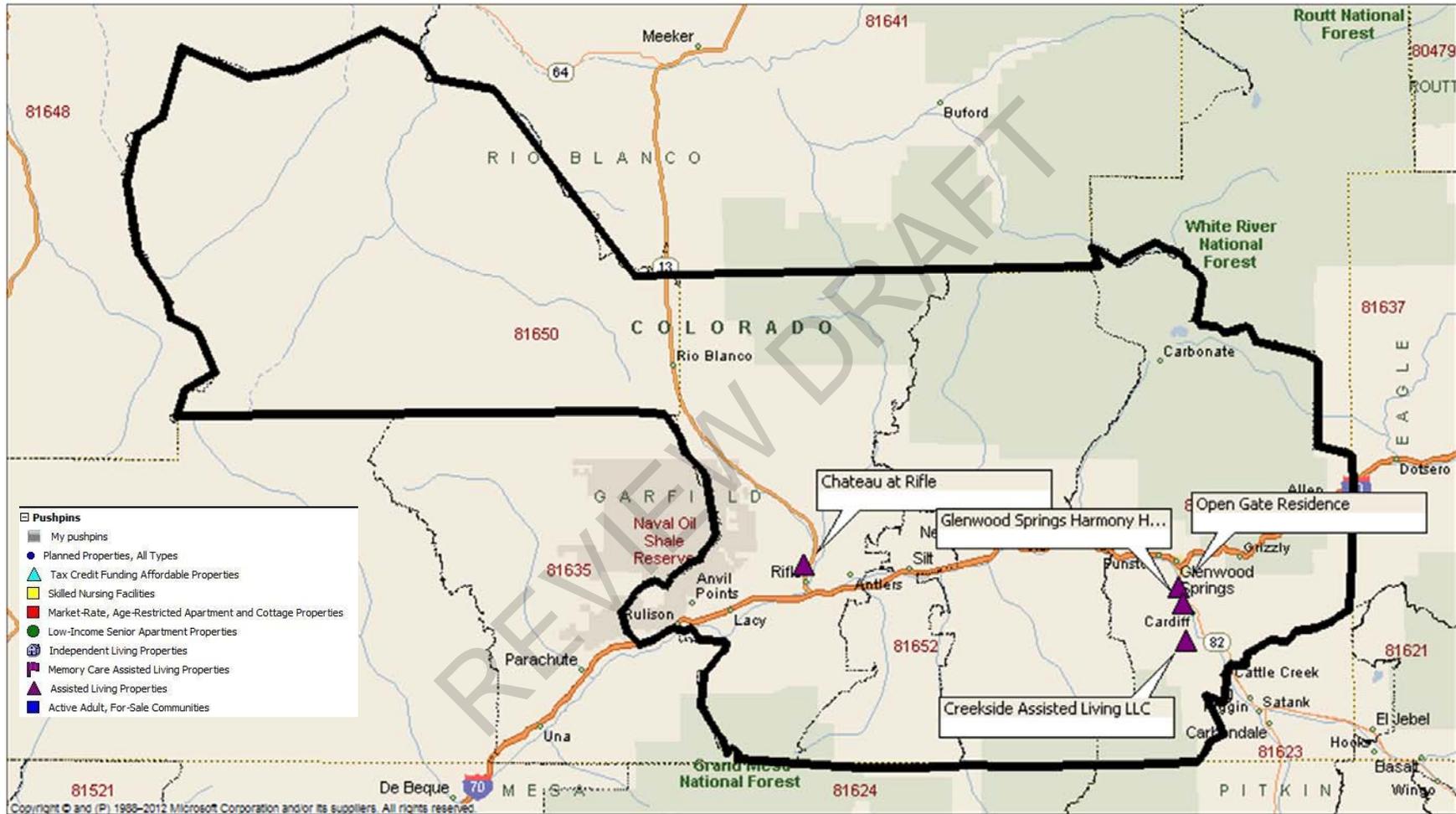
**It appears there is little potential demand for additional memory care in the market area, given existing units and pending construction in Glenwood Springs. That said, a small group home model of assisted living/memory care, located on a campus adjacent to for-sale homes and/or rental apartments/independent living, would most likely be feasible.**

# Map of Primary Market Area (PMA)



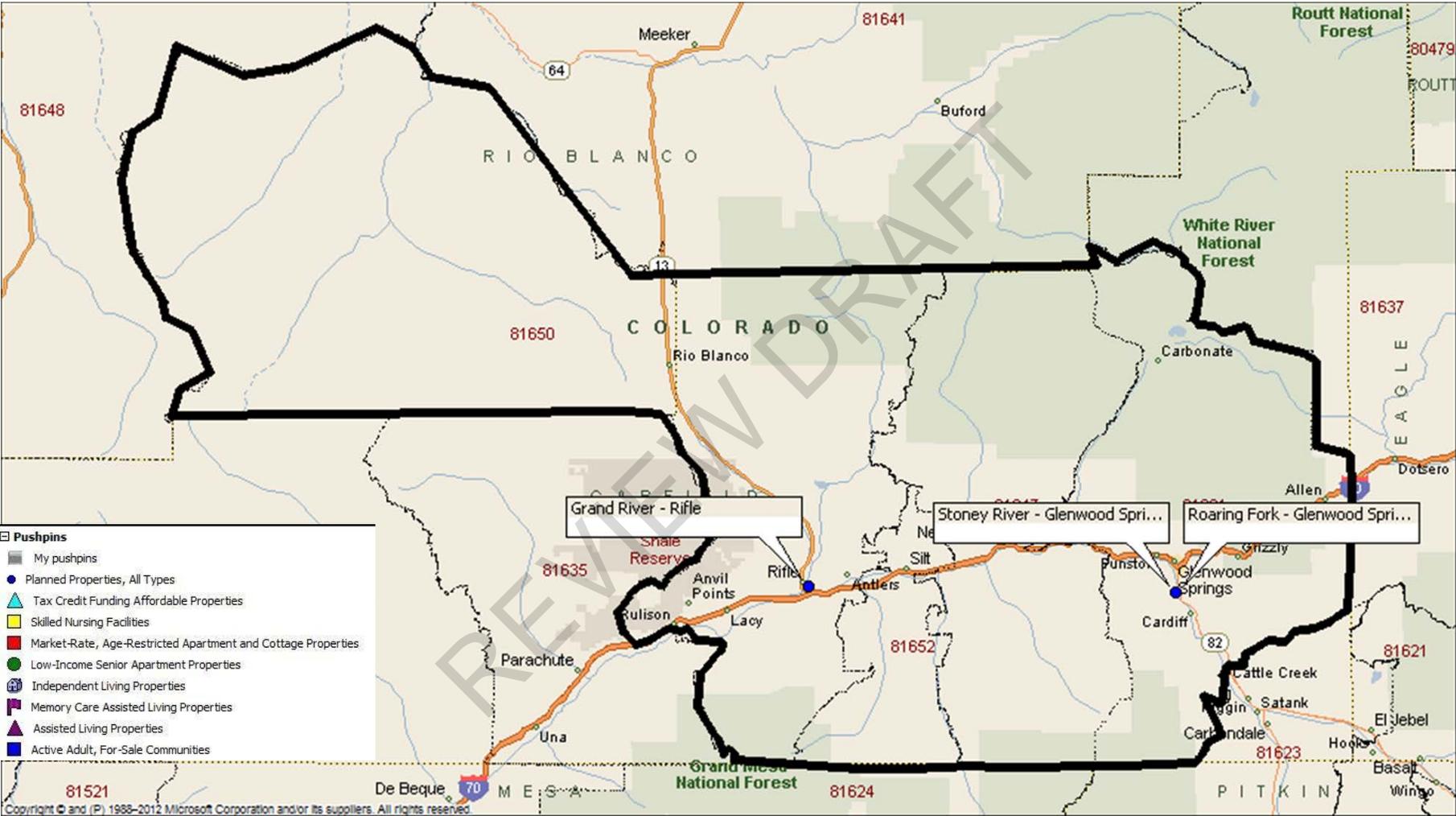
Map of Market Area: The polygon defines the primary market area (PMA).

## Detailed View of Existing Properties in and near the PMA



This map displays existing properties that include any of the housing or care types that are included in the scope of this report and that fall in or within one mile of the PMA boundary.

# Detailed View of Known Planned Properties in and near the PMA



# Demographic Summary and Comparisons

New Castle Primary Market Area (PMA)					Comparisons: PMA to Other Areas				
	2015	2018	2020	Percent Change 2015 to 2020		PMA	Colorado	United States	Denver MSA
					Key Demographics:				
<b>General Demographics:</b>					<b>General Demographics:</b>				
Total population	41,456	43,911	45,547	9.9%	Population growth rate, 5 years, 2015 to 2020	9.9%	6.3%	3.5%	7.4%
Total households	14,763	15,589	16,140	9.3%	Household growth rate, 5 years, 2015 to 2020	9.3%	6.9%	3.7%	7.9%
Median household income	\$57,191	\$56,247	\$55,617	-2.8%	Median household income, 2015	\$57,191	\$60,280	\$53,706	\$64,439
Median owner housing value	\$303,547	\$307,468	\$310,082	2.2%	Median owner housing value, 2015	\$303,547	\$266,005	\$191,227	\$280,865
<b>Targeted Households:</b>					<b>Targeted Households:</b>				
<b>Age 45-64</b>					<b>Age 45-64</b>				
Age 45-64	6,336	6,422	6,479	2.3%	Age 45-64 growth rate, 5 years, 2015 to 2020	2.3%	3.9%	-0.1%	7.6%
Number of Individuals	11,343	11,608	11,785	3.9%	Age 45-64 average individuals per household, 2015	1.8	1.7	1.8	1.7
Medicaid-qualified - (less than \$25,956)	940	955	964	2.6%	Age 45-64 percent Medicaid-qualified, 2015	14.8%	16.5%	19.2%	15.5%
\$75,000+ household income	2,756	2,754	2,752	-0.2%	Age 45-64 percent with \$75,000+ income, 2015	43.5%	48.6%	43.6%	51.3%
Median household income	\$67,274	\$66,557	\$66,079	-1.8%	Age 45-64 median household income, 2015	\$67,274	\$73,276	\$66,122	\$77,480
<b>Age 65-74</b>					<b>Age 65-74</b>				
Age 65-74	1,713	2,181	2,494	45.6%	Age 65-74 growth rate, 5 years, 2015 to 2020	45.6%	28.2%	21.4%	30.9%
Number of Individuals	2,798	3,617	4,163	48.8%	Age 65-74 average individuals per household, 2015	1.6	1.6	1.6	1.6
\$50,000+ household income	903	1,145	1,306	44.7%	Age 65-74 percent with \$50,000+ income, 2015	52.7%	53.3%	47.3%	55.7%
Median household income	\$53,064	\$52,825	\$52,666	-0.8%	Age 65-74 median household income, 2015	\$53,064	\$53,985	\$47,422	\$56,741
<b>Age 75+</b>					<b>Age 75+</b>				
Age 75+	906	1,065	1,170	29.1%	Age 75+ growth rate, 5 years, 2015 to 2020	29.1%	17.4%	9.5%	19.4%
Number of Individuals	1,489	1,772	1,960	31.6%	Age 75+ average individuals per household, 2015	1.6	1.5	1.5	1.5
Medicaid-qualified - (less than \$25,956)	470	538	583	24.1%	Age 75+ percent Medicaid-qualified, 2015	51.9%	40.2%	44.4%	38.6%
\$35,000+ household income	360	428	473	31.4%	Age 75+ percent with \$35,000+ income, 2015	39.7%	45.7%	41.3%	47.8%
\$50,000+ household income	268	313	343	27.6%	Age 75+ percent with \$50,000+ income, 2015	29.6%	30.4%	26.2%	32.6%
Median household income	\$25,747	\$26,467	\$26,947	4.7%	Age 75+ Median household income, 2015	\$25,747	\$32,272	\$29,512	\$33,962
<b>Caregiver Ratio: (age 75+ individuals divided by age 45-64 individuals)</b>					<b>Caregiver Ratio: (age 75+ individuals divided by age 45-64 individuals)</b>				
	0.131	0.153	0.166	26.6%		0.131	0.192	0.236	0.177

Note on caregiver ratio: Areas with low ratios have fewer seniors and more caregiver-aged households than is typical for the nation and are, therefore, more likely to experience in-migration of seniors to be closer to adult children.

\* The "31 NIC MSAs" is an aggregate/median of the largest 31 metro areas in the US, as identified and reported by the National Investment Center for the Seniors Housing and Care Industry in its NIC MAP reports.

Long-Range Projected Growth, 2010 to 2040									
Subject County (Pitkin) Colorado					Subject County (Pitkin) Colorado				
Subject County Totals by Year					Subject County Totals by Year				
<b>Age 45-64 Percent Growth</b>					<b>Age 75+ Percent Growth</b>				
2010 to 2015	0.7%	5.2%	2015	5,797	2010 to 2015	36.9%	16.9%	2015	820
2015 to 2020	-1.5%	3.6%	2020	5,709	2015 to 2020	43.5%	23.5%	2020	1,177
2020 to 2025	1.0%	3.7%	2025	5,765	2020 to 2025	34.5%	32.7%	2025	1,583
2025 to 2030	14.7%	6.9%	2030	6,615	2025 to 2030	20.1%	27.4%	2030	1,901
2030 to 2035	5.9%	7.1%	2035	7,007	2030 to 2035	12.4%	21.3%	2035	2,136
2035 to 2040	8.4%	7.9%	2040	7,597	2035 to 2040	3.3%	13.2%	2040	2,206
<b>Age 65-74 Percent Growth</b>					<b>All Ages Percent Growth</b>				
2010 to 2015	38.4%	37.9%	2015	1,957	2010 to 2015	4.0%	7.8%	2015	17,828
2015 to 2020	10.2%	26.6%	2020	2,156	2015 to 2020	8.5%	9.0%	2020	19,350
2020 to 2025	2.6%	14.5%	2025	2,211	2020 to 2025	10.9%	8.7%	2025	21,456
2025 to 2030	-4.8%	6.4%	2030	2,105	2025 to 2030	10.3%	8.0%	2030	23,669
2030 to 2035	-0.7%	0.0%	2035	2,090	2030 to 2035	9.3%	7.1%	2035	25,876
2035 to 2040	5.2%	2.8%	2040	2,199	2035 to 2040	8.3%	6.2%	2040	28,028

Sources: The Nielsen Company; Demography Section of Colorado Department of Local Affairs; National Investment Center for the Seniors Housing and Care Industry

# Existing Properties Offering Assisted Living in and near the Primary Market Area

Property Information		Adjustments		Total Unit Count		Adjusted Unit Count		Property Details			
Name	Address	Percent Competitive	Percent of Market Area Overlap	Market-Rate Assisted Living*	MCD or Subsidized Assisted Living*	Market-Rate Assisted Living*	MCD / Subsidized Assisted Living*	Year Built	Low Base Rent	High Base Rent	Comments:
Chateau at Rifle	375 W. 24th St., Rifle, CO	100%	100%	24	6	24	6	2000	\$2,455	\$3,975	Chateau at Rifle (formerly Crossroads at Rifle) is a good-quality assisted living property.
Creekside Assisted Living LLC	3490 County Road 117, Glenwood Springs, CO	0%	100%	12	0	0	0	1992	\$2,400	\$3,500	Creekside Senior Living is a dated assisted living group home.
Glenwood Springs Harmony House PC	1045 Parkwest Dr., Glenwood Springs, CO	100%	100%	6	0	6	0	2007	\$4,950	\$4,950	Glenwood Springs Harmony House PC is a new, attractive, high-end, stand alone assisted living residence.
Open Gate Residence	402 23rd. St., Glenwood Springs, CO	0%	100%	16	0	0	0	1965	\$3,500	\$6,000	Open Gate Residence is a dated assisted living residence.
		<b>Total Adjusted Assisted Living Units</b>				<b>30</b>	<b>6</b>				

\* If shown, the split between market-rate and Medicaid or subsidized is as currently reported by each property.

**Assumptions and Methodology for Determining Comparable Properties:** All known properties offering the product types studied in this report are listed. Properties not considered reasonably comparable to the subject project may be excluded from the competing unit count for purposes of calculating demand. Also, properties lying within one mile outside the market area boundary may be included and adjustments in competing unit counts may be made to all properties lying within a mile outside the PMA and within a mile inside the PMA boundary. If these adjustments are made, the percent adjustment applied to each property is listed in the columns labeled "Percent of Comparability" and "Percent of Market Area Overlap". Existing properties not considered comparable to the subject, and planned properties that are not considered likely to move forward may be listed as having less than 100% comparability. Zero comparability is applied to product types that are different from the subject, if shown.

**Abbreviations Used:** AL = Assisted Living; MEM = Secured Memory/Alzheimer's Care; MCD = Medicaid

## Known Planned Properties in and near the Primary Market Area

Property Information		Adjustments		Total Unit Count		Adjusted Unit Count		Comments
Name	Address*	Percent Competitive	Percent of Market Area Overlap	Market-Rate Assisted Living**	Memory Care Assisted Living	Market-Rate Assisted Living**	Memory Care Assisted Living	
Grand River Health - Rifle <i>(Not considered competitive at this time, due to 2-year time frame prior to bond election.)</i>	376 Ash Ave., Rifle, CO	0%	100%	15	15	0	0	Per a City of Rifle planner in November 2015, Grand River Health (formerly called Grand River Hospital District) bought land adjacent to its existing skilled nursing facility (E Dene Moore), with the intent of replacing that facility and adding other senior housing and care options in the future. Per Dustin Dodson with Grand River Health (mid-December 2015), a bond issue will be on the ballot in November 2017 and the project is contingent on success in that election. If successful, Grand River intends to replace its existing nursing home with a 75-bed facility offering short-term rehabilitation and long-term skilled nursing beds. Also developed would be a geriatric psych unit, and 15 to 20 units each of assisted living and memory care.
Roaring Fork - Glenwood Springs	2700 Midland Ave., Glenwood Springs, CO	0%	100%	0	0	0	0	As of mid-December 2015, Roaring Fork LLC reported that it was in discussion with Hospice of the Valley about developing an inpatient hospice adjacent to the planned Stoney River assisted living and memory care property.
Stoney River - Glenwood Springs	2700 Midland Ave., Glenwood Springs, CO	100%	100%	54	26	54	26	Stoney River is a planned assisted living (54 units) and memory care (26 units) property in Glenwood Springs. The developer, First Phoenix, reports that construction is expected to begin in early 2016. As of November 2015, the City of Glenwood Springs reported that a building permit has been issued.
				<b>Total Adjusted Competing Units</b>		<b>54</b>	<b>26</b>	

\* Addresses of planned properties may be approximated to accommodate mapping.

**Assumptions and Methodology for Determining Comparable Properties:** All known planned properties are listed. Properties not considered reasonably comparable to the subject project may be excluded from the competing unit count for purposes of calculating demand. Also, properties lying within one mile outside the market area boundary may be included and adjustments in competing unit counts may be made to all properties lying within a mile outside the Primary Market Area and within a mile inside the Primary Market Area. If these adjustments are made, the percent adjustment applied to each property is listed in the columns labeled "Percent of Comparability" and "Percent of Market Area Overlap". Existing properties not considered comparable to the subject, and planned properties that are not considered likely to move forward, may be listed as having less than 100% comparability. Zero comparability is applied to product types that are different from the subject, if shown.

Abbreviations Used: AA = Active Adult; AL = Assisted Living; IL = Independent Living; MEM = Secured Memory/Alzheimer's Care; MCD = Medicaid; AQ = Age-Qualified Apartments; SNF = Skilled Nursing Facility

# Age-Qualified For-Sale Housing - Annual Demand

Estimate of Qualified Buyers for Age-Qualified (55+), For-Sale Homes - Annual Demand <i>(Total Single Family Homes, Patio Homes, Townhomes, Condominiums)</i>	2015	Project Year 2018	2020
Total age 55-74 households in the primary market area (PMA)	4,731	5,418	5,877
Number of age 55 to 74 households who are homeowners (79.3%)	3,753	4,298	4,662
Number of age 55 to 74 households expected to move annually in subject PMA (7.1%)	268	307	333
Number who would consider moving to an age-restricted community (50%)*	134	154	167
<b>Number of annual qualified potential buyers who could afford at least a \$200,000 home (assuming 20% down, 3.5% interest, 30-yr amort = \$718 monthly PI) Assumes debt to payment ratio of 36% = \$24,000 = 75.4% of households**</b>	<b>67</b>	<b>77</b>	<b>83</b>

**Potential Demand for Age-Qualified (55+) For Sale Homes**

This calculation estimates the annual potential buyer pool within the primary market area (PMA) for all types of age-qualified for-sale homes (both resale and new homes): single-family homes, patio homes, townhomes, and condominiums. The demand assumptions are described in the table and in notes below the table.

It is assumed that the majority of potential buyers for age-qualified homes would be in the age group 55 to 74. Based on the expected starting sales price for the subject of \$200,000, the annual pool of potential buyers age 55 to 74 is estimated at 77 throughout the market area for 2018, the expected year the homes would be sold. The annual pool of potential buyers is projected to increase to 83 by 2020.

**For-sale, age-qualified housing, if offered in New Castle, should be able to capture a reasonable portion of that total demand, assuming the subject homes are well-designed and built, are price-competitive compared to other options in the area, and are marketed effectively.**

This approach to calculating potential demand for for-sale, age-restricted homes is partially based on methodology detailed by ProMatura Group in a National Association of Homebuilders 50+ Housing Special Report, "Understanding the Demographics and Economics Behind a Successful 55+ Development", published in Spring 2015.

\* The percentage who would consider moving to an age-restricted community (50%) was provided by ProMatura, who reports that they have "completed studies annually for more than 20 years among households 55+ years of age and typically find that between 48% and 52% would at least consider moving to an age-qualified community".

\*\*Although many 55+ buyers pay cash or make large down payments, we have assumed a similar ratio of income to price of the new home, and a similar value of the prior home.

# Independent Living Demand

Potential Project Penetration	2015	2018	2020
Number of age & income qualified households (Age 75+, \$35,000+ income)	360	428	473
Less existing inventory of available comparable units (assuming 95% occupancy)	0	0	0
Less planned inventory of available comparable units (assuming 95% occupancy)		0	0
<b>Net number of age and income-qualified households</b>	360	428	473
Percentage of potential subject units (below) to be filled from the PMA		75%	75%
Potential subject units (below) to be filled in the PMA		16	17
Number potential subject units to be filled in the PMA @ 95% occupancy		15	17
<b>Potential total subject units that could be added based on 3.5% median benchmark) and assuming 75% from the market area and 95% occupancy.</b>		<b>21</b>	<b>23</b>

## Overview of Market-Rate Independent Living Demand

We project there will be 428 net age- and income-qualified households in the market area in 2018 for market-rate independent living with no existing independent living properties or known planned properties to serve these households. This number increases to 473 qualified households in 2020 due to population growth.

To estimate demand for market-rate independent living, we use methodology and benchmarks developed by a Ziegler Capital Task Force (2007-2008), the "Methodology Task Force" (2014), and Dixon Hughes Goodman (2011). Based on a median industry benchmark for project penetration for independent living of 3.5%, up to 21 potential market-rate independent living units could be added by 2018. That number would increase to 23 by 2020 due to population growth, and assuming there are no other units added in the intervening years.

This demand projection assumes that the project, if developed, would be appropriately designed, priced, operated and marketed.

To make these demand calculations, we assumed no other developers considering development of independent living, assisted living, or memory care in the area likely to open ahead of you. Because we believe there is demographic support for only one project in the area and because none of these developers appear to be making forward progress, we did not include any planned units in our demand calculations.

### Definitions

**Potential Project Penetration** = The maximum number of new units it may be reasonable to assume a subject project could fill.

A description of demand methodology, as well as other comments relative to interpretation of results follows on the Methodology and Interpretation of Results page.

# Assisted Living Demand

Potential Project Penetration	2015	2018	2020
Number of age 75+ households in market area	906	1,065	1,170
Number 75+ households in market area with incomes \$35,000 and higher	360	428	473
Number of 1-person, 75+ households in market area with incomes \$35,000 and higher (65%)	234	278	307
Number of 1-person, 75+ households who are need-qualified with incomes of \$35,000 and higher (24.4%)	57	68	75
Increase in demand from out-of-market area/adult children (+25%)	71	85	94
Less total existing market-rate units considered comparable (non-secured) - assuming 95% occupancy	29	29	29
Less planned/under construction units considered comparable (non-secured) - assuming 95% occupancy		51	51
<b>Estimated Net Demand</b>	<b>43</b>	<b>5</b>	<b>14</b>
<b>Potential Project Penetration</b>	<b>Number of Units</b>	<b>Number of Units</b>	<b>Number of Units</b>
Potential project penetration assuming 30% target	13	2	4
<b>Divided by 95% Occupancy = Potential Project Penetration</b>	<b>14</b>	<b>2</b>	<b>4</b>

## Overview of Assisted Living Demand

Given existing competition and the current level of known development in this area, we estimate that there will be estimated net demand of 5 assisted living units by 2018, increasing to 14 units by 2020 due to population growth, assuming no other units are added in the intervening years.

Our methodology assumes that 75% of residents would come from within the PMA and 25% would come from outside the PMA, primarily the parents of families that live in the PMA. We believe it is reasonable to assume that an individual project in the PMA could potentially capture up to 30% of estimated net demand, or a potential project penetration of only 2 units in 2018.

To make these demand calculations, we made an assumption about the number of planned, competitive units that are likely to open ahead of, or simultaneously with, the subject.

**It appears there is little potential demand for additional assisted living in the market area, given existing units and pending construction in Glenwood Springs. That said, a small group home model of assisted living/memory care, located on a campus adjacent to for-sale homes and/or rental apartments/independent living, would most likely be feasible.**

## Definitions

**Estimated Net Demand** = The expected total additional demand within the entire market area for the product type after existing and other planned competition is subtracted.

**Potential Project Penetration** = The maximum number of new units it may be reasonable to assume a subject project could fill.

A description of demand methodology, as well as other comments relative to interpretation of results follows on the Methodology and Interpretation of Results page.

# Memory Care Assisted Living Demand

Potential Project Penetration	2015	2018	2020
Number of market area individuals aged 65+	4,288	5,389	6,123
Individuals with Alzheimer's/dementias - typical incidence*	392	493	498
Estimated number with dementias placed out of home (30%)	118	148	149
Percent of demand with income \$50,000 or more	45%	45%	45%
Equals demand from individuals with income \$50,000 or more	53	66	67
Plus out of market area demand (25%)	66	83	84
Portion of demand appropriate for assisted living memory care vs. skilled nursing (60% of total demand)	39	50	50
Less existing supply of secured beds in AL in market area, assuming 95% occupancy	0	0	0
Less planned/under construction beds in market area, assuming 95% occupancy		25	25
<b>Estimated Net Demand</b>	<b>39</b>	<b>25</b>	<b>26</b>
<b>Potential Project Penetration</b>	<b>Number of Units</b>	<b>Number of Units</b>	<b>Number of Units</b>
Potential project penetration assuming 30% target		8	8
<b>Divided by 95% Occupancy = Potential Project Penetration</b>		<b>8</b>	<b>8</b>

## Overview of Memory Care Assisted Living Demand

Given existing competition and the current level of known development in this area, we estimate that there will be estimated net demand of 25 memory care assisted living units by 2018, increasing to 26 units by 2020 due to population growth, assuming no other units are added in the intervening years. Our methodology assumes that 75% of residents would come from within the PMA and 25% would come from outside the PMA, primarily the parents of families that live in the PMA.

We believe it is reasonable to assume that an individual project in the PMA could potentially capture up to 30% of estimated net demand, or a potential project penetration of up 8 units in 2018.

To make these demand calculations, we made an assumption about the number of planned, competitive units that are likely to open ahead of, or simultaneously with, the subject.

**It appears there is little potential demand for additional memory care in the market area, given existing units and pending construction in Glenwood Springs. That said, a small group home model of assisted living/memory care, located on a campus adjacent to for-sale homes and/or rental apartments/independent living, would most likely be feasible.**

\*Individuals with Alzheimer's/dementias - typical incidence is based on the U.S. average of approximately 3% of age 65-74, 17% of age 75-84 and 32% of age 85+, as published March 2013 by the American Academy of Neurology in *Alzheimer Disease in the United States (2010-2050)*. The U.S. average incidence rate is then applied to the numbers of each 65+ age group in the PMA.

### Definitions

**Estimated Net Demand** = The expected total additional demand within the entire market area for the product type after existing and other planned competition is subtracted.

**Potential Project Penetration** = The number of new units it may be reasonable to assume a subject project could fill.

A description of demand methodology, as well as other comments relative to interpretation of results follows on the Methodology and Interpretation of Results page.

# Methodology and Interpretation of Results

## Age-Qualified (55+) For-Sale Housing Annual Demand - (Includes: patio homes, townhomes, condominiums)

Based on number of 55 to 74 current homeowner households with incomes levels appropriate to afford to purchase the least expensive subject home

- number of 55 to 74 households who are homeowners
- number of 55 to 74 households expected to move annually in subject PMA
- number of 55 to 74 households likely to consider buying in an age-qualified community
- number of annual qualified buyers who could afford the at least the lowest priced home (assuming 20% down, 3.5% interest, 30-yr amort.) Assumes standard debt to payment ratio of 36%.

**Independent Living Project Penetration** - Based on number of age 75+ households with incomes >\$35,000 per year or other selected income-qualification

- assumes a certain percentage of units would be filled from outside the PMA
- - (existing + planned) competitive units
- assumes competing and planned units stabilize at 95% occupancy
- assumes project penetration rate should be at or less than a certain percentage

**Age-Qualified Apartments (Market Rate) Project Penetration** - Based on number of age 70+ households with incomes at level appropriate to targeted subject rents, assuming 30% rent to annual income ratio.

- number of income-qualified renter households and owner households, based on planned rents
- assumes 60% to 70% of residents will be from single-person households/30% to 40% 2-person households
- assumes a certain percentage of units would be filled from outside PMA
- assumes competing and planned units stabilize at 95% occupancy
- assumes project penetration will be a maximum of 5%, depending on market

**Tax Credit Apartments (LIHTC) and/or HUD 202 Demand and Capture** - Based on number of age 62+ renter households with incomes falling within subject's planned rent/eligibility band. For LIHTC projects, uses required market study methodology of Colorado Housing and Finance Authority ([www.chfainfo.com](http://www.chfainfo.com))

- + percent out-of-market area demand
- - (existing + planned) competitive units
- assumes capture rate should be at or less than a certain percentage

**Estimated Net Demand** - For assisted living (market rate and Medicaid) and secured memory care assisted living, described below, Estimated Net Demand is intended to represent a realistic number of additional units that could be filled overall within the market area, given existing/known planned competition, demographic projections for the next few years, and benchmark penetration rates. It does NOT represent annual demand.

**Assisted Living Market Rate Project Penetration (Excluding Secured Memory Care)** - Based on number of age 75+ households with incomes >\$35,000 per year (or other income qualification)

- x % of qualified households that are single person or not living with spouse
- x percent of those reporting presence of disability and need for services
- + percent expected out-of-market area demand
- - (existing + planned) competitive AL units (excluding memory care) = estimated net demand
- assumes project penetration rate should be at or less than a certain percentage of net demand

**Assisted Living - Medicaid/Subsidized – Project Penetration (Excluding Secured Memory Care)** - Based on number of age 75+ households (or younger depending on subject target) with incomes less than the maximum income established by the state each year. Remainder of calculation is the same as for market-rate assisted living, detailed above.

**Secured Memory Care Project Penetration** - Based on the number of age 65+ individuals, for both AL and SNF level of care

- x percent incidence of Alzheimer's/dementia for 65+ individuals in the PMA
- x 30% placed out of home
- x \$50,000 per year income qualification or other selected income qualification
- x estimated percent suitable for AL level of care AND/OR x % appropriate for SNF level of care
- + percent expected out-of-market area demand
- - (existing + planned) competitive units = estimated net demand
- assumes project penetration rate should be at or less than a certain percentage of net demand

**Skilled Nursing Facility Estimated Demand (Total Demand All Types of SNF and Demand by Payer Source)**

### Method 1: Estimate of Additional Demand Based on Average Statewide Utilization

- statewide SNF utilization and occupancy rates (current year percentage of age 75+ population)
- statewide Medicaid, Medicare and private pay/insurance occupancy rates per age 75+ population
- comparison to PMA occupancies; existing and planned units

### Method 2: Potential Capture of Market Share from Older, Lesser-Quality Facilities

- ranking of existing properties into three quality levels based on physical plant (A, B, C)
- assumes potential capture pool in PMA = 75% of occupied beds from C and 50% from B facilities
- assumes a new high-quality property could capture a percentage of that pool, typically 30% to 50%

**Project Penetration is:**

- **Required Project Penetration Rate** = When planned subject units are known, the percentage of estimated net demand that the subject would have to capture to fill all of its planned units. Estimated net demand divided by the number of planned subject units.
- **Potential Project Penetration** = When the number of subject units has not been established, a reasonable penetration rate is assumed and multiplied by estimated net demand to equal the potential number of units the subject might be able to capture. The potential number of new units is divided by 95% to reflect expected occupancy level of any new units.
- The percent market share the subject property may be able to actually capture will be determined by the quality of other competition, the quantity and timing of pending competition, location, marketing, pricing, and overall product desirability.

**Gross Market Penetration of Age 75+ Households with Existing Competitors and Planned Competitors, Before and After Adding New Subject Units** - If used in a report, displays the projected level of penetration (saturation) for each product type for the entire market area that would be reached or could be reached by that year given existing competing units and any known/planned units, both before and with any new subject units. May use a DHG Healthcare, National Investment Center for Seniors Housing (NIC MAP), or other industry benchmark to estimate current gross market penetration.

### **Interpretation of Penetration (Saturation) Data**

- A high gross penetration rate may often be interpreted positively if quality properties in the area are performing well; often indicates a high level of acceptance and utilization of the product type.
- If other high-quality properties are experiencing occupancy problems, a high gross penetration rate may be interpreted negatively.
- A significant increase in penetration between current conditions and conditions after introduction of subject and/or other planned units could indicate potential for at least short-term oversupply.

**More Analysis is Needed and Caution May be in Order** if the planned project will require a project penetration rate at or near the top of the acceptable range and/or if the gross market penetration rate or rate of change if new units are added appears to indicate potential for product oversupply.

**Sources:** Approaches and assumptions for demand methodologies are based on a number of industry data sources and reports. Data considered include: penetrations of senior housing types, incomes of residents in senior housing types, use of assets and family support to pay monthly fees and entrance fees, the extent to which seniors move to housing types near family members, the incidence of Alzheimer's Disease and the percentage of out-of-home placement of persons with dementias, the presence of disabilities requiring assistance by age, etc. Key sources include: reports/surveys commissioned by the National Investment Center for the Seniors Housing and Care Industry, American Seniors Housing Association, Assisted Living Federation of America; special reports produced by the U.S. Census Bureau; the Alzheimer's Association. Also, published papers and presentations relative to demand methodologies from Ziegler Capital's Task Force on Demand Methodologies (2007 and 2008), DHG Healthcare (2011/2014), National Association of Homebuilders 55+ Housing Special Report (2015), and Principles for Market Analysis (2014, Methodology Page 15)

## Classifications for Seniors Housing Property Types (For data collection and reporting purposes)

*\*These classifications have been endorsed by the following organizations: American Association of Homes & Services for the Aging (AAHSA); American Health Care Association (AHCA); American Seniors Housing Association (ASHA); Assisted Living Federation of America (ALFA); National Center for Assisted Living (NCAL); and the National Investment Center for the Seniors Housing & Care Industries, Inc. (NIC).*

**Active Adult Communities:** For-sale single-family homes, townhomes, cluster homes, mobile homes and condominiums with no specialized services, restricted to adults at least 55 years of age or older. Rental housing is not included in this category. Residents generally lead an independent lifestyle; projects are not equipped to provide increased care as the individual ages. May include amenities such as clubhouse, golf course and recreational spaces. Outdoor maintenance is normally included in the monthly homeowner's association or condominium fee.

**Senior Apartments:** Multifamily residential rental properties restricted to adults at least 55 years of age or older. These properties do not have central kitchen facilities and generally do not provide meals to residents, but may offer community rooms, social activities, and other amenities.

**Independent Living Communities:** Age-restricted multifamily rental properties with central dining facilities that provide residents, as part of their monthly fee, access to meals and other services such as housekeeping, linen service, transportation, and social and recreational activities. Such properties do not provide, in a majority of the units, assistance with activities of daily living (ADLs) such as supervision of medication, bathing, dressing, toileting, etc. There are no licensed skilled nursing beds in the property.

**Assisted Living Residences:** State regulated rental properties that provide the same services as independent living communities listed above, but also provide, in a majority of the units, supportive care from trained employees to residents who are unable to live independently and require assistance with activities of daily living (ADLs) including management of medications, bathing, dressing, toileting, ambulating and eating. These properties may have some nursing beds, but the majority of units are licensed for assisted living. Many of these properties include wings or floors dedicated to residents with Alzheimer's or other forms of dementia. A property that specializes in the care of residents with Alzheimer's or other forms of dementia that is not a licensed nursing facility should be considered an assisted living property.

**Nursing Homes:** Licensed daily rate or rental properties that are technically referred to as skilled nursing facilities (SNF) or nursing facilities (NF) where the majority of individuals require 24-hour nursing and/or medical care. In most cases, these properties are licensed for Medicaid and/or Medicare reimbursement. These properties may include a minority of assisted living and/or Alzheimer's/dementia units.

**CCRCs:** Age-restricted properties that include a combination of independent living, assisted living and skilled nursing services (or independent living and skilled nursing) available to residents all on one campus. Resident payment plans vary and include entrance fee, condo/coop and rental programs. The majority of the units are not licensed skilled nursing beds.



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# THE HIGHLAND GROUP

## Qualifications Statement

The Highland Group, Inc., based in Boulder, Colorado, is a firm offering strategic research, development planning, and marketing consulting relative to seniors housing and care communities. Founded in 2000 by Principal Elisabeth Borden, Highland's clients include lenders, for-profit developers and owners, not-for-profit organizations, and housing authorities. Highland's clients include both market-rate and affordable housing, and span the range of senior product types from independent living to skilled nursing.

The Highland Group works almost exclusively in Colorado and specializes in its deep knowledge of local communities and senior properties located in Colorado's Front Range, mountains, and plains. Our clients benefit from our extensive proprietary database of senior housing and care properties in Colorado, as well as from our use of numerous sources of public and private population and socioeconomic data. Our market and feasibility analysis is also informed by our direct consumer research, including focus groups, on-line surveys, and prospect surveys.

The Highland Group is qualified to complete third-party market and feasibility studies for the following entities:

- **Colorado Housing and Finance Authority (CHFA)** market studies for Low Income Housing Tax Credits
- **Colorado Division of Housing** Community Development Block Grant and HOME funds
- **U.S. Department of Agriculture (USDA) Rural Development** feasibility studies for Community Facilities and Business and Industry Loans
- **Commercial banks and other lenders and investors**

Elisabeth Borden founded The Highland Group following a successful career in operations, marketing, and development of seniors housing and care communities. Her knowledge and skill have grown from hands-on experience such as: developer and manager of senior communities; regional operations director; corporate marketing consultant; developer of home-based services; and as a market researcher and marketing consultant for over 200 projects. Elisabeth is an avid student of national and regional consumer trends and preferences and is a frequent conference presenter on consumer trends and senior housing.

The Highland Group's scope of services includes the following:

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<b>Services for Developers and Lenders</b>	<b>Services for Operators and Lenders</b>
Preliminary Demand Analysis	Strategic planning
Site Suitability Review and Site Identification	Pricing analysis
Market Studies and Feasibility Studies	Environmental assessment
Direct Consumer Research - Online and Mail Surveys	Marketing audits
Direct Consumer Research - Focus Groups	Competitive analysis
Pricing Recommendations	Marketing consulting
Marketing Campaigns	Organizational assessment

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The Highland Group has received recognition and awards for its assistance to non-profit developers, local government, property owners, and senior housing and care associations. In 2010, The Highland Group was the winner of the Quality First Award in the Business Partner category at the Colorado Association of Homes and Services for the Aging's (now LeadingAge Colorado) annual conference and exposition.

# Organiza

Organization	Based in
Augustana Care	Minneapolis, MN
Roaring Fork Lodge, LLC	Carbondale, CO
Volunteers of America	National with Montrose regional office
Hilltop Community	Grand Junction, CO
Bethesda Senior Living	Monument, CO
Madison Senior Living Management	Alamosa, CO

## ations that May be Interested in a Development/Own

Contact Person	Email	
Kathy Kopp	<a href="mailto:kkopp@augustanacare.org">kkopp@augustanacare.org</a>	<a href="http://augustanacare.org/#&amp;panel1-9">http://augustanacare.org/#&amp;panel1-9</a>
Terry Claassen	<a href="mailto:terryclaassen@yahoo.com">terryclaassen@yahoo.com</a>	
Craig Ammerman	<a href="mailto:cammermann@voa.org">cammermann@voa.org</a>	<a href="http://www.voa.org/senior_living_and_care_search?utf8=%E2%9C%93&amp;senior_living_and_care_search%5Blocation%5D=eckert%2C+co">http://www.voa.org/senior_living_and_care_search?utf8=%E2%9C%93&amp;senior_living_and_care_search%5Blocation%5D=eckert%2C+co</a>
Not sure who the right contact would be for this. We have only worked with Michaelle Smith, Vice President for Client Services at Hilltop Community Resources	<a href="mailto:michaelles@htop.org">michaelles@htop.org</a>	<a href="http://www.htop.org/">http://www.htop.org/</a>
Larry Smith, CEO	<a href="mailto:lsmith@ba.org">lsmith@ba.org</a>	<a href="http://www.bethesdaseniorliving.com">http://www.bethesdaseniorliving.com</a>
Josh Kanen	<a href="mailto:jkanen@mountainairoxygen.com">jkanen@mountainairoxygen.com</a>	

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## Partnership Role in M

Phone
612.238.5445
303.549.7111
970.240.0139 ext.30
970.244.0402
719.481.0100
951.203.1980

# New Castle

## Notes

Constructing community in Eagle, interested in other Colorado opportunities. **You are already in contact with Augustana.**

Working on development in Montrose, possibly Carbondale and Grand Junction; several sites in the Denver market. **You are already in contact with Terry.**

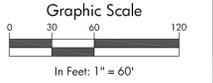
VOA is a large national organization with broad range of senior and non-senior services and housing. VOA has a strong presence in Delta, Montrose, Eckart, Grand Junction, Durango in skilled nursing, assisted living, and affordable senior apartments. VOA also offers home care and home delivered meals. VOA is the provider for "PACE", a super-HMO serving the western slope with comprehensive health and supportive services for people who qualify both for Medicare and Medicaid;

Hilltop Community is a 65-year old, non-profit community-based organization based in Grand Junction. It provides a wide range of community services and housing, for all ages. Hilltop owns and manages independent living, assisted living, and memory care (The Commons, The Fountains, The Cottages, adult day care, and home care.

Bethesda Senior Living Communities is a national faith-based, not-for-profit organization headquartered in Colorado Springs, founded in 1959. The company operates 16 senior communities—independent living, assisted living and memory care in six states. Bethesda owns and manages properties in Colo. Springs, Loveland, Thornton, and Grand Junction. Bethesda is currently expanding its Grand Junction property.

Small firm that manages several smaller assisted living properties, mostly rural, in Colorado Kansas, Nebraska. Madison manages Heidi's Chateau in Montrose and Chateau at Rifle (formerly Crossroads at Rifle), and properties in Lafayette and Pueblo West. Most of its managed properties in Colorado are owned by a single owner, Sky Management. The properties all take Medicaid, and are moderate-income type properties. The company is looking for acquisition and development opportunities.





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Preliminary  
Not For  
Construction

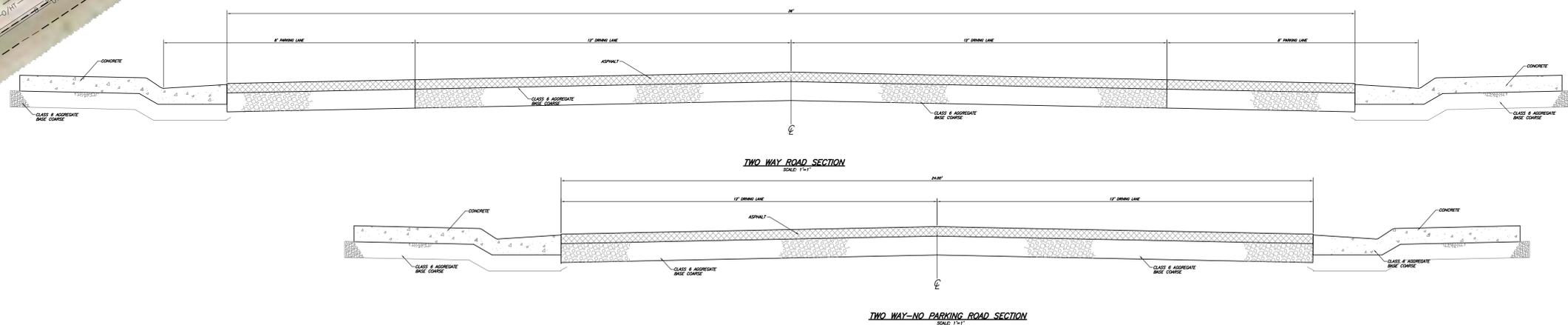
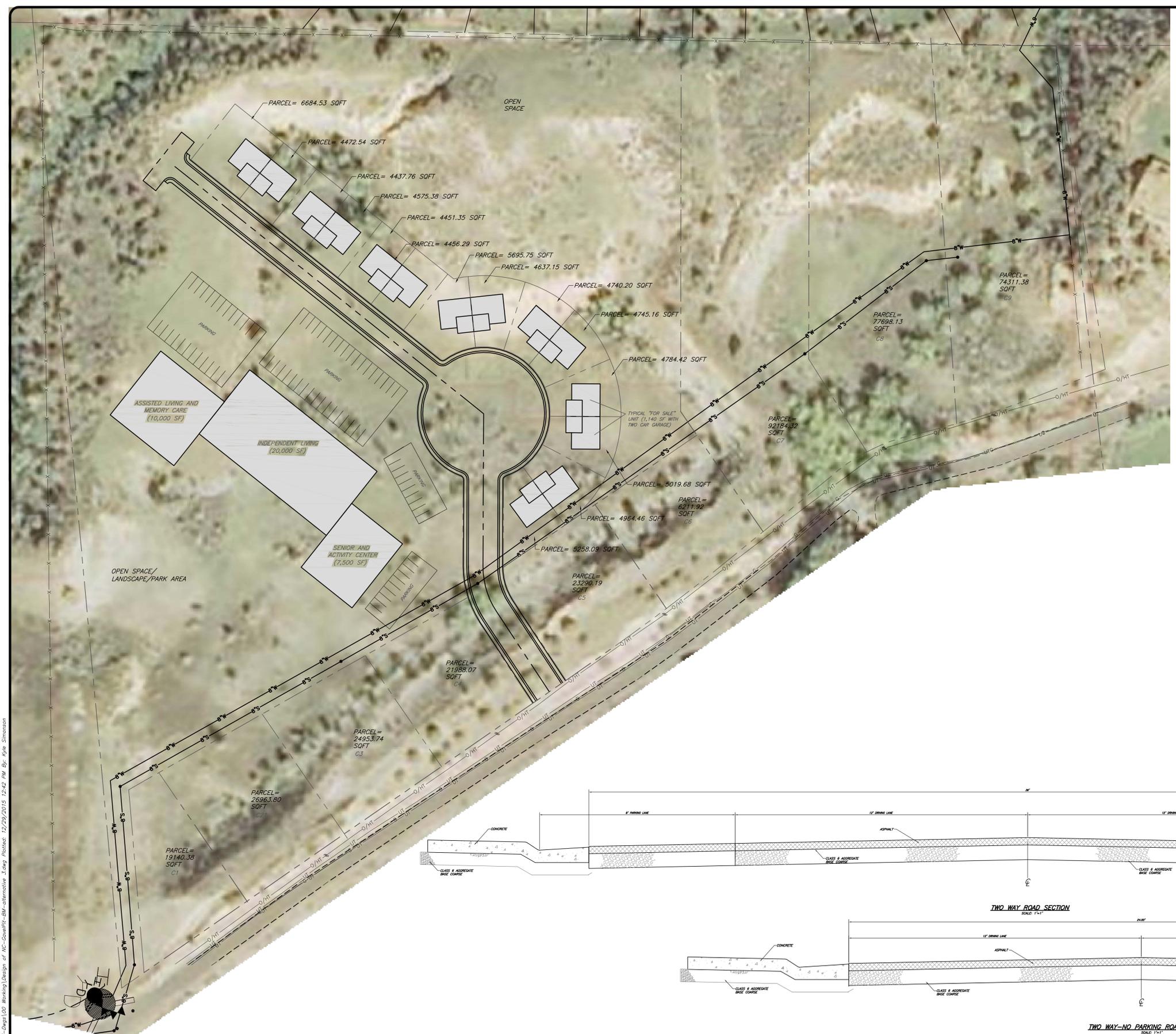
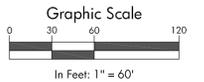
**SGM**  
118 West Sixth Street, Suite 200  
Glenwood Springs, CO 81601  
970.945.1004 www.sgm-inc.com

Town of New Castle  
Kursten Property

#	Revision	Date	By
1			

Site Plan  
Alternative 2

Job No.	1993-128A	1 Of 1
Drawn by:	KS	
Date:	9/1/15	
QC:	PE: JSS	
File:	Design of NC-Gov\FR-BM-Alternative 2	



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Preliminary  
Not For  
Construction

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118 West Sixth Street, Suite 200  
Glenwood Springs, CO 81601  
970.945.1004 www.sgm-inc.com

Town of New Castle  
Kursten Property

#	Revision	Date	By
1			

Site Plan  
Alternative 3

Job No.	1993-128A	1 of 1
Drawn by:	KS	
Date:	9/1/15	
QC:	PE: JSS	
File:	Design of NC-Coverly-BM-Alternative 3	