

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

### FEATURED ARTICLE

# THE 27<sup>TH</sup> ANNUAL ZIEGLER SENIOR LIVING FINANCE + STRATEGY CONFERENCE

Next week, Ziegler will be hosting its *27th Annual Ziegler Senior Living Finance + Strategy Conference*. We are excited to be gathering for this impactful and high-caliber event. Ziegler staff will be joined by more than 650 attendees ranging from the country's leading senior living executives, business firms, banks, and investors. Attendees will have access to the latest industry research, case studies, and best practices across more than 20 conference sessions. This is in addition to the high-quality networking and strategic meetings that take place across the three days of the conference. The purpose of this issue of *Z-News* is to highlight the valuable educational sessions that will span the three days of the conference.

We appreciate the commitment of more than 75 guest speakers who will share their expertise and best practices throughout the event. Consistent with previous years, following Wednesday morning activities such as golf, area tours, and other events, attendees will convene in the afternoon for a series of pre-conference educational sessions, which will cover a variety of topics from High-Performance Governance to Economic Updates to Finance 101.

- **What to Expect of Your Investment Portfolio:** Kevin Carlson (Ziegler Capital Management) will provide economic updates and investment management insight for the rest of 2024 and predictions for market conditions in the year ahead.
- **Senior Living Finance 101:** Ziegler's own Adam Vanucci will lead this session along with Amy Runge (Sun Health, AZ). This session is great for beginners or those needing a refresher on the elements of senior living finance.
- **Sophistication in Not-For-Profit Senior Living Governance:** Each year, a governance-related topic is weaved into the Wednesday afternoon sessions. This year, we are focusing on the complexity of the senior living sector that demands a greater level of sophistication at the board level. This panel discussion will be led by Diane Burfeindt (Trilogy Connect), Sara McVey (Sequoia Living), and Jeannee Parker Martin (LeadingAge California).

Thursday morning kicks off bright and early with welcome remarks from Ziegler's President & CEO, Dan Hermann and then shifts to the opening general session entitled, **The 2024 State of Senior**

**Living and the Senior Living Capital Markets.** A slate of Ziegler team members (Mimi Rossi, Sarkis Garabedian and Tom Meyers) will share the latest information on industry trends and the senior living capital markets.

Thursday late-morning sessions include topics such as New Campus Development, M&A activity, Marketing and Multi-Site Provider Trends.

- **System Trends: Insights From Chief Executives of Proactive Multi-Site Providers:** This annual CEO panel pulls together the latest trends and insights from some of the country's leading not-for-profit senior living organizations. This year's lineup includes Jerry Carley (Benedictine), Scott McQuinn (Life Enriching Communities), and Lee Syria (EveryAge).
- **A Focus on New Campus Development and Significant Expansions:** While new campus development activity has slowed in recent years, the number of projects is on the rise. This session will focus on successful expansion projects on existing campuses or on adjacent parcels of land. The presenters to highlight these projects are Andrew Dujon (Waterman Village), Doug Struyk (Christian Health), and Stuart Jackson (Greystone).
- **A Discussion of Raising Capital and Moving Capital from the Obligated Group-Comprehensive and Advanced Financial Solutions:** This session will feature a panel of seasoned CFOs who will discuss key topics such as funding growth opportunities, revenue streams, managing expenses in the current economic environment, fee increases, and much more. Panelists are Jeannie Justie (Covenant Living) and Roger Weideman (BHI Senior Living)
- **M&A: Success Through Strategic Disposition:** In addition to affiliations and acquisitions, not-for-profit senior living M&A strategy also includes strategic dispositions due to labor challenges, capital reinvestment, drivers behind the sale of pressured assets, and more. Hear two unique case studies from Mark Jenkins (Eskaton) and Bill Lowe (Chicago Methodist Senior Services) on the diversity of activity in the space.

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- **Marketing & Sales Approaches for Today's Environment & The Next Gen Consumer:** This session will identify key strategies and best practices for effective marketing and sales to the Baby Boomer consumer. Learn common mistakes providers make that may lead to lagging sales and occupancy challenges. The specialists include Rob Adams (10Next), Fran Palma (Covenant Living), and Eric Mineart (Pacific Retirement Services).

Following the Thursday lunch break, which includes a special networking luncheon for board members, attendees will have the option to participate in additional breakout sessions featured below.

- **State of Technology in Senior Living & AI Panel:** Because technology is an embedded element of daily operations and strategic initiatives, no senior living conference would be complete without at least one session devoted to technology. This session will highlight key areas of growth within senior living technology and innovation, feature innovators who bring solutions to the sector, and identify emerging solutions to adopt and integrate technologies. The session will feature a panel of experts including Neal Bruce (Arena), Scott Collins (Link•age), Kevin McFeely (Futura Age), and Michael Skaff (Vayyar).
- **Alternative Financing Strategies for NFP Senior Living Providers:** This session will be led by Ziegler's Senior Housing & Care team members, Eric Johnson and Lindsay Konkel, who will delve into a variety of financing options and types of loans available. The team will explore HUD programs, agency financing, commercial property-assessed clean energy, and more.
- **Successful Models Geared Toward the Middle-Income & Affordable Market:** The Baby Boomer middle-income market is growing nationally, and a vast majority will likely be underserved by the housing options currently available. This session will provide a deep dive into this population of seniors. Hear from peer provider organizations who have successfully executed growth and affordable options, such as Dan Rexroth (John Knox Village), John Thorhauer (Glencroft), and Lee Syria (EveryAge).
- **The Home & Community-Based Services Landscape:** The percentage of not-for-profit providers looking to enter or grow these service lines has increased in recent years as organizations look to diversify offerings and respond to consumer demand. This session will highlight two HCBS platforms, large and small, and will aim to advance peer learning for others looking to strategically grow outside their community walls. Presenters include Larry Gumina (Ohio Living) and David Tiesenga (Holland Home).
- **M&A: Not-For-Profit Growth Through Strategic Affiliation:** The final session in this Thursday time slot will

highlight sponsorship transition activity within the not-for-profit sector, which has continued to grow at a vigorous pace with system-to-system affiliations capturing an increase share of market activity. Hear case studies from two system organizations who will give insight into how they have grown. Presenters are Michael Connell and Ken Noreen (Transforming Age), Roger Weideman (BHI Senior Living), and Ziegler's Marie Carlson.

The Thursday agenda closes with a series of late-afternoon breakout sessions.

- **Single-site Communities in the Spotlight: Sophistication Among Non-System Providers:** Many single-site Life Plan Communities are as strong as ever and growing in sophistication and revenue diversity. This session will highlight the proactive practices of three single-site organizations who have grown and evolved, examine the benefits and limitations of being a single-site, how to utilize benefits to your advantage, and philosophies on why their organizations have been successful. Presenters are Maureen Casey (Dunwoody Village), Rita Doherty (Friendship Village of Dublin), and Ryan Miller (Terwilliger Plaza).
- **M&A: Not-For-Profit Growth Through Asset Acquisition:** The acquisition process differs significantly from not-for-profit-to-not-for-profit affiliation and sponsorship transition activities. This session will explore three recent acquisition case studies including the strategy and tactics behind each one. Hear how to effectively incorporate asset acquisition into growth strategy and learn about valuation and due diligence techniques. Presenting their case studies are Keith Frndak (Concordia), Brian Krause (Community First Solutions), and Alex Kiefer (Lutheran Life Villages).
- **Institutional Investor Panel:** Many senior living organizations have outstanding fixed rate bond debt, and several will be entering the market in the near future to access capital. This session will delve into the current fixed-rate climate and the outlook among institutional investors and credit agencies related to borrowers. Panelists will include Lee Arnold (T. Rowe Price), Margaret Johnson (Fitch Ratings), Brandon DeBenedet (503 Capital Partners), and Ziegler's Julie Peterman.
- **The New CFO: Master of All – A Skillset Discussion of the Finance Office:** Gone are the days when a good Chief Financial Officer could just walk through the company financials. This panel will discuss the new widening net of expectations, partnering with fellow C-Suite team members to ensure success, and how team members can band together to successfully solve operational and financial problems. This year's panel consists of Anrew Jeanneret (Asbury Communities), Jamie Spencer (Ingleside), and Teryn Waldenberg (Immanuel Living).

- **Hot Topic: PACE:** The PACE program provides comprehensive medical and social services to frail, community-dwelling older adults who require nursing home level of care. This session will provide an overview of the PACE model and financing, highlight key compatibilities of effective PACE programs, and identify key learnings and take aways when implementing PACE programs. This year's speakers include Steve Fetyko (Brio Living Services), Michael McHale (St. Paul Senior Services), and Tom Stitt (Health Dimensions Group).

Thursday evening events include social networking hours and an all-attendee dinner. The educational events pick back up on Friday morning with a series of breakout sessions, followed by the closing general session.

Friday morning sessions include the latest and greatest from architects in the space, a focus on campus repositionings, and bank financing among others.

- **Hot Topic: Strategic Insights from Today's Chief Operations Professionals:** New to the agenda last year, this panel features some of the sector's best operations professionals from multi-site organizations to single-site providers. Hear how operations officers strategically position themselves to manage headwinds such as workforce challenges, the current state of skilled nursing, organizational growth and diversification, and more. This panel will share insights on best practices on operational efficiencies and their role in the greater organizational structure. This year's COO panelists include Gretchen Cobb (Royal Oaks), and Dan Ogus (HumanGood).
- **Successful Campus Repositionings:** Repositioning challenges and successes have been examined through a variety of lenses over the years. This year's focus will examine repositionings that incorporate campus expansions, capital planning on multiple projects, and reinvestment in one's physical plant. Hear critical decision points for determining the path to repositioning success, understand how to effectively prepare and plan, and walk away with insights into the type of repositioning needs for your campus. Presenters this year include Sarah Lloyd (Westminster), Dan Novelli (LCS), and Matt Riehle (Westminster Village).
- **Architects Panel: Innovation in Planning and Design:** Every year, we hear the latest innovative and creative design trends from the nation's leading architects. This year's panel includes Dan Godfrey (RLPS), and Chuck Archer (LRS Architects).

- **2024 Bank Financing Panel:** Bank activity in the senior living sector continues to be significant. This session will delve into the latest trends in the bank lending environment. Learn how to dig deeper into bank-financing requirements, understand the metrics and factors banks focus on when evaluating credit and lending needs, and hear about potential changes in the bank lending market in the next year or two. Panelists include Mike Mason (Old National Bank), and Feena Ward (Bank of America).

- **Hot Topic: The Current State of Skilled Nursing:** The skilled nursing setting is one of the most dynamic environments in today's senior living & care sector. The pressures from workforce shortages, reimbursement shortfalls, ever-increasing regulatory scrutiny, and further issues have forced some providers to rethink this important service offering. Hear from Ziegler's Mimi Rossi and Megan Cunningham on the key pressures, the vision for the future, and how it will differ from past years.

The conference will close on Friday with **The Future of Senior Living**. Every year, this session provides a unique opportunity to consider the future of our dynamic and growing industry. As today's senior living organizations are steeped in the challenges highlighted throughout this conference, this year's closing session will provide foresight and recommendations needed for embarking on a new era in the not-for-profit senior living industry. We are excited to feature two well-known and highly respected professionals in this year's closing general session; John Cochrane (HumanGood) and John Spooner (Greystone), who will provide an overview of the future of senior living, give attendees innovative next steps on how to evolve and grow their respective organizations, and highlight proactive organizations preparing for the changing future of senior living. This thought-provoking conference closer will draw attendees into critical thinking and planning for the successful delivery of quality services and care — today, tomorrow and into the future.

Many thanks to our more than 75 guest presenters and Ziegler associates who have worked to pull together the excellent content for this year's event. We look forward to seeing many of you next week. If you have any specific questions related to the upcoming conference, please reach out to the Ziegler representative in your region to learn more.

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### NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF SEPTEMBER 16, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
University Retirement Community at Davis (CA)	Fitch	BBB+ Stable	Assigned Rating Affirmed IDR*	9/11/24
Wesley Woods of Newnan-Peachtree City (GA)	Fitch	BB Stable	Review – no action	9/16/24

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\* IDR – Issuer Default Rating

Any non-Ziegler sources referenced in this Z-News are believed to be reliable but cannot be guaranteed.

### INTEREST RATES/YIELDS

WEEK ENDING SEPTEMBER 13, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.52%	3.55%	3.78%
Senior Living 30-Yr “A”	4.45%	4.45%	4.97%
Senior Living 30-Yr “BBB”	4.80%	4.80%	5.34%
Senior Living Unrated	5.95%	5.95%	6.50%
Senior Living New Campus	7.75%	7.75%	7.93%
SIFMA Muni Swap Index	4.21%	2.84%	3.51%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	5.11%	5.11%	1.59%

<sup>†</sup> Ziegler Senior Living Municipal Long Bond Index  
Source: Bloomberg BVALS

### FEATURED FINANCING



**PRESBYTERIAN RETIREMENT COMMUNITIES**  
Orlando, Florida

Orange County Health Facilities Authority  
Revenue Bonds  
Series 2024

**\$82,270,000**

September, 2024

## MARKET REVIEW

**MONEY MARKET RATES**

	<b>09/13</b>	<b>Last week</b>
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	4.97	5.06
30-Day Commercial Paper (taxable)	5.10	5.22
Libor (30-day)	5.21	5.23
SOFR	5.33	5.35
7 Day Tax-Exempt VRDB	4.21	2.84
Daily Rate Average	4.22	3.15

**COMPARATIVE YIELDS**
**TAXABLE REVENUE**

	<b>GOVT</b>	<b>A</b>		<b>MMD</b>	<b>NR*</b>	<b>BB</b>	<b>BBB</b>	<b>A</b>	<b>AA</b>
2 Year	3.64	4.14	1 Year	2.50	4.50	3.90	3.15	2.85	2.50
5 Year	3.46	4.06	5 Year	2.34	4.44	3.79	3.04	2.74	2.34
7 Year	3.56	4.31	7 Year	2.47	4.67	3.97	3.22	2.92	2.47
10 Year	3.67	4.67	10 Year	2.63	4.93	4.18	3.43	3.13	2.63
30 Year	3.98	5.48	30 Year	3.52	6.12	5.22	4.52	4.22	3.52

(\* Representative of institutional sales)

**TAX-EXEMPT MARKET INDICATORS**

	<b>THIS WEEK</b>	<b>LAST WEEK</b>	<b>CHANGE</b>
Bond Buyer			
20 Bond Index	3.83	3.86	-0.03
11 Bond Index	3.73	3.76	-0.03
Revenue Bond Index	4.12	4.15	-0.03
30 Year MMD	3.52	3.55	-0.03
Weekly Tax-Exempt Volume (Bil)	10.62	6.58	+4.04
30 Day T/E Visible Supply (Bil)	7.70	13.61	-5.91
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	106.0	105.7	+0.30

Source: Bloomberg