



### HJ SIMS PROVIDES SEED CAPITAL FOR NEW UNIVERSITY-RELATED LIFE PLAN COMMUNITY

#### Broadview At A Glance

#### PARTNERED RIGHT®

Purchase College is located in Purchase, Westchester County, NY approximately 25 miles from midtown Manhattan. It was founded in 1967 and held its first commencement in 1973. Purchase College is a public four-year college of arts, liberal arts and sciences, and is one of the 13 comprehensive colleges of the State University of New York (SUNY) system.

Being a relatively young college, there was no expectation that alumni would be a primary target market, as is the case with most university related life plan communities. Known for its arts programs and home of the Neuberger Museum of Art and a Performing Arts Center, Purchase College has long attracted the local community to its 500-acre campus.

In 2003, the new President of Purchase College assembled a task force of faculty and staff to determine how to best fulfill the College's commitment to lifelong learning. The outcome was a plan for the development on the campus of a senior residential facility focused on intergenerational and lifelong learning.

As a public university system, SUNY is restricted from selling a portion of any of its campus for private use. In 2011, under an act passed by the New York State legislature,

Partnered Right®	Structured Right®	Executed Right®	Financed Right®
<ul style="list-style-type: none"> <li>» Purchase College is a public college of arts, liberal arts and sciences founded in 1967 and is one of the 13 SUNY colleges.</li> <li>» In 2003, a task force of faculty and staff determined how to best fulfill the College's commitment to lifelong learning.</li> <li>» The outcome was a plan for the development on the campus of a senior residential facility focused on intergenerational and lifelong learning.</li> <li>» In 2011, a state law passed authorizing SUNY to lease 40 acres on the Purchase College campus for the development of the senior community.</li> <li>» Broadview Senior Living at Purchase College will consist in its initial phase of 220 IL apartments and villas, 18 AL beds, 16 MC beds and related community and amenity space.</li> </ul>	<ul style="list-style-type: none"> <li>» The Purchase College Foundation Housing Corporation provided a \$5 million grant to fund pre-financing project costs.</li> <li>» Sims structured a \$15 million, 5-year BAN issue to fund the remaining development costs.</li> <li>» Under a BAN, interest is not paid while the bonds are outstanding, and accrues during the term and is paid with the proceeds of permanent financing.</li> <li>» Since this is a community under development with no operating history or assets, collateral is limited.</li> </ul>	<ul style="list-style-type: none"> <li>» The BANs financings universe of potential investors is less than a more traditional revenue bond financing.</li> <li>» Sims and management worked for several months with an experienced institutional investor to secure the required financing.</li> <li>» Sims sold approximately \$4 million of the BANs to individual investors.</li> </ul>	<ul style="list-style-type: none"> <li>» Sims closed on a \$15.0 million tax-exempt Bond Anticipation Note issue with an 11% interest rate.</li> <li>» Permanent financing for Broadview Senior Living at Purchase College is expected within the next 3 years.</li> </ul>

# CASE STUDY

## BROADVIEW SENIOR LIVING AT PURCHASE COLLEGE

*continued*



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SUNY was permitted to lease 40 acres of the Purchase College campus for the explicit development of a senior “learning” community which would offer lifelong and intergenerational learning opportunities to residents.

Broadview Senior Living at Purchase College will consist in its initial phase of 220 independent living (IL) apartments and villas, 18 assisted living (AL) beds, 16 memory care (MC) beds and related community and amenity space. Future phases could expand the community to a total of 385 IL apartments and additional AL and MC beds.

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The Purchase College Foundation Housing Corporation provided a \$5 million grant to fund early project planning and development costs. It is estimated that an additional \$15 million will be required to bring the community to permanent construction financing. The primary uses of these additional funds will be architect and design fees as well as marketing expenses needed to secure deposits on 70% of the independent living units required to secure permanent financing. This is anticipated to occur within the next 3 years.

Since this is a community under development without an operating history or assets, structuring the appropriate financing presents its challenges. Sims structured a five year, \$15 million Bond Anticipation Note (BANs) issue to fund the remaining development costs. In a BANs issue, interest payments on the debt is not paid during the term of the issue but paid with proceeds of the permanent financing. Collateral is limited to a leasehold mortgage on the 40 acres of leased land and the assignment of the development contracts.

### EXECUTED RIGHT®

With little collateral and repayment contingent on achieving permanent financing, these are speculative bonds by nature, which limits the universe of potential investors. With the considerable assistance of the management and development team, Sims worked with an experienced institutional investment fund to secure the required financing commitment. Sims’ Private Client Group also sold approximately \$4 million of the issue to individual investors, despite a \$100,000 minimum purchase imposed by the bond issuing authority.

### FINANCED RIGHT®

On October 24, 2018, Sims closed on the \$15.0 million tax exempt BANs issue with interest rate 11%. Within the next several years Sims expects to provide up to \$325 million for the construction and permanent financing of Broadview Senior Living at Purchase College.

*“The HJ Sims team, and especially Andrew Nesi, has been like a partner since we started this venture and has guided us all along the way. Importantly, they’ve really believed in us and in the vision of creating a unique senior learning community on the Purchase College campus. We’re grateful for their hard work and professionalism in successfully securing our pre-development funding and we’re looking forward to continuing to work with them through permanent financing.”*

— Wayne Rush, Vice President & Project Manager,  
Purchase Senior Learning Corporation

**For more detailed information  
on how Broadview  
was Financed Right® by HJ Sims,  
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