



HELPING AN AGING COMMUNITY DISCOVER
THE FOUNTAIN OF YOUTH

eliseo Design Revitalization



THE CHALLENGE

A strategic shift anchors long-term success.

The Tacoma (Washington) Lutheran Retirement Community was a mature senior living rental community in search of a new lease on life. The community offered a full complement of services to its residents – independent living, assisted living, skilled nursing, memory care, and end-of-life care. One of the community’s main draws was its on-site health center, which served residents in need of higher levels of care while also generating a large percentage of the community’s revenues. Over the years, however, it had become apparent that the status quo was unsustainable. The apartments were too small, the community common spaces too few, and the financial structure outmoded.

With these issues in mind, the community opted to partner with an outside development firm to both reposition the community and update its offerings. The Lutheran community changed its name to the more contemporary-sounding “eliseo” but did not abandon its religious roots, as the name historically means “God is my help.” The development plan included remodeling the current structures on the 28-acre campus, while adding three new buildings to house 89 independent living units – of which 41 would be “villa-style.”

However, the community ran into a sizeable roadblock when they began converting expressions of interest (EOIs) into actual deposits. The upscale design and subsequent pricing of the 89 new units did not match the expectations of those on eliseo’s existing waitlist – a list established well before the expansion project’s inception. This led to a conversion rate that was significantly lower than forecasted which, combined with waning demand for the community’s health center services, left eliseo with less capital than anticipated for its planned expansion.

This confluence of complications resulted in rapidly deteriorating metrics that put the project’s financial backing at risk, along with the overall economic stability of the community. A swift, strategically sound course correction was needed.



THE SOLUTION

A common goal and uncommon expertise begin building a brighter tomorrow.

Launched with much enthusiasm and optimism, the project unfortunately began to face significant headwinds. At this point, eliseo made the difficult decision to change development teams and engaged GSI to lead the effort going forward. eliseo tasked and trusted the GSI team with shepherding the project through financing, collaborating with sales and marketing, and assisting with construction management of the 89 new units.

At the time GSI assumed oversight responsibilities, the financial pro forma was falling short of critical covenant metrics. The financing had already been set in motion, and the closing date was rapidly approaching – but the project as it stood was simply not financeable. After a thorough review of current operations and the project’s original feasibility report, GSI proposed converting the existing community to an entrance fee model. By better aligning the community with market demands, this strategic pivot fulfilled important covenants and allowed the project to get financing. In the long term, the new fee model netted millions of dollars in annual revenues that would not have been possible under the old rental model.

From a marketing standpoint, GSI helped the on-site team refine their strategies and revamp their sales methodologies – including implementing new sales training modules and redesigning their commission structure. Additionally, GSI increased the frequency of community events and provided additional on-site support to bolster the sales team’s efforts. Seeking even greater integration and returns, eliseo allowed the GSI team to make strategic changes to the community’s website. These changes optimized the site for better search engine visibility, and added UI-enhancing tools, including a cost calculator.

As construction progressed, GSI and the project team faced a series of daunting challenges that could have derailed their efforts. The COVID-19 crisis was quickly joined by the global supply chain woes, and a complex environmental issue required involving the federal Department of Ecology (DOE). In all cases, GSI brought its extensive experience to bear, keeping the project on track and on target – including obtaining a No Further Action resolution from the DOE. Throughout the process, GSI managed all project-related consultants and worked hand-in-hand with eliseo’s team and senior management, including frequent communication with the project Board of Directors. In the end, a beautifully designed and built project delivered exactly what eliseo needed with a variety of larger units and new amenity spaces for residents to enjoy.

To help ensure this new direction kept momentum building long into the future, GSI also developed a more viable, more sustainable, and more strategic master plan for the community. Working collaboratively with eliseo’s existing team and partners, GSI outlined a long-term vision that would ultimately resolve short-term critical needs while setting up the community for long-term success.

Future phases will witness the construction of a smaller, yet more modern, skilled nursing facility with more private rooms; an additional increase in the number of independent living units; the conversion of select older independent living units into assisted living apartments; and community-wide amenity enhancements.



THE RESULTS

Realizing the promise of strategic partnership.

Today, a bit more than two years after eliseo first reached out to GSI, the new building is open to residents, having ultimately been completed within the original budget. Sales of both new and existing units –

under the community’s new entrance fee model – continue to surge well beyond previous rates, with new move-ins outpacing feasibility requirements by the end of GSI’s engagement.

ELISEO

1301 N HIGHLANDS PKWY, TACOMA, WA 98406

- 25 entry fee contracts sold
- \$7 million in additional cash flow
- 89 new units
- \$72M project cost
- 182,231 total sqft.
 - Villas = 79,671 sqft.
 - Apartments = 85,260 sqft.
 - Remodel = 17,300 sqft.

COMMUNITY TYPE

- Independent Living
- Assisted Living
- Skilled Nursing
- Memory Care
- End-of-Life Care

GSI’S CONTRIBUTIONS

- Master Planning
- Market Research & Analysis
- Feasibility Planning Services
- Pre-Sale & Lease-Up Strategy Development
- Sales & Marketing Program Development
- Marketing Implementation & Deployment
- Sales Training
- Design Consulting
- Construction Management & Oversight
- Financial Planning
- Project Strategy & Planning
- Sustainability Analysis & Planning
- Unit Mix Identification
- Product Model Analysis
- Repositioning Advisement
- Board & Stakeholder Alignment
- Operations Planning

SUCCESS STARTS WITH STRATEGY.

As an aging rental community, eliseo faced mounting sales and financial pressures stemming from an ambitious expansion project. GSI worked with the community’s leadership, ultimately opting to shift eliseo’s model from rental-only to an entrance fee community with a greater focus on Independent Living. Within four months, GSI’s approach enabled eliseo to pre-sell more than 50% of the new units, secure financing for the ongoing expansion, and stabilize the community’s finances.

“Our community was at an important crossroads. We’re incredibly pleased to have partnered with GSI to help us modernize eliseo in ways that improve our value proposition for residents while setting us up for a bright future.” – KEVIN MCFEELY, PRESIDENT AND CEO





GET GROWING WITH GSI

As part of the Transforming Age family, GSI has laid a foundation of Growth, Strategy, and Innovation that hundreds of developers, investors, and operators have built their successes upon for over 40 years. GSI understands what it takes to create thriving senior living communities for the long term – from development and consulting; to operations and third-party management; to marketing, sales, and repositioning. Whether you are for-profit, nonprofit, focused on market-rate or affordable housing, new to the industry, or simply looking for expertise beyond your own walls, you can be confident that GSI has the expertise you've been searching for.

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