



Remarkable People. Remarkable Medicine.



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Presbyterian Hospital and Drucker & Falk, LLC Announce Plans for New Continuing Care Retirement Community in Charlotte

Presbyterian Hospital and Drucker & Falk, LLC's Senior Living group are planning a new continuing care retirement community (CCRC) in Charlotte. This type of community offers a continuum of living environments, from independent living residences to skilled nursing. A resident enters the community capable of living "independently," but as he or she ages, the resident may take advantage of the on-site assisted living, skilled nursing and memory care services available only to CCRC residents.

Drucker & Falk (D&F) and Presbyterian executed a "Letter of Intent" to jointly develop (with D&F managing the development on behalf of a D&F created syndication) the CCRC in January. A site in the SouthPark area has been selected as the location for the community. The selection was based on consumer research conducted in late 2007. The research also made it clearly evident that Presbyterian Hospital's involvement as the sponsor organization and the CCRC's provider of health care services was a strong positive for the community. Additional consumer focus groups are planned for May 7th and 8th to help determine the specific services and amenities that will be offered. Services currently being considered for the community include a choice of dining venues, a wide variety of scheduled resident programs, concierge services, all maintenance and repairs, 24-hour security and a personal emergency response system. The usual mix of customary services offered in a CCRC is also planned such as regular housekeeping, transportation, and utilities.

Health services are an important part of this collaboration, and Presbyterian Hospital is considering offering a variety of services both to the CCRC residents and the greater SouthPark community at large. For example, Presbyterian Hospital may supply the management and operation of the health care component of the community, specifically of the assisted living and skilled nursing

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facilities, as well as a Presbyterian Hospital branded fitness/wellness center which would also be open to the public. In addition, Presbyterian Hospital may provide a physician to serve as the medical director overseeing the assisted living and skilled nursing care. Other health services being considered include on-site primary care doctors' offices for residents and the public, a health navigator to assist residents with their health care questions, educational programs on health topics, as well as possible home health care, rehabilitation and pharmacy services.

Lynn Boggs, president of Presbyterian Hospital, states, "This model allows residents to take advantage of easily accessible health and wellness services while they are fully independent, but then allows for a smooth transition to a higher level of care should the need arise as they age. Presbyterian Hospital looks forward to extending our quality health services beyond the walls of the hospital to the residents of this new community."

Bob Lippard, D&F's senior living group's director states, "We have created precedent-setting partnerships with the premier health care system in the Triangle region, Duke University Health System, in the development of CCRC's. We are firm believers in the value of such partnerships to a CCRC and the residents it serves. We're excited at the prospect of working with Presbyterian Hospital here in Charlotte to bring a cutting-edge CCRC model to the market at a location that allows our potential residents to continue living close to where they live today."

D&F has executed a preliminary agreement with the land seller of the proposed location, but the site will be the subject of a re-zoning application to be filed by no later than mid-summer 2008 for development as a dense mixed-use project.

The CCRC's future residents expect a vibrant and stimulating retirement lifestyle, within walking distance of their favorite upscale shops and restaurants in the SouthPark area, as well as services available within the dense urban village which will be part and parcel of the CCRC site.

The development of the new CCRC will be conducted in phases. Current phase one plans call for 218 large, independent living apartment residences and 45 assisted living/skilled nursing accommodations in a high rise structure. Phase two is slated to include an additional 77 residences and another 15 assisted living/skilled nursing accommodations, which would also include memory support residences.

The CCRC is open to residents age 62 and older. An entrance fee will be required in advance for residents of the CCRC, and then monthly service fees are paid to cover the cost of services provided by the community. Entrance fees are anticipated to be 90% refundable.

The architect of record for the CCRC is Freeman White Architects of Charlotte. The marketing and sales consultant is Retirement DYNAMICS, Inc., also of Charlotte. Retirement DYNAMICS was responsible for the initial consumer research and will conduct the next phase of consumer research this spring.

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Background

Drucker & Falk, LLC is a 70 year old family owned real estate concern based in Newport News, Virginia with a major regional office in Raleigh. D&F started a senior living group 10 years ago, through which it creates investment syndications, and then serves as the manager of the development process on behalf of the investment entity. D&F then continues its activity serving in the role of managing member of the syndication group upon opening. Since starting its senior living group, D&F has partnered with two major health systems in the development of CCRC's in the Raleigh – Durham – Chapel Hill area of North Carolina and in development of an independent living facility in the Hampton Roads area of Virginia. Bob Lippard, the senior living group's director, created the initial precedent-setting partnership with Duke University Health System in 1998. This partnership led to the creation of a CCRC named Galloway Ridge at Fearington Village, which opened in 2005. A second major CCRC project involving Duke as a sponsor organization and health services provider—The Cardinal at North Hills—is currently under development in Raleigh with construction start up anticipated in early 2009. D&F also develops CCRC's for not-for-profit owners and is currently in the pre-development stage of such a CCRC in Hillsborough, NC, with the likelihood that Duke University Health System will again be a sponsoring organization.

The senior living project in the Hampton Roads area of Virginia is the restoration and redevelopment of the historic Chamberlin Hotel, located on the base of the Fortress Monroe military base. The Chamberlin is a 133 unit, highly visible, rental retirement community which opens in June of 2008. Sentara Healthcare, the dominant health care system in the region, is a partner organization. For more information visit www.DruckerandFalk.com and click on Senior Housing.

Presbyterian Healthcare is affiliated with Novant Health, a non-profit health care system serving communities reaching from southern Virginia to northern South Carolina, and along the southeastern coast of North Carolina. Presbyterian is made up of physician clinics and five hospitals: Presbyterian Hospital, Presbyterian Hospital Matthews, Presbyterian Hospital Huntersville, Presbyterian Orthopaedic Hospital and Presbyterian Hemby Children's Hospital. The hospital system is recognized as a leader in the diagnosis and treatment of cardiovascular, cancer, orthopaedic and women's health conditions. Novant Health and Presbyterian have been named winners of the national Codman Award, presented by the Joint Commission on Accreditation of Healthcare Organizations, for excellence in improving the quality and safety of health care. In addition, Novant Health is ranked 4th in the nation by the 2008 Verispan Top 100 Integrated Healthcare Networks, published in Modern Healthcare magazine. For more information about Presbyterian Healthcare, visit www.presbyterian.org.

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