

## **Project Narrative**

### **2045 S. Arlington Heights Road**

**REVISED 11/19/2020**

#### **Project Overview**

Trammell Crow Company is proposing a 3-story, 175-unit luxury senior living development at 2045 S. Arlington Heights Road, Arlington Heights, IL. The building is proposed to be approximately 40 feet tall (refer to architectural exterior elevations). The proposed development seeks to provide high-quality residences and community for those seeking rental continuum of care living (independent living, assisted living, and memory care living) and to revitalize the proposed site in a sensitive and innovative manner. The Property will include 93 Independent Living units, 58 Assisted Living units and 24 Memory Care units with ample amenity space. The development will provide approximately 191,000 gross square feet of building area and will include approximately 193 parking spaces (refer to civil engineering Site Plan).

#### **Building Design**

The building will be constructed utilizing a wood-framed structure (except for the memory care portion which will use steel-stud framing and some common spaces which may use steel-stud framing). The primary exterior materials will consist of brick, fiber cement panel, fiber cement siding (warm, wood-look siding) and glass. Windows will be expansive, allowing plenty of daylight into and views from the dwelling units. Drawing on the existing surroundings, the exterior facades will feature contextual details. The proposed recessed and hung balconies allows residents to take advantage of the outdoors.

The aesthetic of the building is composed of a modern rhythm of long, then small, flat-roofed gestures to break up the façade. The material palette is limited yet beautiful. Please refer to exterior elevations, renderings and building materials in architectural plans for specifics.

#### **Streetscape and Public Realm**

The redevelopment will improve the current site conditions. Beyond the active residential use, the building will have a handsome exterior and site design that will provide a warm and welcoming pedestrian experience. The building will be positioned to allow a generous setback along the S. Arlington Heights Road street edge and support a pedestrian-friendly perimeter. The project will incorporate attractive, high-quality native landscaping, lighting and exterior signage.

The new development will work closely with all surrounding land uses to provide appropriate connectivity and long-term compatibility. One of the property entrances and exits off South Tonne Drive has been aligned with one of the adjacent access drives to the existing apartment complex to the east to create connectivity and access to adjacent properties.

The site surrounding the building has a network of sidewalks and paths, amenity plazas, a stormwater management basin planted with native species and a loop trail system to provide residents and passersby a pleasant landscape experience. These experiential qualities work alongside the more functional aspects of the site, including a need for circulation of automobiles, delivery and emergency vehicles; the need for proximate parking to primary and secondary building entrances; and stormwater management functions of the basin.

The design of the open space will be tailored to the varying tastes and mobility levels of the residents. From a landscape perspective, a mix of open lawn areas, planting beds with deciduous and evergreen shrubs, colorful perennial gardens with ornamental grasses for four-season interest, tree-lined walkways along with groupings of flowering ornamental trees, and a stormwater management basin filled with native plant materials provide a variety of outdoor spaces. The landscape intent is to provide seasonal interest for residents, visitors, and staff throughout the year and provide changing seasonal characteristics as time progresses from spring flowering trees to summer foliage and flowers to fall colors and, finally, to winter berry, bark and dried foliage interest.

The site's network of pathways is designed to allow for easy navigation by the residents, visitors and staff and link many of the site's amenities together. The paths around the building allows for residents, guests, and staff to conveniently park near an entrance and minimizes the amount of interaction between the pedestrian and vehicles in the drive aisle. The network also provides a measurable walking loop for exercise and activity for residents. A link to the stormwater management basin connects the site to this area and provides a beautiful natural setting for residents to enjoy with node seating as well. Additionally, it will provide a continuous loop walking trail system and enhance the resident and visitor experience of the overall site development and ultimately utilize the stormwater management basin area as an amenity.

Residents are also able to gather and socialize outside immediately adjacent to the building in several areas spilling out of the building. At the main entry, visitors and residents are presented with a formal courtyard that offers seating and lush landscape plantings. On the north, there is an outdoor seating area for assisted living residents and visitors. On the southeast, there is another outdoor dining terrace and patio for the independent living residents with a proposed flexible activity lawn, firepit, a barbecue grilling station, and a variety of seating areas. On the south, there is an outdoor terrace adjacent to the indoor pool for residents to enjoy with proposed seating areas, lounging and a fireplace feature structure that creates a backdrop, minimizes views to the parking lot driveway, and encloses the space. The approximate size of the fireplace feature will be 7 feet tall x 12 feet wide x 2 feet deep. In the same outdoor terrace, a fire table feature and a ground-mounted barbecue grilling station are proposed. Lastly, a secured memory care garden and terrace adjacent to the indoor common space gives residents a safe and beautiful outdoor experience.

### **Stormwater Management**

The existing site topography drains from west to east and is within the Weller Creek sub-watershed tributary to the Des Plaines River watershed basin. The existing site currently outlets to two different storm systems (one to the north within East Seegers Road and the other to the east within S Tonne Dr) within the Weller Creek sub-watershed. The Village Engineering Department has indicated that the existing storm sewer to the north has flooding concerns. Therefore, the restricted release rate from the site is proposed to connect to the existing storm sewer system to the east of the property within S Tonne Dr.

Volume control (also referred to as retention volume) required by the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) is proposed to be provided within a native planted bottom stormwater management basin along the southern portion of the property extending west from S Tonne Dr. The required stormwater detention volume will be provided within this basin. Stormwater detention is required by both the MWRDGC and the Village. The Village's more restrictive stormwater management design criteria with an allowable release rate of 0.18 cfs per acre will be followed.

## **Sustainable Design**

Principles of sustainability are proposed throughout the project in various ways. In order to highlight specific sustainability principles proposed, these are listed below.

### Site Design:

- Proposing native plant species where possible to minimize maintenance and watering.
- Proposing low maintenance landscape and water efficient irrigation system.
- Connecting to the existing sidewalk along Arlington Heights Road
- Providing external bike racks

### Building Design:

- High R-Value building envelope — roof & walls
- High solar reflectance index (SRI) for the roof
- Low-E insulated glazing
- Tightly sealed building envelope to reduce leakage and inefficiencies
- Efficient HVAC systems
- Energy Star-rated appliances
- LED fixtures
- Programmable or SMART thermostats
- Electric vehicle charging stations

### Health & Wellness:

- Designed to encourage physical activity with well designed and convenient stairwells and exterior pathways. The building will include a pool for aerobics, fitness center, spa and massage room. The grounds include flexible activity lawns, walking trails, nature viewing and emersion.
- Clean air with at least MERV 10 air filters
- Access to daylight in resident units and amenity spaces
- LOW VOC materials and paints
- Convenient, common area hand sanitizers
- Centers for Disease Control and Prevention guidelines are followed as well as those set by the State of Illinois. This includes providing the necessary protective gear like masks and gloves for our employees and frequently sanitizing our community with cleaning supplies.

## **Operations**

The proposed facility will be operational 24 hours per day due to the nature of its residents and the care they will require. There are 80-85 employees on the payroll. At peak there are a maximum of 40-45 employees on site. Care Teams: Typically, 3 shifts: (10-12 care staff on each shift). Care staff hours are scheduled from: 7:00 AM - 3:00 PM (8 care staff); 3:00 PM - 11:00 PM (8 care staff); 11:00 PM - 7:00 AM (5 care staff).

The anticipated number of front-office staff is 10, and that is including but not limited to the executive director, leasing representatives, a housekeeping director, a dining director, a resident relations director, director of maintenance and more.

Deliveries are anticipated to be as follows:

- Maintenance: once/week
- Linen provider: once/week

- Housekeeping: once/month
- Food in a larger truck: twice/week
- Fresh produce in a small truck: six days/week
- Other deliveries for supplies would be once/month for Assisted Living and Memory Care

A State of Illinois Certificate of Need will not be required for this facility per the following:

*No facility licensed under the Supportive Residences Licensing Act or the Assisted Living and Shared Housing Act shall be subject to the provisions of this Act (Illinois Health Facilities and Services Review Board, Public Act 096-0031, pg 23).*

### **Additional Residential Details and Pay Structures**

The Project is proposed to consist of 93 Independent Living Residences, 58 Assisted Living Residences, and 24 Memory Care Residences. This is a senior living facility with the multiple levels of lifestyle and care which provides opportunity for residents of all stages in life. In some scenarios, couples may need to be separated because one may require physical or memory assistance while the other partner is very independent. This variety of living options provides opportunity for couples to live close to one another, enjoy the same amenities and visit with one another. All resident (IL, AL, MC) rent includes utilities, housekeeping, maintenance, meals, activities, fitness classes and transportation. Rent for the Assisted Living residents includes a base level of nursing care. Additional care fees are applied to AL residents that need a high level of personal care services (i.e. bathing, eating, dressing, medication management). The Memory Care unit fees are all inclusive of any care or assistance necessary. This is not a hospital or an acute care facility and will not operate as a Skilled Nursing Facility. When a resident needs skilled nursing care, we work very closely with the family to provide the best transition plan for each individual resident.

On a community level, the Project shall include amenities such as flexible activity lawns, multiple dining venues, movie theater, activity room, massage room, fitness center, enclosed pool, spa, conference room and billiards room.

The average age of a resident is 85 years old. The average length of stay is approximately 2.5 years, while Independent Living residents may stay for up to five years. A Memory Care resident may only live at the property for 1.5 years.

The active senior that is still very independent will like the high-end finishes, amenities, dining, services and socialization that our programming offers. The Independent Living senior is an older demographic compared to a standard rental housing development or an "Active Adult" community. The average age of residents in an Active Adult community is between 72 and 74 years old. Active Adult communities traditionally do not provide all meals, housekeeping, utilities or transportation within their rent (where the Independent Living rental communities do).

The Project provides the opportunity for current residents of Arlington Heights to age in place, continue to reside in Arlington Heights after selling their homes, and continue to be engaged in their home community. Although the average age of residents entering is 85, this Project provides a unique opportunity with more Independent Living units than any other type of unit for those residents of Arlington Heights who may not need day to day assistance yet but want the opportunity to stay in the community while unable to maintain a traditional home.

### **Affordability**

In the event a resident does not have the ability to continue to pay rent, we work closely with that resident and family on the next best step. We would first find a smaller unit that may fit into their budget and transfer them. In most cases, the family will contribute funds to make it work. If it is not a possibility for the resident and family to afford the rent, we would assist the resident with a transition in finding a new placement. It is a rare occurrence in our buildings.

### **Rental versus CCRC**

CCRC, known as a Life Care Retirement Community, requires a buy-in or entrance fee to move in which ranges from \$100,000 - \$500,000 on average. Rental communities typically require a reservation fee before moving into an apartment ranging from \$1,000 - \$3,000. The CCRC has a monthly base fee (that does not include the entrance fee) which is typically \$2000 - \$5000 (plus entrance fee loss percentage), and usually includes one meal per day. The rental community has an average monthly fee of \$3,000 - \$8,000 and includes 1-3 meals per day. The CCRC offers independent living, assisted living, memory care, short-term rehab, and long-term care. The rental community usually offers one or more of the following options: independent living, assisted living and memory care. A resident must use preferred care providers of the CCRC. The CCRC contracts vary but are similar to buying an insurance policy. Proof of financial ability is required, and most offer a partial refund of the entrance fee – then the resident vacates. A refund is typically based on the entrance fee balance at the time of vacancy. In a rental community, there are no penalties nor long-term contracts, and lease agreements allow written notice to vacate within 30-60 days.

### **Rental Rates**

Trammell Crow and Allegro developments feature best-in-class finishes, including stainless steel appliances, granite counters, walk-in closets, in-unit washers/dryers and balconies. The unit mix is proposed to include studios through two-bedroom units ranging from 445 square feet to 1,080 square feet. Rental rates for Independent Living range from approximately \$3,000 - \$6,000 per month. Assisted Living rates are approximately \$5,000 - \$8,500 per month, and Memory Care rates range from \$7,000 - \$8,500 per month depending on the acuity of care, meal plan, and unit location and size.

The market demand for the Project, as examined by the ProMatura Market Assessment, details the opportunity amongst all service levels and incomes segments is positive in 2020, and that market opportunity only increases over the next five years.

When assuming the Ryan Companies project in planning comes to fruition, the market for all segments tested remains favorable. On page six of the Market Study, it outlines the impact the Ryan Companies Development would have on the 5-Mile PMA (200-unit mix based off 07/22/20 CRPC staff report). The development would reduce the Independent Living market opportunity from 220 units to 121 units; Assisted Living market opportunity would reduce from 239 to 181 units, and the Memory Care market opportunity would reduce from 147 units to 109 units. The market assessment demonstrates that there is market absorption opportunity for both projects to proceed.

### **Market Study**

The results of this study are positive and reveal favorable opportunity for the proposed development. While the market is not high-growth, it is growing. Based on analysis of supply and demand, there is opportunity for the proposed project, particularly based on the need for independent living and memory care. Additionally, these estimates are conservative and do not take into account specific attributes of the supply and assume that all competitors are full and would compete equally with the proposed project.

- **Demographic Characteristics:** Overall demographic conditions in the market are mixed. While the market does enjoy overall strong affluence, growth is primarily seen as a greying of the population rather than an influx of new population. Specific demographic characteristics include:
  - **Population:** There are estimated to be 252,859 people residing in the 5-mile PMA and 525,716 people in the 7-mile PMA. Over the next five years, the total population is projected to remain flat with no projected growth, which is similar to growth projections for the state.
  - **Adult Children:** The area enjoys a greater proportion of affluent households; 45-64 with \$100,000+ annual income. Over the next five years this segment will grow, but at a slower pace than seen for the state and nationally.
  - **75+ Households:** The proportion of households 75+ with \$50,000+ annual income is slightly stronger than both national and state proportions. Over the next five years, this segment is projected to have continued growth resulting in approximately 1,000 new target households in the 5-mile PMA and 2,000 in the 7-mile PMA.
- **Geographic Characteristics:** There are 3-4 ZIP code areas (that includes the subject ZIP code area) in and around Arlington Heights, Des Plaines and Mount Prospect that enjoys a significantly larger number of affluent adult children and households 75+ with \$50,000+ annual income.
- **Supply:** Within a 5-mile radius of the subject site, ProMatura identified 15 service-enriched communities (excluding freestanding skilled nursing).
- **Planning:** Utilizing the Dodge Data & Analytics Construction and Planning Dataset a single project was found to be in the formal stages of planning. Harbor Retirement has plans to open 78 assisted living units and 32 memory care units. The site is located at the former Motorola campus in Schaumburg, 3.7 miles from the proposed site. Information obtained through from the Village of Arlington Heights identified a development by Ryan Companies located 0.3 miles north of the subject site. Preliminarily the project is to include 102 independent living units, 60 assisted living units, and 38 memory care units.

### **Anticipated Timeline**

Commencement of construction of the various phases is dependent upon Village of Arlington Heights' entitlements process milestones, financing arrangements and construction market considerations. It is anticipated construction will begin in summer of 2021 and end in spring 2023.