

Wisconsin Avenue
Baptist Church



WISCONSIN AVENUE BAPTIST CHURCH

With SUNRISE SENIOR LIVING

BZA Presentation



Opening Statement

Wisconsin Avenue
Baptist Church



- Carolyn Brown

Wisconsin Avenue Baptist Church

- Pat Dueholm and Janet Brooks, WABC Trustees

WISCONSIN AVENUE BAPTIST CHURCH PRESENTATION



Wisconsin Avenue Baptist Church

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**We do not
want to
abandon
our home of
over 60
years**



Wisconsin Avenue Baptist Church

For more than a century, Wisconsin Avenue Baptist Church has served the Tenleytown and the DC Community based on a clear vision:

We know that every person matters to God, and we seek to be a community of faith for all. We rejoice that God sent his Son, Jesus Christ, to forgive our sins and change us into his likeness. Our vision is to be a church where people are encouraged to grow in faith and are empowered to serve. We reflect the diversity of our city and find unity in our commitment to follow Jesus.



Current Condition of Church



Rotting Wood



Rusting Railings



Deteriorated System in Kitchen



Peeling Paint



Water Damage



Peeling Paint in Kitchen

Current Condition of Church



Corrosion on Boiler



Corrosion on Boiler



Asbestos Tiles



Leaking Pipes



Leaking Pipes

WABC Goals

- Replace aging building with new house of worship
- Fulfill the religious and spiritual mission of the congregation and community, now and in the future



“MegaChurch” Option

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Pictured: McLean Bible Church

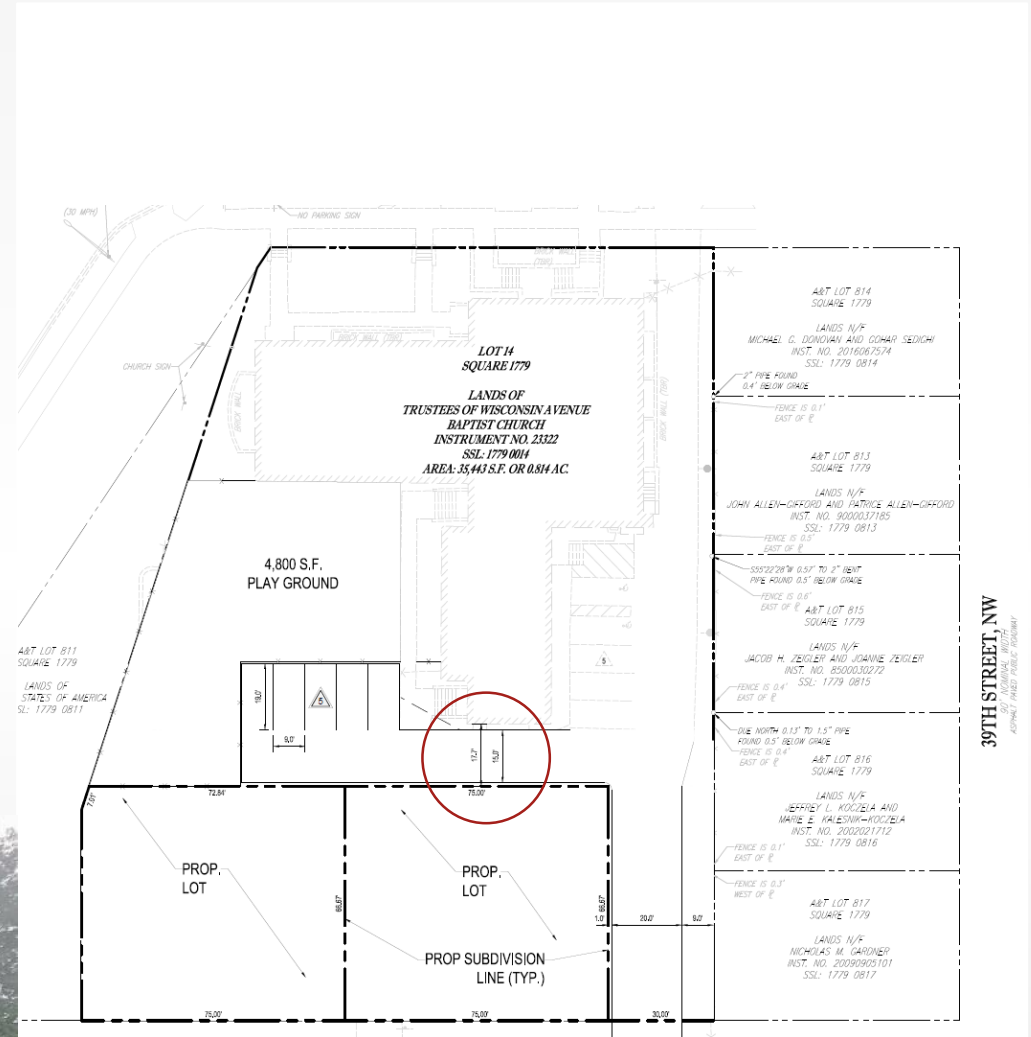
Alternate Matter of Right Option

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Option to Sell Lots

- Temporary financial band-aid at best
- Never regain land lost
- No room for parking or playground



Proposed Option: Partnership with Sunrise

#3 Option: Staying in Place in Tenleytown with Mission-Compatible Partner

WABC will continue to serve the needs of the congregation and the community through:

- Fellowship groups and youth ministries
- ministries for the elderly, sick, and infirm
- Support group meetings
- Counseling services
- Clothing and food drives
- Religious retreats
- Programs and lecture series
- Weddings, funerals, and other religious ceremonies
- Support for international missions
- Assistance for the homeless
- Service projects
- Seasonal celebrations

WABC Vision

- Ensure the viability of our institution and the mission and vision of our congregation on land the church has owned since 1955 by leveraging the value of our property
- Secure the financial health and well-being of the congregation by joining forces with a mission-focused use that will allow the church to remain in its current location
- Hire a full-time pastor
- Increase the church's ability to give to international missions as well as minister in Washington, D.C.
- Eliminate the need to rent the church to large outside groups, including pre-schools, to cover operating expenses



WABC Vision (Cont.)

- Create new, “right-sized” church with low-impact, mission-focused assisted living facility
- Build a beautifully-designed house of worship that glorifies God, celebrates the mission and vision of our congregation, and inspires worshipers to fulfill the teachings of the gospel and serve those in need
- Ensure the new church is ADA-accessible and resolves all current structural, mechanical and spatial inefficiencies
- Support the residents of the assisted living facility through religious outreach and service programs
- Integrate the church and the low-impact assisted living facility into the community



Sunrise Presentation

- Philip Kroskin, SVP of Real Estate



SUNRISE SENIOR LIVING

“Highest in Customer Satisfaction among Senior Living Communities” by J.D. Power

Sunrise scored highest in 5 categories:

- Caregiver/staff
- Services/activities
- Resident setup/orientation
- Rooms/building/grounds
- Food/beverage

The J.D. Power study indicates the one factor most important to customers is caregiver/staff, and Sunrise ranked highest among its peers.

Sunrise: A Leading Provider Of Senior Living Services

- Premium product, offering resident-centered services for seniors
- High-quality, purpose-built communities located in top metropolitan markets
- Leading brand, reputation, and senior living expertise

327 Sunrise Communities



Our Services

- Assisted Living
- Memory Care
- Reminiscence
- Independent Living
- Skilled Nursing
- Short-term/Respite Stays



Sunrise has approximately **32,000+** team members across the U.S., Canada, and the U.K. Each year, we retain nearly **80%** of our full-time team

New team members receive **40+ hours** of training in their first 30 days

We adjust staffing **365 days** a year based on the number of residents and care they need

Leaders receive an additional **72+ hours** of training to help teams meet Sunrise standards

Leaders receive an additional **650,000+ hours** of continuing education Sunrise team members each year

Community Outreach / Intergenerational Programming

Community Outreach

Sunrise community partners with important causes or local charities to maintain a strong sense of human connection through outreach and volunteer programs. The examples are:

- Homemade baby blankets for hospitals and police & fire departments
- Assembling care packages to send to US Troops
- Partner with local schools for volunteering

Intergenerational Programming

Sunrise residents share energy and experiences with other residents and with children and adults from different generations. Truly meaningful bonds are built over time when older adults spend time with children and are given the opportunity to share their experiences and knowledge.

BENEFITS FOR Seniors

- Improved life satisfaction
- Enhanced self-esteem
- Feeling of continued usefulness
- An opportunity to engage in life-long learning
- The chance to share their life experiences
- A chance to give back to their community

BENEFITS FOR YOUTH

- Development of healthy attitude towards aging
- Strengthened sense of community and social responsibility
- Promotion of culture, heritage and history
- Enhance social skills
- Improve academic performance in students
- Effective communication skills

Community Benefits

Religious and Community Services:

- Worship and spiritual guidance, religious instruction, educational and issue-oriented forums, music and arts events open to the community
- Community services and outreach, including City Gate volunteer or service projects in other city neighborhoods of high need
- Public spaces available for community use

Senior Living Care, Support and Services:

- Provides personalized care and support for seniors in a compassionate, nurturing environment
- Addresses current and future strong demand against a backdrop of ongoing limited supply of assisted living and memory care in DC
- Allows longtime residents of Tenleytown to stay in their neighborhood as they age

Financial Benefits:

- Creates new healthcare jobs – approximately 65-70 full time equivalent employees split between three shifts
- Generates new real estate tax benefit to the city that doesn't burden public resources such as schools and recreation centers

Local Business Relationships:

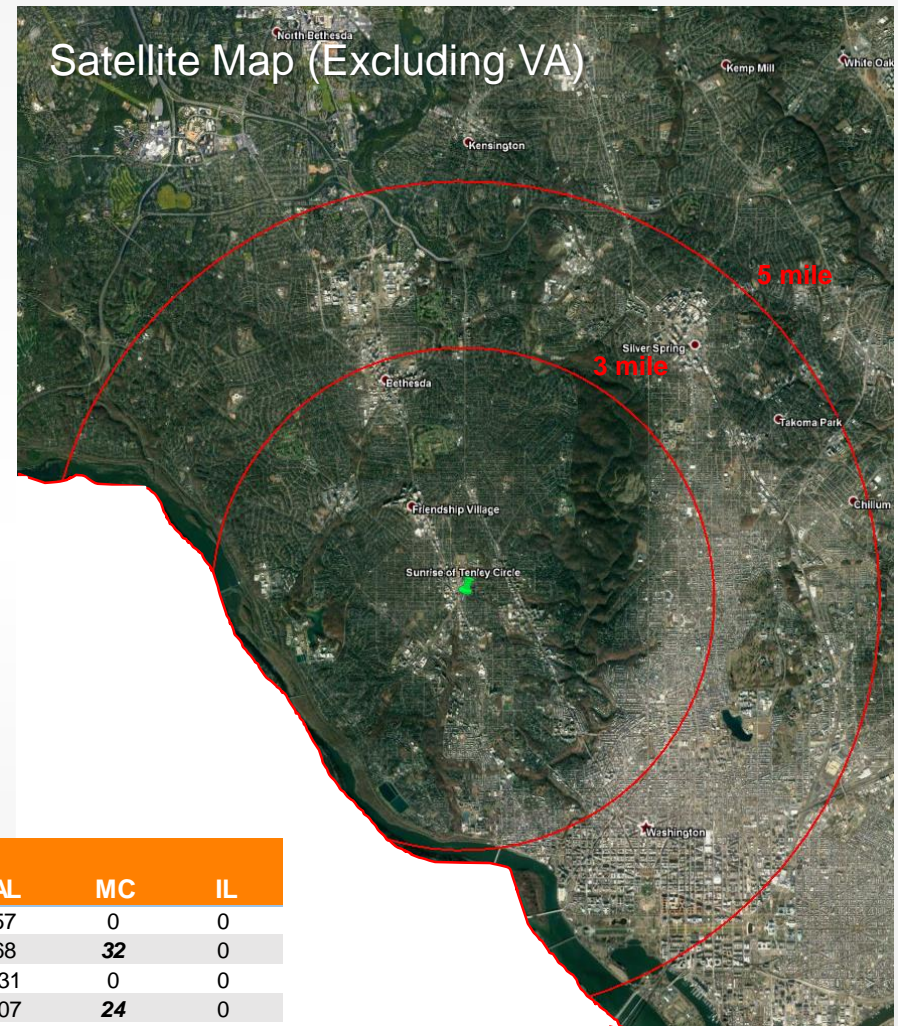
- Collaborates with existing senior care providers
- Supports adjacent businesses through family, employee and resident patronage

Improving Neighborhood Aesthetics:

- Replaces an aged and functionally obsolete, unfinished church building and limited landscaping
- Creates a well-designed, attractive building that contributes to the overall visual enhancement of Tenleytown community
- Balances and blends the scale and design of the new church and senior living community with St. Ann's Catholic Church and the American University Law School on the west side of Tenley circle, and compliments other aesthetic improvements along the Wisconsin Avenue spine, such as the new Tenleytown library, the Bon Secour addition, and Cityline.
- Adds extensive new landscaping on the site and in the public right-of-way surrounding the property
- Enhances the park to the immediate west of the site with new landscaping and community park features
- Provides the potential of traffic calming measures (in coordination with DDOT and ANC)
- Reduces the potential adverse effects of a by-right high demand new religious institution, which could overwhelm the community with a larger building and more daily events without any discretionary governmental reviews or community input

Supply and Demand

In terms of measuring demand, we research and analyze qualified senior(QS) and qualified caregiver(QCG) households based on age brackets and income levels. The density of QS & QCG HHs within 3 and 5 miles excluding Virginia is very high, however, the number of private-pay assisted living(AL) and memory care(MC) beds are very scarce. In the next ten years, the number of seniors (75+) in DC will grow by over 40% (4% Compound Annual Growth Rate)*. The need for AL/MC services will only grow at this rapid rate. Without additional supply of high quality senior housing options, the city would not be able to support its aging residents; they would have to relocate to meet their needs elsewhere.



Statistics	3mi	5mi
2015 Qualified Senior HHs (75+, \$50k+)	5,524	10,452
2015 Qualified Caregiver HHs (45-64, \$100k+)	22,635	44,800
Total Comparable AL/MC Supply	624	1109
Total Comparable MC supply Only	122	173
Average Facility Age	31	33

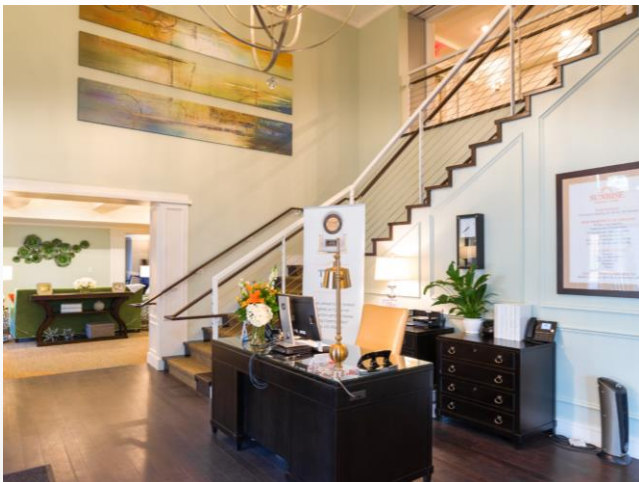
Dist	Property Name	Est.	Age	Total	AL+MC	AL	MC	IL
0.7	Forest Hills of DC	1926	91	57	57	57	0	0
0.8	Connecticut Ave, Sunrise of	2004	13	100	100	68	32	0
1.1	Chey Chase House	1976	41	131	131	131	0	0
1.4	Friendship Heights, Brighton Gardens of	1997	20	131	131	107	24	0
1.5	Methodist Home Forest Side	2011	6	33	33	0	33	0
1.9	Grand Oaks	2001	16	172	172	139	33	0
3.2	Five Star Premier Residences of Chey Chase	1990	27	335	79	79	0	256
3.8	The Residences at Thomas Circle	1963	54	140	140	140	0	0
4.3	Bartholomew House	1998	19	33	33	33	0	0
4.7	Springvale Terrace Retirement Community	1965	52	156	72	72	0	84
4.9	Kensington Park	1993	24	221	161	110	51	60

- Source: "DC-VA-MD-WV Metropolitan Area Demographic Data», Montgomery College: <http://cms.montgomerycollege.edu/edu/departments.aspx?id=45952>
- Note: Ingleside is not comparable as AL/MC is only available to residents that have paid entry fee and moving from IL rooms.

Sunrise Community Photos



Sunrise of Bethesda



Sunrise of Chevy Chase

Sunrise Community - Interiors

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Sunrise Community - Interiors



Sunrise Community Outreach Meetings

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- 8/17 Initial contact with ANC 3E SMD and chair
- 8/28/17 Ward 3 Vision Meeting
- 10/12/17 ANC 3E Meeting – Introduction to Project
- 11/1/17 Neighbor Meeting at Wisconsin Avenue Baptist Church
- 12/14/17 ANC 3E Meeting – Revised Plans
- 2/19/18 Ward 3 Vision Meeting
- 3/15/18 ANC 3E Meeting – Revised Plans
- 6/14/18 ANC 3E Meeting – Revised Plans as Filed with BZA
- 9/17/18 ANC 3E Meeting – Further discussions
- 11/8/18 ANC 3E Meeting – Discussion and vote in support

This List does not include door-to-door outreach efforts and multiple individual conversations with neighbors.

Sunrise Outreach Website: <https://www.sunriseseniorliving.com/tenleytowndevelopment>

Sunrise Community Photos

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Architecture Presentation

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- Chuck Heath

Existing Site (Aerial)

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Context Photos

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Rendering (WABC)

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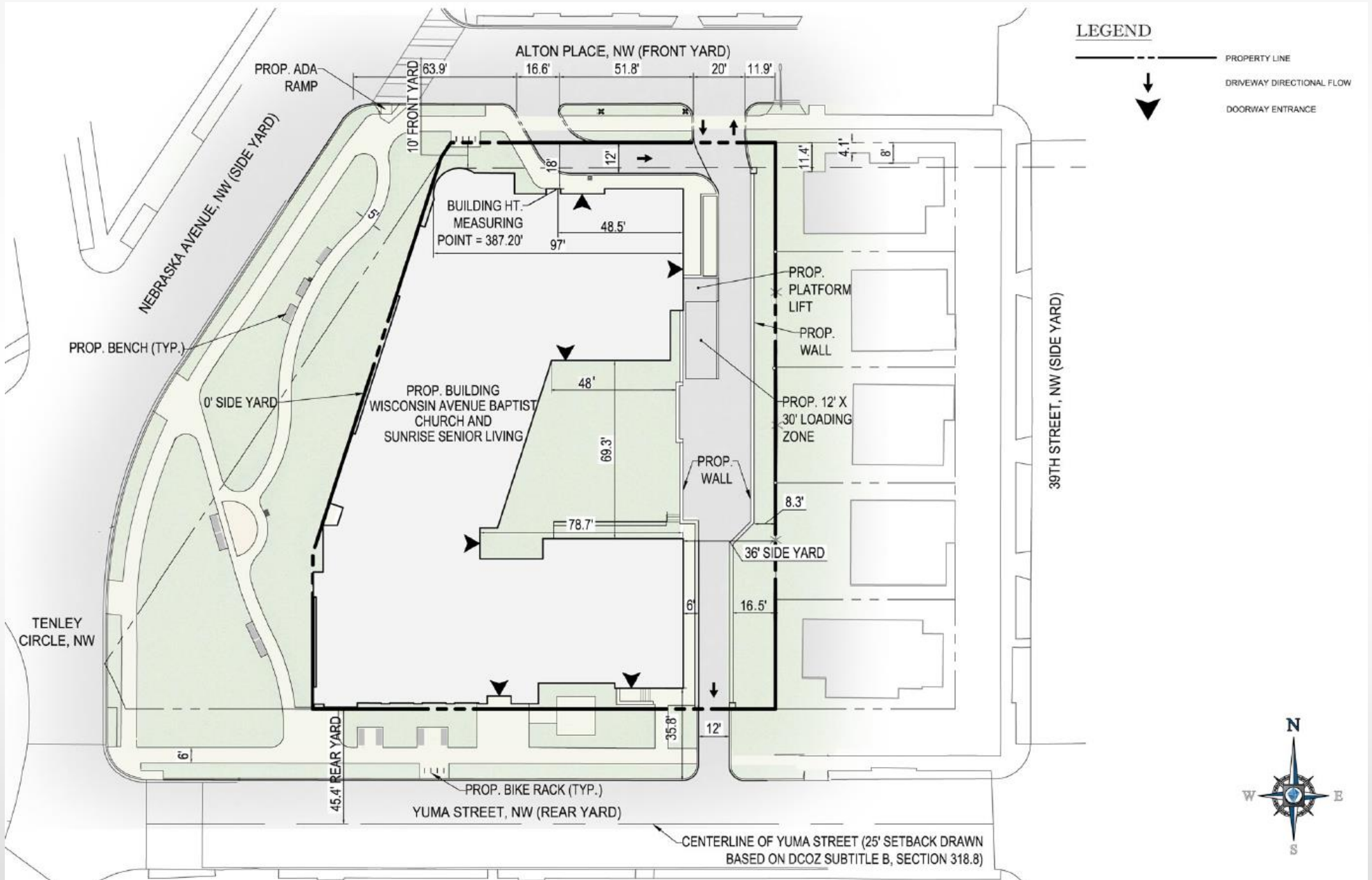
Rendering (Sunrise)

Wisconsin Avenue
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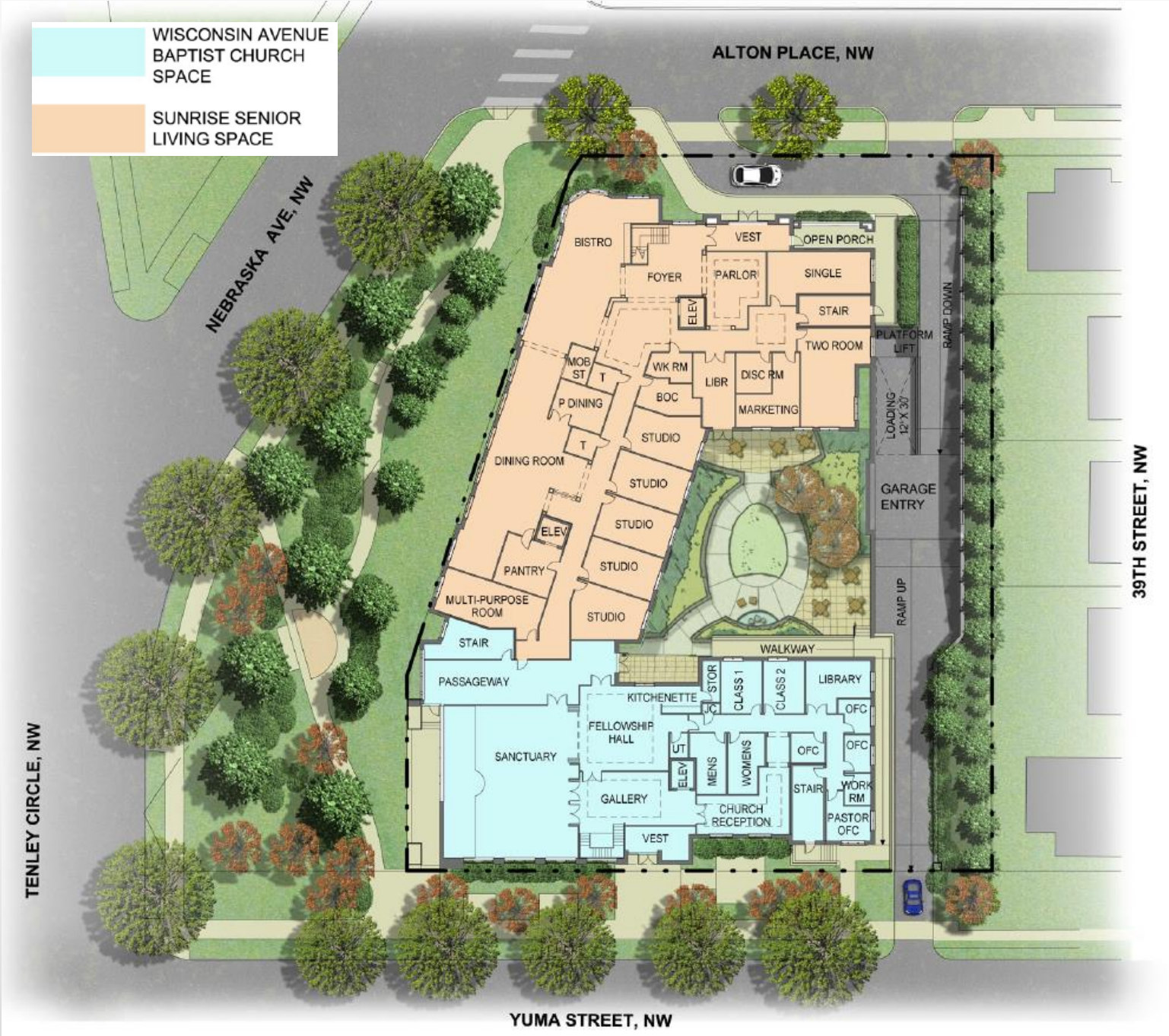
Site Plan

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First Floor Plan

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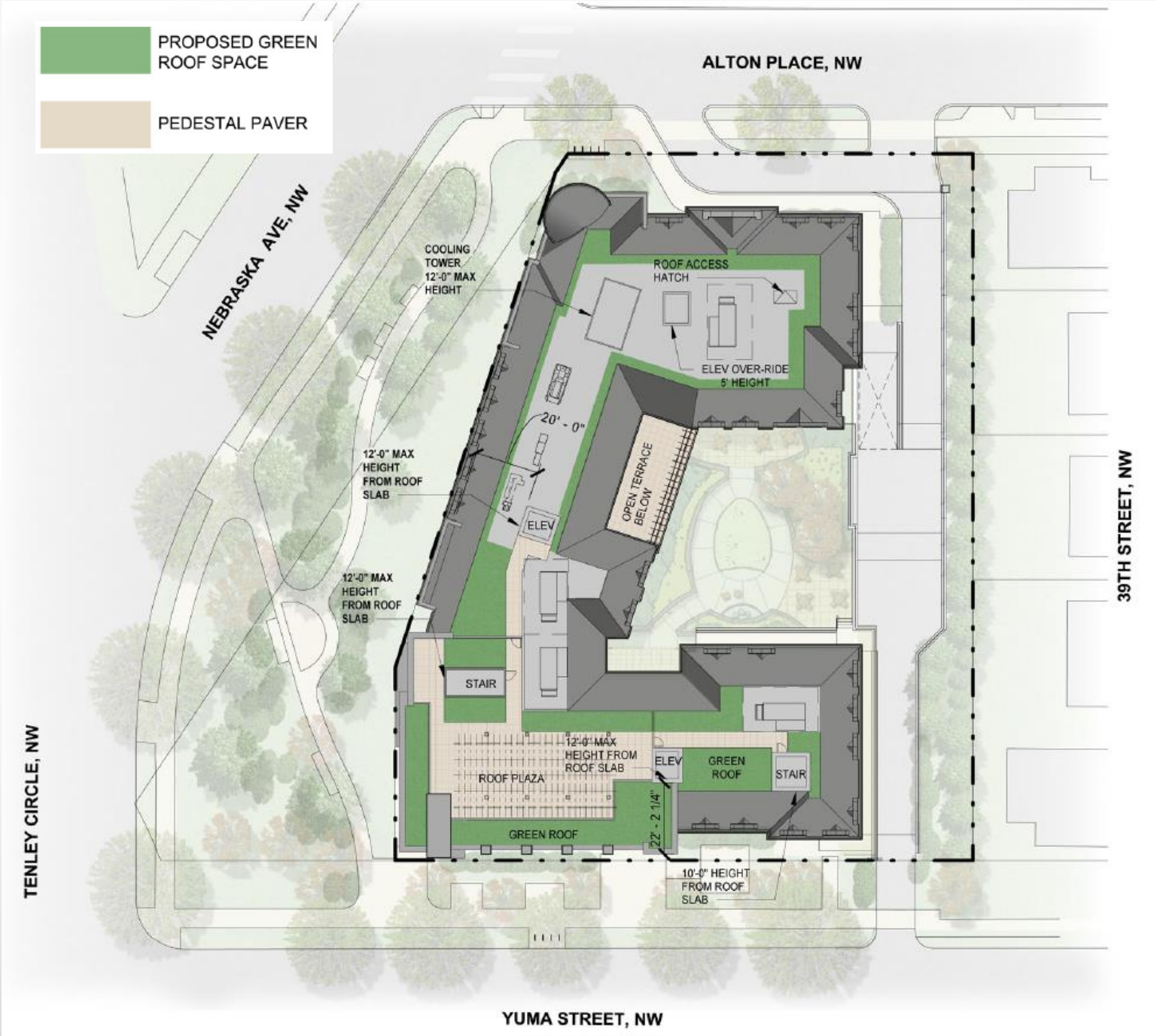


Third Floor Plan

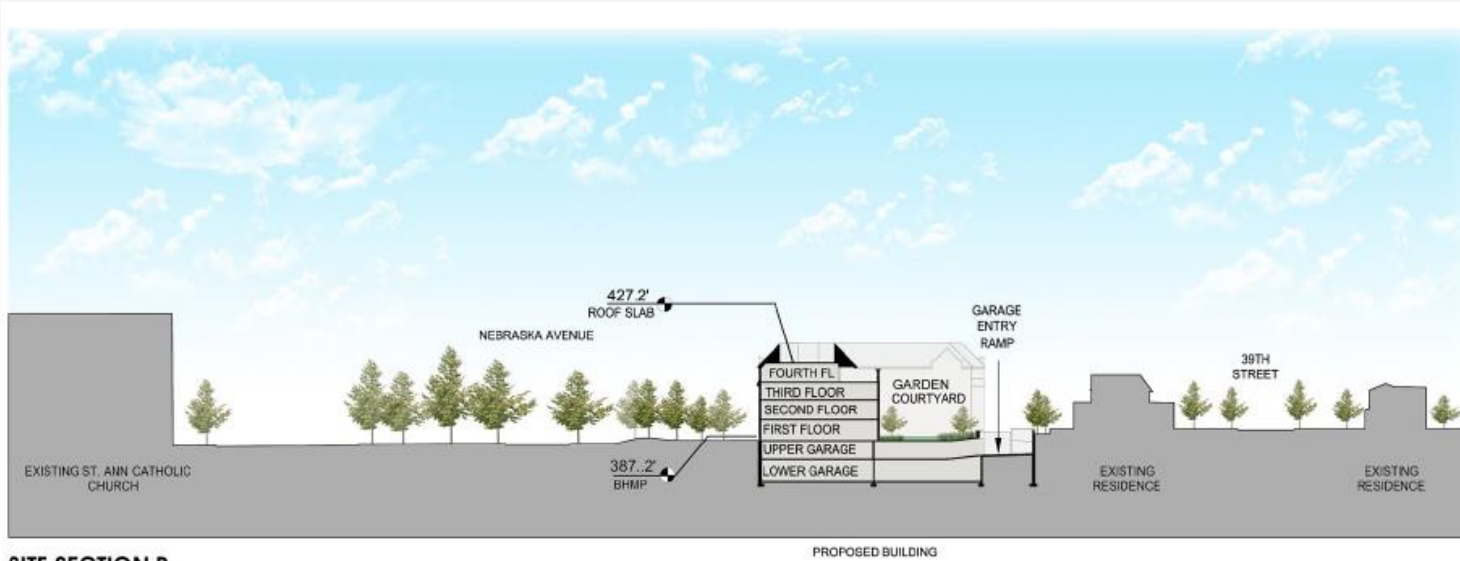
Wisconsin Avenue
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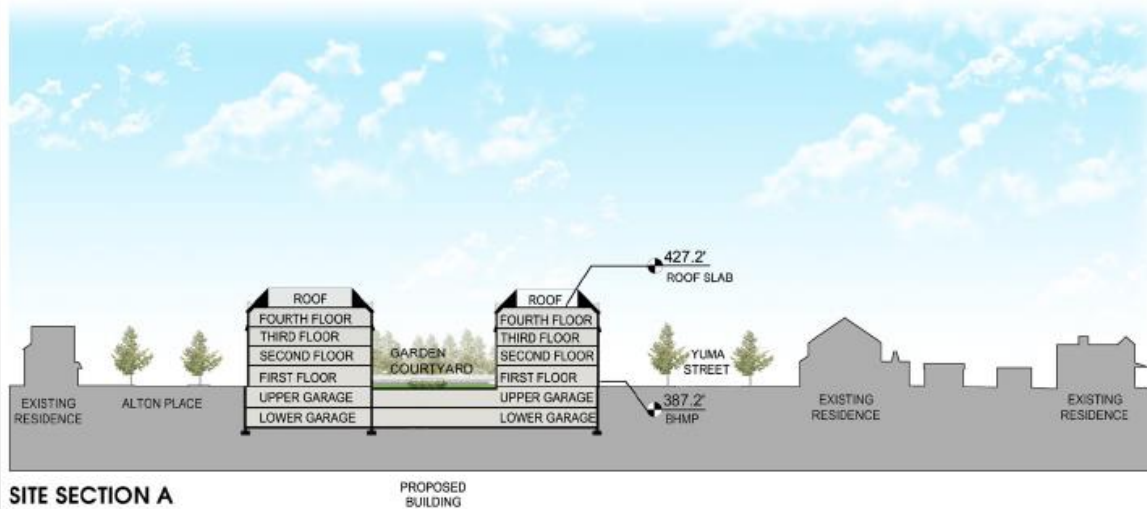
Roof Plan



Site Sections



SITE SECTION B

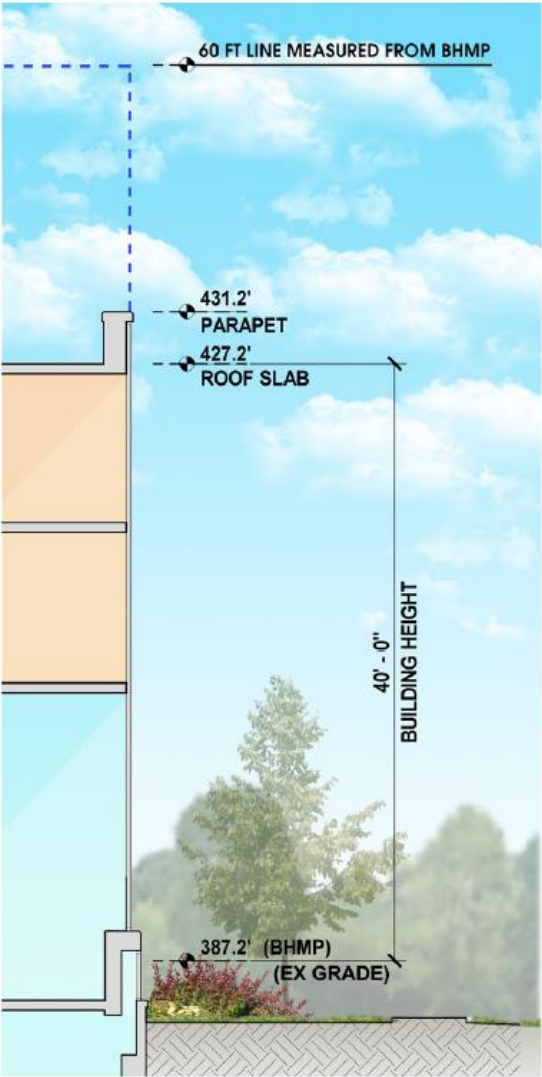


SITE SECTION A

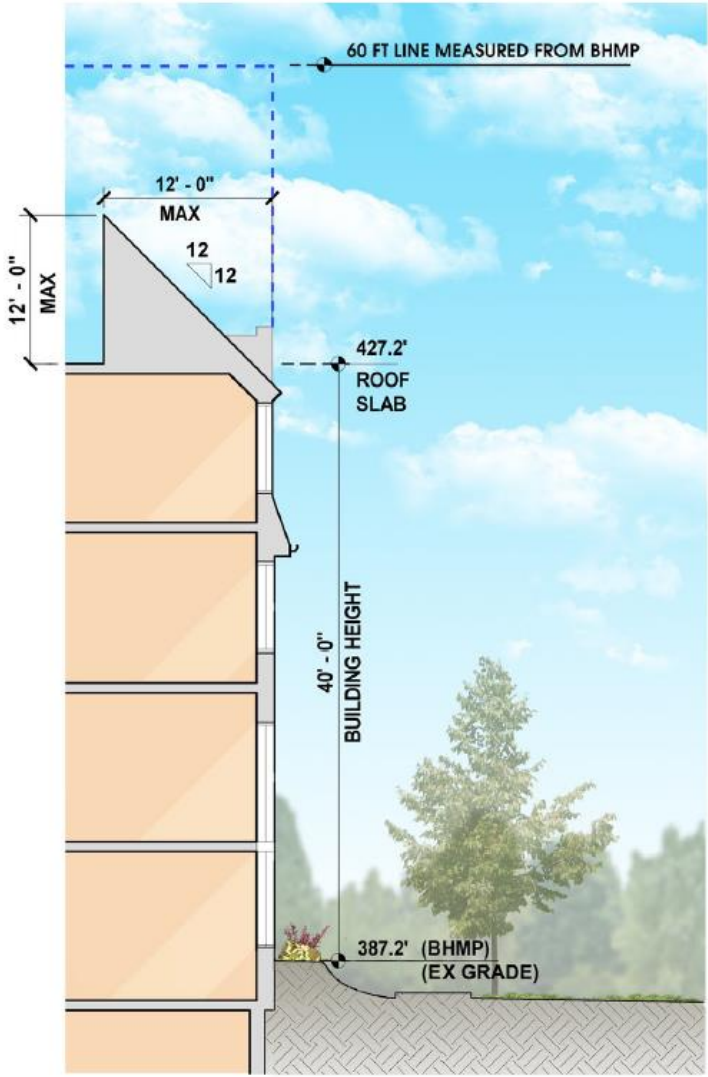


SITE SECTIONS

Building Height & Floors



1 - SECTION THRU WISCONSIN AVE BAPTIST CHURCH

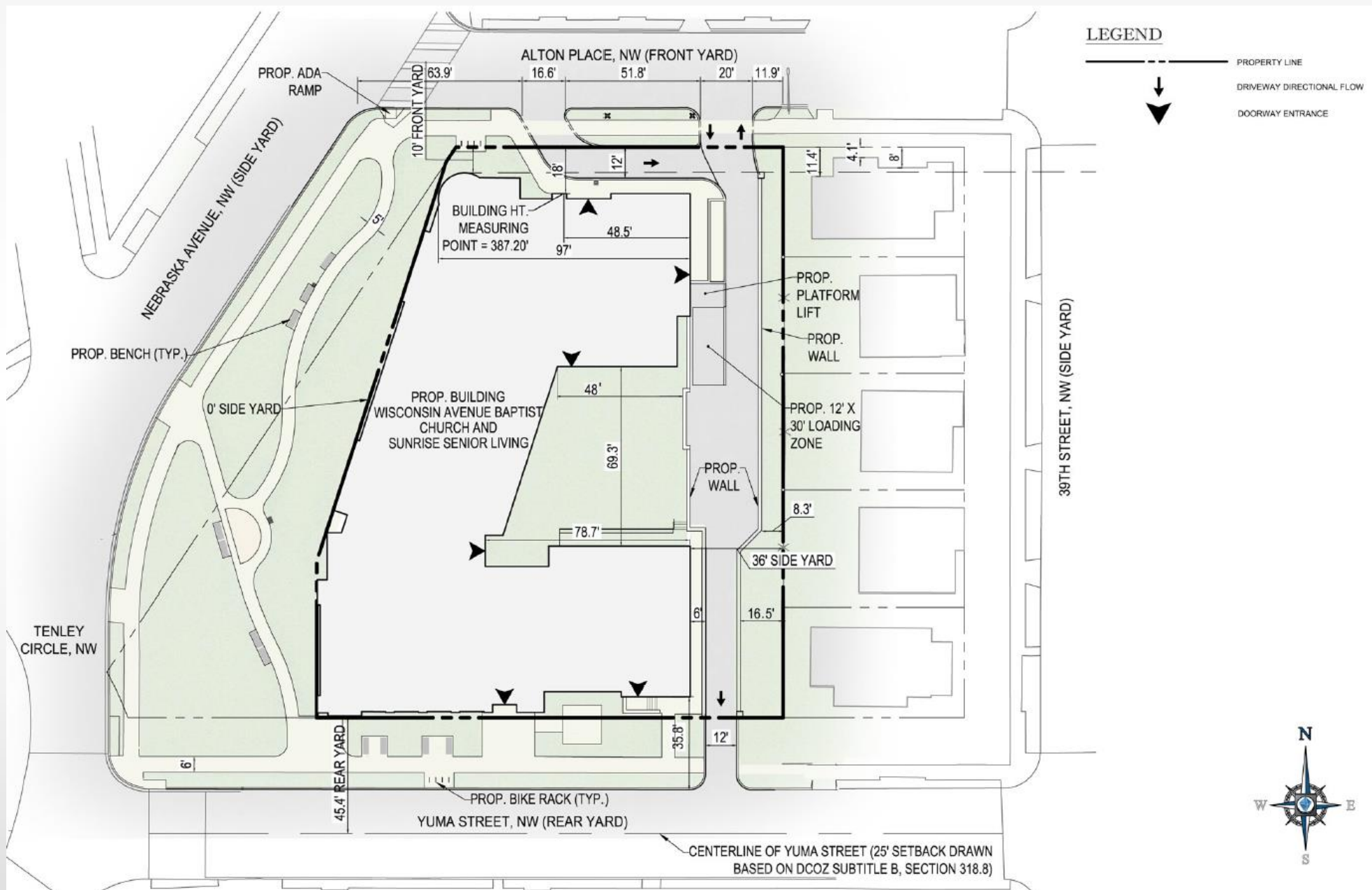


2 - SECTION THRU SUNRISE SENIOR LIVING



ZONING COMPLIANCE

Set Backs



Elevations



Alton Place



39th Street Neighbors

Elevations

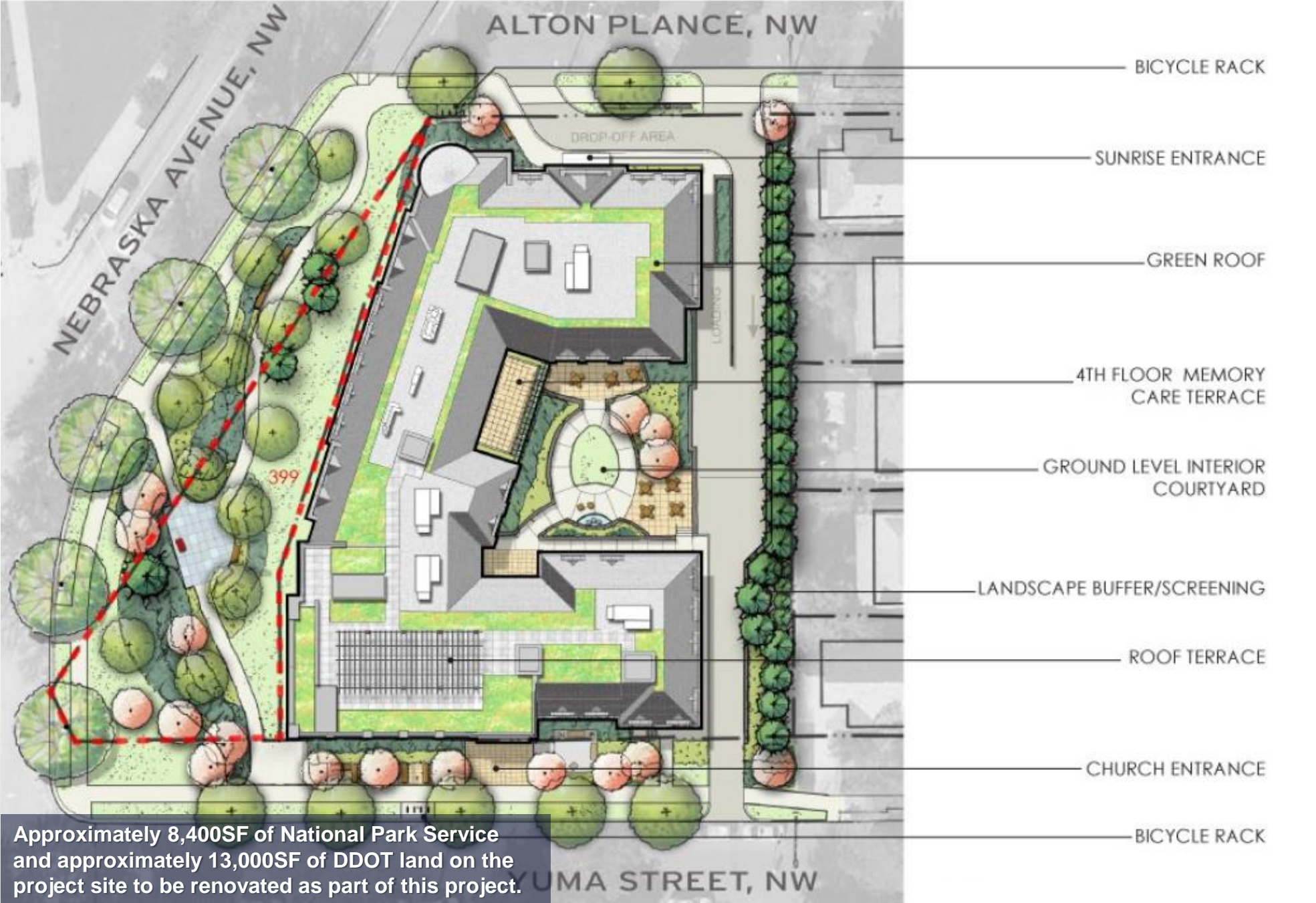


Yuma Street



Tenley Circle

Landscape Plan



Approximately 8,400SF of National Park Service and approximately 13,000SF of DDOT land on the project site to be renovated as part of this project.

Landscape Facing Yuma St.

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Landscape Facing Alton Place

Wisconsin Avenue
Baptist Church



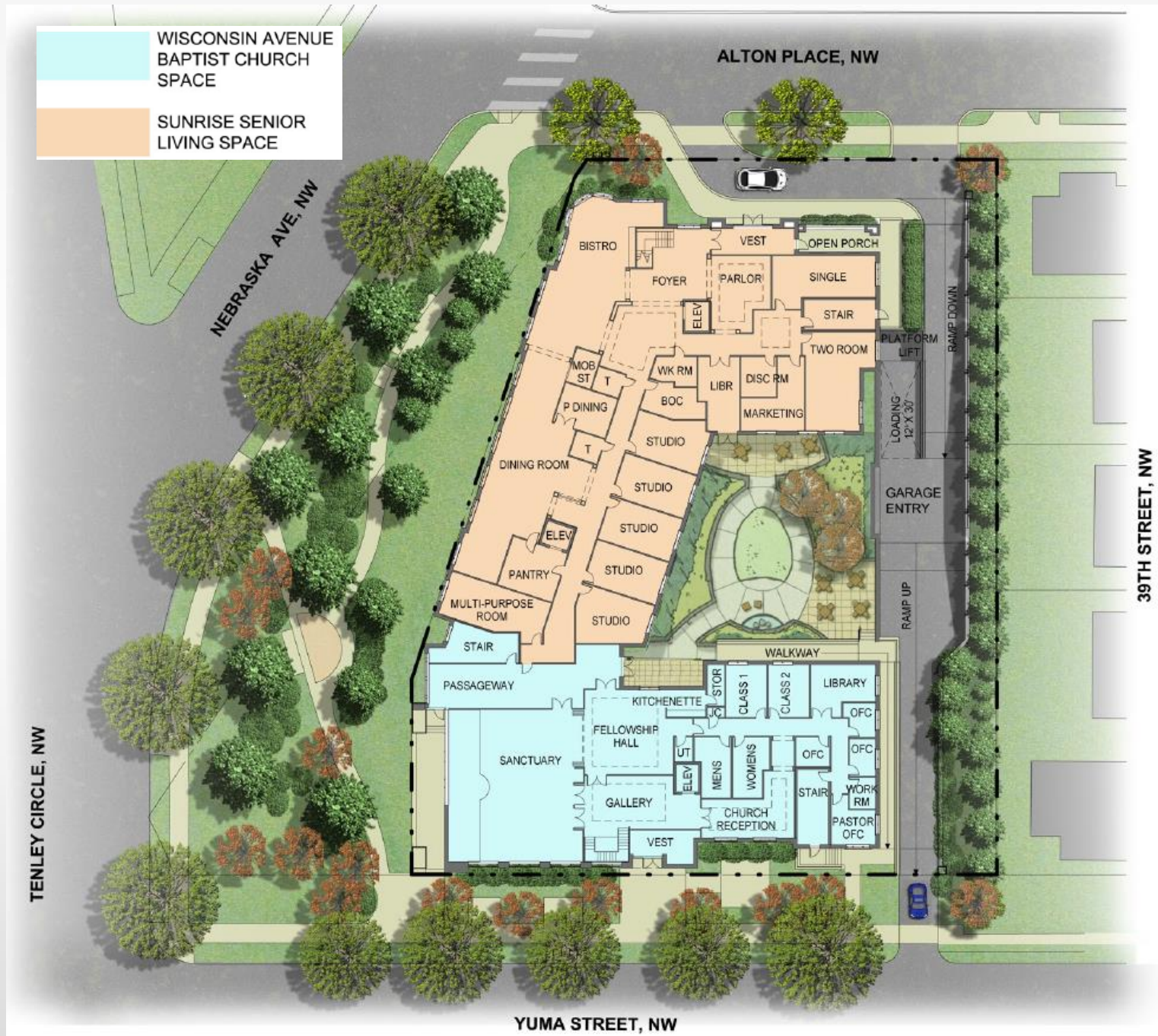
The Variance Test – Exceptional/extraordinary conditions

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Practical Difficulties: Lot Occupancy & Number of Stories

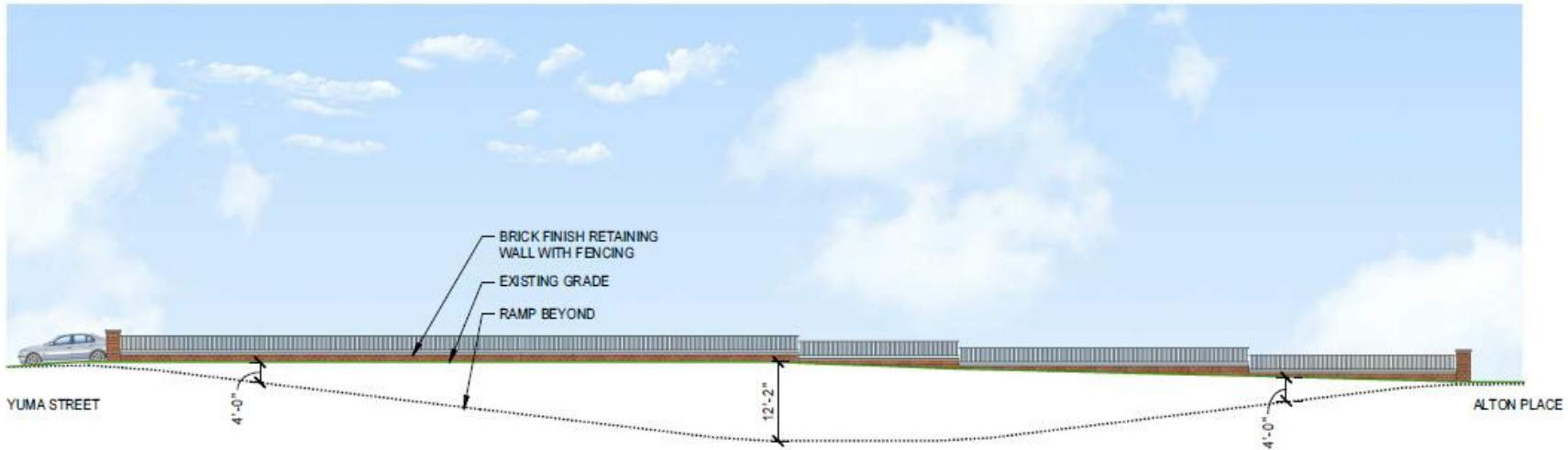
Wisconsin Avenue
Baptist Church



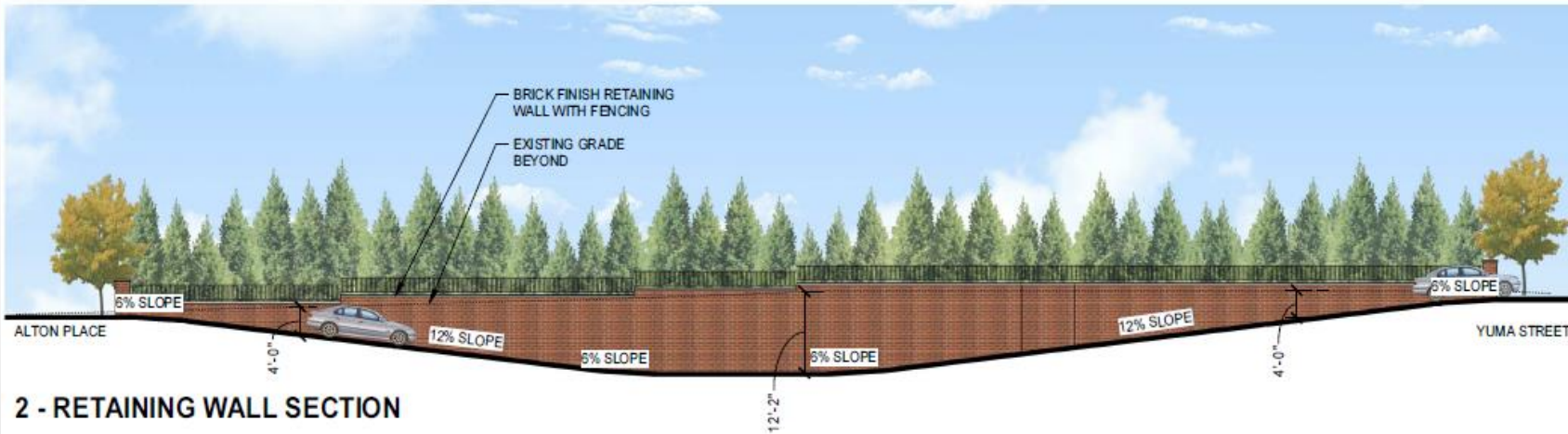
Practical Difficulties: Side Yard



Special Exception - Retaining Wall

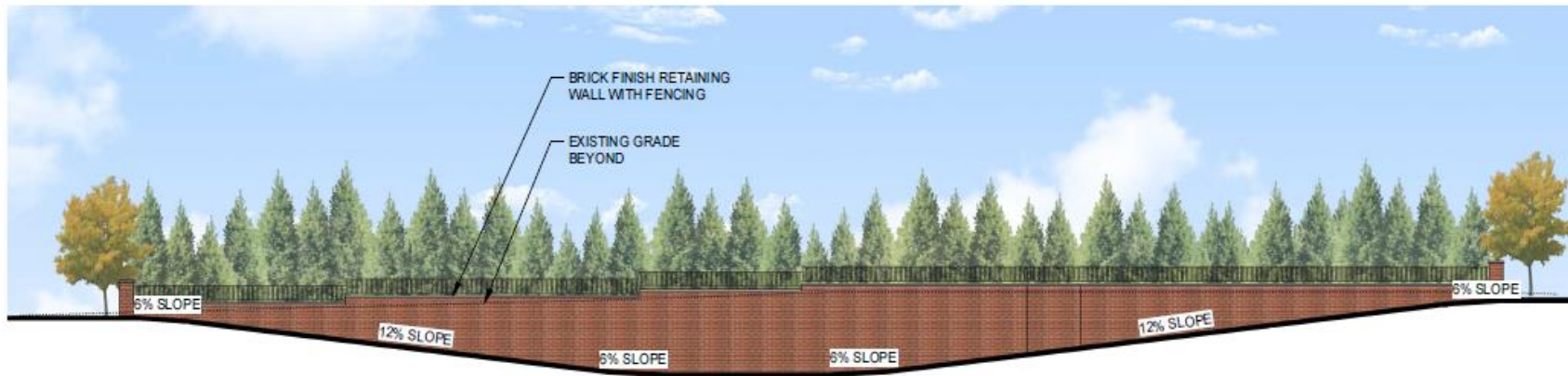


1 - RETAINING WALL SECTION



2 - RETAINING WALL SECTION

Retaining Wall Slope



1 - RETAINING WALL SECTION WITH RAMP SLOPE



BZA Case No 19823
3920 Alton Place NW
Financial and Market Support

Alice Katz
President
The Vinca Group LLC

The Vinca Group LLC

- Founded 1994 to serve senior housing and long term care industry
- National practice
- Specialize in operations review, financial analysis and market feasibility
- Work supports HUD, agency, private equity, bank and REIT financing
- Asset management of largest portfolio of Alterra bankruptcy
- Restructuring officer for dementia assisted living facility
- Recent experience in Chevy Chase, Reston, Springfield and Bowie

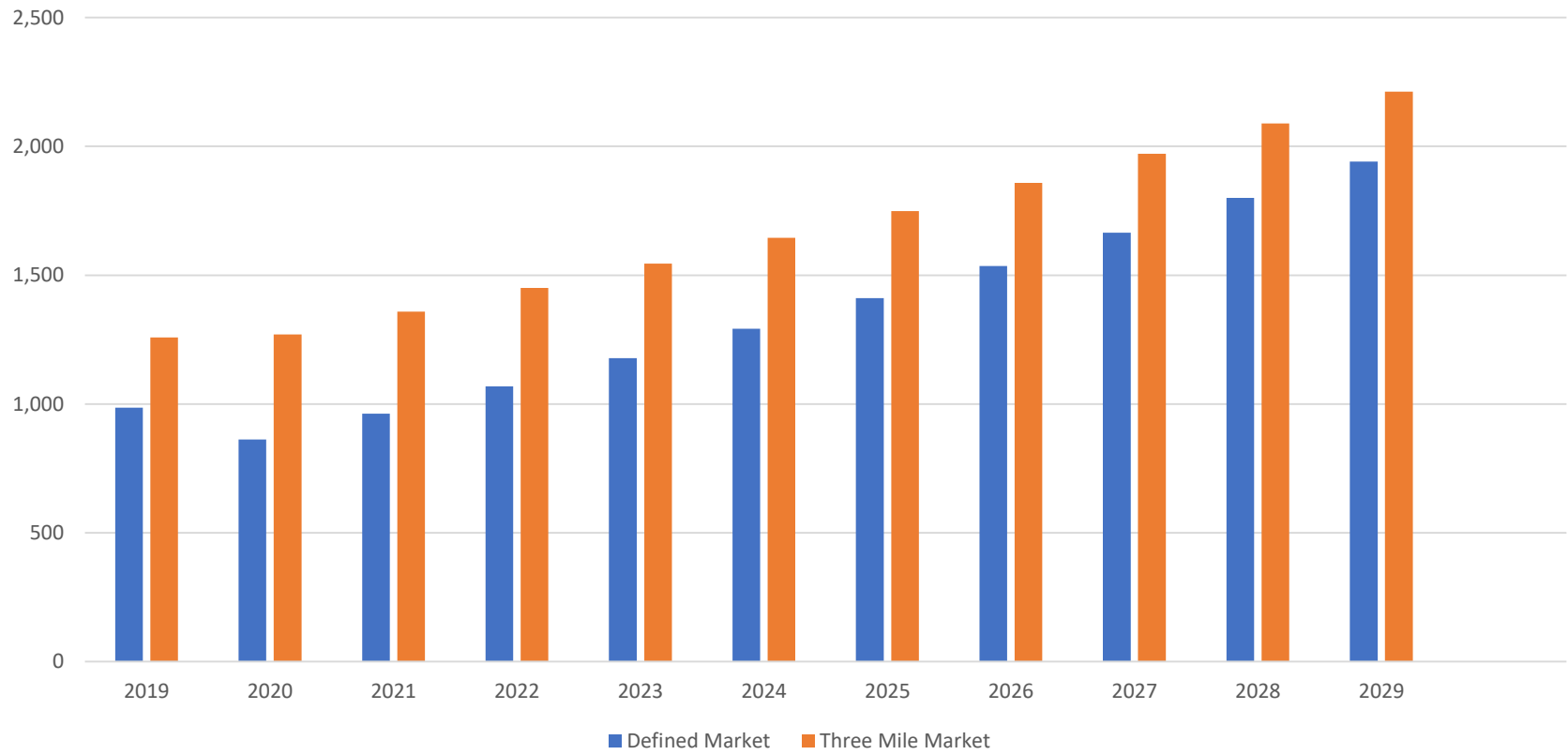
Practical Realities and Economic Feasibility

- Characteristics of Assisted Living
- Market Demand
- Design and Construction Cost Factors
- Operating Factors

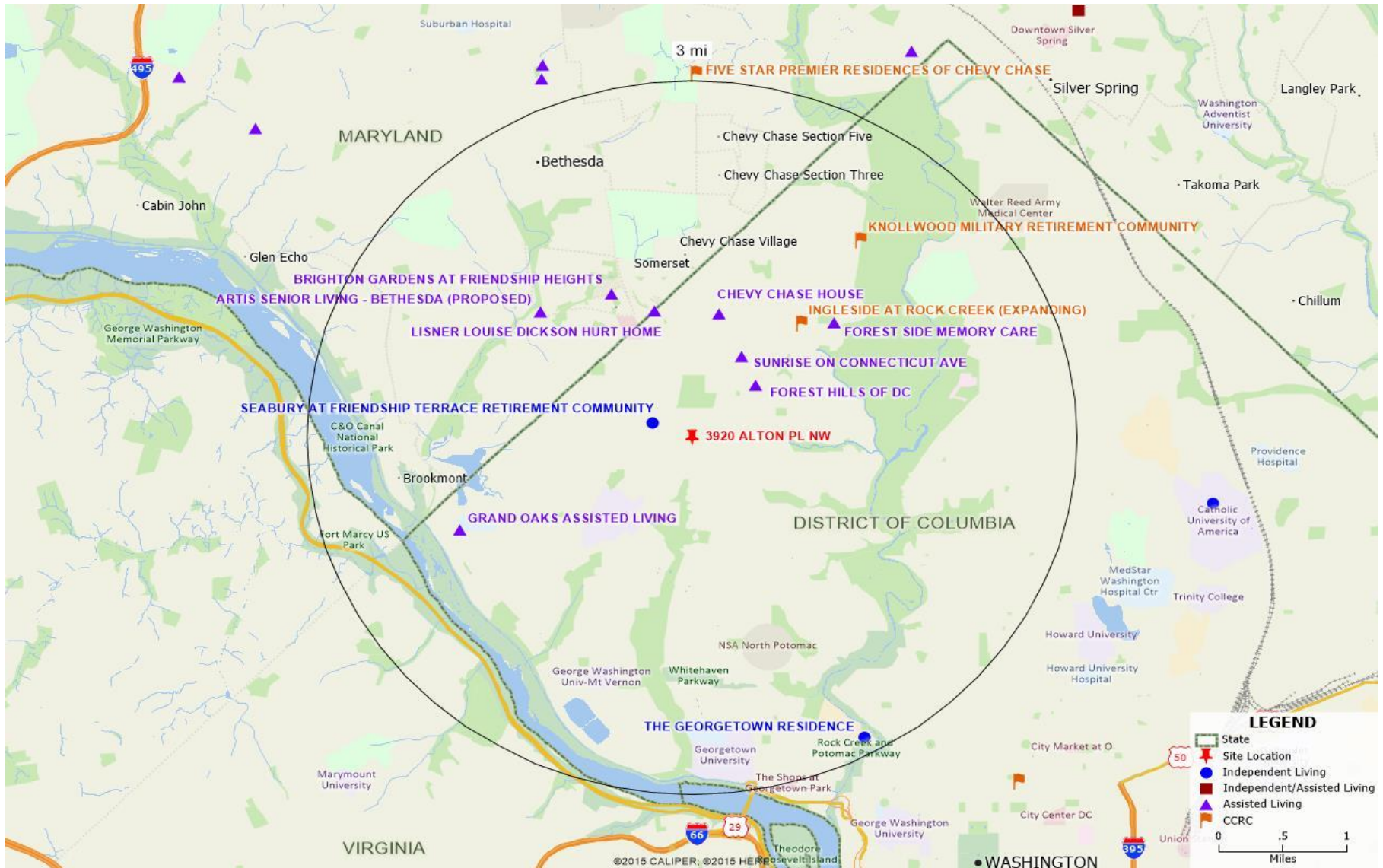
Unique Characteristics of Assisted Living

- Assisted living is designed for frail individuals who need 24 hour oversight and assistance with activities of daily living (ADLs) but do not require continuous skilled nursing care
- Memory Care/Dementia Assisted Living units are designed for people with significant cognitive impairment who could benefit from programming that supports the resident's current cognitive status, increased dependence with ADLs and/or need to be in a secured environment
- Staffing averages 1 FTE per 2.5 residents for routine assisted living and 1 FTE per 2.0 residents for memory care residents.
- Direct care staffing averages 1 designated FTE to 3-5 residents in routine assisted living and 1 designated FTE to 2.5 residents in dementia assisted living

PROJECTED INCREMENTAL BED NEEDED



Three Mile Radius Market Area



Demand Three Mile Radius Market

- Estimate 22% increase to 1,487 age, income and disability qualified people for routine assisted living from 2019 to 2024
- Estimate 23% increase to 2,626 age, income and disability qualified people for dementia assisted living from 2019 to 2024
- NICMAP 3Q2018 reports 93.2% occupancy in market rate routine assisted living beds and 94.0% occupancy in market rate dementia assisted living beds in stabilized properties reporting data
- Estimate net need in excess of 1,600 beds by 2024 and 2,200 beds by 2029

Defined Market Area Current Inventory

- Included all zip codes in District of Columbia and Maryland that had areas within five miles of site to review opposition cited properties. For example, all of ZIP code 20817 was included which captured buildings within 6.5 miles of the site.
- Virginia excluded
- 22 total properties in market area
- Consider 17 properties to have market rate beds available to general public (excludes entrance fee Life Plan Communities and low income beds)
- 913 operating routine assisted living beds
- 398 operating dementia assisted living beds

Three Mile Radius Market Area and Current Inventory

- Reviewed three mile radius market area customary for urban markets
Virginia excluded
- Ten properties offer assisted living in three mile radius market area
- Consider seven properties to have market rate beds available to general public (excludes entrance fee Life Plan Communities and lower rent beds) in three mile radius market area

Demand Defined Market Area

- Estimate 20% increase to 2,952 age, income and disability qualified people for routine assisted living from 2019 to 2024
- Estimate 25% increase to 4,926 age, income and disability qualified people for dementia assisted living from 2019 to 2024
- NICMAP 3Q2018 reports 94.3% occupancy in market rate routine assisted living beds and 95.1% occupancy in market rate dementia assisted living beds in stabilized properties reporting data
- Estimate net need in excess of 1,300 beds by 2024 and 1,900 beds by 2029

Design and Construction Elements

- Common areas account for close to 50% of space because resident service functions take place outside resident room
- Specialized dining venues and multiple activity areas
- Technology throughout property for residents, visitors and supporting staff and care functions
- Resident safety systems
 - Emergency call pendants
 - Monitors to track resident movement
 - Automatic lights when enter bathroom

Construction Cost Elements Specific to Assisted Living

- I-2 construction (not stick built) in order to defend in place in the event of emergency
- Sprinklers NFPA 13 requirement
- Elevators (higher usage factor requires more cars and faster travel times)
- Commercial kitchen
- Commercial laundry
- Hair salon
- More intense usage of bathrooms per square foot than in multi-family
- Common space (i.e. dining rooms, living rooms, activity rooms, support offices, therapy/wellness suites, etc.)
- Robust resident safety systems : door security, e-call, staff communications, etc.
- Flame spread rating of fabrics on furniture and drapery
- Specialized furniture relative to design and dimensions to support ADL needs
- Site costs (patios, walking paths, gathering spaces)

Financial Demand and Operational Requirements

- Computerized care planning and management systems
- Medication administration, storage and disposal
- Increasing resident acuity requires highly skilled, more costly staff
- Capital expenditures \$2,990 per unit per year

Expectations of Lenders and Equity Participants

- Most borrowing 65% to 75% loan to total cost
- Strong track record as developer and operator
- Industry wide - 9% levered yield on cost to attract institutional equity and debt
- High barrier to entry locations with limited supply and high demand may accept lower yields

Minimum Size of Assisted Living

- Analysis of NICMAP data for properties constructed since 2015
- 171 properties majority routine assisted living
- Average size 93 units with 68 routine assisted living units and 25 memory care units
- 85 units minimum size required to support financial viability of project
- Risk Factors for Less than 85 Units
 - Minimum revenue needed to cover fixed operating and administrative costs
 - Census fluctuation has higher effect on revenue, cost management and income
 - Smaller census limits amount and variety of resident service offerings

Conclusions

- Demand projections strongly support project
- Care and service standards require significant fixed costs for staff and property
- Minimum 85 units required for financial viability in high barrier to entry urban markets