

Erickson Qualitative Notes

Anticipated Economic Impacts and Spending Habits of our Residents

- Attached is a report prepared by Richard B Reading & Associates (“Reading Report”), our economic consultant who has analyzed the various secondary economic impacts our proposed project would have on the tax base and revenues of the City of Louisville and the local economy.
- As to the ‘spending capture patterns’ of our residents; at Wind Crest we track the number of residents that utilize our shuttle van services for various shopping trips.
- In 2018 and 2019 the vans transported our “resident/ shoppers” on over 3,400 individual shopping trips each year. (This does not include the residents who choose to drive on their own to go shopping.) Local destinations include such retail establishments as Target, King Soopers, Safeway and Costco. King Soopers is the most popular shopping venue and we typically need to provide two, 18 passenger vans every Thursday for the regular King Soopers’ run.

Meal Plans and Sales Tax

- As a part of the basic meal plan included in our communities, residents receive around 26 meals per month, roughly 30%. With the balance of the residents’ meals they may prepare those meals in their apartments, dine in one of the on-site dining venues at an additional charge, or, go out to eat.
- An anecdotal estimate is that our Wind Crest residents dine out several times per week. If residents choose to eat meals at one of the on-site dining venues, beyond those 26 meals included in the basic plan, those purchases are subject to sales tax. Any meals they would have at outside restaurants would also be subject to sales tax.
- In 2019, Wind Crest had over \$620,000 in sales subject to sales tax which was generated by the additional meals sold, catering services, bar receipts and sales at the on-site convenience store. Based on the Louisville sales tax rate of 3.65% those sales would levy \$22,630 of additional taxes. Please note that this tax revenue would be in addition to what was calculated in the Reading Report which estimated revenue off-site from the Erickson community.

Tax-Exemption Clarification

- The proposed organizational structure for the Louisville project will be a for-profit entity and will not be subject to tax-exemption.
- This is a new approach for Erickson Senior Living and is not demonstrated/benchmarked with the Wind Crest location.

Residents’ Average Age

- As noted previously, the average age of our Independent Living residents is mid-low 80’s. Of the residents that moved into Wind Crest in 2019, the average age was 79.5 years old.

Emergency Services Demands

- With regard to emergency calls, Wind Crest typically generates around 37 calls per month warranting an ambulance response from the local fire and rescue service. This number equates

to about 47% of the total number of calls our residents place in a given month approximately 53% of all calls are addressed by Erickson's on-site emergency staff.

- The emergency call system at Wind Crest and all of our other communities transmits all emergency calls to our security/first response team and not directly to the local fire and rescue service. We would implement this same system at the Louisville site.
- Erickson's ability to satisfactorily address over half the emergency calls of its residents is unique in the senior housing and care industry. The Louisville officials may wish to contact Matt Rogers, Operations Supervisor of the Southern Metro District Fire and Rescue Offices to better familiarize themselves with Erickson's impacts and collaborative initiatives with the local fire and rescue service.

Off-Site Recreation Use

- On the usage of outside recreational facilities by our residents, Erickson has not conducted any empirical studies on this. Erickson provides an array of activities and recreational facilities within its communities including fitness centers, indoor swimming pools and walking paths.
- Anecdotally, at Wind Crest there are several residents who regularly use a nearby recreation center pool because it is longer than the one in the community. There are approximately 10 residents that play tennis regularly and another 15 that play pickle ball regularly at outside facilities. Pickle ball has gained popularity in recent years with older populations. There is a public golf course near Wind Crest which attracts a couple of foursomes of our residents per day during the good weather. These groups typically play on weekdays in the early morning when green fees are least expensive.