

Feasibility Study

for

Maplewood

of Cheshire County
Nursing Home

Part 3

Operating Revenue & Expenses

April 11, 2016



Maplewood of Cheshire
County
Westmoreland, NH

The Team

Architect



Newburyport, MA

EGA is an architectural design and planning firm that was founded in 1966 with the commitment to offer only the highest levels of design service to its clients. While **EGA** has provided architectural services for a diverse listing of project types, the firm's primary practice is the study and design of senior living environments. This has been the foundation and focus of the practice from the firm's inception. Today, with an office on the North Shore in Newburyport, Massachusetts, **EGA** is a nationally recognized leader in the senior living field with a continuing commitment to excellence in design and service to its clients.

Estimator



Keene, NH • Williston, VT

In 2012, **DEW** acquired **MacMillin**, a 65-year-old New Hampshire company steeped in a rich tradition of quality and performance. We complement and support each other by sharing experience, personnel, and a proven process. With one owner for both companies, the philosophy and message is the same. Don Wells and everyone at **DEWMacMillin** recognizes the importance of building relationships, our uncompromising commitment to safety, quality and transparent communication and believes that there is no substitute for hard work.

Operations
Financial



Stoneham, MA

Strategic Care Solutions (SCS) LLC is a newly formed company established by individuals with decades of experience in post-acute and long term care in Massachusetts and nationally. The company began operations in October, 2014 and currently maintains an office in Stoneham, Massachusetts.

Engineers



Danville, VT
Marlow, NH

McGill Engineering, Inc. was established in 2001 to provide heating, ventilating, air conditioning, plumbing and outline fire protection design and consulting services to architects, owners and design/build mechanical contractors throughout Northern New England.

Reno Engineering and Light Design provides electrical engineering services, energy analysis and consulting, and architectural and specialty lighting design and consulting to Architects, Utility Companies, Building Owners and others designing and building in the northeast.



Maplewood of
Cheshire
County
Westmoreland, NH



The Motion

2. With respect to the potential development in Keene of a new County Nursing Home facility as a replacement for the existing facility in Westmoreland, the Sub-Committee adopts the following findings and recommendations:
 - a. The Selected Contractor (see Paragraph 1.f, above) shall develop four detailed alternate plans for the development of the County Nursing Home facility in Keene, including:
 - i. A plan for a “Homelike” facility substantially similar to the Eddy Village Green Nursing Home, a trade-marked Green House facility that is located in Cohoes, NY, a plan that shall provide each resident with a single bedroom with attached full bathroom and shall provide in each home of 10-12 residents a living/dining area and a full-service kitchen.
 - ii. A plan for a “Modified Homelike” facility substantially similar to the Eddy Village Green Nursing Home, except that the Modified Homelike facility shall be joined together under one contiguous roof, shall have a central kitchen and laundry instead of separate full-service kitchens and laundries in each facility, and may include limited kitchen capacity (sufficient for occasional use in preparing light breakfasts, lunches, suppers and snacks) in each home.
 - iii. A plan for a “Traditional-style” facility substantially similar to the Merrimack County Nursing Home located in Boscawen, NH.
 - iv. A plan for a “Mixed” facility that includes elements of the “Homelike”, “Modified Homelike” and “Traditional-style” facilities as determined through consultations with the Maplewood Nursing Home Administrator.
 - b. The Selected Contractor may, in its professional discretion, access any and all materials prepared by or for the County Commissioners and/or MEDC, especially relating to the New Market Tax Credit program. The four alternate plans developed by the Selected Contractor shall assume development of the facility on land identified by the County Commissioners as potentially eligible for participation in the New Market Tax Credit program.
 - c. The alternate plans developed by the Selected Contractor shall each include detailed conceptual plans and estimated development costs, including, in standard estimating formats, all planning, land acquisition, site preparation (specifically including assessments of costs due to any known or anticipated environmental hazards), construction, furnishing and relocation costs, and also shall include all financing costs and special leasing, sewer and water, and tax costs that may be associated with the use of the New Market Tax Credit program.

← Scenario B1 (Green House®)

← Scenario B2 (Neighborhood)

← Scenario B3 (Traditional)

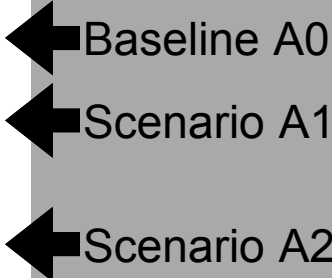
← Scenario B4 (Hybrid)



Maplewood of
Cheshire
County
Westmoreland, NH

The Motion

- 3. With respect to the potential development in Westmoreland of a new, renovated or substantially redesigned County Nursing Home facility, the Sub-Committee adopts the following findings and recommendations:
 - a. The existing physical facility in Westmoreland, now housing both the Maplewood Assisted Living Apartments and the Maplewood Nursing Home, is a valuable County asset and any plan for the long-term future of the County’s continuing provision of nursing home services must include a plan for the Assisted Living Apartments and for the future use or disposition of this County asset. The estimated cost of maintaining the partially or fully vacated premises shall be included in the cost estimates for all options that involve vacating all or part of the existing facility and the Commissioners are requested to forthwith develop a plan (including costs) for the re-purposing or other disposition of the partially or fully vacated premises, based on a possible decision to fully and/or partially vacate the premises in Westmoreland.
 - b. Options for continued County Nursing Home use of the existing facility include:
 - i. a “business as usual” option, involving no change in the current operations;
 - ii. an “infrastructure plus” option, involving upgrading or replacement of the mechanical, electrical and plumbing (MEP) systems in the existing building along with addition of air conditioning and selected cosmetic and energy conservation changes that could be accomplished without substantial alteration of the existing structure;
 - iii. a “new wing” option, involving development of an attached or adjacent building or buildings to house all or part of the nursing home’s residential spaces, that would utilize most or all of the existing administrative, kitchen, maintenance, environmental service, and MEP systems to support the new residential spaces.
 - c. With respect to the “infrastructure plus” and “new wing” option, the Selected Contractor shall develop conceptual plans and cost estimates for the “new wing” option and cost estimates for both options, comparable to those called for by Paragraph 2 of this motion, such costs to include necessary changes to the existing building (including any code-mandated changes required by the “infrastructure plus” option), to the land around the building, and to assure secure, all-season access along roadways leading to the building, and provided that such plans for the “new wing” shall include, as an additional variant to the “Traditional-style” facility and “mixed” facility plans, a plan that includes use in conformity with the Traditional-style design of all or part of the existing residential areas in the existing facility, and provided that in doing this work the Selected Contractor shall review and seek clarification as necessary regarding all relevant cost estimating and conceptual plan work previously done for or by the County.



Maplewood of
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County
Westmoreland, NH



Maplewood – Total Project Cost

Scenario A0 “As-is”

Location	Westmoreland
Construction Cost per EGA 2.5.16	N/A
Estimated additional costs	
Architect & Engineering	
Other soft costs	
Furniture, fixtures & equipment	



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis

Scenario A0 “As-is”

	<u>SNF</u>	<u>ALF</u>
Net Patient Service Revenue	\$10,094,197	\$526,279
Other Income	3,655,032	-
Total Income	<u>13,749,229</u>	<u>526,279</u>
Total Operating Expenses	<u>15,959,770</u>	<u>537,755</u>
EBITDARM	(2,210,540)	(11,477)
Capital Outlay & Principal Bonded Debt	(443,165)	-
Interest	(6,269)	-
Depreciation	-	-
Net income (loss)	<u><u>\$(2,659,974)</u></u>	<u><u>\$(11,477)</u></u>
Average Daily Census		
Private	18	7
Medicare	9	-
Medicaid	86	9
TLC	21	-
	<u>133</u>	<u>16</u>
Occupancy %	90%	79%



Maplewood of Cheshire
County
Westmoreland, NH

Scenarios A1 and A2

Assumptions:

- The 'infrastructure plus' scenario (A1) only changes the unit mix as required to meet other applicable codes and requirements.
- The addition scenario (A2) provides private patient rooms (with private baths) to meet future regulatory requirements and to be comparable with the scenarios in Keene.
- The addition scenario (A2) and those in Keene assume provisions for 150 beds in the nursing home.
- Neither scenario (A1 or A2) on the existing campus involves work within the Assisted Living building nor programmatic changes to the two lower floors of the nursing home.
- Based on the reports of staff and that of the engineers on the team, significant work is required to improve or replace all of the major HVAC, Electrical and Plumbing systems in the nursing home.
- Costs based on historical data plus escalation to 2017 and adjusted to Cheshire Co.
- These are not the only possible scenarios - these are the ones described in the motion.



Maplewood of
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Westmoreland, NH

Scenario A1 Infrastructure Plus

120 nursing beds

94,007sf Overall (553sf/bed)
77,587sf Nursing (517sf/bed)

Construction Costs:

- Area affected 77,587sf
- \$16,284,710
- \$210/sf

Notes:

- The revised value includes a reduced amount of scope added during Part 1. See included sheet.
- The scope of the necessary infrastructure improvements triggers the need for compliance with current codes and regulations, particularly in the areas of accessibility and building structure.
- The reports generated by McGill Engineering and Reno Engineering will be made available.



Maplewood of
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A1
Infra-
structure
Plus

Maplewood – Operational Design Features

Scenario A1 “Infrastructure Plus”

Total Skilled Nursing Beds (SNF)	120
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of SNF Floors	3 floors of rooms
Rooms per Floor	26
Total Beds per Floor	40
Private Beds	12
Semi-private Beds	28
Assisted Living	
First Floor	10
Second Floor	10



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Total Project Cost

Scenario A1 “Infrastructure Plus”

Location	<u>A1.1</u>	<u>A1.2</u>	<u>A1.3</u>
	Westmoreland		
Construction Costs per E.G.A	\$ 9,782,184	\$10,036,424	\$16,284,710
Estimated additional costs			
Architect & Engineering	855,941	878,187	1,424,912
Other soft costs	684,753	702,550	1,139,930
Furniture, fixtures & equipment	-	-	-
Total project Costs	\$11,322,878	\$11,617,161	\$18,849,552

Duration of Renovations	26 Months
Permanent bed loss upon completion	30 beds
Bed loss increments during renovations	18-36 per phase
Number of construction phases	6 Phases

Scenario A1.1-Original Construction cost per EGA (2.5.16)

Scenario A1.2-Original Construction costs (including minimal changes of \$254,000) per EGA

Scenario A1.3- Revised Construction costs (including Core Revisions) per EGA (3.18.16)



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis



Maplewood of Cheshire
County
Westmoreland, NH

Scenario A1 “Infrastructure Plus” – Stabilized Year - SNF Only

	<u>A1.1</u>	<u>A1.2</u>	<u>A1.3</u>
Net Patient Service Revenue	\$8,585,836	\$8,585,836	\$8,585,836
Other Income	3,268,573	3,268,573	3,268,573
Total Income	11,854,409	11,854,409	11,854,409
Total Operating Expenses	15,718,720	15,718,720	15,718,720
EBITDARM	(3,864,311)	(3,864,311)	(3,864,311)
Capital Outlay	(250,000)	(250,000)	(250,000)
Interest	(509,530)	(522,772)	(848,230)
Depreciation	(471,787)	(484,048)	(785,398)
Net income (loss)	\$(5,095,627)	\$(5,121,131)	\$(5,747,939)
Average Daily Census			
Private	16	16	16
Medicare	9	9	9
Medicaid	68	68	68
TLC	13	13	13
	106	106	106
Occupancy %	88%	88%	88%

A1.1-Original construction cost per EGA (2.5.16)

A1.2-Original construction cost (including minimal changes of \$254,000) per EGA

A1.3-Revised construction cost (including Core Revisions) per EGA (3.18.16)

Scenario A2 New Wing

132,074sf Overall (777sf/bed)
38,067sf Addition (508sf/bed)
115,654sf Nursing (771sf/bed)
12,687sf Garage level

Construction Costs:

Overall

- Area affected 115,654sf
- \$29,590,885
- \$256/sf

150 nursing beds

Garage

- Area affected 12,687sf
- \$2,157,217
- \$170/sf

Addition

- Area affected 38,067sf
- \$9,398,534
- \$247/sf

Renovation

- Area affected 77,587sf
- \$18,035,134
- \$232/sf

Notes:

- The revised value includes a reduced amount of scope added during Part 1. See included sheet.
- The scope of the necessary infrastructure improvements triggers the need for compliance with current codes and regulations, particularly in the areas of accessibility and building structure.
- The reports generated by McGill Engineering and Reno Engineering will be made available.



Maplewood of
Cheshire
County
Westmoreland, NH

A2
New Wing

Maplewood – Operational Design Features

Scenario A2 “New Wing”

Total Skilled Nursing Beds (SNF)	150
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of SNF Floors	3 floors of rooms
Rooms per Floor	
New Wing	25
Renovated Wing	25
Total Beds per floor	50
Private Beds	50
Semi-private Beds	0
Assisted Living	
First Floor	10
Second Floor	10
Additional Design Factors	
Private Rooms	
Neighborhood/units	



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Total Project Cost

Scenario A2 “New Wing”

Location	Westmoreland		
	<u>A2.1</u>	<u>A2.2</u>	<u>A2.3</u>
Construction Costs per E.G.A	\$23,123,359	\$23,377,599	\$29,590,885
Estimated additional costs			
Architect & Engineering	1,676,444	1,694,876	2,145,339
Other soft costs	1,618,635	1,636,432	2,071,362
Furniture, fixtures & equipment	600,793	613,865	594,110
Total project Costs	\$27,019,231	\$27,322,772	\$34,401,696
Duration of Construction (new)	16 Months		
Duration of Renovations (existing)	16 Months		
Bed loss upon Construction	-0-		
Number of construction phases	4 Phases		

Scenario A2.1-Original Construction cost per EGA (2.5.16)

Scenario A2.2-Original Construction costs (including minimal changes of \$254,000) per EGA

Scenario A2.3- Revised Construction costs (including Core Revisions) per EGA (3.18.16)



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis



Maplewood of Cheshire
County
Westmoreland, NH

Scenario A2 “New Wing” – Stabilized Year - SNF Only (90% Occupancy)

	<u>A2.1</u>	<u>A2.2</u>	<u>A2.3</u>
Net Patient Service Revenue	\$10,804,623	\$10,804,623	\$10,804,623
Other Income	3,268,573	3,268,573	3,268,573
Total Income	14,073,196	14,073,196	14,073,196
Total Operating Expenses	18,693,062	18,693,062	18,693,062
EBITDARM	(4,619,866)	(4,619,866)	(4,619,866)
Capital Outlay	(250,000)	(250,000)	(250,000)
Interest	(1,117,859)	(1,131,519)	(1,393,538)
Depreciation	(671,724)	(681,600)	(792,302)
Net income (loss)	\$(6,659,449)	\$(6,682,985)	\$(7,055,706)
Average Daily Census			
Private	18	18	18
Medicare	9	9	9
Medicaid	88	88	88
TLC	20	20	20
	135	135	135
Occupancy %	90%	90%	90%

A1.1-Original construction cost per EGA (2.5.16)

A1.2-Original construction cost (including minimal changes of \$254,000) per EGA

A1.3-Revised construction cost (including Core Revisions) per EGA (3.18.16)

Maplewood – Financial Analysis



Maplewood of Cheshire
County
Westmoreland, NH

Scenario A2 “New Wing” – Stabilized Year - SNF Only (95% Occupancy)

	<u>A2.1</u>	<u>A2.2</u>	<u>A2.3</u>
Net Patient Service Revenue	\$11,435,401	\$11,435,401	\$11,435,401
Other Income	3,268,573	3,268,573	3,268,573
Total Income	14,703,974	14,703,974	14,703,974
Total Operating Expenses	18,989,909	18,989,909	18,989,909
EBITDARM	(4,285,935)	(4,285,935)	(4,285,935)
Capital Outlay	(250,000)	(250,000)	(250,000)
Interest	(1,117,859)	(1,131,519)	(1,393,538)
Depreciation	(671,724)	(681,600)	(792,302)
Net income (loss)	\$(6,325,518)	\$(6,349,054)	\$(6,721,775)
Average Daily Census			
Private	19	19	19
Medicare	10	10	10
Medicaid	91	91	91
TLC	22	22	22
	142	142	142
Occupancy %	95%	95%	95%

A1.1-Original construction cost per EGA (2.5.16)

A1.2-Original construction cost (including minimal changes of \$254,000) per EGA

A1.3-Revised construction cost (including Core Revisions) per EGA (3.18.16)

Scenarios B1 - B4

Assumptions:

- No specific site has been provided as indicated in the motion
- No program has been developed - instead industry standards and EGA's general knowledge of the building type were used to arrive at areas
- The same sorts of construction materials and systems were used in the pricing of all of the various scenarios and configurations.
- The Assisted Living is to be relocated to Keene along with the nursing home.
- Costs related to the Assisted Living portion of the project have been presented separately.
- These are not the only possible scenarios - these are the ones described in the motion.



Maplewood of
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County
Westmoreland, NH

Scenario B1 Green House®

150 nursing beds

120,275sf Overall (708sf/bed)
106,667sf Nursing (711sf/bed)

Construction Costs:

- Area affected 120,275sf
- Nursing (106,677sf)
\$33,721,329
\$316/sf
- Assisted Living (13,608sf)
\$3,456,432
\$254/sf

Notes:

- Subsequent conversations with staff arrived at a scenario that is mostly based on the Green House model, but also includes 40 beds for use as short term rehabilitation.



Maplewood of
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Westmoreland, NH

B1
Green
House

Maplewood – Operational Design Features

Scenario B1 “Green House”

Total Skilled Nursing Beds (SNF)	150
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of Floors	One-Story Buildings
Green Houses	11 Houses of 10 rooms each
Short-Stay Unit	1 Unit of 40 Beds
Total Beds per Floor	150
Private Beds	150
Semi-Private Beds	0
Assisted Living	
Green Houses	2 Houses of 10 rooms each



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Total Project Cost

Scenario B1 “Green House”

Location	Keene		
	<u>SNF</u>	<u>ALF</u>	<u>Total</u>
Construction Cost per EGA 3.18.16	\$33,721,329	\$3,456,432	\$37,177,761
Estimated additional costs			
Architect & Engineering	2,444,796	250,592	2,695,388
Other soft costs	2,360,493	241,950	2,602,443
Furniture, fixtures & equipment	1,517,460	155,539	1,672,999
Total Project Costs	<u>\$40,044,078</u>	<u>\$4,104,513</u>	<u>\$44,148,591</u>



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis

Scenario B1 “Green House” – SNF Only

	<u>90% Occupancy</u>	<u>95% Occupancy</u>
Net Patient Service Revenue	\$10,696,517	\$11,272,490
Other Income	3,268,573	3,268,573
Total Income	13,965,090	14,541,063
Total Operating Expenses	18,811,965	19,054,504
EBITDARM	(4,846,875)	(4,513,441)
Capital Outlay	-	-
Interest	(1,986,687)	(1,986,687)
Depreciation	(1,396,490)	(1,396,490)
Net income (loss)	\$(8,230,052)	\$(7,896,618)

Average Daily Census

Private	18	19
Medicare	9	10
Medicaid	82	85
TLC	26	28
	<u>135</u>	<u>142</u>
Occupancy %	90%	95%

Estimated Relocation Costs	\$ 100,000	\$ 100,000
Estimated Training Costs	\$ 180,000	\$ 180,000



Scenario B2 Neighborhood

150 nursing beds

137,482sf Overall (809sf/bed)
118,714sf Nursing (791sf/bed)

Construction Costs:

- Area affected 137,482sf
- Nursing (118,714sf)
\$35,856,440
\$302/sf
- Assisted Living (18,768sf)
\$4,692,000
\$250/sf

Notes:

- This is based on the project EGA did as a replacement for the Mountain View Carroll County Nursing Home in Ossipee, NH.



Maplewood of
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County
Westmoreland, NH

B2
Neighbor-
hood

Maplewood – Operational Design Features

Scenario B2 “Neighborhood”

Total Skilled Nursing Beds (SNF)	150
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of Floors	3 Neighborhoods each on floors 1 & 2
Neighborhoods	6 Neighborhoods of 25 Beds each
Rooms per Floor	75
Total Beds per Floor	75
Private Beds	75
Semi-private Beds	0
Assisted Living	
First Floor	9
Second Floor	11



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Total Project Cost

Scenario B2 “Neighborhood”

Location	Keene		
	<u>SNF</u>	<u>ALF</u>	<u>Total</u>
Construction Cost per EGA 3.18.16	\$35,856,440	\$4,692,000	\$40,548,440
Estimated additional costs			
Architect & Engineering	2,599,592	340,170	2,939,762
Other soft costs	2,509,951	328,440	2,838,391
Furniture, fixtures & equipment	1,613,540	211,140	1,824,680
Total Project Costs	\$42,579,523	\$5,571,750	\$48,151,273



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis

Scenario B2 “Neighborhood” – SNF Only

	<u>90% Occupancy</u>	<u>95% Occupancy</u>
Net Patient Service Revenue	\$10,588,988	\$11,211,208
Other Income	3,268,573	3,268,573
Total Income	13,857,561	14,479,781
Total Operating Expenses	18,169,384	18,412,194
EBITDARM	(4,311,823)	(3,932,413)
Capital Outlay	-	-
Interest	(2,178,508)	(2,178,508)
Depreciation	(1,575,104)	(1,575,104)
Net income (loss)	\$(8,065,435)	\$(7,686,025)
Average Daily Census		
Private	18	19
Medicare	8	10
Medicaid	88	85
TLC	20	28
	135	142
Occupancy %	90%	95%
Estimated Relocation Costs	\$ 100,000	\$ 100,000
Estimated Training Costs	\$ 140,000	\$ 140,000



Maplewood of Cheshire
County
Westmoreland, NH

Scenario B3 Traditional

150 nursing beds

113,287sf Overall (666sf/bed)
95,664sf Nursing (638sf/bed)

Construction Costs:

- Area affected 113,287sf
- Nursing (95,664sf)
\$30,033,734
\$314/sf
- Assisted Living (17,623sf)
\$4,440,996
\$252/sf

Notes:

- The configuration of this scheme reflects the added complication of providing private rooms in a traditional model without creating travel distances for staff that are excessive and or non-compliant.



Maplewood of
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County
Westmoreland, NH

B3
Traditional

Maplewood – Operational Design Features

Scenario B3 “Traditional”

Total Skilled Nursing Beds (SNF)	150
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of Floors	3 units on floor 1 2 units on floor 2
Nursing Units	5 units of 30 Beds each
Rooms per Floor	90 on floor 1 60 on floor 2
Total Beds per Floor	150
Private Beds	150
Semi-private Beds	0
Assisted Living	
First Floor	9
Second Floor	11



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Total Project Cost

Scenario B3 “Traditional”

Location	Keene		
	<u>SNF</u>	<u>ALF</u>	<u>Total</u>
Construction Cost per EGA 3.18.16	\$30,033,734	\$4,440,996	\$34,474,730
Estimated additional costs			
Architect & Engineering	2,177,446	321,972	2,499,418
Other soft costs	2,102,361	310,870	2,413,231
Furniture, fixtures & equipment	1,351,518	199,845	1,551,363
Total Project Costs	\$35,665,059	\$5,273,683	\$40,938,742



Maplewood of Cheshire
County
Westmoreland, NH

Maplewood – Financial Analysis

Scenario B3 “Traditional” – SNF Only

	<u>90% Occupancy</u>	<u>95% Occupancy</u>
Net Patient Service Revenue	\$10,696,517	\$11,318,737
Other Income	3,268,573	3,268,573
Total Income	13,965,090	14,587,310
Total Operating Expenses	18,185,742	18,428,174
EBITDARM	(4,220,652))	(3,840,863)
Capital Outlay	-	-
Interest	(1,852,191)	(1,852,191)
Depreciation	(1,339,171)	(1,339,171)
Net income (loss)	\$(7,412,014)	\$(7,032,226)
Average Daily Census		
Private	18	19
Medicare	9	10
Medicaid	82	85
TLC	26	28
	135	142
Occupancy %	90%	95%
Estimated Relocation Costs	\$ 100,000	\$ 100,000
Estimated Training Costs	\$ 138,000	\$ 138,000



Maplewood of Cheshire
County
Westmoreland, NH

Scenario B4 Hybrid

150 nursing beds

126,176sf Overall (742sf/bed)
108,903sf Nursing (726sf/bed)

Construction Costs:

- Area affected 126,176sf
- Nursing (108,903sf)
\$34,060,057
\$313/sf
- Assisted Living (17,273sf)
\$4,352,796
\$252/sf

Notes:

- The configuration of this scheme combines aspects of all of the previous schemes and assumes that the use of the different models is appropriate for the differing populations served by Maplewood.



Maplewood of
Cheshire
County
Westmoreland, NH

B4
Hybrid

Maplewood – Operational Design Features

Scenario B4 “Hybrid”

Total Skilled Nursing Beds (SNF)	150
Total Assisted Living (AL)	20
Skilled Nursing Facility	
Configuration of Floors	6 Greenhouses of 10 Beds each on floor 1 neighborhood of 25 Beds on floor 1 1 traditional unit of 40 Beds on floor 1 1 neighborhood of 25 Beds on floor 2
Total Beds per Floor	150
Private Rooms	150
Semi-private Rooms	0
Assisted Living	
First Floor	10
Second Floor	10
Private Rooms	All Private Rooms



Maplewood of Cheshire
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Maplewood – Total Project Cost

Scenario B4 “Hybrid”

Location

Keene

	<u>SNF</u>	<u>ALF</u>	<u>Total</u>
Construction Cost per EGA 3.18.16	\$34,060,057	\$4,352,796	\$38,412,853
Estimated additional costs			
Architect & Engineering	2,469,354	315,578	2,784,932
Other soft costs	2,384,204	304,696	2,688,900
Furniture, fixtures & equipment	1,532,703	195,875	1,728,578
Total Project Costs	\$40,446,318	\$5,168,945	\$45,615,263



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County
Westmoreland, NH

Maplewood – Financial Analysis

Scenario B4 “Hybrid” – SNF Only

	<u>90% Occupancy</u>	<u>95% Occupancy</u>
Net Patient Service Revenue	\$10,588,988	\$11,161,697
Other Income	3,268,573	3,268,573
Total Income	13,857,561	14,430,270
Total Operating Expenses	18,413,817	18,656,443
EBITDARM	(4,556,256)	(4,226,173)
Capital Outlay	-	-
Interest	(2,063,771)	(2,063,771)
Depreciation	(1,492,147)	(1,492,147)
Net income (loss)	\$(8,112,174)	\$(7,782,092)
Average Daily Census		
Private	18	19
Medicare	9	10
Medicaid	88	91
TLC	20	22
	135	142
Occupancy %	90%	95%
Estimated Relocation Costs	\$ 100,000	\$ 100,000
Estimated Training Costs	\$ 160,000	\$ 160,000



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County
Westmoreland, NH

New Market Tax Credit (NMTC)

- Created under the Community Renewal Tax Act of 2000 and recently extended for five years at \$3.5 billion annually through 2019.
- Goal of program: to spur revitalization efforts of low-income and impoverished communities.
 - Incentivizes private investment.
 - Permits any taxpayer to receive a credit against Federal income taxes for making an investment in a designated CDE.
 - Tax Credit is equal to 39% of the cost of the initial investment over 7 years.
 - Years 1-3 at 5% annually
 - Years 4-7 at 6% annually
- Community Development Entities (CDEs)
- Potential Lease arrangement
 - Terms
 - Advantages
- Lease-end
- Potential Savings



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County
Westmoreland, NH

New Market Tax Credits (NMTC)-Illustrative examples for Scenario B1

	Example #1	Example #2	Example #3	Example #4	Example #5
Total estimated project cost (Scenario B1)	\$44,148,591	\$44,148,591	\$44,148,591	\$44,148,591	\$44,148,591
Less: New Market Tax Credits (Sold at an estimated .85)	14,635,258)	(14,635,258)	(14,635,258)	(14,635,258)	(14,635,258)
Remaining amount to be funded by other sources	29,513,333	29,513,333	29,513,333	29,513,333	29,513,333
Estimated amount of potential grants	(2,000,000)	(2,000,000)	2,000,000)	(2,000,000)	(2,000,000)
Remaining amount subject to lease	\$27,513,333	\$27,513,333	\$27,513,333	\$27,513,333	\$27,513,333
Calculation of the Lease payments					
Estimated annual interest-only payments (estimated interest rate 3.5%)	\$ 962,967	\$ 962,967	\$ 962,967	\$ 962,967	\$ 962,967
increased to 120% as required for coverage	1.20	1.20	1.20	1.20	1.20
Annual lease payment made by county	1,155,560	1,155,560	1,155,560	1,155,560	1,155,560
Estimated annual real estate taxes to be paid during lease term	150,000	250,000	500,000	750,000	1,000,000
Total Estimated Annual payment made by County - (Lease plus RE Tax)	\$1,305,560	\$1,405,560	\$1,655,560	\$1,905,560	\$2,155,560
	7	7	7	7	7
Total estimated payments to be made by County for 7 year period	\$ 9,138,920	\$ 9,838,920	\$11,588,920	\$13,338,920	\$15,088,920
Estimated debt service to be paid by County if No New Market Tax Credit	\$17,857,824	\$17,857,824	\$17,857,824	\$17,857,824	\$17,857,824
Estimated total savings with NMTC	\$ 8,718,904	\$ 8,018,904	\$ 6,268,904	\$ 4,518,904	\$ 2,768,904
Amount to be refinanced at termination of net lease after year 7	\$27,513,333	\$27,513,333	\$27,513,333	\$27,513,333	\$27,513,333



**Maplewood of Cheshire
County**
Westmoreland, NH



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Comparison of Construction Costs

		Total Area	Total Cost	Cost/sf	Nursing Area	Nursing Cost	Cost/sf
Westmoreland	Scenario A0	0	\$0	\$0/sf	0	\$0	\$0/sf
	Scenario A1 120 beds*	77,587sf	\$16,284,710	\$210/sf	77,587sf	\$16,284,710	\$210/sf
	Scenario A2 150 beds*	115,654sf	\$29,590,885	\$256/sf	115,654sf	\$29,590,885	\$256/sf
Keene	Scenario B1 Green House	120,275sf	\$37,177,761	\$309/sf	106,677sf	\$33,721,329	\$316/sf
	Scenario B2 Neighborhood	137,482sf	\$40,548,440	\$295/sf	118,714sf	\$35,856,440	\$302/sf
	Scenario B3 Traditional	113,287sf	\$34,474,730	\$304/sf	95,664sf	\$30,033,734	\$314/sf
	Scenario B4 Hybrid	126,176sf	\$38,412,853	\$304/sf	108,176sf	\$34,060,057	\$313/sf

*Keene scenarios include 150 LTC beds and 20 AL units (170 total)