

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: April 10, 2018 [] Consent [] Regular
[] Ordinance [X] Public Hearing

Department: Department of Housing and Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) **Approve** the application of Tuscan Gardens of Delray Beach Properties, LLC for the issuance of the County's tax-exempt and/or taxable Revenue Bonds, Series 2018 (the "Bonds"), in an aggregate principal amount not to exceed \$32,755,000.
- B) **Conduct** a Tax Equity and Fiscal Responsibilities Act ("TEFRA") public hearing pursuant to Section 147(f) of the Internal Revenue Code, as amended concerning the proposed issuance of one or more series of Revenue Bonds in an aggregate principal amount not to exceed \$69,000,000; and
- C) **Adopt** a resolution of the Board of County Commissioners of Palm Beach County, Florida, authorizing the issuance of the County's tax-exempt and/or taxable Revenue Bonds, Series 2018, in the aggregate principal amount not to exceed \$69,000,000 for the purpose of providing funds to make a loan to Tuscan Gardens of Delray Beach Properties, LLC and/or any one or more affiliates thereof (the "Obligated Group") to provide funds to finance, refinance, or reimburse all or a portion of the costs of: (I) developing approximately 7.57 acres of land in unincorporated Palm Beach County, Florida near Delray Beach, Florida to serve as an assisted living and memory care rental community for seniors known as Tuscan Gardens of Delray, consisting of approximately 130 total units of senior housing, including 80 assisted living units and 50 memory support units (the "Project"); (II) funding capitalized interest on the Bonds; (III) funding certain pre-development costs of the Project; (IV) funding debt service reserve; (V) refunding the County's taxable revenue bonds (Tuscan Gardens of Delray Beach Project) Series 2017; and (VI) funding the cost of issuance for the Bonds; authorizing the execution and delivery of a loan agreement with the Obligated Group and a trust indenture; awarding the sale of the Bonds by a negotiated sale; authorizing officials of the County to take certain action in connection with the issuance of the Bonds; making certain other covenants and agreements in connection with the issuance of the Bonds; and providing an effective date.

Summary: The Obligated Group has requested the County issue tax-exempt and/or taxable Revenue Bonds in an amount not to exceed \$69,000,000, inclusive of \$36,245,000 from an application approved by the Board of County Commissioners pursuant to a TEFRA public hearing on December 20, 2016 and \$32,755,000 from the 2018 application. Bond proceeds will be used to: finance, refinance, or reimburse all or a portion of the costs of the acquisition, construction, pre-development, development, installation and equipping of a senior living facility and the underlying land, including related facilities, fixtures, furnishings and equipment, to be located on approximately 7.57 acres at the southwest corner of the intersection of Frost Lane and Sims Road near Delray Beach in unincorporated Palm Beach County, Florida 33484; fund capitalized interest on the Bonds; fund certain pre-development costs of the Project; refund the County's taxable revenue bonds issued on December 15, 2017; and fund the cost of issuance for the Bonds. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay the principal, premium, if any, or interest on the Bonds.** District 5 (DB)

Background and Justification: Continued on Page 3

Attachment(s):

- 1. TEFRA Notice
- 2. Application
- 3. Memo to County Attorney
- 4. Resolution

Recommended By: Jonathan Brown 3/9/18
Department Director Date

Approved By: Laurel E. Nicholas 3/23/18
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenues	(\$100,000)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	(\$100,000)				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item included In Current Budget? Yes No
 Does this Item include the use of Federal Funds? Yes No

Budget Account No.:

Fund 1539 Dept 143 Unit 2102 RSRC 4133 Program Code/Period N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:


All costs to be borne by the Applicant. Palm Beach County is expected to receive an issuance fee of approximately \$100,000, as well as legal fees for services rendered in connection with the issuance of the Bonds. The issuance fee amount is the maximum fee allowable for for-profit projects as approved by the BCC on July 10, 2012, Item #31-4. A total of 30 hours of staff time was required to provide this service. The County's costs are included in the budget.

C. Departmental Fiscal Review: 
 Beverley Reid, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 3/12/18
 OFMB
 3/11/18 3/19/18

 3/13/18
 Contract Development and Control

B. Legal Sufficiency:

 3/14/18
 Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification: Continued from Page 1

The Internal Revenue Code requires that certain tax-exempt bonds be approved by an elected governmental agency after a public hearing. This approval does not in any way obligate the County on the Bonds or imply that the County has determined that the Bonds are credit-worthy or serve a public purpose. The Bonds are being purchased by Herbert J. Sims & Co., Inc., or such other underwriter as may be determined by the Obligated Group.

PUBLIC NOTICE
BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA

Public notice is hereby given that the Board of County Commissioners of Palm Beach County, Florida (the "County") will hold a public hearing in the Jane Thompson Memorial Chambers, 6th Floor of the Palm Beach County Governmental Center, 301 North Olive Avenue, West Palm Beach, Florida 33401, during a meeting commencing at [9:30 a.m.] on April 10, 2018, or as soon thereafter as possible, on the proposed issuance by the County of its taxable and/or tax-exempt revenue bonds (the "Bonds"), in an aggregate principal amount not to exceed \$69,000,000 in one or more series of bonds, for the purpose of providing a loan to Tuscan Gardens of Delray Beach Properties, LLC, and/or any one or more of its affiliates thereof (the "Obligated Group"). Bond proceeds will be used by the Obligated Group to: (i) develop approximately 7.57 acres of land in unincorporated Palm Beach County, Florida, near Delray Beach, Florida to be an assisted living and memory care rental community for seniors to be known as Tuscan Gardens of Delray, expected to consist of approximately 130 total units of senior housing, including 80 assisted living units and 50 memory support units (the "Project"); (ii) fund capitalized interest on the Bonds; (iii) fund certain pre-development costs of the Project; (iv) fund debt service reserve; (v) refund the County's Taxable Revenue Bonds (Tuscan Gardens of Delray Beach Project), Series 2017; and (vi) fund the cost of issuance of the Bonds. The Project will be owned and operated by the Obligated Group and will consist of four separate parcels of land located at 14259 Sims Road, Delray Beach, Florida 33484, which is at the intersection of Sims Road and Frost Lane near Delray Beach, Florida in unincorporated Palm Beach County, Florida. All facilities financed with the Bonds will be owned and operated by the Obligated Group. The Bonds will be payable solely from the revenues derived from the Obligated Group. Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay the principal, premium, if any, or interest on the Bonds.

All interested persons are invited to attend the public hearing, which will be the only public hearing held concerning the issuance of the Bonds. Any such interested parties may at their option submit written comments to the County Administrator, 11th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401, prior to the hearing. Written comments should be received by the County on or before 5:00 p.m. on April 9, 2018. Any person desiring to present oral comments should appear at the hearing. If a person decides to appeal any decision made by the Commission with respect to any matter considered at this meeting or hearing, he or she will need to have a record of the proceedings and for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the County no later than seven (7) days prior to the proceeding at the address given in this notice or by telephone at (561) 233-3671.



**INDUSTRIAL DEVELOPMENT REVENUE BOND
PALM BEACH COUNTY, FLORIDA**

APPLICATION FORM

When there is insufficient space on the application to provide information include attachments. Enclose all pertinent documentation.

**INDUSTRIAL REVENUE BOND FINANCING
PROJECT ELIGIBILITY QUESTIONNAIRE**

1. Entity that will lease or purchase the project (or borrow the bond proceeds) from the bond issuer.

Entity Name: Tuscan Gardens of Delray Beach Properties, LLC

Address: 189 S. Orange Avenue, Suite 1650, Orlando, FL 32801

Telephone: (407) 206-6577

Fax: (407) 206-6565

This entity is referred to as the project's "principal user" for the remainder of this questionnaire.

2. Form of organization of principal user (check one):

corporation partner sole proprietorship limited liability company

Is the principal user related to any other organization by more than 50% common ownership?

yes no

If yes, indicate name of related organization and relationship:

Tuscan Gardens of Delray Beach Management Company, LLC

3. Ownership: List all stockholders or partners having 10% or more interest in the principal user:

Tuscan Gardens of Delray Beach, LLC

ATTACHMENT 2

4. If any of the above persons own more than 50% of the principal user, list all other organizations which are related to the principal user by virtue of such persons having more than a 50% interest in such organizations:

None

5. Location of the project (street address & municipality or unincorporated area of County):

Southwest corner of Sims Road and Frost Lane, Unincorporated Palm Beach County

6. Project Site (land)

(a) Indicate approximate size (in acres or square feet) of project site: 7.57

(b) Are there buildings now on the project site?

yes no

(c) Indicate the present use of the project site: Vacant

(d) Indicate present owner of project site:

Tuscan Gardens of Delray Beach Properties, LLC

7. If the principal user now owns the project site, indicate:

(a) Date of Purchase: December 15, 2017

(b) Purchase Price: \$5,000,000.00

(c) Balance of Existing Mortgage: \$8,755,000

(d) Holder of Mortgage: U.S. Bank National

Association/Trustee

8. If the principal user is not now the owner of the project site, does the principal user have an option to purchase the site and any buildings on the site?

yes no N/A

If yes, indicate:

(a) Date Option Agreement Signed with Owner:

(b) Purchase Price under Option:

(c) Expiration Date of Option:

9. Has the principal user entered into a contract to purchase the site?
yes no N/A
 If yes, indicate:
- (a) Date Signed:
- (b) Purchase Price:
- (c) Settlement Date:
10. If the principal user is not the owner of project site, does the principal user now lease the site or any buildings on the site?
yes no N/A
11. Is there a relationship legally or by virtue of common control or ownership between the principal user and the seller / lessor of the project site?
yes no N/A
 If yes, describe this relationship:
12. Does the project involve acquisition of an existing building or buildings?
yes no N/A
 If yes, indicate number and size of buildings:
13. Does the project consist of the construction of a new building or buildings?
yes no
 If yes, indicate number and size of new buildings:
14. Does the project consist of additions and/or renovations to existing buildings?
yes no
 If yes, indicate nature of expansion and/or renovations:
15. What will be the use of the buildings or buildings to be acquired, constructed or expanded by the principal user for this project?

 New construction of an assisted living community

16. If any space in the project is to be leased to third parties, indicate total square footage of the project, amount to be leased to each tenant, and proposed use by each tenant:

Project Total Sq. Ft.	Third Parties Leased Sq. Ft.	Tenant / Proposed Use
N/A	N/A	N/A

17. Has construction work on this project begun?

yes no

If yes, complete the following:

	Construction Work	Yes	No	% Complete
				%
				%
				%
				%
				%
				%

18. List principal items or categories of equipment to be acquired as part of the project:

Kitchen equipment
Furniture
Electrical fixtures
Laundry equipment

19. Has any of the above equipment been ordered or purchased?

yes no

If yes, indicate:

Equipment Item	Date Ordered	Delivery Date	Price

20. List the face amount of all tax-exempt finance previously arranged by or for the benefit of the principal user in Palm Beach County:

Date of Issue	Original Face	Current Outstanding
	-0-	

21. State the proposed uses of bond proceeds:

Description of Cost	Amount
Land	\$5,000,000
Buildings	\$44,000,000
Equipment	\$4,000,000
Engineering	\$800,000
Architecture	\$3,000,000
Interest During Construction	\$4,500,000
Bond Discount	0
Cost of Financing	\$2,200,000
Other (please explain below)	\$5,500,000
Face Amount of Issue	\$69,000,000

(Capitalized interest and other such costs)

22. Have any of the above expenditures already been made by the applicant?

yes no

If yes, indicate particulars:

Land, architectural, and
engineering

23. Have any of the above expenditures been incurred but not paid by the principal user?

yes no

If yes, indicate particulars:

24. Are costs of working capital, moving expenses, work in process, or stock in trade included in the proposed uses of bond proceeds?
yes no Not on the tax-exempt bonds
 If yes, indicate particulars :

25. Will any of the funds to be borrowed through the County be used to repay or refinance an existing mortgage or outstanding loan?
yes no
 If yes, indicate particulars :

To refund taxable bonds in the amount of \$8,755,000 issued by the County in December, 2017.

(Complete questions 26 and 27 only if the proposed financing is an industrial development financing in excess of \$1 million.)

26. List capital expenditures with respect to **this project**:

Expenditure	Past 3-Years Amount	Next 3-Years Amount
Land	\$5,000,000	0
Buildings	0	\$44,000,000
Equipment	0	\$4,000,000
Engineering	\$800,000	0
Architecture	\$3,000,000	0
Research & Development	0	0
Interest During Construction	0	\$4,500,000
Other (please explain below)	0	\$7,700,000
TOTAL	\$8,800,000	\$60,200,000

Research and development expenses with respect to a facility must be treated as capital expenditures with respect to it. This would include research and development with respect to products to be produced at the facility and with respect to equipment to be used there. Research and development expenses allocable to the project under the foregoing rule must be treated as capital expenditures with respect to it even though the research and development work takes place in a different county or state.

Costs of molds, etc., to be used at a facility are capital expenditures even if paid by the customer.

Costs of equipment to be moved to a facility are capital expenditures even if the purchase and initial use of the equipment occurred outside the County.

27. List capital expenditures with respect to **other facilities** of the principal user or any related person, if the facilities are located in Palm Beach County: N/A

Expenditure	Past 3-Years Amount	Next 3-Years Amount
Land		
Buildings		
Equipment		
Engineering		
Architecture		
Research & Development		
Interest During Construction		
Other (please explain below)		
TOTAL		

28. Indicate approximate number of individuals who will be employed after completion of the project:

80 - 100

29. Do any of said employees require specialized training or skills to qualify for said employment?

yes no

If yes, please indicate whether or not training programs will be instituted or whether or not local technical and vocational education can provide such training:

Nursing
 Certified Nursing Assistant
 Medical Technicians
 Executive Director
 Dietary Manager

30. Please indicate utility needs; i.e., electrical, water and sewer. Include quantity and character of said needs:

Project will use:
 Electrical TBD
 Water TBD
 Sewer TBD
 Gas TBD

31. Does the project produce emissions through stacks or chimneys which would subject it to the jurisdiction of the Florida Department of Environmental Regulation?

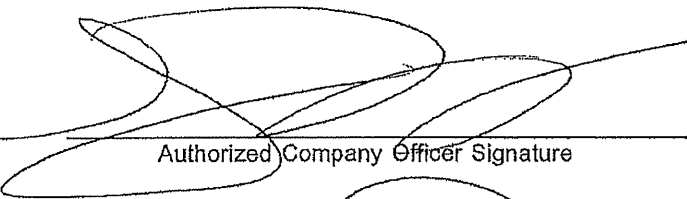
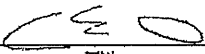
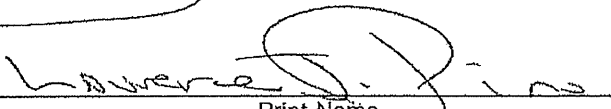
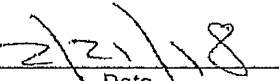
yes no

If yes, indicate particulars:

32. Does the project produce sewage, industrial effluent, or discharge of an unusual character requiring specialized treatment?

yes no

If yes, indicate particulars:

 _____ Authorized Company Officer Signature	 _____ Title
 _____ Print Name	 _____ Date

**PALM BEACH COUNTY, FLORIDA
INDUSTRIAL DEVELOPMENT REVENUE BOND
APPLICATION ADDENDUM**

1. See Attachment A.
2. \$32,755,000.
3. Tuscan Gardens of Delray Beach Properties, LLC (the “Owner”) and Tuscan Gardens of Delray Beach Management Company, LLC (the “Operator” and, collectively with the Owner, the “Obligated Group”), are both Florida limited liability companies that were both organized on May 26, 2016. Affiliates of the Obligated Group have ownership interests in a variety of senior living facilities. The management team of the Obligated Group, each of which reside in Orlando, Florida, have experience in the finance and development of senior living projects, commercial mixed use projects, shopping centers, office buildings, and single and multi-family residential properties. The officers and directors have also been involved in the formation, development, and growth of companies in the healthcare, finance, and insurance industries.
4. See Question No. 21. Additional information can be provided as the numbers are finalized.
5. See Attachment B.
6. The project will contribute to the economic development of the area. The project will create approximately 100 new jobs. The new construction and capital investments will also contribute to the local economy, and the project provides alternative living arrangements that address a need of the elderly and others with special needs.
7. The proposed security will be land and buildings.
8. The bonds will be purchased by an underwriter.
9. See Attachment B.
10. Applicant: Larry Pino, 189 S. Orange Avenue, Suite 1650, Orlando, Florida, 32801
Applicant: Christopher Young, 189 S. Orange Avenue, Suite 1650, Orlando, Florida, 32801

Counsel: Ty Roofner/Nikki Williams, 200 S. Orange Avenue, Suite 800, Orlando, Florida, 32801

11. The bonds will be payable solely from the revenues derived from the project. The Obligated Group is experienced in developing and managing these types of projects. The management team of the Obligated Group has experience in raising capital for a variety of its previous real estate development and business ventures and has formed various real estate investment funds to raise equity from unaffiliated third-party investors for this project and other projects. The management of the Obligated Group expects to have the ability to raise or advance additional capital, if needed, for the project. Management of the Obligated Group maintains control over the corporate and business matters affecting the project, the Obligated Group and the funds described above. Neither the taxing power nor the faith and credit of the County, nor any County funds, will be pledged to pay the principal, premium, if any, or interest on the bonds.
12. The Project was approved by Palm Beach County for its anticipated use, a Type 3 Congregated Living Facility, by resolution of the Issuer dated September 29, 2015. Prior to the issuance of the Series 2018 Bonds, the Obligated Group will receive all necessary permits and authority from the appropriate government agencies to construct the Project as planned, including a building permit or a letter indicating the building permit is ready from the City. As part of the building permit application and review process, the Obligated Group will address any necessary infrastructure.
13. Acknowledged.
14. Acknowledged.
15. Acknowledged.
16. Acknowledged.

ATTACHMENT B

TUSCAN GARDENS DELRAY BEACH
Pro Forma Projections

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Operating Revenues										
Independent Living	\$ -	\$ 124,711	\$ 758,593	\$ 1,158,649	\$ 1,233,803	\$ 1,267,733	\$ 1,302,595	\$ 1,338,417	\$ 1,375,223	\$ 1,413,042
Assisted Living	\$ -	\$ 632,758	\$ 3,631,995	\$ 5,338,055	\$ 5,572,206	\$ 5,725,441	\$ 5,882,891	\$ 6,044,671	\$ 6,210,899	\$ 6,381,699
Memory Care	\$ -	\$ 513,324	\$ 3,020,054	\$ 4,488,764	\$ 4,686,949	\$ 4,815,840	\$ 4,948,276	\$ 5,084,354	\$ 5,224,173	\$ 5,367,838
Revenue Underwriting Reserve		\$ (12,582)	\$ (73,373)	\$ (108,767)	\$ (113,792)	\$ (116,921)	\$ (120,136)	\$ (123,440)	\$ (126,835)	\$ (130,323)
Total Operating Revenues	\$ -	\$ 1,258,211	\$ 7,337,269	\$ 10,876,701	\$ 11,379,166	\$ 11,692,094	\$ 12,013,626	\$ 12,344,001	\$ 12,683,461	\$ 13,032,256
<i>increase from prior year</i>		<i>#DIV/0!</i>	483.2%	48.2%	4.6%	2.7%	2.8%	2.8%	2.7%	2.8%
Operating Expenses										
General & Administration	\$ 237,755	\$ 1,548,914	\$ 1,978,183	\$ 2,175,885	\$ 2,201,559	\$ 2,262,102	\$ 2,324,309	\$ 2,388,228	\$ 2,453,904	\$ 2,521,387
Plant	\$ -	\$ 271,505	\$ 443,042	\$ 456,018	\$ 468,572	\$ 481,458	\$ 494,698	\$ 508,302	\$ 522,280	\$ 536,643
Environmental Services	\$ -	\$ 134,211	\$ 215,009	\$ 221,050	\$ 227,130	\$ 233,376	\$ 239,794	\$ 246,388	\$ 253,164	\$ 260,126
Food & Beverage Services	\$ -	\$ 376,353	\$ 839,838	\$ 1,018,432	\$ 1,057,834	\$ 1,086,924	\$ 1,116,815	\$ 1,147,527	\$ 1,179,084	\$ 1,211,509
Resident Services	\$ -	\$ 112,491	\$ 190,433	\$ 195,702	\$ 201,087	\$ 206,617	\$ 212,299	\$ 218,137	\$ 224,136	\$ 230,300
Assisted Living	\$ -	\$ 586,077	\$ 1,183,266	\$ 1,352,536	\$ 1,396,934	\$ 1,435,350	\$ 1,474,822	\$ 1,515,379	\$ 1,557,052	\$ 1,599,871
Memory Care	\$ -	\$ 130,777	\$ 631,346	\$ 774,489	\$ 795,797	\$ 817,681	\$ 840,168	\$ 863,272	\$ 887,012	\$ 911,405
Total Operating Expenses	\$ 237,755	\$ 3,160,328	\$ 5,481,116	\$ 6,194,113	\$ 6,348,913	\$ 6,523,508	\$ 6,702,904	\$ 6,887,234	\$ 7,076,633	\$ 7,271,240
<i>increase from prior year</i>		1229.2%	73.4%	13.0%	2.5%	2.8%	2.8%	2.8%	2.8%	2.8%
Expense Underwriting Reserve		\$ (63,207)	\$ (109,622)	\$ (123,882)	\$ (126,978)	\$ (130,470)	\$ (134,058)	\$ (137,745)	\$ (141,533)	\$ (145,425)
Net Operating Income	\$ (237,755)	\$ (1,965,324)	\$ 1,746,531	\$ 4,558,706	\$ 4,903,275	\$ 5,038,116	\$ 5,176,664	\$ 5,319,022	\$ 5,465,295	\$ 5,615,591

RESOLUTION NO. R-2015- 1351

RESOLUTION APPROVING ZONING APPLICATION PDD/R-2015-00755
(CONTROL NO. 2005-00506)
a Requested Use
APPLICATION OF Providence I Investments LLC
BY Wantman Group Inc., AGENT
(Providence Living in Delray Beach)

WHEREAS, the Board of County Commissioners, as the governing body of Palm Beach County, Florida, pursuant to the authority vested in Chapter 163 and Chapter 125, Florida Statutes, is authorized and empowered to consider applications relating to zoning;

WHEREAS, the notice and public hearing requirements, as provided for in Article 2 (Development Review Procedures) of the Palm Beach County Unified Land Development Code (Ordinance 2003-067 as amended) (ULDC), have been satisfied;

WHEREAS, Zoning Application PDD/R-2015-00755 was presented to the Board of County Commissioners at a public hearing conducted on September 24, 2015;

WHEREAS, the Board of County Commissioners has considered the evidence and testimony presented by the Applicant and other interested parties, the recommendations of the various County Review Agencies, and the recommendation of the Zoning Commission;

WHEREAS, the, Board of County Commissioners pursuant to Article 2 (Development Review Procedures) of the Palm Beach County ULDC is authorized and empowered to consider, approve, approve with conditions or deny the request;

WHEREAS, this approval is subject to Article 2.E (Monitoring), of the Palm Beach County ULDC and other provisions requiring that development commence in a timely manner;

WHEREAS, the issuance of this Development Permit does not in any way create any rights on the part of the Applicant and/or Property Owner to obtain a permit from a state or federal agency and does not create any liability on the part of the County for issuance of the permit if the Applicant fails to obtain requisite approvals or fulfill the obligations imposed by a state or federal agency or undertakes actions that result in a violation of state or federal law;

WHEREAS, THE BOARD OF COUNTY COMMISSIONERS hereby incorporates by reference the Findings of Fact in the staff report addressing the standards contained in Article 2.B.2.B for a a Requested Use; and,

WHEREAS, Article 2.A.1.K.3.b (Action by BCC) of the Palm Beach County ULDC requires that the action of the Board of County Commissioners be adopted by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that Zoning Application PDD/R-2015-00755, the application of Providence I Investments LLC, by Wantman Group Inc., Agent, for a Requested Use to allow a Type 3 Congregate Living Facility, on a parcel of land legally described in EXHIBIT A, attached hereto and made a part hereof, and generally located as shown on a vicinity sketch as indicated in EXHIBIT B, attached hereto and made a part hereof, was approved on September 24, 2015, subject to the Conditions of Approval described in EXHIBIT C, attached hereto and made a part hereof.

Commissioner Taylor moved for the approval of the Resolution.

The motion was seconded by Commissioner Abrams and, upon being put to a vote, the vote was as follows:

Commissioner Shelley Vana, Mayor	-	Absent
Commissioner Mary Lou Berger, Vice Mayor	-	Aye
Commissioner Hal R. Valeche	-	Absent
Commissioner Paulette Burdick	-	Aye
Commissioner Steven L. Abrams	-	Aye
Commissioner Melissa McKinlay	-	Aye
Commissioner Priscilla A. Taylor	-	Aye

The Mayor thereupon declared that the resolution was duly passed and adopted on September 24, 2015.

Filed with the Clerk of the Board of County Commissioners on September 29th, 2015

This resolution is effective when filed with the Clerk of the Board of County Commissioners.

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

SHARON R. BOCK,
CLERK & COMPTROLLER

BY: 
COUNTY ATTORNEY

BY: 
DEPUTY CLERK
PALM BEACH COUNTY, FLORIDA

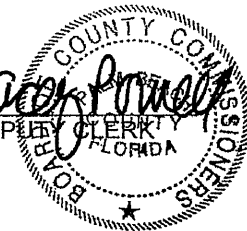


EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

The East 1/2 of the Northeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of Section 14, Township 46 South, Range 42 East, in Palm Beach County, Florida, LESS the south 500 feet thereof, and LESS the north 12.5 feet for road right-of-way, and LESS the east 40 feet for the E-3 Canal right-of-way, and LESS the west 40.00 feet of the east 120 feet thereof for road right-of-way.

PARCEL 2:

The north 125 feet of the south 500 feet of the East 1/2 of the Northeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of Section 14, Township 46 South, Range 42 East, in Palm Beach County, Florida, LESS the east 80 feet for the E-3 Canal right-of-way, and LESS the west 40.00 feet of the east 120 feet thereof for road right-of-way.

PARCEL 3:

The north 125 feet of the south 375 feet of the East 1/2 of the Northeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of Section 14, Township 46 South, Range 42 East, in Palm Beach County, Florida, LESS the east 40 feet for the E-3 Canal right-of-way, and LESS the west 80.00 feet of the east 120 feet thereof for road right-of-way.

PARCEL 4:

The West 1/2 of the Northeast 1/4 of the Southeast 1/4 of the Northwest 1/4, LESS the north 12.5 feet for road right-of-way, of Section 14, Township 46 South, Range 42 East, in Palm Beach County, Florida.

Said lands situate in Palm Beach County, Florida and containing 329,712 square feet (7.57 acres) more or less.

EXHIBIT B
VICINITY SKETCH

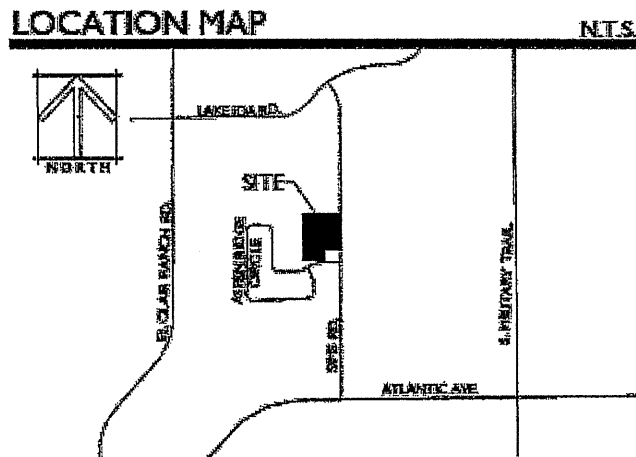


EXHIBIT C

CONDITIONS OF APPROVAL

Requested Use

ALL PETITIONS

1. The approved Preliminary Site Plan is dated July 9, 2015. Modifications to the Development Order inconsistent with the Conditions of Approval, or changes to the uses or site design beyond the authority of the Development Review Officer as established in the Unified Land Development Code, must be approved by the Board of County Commissioners or the Zoning Commission. (ONGOING: ZONING - Zoning)

ARCHITECTURAL REVIEW

1. At time of submittal for Final Approval by the Development Review Officer (DRO), the Architectural Elevations for the Type 3 Congregate Living Facility shall be submitted for review and approval by the Zoning Division. Architectural Elevations shall comply with the standards indicated in Article 5.C of the Unified Land Development Code (ULDC) and shall be generally consistent with the Architectural Elevations dated July 15, 2015. Development shall be consistent with the approved Architectural Elevations, the DRO approved Final Plan, all applicable Conditions of Approval, and all ULDC requirements. (DRO/ONGOING: ZONING - Zoning)

ENVIRONMENTAL

1. Submit a Phase II Audit, consistent with Florida Department of Environmental Protection best management practices, prior to DRO site plan approval. (DRO: ENVIRONMENTAL RESOURCES MANAGEMENT - Environmental Resources Management)

HEALTH

1. The Property Owner shall adhere to the requirements pursuant to the approved Dust Control Letter during all applicable phases of construction. The Letter shall be posted alongside the Building Permit on the construction site.

LANDSCAPE - GENERAL

1. All preserved trees (including canopy trees, pines or palms) are required to be protected with tree barriers during all stages of construction. Permanent tree protection devices including, but not limited to: tree wells, retaining walls, shall be installed for the preservation of trees. (ONGOING: ZONING - Zoning)

2. A landscaping inspection shall be completed prior to the issuance of any tree removal or building permits to ensure preserved trees are properly marked and protection devices are installed. (BLDGPM: ZONING - Zoning)

LANDSCAPE - PERIMETER-SOUTHERN PROPERTY LINE

3. Prior to Final Plan approval by the Development Review Officer, the Applicant shall provide a tree survey along the area of the southern property line abutting Aspen Ridge extending a minimum of 30 feet to the north. Applicant shall meet with Zoning Staff to preserve the maximum amount of vegetation on site. (DRO: ZONING - Zoning)

LANDSCAPE - PERIMETER-EASTERN PROPERTY LINE

4. In addition to the Code requirements, the ROW Buffer along the eastern property line shall include a 2 foot high berm. (DRO: ZONING - Zoning)

LANDSCAPE - PERIMETER-WESTERN PROPERTY LINE

5. In addition to the Code requirements, The landscape buffer along the western property line shall be upgraded to include:

- a. No width reduction or easement encroachment shall be permitted;
- b. one (1) palm or pine for each thirty (30) linear feet of the property line. (BLDGPM: ZONING - Zoning)

COMPLIANCE

1. In Granting this Approval, the Board of County Commissioners relied upon the oral and written representations of the Property Owner/Applicant both on the record and as part of the application process. Deviations from or violation of these representations shall cause the Approval to be presented to the Board of County Commissioners for review under the Compliance Condition of this Approval. (ONGOING: MONITORING - Zoning)

2. Failure to comply with any of the Conditions of Approval for the subject property at any time may result in:

- a. The Issuance of a Stop Work Order; the Issuance of a Cease and Desist Order; the Denial or Revocation of a Building Permit; the Denial or Revocation of a Certificate of Occupancy; the Denial of any other Permit, License or Approval to any developer, owner, lessee, or user of the subject property; the Revocation of any other permit, license or approval from any developer, owner, lessee, or user of the subject property; the Revocation of any concurrency; and/or
- b. The Revocation of the Official Map Amendment, Conditional Use, Requested Use, Development Order Amendment, and/or any other zoning approval; and/or
- c. A requirement of the development to conform with the standards of the Unified Land Development Code at the time of the finding of non-compliance, or the addition or modification of conditions reasonably related to the failure to comply with existing Conditions of Approval; and/or
- d. Referral to Code Enforcement; and/or
- e. Imposition of entitlement density or intensity.

Staff may be directed by the Executive Director of PZ&B or the Code Enforcement Special Master to schedule a Status Report before the body which approved the Official Zoning Map Amendment, Conditional Use, Requested Use, Development Order Amendment, and/or other zoning approval, in accordance with the provisions of Section 2.E of the ULDC, in response to any flagrant violation and/or continued violation of any Condition of Approval. (ONGOING: MONITORING - Zoning)

DISCLOSURE

1. All applicable state or federal permits shall be obtained before commencement of the development authorized by this Development Permit.

RESOLUTION NO. R-2015- 1351

RESOLUTION APPROVING ZONING APPLICATION PDD/R-2015-00755
(CONTROL NO. 2005-00506)
a Requested Use
APPLICATION OF Providence I Investments LLC
BY Wantman Group Inc., AGENT
(Providence Living in Delray Beach)

WHEREAS, the Board of County Commissioners, as the governing body of Palm Beach County, Florida, pursuant to the authority vested in Chapter 163 and Chapter 125, Florida Statutes, is authorized and empowered to consider applications relating to zoning;

WHEREAS, the notice and public hearing requirements, as provided for in Article 2 (Development Review Procedures) of the Palm Beach County Unified Land Development Code (Ordinance 2003-067 as amended) (ULDC), have been satisfied;

WHEREAS, Zoning Application PDD/R-2015-00755 was presented to the Board of County Commissioners at a public hearing conducted on September 24, 2015;

WHEREAS, the Board of County Commissioners has considered the evidence and testimony presented by the Applicant and other interested parties, the recommendations of the various County Review Agencies, and the recommendation of the Zoning Commission;

WHEREAS, the Board of County Commissioners pursuant to Article 2 (Development Review Procedures) of the Palm Beach County ULDC is authorized and empowered to consider, approve, approve with conditions or deny the request;

WHEREAS, this approval is subject to Article 2.E (Monitoring), of the Palm Beach County ULDC and other provisions requiring that development commence in a timely manner;

WHEREAS, the issuance of this Development Permit does not in any way create any rights on the part of the Applicant and/or Property Owner to obtain a permit from a state or federal agency and does not create any liability on the part of the County for issuance of the permit if the Applicant fails to obtain requisite approvals or fulfill the obligations imposed by a state or federal agency or undertakes actions that result in a violation of state or federal law;

WHEREAS, THE BOARD OF COUNTY COMMISSIONERS hereby incorporates by reference the Findings of Fact in the staff report addressing the standards contained in Article 2.B.2.B for a a Requested Use; and,

WHEREAS, Article 2.A.1.K.3.b (Action by BCC) of the Palm Beach County ULDC requires that the action of the Board of County Commissioners be adopted by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that Zoning Application PDD/R-2015-00755, the application of Providence I Investments LLC, by Wantman Group Inc., Agent, for a Requested Use to allow a Type 3 Congregate Living Facility, on a parcel of land legally described in EXHIBIT A, attached hereto and made a part hereof, and generally located as shown on a vicinity sketch as indicated in EXHIBIT B, attached hereto and made a part hereof, was approved on September 24, 2015, subject to the Conditions of Approval described in EXHIBIT C, attached hereto and made a part hereof.

Commissioner Taylor moved for the approval of the Resolution.

The motion was seconded by Commissioner Abrams and, upon being put to a vote, the vote was as follows:

Commissioner Shelley Vana, Mayor	-	Absent
Commissioner Mary Lou Berger, Vice Mayor	-	Aye
Commissioner Hal R. Valeche	-	Absent
Commissioner Paulette Burdick	-	Aye
Commissioner Steven L. Abrams	-	Aye
Commissioner Melissa McKinlay	-	Aye
Commissioner Priscilla A. Taylor	-	Aye

The Mayor thereupon declared that the resolution was duly passed and adopted on September 24, 2015.

Filed with the Clerk of the Board of County Commissioners on September 29th, 2015

This resolution is effective when filed with the Clerk of the Board of County Commissioners.

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

SHARON R. BOCK,
CLERK & COMPTROLLER

BY: 
COUNTY ATTORNEY

BY:

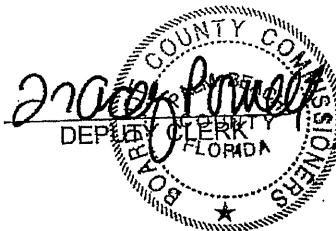


EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

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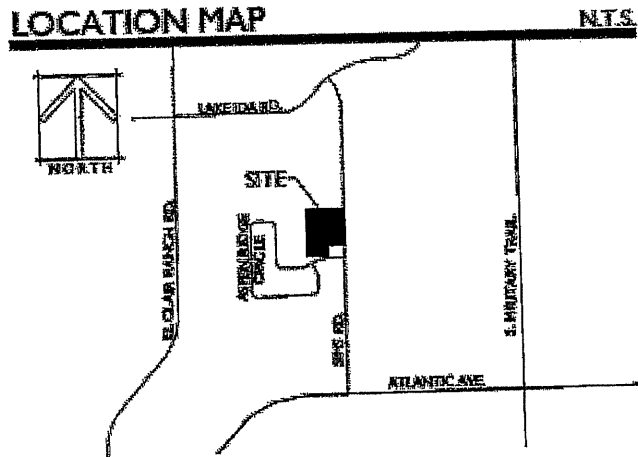


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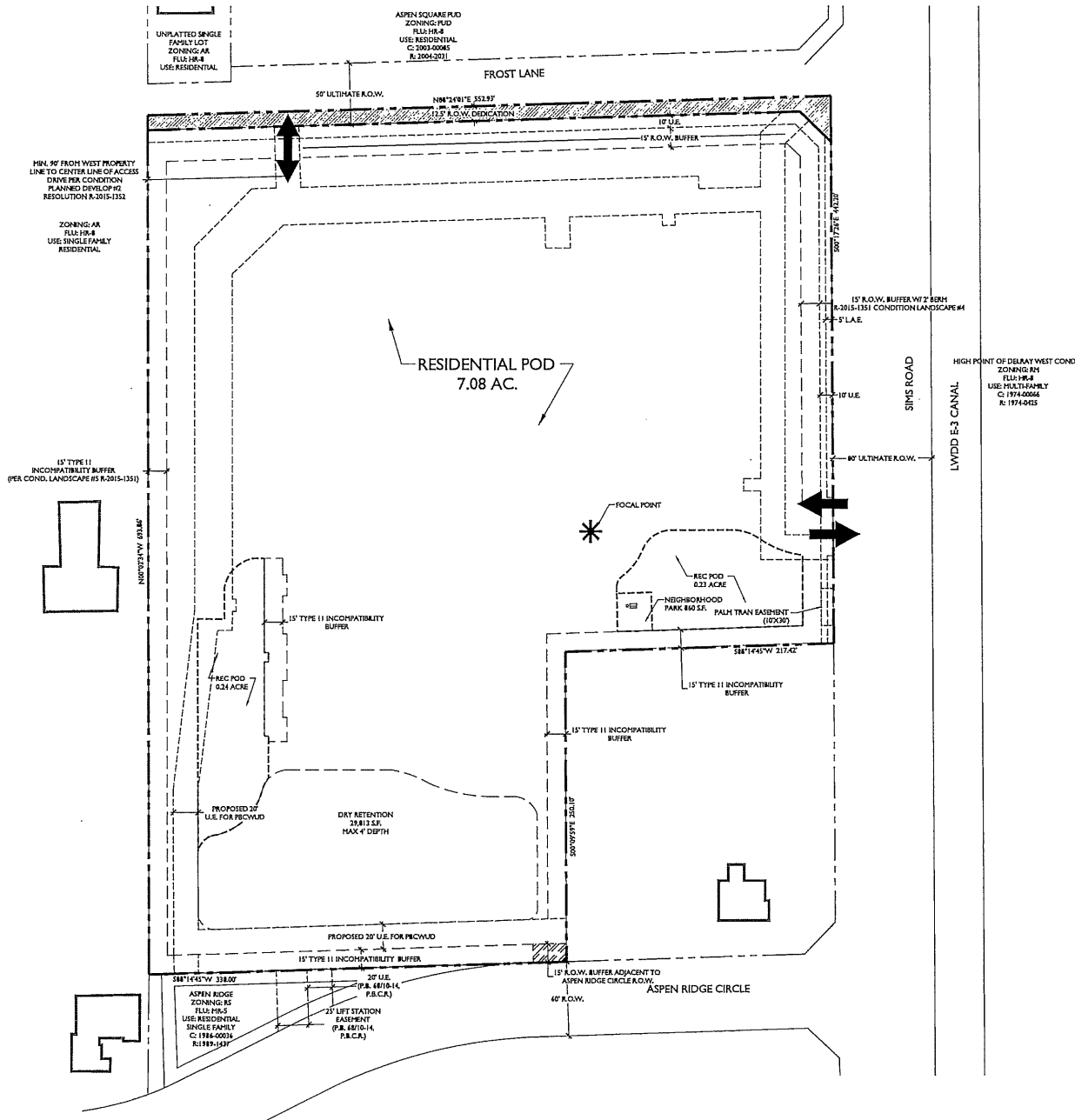
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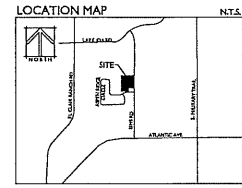
SITE DATA

NAME OF APPLICATION: TUSCAN GARDENS IN DELRAY BEACH
 CONTROL NUMBER: 2005-006
 APPLICATION NUMBER: DOA-2016-0104
 LAST BCC APPROVAL DATE AND RESOLUTION #: SEPTEMBER 24, 2015 R-2015-1351
 R-2015-1352

TER: LUS
 LAND USE DESIGNATION: HL-8
 ZONING DISTRICT: PUD
 OVERLAYS: N/A

PROPERTY CONTROL NUMBERS: 00-42-46-14-00-000-3100, 00-42-46-14-00-000-3080, 00-42-46-14-00-000-3092, 00-42-46-14-00-000-3091, 00-42-46-14-00-000-3093, 00-42-46-14-00-000-3094

EXISTING USES: NURSERY AND SINGLE FAMILY RESIDENCE
 PROPOSED USES: TYPE 3 CONGREGATE LIVING FACILITY
 PROPOSED GROSS SITE AREA: 7.57 AC.
 PROPOSED NET SITE AREA: 0.45 AC.
 PROPOSED FROST LANE DEDICATION AREA: 7.12 AC.
 REQUIRED/PROPOSED BLDG., HT., FRET & STORES: MAX. 35' / 3 STORES
 REQUIRED/PROPOSED RECREATION: 0.36 AC / 0.47 AC



TRAFFIC ANALYSIS ZONE (TAZ): 465

PERMITTED DENSITY (GFA): 19.12 RESIDENTS/AC. (144 BEDS)

PROPOSED DENSITY (GFA): 19.12 RESIDENTS/AC. (144 BEDS)

CONGREGATE LIVING FACILITY: 134,903 SF

INDEPENDENT LIVING: 18 BEDS

ASSISTED LIVING: 76 BEDS

MEMORY CARE: 58 BEDS

ACCESSORY OFFICE: 517 SF

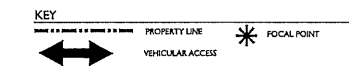
CONCURRENCY

CONGREGATE LIVING FACILITY	144 BEDS
INDEPENDENT LIVING	(16 UNITS) 18 BEDS
ASSISTED LIVING	76 BEDS
MEMORY CARE	58 BEDS

* CONCURRENCY IS APPROVED FOR THE ABOVE USES AND AMOUNTS SHOWN ON THIS PLAN

PAK (45 MAX.): .44
 BUILDING COVERAGE: 103%
 REQUIRED/PROPOSED OPEN SPACE: MIN 40% / 141,577 SF (49%)

PARKING REQUIRED:
 1 SPACE PER 2.8 BEDS: 72 SF
 1 SPACE PER 200 SQ. FT. OF OFFICE SPACE (517 SF): 3 SF
 1 SPACE PER 200 SQ. FT. OF POOL: 5 SF
 HANDICAP REQUIRED: 4 SF
 HANDICAP PROVIDED: 4 SF
 LOADING REQUIRED (1500 BEDS, 144 BEDS): 3 SF
 LOADING PROVIDED: 3 SF



PROPERTY DEVELOPMENT REGULATIONS

ZONING DISTRICT OR POD	MIN. LOT DIMENSIONS	MAX. BLDG. COVER	MAX. BLDG. HEIGHT	SETBACKS
	SIZE	WIDTH & DEPTH	FRONT	SIDE/STREET REAR
REQUIRED PUD (RM)	0.33 A.C.	65' 75'	40%	25' 15' 25' 15'
PROPOSED PUD (RM)	7.57 AC.	442' 552'	23%	35' 75' 20' 73' 91'

* PER TABLE 3.6.3.C.1, A MINIMUM OF 3.0 ACRES IS REQUIRED FOR A PUD IN HL-8. PER TABLE 3.1.A, THE MINIMUM ACREAGE MAY BE REDUCED BY 50% FOR A SINGLE USE.

PLANNED DEVELOPMENT TABULAR DATA

POD NAME	POD LAND USE	ACRES	LAST BCC APPROVAL	LAST DADO APPROVAL	REQUIRE BCC	REQUIRE DADO	REQUIRE RES	REQUIRE AH	REQUIRE MPE	REQUIRE IAH	REQUIRE IAH	REQUIRE IAH	REQUIRE IAH	REQUIRE IAH	REQUIRE IAH
REC	REC	0.47	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		7.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES

1. PER ART. 4.8.1.3.4.H (RESERVE PARKING FOR TYPE 3 CLF)

(1) ADDITIONAL RESERVE PARKING INDICATES THE SITE CAN ACCOMMODATE UP TO 123 SPACES SHOULD THE TYPE 3 CLF BE CONVERTED TO A MULTI-FAMILY USE AT THE MAXIMUM DENSITY PERMITTED UNDER THE HL-8 PUD DESIGNATION. RESERVE PARKING ESTIMATES ARE CALCULATED PER TABLE 3.1.A FOR MULTI-FAMILY USES (ONE BEDROOM OR MORE, PLUS GUEST PARKING).

(2) QUANTIFICATION OF THE TYPE 3 CLF TO A NEW USE SHALL BE SUBJECT TO CURRENT REQUIREMENTS OF THE ULDC FOR THAT USE.

2. AIR HANDLING UNITS TO BE ROOF MOUNTED BELOW TOP RIDGE LINE AND SCREENED FROM VIEW

AMENDMENTS

ZONING STAMP

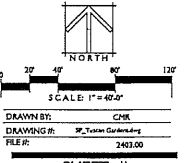
Project No.: 00976-000
 Control No.: 2005-00506
 Application #: DRO-2016-02210
 Resolution #: R-2015-1351 and R-2015-1352

Exhibit #: 0005
 Superseded Exhibit #: 0001
 Date Approved: 04/12/2017
 Project Manager: Josue Leger

REVISION DATES

DATE	APPROVAL	NOTES

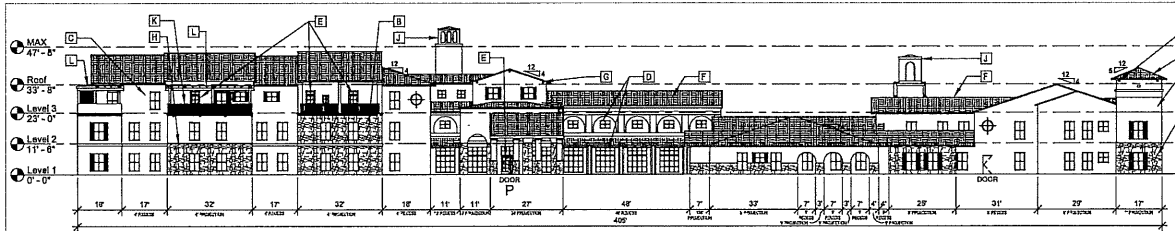
"ALL DRAWINGS, SPECIFICATIONS AND RELATED DOCUMENTS ARE THE COPYRIGHT PROPERTY OF THE LANDSCAPE ARCHITECT AND MUST BE RETURNED UPON REQUEST. REPRODUCTION OF DRAWINGS, SPECIFICATIONS AND RELATED DOCUMENTS IN PART OR IN WHOLE IS FORBIDDEN WITHOUT THE LANDSCAPE ARCHITECTS WRITTEN PERMISSION."



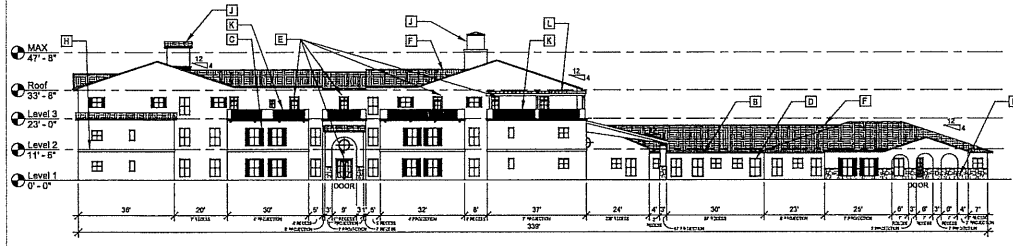
SHEET #
FMP.1

WGI
 LAND DESIGN SERVICES DIVISION
 TRANSPORTATION ENGINEERING / LANDSCAPE ARCHITECTURE / CIVIL SERVICES
 2025 Hibbs Parkway, West Palm Beach, FL 33411
 Phone: 561.833.2000
 Fax: 561.833.2005

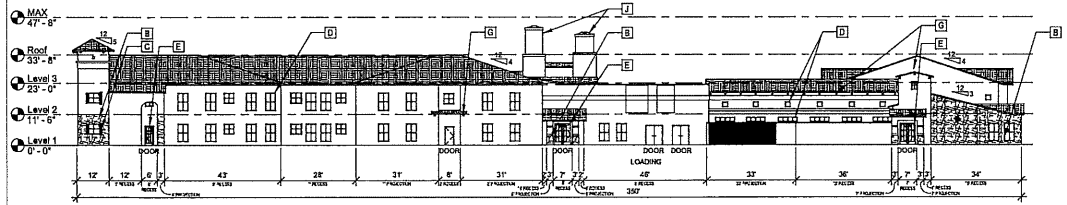
**TUSCAN GARDENS OF DELRAY BEACH
 FINAL MASTER PLAN
 TUSCAN GARDENS OF DELRAY BEACH PROPERTIES, LLC.
 PALM BEACH COUNTY, FLORIDA**



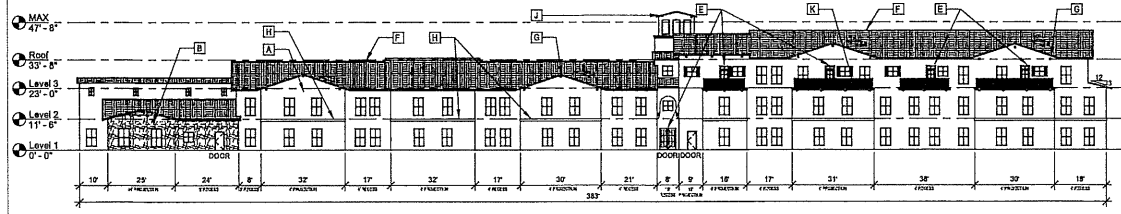
① EAST
1" = 20'-0"



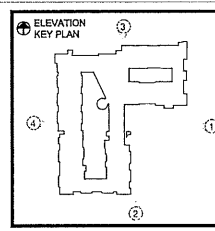
② SOUTH
1" = 20'-0"



③ NORTH
1" = 20'-0"



④ WEST
1" = 20'-0"



NOTE: 'P' INDICATES PRIMARY ENTRANCE

ARCHITECTURAL DESIGN STANDARDS GUIDELINES					
STANDARD	REQUIRED	FRONT EAST ELEV. PROVIDED	SIDE NORTH ELEV. PROVIDED	SIDE SOUTH ELEV. PROVIDED	REAR WEST ELEV. PROVIDED
5.C.1.H.1: ROOFLINE PRIMARY -1 REQUIRED ELEMENT PER FACADE	a. PITCHED ROOF WITH MINIMUM 12" OVERHANGING EAVES b. TWO OR MORE PLANE BREAKS PER FACADE ELEVATION	PITCHED ROOF W/ 12" OVERHANGING EAVES NA	PITCHED ROOF W/ 12" OVERHANGING EAVES NA	PITCHED ROOF W/ 12" OVERHANGING EAVES NA	PITCHED ROOF W/ 12" OVERHANGING EAVES NA
5.C.1.H.2: ROOFLINE SECONDARY -1 REQUIRED ELEMENT PER FACADE	c. ELONGATED ROOF DETAILS, SUCH AS CORNICES, CUPOLAS, PAPETER TAILS, BALCONIES, TERRACES, OR EXPOSED BEAMS d. CORNICES WITH DECORATIVE MOLDINGS	PAPETER TAILS, BALCONIES, TRILLS, DECORATIVE CORNICES AND BANDING	PAPETER TAILS, DECORATIVE CORNICES AND BANDING	PAPETER TAILS, BALCONIES, TRILLS, DECORATIVE CORNICES AND BANDING	PAPETER TAILS, BALCONIES, TRILLS, DECORATIVE CORNICES AND BANDING
5.C.1.H.1.a.1: FACADE REQUIRED	e. FREZING, PORTICO, ARCHITECTURAL FEATURES AT ENTRYWAYS, OR DECORATIVE TOWERS f. 1/4" MIN PROJECTION ALONG 20% OF FACADE g. 1/4" MAX SPACING BETWEEN PROJECTIONS h. 1/4" MAX BAY WALL HEIGHT & 20" MAX BAY WALL LENGTH i. STONE/PIERS SHALL HAVE DISPLAY WINDOWS ALONG 20% MIN OF FACADE LENGTH j. EXTERIOR TREATMENT: 50% MIN PRIMARY, 20% MIN SECONDARY TREATMENT	TOWERS, PORTICO 45% STONE AND STUCCO TEXTURES - PROVIDED UP 3'4" ABOVE NA 80% + 20" FEEL 30% FACADE FEL PROVIDED	TOWERS 70% STONE AND STUCCO TEXTURES - PROVIDED UP 3'4" ABOVE NA 80% + 20" FEEL 20% FACADE FEL PROVIDED	TOWERS 85% STONE AND STUCCO TEXTURES - PROVIDED UP 3'4" ABOVE NA 60% + 15" FEEL 20% FACADE FEL PROVIDED	TOWERS 50% STONE AND STUCCO TEXTURES - PROVIDED UP 3'4" ABOVE NA 60% + 20" FEEL 20% FACADE FEL PROVIDED
5.C.1.H.1.a.2: FACADE REQUIRED (ADDITIONAL) -1 ELEMENT REQUIRED	k. CANOPIES, PORTICO OR PORTICO ALONG 20% TOTAL LENGTH l. PLEATED ARCHES MIN 4" CLEAR WIDTH m. PLEATED ROOFS n. ARCHES, COLUMNS, OR PLASTERS o. OVERHANGS, CORNICES & EAVES p. DECORATIVE MOLDINGS OR TRIM AROUND WINDOWS AND DOORS	PORTICO-COFFER 50% CORNER ARCHES PLEATED ROOFS ARCHES, COLUMNS OVERHANGS, EAVES NA	PORTICO-COFFER 70% CORNER ARCHES PLEATED ROOFS ARCHES, COLUMNS OVERHANGS, EAVES NA	CANOPY 60% CORNER ARCHES PLEATED ROOFS ARCHES, COLUMNS OVERHANGS, EAVES NA	CANOPY 50% CORNER ARCHES PLEATED ROOFS ARCHES, COLUMNS OVERHANGS, EAVES NA
5.C.1.H.1.b.2: PUBLIC ENTRES SECOND. ENTRY FEATURE -1 ELEMENT REQUIRED PER FACADE	q. COVERS PUBLIC OUTDOOR PATIO OR PLAZA INCORPORATED WITH ENTRY AREA WHICH ARE NOT PART OF A TENANT SPACE r. SPECIAL FINISHES, SUCH AS DECORATIVE CONCRETE OR SIMILAR PAVEMENT TREATMENT s. ARCHITECTURAL DETAILS (I.E. MOLDING)	NA NA SEE MATERIALS SCHEDULE	NA NA SEE MATERIALS SCHEDULE	NA NA SEE MATERIALS SCHEDULE	NA NA SEE MATERIALS SCHEDULE
COLOR:	t. ARCHITECTURAL DETAILS (I.E. MOLDING) COLOR SHALL BE CONSIDERED TO ACHIEVE ARCHITECTURAL COMPATIBILITY WITH ARCHITECTURE IN THE SURROUNDING AREA	SEE MATERIALS SCHEDULE	SEE MATERIALS SCHEDULE	SEE MATERIALS SCHEDULE	SEE MATERIALS SCHEDULE

MATERIALS SCHEDULE			
MARK	MATERIAL	MARK	MATERIAL
A	PAINTED SMOOTH STUCCO - TAN	G	DECORATIVE BRACKET
B	STONE	H	STUCCO BAND
C	WOOD SHUTTER	J	ELEVATOR OVERRUN
D	VINYL WINDOWS - IMPACT RATED	K	METAL HANDRAIL ON BALCONY WIDEC, MOLDING
E	SWINGING DOORS - IMPACT RATED	L	WOOD TRELLIS
F	CONCRETE TILE ROOF		

PBC AMENDMENTS:

PBC ZONING STAMP:
 Project No.: 00976-000
 Control No.: 2005-00506
 Application #: DRO-2016-02210
 Resolution #s: R-2015-1351 and R-2015-1352

Exhibit #: 0008
 Superseded Exhibit #: 0004
 Date Approved: 04/12/2017
 Project Manager: Josue Leger

5G
 ARCHITECT/INTERIOR ARCHITECT
 555 State College Blvd, 1100
 600 N.W. 11th Ave., Suite 1033
 Miami, FL 33136
 (305) 433-9199 Stephen Patai

CIVIL ENGINEER
 Goffen & Whaley, Inc.
 7500 Collins Rd #100
 Boca Raton, FL 33434
 (561) 995-1557 John Whaley

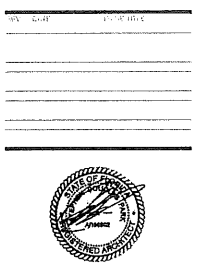
STRUCTURAL ENGINEER
 Bous & Henry, Inc. | Structural Engineers
 600 Douglas Blvd., Suite 200
 Coral Gables, FL 33134
 (305) 461-0722 (Emergency Phone)

MEP ENGINEER
 V&E Engineers, LLC
 1200 W. 15th Ave., Suite 421
 Longwood, FL 32750
 (407) 839-7900 (Toll Free Number)

LANDSCAPE ARCHITECT
 Blum & Associates, Inc.
 P.O. Box 10003
 West Melbourne, FL 32912-0008
 (321) 941-0525 (Toll Free Number)

OWNER/DEVELOPER
 GFCF Consultants, Florida, LLC
 801 West Lake N.W., Suite 110
 University Park, FL 34201
 (904) 963-0238 (Toll Free Number)

TUSCAN GARDENS
 ASSISTED LIVING FACILITY
 5570 FROST LANE
 DELRAY BEACH, FL
 PALM BEACH COUNTY, FL

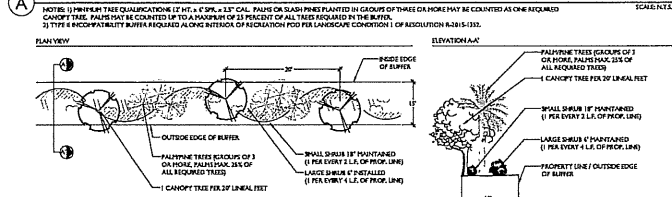


NORTH

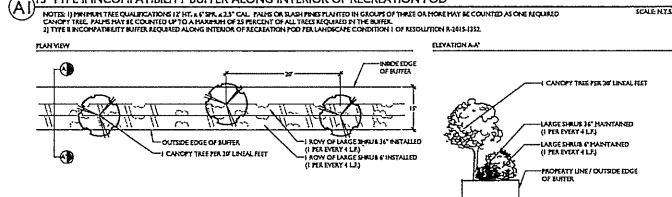
Tuscan Gardens
 Delray Beach, FL

ELEVATIONS

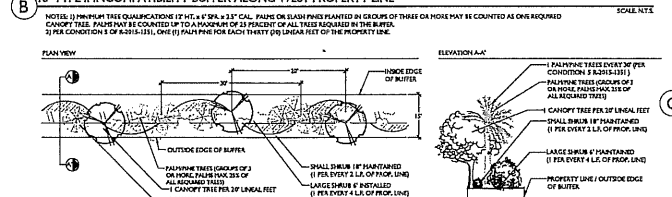
A) 15' TYPE II INCOMPATIBILITY BUFFER ALONG EAST, AND SOUTH PROPERTY LINES



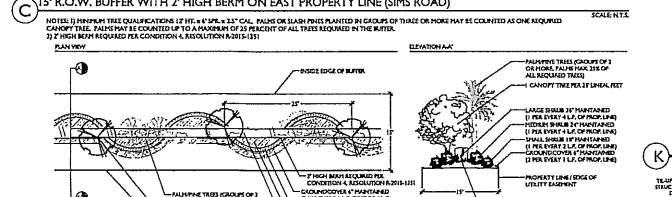
A) 15' TYPE II INCOMPATIBILITY BUFFER ALONG INTERIOR OF RECREATION POD



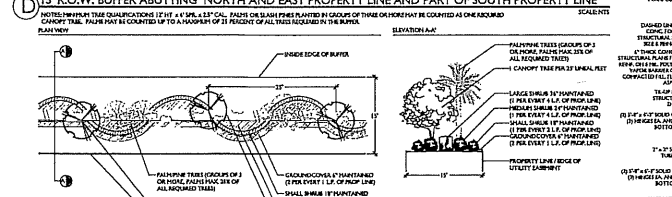
B) 15' TYPE II INCOMPATIBILITY BUFFER ALONG WEST PROPERTY LINE



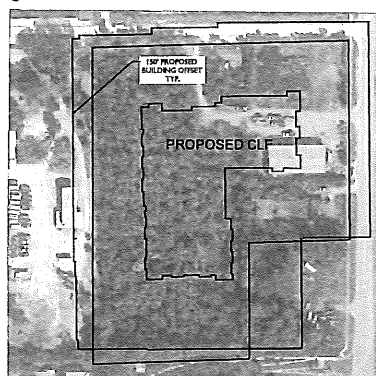
C) 15' R.O.W. BUFFER WITH 2' HIGH BERM ON EAST PROPERTY LINE (SIMS ROAD)



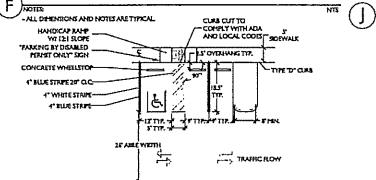
D) 15' R.O.W. BUFFER ABUTTING NORTH AND EAST PROPERTY LINE AND PART OF SOUTH PROPERTY LINE



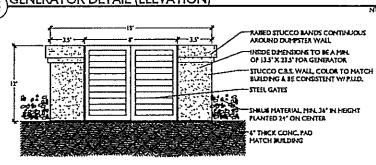
G) BUILDING LIGHT PENETRATION DETAIL



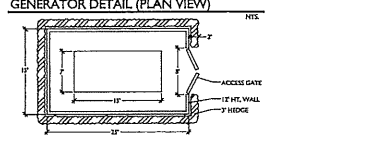
F) 9' X 18.5' TYPICAL 90 DEGREE PARKING DETAIL



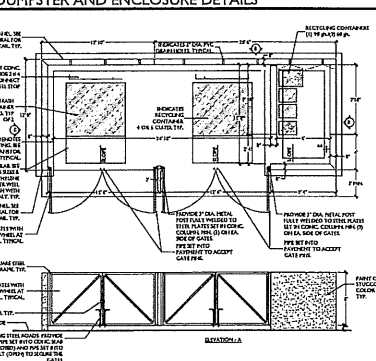
G) GENERATOR DETAIL (ELEVATION)



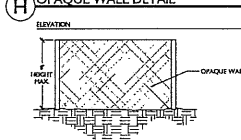
GENERATOR DETAIL (PLAN VIEW)



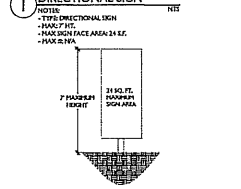
K) DUMPSTER AND ENCLOSURE DETAILS



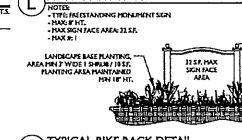
H) OPAQUE WALL DETAIL



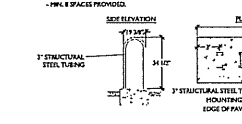
I) DIRECTIONAL SIGN



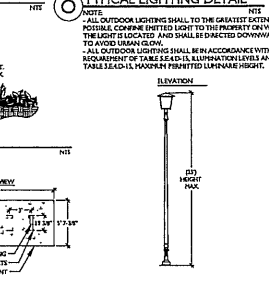
L) MONUMENT SIGN



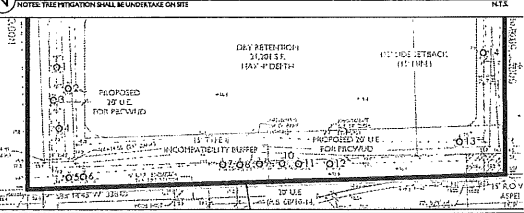
M) TYPICAL BIKE RACK DETAIL



O) TYPICAL LIGHTING DETAIL



N) TREE INVENTORY AND TABULAR DETAILS



Tree #	Common Name	Scientific Name	DBH (Inches)	Zoning Tree	Disposition	EMM Mitigation	Zoning Replacement	Credit
1	Slash Pine	<i>Pinus #80RZ</i>	17		Remove	4		
2	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
3	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
4	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
5	Slash Pine	<i>Pinus #80RZ</i>	18		Remove	4		
6	Slash Pine	<i>Pinus #80RZ</i>	10		Remove	3		
7	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
8	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
9	Slash Pine	<i>Pinus #80RZ</i>	15		Remove	3		
10	Slash Pine	<i>Pinus #80RZ</i>	10		Remain	2		
11	Slash Pine	<i>Pinus #80RZ</i>	12		Remain	3		
12	Slash Pine	<i>Pinus #80RZ</i>	12		Remain	3		
13	Slash Pine	<i>Pinus #80RZ</i>	18		Remove	4		
14	Slash Pine	<i>Pinus #80RZ</i>	18		Remain	4		

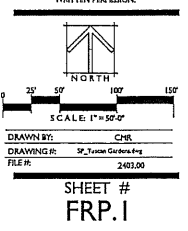
REVISION DATES	
DATE	REVISION

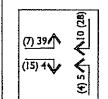
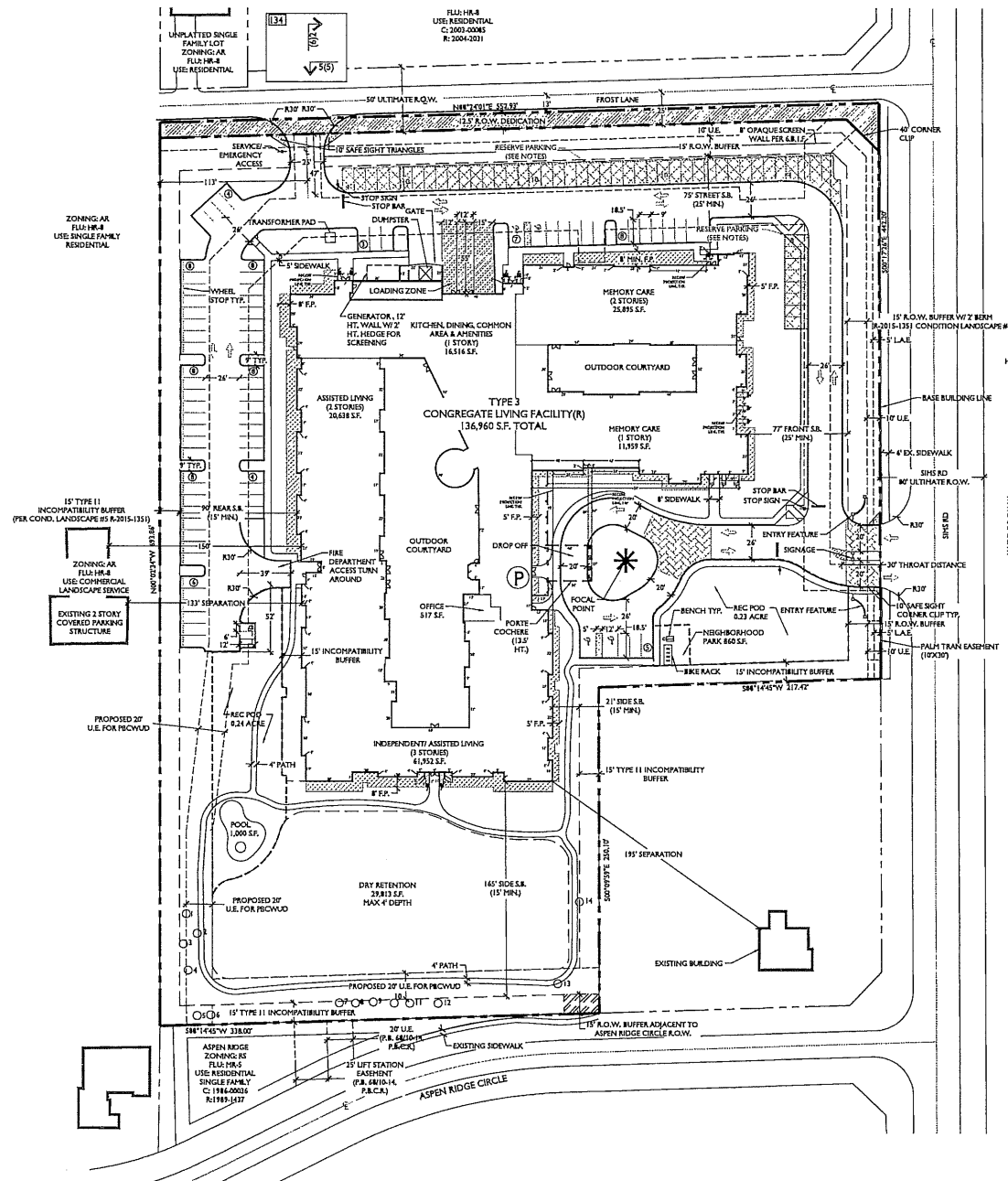
AMENDMENTS

Project No.: 00976-000
 Control No.: 2005-00506
 Application #: DRO-2016-02210
 Resolution #: R-2015-1351 and R-2015-1352

Exhibit #: 0007
 Superseded Exhibit #: 0003
 Date Approved: 04/12/2017
 Project Manager: Josue Legor

ZONING STAMP

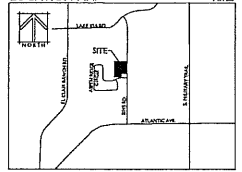




SITE DATA

NAME OF APPLICATION: TUSCAN GARDENS IN DELRAY BEACH
 CONTROL NUMBER: 2005-006
 APPLICATION NUMBER: DCA-2016-0184
 LAST FCC APPROVAL DATE AND RESOLUTION #: SEPTEMBER 24, 2015 R-2015-1351
 TIER: US
 LAND USE DESIGNATION: HL-8
 ZONING DISTRICT: PK-8
 OVERLAYS: N/A
 PROPERTY CONTROL NUMBERS: 00-42-46-14-000-0000-1100, 00-42-46-14-000-0000-2000, 00-42-46-14-000-0000-3082, 00-42-46-14-000-0000-3081
 EXISTING USES: NEIGHBORLY AND SINGLE FAMILY RESIDENCE
 PROPOSED USES: TYPE 3 CONGREGATE LIVING FACILITY
 PROPOSED GROSS SITE AREA: 7.57 AC.
 PROPOSED FRONT LANE DEDICATION AREA: 0.46 AC.
 PROPOSED NET SITE AREA: 7.12 AC.
 REQUIRED PROPOSED BLDG. FT. (NET) & STORIES: MAX. 30' / 3 STORIES
 REQUIRED/PROPOSED RECREATION: 8.36 AC / 8.47 AC

LOCATION MAP



TRAFFIC ANALYSIS ZONE (TAZ): 445
 PRINTED DENSITY (GFA): 19.13 RESIDENTS/AC. (144 BEDS)
 PROPOSED DENSITY (GFA): 19.12 RESIDENTS/AC. (144 BEDS)
 INDEPENDENT LIVING: 18 BEDS
 ASSISTED LIVING: 70 BEDS
 MEMORY CARE: 54 BEDS
 CONGREGATE LIVING FACILITY TOTAL SF: 136,960 S.F.
 ACCESSORY OFFICE: 517 S.F.

CONCURRENCY	
CONGREGATE LIVING FACILITY	144 BEDS
INDEPENDENT LIVING	18 BEDS
ASSISTED LIVING	70 BEDS
MEMORY CARE	54 BEDS

CONCURRENCY IS APPROVED FOR THE ABOVE USES AND AMOUNTS SHOWN ON THIS PLAN.

RECREATION AREA NEIGHBORHOOD PARK: 860 S.F.
 RECREATION AREA NEIGHBORHOOD PARK: 860 S.F.

RECREATION AREA NEIGHBORHOOD PARK: 860 S.F.

RECREATION AREA NEIGHBORHOOD PARK: 860 S.F.

KEY

- FOUNDATION PLANTINGS
- 5' FRONT FIN.
- 8' SIDE FIN.
- RECREATION AREA NEIGHBORHOOD PARK

PROPERTY DEVELOPMENT REGULATIONS

ZONING DISTRICT	MIN. LOT SIZE	MIN. LOT DEPTH	MIN. FRONT YARD SETBACK	MIN. SIDE YARD SETBACK	MIN. REAR YARD SETBACK
REQUIRED PUD (R1)	3.0 AC.	65'	75'	40%	45'
PROPOSED PUD (R1)	7.57 AC.	44'	55'	23%	44'

* PER TABLE 3.2.3.C, A MINIMUM OF 3.0 ACRES IS REQUIRED FOR A PUD IN HL-8. PER TABLE 4.1.1.A, THE MINIMUM PARCELAGE MAY BE REDUCED BY 50% FOR A SOLE USE.

PLANNED DEVELOPMENT TABULAR DATA

POD NAME	POD LAND USE	ACRES	LAST BCC APPROVAL	LAST BCC APPROVAL DATE	REQUIREMENT	BCC	APPROVAL	REMARKS
RES	RES	7.10	R-2015-1352	HP	HP	HP	HP	0
REC	REC	0.47	N/A	N/A	N/A	N/A	N/A	0
TOTAL		7.57	N/A	N/A	N/A	N/A	N/A	0

NOTES

(1) PER ART. 4.8.1.3.4.H (RESERVE PARKING FOR TYPE 3 CLF)

(2) ADDITIONAL RESERVE PARKING INDICATES THE SITE CAN ACCOMMODATE UP TO 117 SPACES SHOULD THE TYPE 3 CLF BE CONVERTED TO A MULTI-FAMILY USE AT THE MAXIMUM DENSITY PERMITTED UNDER THE HL-8 PUD DESIGNATION. RESERVE PARKING SPACES ARE CALCULATED PER TABLE 4.1.1.B FOR MULTI-FAMILY USE. ONE BEDROOM OR MORE PLUS GUEST PARKING.

QUARTY CONVERSION OF THE TYPE 3 CLF TO A NEW USE SHALL BE SUBJECT TO CURRENT REQUIREMENTS OF THE ULDC FOR THAT USE.

2. AIR HANDLING UNITS TO BE ROOF MOUNTED BELOW TOP RIDGELINE AND SCREENED FROM VIEW.

AMENDMENTS

Project No.: 00976-000
 Control No.: 2005-00506
 Application #: DRO-2016-02210
 Resolution #: R-2015-1351 and R-2015-1352

Exhibit #: 0006
 Superseded Exhibit #: 0002
 Date Approved: 04/12/2017
 Project Manager: Josue Leger

ZONING STAMP

Project No.: 00976-000
 Control No.: 2005-00506
 Application #: DRO-2016-02210
 Resolution #: R-2015-1351 and R-2015-1352

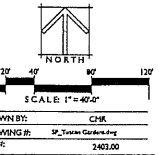
Exhibit #: 0006
 Superseded Exhibit #: 0002
 Date Approved: 04/12/2017
 Project Manager: Josue Leger



**TUSCAN GARDENS OF DELRAY BEACH
 FINAL SITE PLAN
 TUSCAN GARDENS OF DELRAY BEACH PROPERTIES, LLC.
 PALM BEACH COUNTY, FLORIDA**

REVISION DATES	
DATE	DESCRIPTION

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DRAWN BY: CHA
 DRAWING #: SP_Tuscan Gardens-17
 FILE #: 2403.00

SHEET #
 FSP.1

**TUSCAN GARDENS MANAGMENT
MARKET FEASIBILITY REPORT**

**INDEPENDENT LIVING, ASSISTED LIVING
AND
MEMORY CARE ASSISTED LIVING**

**DELRAY BEACH, FLORIDA
May 1, 2017**

DATE: May 1, 2017
TO: Mr. Larry Pino
Tuscan Gardens Management
FROM: CliftonLarsonAllen LLP
RE: Market Feasibility Report for Independent Living, Assisted Living and Memory Care Assisted Living in Delray Beach, Florida

Summary of Findings

CliftonLarsonAllen LLP (“CLA”) was engaged by Tuscan Gardens Management to assess the market potential for market-rate senior housing in Delray Beach, Florida. This study assessed demographic factors and market conditions related to the demand for market-rate independent living, assisted living and memory care assisted living in the Delray Beach area. The following are key findings from this study:

- The market area experienced modest senior population growth from 2010 to 2017 and growth is expected to continue through 2022, although growth will be concentrated in the youngest and oldest senior cohort.
- The value of a seniors’ home is important to senior housing in that many seniors will utilize the proceeds of the sale of a home to pay for senior housing. The housing market is strong in the market area with median home values in 2017 is estimated at \$239,035 by the Nielsen Company.
- There are 1,314 independent living units, 493 assisted living beds and 223 memory care assisted living beds in the market area. Overall occupancy is 87.2% for independent living, 97.7% percent for assisted living and 95.7% percent for memory care assisted living.
- There were 2 pending senior housing projects identified that would compete with the proposed project.

Demand estimated for independent living, assisted living and memory care assisted living is as follows:

Independent Living Units

- At a 20% penetration rate, the demand for market-rate independent living units with minimum rents of \$4,000 per month (in 2017 dollars) was estimated at 3,017 units in 2018 and 3,003 units in 2022.
- At a 20% penetration rate, the demand for market-rate independent living units with minimum rents of \$5,500 per month (in 2017 dollars) was estimated at 2,204 units in 2018 and 2,175 units in 2022.
- Independent living: pre-leasing of 6-to-8 units (15 to 20 percent) with an average absorption of 3 units per month or an absorption period of approximately 12 months to reach stabilized occupancy of 93% for 40 – 45 units

Assisted Living Units

- At a 20% penetration rate, the demand for market-rate assisted living units with minimum rents of \$4,000 per month (in 2017 dollars) estimated at 2,174 units in 2018 and 2,267 units in 2022.
- At a 20% penetration rate, the demand for market-rate assisted living units with minimum rents of \$5,500 per month (in 2017 dollars) was estimated at 2,130 units in 2018 and 2,223 units in 2022.

- Assisted living: pre-leasing of 9-to-12 units (about 15 percent) with an average absorption of 3.0 units per month or an absorption period of 18 to 20 months to reach stabilized occupancy of 93 percent for 60 to 70 units.

Memory Care Units

- At a 20 percent penetration rate, demand for market-rate memory care assisted living units with minimum rents of \$6,500 per month (in 2017 dollars) was estimated at 1,064 units in 2018 and 1,110 units in 2022.
- Memory Care Assisted living: pre-leasing of 5 (about 10 percent) with an average absorption of 2.0 units per month or an absorption period of 15 to 18 months to reach stabilized occupancy of 93 percent for 30 to 35 units.

Penetration Rate

The following table summarizes estimated penetration rates at various income levels assuming the project opens in 2017:

**Table 1
Market Estimated Penetration Rates**

Independent Living				Assisted Living and Memory Care				Memory Care Only			
Income of	Gross Market	Net market	Project Only	Income of	Gross Market	Net market	Project Only	Income of	Gross Market	Net market	Project Only
				\$ 25,000	7.0%	7.6%	1.0%	\$ 35,000	0.4%	0.5%	0.1%
\$ 50,000	4.9%	1.6%	0.1%	\$ 60,000	8.9%	9.7%	1.3%	\$ 67,500	2.3%	2.8%	0.4%
\$ 60,000	5.6%	1.8%	0.1%	\$ 68,571	9.0%	9.8%	1.3%	\$ 75,000	2.3%	2.9%	0.4%
\$ 70,000	6.4%	2.1%	0.1%	\$ 77,143	9.0%	9.8%	1.3%	\$ 82,500	2.3%	2.9%	0.4%
\$ 80,000	7.6%	2.5%	0.1%	\$ 85,714	9.1%	9.9%	1.3%	\$ 90,000	2.3%	2.9%	0.4%
\$ 90,000	9.2%	3.1%	0.1%	\$ 94,286	9.1%	10.0%	1.3%	\$ 97,500	2.3%	2.9%	0.4%
\$100,000	11.7%	4.1%	0.2%	\$ 102,857	9.1%	10.0%	1.3%	\$ 105,000	2.3%	2.9%	0.4%
\$110,000	12.6%	4.4%	0.2%	\$ 111,429	9.1%	10.0%	1.3%	\$ 112,500	2.3%	2.9%	0.4%

Based on the demographic trends and market conditions in the area, as well as the demand estimates, we suggest you plan to build a project of 50-to-100 independent living units, 100-to-120 assisted living units and 50-to-60 memory care assisted living units. See the last section of this report for detailed suggestions regarding units mix, sizes and rents for each component as well as for services and common areas.

Sincerely,

Sue Ann Bunevich

Study Objective/Scope of Work

CLA has completed a Market Feasibility Report for independent living, assisted living and memory care assisted living senior housing in Delray Beach, Florida and summarized our findings in this memorandum. Tuscan Gardens Management is considering development of senior housing (the “Project” or “Community”) at a site located in Delray Beach, Florida (the “Site”). The objectives of this study were:

1. Understand the market for independent living, assisted living and memory care assisted living senior housing in the market area.
2. Estimate the market potential for market-rate housing units for each level of care in the defined market area.
3. Evaluate the Project’s pricing and unit mix prepared by Tuscan Gardens Management for development of independent living/assisted living/memory care assisted living at the Site, or obtain suggestions for an appropriate housing concept.

This engagement consisted of the following research tasks:

1. Market Area Definition
 - Defined a market area for the proposed housing based on the location of other senior living facilities, transportation patterns, natural and man-made geographic boundaries, discussion with Tuscan Gardens Management and our knowledge of the draw areas for senior housing.
 - Provided a map depicting the market area.
 2. Demographic Review
 - Analyzed data on senior (age 65 and over) population and household growth through 2021, by age group within the senior cohort (age 65-to-74, age 75-to-84 and age 85-and-over).
 - Analyzed data on senior household incomes by age group for 2021.
 - Reviewed data on senior household tenure (owner/renter status) by age group, from the 2010 U.S. census.
 - Reviewed data on housing values in the market area.
 3. Competitive Market Review
 - Through phone interviews and internet research, collected detailed data on existing independent living, assisted living and memory care assisted living facilities in the market area, including:
 - ii. Year built;
 - iii. Number of units;
 - iv. Unit mix, sizes and entry fees/monthly fees;
 - v. Current occupancy;
 - vi. Amenities and design features (including kitchens and kitchenettes); and
 - vii. Service package.
 - Collected data on pending market-rate senior living facilities in the market area.
 4. Demand Analysis and Recommendations
 - Estimated unit demand in 2017 for senior housing using various rent level for independent living, assisted living and memory care assisted living.
-

INTRODUCTION AND METHODOLOGY

The Project

The Project is expected to be a senior living community to be named Tuscan Gardens – Delray Beach located near the intersection of Military Trail and West Atlantic Boulevard in Delray Beach, Florida. The planned Project will consist of 128 units (and 162 beds) comprised of 16 independent living units (the “Independent Living Units”), 60 assisted living units (84 licensed assisted living beds) (the “Assisted Living Units”) and 52 memory care units (56 licensed memory care assisted living beds) (the “Memory Care Units”) and related common areas.

The table below highlights the planned unit configuration for the Project.

Table 2				
Proposed Project				
Project Configuration and Square Footage				
	Number of	Number of	Square	Monthly
<u>Independent Living</u>	Units	Licensed Beds	Footage	Service Fee
1 BDR/1BTH	10	n/a	700	\$4,800
2 BDR/1BTH	2	n/a	875	\$6,000
2 BDR/2BTH	4	n/a	950	\$7,700
Total/Weighed Average	16	n/a	784	\$5,675
<u>Assisted Living</u>				
1 BDR/1BTH	48	48	625	\$4,800
2 BDR/1BTH Deluxe	10	20	775	\$3,000
2 BDR/2BTH	8	16	875	\$3,850
Total/Weighed Average	66	84	902	\$4,190
<u>Memory Care</u>				
Studio - Private	48	48	300	\$6,200
2 BDR/1BTH	4	8	450	\$5,000
Total/Weighed Average	52	56	346	\$6,029

Source: Management

MARKET DEFINITION

General

Management’s assumptions for the future utilization of the Community were developed based on analysis of the following factors, which may affect the demand for the services:

- Site description and general area analysis;
- Defined primary market area (“PMA”) for the Community;
- Demographic and economic characteristics of Management’s defined PMA;
- Estimated age and income qualified households within Management’s defined PMA;
- Description and utilization of existing and proposed comparable independent living, assisted living and memory care providers within Management’s defined PMA; and

- Penetration rates for retirement community services within Management’s defined PMA.

Primary Market Area

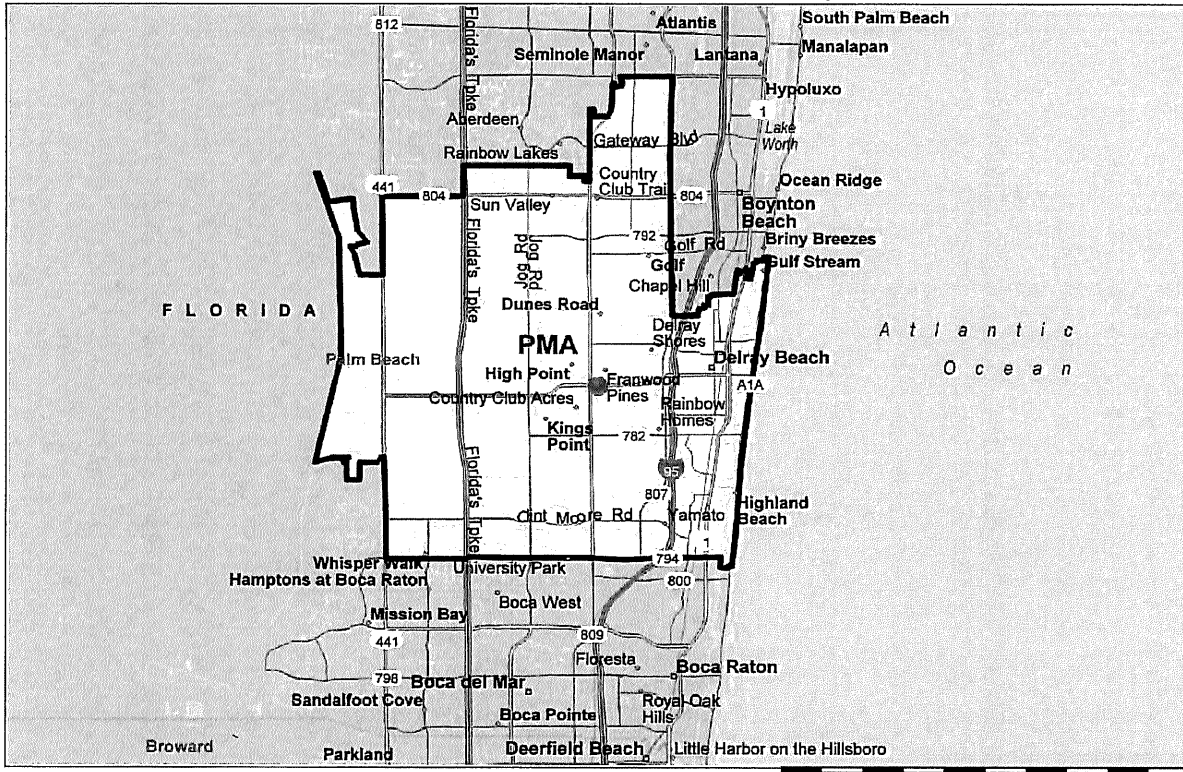
Management defines the PMA for the Community as the geographic area from which the majority of the prospective independent and assisted living residents are assumed to originate prior to occupancy. Based upon analysis of the area, Management has defined the PMA to be an area that encompasses 10 ZIP Codes. The PMA extends approximately 4 miles to the east and approximately 6 miles to the west of the Site and approximately 7 miles to the north and 4.5 miles to the south of the Site.

The following table summarizes the ZIP Codes included in the PMA.

Table 3
PMA ZIP Codes

<u>ZIP Code</u>	<u>City/Locality</u>	<u>ZIP Code</u>	<u>City/Locality</u>
33436	Boyton Beach	33473	Boyton Beach
33437	Boyton Beach	33483	Delray Beach
33444	Delray Beach	33484	Delray Beach
33445	Delray Beach	33487	Boca Raton
33446	Delray Beach	33496	Boca Raton

The following map shows the PMA and area surrounding the PMA.



Source: Microsoft Map Point 2013

DEMOGRAPHICS AND DATA

PMA Population Data

The age distribution of the population in a geographic area is considered by Management to be a key factor in the determination of the area's retirement housing needs. Population data regarding numbers of elderly is presented in the following tables. The 2017 and 2022 data in the following tables are estimates and projections, respectively, provided by The Nielsen Company, a recognized provider of census demographic information.

Table 4
Elderly Population Change for the PMA

	2000 (Actual) Population	2010 (Actual) Population	2017 (Estimated) Population	2022 (Projected) Population	Average Compounded Percentage	
					2010 to 2017	2017 to 2022
Total Population	229,088	229,088	255,327	271,389	1.6%	1.2%
Under Age 65	36,882	142,266	154,894	159,171	1.2%	0.5%
Age 65 to 74 Population	16,027	34,283	42,112	49,112	3.0%	3.1%
Age 75 to 84 Population	17,286	36,118	37,526	39,545	0.5%	1.1%
Age 85 & Over Population	16,997	16,421	20,795	23,561	3.4%	2.5%
Total 65 & Over	192,206	86,822	100,433	112,218	2.1%	2.2%
Total 75 & Over	34,283	52,539	58,321	63,106	1.5%	1.6%

Sources: The Nielsen Company and U.S. Census Bureau

The following table presents the percentage of total population by age group for the elderly population in the PMA, the State of Florida and the United States.

Table 5
Percentage of Total Population by Age Cohort

<u>Age Cohort</u>	2017 (Estimated)		
	PMA	State of Florida	U.S.
65 & Over	39.3%	20.1%	15.5%
75 & Over	22.8%	8.8%	6.4%
85 & Over	8.1%	2.7%	1.9%

<u>Age Cohort</u>	2022 (Projected)		
	PMA	State of Florida	U.S.
65 & Over	41.3%	22.2%	17.5%
75 & Over	23.3%	9.3%	6.9%
85 & Over	8.7%	2.8%	2.0%

Sources: The Nielsen Company and U.S. Census Bureau

Real Estate Trends

The following table presents data on the real estate market in the ZIP Codes where the PMA is located.

Table 6
Real Estate Trends in the ZIP Codes where the PMA is Located
2014 through April, 2017

ZIP Code	2014		2015		2016		YTD for the 4 Months ending April, 2017	
	Number Homes Sold	Average Sales Price	Number Homes Sold	Average Sales Price	Number Homes Sold	Average Sales Price	Number Homes Sold	Average Sales Price
33436	912	194,357	1,054	209,403	987	226,367	252	218,909
33437	1,050	232,768	1,130	239,714	1,058	257,681	272	253,853
33444	300	322,467	370	402,005	344	389,547	113	373,628
33445	668	195,933	789	209,673	718	233,085	195	257,303
33446	979	242,314	1,032	231,444	1,000	302,794	409	356,328
33473	328	490,826	251	531,869	178	554,933	70	553,957
33483	436	706,695	443	851,047	340	828,674	88	858,557
33484	1,042	121,726	1,202	139,450	1,040	145,799	311	151,498
33487	495	587,802	539	490,729	523	572,665	134	527,037
33496	573	502,386	604	477,962	573	528,133	161	455,770
Total/Wtd. Average	6,783	\$ 303,890	7,414	\$ 306,978	6,761	\$ 330,496	2,005	\$ 333,064

Sources: Melissa Data Home Sales by ZIP Code April 2017, www.melissadata.com/lists/ezlists/ezhomeowners.aspx.

Notes: The Site is located in ZIP Code 33484.

Home Values and Ownership

Home owners are expected to be able to utilize the proceeds from the sale of their home to supplement their income available to pay for assisted living and memory care services. It is assumed that the resident's homes will sell for 90 per cent of the median sales price as defined by Nielson, that cost of selling the residence will be approximately 6 per cent of the sales price. The net proceeds are assumed to be invested at a rate 3.5 per cent and the income tax burden will be 20 per cent

The following tables summarize the monthly income assumed to be available to potential residents that sell their home prior to moving into the Community.

Table 7
Income Available to Home Owners

Assume median sales price	\$ 239,035
% Value of Senior Home	90%
Average senior house sales price	215,132
% Proceeds from Sale	94%
Amount available to Invest	202,224
Investment return %	3.5%
Annual Income from investment	7,078
Less: Income Taxes at 20%	(1,416)
Net Income from Investment	5,662
Divide by 12 months	/12
Monthly Income Available for Housing	\$ 472

Sources: Neilson

In addition to the additional income from the sale of a home, it is possible that residents will utilize the proceeds from the sale to pay the costs of assisted living or memory care services as needed. The following tables summarize the home ownership by age group and the effect of a four year spend down of the proceeds at various levels.

Table 8
Home Ownership by Age Group

		Total Age 65 & Over		
		Total	Own	Rent
PMA Households		56,051	51,118	4,933
% of PMA Households		100.0%	91.2%	8.8%
		Age 65 - 74		
		Total	Own	Rent
PMA Households		20,285	18,407	1,878
% of PMA Households		100.0%	90.7%	9.3%
		Age 75 - 84		
		Total	Own	Rent
PMA Households		23,730	22,074	1,656
% of PMA Households		100.0%	93.0%	7.0%
		Age 85 & Over		
		Total	Own	Rent
PMA Households		12,036	10,637	1,399
% of PMA Households		100.0%	88.4%	11.6%

Source: U.S. Census Bureau

Table 9
Availability of Home Proceeds for Payment of Monthly Service Fees

Monthly Revenue Shortfall	Percentage of \$4,000 Monthly Fee	4 Year Spend Down
\$500	12.5%	\$24,000
\$1,000	25.0%	\$48,000
\$1,500	37.5%	\$72,000
\$2,000	50.0%	\$96,000
\$2,500	62.5%	\$120,000
\$3,000	75.0%	\$144,000
\$3,500	87.5%	\$168,000
\$4,000	100.0%	\$192,000
Estimated proceeds from sale of residence		<u>\$202,224</u>

COMPETITION IN THE MARKET

Existing and Planned Independent Living Communities in the PMA

Management has identified six comparable independent living communities in the PMA. It should be noted that Management has included only those market-rate facilities restricted to persons aged 55 and over and offering some level of services to the residents.

The following table summarizes the Community and the comparable independent living communities in the PMA,

Table 10
Independent Living Communities in the PMA

	Number of IL Units	Occupancy
The Project	16	N/A
Comparable IL Communities:		
Abbey Delray	360	* (2)
Abbey Delray South	285	90.0%
The Allegro at Boynton Beach	66	98.0%
Grand Villa of Delray West	196	100.0%
Harbour's Edge Retirement Community	267	97.0%
The Phoenix at Delray	140	40.0% (1)
Sub-Total Comparable IL Communities	1,314	87.2%
Total Comparable IL Communities Including the Project	1,330	

Source: Management, telephone interviews and/or other research conducted April 2017.

Notes:

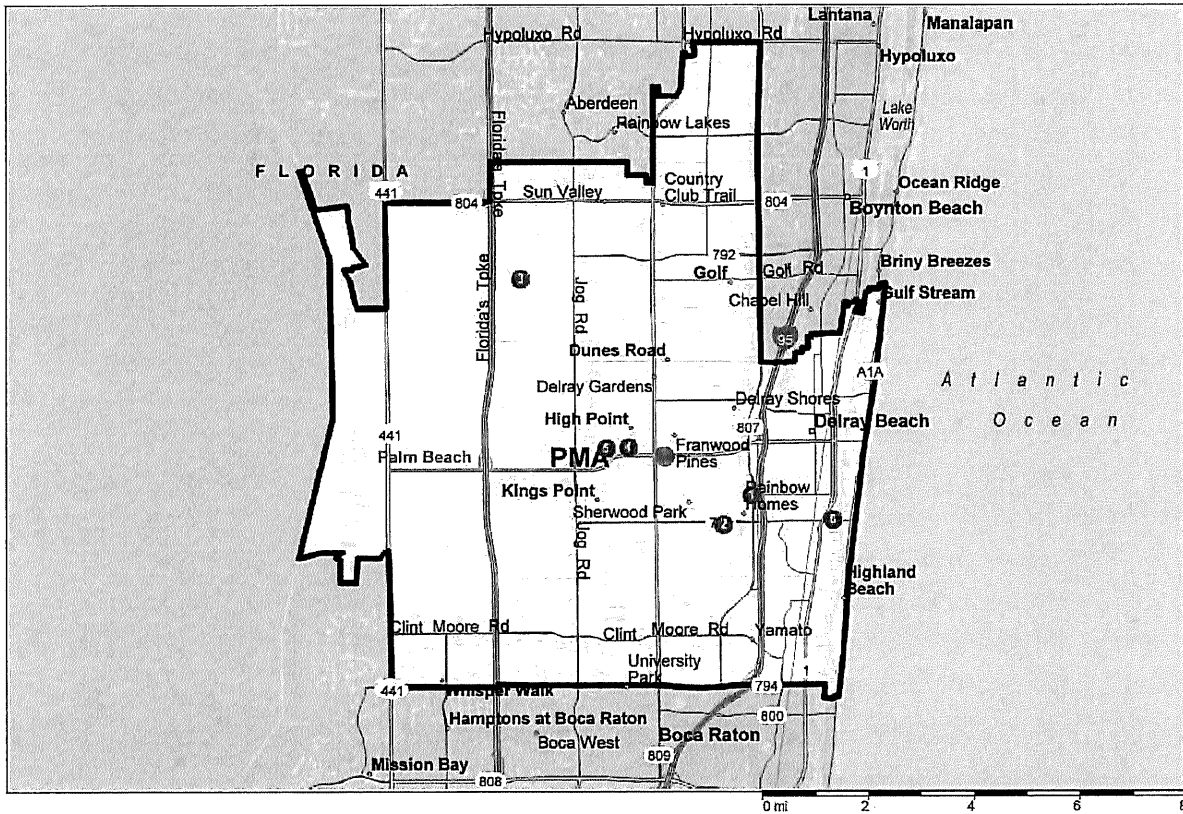
N/A = Not applicable to this facility.

* = Unable to obtain information from the facility.

IL = Independent Living

- (1) The Phoenix at Delray is in the process of expanding from 40 to 140 units. New units just opened and existing units are under renovation.
- (2) Abbey Delray was not included in the overall occupancy percentage.

The following map shows the location of the existing and planned comparable independent communities in the PMA.



Source: Microsoft MapPoint

Legend:

- ★ The Project
- 1 Abbey Delray
- 2 Abbey Delray South
- 3 The Allegro at Boynton Beach
- 4 Grand Villa of Delray West
- 5 Harbour's Edge Retirement Community
- 6 The Phoenix at Delray

The following tables summarize the Community and comparable existing independent living communities in the PMA:

Table 11
Comparable Independent Living Care Communities in the PMA

	<u>The Project</u>	<u>Abbey Delray</u>	<u>Abbey Delray South</u>	<u>The Allegro at Boynton Beach</u>
Street Address	4840 West Atlantic Avenue	2000 Lowson Boulevard	1717 Homewood Boulevard	11450 Hagen Ranch Road
City/State/ZIP Code	Delray Beach, FL 33445	Delray Beach, FL 33445	Delray Beach, FL 33445	Boynton Beach, FL 33437
Owner/Sponsor	Tuscan Gardens Mgmt	Lifespace Communities	Lifespace Communities	Allegro Senior Living
Year Opened	N/A	*	1981	2015
Total IL Units	<u>16</u>	<u>360</u>	<u>285</u>	<u>66</u>
IL Square Footage:				
Studio apartments	500	495	480	469
One-bedroom apartments	650	621-919	625-960	655-714
One-bedroom/den apartments	N/A	N/A	N/A	948-980
Two-bedroom apartments	900	919-1157	900-1400	983-1080
Two-bedroom/den or Three-bedroom	N/A	1,036	1,350-1,500	N/A
Villas/Townhomes/Cottages	N/A	N/A	N/A	N/A
IL Monthly Service Fees:				
Studio apartments	\$2,500	\$2,442	\$2,400	\$3,850
One-bedroom apartments	\$3,500	\$2,630-\$3,100	\$2,534-\$3,069	\$4,300
One-bedroom/den apartments	N/A	N/A	N/A	\$6,000
Two-bedroom apartments	\$4,200	\$5,000-\$6,000	\$3,069-\$3,900	\$6,100
Two-bedroom/den or Three-bedroom	N/A	*	*	N/A
Villas/Townhomes/Cottages	N/A	N/A	N/A	N/A
IL second person fee	*	*	*	*
IL Entrance Fees:				
Studio apartments	N/A	\$180,000	\$135,000	N/A
One-bedroom apartments	N/A	\$150,000-\$300,000	\$190,000-\$280,000	N/A
One-bedroom/den apartments	N/A	N/A	N/A	N/A
Two-bedroom apartments	N/A	\$220,000-\$350,000	\$220,000-\$400,000	N/A
Two-bedroom/den or Three-bedroom	N/A	*	N/A	N/A
Villas/Townhomes/Cottages	N/A	N/A	N/A	N/A
IL second person fee	N/A	*	*	N/A
IL Reported Occupancy Rate	<u>N/A</u>	<u>*</u>	<u>90.0%</u>	<u>98.0%</u>
Included in the Monthly Fee:				
Meals	1 Meal/Day	1 Meal/Day	1 Meal/Day	2 Meals/Day
Housekeeping service	Weekly	Weekly	Weekly	Weekly
Laundry service	Weekly	In Unit W/D	In Unit W/D	Available
Scheduled transportation	Yes	Yes	Yes	Yes
Utilities	All except telephone	All except telephone	All except telephone	All except telephone

Source: Management, telephone interviews and/other other research conducted April 2017.

Notes:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

IL = Independent Living

Table 11 (con't)
Comparable Independent Living Care Communities in the PMA

	Grand Villa of Delray West	Harbour's Edge Retirement Community	The Phoenix at Delray
Street Address	5859 Heritage Park Way	401 East Linton Blvd	5624 Linton Blvd
City/State/ZIP Code	Delray Beach, FL 33484	Delray Beach, FL 33483	Delray Beach, FL 33484
Owner/Sponsor	GV Delray West, LLC	Lifespace Communities	*
Profit/Non-Profit			
Year Opened	1976	1987	*
Total IL Units	196	267	140
IL Square Footage:			
Studio apartments	385	N/A	577
One-bedroom apartments	535	1,000	658-794
One-bedroom/den apartments	N/A	N/A	895
Two-bedroom apartments	727	1,430-1,770	895-1,395
Two-bedroom/den or Three-bedroom	N/A	2,000	1,683
Villas/Townhomes/Cottages	N/A	N/A	N/A
IL Monthly Service Fees:			
Studio apartments	\$2,775	N/A	\$2,795
One-bedroom apartments	\$3,275	\$4,584	\$3,095-\$3,425
One-bedroom/den apartments	N/A	N/A	\$3,625
Two-bedroom apartments	\$3,675	\$5,078	\$3,625-\$4,495
Two-bedroom/den or Three-bedroom	N/A	*	\$4,995
Villas/Townhomes/Cottages	N/A	N/A	N/A
IL second person fee	\$650	*	\$750
IL Entrance Fees:			
Studio apartments	N/A	N/A	N/A
One-bedroom apartments	N/A	\$348,000-\$537,000	N/A
One-bedroom/den apartments	N/A	N/A	N/A
Two-bedroom apartments	N/A	\$493,000-\$794,000	N/A
Two-bedroom/den or Three-bedroom	N/A	*	N/A
Villas/Townhomes/Cottages	N/A	N/A	N/A
IL second person fee	N/A	*	N/A
IL Reported Occupancy Rate	100.0%	97.0%	40.0%
Included in the Monthly Fee:			
Meals	3 Meals/Day	1 meal/Day	2 Meals/Day
Housekeeping service	Daily	Weekly	Weekly
Laundry service	Weekly	Weekly	In Unit W/D
Scheduled transportation	Yes	Yes	Yes
Utilities	All except telephone	All except telephone	All except telephone

Source: Management, telephone interviews and/other other research conducted April 2017.

Notes:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

IL = Independent Living

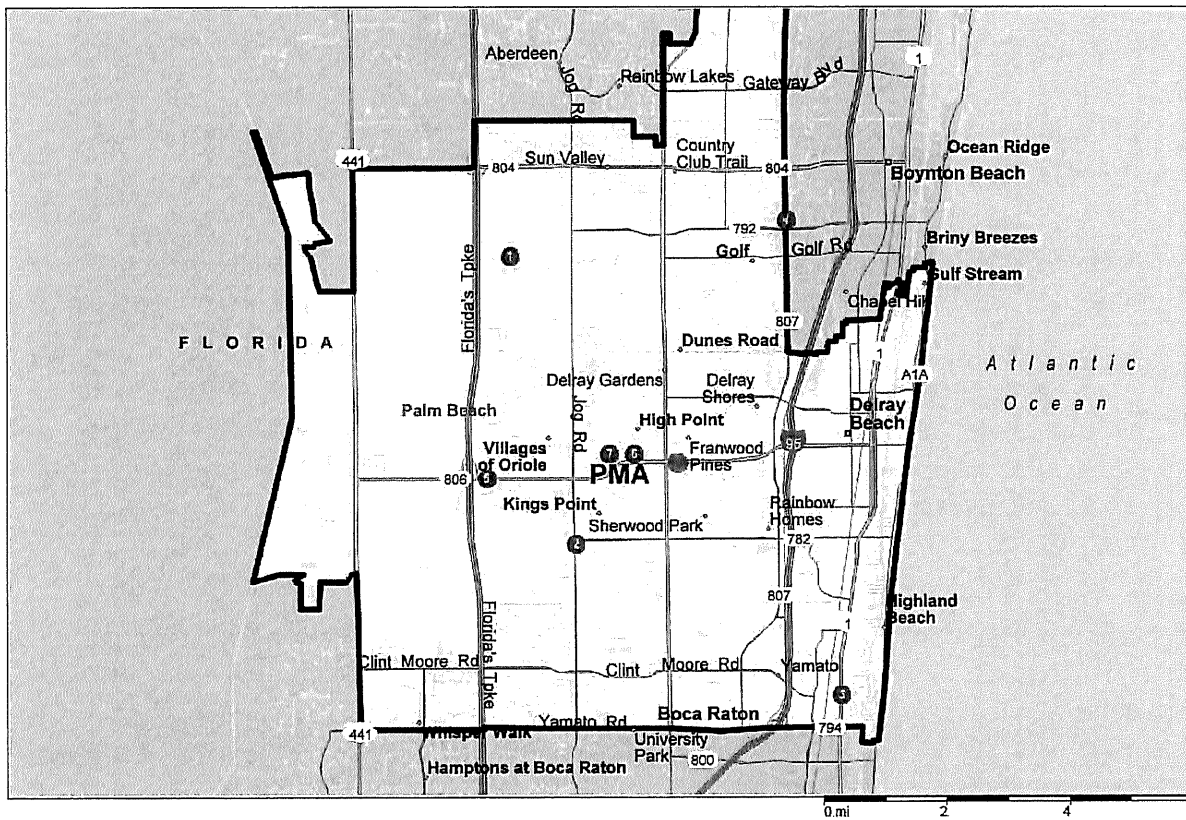
Existing and Planned Assisted Living and Memory Care Communities in the PMA

Management has identified seven comparable assisted living and memory care assisted living communities in the PMA. It should be noted that Management has included only those market-rate facilities with more than 20 licensed assisted living beds in the analysis of existing comparable assisted living and memory care facilities in the PMA.

The following table summarizes the Community and comparable communities in the PMA.

The Project	Number of AL Units	Number of MC Units	Total Number of AL & MC Units	AL Occupancy %	MC Occupancy %	Total AL & MC Occupancy %
The Project	66	52	118	N/A	N/A	N/A
Comparable AL Communities:						
The Allegro at Boynton Beach	45	25	70	100.0%	100.0%	100.0%
Arden Courts of Delray Beach	0	56	56	N/A	100.0%	100.0%
Artis Senior Living of Boca Raton (1)	0	64	64	N/A	86.0%	86.0%
Barrington Terrace at Boynton Beach	125	#	125	100.0%	100.0%	100.0%
Sonata Delray Beach	80	14	94	90.0%	98.0%	91.2%
Grand Villa of Delray East	108	32	140	98.1%	100.0%	98.5%
Grand Villa of Delray West	135	32	167	99.0%	99.0%	99.0%
Sub-Total Comparable AL Communities	493	223	716	97.7%	95.7%	97.1%
Total Comparable AL Communities Including the	559	275	834			

The following map shows the location of the existing and planned comparable assisted living and memory care communities in the PMA.



Legend:

- ★ The Project
- 1 The Allegro at Boynton Beach
- 2 Arden Courts of Delray Beach
- 3 Artis Senior Living of Boca Raton
- 4 Barrington Terrace of Boynton Beach
- 5 Brookdale Delray Beach
- 6 Grand Villa of Delray East
- 7 Grand Villa of Delray West

The following tables summarize the Community and comparable existing assisted living and memory care communities in the PMA:

Table 13
Comparable Assisted Living and Memory Care Communities in the PMA

	<u>The Project</u>	<u>The Allegro at Boynton Beach</u>	<u>Arden Courts of Delray Beach</u>	<u>Artis Senior Living of Boca Raton (1)</u>
Street Address	4840 West Atlantic Avenue	11450 Hagen Ranch Rd	16150 Jog Rd	5910 North Federal Hwy
City/State/ZIP Code	Delray Beach, FL 33445	Boynton Beach, FL 33446	Delray Beach, FL 33446	Boca Raton, FL 33487
Owner/Sponsor	Tuscan Gardens	Allegro Senior	Arden Courts	Artis Senior Living
Profit/Non-Profit	Profit	Profit	Profit	Profit
Year Opened	N/A	2015	*	2016
Number of Units:				
AL studio-shared	0	0	0	0
AL studio-private	48	6	0	0
AL one-bedroom	10	*	0	0
AL two-bedroom	8	*	0	0
Total AL Units	<u>66</u>	<u>45</u>	<u>0</u>	<u>0</u>
MC studios-shared	0	*	*	0
MC studios-private	48	*	*	64
MC Two-bedroom	4	0	0	0
Total MC Units	<u>52</u>	<u>25</u>	<u>56</u>	<u>64</u>
Total AL/MC Units	<u>118</u>	<u>70</u>	<u>56</u>	<u>64</u>
Square Footage:				
AL studio-shared	N/A	N/A	N/A	N/A
AL studio-private	400-450	466	N/A	N/A
AL one-bedroom	550-600	655-995	N/A	N/A
AL two-bedroom	800	988	N/A	N/A
MC studio-shared	500	633	*	N/A
MC studio-private	350	351	*	208
MC one-bedroom	N/A	N/A	N/A	N/A
Monthly Fees:				
AL studio-shared	N/A	N/A	N/A	N/A
AL studio-private	\$3,600-\$4,600	\$4,900	N/A	N/A
AL one-bedroom	\$4,900-\$5,000	5,400	N/A	N/A
AL two-bedroom	\$7,500	\$6,400-\$6,600	N/A	N/A
MC studio-shared	\$4,500	*	\$5,725	N/A
MC studio-private	\$5,700	\$5,850	\$6,500	\$5,700
MC one-bedroom	N/A	N/A	N/A	N/A
Occupancy Rate-AL	<u>N/A</u>	<u>100.0%</u>	<u>N/A</u>	<u>N/A</u>
Occupancy Rate-MC	<u>N/A</u>	<u>100.0%</u>	<u>100.0%</u>	<u>86.0%</u>
Included in Monthly Service Fee:				
Meals - AL	3 Meals/Day	3 Meals/Day	N/A	N/A
Meals - MC	3 Meals/Day	3 Meals/Day	3 Meals/Day	3 Meals/Day
Housekeeping service	Weekly	Weekly	Weekly	Weekly
Laundry service - AL	Weekly	Weekly	N/A	N/A
Laundry service - MC	Weekly	Weekly	As Needed	Weekly
Personal care - AL	Levels of Care	Levels of Care	N/A	N/A
Personal care - MC	Levels of Care	Levels of Care	All Inclusive	Levels of Care

Source: Management, telephone interviews and/or other research conducted April 2017

Notes:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

AL = Assisted Living.

MC = Memory Care.

Table 13 (con't)
Comparable Assisted Living and Memory Care Communities in the PMA

	Barrington Terrace at Boynton Beach	Sonata Delray Beach	Grand Villa of Delray East	Grand Villa of Delray West
Street Address	1425 South Congress Ave	8020 West Atlantic Ave	14555 Sims Rd	5859 Heritage Park Way
City/State/ZIP Code	Boynton Beach, FL 33426	Delray Beach, FL 33446	Delray Beach, FL 33484	Delray Beach, FL 33484
Owner/Sponsor	Five Star Senior Living	Sonata	Delray Beach Villa	GV Delray West,
Profit/Non-Profit	Profit	Profit	Profit	Profit
Year Opened	*	2015	1984	1976
Number of Units:				
AL studio-shared	*	*	*	*
AL studio-private	*	*	*	*
AL one-bedroom	*	*	*	*
AL two-bedroom	0	*	*	*
Total AL Units	*	80	108	135
MC studios-shared	*	*	*	*
MC studios-private	*	*	*	*
MC one-bedroom	*	*	*	*
Total MC Units	*	14	32	32
Total AL/MC Units	125	94	140	167
Square Footage:				
AL studio-shared	*	N/A	*	*
AL studio-private	252-330	364-499	400	385
AL one-bedroom	450	N/A	600	535
AL two-bedroom	N/A	N/A	850	727
MC studio-shared	*	289	*	*
MC studio-private	252-330	289-405	400	400
MC one-bedroom	450		N/A	N/A
Monthly Fees:				
AL studio-shared	\$1,990	N/A	Starting \$1,975	\$2,775
AL studio-private	\$2,410-\$2,829	3,150-3,800	\$2,275	\$3,275
AL one-bedroom	\$3,565	N/A	\$2,500-\$3,000	\$3,675
AL two-bedroom	N/A	N/A	\$3,975-\$4,375	*
MC studio-shared	\$3,085	\$4,200	\$3,475-\$3,775	\$4,175
MC studio-private	\$3,395-\$3,910	\$5,125 - \$5,425	\$4,575	\$5,500
MC one-bedroom	\$4,530	N/A	N/A	N/A
Occupancy Rate-AL	100.0%	90.0%	98.1%	99.0%
Occupancy Rate-MC	100.0%	98.0%	100.0%	99.0%
Included in Monthly Service Fee:				
Meals - AL	3 Meals/Day	3 Meals/Day	3 Meals/Daily	3 Meals/Daily
Meals - MC	3 Meals/Day	3 Meals/Day	3 Meals/Daily	3 Meals/Daily
Housekeeping service	Weekly	Weekly	Daily	Daily
Laundry service - AL	As Needed	Weekly	Weekly	Weekly
Laundry service - MC	As Needed	Weekly	Weekly	Weekly
Personal care - AL	Levels of Care	Levels of Care	Levels of Care	Levels of Care
Personal care - MC	Levels of Care	Levels of Care	Levels of Care	Levels of Care

Source: Management, telephone interviews and/or other research conducted April 2017.

Notes:

* = Unable to obtain information from the facility.

N/A = Not applicable to this facility.

AL = Assisted Living.

MC = Memory Care.

POTENTIAL DEMAND ASSESSMENT

Pre-tax income characteristics have been applied to estimate a range of market penetration rates for age and income qualified households for the market rate units. Management assumes that a prospective resident of the independent living and assisted living market rate units will have an annual pre-tax income in 2016 dollars as presented in the following table.

Table 14
Independent Living, Assisted Living and Memory Care
Assumed 2017 Monthly Rental Rates and Pre-Tax Income

Independent Living		Assisted Living		Memory Care	
Monthly Rent	Monthly Rent	Monthly Rent	Pre-tax Income	Monthly Rent	Pre-tax Income
\$ 2,500	\$ 50,000	\$ 3,500	\$ 60,000	\$ 4,500	\$ 67,500
\$ 3,000	\$ 60,000	\$ 4,000	\$ 68,571	\$ 5,000	\$ 75,000
\$ 3,500	\$ 70,000	\$ 4,500	\$ 77,143	\$ 5,500	\$ 82,500
\$ 4,000	\$ 80,000	\$ 5,000	\$ 85,714	\$ 6,000	\$ 90,000
\$ 4,500	\$ 90,000	\$ 5,500	\$ 94,286	\$ 6,500	\$ 97,500
\$ 5,000	\$ 100,000	\$ 6,000	\$ 102,857	\$ 7,000	\$ 105,000
\$ 5,500	\$ 110,000	\$ 6,500	\$ 111,429	\$ 7,500	\$ 112,500

For the assisted living and memory care units, an annual income of \$25,000 and \$35,000, respectively, or more if they own their own home has been included to allow for those owning a home to be included as qualified households in light of the additional potential financial resources from the sales proceeds.

Independent Living Senior Housing Demand Methodology

Based on historic operations of independent living communities, it is assumed that the prospective residents of the assisted living units will generally meet the following criteria prior to occupancy:

- 75 years of age or older

Potential demand for independent living units was calculated for each of the minimum monthly rent ranges using the methodology that follows. To be conservative, we have calculated demand based on income-qualification only, including the investment income that could be produced from the proceeds of the sale of a single-family home.

- Senior households age 75 and over will be a market for the Independent Living Units.
- A senior will utilize 50 percent of their income for independent living senior housing (this is reasonable considering the level of services included in the monthly fee, i.e. meals, housekeeping). For example, a senior would need an income of \$60,000 or more in order to afford the minimum rent of \$2,500/month ($\$2,500/50\% \times 12 \text{ months} = \$60,000$).
- It is assumed the number of senior households is evenly distributed within the income categories.
- Approximately 30 percent of the demand will come from households from outside the Market Area who are 1) living near to, but outside of the Market Area, 2) returning to the area from retirement communities or 3) moving to be near adult children.
- 2017 minimum monthly rents were inflated by 3 percent annually to 2022 to reflect estimated rents in 2022 dollars.

Assisted Living and Memory Care Senior Housing Demand Methodology

Management anticipates that the prospective residents of the assisted living units will generally meet the following profile prior to occupancy:

- 75 years of age or older;
- Living alone; and
- Requiring some assistance with ADLs and/or IADLs.

Potential demand for assisted living and memory care assisted living units was calculated for each of the minimum monthly rent ranges using the methodology that follows. To be conservative, we have calculated demand based on income-qualification only, including the investment income that could be produced from the proceeds of the sale of a single-family home. In reality, many seniors will actually spend down assets to live in assisted living or memory care housing rather than move to a nursing home. Some may also rely on financial assistance from relatives, notably adult children.

- Senior households age 75 and over will be a market for the Assisted Living and Memory Care Units.
 - A senior will utilize 70 percent of their income for assisted living senior housing and 80 percent for memory care senior housing (this is reasonable considering the level of services included in the monthly fee, i.e. meals, housekeeping). For example, a senior would need an income of \$60,000 or more in order to afford the minimum rent of \$3,500/month ($\$3,500/70\% \times 12 \text{ months} = \$60,000$).
 - Senior homeowners will utilize the equity in their home to pay for assisted living services and memory care services. We have used income thresholds of between \$25,000 and \$35,000 as qualified for senior homeowners, respectively.
 - For assisted living demand, a different proportion of income-qualified households within each age group is applied to determine the number of seniors that need assistance with activities of daily living (ADL). The proportions are based on a national survey of persons in the community by the National Center for Health Statistics. The proportion of seniors age 75 and over who need assistance with one or more ADL's is included (surveys of assisted living facilities show that a large proportion of residents need help with one ADL or none at all). The proportions used were:
 - Age 75-to-84: 30.8 percent need assistance with one or more ADL's
 - Age 85-and-over: 50.8 percent need assistance with one or more ADL's.Seniors age 65-to-74 have been excluded because it is assumed that most seniors under the age of 75 will have a healthy spouse to assist them.
 - For memory care demand, a different proportion of income-qualified households is applied based on the proportion of persons who have dementia within each age group (from data provided by the Alzheimer's Association).
 - Age 65-to-74: 3.2 percent have some form of dementia;
 - Age 75-to-85: 17.6 percent have some form of dementia; and
 - Age 85+: 32.8 percent have some form of dementia.
 - **It should be noted that the demand for memory care units overlaps with the demand calculated for assisted living units.**
 - It is assumed the number of senior households is evenly distributed within the income categories.
-

- Approximately 30 percent of the demand will come from households from outside the PMA who are 1) living near to, but outside of the PMA, 2) returning to the area from retirement communities or 3) moving to be near adult children.
- 2017 minimum monthly rents were inflated by 3 percent annually to 2022 to reflect estimated rents in 2022 dollars.

Planned Assisted Living Developments in the PMA

Based upon telephone interviews with local planning agencies and interviews with management at existing retirement communities in the PMA, there was one comparable assisted living and memory care assisted living facility that was disclosed as being planned for in the PMA and one just outside the PMA which was included in the penetration rate calculation. Detail information on these projects follows:

- Shores of Delray is currently under construction at a site located at 14160 Via Flora in Delray Beach. This project is planned to include 77 assisted living units in a 3 story building and is planned to be completed by the 4th quarter of 2018. This project is included in the penetration rate calculation presented subsequently herein.
- The Concierge is currently under construction at a site located at 22 SE 6th Street in Boca Raton. This project is planned to include 122 assisted living and independent units in a “high-end” luxury style building and is planned to be completed by the 4th quarter of 2017. This project is located just outside the PMA and is included in the penetration rate calculation presented subsequently herein.

There were no other assisted living or memory care assisted living communities that were disclosed as being planned in the PMA.

DEMAND ANALYSIS – INDEPENDENT LIVING

Demand for independent living was estimated for 2017, 2018 and 2022 based on the portion of the age/income-qualified market likely to move to senior housing using selected monthly rent levels in 2017 dollars.

Demand for the proposed units was measured by applying a maximum penetration rate to the qualified market for each of the selected monthly rent levels. For independent living a market penetration rate of 20%, 25%, and 30% were used. In a healthy senior housing market, these penetration rates would be considered to be reasonable since they related to specific age/income qualified groups for specific types of senior housing.

The demand estimates for independent living are summarized in the following table.

Independent Living Demand at Selected Penetration Rates			
	Demand - Penetration Rate 20%		
INDEPENDENT SENIOR HOUSING:	2017	2018	2022
\$2,500/Month in 2017 dollars	5,008	5,023	5,084
\$3,000/Month in 2017 dollars	4,202	4,235	4,369
\$3,500/Month in 2017 dollars	3,477	3,484	3,512
\$4,000/Month in 2017 dollars	3,021	3,017	3,003
\$4,500/Month in 2017 dollars	2,638	2,651	2,705
\$5,000/Month in 2017 dollars	2,398	2,406	2,438
\$5,500/Month in 2017 dollars	2,211	2,204	2,175
	Demand - Penetration Rate 25%		
INDEPENDENT SENIOR HOUSING:	2017	2018	2022
\$2,500/Month in 2017 dollars	5,931	5,950	6,027
\$3,000/Month in 2017 dollars	4,924	4,966	5,132
\$3,500/Month in 2017 dollars	4,018	4,027	4,061
\$4,000/Month in 2017 dollars	3,448	3,443	3,425
\$4,500/Month in 2017 dollars	2,969	2,986	3,053
\$5,000/Month in 2017 dollars	2,669	2,679	2,719
\$5,500/Month in 2017 dollars	2,435	2,426	2,390
	Demand - Penetration Rate 30%		
INDEPENDENT SENIOR HOUSING:	2017	2018	2022
\$2,500/Month in 2017 dollars	6,855	6,878	6,969
\$3,000/Month in 2017 dollars	5,646	5,696	5,896
\$3,500/Month in 2017 dollars	4,559	4,569	4,610
\$4,000/Month in 2017 dollars	3,874	3,869	3,848
\$4,500/Month in 2017 dollars	3,300	3,320	3,401
\$5,000/Month in 2017 dollars	2,940	2,952	3,000
\$5,500/Month in 2017 dollars	2,659	2,648	2,606

Source: CliftonLarsonAllen, LLP

DEMAND ANALYSIS – ASSISTED LIVING

Demand for assisted living was estimated for 2017, 2018 and 2022 based on the portion of the age/income-qualified market likely to move to senior housing using selected monthly rent levels in 2017 dollars.

Demand for the proposed units was measured by applying a maximum penetration rate to the qualified market for each of the selected monthly rent levels. For assisted living a market penetration rate of 20%, 25%, and 30% were used. In a healthy senior housing market, these penetration rates would be considered to be reasonable since they related to specific age/income qualified groups for specific types of senior housing.

The demand estimates for assisted living and memory care combined are summarized in following table.

**Table 15
Assisted Living Demand at Selected Penetration Rates**

ASSISTED LIVING:	Demand - Penetration Rate 20%		
	2017	2018	2022
\$3,500/Month in 2017 dollars	2,168	2,193	2,290
\$4,000/Month in 2017 dollars	2,151	2,174	2,267
\$4,500/Month in 2017 dollars	2,133	2,156	2,248
\$5,000/Month in 2017 dollars	2,116	2,140	2,236
\$5,500/Month in 2017 dollars	2,107	2,130	2,223
\$6,000/Month in 2017 dollars	2,097	2,121	2,213
\$6,500/Month in 2017 dollars	2,088	2,112	2,206
ASSISTED LIVING:	Demand - Penetration Rate 25%		
	2017	2018	2022
\$3,500/Month in 2017 dollars	2,890	2,920	3,041
\$4,000/Month in 2017 dollars	2,868	2,897	3,013
\$4,500/Month in 2017 dollars	2,846	2,874	2,989
\$5,000/Month in 2017 dollars	2,824	2,854	2,974
\$5,500/Month in 2017 dollars	2,812	2,841	2,958
\$6,000/Month in 2017 dollars	2,801	2,830	2,946
\$6,500/Month in 2017 dollars	2,789	2,819	2,937
ASSISTED LIVING:	Demand - Penetration Rate 30%		
	2017	2018	2022
\$3,500/Month in 2017 dollars	3,611	3,647	3,793
\$4,000/Month in 2017 dollars	3,584	3,619	3,759
\$4,500/Month in 2017 dollars	3,558	3,593	3,731
\$5,000/Month in 2017 dollars	3,532	3,568	3,712
\$5,500/Month in 2017 dollars	3,518	3,553	3,693
\$6,000/Month in 2017 dollars	3,504	3,539	3,678
\$6,500/Month in 2017 dollars	3,490	3,526	3,668

Source: CliftonLarsonAllen, LLP

DEMAND ANALYSIS – MEMORY CARE

Demand for memory care was estimated for 2017, 2018 and 2022 based on the portion of the age/income-qualified market likely to move to senior housing using selected monthly rent levels in 2017 dollars.

Demand for the proposed units was measured by applying a maximum penetration rate to the qualified market for each of the selected monthly rent levels. For memory care assisted living a market penetration rate of 20%, 25%, and 30% were used. In a healthy senior housing market, these penetration rates would be considered to be reasonable since they related to specific age/income qualified groups for specific types of senior housing.

The demand estimates for memory care only are summarized in following table.

**Table 16
Memory Care Demand at Selected Penetration Rates**

	Demand - Penetration Rate 20%		
	2017	2018	2022
MEMORY CARE SENIOR HOUSING:			
\$4,500/Month in 2017 dollars	1,082	1,094	1,141
\$5,000/Month in 2017 dollars	1,073	1,084	1,130
\$5,500/Month in 2017 dollars	1,063	1,075	1,123
\$6,000/Month in 2017 dollars	1,057	1,069	1,117
\$6,500/Month in 2017 dollars	1,052	1,064	1,110
\$7,000/Month in 2017 dollars	1,047	1,059	1,106
\$7,500/Month in 2017 dollars	1,042	1,054	1,103
	Demand - Penetration Rate 25%		
	2017	2018	2022
MEMORY CARE SENIOR HOUSING:			
\$4,500/Month in 2017 dollars	1,416	1,431	1,489
\$5,000/Month in 2017 dollars	1,404	1,419	1,476
\$5,500/Month in 2017 dollars	1,393	1,408	1,468
\$6,000/Month in 2017 dollars	1,385	1,400	1,459
\$6,500/Month in 2017 dollars	1,379	1,393	1,451
\$7,000/Month in 2017 dollars	1,373	1,387	1,446
\$7,500/Month in 2017 dollars	1,366	1,381	1,441
	Demand - Penetration Rate 30%		
	2017	2018	2022
MEMORY CARE SENIOR HOUSING:			
\$4,500/Month in 2017 dollars	1,750	1,768	1,838
\$5,000/Month in 2017 dollars	1,736	1,753	1,822
\$5,500/Month in 2017 dollars	1,722	1,740	1,812
\$6,000/Month in 2017 dollars	1,713	1,730	1,802
\$6,500/Month in 2017 dollars	1,705	1,722	1,792
\$7,000/Month in 2017 dollars	1,698	1,715	1,786
\$7,500/Month in 2017 dollars	1,690	1,708	1,780

Source: CliftonLarsonAllen, LLP

INDEPENDENT LIVING PENETRATION RATES

Penetration rates are one measure of the degree to which the PMA might be either under-served or saturated. As penetration rates increase, independent living units may become more difficult to fill. However, higher penetration rates may not necessarily be an indication of the difficulty in achieving expected occupancy levels. Some markets may have a higher acceptance level for independent living housing options and may support higher penetration rates.

These penetration rates should be considered in conjunction with each other and other market factors such as occupancy levels at existing comparable communities within and near the PMA, the number of proposed facilities in the PMA, the planned design of the units and community spaces at the Project, alternatives for potential residents, and the proposed marketing plans and efforts of Management.

Management has presented three penetration rate calculations as follows:

- The Gross Market Penetration rate is calculated by adding the total number of Independent Living Units of the Project to those of the comparable existing and proposed retirement communities within Management's defined PMA and dividing by the total number of age and income qualified households (households headed by individuals 75 years of age or older).
- The Net Market Penetration rate is calculated by adding the total number of Independent Living Units of the Project becoming vacant due to resident attrition as well as the number of units needed to be filled to achieve a 95 percent occupancy of the comparable existing and proposed retirement communities within Management's defined PMA and dividing by the total number of age and income qualified households (households headed by individuals 75 years of age or older).
- The Project Penetration rate is that calculated proportion of eligible households in a PMA that will need to move to the Independent Living Units at the Project to maintain its full occupancy (defined as the point where the occupancy stabilizes, typically, at 95 percent for independent living units).

The following tables present the income eligible households in the PMA and a summary of the penetration rate calculations.

Table 17
Income Eligible Households in PMA

	2018 (Interpolated) (1)				
	Age Range:	65-74	75-84	85 & Over	Total
Total Households		25,348	24,476	15,457	65,281
Median Household Income ⁽¹⁾	\$	66,060	\$ 40,565	\$ 28,402	\$ 47,585
<u>Household Income:</u>					
Less than \$25,000		1,812	3,283	3,386	8,481
\$25,000 - 34,999		2,126	4,068	3,486	9,680
\$35,000 - 49,999		2,341	3,426	2,497	8,264
\$50,000 - 74,999		3,336	3,920	2,034	9,290
\$75,000 - 99,999		4,730	3,810	1,735	10,275
\$100,000 - 149,999		3,075	2,109	852	6,036
\$150,000 - 199,999		3,584	1,854	1,008	6,446
\$200,000 or More		4,344	2,006	459	6,809
Households with \$50,000 or more of income		19,069	13,699	6,088	38,856
Households with \$60,000 or more of income		17,735	12,131	5,274	35,140
Households with \$70,000 or more of income		16,400	10,563	4,461	31,424
Households with \$80,000 or more of income		14,787	9,017	3,707	27,511
Households with \$90,000 or more of income		12,895	7,493	3,013	23,401
Households with \$100,000 or more of income		11,003	5,969	2,319	19,291
Households with \$110,000 or more of income		10,388	5,547	2,149	18,084
	2022 (Projected)				
Age Range:	65-74	75-84	85 & Over	Total	
Total Households		28,541	25,322	17,016	70,879
Median Household Income	\$	70,510	\$ 43,461	\$ 29,774	\$ 51,067
<u>Household Income:</u>					
Less than \$25,000		1,811	3,116	3,548	8,475
\$25,000 - 34,999		2,164	3,866	3,672	9,702
\$35,000 - 49,999		2,431	3,394	2,698	8,523
\$50,000 - 74,999		3,610	4,051	2,296	9,957
\$75,000 - 99,999		5,186	3,970	1,960	11,116
\$100,000 - 149,999		3,488	2,288	1,003	6,779
\$150,000 - 199,999		4,259	2,134	1,233	7,626
\$200,000 or More		5,592	2,503	606	8,701
Households with \$56,300 or more of income		21,225	13,925	6,519	41,669
Households with \$67,500 or more of income		19,608	12,110	5,491	37,209
Households with \$78,800 or more of income		17,737	10,292	4,504	32,533
Households with \$90,000 or more of income		15,413	8,513	3,626	27,552
Households with \$101,300 or more of income		13,248	6,866	2,816	22,930
Households with \$112,600 or more of income		12,460	6,348	2,589	21,397
Households with \$123,800 or more of income		11,679	5,836	2,365	19,879

The Gross and Market penetration rates are presented as a range between the percentages of the age-qualified individuals and the percentage of age-and income-qualified individuals that Management assumes that the Community's Independent Living Units would need to attract in order to achieve stabilized occupancy. Project penetration is calculated by dividing the number of Independent Units at the Community by the total number of age-qualified individuals and age-and income-qualified individuals in the PMA.

**Table 18
Independent Living Estimated Penetration Rate Analysis – 2017**

ESTIMATED PENETRATION RATE CALCS - INDEPENDENT LIVING							
DIRECTIONS:							
A. Double Check Calculations, everything populates							
Estimated Penetration Rates	Age 75-and-over with Incomes of \$50,000 and above	Age 75-and-over with Incomes of \$60,000 and above	Age 75-and-over with Incomes of \$70,000 and above	Age 75-and-over with Incomes of \$80,000 and above	Age 75-and-over with Incomes of \$90,000 and above	Age 75-and-over with Incomes of \$100,000 and above	Age 75-and-over with Incomes of \$110,000 and above
Gross Market Penetration Rate Analysis:							
Market Inventory of Independent Living Units in the PMA:							
The Project ⁽¹⁾	16	16	16	16	16	16	16
Existing Comparable Units	1,314	1,314	1,314	1,314	1,314	1,314	1,314
Planned Comparable Units	122	122	122	122	122	122	122
Total Units	1,452	1,452	1,452	1,452	1,452	1,452	1,452
Number of units assuming 70% of the residents of the Community originate from within the PMA at 95% occupancy, and assuming 70% of the residents at existing and planned comparable facilities originate from the PMA at 95% occupancy [a]							
	966	966	966	966	966	966	966
Number of Age and Income Qualified Households ⁽²⁾ [b]							
	19,787	17,405	15,024	12,724	10,506	8,288	7,696
Gross Market Penetration Rate [a/b]	4.9%	5.6%	6.4%	7.6%	9.2%	11.7%	12.6%
Net Market Penetration Rate Analysis							
Total Unoccupied Independent Living Units within the PMA:							
Number of units at the Community assuming that 100% of the units will be filled by persons age 75 and over and that stabilized occupancy is achieved at 95.0%							
	15	15	15	15	15	15	15
Number of vacant units at existing comparable projects that need to be filled to achieve a 95% occupancy							
	98	98	98	98	98	98	98
Number of units at planned comparable projects assuming 95% stabilized occupancy							
	116	116	116	116	116	116	116
Total existing units becoming available from resident attrition ⁽³⁾							
	184	184	184	184	184	184	184
Subtotal of units to be occupied assuming 70% of the Community units and 70.0% of existing and planned comparable units originate from the PMA [c]							
	289	289	289	289	289	289	289
Number of Age and Income Qualified Households ⁽²⁾							
	19,672	17,405	15,024	12,724	10,506	8,288	7,696
Less the number of occupied comparable independent living units							
	(1,167)	(1,167)	(1,167)	(1,167)	(1,167)	(1,167)	(1,167)
Net Number of Age and Income Qualified Households [d]							
	18,505	16,238	13,857	11,557	9,339	7,121	6,529
Net Market Penetration Rate [c/d]	1.6%	1.8%	2.1%	2.5%	3.1%	4.1%	4.4%
Project Penetration Rate Analysis:							
Number of units at the Community assuming that 100% of the units will be filled by persons age 75 and over, stabilized occupancy is achieved at 95%, and assuming 70% of the residents originate from the PMA [e]							
	11	11	11	11	11	11	11
Project Penetration Rate [e/d]	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%

Source: Management

Notes:

- (1) There are 16 Independent Living units expected at the Project. It is assumed that 20% of the beds will be filled by Qualified Income Residents.
- (2) Number of qualified individuals from Table 17.

ASSISTED LIVING PENETRATION RATES

The increased size of the private paying frail elderly market has attracted providers to develop new and creative options for caring for this population. Methodologies for projecting bed need or demand for assisted living vary. Research studies have identified impairment levels in activities of daily living (“ADL”) such as dressing, bathing, eating, toileting, mobility, and taking medications, as well as instrumental activities of daily living (“IADLs”), such as meal preparation, home maintenance, shopping, and personal finance; all of which generally are often used to measure levels of functioning and estimate the care needs of a specific population. The decision by elderly persons to enter an assisted living facility to meet their needs for assistance often depends on alternatives available and is somewhat more discretionary than the decision to enter a nursing care facility.

Population data and income statistics may be utilized to some extent to estimate the number of qualified households (age 75 and over) for assisted living services, yet should not be relied upon entirely as a measure of success for a facility. The amount of cross subsidization that occurs between adult care givers (assumed to be those households aged 45 to 64 earning in excess of \$100,000 annually) and their parents may also provide for additional financial assistance as a means for non-income qualified seniors to afford this level of care. Additionally, non-income qualified seniors may have additional assets which could provide the financial means to afford this level of care or may qualify for VA Aid and Attendance benefits, AL waiver or receive support from adult children. Thus, assisted living calculated penetration rates, where relevant, and estimated market penetration rates are presented as a range between age-qualified households and age-and income-qualified households.

Management anticipates that the prospective residents of the Project will generally meet the following profile prior to occupancy:

- 75 years of age or older;
- Living alone; and
- Requiring some assistance with ADLs and/or IADLs.

Additionally, pre-tax income characteristics have been applied to estimate a range of market penetration rates for age and income qualified households for the market rate units. Management is considering pre-tax income for a variety of price points.

The following table presents household income distribution data in the PMA, as well as the calculated income eligible households for the Projects market rate assisted living units. The 2022 data in the table is estimated, based on the 2010 Census, as provided by The Nielsen Company. The following table also presents data for 2018 (estimated Project opening date) that has been interpolated from information provided by The Nielsen Company.

Table 19
Income Eligible Households in PMA

	2018 (Interpolated) (1)				
	Age Range:	65-74	75-84	85 & Over	Total
Total Households		25,348	24,476	15,457	65,281
Median Household Income ⁽¹⁾	\$	66,060	\$ 40,565	\$ 28,402	\$ 47,585
<u>Household Income:</u>					
Less than \$25,000		1,812	3,283	3,386	8,481
\$25,000 - 34,999		2,126	4,068	3,486	9,680
\$35,000 - 49,999		2,341	3,426	2,497	8,264
\$50,000 - 74,999		3,336	3,920	2,034	9,290
\$75,000 - 99,999		4,730	3,810	1,735	10,275
\$100,000 - 149,999		3,075	2,109	852	6,036
\$150,000 - 199,999		3,584	1,854	1,008	6,446
\$200,000 or More		4,344	2,006	459	6,809
Households with \$25,000 or more of income		23,536	21,193	12,071	56,800
Households with \$60,000 or more of income		17,735	12,131	5,274	35,140
Households with \$68,571 or more of income		16,591	10,787	4,577	31,955
Households with \$77,143 or more of income		15,328	9,452	3,905	28,685
Households with \$85,714 or more of income		13,706	8,146	3,310	25,162
Households with \$94,286 or more of income		12,084	6,840	2,715	21,639
Households with \$102,857 or more of income		10,827	5,848	2,270	18,945
Households with \$111,429 or more of income		10,300	5,487	2,124	17,911
2022 (Projected)					
	Age Range:	65-74	75-84	85 & Over	Total
Total Households		28,541	25,322	17,016	70,879
Median Household Income	\$	70,510	\$ 43,461	\$ 29,774	\$ 51,067
<u>Household Income:</u>					
Less than \$25,000		1,811	3,116	3,548	8,475
\$25,000 - 34,999		2,164	3,866	3,672	9,702
\$35,000 - 49,999		2,431	3,394	2,698	8,523
\$50,000 - 74,999		3,610	4,051	2,296	9,957
\$75,000 - 99,999		5,186	3,970	1,960	11,116
\$100,000 - 149,999		3,488	2,288	1,003	6,779
\$150,000 - 199,999		4,259	2,134	1,233	7,626
\$200,000 or More		5,592	2,503	606	8,701
Households with \$28,100 or more of income		26,059	21,007	12,330	59,396
Households with \$67,500 or more of income		19,608	12,110	5,491	37,209
Households with \$77,200 or more of income		18,069	10,546	4,630	33,245
Households with \$86,800 or more of income		16,077	9,021	3,877	28,975
Households with \$96,500 or more of income		14,065	7,481	3,116	24,662
Households with \$106,100 or more of income		12,913	6,646	2,720	22,279
Households with \$115,800 or more of income		12,237	6,202	2,525	20,964
Households with \$125,400 or more of income		11,567	5,763	2,332	19,662

The following table estimates the number of age and income qualified households that are living alone and estimated to require assistance with ADLs or IADLs within the PMA. The information is presented in 2017, the proposed year of completion of the Assisted Living Units.

Table 20
Assisted Living and Memory Care
Estimated Number of Qualified Individuals in the PMA – 2018

Income of	Estimated Age Qualified Households ⁽¹⁾	Estimated Age, Income and Asset Qualified Households ⁽²⁾	Percentage Requiring Assistance ⁽³⁾	Percentage Living Alone ⁽⁴⁾	Estimated Number of Age Qualified Individuals	Estimated Number of Age and Income Asset Qualified Individuals
\$ 25,000	39,933	N/A	38.1%	47.4%	7,207	N/A
\$ 60,000	N/A	31,842	36.4%	47.4%	N/A	5,502
\$ 68,571	N/A	31,667	36.4%	47.4%	N/A	5,471
\$ 77,143	N/A	31,495	36.4%	47.4%	N/A	5,442
\$ 85,714	N/A	31,335	36.4%	47.4%	N/A	5,414
\$ 94,286	N/A	31,175	36.4%	47.4%	N/A	5,386
\$ 102,857	N/A	31,054	36.4%	47.4%	N/A	5,365
\$ 111,429	N/A	31,012	36.4%	47.4%	N/A	5,358

Source: The Nielsen Company and Management

Notes:

n/a = Not applicable.

(1) Households with householders aged 75 years of age and older, from Table 17.

(2) Households with householders aged 75 years of age and over with reported incomes of \$25,000 and over if they own their homes (based on tenure data from the 2010 U.S. Census) plus all householders aged 75 years and older with reported incomes as shown or more (from Table 19).

(3) Percentage of persons aged 75 years of age and older estimated to need assistance with ADLs. Percentage is the weighted average based upon the number of qualified households age 75 to 84 and age 85 and over. From the National Center for Health Statistics, "Functional Limitations among Medicare Beneficiaries" from the Medicare Current Beneficiary Survey, average for 2008-2010, May 2013.

(4) Percentage of persons aged 75 years of age and older estimated to be living alone. Percentage is from www.census.gov for the PMA from the 2010 U.S. Census.

The market penetration rate is presented as the percentage of the age-qualified individuals and age-and income-qualified individuals that Management assumes that the total market has absorbed (or must absorb) for the entire market to achieve stabilized occupancy. The market penetration rate is calculated by dividing the number of comparable assisted living units within the PMA by the number of age-qualified individuals and the age-and income-qualified individuals within the PMA.

The project penetration rate is presented as a range between the percentages of the age-qualified individuals and the percentage of age-and income-qualified individuals that Management assumes that the Community's Assisted Living Units and Memory Care Units would need to attract in order to achieve stabilized occupancy. Project penetration is calculated by dividing the number of Assisted Living Units and Memory Care Units at the Community by the total number of age-qualified individuals and age-and income-qualified individuals in the PMA.

Table 21
Assisted Living and Memory Care Estimated Penetration Rate Analysis – 2017

ESTIMATED PENETRATION RATE CALCS - ASSISTED LIVING								
DIRECTIONS:								
A. Double Check Calculations, everything populates								
Estimated Penetration Rates	Income of \$25,000	Income of \$60,000	Income of \$68,571	Income of \$77,143	Income of \$85,714	Income of \$94,286	Income of \$102,857	Income of \$111,429
Market Penetration Rate Analysis:								
Market Inventory of Assisted Living Beds in the PMA:								
The Community ⁽¹⁾	118	118	118	118	118	118	118	118
Existing comparable assisted living and memory care facilities	716	716	716	716	716	716	716	716
Total beds at the Project and existing comparable facilities	834	834	834	834	834	834	834	834
Number of beds assuming 70% of Community residents originate from the PMA at 93% occupancy, and 70% of existing comparable residents originate from the PMA at 93% occupancy [a]								
	543	543	543	543	543	543	543	543
Number of Qualified Individuals ⁽²⁾								
Plus the number of Qualified Individuals currently residing at existing comparable assisted living and memory care beds in the PMA	7,207	5,502	5,471	5,442	5,414	5,386	5,365	5,358
Total Qualified Individuals [b]	582	582	582	582	582	582	582	582
	7,789	6,084	6,054	6,024	5,997	5,969	5,948	5,941
Market Penetration Rate - The Community and Existing Comparable Units [a/b]								
	7.0%	8.9%	9.0%	9.0%	9.1%	9.1%	9.1%	9.1%
Number of Planned comparable units assuming 70% of residents will originate from the PMA at 93% occupancy [c]								
	50	50	50	50	50	50	50	50
Total existing and planned beds to be occupied in the PMA [a+c] [d]								
	593	593	593	593	593	593	593	593
Market Penetration Rate - The Community Existing Comparable and Planned Comparable Units [d/b]								
	7.6%	9.7%	9.8%	9.8%	9.9%	9.9%	10.0%	10.0%
Project Penetration Rate Analysis:								
Number of beds at the Project assuming 70% of residents originate from the PMA at 93% occupancy [e]								
	77	77	77	77	77	77	77	77
Project Penetration Rate [e/b]								
	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%

Source: Management

Notes:

- (1) There are 118 Assisted Living units and Memory Care units expected at the Project. It is assumed that 20% of the beds will be filled by Qualified Income Residents.
- (2) Number of qualified individuals from Table 20.

FILL UP AND STABILIZATION

Table 22 presents suggestions for the unit mix and pricing. Three types of units are shown in the table: independent living, assisted living units and memory care assisted living units. Your concept as you have developed it in the past provides the availability of independent living and assisted living services in apartment-style units. The Delray Beach market appears to be viable. We would suggest pricing the independent living studio units between \$2,500 and \$2,800 and the one bedroom units between \$3,500 and \$3,750. Second person fees would be in the range of \$650 to \$700 per month. For the assisted living units, we have recommended pricing that would attract seniors who are on the cusp of needing additional services but want to maintain a more independent, residential home. We have recommended slightly larger assisted living units than the market is offering on average to reach this potential resident but priced units within the typical band for assisted living. The difference may need to be made up with personal care packages that are priced slightly above market average. "Standard" Assisted Living units should include a basic service package consisting of three meals per day, weekly housekeeping, emergency response pendant, planned activities and transportation. All personal care would be optional and could be offered in packages or a la carte. Units should have private showers but could offer kitchenettes instead of full kitchens, although full kitchens are preferred to provide maximum flexibility in case market trends require a repositioning of the units.

Memory Care units should be in a separate secured area with its own dining and activities area. Programming should be geared to persons with memory loss, some of whom will need personal assistance. We recommend kitchenettes without cooking facilities (a small sink and refrigerator) should be included in the memory care units and all should have private baths with showers. Some personal assistance should be included in the base rents for memory care residents: assistance with bathing two or three times per week and medication management. Additional services beyond the base package should be available for an additional fee in levels-of-care packages.

Table 22
Suggested Unit Mix, Sizes & Rents

<u>Independent Living</u>	<u>Number of Units</u>	<u>Number of Licensed Beds</u>	<u>Square Footage</u>	<u>Monthly Service Fee</u>
1 BDR/1BTH	10	n/a	700	\$4,800
2 BDR/1BTH	2	n/a	875	\$6,000
2 BDR/2BTH	4	n/a	950	\$7,700
Total/Weighed Average	16	n/a	784	\$5,675
<u>Assisted Living</u>				
1 BDR/1BTH	48	48	625	\$4,800
2 BDR/1BTH Deluxe	10	20	775	\$3,000
2 BDR/2BTH	8	16	875	\$3,850
Total/Weighed Average	66	84	902	\$4,190
<u>Memory Care</u>				
Studio - Private	48	48	300	\$6,200
2 BDR/1BTH	4	8	450	\$5,000
Total/Weighed Average	52	56	346	\$6,029

Common areas should include:

- Restaurant/dining room;
- Private dining room;
- Informal “bistro” or “café” for salads, soups, sandwiches, snacks, etc. that could be utilized by staff as well as residents;
- Mini store offering a limited selection of sundries and convenience food items. The store could be located adjacent to the bistro thus allowing one employee to staff both areas.
- Multi-purpose/community room that could be used for larger gatherings and also for miscellaneous activities
- Arts and crafts room;
- Library/media center;
- Outdoor space such as a terrace for summer activities; and
- Barber/beauty shop and other personal care services.

Marketing Considerations/Projected Lease-up

Note that success of a new development is dependent on a well-designed building as well as competent management and marketing. An aggressive professional marketing campaign will be required in order to achieve a successful and timely lease-up.

We estimate the following for absorption at this building:

- Independent living: pre-leasing of 6-to-8 units (15 to 20 percent) with an average absorption of 3 units per month or an absorption period of approximately 12 months to reach stabilized occupancy of 93% for 40 – 45 units
- Assisted living: pre-leasing of 9-to-12 units (about 15 percent) with an average absorption of 3.0 units per month or an absorption period of 18 to 20 months to reach stabilized occupancy of 93 percent for 60 to 70 units.

- Memory Care Assisted living: pre-leasing of 5 (about 10 percent) with an average absorption of 2.0 units per month or an absorption period of 15 to 18 months to reach stabilized occupancy of 93 percent for 30 to 35 units.

Disclaimer

The objective of this engagement was to collect and analyze as much data on the market as outlined in the Process Outline. CLA assumes no responsibility for matters legal in character. Certain information and statistics contained in the report, which are the basis for conclusions contained in the report, have been provided by other independent sources. While we believe this information is reliable, it has not been independently verified by us and we assume no responsibility for its accuracy. The conclusions in the report are based on our best judgments as market research consultants. CLA disclaims any express or implied warranty of assurance or representation that the projections or conclusions will be realized as stated. The result of the proposed project may be achieved, but may also vary due to changing market conditions, changes in facts that were the basis of the conclusions in the report or other unforeseen circumstances.

MEMORY CARE PENETRATION RATES

For Memory Care demand, the portion of persons who have dementia with an age group were utilized to determine demand. The demand incidence rates were obtained from data provided by the Alzheimer's Association as follows:

- Age 65 to 74 – 3.2 percent of seniors with dementia
- Age 75 – 84 – 17.6 percent of seniors with dementia
- Age 85 and over – 50.8 percent of seniors with dementia

Additionally, pre-tax income characteristics have been applied to estimate a range of market penetration rates for age and income qualified households for the market rate units. Management is considering pre-tax income for a variety of price points.

The following table presents household income distribution data in the PMA, as well as the calculated income eligible households for the Projects market rate memory care units. The 2022 data in the table is estimated, based on the 2010 Census, as provided by The Nielsen Company. The following table also presents data for 2018 (estimated Project opening date) that has been interpolated from information provided by The Nielsen Company.

Table 23
Income Eligible Households in PMA

	2018 (Interpolated) (1)				
	Age Range:	65-74	75-84	85 & Over	Total
Total Households		25,348	24,476	15,457	47,120
Median Household Income ⁽¹⁾		\$ 66,060	\$ 40,565	\$ 28,402	\$ 65,925
<u>Household Income:</u>					
Less than \$25,000		1,812	3,283	3,386	8,481
\$25,000 - 34,999		2,126	4,068	3,486	9,680
\$35,000 - 49,999		2,341	3,426	2,497	8,264
\$50,000 - 74,999		3,336	3,920	2,034	9,290
\$75,000 - 99,999		4,730	3,810	1,735	10,275
\$100,000 - 149,999		3,075	2,109	852	6,036
\$150,000 - 199,999		3,584	1,854	1,008	6,446
\$200,000 or More		4,344	2,006	459	6,809
Households with \$35,000 or more of income		21,410	17,125	8,585	47,120
Households with \$67,500 or more of income		16,734	10,955	4,664	32,353
Households with \$75,000 or more of income		15,733	9,779	4,054	29,566
Households with \$82,500 or more of income		14,314	8,636	3,533	26,483
Households with \$90,000 or more of income		12,895	7,493	3,013	23,401
Households with \$97,500 or more of income		11,476	6,350	2,492	20,318
Households with \$105,000 or more of income		10,695	5,758	2,234	18,687
Households with \$112,500 or more of income		10,234	5,442	2,106	17,782
	2022 (Projected)				
	Age Range:	65-74	75-84	85 & Over	Total
Total Households		28,541	25,322	17,016	70,879
Median Household Income		\$ 70,510	\$ 43,461	\$ 29,774	\$ 51,067
<u>Household Income:</u>					
Less than \$25,000		1,811	3,116	3,548	8,475
\$25,000 - 34,999		2,164	3,866	3,672	9,702
\$35,000 - 49,999		2,431	3,394	2,698	8,523
\$50,000 - 74,999		3,610	4,051	2,296	9,957
\$75,000 - 99,999		5,186	3,970	1,960	11,116
\$100,000 - 149,999		3,488	2,288	1,003	6,779
\$150,000 - 199,999		4,259	2,134	1,233	7,626
\$200,000 or More		5,592	2,503	606	8,701
Households with \$39,400 or more of income		23,853	17,344	9,005	50,202
Households with \$76,000 or more of income		18,318	10,736	4,724	33,778
Households with \$84,400 or more of income		16,575	9,402	4,065	30,042
Households with \$92,900 or more of income		14,812	8,052	3,399	26,263
Households with \$101,300 or more of income		13,248	6,866	2,816	22,930
Households with \$109,700 or more of income		12,662	6,481	2,647	21,790
Households with \$118,200 or more of income		12,069	6,092	2,477	20,638
Households with \$126,600 or more of income		11,483	5,708	2,308	19,499

The following table estimates the number of age and income qualified households that are living alone and estimated to require assistance with ADLs or IADLs within the PMA. The information is presented in 2017, the proposed year of completion of the Assisted Living Units.

Table 24
Estimated Number of Qualified Individuals in the PMA – 2018

Income of	Estimated Age Qualified Households ⁽¹⁾	Estimated Age 65 - 74 Income and Asset Qualified Households ⁽²⁾	Estimated Age		Estimated Number of Age Qualified Individuals	Estimated Number of Age, Need and Income Asset Qualified Individuals
			75 - 84 Income and Asset Qualified Households ⁽³⁾	85+ Income and Asset Qualified Households ⁽⁴⁾		
\$ 35,000	47,120	N/A	N/A	N/A	47,120	N/A
\$ 67,500	N/A	23,131	20,561	11,597	N/A	8,163
\$ 75,000	N/A	23,051	20,467	11,548	N/A	8,128
\$ 82,500	N/A	22,963	20,374	11,501	N/A	8,093
\$ 90,000	N/A	22,850	20,283	11,460	N/A	8,060
\$ 97,500	N/A	22,737	20,191	11,418	N/A	8,026
\$ 105,000	N/A	22,649	20,122	11,387	N/A	8,001
\$ 112,500	N/A	22,612	20,097	11,377	N/A	7,992

Source: The Nielsen Company and Management

Notes:

n/a = Not applicable.

(1) Households with householders aged 75 years of age and older, from Table 23.

(2) Households with householders aged 65 – 74 years of age and over with reported incomes of \$35,000 and over if they own their homes (based on tenure data from the 2010 U.S. Census) plus all householders aged 65 - 74 years with reported incomes as presented or more (from Table 23).

(3) Households with householders aged 75 – 84 years of age and over with reported incomes of \$35,000 and over if they own their homes (based on tenure data from the 2010 U.S. Census) plus all householders aged 75 - 84 years with reported incomes as presented or more (from Table 23).

(4) Households with householders aged 85+ years of age and over with reported incomes of \$35,000 and over if they own their homes (based on tenure data from the 2010 U.S. Census) plus all householders aged 85 years and older with reported incomes as presented or more (from Table 23).

The market penetration rate is presented as the percentage of the age-qualified individuals and age-and income-qualified individuals that Management assumes that the total market has absorbed (or must absorb) for the entire market to achieve stabilized occupancy. The market penetration rate is calculated by dividing the number of comparable assisted living units within the PMA by the number of age-qualified individuals and the age-and income-qualified individuals within the PMA.

The project penetration rate is presented as a range between the percentages of the age-qualified individuals and the percentage of age-and income-qualified individuals that Management assumes that the Community's Assisted Living Units and Memory Care Units would need to attract in order to achieve stabilized occupancy. Project penetration is calculated by dividing the number of Assisted Living Units and Memory Care Units at the Community by the total number of age-qualified individuals and age-and income-qualified individuals in the PMA.

Table 25
Memory Care Only Estimated Penetration Rate Analysis – 2017

ESTIMATED PENETRATION RATE CALCS - MEMORY CARE								
DIRECTIONS:								
A. Double Check Calculations, everything populates								
Estimated Penetration Rates	Income of \$35,000	Income of \$67,500	Income of \$75,000	Income of \$82,500	Income of \$90,000	Income of \$97,500	Income of \$105,000	Income of \$112,500
Market Penetration Rate Analysis:								
Market Inventory of Assisted Living Beds in the PMA:								
The Community ⁽¹⁾	52	52	52	52	52	52	52	52
Existing comparable assisted living and memory care facilities	253	253	253	253	253	253	253	253
Total beds at the Project and existing comparable facilities	305	305	305	305	305	305	305	305
Number of beds assuming 70% of Community residents originate from the PMA at 93% occupancy, and 70% of existing comparable residents originate from the PMA at 93% occupancy [a]								
	199	199	199	199	199	199	199	199
Number of Qualified Individuals ⁽²⁾								
Plus the number of Qualified Individuals currently residing at existing comparable assisted living and memory care beds in the PMA	47,120	8,163	8,128	8,093	8,060	8,026	8,001	7,992
	582	582	582	582	582	582	582	582
Total Qualified Individuals [b]	47,702	8,745	8,710	8,675	8,642	8,608	8,583	8,574
Market Penetration Rate - The Community and Existing Comparable Units [a/b]								
	0.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Number of Planned comparable units assuming 70% of residents will originate from the PMA at 93% occupancy [c]								
	50	50	50	50	50	50	50	50
Total existing and planned beds to be occupied in the PMA [a+c] [d]								
	249	249	249	249	249	249	249	249
Market Penetration Rate - The Community Existing Comparable and Planned Comparable Units [d/b]								
	0.5%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Project Penetration Rate Analysis:								
Number of beds at the Project assuming 70% of residents originate from the PMA at 93% occupancy [e]								
	34	34	34	34	34	34	34	34
Project Penetration Rate [e/b]								
	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%

Source: Management

(1) Number of qualified individuals from Table 24



Interoffice Memorandum

Date: March 1, 2018

To: David C. Behar
Assistant County Attorney

From: Sherry Howard *SH*
Deputy Director, Department of Housing and Economic Sustainability

Re: Industrial Development Revenue Bond Application
Tuscan Gardens of Delray Beach, LLC

Department of
Housing & Economic
Sustainability

Administration

100 Australian Avenue – Suite #500
West Palm Beach, FL 33406
(561) 233-3600
FAX: (561) 233-3651
www.discover.pbcgov.org

In accordance with the Florida Industrial Development Act, 159.25 et. seq., Florida Statutes, the Palm Beach County Department of Housing and Economic Sustainability (DHES) reviewed a 2018 Industrial Development Revenue Bond application (“2018 application”) submitted by Tuscan Gardens of Delray Beach, LLC (“Borrower”). The 2018 application satisfactorily requests the issuance of bonds to cover costs associated with a project as defined in 159.27, Florida Statutes.

Requested Amount

The 2018 application requests the issuance of no more than \$32,755,000 in Industrial Development Revenue Bonds.

Use of Funds

Proceeds from the sale of bond approved via the 2018 application will be combined with proceeds from bond sales under a previous application approved by the Board of County Commissioners on December 20, 2016 (“2016 application”). Together the proceeds will be used to finance, refinance, or reimburse the acquisition, construction, development, installation, equipping, and furnishing of a Tuscan Gardens – Delray Beach, a senior living facility. Proceeds also will be used to fund capitalized interest and pre-development costs; re-fund taxable refund bonds issued by the County on December 15, 2017; and reimburse the Borrower for eligible outlays. The bonds will be payable from revenues and other funds available to the Borrower, and shall not be deemed to constitute a debt, liability, or obligation of the County or the State of Florida, or of any political subdivision thereof.

Appropriateness, Economic Contribution, & Public Purpose – 159.29(1), Florida Statute

The DHES-conducted Regional Economic Models Inc. (REMI) analysis of the \$69M project indicates a positive economic impact of at least \$146M over 5 years, and the creation of a minimum of 907 direct and indirect full-time equivalent jobs, including 784 temporary construction jobs.

Tuscan Gardens – Delray Beach will be a 130-unit senior living facility located on a 7.57-acre campus on the southwest corner of Sims Road and Frost Lane in Delray Beach, Florida. The facility will provide supportive independent living, assisted living, and memory care to seniors and create a minimum of 100 new administrative, health care, and managerial jobs.

Palm Beach County
Board of County
Commissioners

Melissa McKinlay, Mayor
Mack Bernard, Vice Mayor
Hal R. Valeche
Paulette Burdick
Dave Kerner
Steven L. Abrams
Mary Lou Berger

County Administrator

Verdenia C. Baker

“An Equal Opportunity
Affirmative Action Employer”

Financially Responsible – 159.29(2), Florida Statute

Financial documents provided by the Borrower and reviewed by DHES demonstrate fiscal ability to meet the financial obligations of the bond issuance.

Coping with the Impact of the Project – 159.29(3), Florida Statute

The Borrower provided a resolution (R-2015-1351) approving the zoning of project as a Type 3 Congregated Living Facility. The resolution references an approved Preliminary Site Plan. In addition, the Borrower provided the project's final master plan, final regulating plan, and final site plan.

Recommendation

Based on review and analysis of the application and applicable statutes, as well as the 5-year economic impact of the project, the number of new jobs created, and the County's limited obligation, DHES supports the Borrower's application.

cc: Faye W. Johnson, Assistant County Administrator
Johnathan B. Brown, Director, Department of Housing and Economic Sustainability

RESOLUTION NO. R2018- _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF THE COUNTY'S TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$69,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO TUSCAN GARDENS OF DELRAY BEACH PROPERTIES, LLC AND/OR ANY ONE OR MORE AFFILIATES THEREOF (THE "OBLIGATED GROUP") TO PROVIDE FUNDS TO FINANCE, REFINANCE, OR REIMBURSE ALL OR A PORTION OF THE COSTS OF: (I) DEVELOPING APPROXIMATELY 7.57 ACRES OF LAND IN UNINCORPORATED PALM BEACH COUNTY, FLORIDA NEAR DELRAY BEACH, FLORIDA TO SERVE AS AN ASSISTED LIVING AND MEMORY CARE RENTAL COMMUNITY FOR SENIORS KNOWN AS TUSCAN GARDENS OF DELRAY, EXPECTED TO CONSISTS OF APPROXIMATELY 130 TOTAL UNITS OF SENIOR HOUSING, INCLUDING 80 ASSISTED LIVING UNITS AND 50 MEMORY SUPPORT UNITS (THE "PROJECT"); (II) FUNDING CAPITALIZED INTEREST ON THE BONDS; (III) FUNDING CERTAIN PRE-DEVELOPMENT COSTS OF THE PROJECT; (IV) FUNDING DEBT SERVICE RESERVE (V) REFUNDING THE COUNTY'S TAXABLE REVENUE BONDS (TUSCAN GARDENS OF DELRAY BEACH PROJECT SERIES 2017); AND (VI) FUNDING THE COST OF ISSUANCE FOR THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE OBLIGATED GROUP AND A TRUST INDENTURE; AWARDED THE SALE OF THE BONDS BY A NEGOTIATED SALE; AUTHORIZING OFFICIALS OF THE COUNTY TO TAKE CERTAIN ACTION IN CONNECTION WITH THE ISSUANCE OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 20, 2016, the County approved the application of the Obligated Group for the issuance of tax-exempt and/or taxable bonds in the aggregate principal amount of \$45,000,000;

WHEREAS, on December 5, 2017, the County authorized the issuance of \$9,500,000 in taxable bonds;

WHEREAS, on December 15, 2017, the County issued \$8,755,000 of its Palm Beach County, Florida Taxable Revenue Bonds (Tuscan Gardens of Delray Beach Project) Series 2017, which remain outstanding;

WHEREAS, Tuscan Gardens of Delray Beach Properties, LLC has requested Palm Beach County, Florida (the "County") to assist the Obligated Group by the County issuing the County's tax-exempt and/or taxable Revenue Bonds, Series 2018 (the "Bonds") and by a loan (the "Loan") of the proceeds of the Bonds to the Obligated Group to provide funds to (A) finance, refinance or reimburse all or a portion of the acquisition, construction, development, installation and equipping of a senior living facility and the underlying land, including related facilities, fixtures, furnishings and equipment to be located on approximately 7.57 acres at the southwest corner of the intersection of Frost Lane and Sims Road near Delray Beach in unincorporated Palm Beach County, Florida 33484 (collectively, the "Project"); (B) fund capitalized interest on the Bonds; (C) fund certain pre-development costs of the Project; (D) fund debt service reserve; (E) refund the County's taxable revenue bonds issued on December 15, 2017; and (F) pay costs associated with the issuance of the Bonds;

WHEREAS, Herbert J. Sims & Co., Inc., or such other underwriter as may be determined by the Obligated Group (the "Underwriter") is expected to purchase the Bonds; and

WHEREAS, it is necessary and desirable to authorize the execution of a Loan Agreement (the "Agreement"), among the County and the Obligated Group, and a Trust Indenture

(the "Trust Indenture") between the County and the Trustee (as defined in the Trust Indenture) to specify the terms of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA THAT:

SECTION 1: AUTHORITY FOR THIS RESOLUTION

This resolution, hereinafter called the "Resolution," is adopted pursuant to Part II, Chapter 159, Florida Statutes (the "Act") and other applicable provisions of law.

SECTION 2: FINDINGS

Upon consideration of the documents described herein and the information presented to the County at or prior to the date hereof, it is hereby ascertained, determined and declared as follows:

- A. The Project constitutes a "project" within the meaning and contemplation of the Act. The Project will serve a public purpose by advancing the economic prosperity and the general welfare of the County, the State of Florida, and the people thereof. As of the date hereof, the Obligated Group has represented and shown that it is financially responsible and fully capable of and willing to fulfill any obligations which it may incur in connection with the Bonds as contemplated by this Resolution. Local government will be able to cope satisfactorily with the impact of the facilities included in the Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair and maintenance of such facilities and on account of any increases in population or other circumstances resulting therefrom.
- B. The Agreement and Trust Indenture will make provision for the operation, repair and maintenance of the Project at the expense of the Obligated Group and for the payment of the principal and interest on the Bonds and all other costs incurred by the County in connection with the Bonds and the Project.
- C. The County has been advised that due to the desire to coordinate the sale of the Bonds and due to the limited market for obligations such as the Bonds, it is in the best interest of the Obligated Group to sell the Bonds by negotiated sale, and the County, wishing to obtain the best interest rate on the Bonds for the benefit of the Obligated Group, has determined to sell the Bonds by negotiated sale, permitting the County to enter such market at the most advantageous time, rather than at a specified advertised date, and accordingly it is in the best interest of the County that a negotiated sale of the Bonds be authorized.
- D. The County conducted public hearings concerning the issuance of the Bonds at Board of County Commissioners meetings held on December 20, 2016 and April 10, 2018. The notices of which hearings, inviting comments and discussion concerning the issuance of the Bonds by the County to finance all or a portion of the Project were published in *The Palm Beach Post*, a newspaper of general circulation in Palm Beach County, Florida, on December 4, 2016 and March 27, 2018 for the purpose of providing the affected public with an opportunity to comment on the issuance of the Bonds, in accordance with the requirements of Section 147(f) of the Internal Revenue Code, as amended.
- E. It is the County's intent that this Resolution constitute an "official intent" within the meaning of Treasury Regulations Section 1.150-2 for the Board to declare its intent to allow the Obligated Group to use the proceeds of the Bonds to reimburse prior capital expenditures of the Obligated Group in connection with the financing of the Project in accordance with applicable provisions of the Internal Revenue Code and Treasury Regulations.

SECTION 3: AUTHORIZATION OF BONDS

For the purpose of making the Loan to the Obligated Group, the County hereby approves the issuance of the Bonds in one or more series at one or more times for the purposes of Section 147(f) of the Code and for declaring "official intent" within the meaning of Treasury Regulations Section 1.150-2, and by approving the information contained in the published notice referenced in Section 2D above hereby authorizes to be issued under this Resolution the tax-exempt and/or taxable Bonds, in one or more series, in the aggregate principal amount of not to exceed \$69,000,000 and to be designated "Palm Beach County, Florida Revenue Bonds, Series 2018 - Tuscan Gardens of Delray Beach Project" or a similar designation (the "Bonds"). The Bonds shall be issued as fully registered Bonds, shall be dated as of the date of issuance, shall mature, shall bear interest at a rate not in excess of the maximum lawful rate, shall be issued in such denominations, shall be subject to optional, extraordinary and mandatory redemption at such time or times, and upon such terms and conditions, shall be subject to option and mandatory tender at such time or times and upon such terms and conditions, shall be payable at the place or places and in the manner, shall be executed, authenticated and delivered, all as provided in the Agreement of the Trust Indenture; and shall have such other terms and conditions, and shall be in such form of as may be approved by the Mayor, Vice-Mayor or any other member of the Board of County Commissioners of the County (the "Authorized Signatory"), such approval to be conclusively presumed by the execution thereof by the Authorized Signatory. The Bonds shall be issued on such date as shall be mutually agreed upon by the Underwriter, the Obligated Group and the Authorized Signatory. The County hereby authorizes and directs the Authorized Signatory to execute the Bonds and to deliver the same to the Underwriter, upon payment of the purchase price thereof, all as further provided in the Agreement and the Trust Indenture.

SECTION 4: LIMITED OBLIGATION

The Bonds shall not be deemed to constitute a debt, liability, or obligation of the County or of the State of Florida, or of any political subdivision thereof, or a pledge of the faith and credit of the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the loan payments received from or on behalf of the Obligated Group. Any and all payments of any nature relating to the Bonds shall be payable only from amounts provided for such purpose under the Bond Documents and not from other funds of the County.

SECTION 5: LIMITED LIABILITY OF ISSUER

Anything in this Resolution, the Agreement, the Trust Indenture, the Bonds, or any other document to the contrary notwithstanding, the performance by the County of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the County for all warranties and other covenants hereunder, shall be limited solely to the loan payments made by the Obligated Group and other revenues and receipts derived from the Obligated Group under the Agreement, and the County shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of such loan payments and other revenues and receipts.

SECTION 6: NO PERSONAL LIABILITY

No recourse under or upon any obligation, covenant or agreement contained in this Resolution, the Agreement, the Trust Indenture, the Bonds, any other document or under any judgment, or by the enforcement of any assessment or by legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Resolution, shall be had against any member, agent, employee or officer, as such, past, present or future, of the County, either directly or through the County, or otherwise, for the payment for or to the County or any receiver thereof, or for or to the holder of the Bonds or otherwise of any sum that may be due and unpaid upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any member or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the County or any receiver thereof, or for or to the holder of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds is hereby expressly waived and released as a condition of and in consideration for the execution of this Resolution and the issuance of the Bonds.

SECTION 7: BONDS NOT A DEBT OF STATE OR ISSUER

None of the State of Florida, the County or any political subdivision thereof shall in any event be liable for the payment of the principal of or interest on the Bonds, rather said payments shall be payable solely from the special and limited sources as provided herein. The Bonds issued hereunder shall never constitute an indebtedness of the State of Florida or of any political subdivision of the State of Florida or of the County within the meaning of any state constitutional provisions or statutory limitation and shall never constitute or give rise to the pecuniary liability of the State of Florida or any political subdivision thereof, or of the County or a charge against their general credit. The holder of the Bonds shall not have the right to compel any exercise of the ad valorem taxing power of the State of Florida or of any political subdivision of said State to pay the Bonds or the interest thereon.

SECTION 8: LAWS GOVERNING

This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Florida.

SECTION 9: THE BOND DOCUMENTS.

As used herein, the term "Bond Documents" means any and all documents necessary or desirable to complete the transaction described herein, including but not limited to (i) the Agreement, (ii) the Trust Indenture, and (iii) the Bonds, all in such form and content as may be approved by the Authorized Signatory, such approval to be conclusively presumed by the execution of such documents by the Authorized Signatory. The County hereby authorizes and directs the Authorized Signatory to execute the Bond Documents. It is not necessary for the seal of the County to be impressed upon any Bond Document. Notwithstanding any other provision hereof, no Bond Document shall be issued unless and until the same shall have been approved as to form and legal sufficiency on behalf of the County by the Office of the County Attorney.

SECTION 10: NEGOTIATED SALE OF BOND

A negotiated sale of the Bond to the Underwriter is hereby authorized. Prior to the execution of the Agreement the Underwriter shall file with the County the disclosure and truth-in-bonding statements required by Section 218.385, Florida Statutes, and competitive bidding for the Bond is hereby waived.

SECTION 11: NO THIRD PARTY BENEFICIARIES

Nothing in this Resolution or in any other document, express or implied, is intended or shall be construed to confer upon any person other than the County, the Underwriter and the Obligated Group any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of such documents; this Resolution and such documents being intended to be and being for the sole and exclusive benefit of such parties.

SECTION 12: GENERAL AUTHORIZATION

The Authorized Signatory and the other officers and employees of the County are hereby authorized to do all acts and things required of them by this Resolution and the other Bond Documents or desirable or consistent with the requirements hereof or thereof, for the full punctual and complete performance of all terms, covenants and agreements contained in the Bonds, this Resolution, the Agreement, and the Trust Indenture.

SECTION 13: EFFECTIVE DATE

This Resolution shall take effect immediately upon its passage and adoption.

SECTION 14: LIMITED APPROVAL

The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Obligated Group or the financial viability of the Project, (ii) a recommendation to any prospective purchaser of the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) any necessary governmental approval relating to the Project, and the County shall not be construed by reason of its adoption of this resolution to have made any such endorsement, finding or recommendation or to have waived any of the County's rights or estopping the County from asserting any rights or responsibilities it may have in that regard.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and being put to a vote, the vote was as follows:

Commissioner Melissa McKinlay, Mayor	- _____
Commissioner Mack Bernard, Vice Mayor	- _____
Commissioner Hal R. Valeche	- _____
Commissioner Paulette Burdick	- _____
Commissioner Dave Kerner	- _____
Commissioner Steven L. Abrams	- _____
Commissioner Mary Lou Berger	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this _____ day of _____, 20____.

**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

**ATTEST: SHARON R. BOCK
CLERK & COMPTROLLER**

By: _____
David Behar
Assistant County Attorney

By: _____
Deputy Clerk