

MRC STEVENSON OAKS

MARCH 2018

CLIENT PROFILE

MRC Senior Living Fort Worth (the Obligor) is a Texas not-for-profit corporation undertaking the development of an entrance fee based senior living community to be known as MRC Stevenson Oaks (the Community). Methodist Retirement Communities (MRC), a Texas not-for-profit corporation formed in 1965, serves as the sole corporate member of the Obligor. MRC is ranked #83 in the 2017 *LeadingAge Ziegler 150*, a ranking of the nation's largest not-for-profit, multi-site senior living organizations.

Affiliates of the Obligor include five market-rate senior living communities and five affordable senior housing communities. A sixth market rate community, The Langford at College Station, is scheduled to open in May of 2018. Once The Langford at College Station is opened, the affiliated entities of MRC will consist of 825 independent living units, 177 assisted living units, 154 memory support units and 253 skilled nursing beds. MRC provides management services to each of the affiliated communities.

In April of 2017, MRC engaged Greystone to prepare a development plan for a life plan community to be located in Fort Worth, Texas. The Community is planned to consist of 159 independent living units, 36 assisted living units, 24 memory support assisted living units and 40 nursing beds in private rooms and rehabilitation space. The site for the Community is approximately 19 acres located approximately 10 miles southwest of downtown Fort Worth in a new master planned community known as Tavolo Park. Tavolo Park plans include parks, trails, shops, restaurants, apartments, offices and a



\$15,495,000

Tarrant County Cultural Education Facilities Finance Corporation
Retirement Community Revenue Notes, Series 2018
(MRC Stevenson Oaks Project)

major chain grocery store. Conveniences important to seniors including pharmacies, grocery stores, gas stations, banks, and fast food and sit-down restaurants are located near the site.

Pursuant to the development consulting agreement, Greystone will provide development consulting services for the Community and be responsible for providing marketing services for the community until 90% aggregate occupancy is achieved for each level of care. Thereafter, MRC will assume full responsibility for the management of the day-to-day operations of the Community.

TRANSACTION HIGHLIGHTS

The Series 2018 Notes are non-rated and consist of \$14,850,000 in tax-exempt Notes and \$645,000 in taxable Notes. Proceeds of the Series 2018 Notes will be used to fund a portion of the pre-construction costs of the planned Community including marketing costs, architect and engineering fees, the cost of acquiring the project site, and the costs of issuing the Series 2018 Notes. The Series 2018 Notes do not pay current interest but accrue interest to the earlier of the redemption date of the Notes or final maturity in 2023.



STEVENSON
OAKS

REFERENCES

For references on Ziegler's role in this financing, please contact:

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This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org/>.

ZIEGLER

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CAPITAL :: INVESTMENTS :: ADVICE

The Series 2018 Notes are limited to qualified institutional buyers and accredited investors in minimum denominations of \$25,000. Five institutional investors participated in the offering of the Notes. MRC illustrated its commitment to the development of the Community by purchasing \$320,000 of the taxable series of Notes.

It is anticipated that the Series 2018 Notes will be redeemed in late 2019 from the issuance of approximately \$123,630,000 in tax-exempt and taxable bonds (the Permanent Financing). The Permanent Financing will be structured with approximately \$36,535,000 in temporary debt to be redeemed from initial entrance fees associated with the new 159 independent living units upon achieving defined occupancy targets and after funding amounts for working capital and operating reserves.

THE ZIEGLER DIFFERENCE

The offering of the Series 2018 Notes marks the third financing that Ziegler has worked with MRC in the issuance of short-term bond anticipation notes to source the predevelopment capital for a start-up retirement community. In 2012, MRC and Ziegler worked together in the issuance of \$7,645,000 of bond anticipation notes for the predevelopment costs for The Crossings in League City, Texas. The bond anticipation notes issued for The Crossings were later redeemed in 2014 with the issuance of the Series 2014 Bonds. In 2015, MRC and Ziegler worked together in the issuance of \$5,135,000 of bond anticipation notes for the predevelopment costs for The Langford at College Station in College Station, Texas. The bond anticipation notes issued for The Langford at College Station were subsequently redeemed in late 2016 with the issuance of the Series 2016 Bonds.