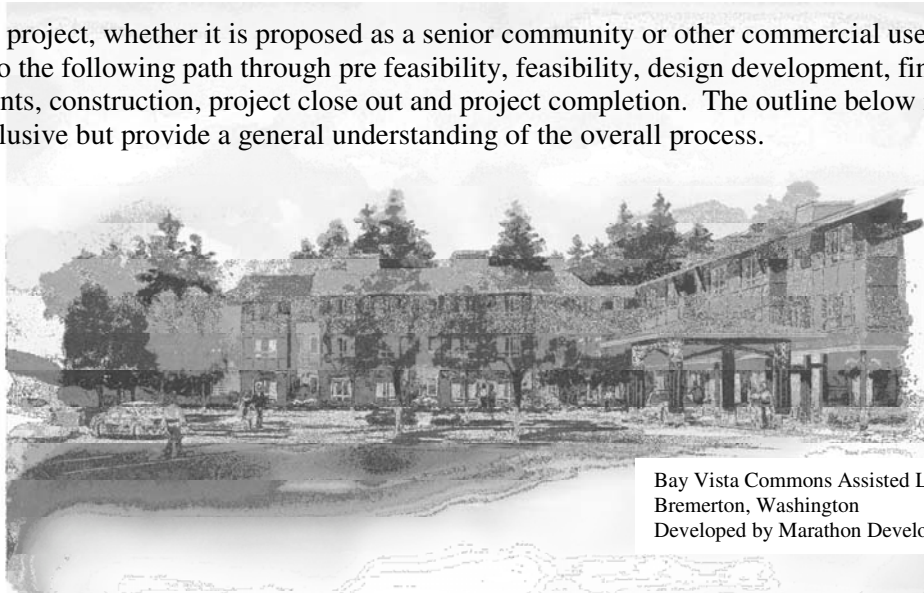


## Steps to a Successful Senior Community Project

The following article written by Ted Johnson, President of Marathon Development, Inc. appeared in the Washington Rural Health Association Newsletter

A typical project, whether it is proposed as a senior community or other commercial use, generally adheres to the following path through pre feasibility, feasibility, design development, financing, entitlements, construction, project close out and project completion. The outline below is not intended to be all inclusive but provide a general understanding of the overall process.



### **Pre Feasibility Period:**

Many project owners, private and public, begin with the procurement of a skillful and proven Development Consultant who interfaces with the Executive Director and/or Board Development Subcommittee, who understands the vision, mission and goals of the Board, and manages the development process outlined below. At this point, a Market Study is completed which confirms or denies a viable market for the proposed new development or expansion. The Development Consultant works with the appropriate parties to identify and secure site location.

The following is a snapshot of necessary steps from the Feasibility Period through Project Completion.

### **Feasibility Period:**

- Complete Pro forma of Income and Expense
- Complete Project Estimate driven by Pro forma and Net Operating Income | Debt Coverage Ratio
- Order, review and confirm preliminary Title Report exceptions, including survey easements
- Procure Architect
- Procure Civil Engineer
- Procure General Contractor

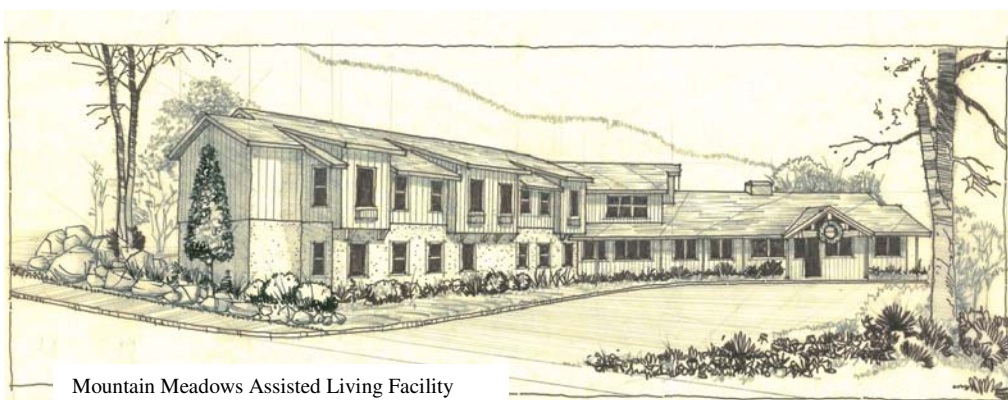
- Complete Topographic Survey
- Complete Geotechnical study
- Complete Phase I (near end of feasibility if project numbers look good)
- Other third party reports as needed: wetlands, sensitive areas, traffic, cultural resources, acoustics, other
- Develop a balance between Pro forma and Project Estimate that is confirmed by General Contractor & Market Study
- Complete Pre Application Meeting with City to confirm requirements related to: environmental, zoning, public works, building, fire, transit, schools, other

**Feasibility Period: (continued)**

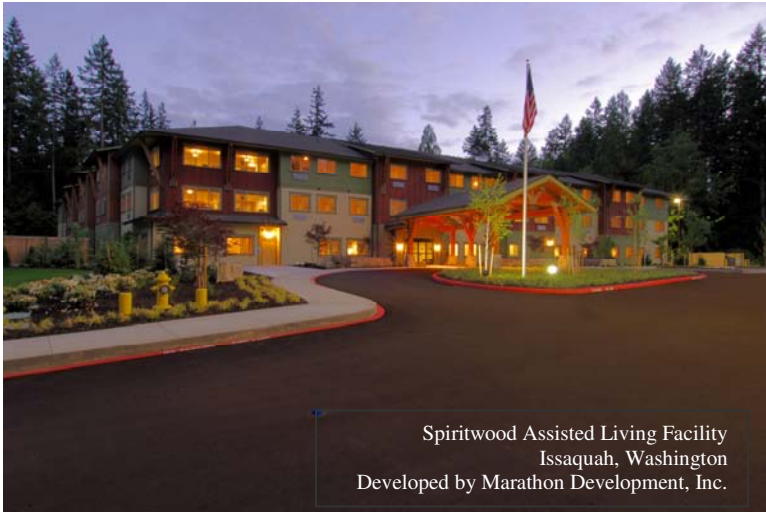
- Identify, and develop to acceptable level, probable funding sources:
  - General Obligation (GO) Bond | Levy
  - General Obligation Revenue Bond | Existing Prop Tax Revenue and Building Revenue
  - Tax Exempt Loan | Private Placement
  - HUD 232
  - REIT Sale Lease back
- With feasibility completed, Board makes “go” or “no go” decision
- Earnest Money converts to non refundable
- Order Project Appraisal

**Design Development | Construction Documents | Financing |Entitlements Stage:**

- Confirm Financing Commitment
- Obtain Operator “buy-in” and sign off of project program and building schematic design
- Begin Team Design Build (is this allowed per procurement requirements?)
- Submit completed Environmental Application including exhibits
- Complete Public Meetings, if any
- Complete Construction Documents
- Submit for Building Permits
- Obtain Land Use | Environmental Approval
- Obtain Building Permit Approval
- Confirm General Contractor “Guaranteed Maximum Price”
- Execute GC-GMAX Contract
- Close Project Financing
- Issue General Contractor “Notice to Proceed”



Mountain Meadows Assisted Living Facility  
 Leavenworth, Washington  
 Renovation & Addition  
 Developed by Marathon Development, Inc.



**Construction Period:**

- Manage Construction Process
- Complete Pay Applications, hard and soft costs
- Complete Licensing requirements
- Order Furniture, Fixtures & Equipment
- Project Close out, Punch List
- Certificate of Occupancy
- Project Set up, move in of common area furnishings
- Licensing Approval

**Project Completion Stage:**

- Relocate Residents
- Manage remaining Punch list items
- Monitor commissioning of new systems and equipment
- Coordinate completion and delivery of as-built documents and OEM's
- Monitor warranty items during 1 year warranty
- Possible conversion of Construction funding to Permanent Loan

We hope that this information has been helpful. Please feel free to contact us to discuss specific services as they might relate to your new development, expansion, or renovation. Please visit our website at [www.marathondev.com](http://www.marathondev.com) or call us at 425-747-9952.