

New Century Retirement Communities  
Plan

New Century Living  
October 2012

# New Century Retirement Communities

## Plan Outline

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# New Century Retirement Communities

## Business Plan

### Executive Summary

This plan has been developed to encourage small colleges that are challenged by the higher education economics of the day to think about a new, radical departure from education of youth. An exciting proposition is developed that would create a new type of college solely for senior citizens with a desire for lifelong learning. The “new” college would include a large continuous care retirement community created as part of a new community concept. Presently, there are not colleges specifically created for seniors, our proposal is moving higher education into a new realm. New courses, new curriculum, new advancements in lifelong learning all will make for an exciting campus.

This business plan is the introduction to a longer conversation about options, specific plans and new directions. The economics of higher education are putting pressure on small schools to merge, transform or leave the education world. This document starts a conversation on transformation to meet an educational need. Details are provided that will help give definition to a new college and retirement community.

### Mission

To provide a new type of college and college community for retirees who desire to keep learning through their full lifetime.

### Vision

- 1) To become the first planned college in the nation that meets the intellectual needs of young and older seniors by providing an intentional retirement community that surrounds a new type of college that invokes a traditional college atmosphere.
- 2) To create the first of many senior colleges that encourage lifelong learning in a setting that establishes a quality residential surrounding and a challenging college level curriculum designed to capture the continued interest of its residents.
- 3) The ultimate purpose is to provide the highest quality lifestyle for the years beyond retirement.

### Purpose

This plan describes a breakthrough concept that will create long term senior learning in the 21<sup>st</sup> century. The plan describes the concepts, identifies the parameters of the physical community and develops the detailed outline for continued discussion of a new type of university curriculum.

The core purpose is to start an invigorating discussion that will help small colleges challenged by today’s higher education environment think positively about new alternative futures.

### Business Concept

The plan is grounded in six principles.

Using an existing college or seminary physical structure, to create a new learning community for retired seniors and surround it with a vibrant retirement community.

Retired seniors will thrive and enjoy a fuller life with a comprehensive, careful planned and directed learning curriculum.

A financially feasible residential community with housing, rental housing continuous care facilities can be developed surrounding the college. This community and services will meet the specific housing and living needs of virtually all seniors and assist in the financial needs of a senior college.

The college will become a national center for curriculum development for senior learning and life appreciation directed toward meeting the education needs and interest of seniors across the country.

As a non-profit corporation, revenue streams from the variety of housing, dormitories and the college will create a high quality living environment with a financial “breakeven” mentality for the total complex.

## Background/Need for a Senior University and Retirement Community

Thousands upon thousands of Baby Boomers look upon their college days as some of the best times of their lives. Not only was it a time of learning and framing social activities many of which they carry forward in their lives. For most Boomers, their college time set the tone for lifelong learning and a professional career that provided an income base for a quality life. After years of very successful work and family life in relatively peaceful times, Baby Boomer seniors can now look upon retirement options never even dreamed about the prior generations.

Already higher senior income and savings, younger retirement ages have shown some of the potential of the new age of the boomer. Over the last several years, thousands of planned senior retirement communities have been developed with seniors living in a variety of intentional communities from gated golfing communities to continuous care communities. More recent additions to this array of communities provide “continuous care” that assure appropriate and secure living for the rest of a senior's life. Senior family wealth, historically good health and the ability to find the right kind of community have contributed to the creation of a continuously evolving variety of retirement communities. Earlier retiree cohorts moved to warmer or milder climates, many into a golf oriented gated community. Florida, North Carolina, California and Arizona and other warm, milder weather states have profited by these migratory transitions. In the next phase of retirement community development, large new retirement communities emerged close to large population centers. For many social networking with relatives and friends was equally as important as climate. For others being close to large metropolitan cities also had its attractions. In the last twenty years, communities have expanded their services to provide “continuous” care meeting virtually all the health needs of the residents. Now one of the newer types of emerging communities is communities build next to a University and more or less integrated in university life. These communities encourage the senior to be the regular audience for sports, fine arts and other parts of campus life. Most invite elders to audit courses and/or have extensive senior trips and non-degree courses. University retirement communities provide a significant number of full and part time jobs for students and the community. As most gated communities, university related communities market themselves to the higher income seniors. There are now more than 50 of these University associated retirement communities built or being developed

in all areas of the United States. (Appendix 2 provides a list of these sites.) This plan describes the next iteration of bringing seniors back to college.

## New Seniors portend a need for Community Alternatives

In the United States 70-80 million people are getting ready to retire and shift lifestyles. Not only is this cohort the largest number of retirees ever to hit the shuffle board court at one time, but it is reported that they are the richest senior citizen cluster in the history of the world. As seniors they will live longer, and want more of an extended variety of living and life style options than any of their predecessors. When urban and town planners look back 25 years from now, new variations of retirement communities will exist that are not currently on anybody's drawing board. It is an exciting time for everybody in planning and development and of course for Boomers.

The recession has rippled through this "industry" slowing down change. As might be expected the development of large gated retirement communities have faced a slowdown. As in the rest of the housing industry there have been a number of bankruptcies. The usual recession shake out slowed, stopped and shifted the retirement community industry. But unlike much of the total housing market, new housing demand by seniors follows the increasing numbers of retiring seniors. Boomers will be one of the first groups to clawback from the recession. Their demands will advance new ideas for quality third age living.

The concept of a retirement college can be looked at as the next evolution of lifelong learning that is taking place on hundreds of campuses around the country. Currently the Bernard Osher Foundation partially funds programs at 118 colleges and universities. These programs are specifically directed toward seniors. A national resource center (Osher Lifelong Learning Institute or OLLI) funded by Osher helps expand the concept of a specific track for seniors at campuses around the United States. Confirming interest of Boomers, there has been a rapid expansion of program sites and of the curriculum. Based on sites around the country, Appendix One is an illustration of the myriad of courses that exist now for seniors. The curriculum for the New Century Retiree college will use the rich experience of Life Long learning around the country.

The option explored in this business plan is the transformation of an existing college campus or a seminary campus that would otherwise cease operations and then to set about developing an intentional community for seniors around that college. The new community will be a new type of university. The college will have a curriculum planned for seniors. It would focus on the education and leisure need of the seniors. The curriculum will be like no other. There is no need for it is degree oriented, it will not include professional degrees and it will focus on educational fun. It will evolve to meet the needs of the retirees that live in the related community and the retiree that enroll in the college for a limited educational experience or a "senior" semester.

The goal is to provide an interesting place to live, to help seniors continue to learn and to build social networks of other seniors. While there is no existing curriculum specifically designed for this population using courses that are used at OLLI sites and example of what a curriculum might look like is shown in the appendix. This list is constantly evolving school by school. As third age living is evolving, it is for certain that this list will evolve.

As yet, no one has developed a senior curriculum or curricula that one suspect will emerge in this next decade. The goals of this type of college are so different. For example, there is no rush to graduate or to graduate into a profession. Because of this teacher-student interaction is at a different level. Learning returns to a "purer" level of learning to know and to intellectually grow.

## Transforming an Established College to Anchor the New Community

The small college and small seminaries could represent a significant market for transformation. Not counting technical schools, one building campuses used in conjunction with e-education, there are over 1,500 small colleges in the country and probably about the same number of seminaries and theological schools. Many if not most are campus based. Those that may be “perfect” for transformation have adjoining land that could be used for a retirement community.

In the last two decades there has been a significant decline in the numbers of these small colleges. Several have closed, some have merged and lost their identity and others have changed into technical schools. The challenges for the small college continue into decade two of the 21<sup>st</sup> century. The recession and government policy has tightened resources used for schooling, E-education has become a new market threat with rapid growth in no campus education. Shrinking endowments, changing demographics, and a whole raft of other changes have made the healthy life of the small school challenging. Transformation into a Retirement Senior College has some unique advantages that will be reviewed below.

## Looking for Opportunity

Many small, campus based colleges would make a perfect setting for the Senior Retirement College. Obviously, regions of the country vary in their appeal. Population density, weather, closeness to metro areas, transportation and other factors will all weigh in. In preparing this document, we have looked at the potential of the new concept at hundreds of small colleges. Colleges that have declining enrollment, that have significant revenue/expenditure stress have immediate appeal. For any college “strategic thinking and planning rests with the President and Boards of Trustees. As the look to the future and try to improve their institutions financial and enrollment position, the concept a college and retirement community should be added to the options they

It should also be noted, as we will explain later, the transforming of a college will also increase local/regional employment by 500-800 people. Anyone who has visited a mature retirement community sees all the secondary service employment that develops and the direct employment that is needed within the community. As a form of economic development, this concept is ready to work in rural areas, in exurbia and in middle size cities.

An almost perfect example of the type of college that might be transformed - now in the past tense - is Dana College in Blair Nebraska. Struggling because of debt, the college announced its closing in 2010 of its 150 acre campus. It has struggled to find an acceptable alternative use and may after two years be bought for essentially 50 cents on the dollar of debt with the campus provided at no cost. As a campus about 25 miles from Omaha it has many of the ingredients for a retirement senior college. Of course, for any specific site the importance of marketing studies, physical structure studies, cash flow studies and a myriad of other work would draw out a specific plan. That plan would need to be tested again and again for feasibility.

## Campus and Retirement Community Design

Guiding Principles for the Retirement Community

In terms of guiding design principles the following should apply:

The design creates a sense of community within the neighborhoods

The design respects and emulates the design of traditional neighborhoods

The design provides a diversity of housing and “community places” for all of the residents

The design encourages sustainability and smart technologies

The design will provide a broad range of housing affordability.

For the college looking to transform into a Senior Retirement College, the most daunting aspect of this plan is planning for a new retirement community to envelope the college. The first part of the fiscal picture is a profile of a retirement community. Average costs estimates can be derived from the many retirement communities that are prospering. As was noted there are several retirement communities that are associated with colleges and universities (Appendix 2) and of course all the other communities both can give us rich expenditure experience. While the exact numbers change for every site, this model gives the parameters of a “model” site.

The community of 1,000 people will cover 150-200 acres of land in well-planned neighborhoods. The model will be for a community of 200 independent residences and 200 condominiums. These units will house about 650 people. In addition, the dormitory suites remodeled from the student dormitories will provide temporary housing for 320 people. In addition to housing, the community will have a continuous care component that will consist of 75 assisted living units, 16 memory support units and 30 skilled nursing bed units. In total, there will be about 1,100 residents in the community campus at a point in time.

Based on data from a number of retirement communities, this community would then employ about 500-800 full and part time people and generate other jobs and businesses in the broader community. Of course this means that the retirement college will employ many more people than the challenged college that wishes to be transformed. The economic impact of the new community will become a vital fact for conversations with the state and local governments about development assistance.

In order to put the community in place, residential construction would include approximately 460,000 square feet of housing and about 65,000 square feet of assisted living, nursing home and related units. Estimates of the construction and related costs, using say Midwest prices, would bring a total cost of the community to \$77million. (Unknown variables of land costs, use of manufactured housing, integration with the existing campus will all impact costs). Cost of money today is very inexpensive but will of course change over time. As a non-profit, there would also be an expectation of the use of government grants for infrastructure and energy savings. In addition, revenue bonds issued by a county or regional government should also be available. Detailed review of revenue and costs are available on request.

## Housing Quality

All homes and apartments will feature; universal design principles with high energy efficiency standards and “smart” features as options built into the homes. Smart features will follow the design into the campus and the larger community. As “smart” housing is evolving its application to save energy and to make the housing so that it is not an impediment to longer independent living. The residential units will be developed in phased neighborhoods so that as quickly as possible residents will

be able to establish natural, social networks. In addition to the neighborhoods, any dormitories on campus will be converted to dormitory suites retro fitted, from established dorms, as the “home away from home” units for people coming to the campus for non-permanent shorter learning activities. The neighborhoods will be designed to encourage social networking and casual integration. Internal transportation systems will assure close networking between the campus and the neighborhoods. While the community will be designed and implemented as a planned unit development, the community will work to be consistent with the surrounding city, village or town.

Campus open space, playing field and leisure space will be converted into campus space designed to meet the activities of the new residence. For example, while one would expect the tennis facilities to remain, the likelihood of a need for football fields and other contact sports sites would be converted to other uses. Swimming, gyms, and fitness centers will be easily transformed to meet the desires and the needs of the new students. The campus must maintain the look of an educational institution and at the same moment meet the needs of its new population.

The new college will have five different types of senior living settings. Each of these will have their own unique characteristics and benefits. As a college community, here is a summary description of these domicile types.

Dorms for seniors – Apartment like suites designed for quality living on a short term basis while attending Senior College for specific courses or sets of courses.

Independent Senior Living – A variety of homes, cottages, patio homes, accessible garden apartments will be designed that provide homelike residential settings with access to congregate campus services such as housekeeping, dining and transportation. These accommodations will be collectively designed in neighborhoods to promote social networking, activity options and natural communication that constitutes to the vitality and social life of the residents.

Assisted Living – congregate living arrangements that provide residential accommodations to resident that are frailer, yet do not need to live in a nursing environment. This personal care housing provides enhance support to resident who need assistance bathing, eating, dressing and other routine activities.

Memory Support – Communities that are similar to assisted living arrangements but that specialize in caring for seniors challenged by Alzheimer’s disease and related dementias as well as other cognitive impairments.

Skilled Nursing – Licensed facilities that provide very high quality long term medical care to residents. This set of facilities will be managed as “Senior Green Homes” (A Trade Marked Licensed facilities operated as a home setting rather than a medical model nursing setting.)

Seniors spent more time as healthy vibrant individuals than they do seeking and being served by the health care community. Thus it is vital that there be “fun” programs, activities and lifestyle enhancements. The success of the community as with most university based retirement communities will be services like those listed below.

### **Typical Senior Oriented Campus Attractions**

Campus amenities – In addition to the curriculum that will be described later, a significant aspect of the retirement senior campus life will be providing age and education related common areas and activities that will distinguish the community and make the campus a marque area for senior living. Where

possible, buildings on campus will be converted in amenities sites. Common areas and activities are expected to be:

- Landscaped grounds and biking trails
- Walking Trails
- Ice Cream Parlor
- Café/Bakery with entertainment
- Cocktail lounges
- Convenience/Pharmacy branch store
- Multi-purpose rooms
- Fitness and Wellness Centers
- Pools
- Tennis Courts
- Greenhouse and garden plots
- Dog Park
- Banking Center
- Business and Communication Centers
- Club Rooms
- Lounge and Juice Bar
- Congregate Dining Rooms
- Greasy Spoon Café
- Private Dining Rooms
- Libraries
- Resource and Computer Center
- Wireless services throughout campus
- Beauty salon
- Creative Arts Centers (studio, workshop and craft rooms)
- Outdoor Space for social gatherings

## **Community and College Revenue and Expenditures.Fee**

A retirement community of a 1,000 people attached to the college will be a 48 million dollar a year revenue venture (estimate based on several university based retirement communities). As the community fills, revenue will exceed expenditure in roughly three years (accepting there are a thousand reasons why it might be more time or less time.) As in all retirement college based retirement communities, quality marketing the unique advantages of the site and programs will be important

Residents will pay three types of fees. There will be ongoing monthly fees for rent/maintenance which varies for owned homes/condos and rental property. There will be activities fees, course fees and one time entrance or enrollment fees. Senior students using the suites would pay short term rent and discretionary course fees. In providing the specific revenue and costs estimates, this model closely follows the 'typical' continuing care community model. *Can you make a simple model?*

Entrance Fee: An up-front deposit payable in full on coming into the independent living portion of the community. The amount of the entrance fee depends on the residence type and size selected and upon refund ability provisions. Typical entrance fee plans will refund 0%, 50% or 90% of the original entrance fee paid upon contract termination and re-occupancy of the residence. Prospective residents sign an agreement and will pay a 10% deposit. Proceeds from these fees are used to repay short term debt and to pay campus operating costs.

Monthly Service Fee: When a resident has moved on campus they pay an only fee to defray the cost of the various services and activities provided by the community. Monthly payments depend upon the size upon the size of the residence or apartment unit and style and service package. Income from monthly service fee is utilized to help pay for the routine operating cost and maintenance of the campus.

The Construction Data for the Retirement College Community

Typical Continuum of Care for Residents of the Community

List of Services within the campus and community

- Community Based Health Services
- Wellness Programmatic Case Management
- Geriatric Assessment
- Health and Wellness Centers
- Adult Day Care
- Assisted Living
- Dementia Assisted Living
- Respite Services
- Home Health Care
- Intermediate Nursing Care
- Skilled Nursing and Skilled Dementia Nursing Care
- Hospice
- Rehabilitation
- Transitional Medicare
- Off Campus
- Sub-acute Care
- Acute Care

## **Small Town Economic Development**

The community will be a significant community employer. Using data from the retirement community industry the community will hire one person for every two residents. Additional employees will be hired for the dormitory services. The college portion of the senior retirement campus will hire employees at a level less than youth college it replaces. (On average a small college employs roughly the same number of employees as it has students) There will be a significant shift in the academic staff as the courses become less rigorous but on the other hand may actually have fewer students per classroom. If the transformation is in a small community or a local region with limited economic growth, this change will be a very significant improvement in employment opportunities. Also of interest will be the employment created in the community. Not only will the campus employ many local persons but the expanded need for off campus business, banks and services will also increase employment. For a rural community, this new option can be a major employment node.

## **Ownership Structure**

In addition to the finance advantages of a not-for-profit, this type of organization must be mission driven, not profit driven. The corporation should have a strong Board of Directors and a financial and programmatic philosophy that centers on transparency. The campus will probably be organized as separate non-profits corporations exempt from federal income tax und section 501 c (3). One corporation will be for the campus (perhaps the continuation of the current non-profits status) and one corporation for the residential settings. In addition, as the financial plan is developed the campus community will be able to access tax exempt financing as one alternative lowering the capital cost of the project. They should also be an appeal to local taxing authorities to negotiate a rate that will encourage a diversity of income levels. Ultimately this arrangement will lower the cost of rent and monthly fees and try to achieve affordable housing for a diversity of income types among the seniors.

## **Appendix One**

A Sample of the types of courses that are currently used as parts of Senior College Curriculum

### **ARCHITECTURE/DESIGN**

Architecture: Design, Technology, and Challenges to Architects in the world today  
The Architecture of Frank Lloyd Wright

### **ARTS**

Exploring Cinema  
Creative Journaling  
Introduction to the Creative Process of Plays  
Card Making: Easy and Fun  
Continuing Your Journey through the Art of Drawing  
Oriental Painting  
Painting with Watercolor  
The Art of 16<sup>th</sup> Century : High Renaissance and Mannerisms  
The Fine Digital Print  
The Jewish School of Paris: 1905-1945  
Visual Arts – Contemporary Issues  
A Millennium of Sacred Music

### **SCIENCE, MATH AND PHYSICS**

Robots and Robotics  
Nanotechnology  
Developing a Solar Car for competition  
Inventions and Projects  
The Day after the beginning of the Universe

### **ECONOMIC/FINANCIAL**

A Women's Journey Toward Financial Independence  
Estate Planning and Estate Administration  
Investment Fundamentals  
Season Investors  
The Mystery of Economic Growth  
Understanding and Managing Your Personal Finances

### **GEOGRAPHY**

Impact of Geography on Great Ancient and Modern Cities  
How Airports Work  
Why Geography Matters  
Nation-State forms of Capitalism  
Volcanoes & their impact

### **COGNITION/MEMORY**

Mysteries of the brain  
Principles of Cognition  
Understanding Your Memory  
Cognasium Developments

## **COMPUTERS/TECHNOLOGY**

Getting the Most Out of Your PC  
Getting the Most Out of Apple Products

## **CONTEMPORARY TOPICS**

Energy Environment, By-product Waste and Public Policy  
Fukushima, Chernobyl, TMI and Radiation Risks  
American Foreign Policy  
Reducing Emission Pollutants from Combustion Engines  
Intentional Communities: What Are They-Are They for You  
The Future –For You, Your Children and Grandchildren  
Urban Planning Choices

## **CULINARY ARTS**

One Pot-One Bowl: Simple Cooking or One or Two  
Indian Vegetarian Cuisine  
Slow Food Tastes Artisanal Foods  
Wine Appreciation – Austrian and German Wines  
Wine Appreciation – Wines from Portugal  
Wine Wisdom  
Chemistry in Culinary Laboratory

## **GAMES/HOBIES/LEISURE**

Travel Planning on the Internet  
AB's of Flower Arranging  
Eastern European Folk Dancing  
Everyday Etymologies  
How to Quilt  
Ikebana for Your Space  
Latin Dancing

## **GARDENING**

Fall in Love with Flowering Shrubs  
Q & A with Your Personal Master Gardener  
Victory Garden from start to finish

## **LANGUAGE**

Basic German Conversation  
French Conversation  
More French for Fun  
Spanish Conversation

## **LAW**

Ancient Laws and Modern Dilemmas  
Death Investigations  
Questioning the Criminal Justice System  
Taking a Bite out of Crime: The Forensic

## **HEALTH/WELLNESS/FITNESS**

Consumer Health Resources: Exploring Health  
How Immunity Works  
Disease and the Internet  
Dimensions of Dementia and Alzheimer's  
Feeling Better  
Women on Weights  
The "Good-Enough Life"  
Tai Chi Ch'uan  
Functional Training for Life  
Give Yourself a Break by Practicing Better  
Time Management Skills  
Hatha Yoga  
Cosmic Spirituality  
The Science and Wisdom of Healing Foods  
Holistic Living and Well Being  
Science of Dentistry  
Alexander Technique for daily living

## **CONTEMPORARY TOPICS**

Ted Talks  
Whom Can you Really Rely On?  
The Anglo-American Bombing of Germany in WWII  
Comparative Study of Ancient Laws of the Near East  
Abraham Lincoln: Slavery and the Civil War  
From Salisbury Plain to the Giza Plateau: A Fresh Look and Old Stones  
Germany between the Wars 1919-1939  
History of Jews in Norway  
The Life and Work of Mark Twain  
Window to Ireland

## **LITERATURE/WRITING**

Current Fiction and Non-Fiction  
Enjoying the "New Yorker"

Faulkner's Yoknapatawpha Revisited  
Great and Notable Novels Read and Revisited  
Greek Mythology: Myth and Meaning  
Poetry of the Midwest  
Poetry and Culture in Iran  
Reading Proust for Pleasure and Insight  
Shakespeare for the Pleasure of It  
Short Stories: Small Distillations of experience  
Six Plays by Euripides  
Writer's Workshop

## **Appendix Two**

List of Colleges with Retirement Communities that are Associated with a University  
(as of June 2010)

Kendel Barclay Friends	Westchester, PA
Kendel Crossroads	Delaware, Swarthmore, Haverford, West Chester
Kendel Granville	Denison
Kendal Hanover	Dartmouth
Kendal Ithaca	Cornel
Kendal Oberlin	Oberlin, Ohio
Kendal Lexington Virginia	Washington and Lee
Kendal Lathrop	Northhampton
The Colonnades	Virginia
Longview	Ithaca College
The Forest at Duke	Duke
Georgia Tech Club	Georgia Tech
Georgia Club	Georgia
College Harbor	Eckerd College
The Pines	Davidson
River Run	Rochester Institute
Oak Hammock	Florida
University Commons	Michigan
The Academy Village	Arizona
College Square	Central Arkansas
University Village Condominium	Anderson University
Lasell Village	Lasell
Holy Cross Village	Holy Cross
Village at Penn State	Penn State
Meadowood	Indiana
University Retirement Community	Portland University
The Woodlands at Furman	Furman
Dirigo Pines	Maine
Granite Hills Estates	Maine
Mary's Woods Retirement Community	Portland University
Longhorn Village	Texas
The McAuley	St Joseph College
Capstone Village	Alabama
University Place of West Lafayette	Purdue
The Clare at Watertower	Loyola