



Who: Bethel/The Knolls

Where: Valhalla, NY

What: Acquisition and turnaround of existing Life Plan Community

OP Services/Disciplines Involved: Strategic Advisory, Capital (Municipal Advisor), Operations

OnePoint's Role: OnePoint Partners was the advisor to Bethel in its acquisition and subsequent repositioning of what was formerly known as Westchester Meadows (now The Knolls), a LifePlan community in bankruptcy in Valhalla, Westchester County, NY. OnePoint led the Informing analysis and effort to determine if the property was a worthwhile acquisition, and at what price, and what would be required to successfully reposition the community, rebuild substantially depressed occupancy, and ensure strong future financial performance, including a sound cash building and management strategy being able to weather the period post acquisition with the resident refund liability and other obligations on the books while working towards stabilized occupancy. Most importantly, the effort was focused on preserving the value of the refunds of existing residents. This was the sponsor's first LifePlan community and its initial foray into owning and operating a community with an entry fee structure and providing a complete continuum of care; thus OnePoint was needed as a strategic partner to Bethel, and not simply a consultant/advisor, in putting together the plan to get this right.

OnePoint Partners began its work with Bethel on The Knolls in 2016 as it first targeted the community as a potential for acquisition, and we have been with Bethel every step of the way ever since. Today our continuing role is providing operational oversight assistance and helping Bethel to explore refinancing of the debt on the property. OnePoint's role and responsibilities has included:

- Assessing the merits and potential of the opportunity based on market dynamics.
- Developing the repositioning strategy for the community. This focused on resetting the value equation for the community through targeted enhancements to the property and the resident experience and development of a completely new pricing approach and strategy by introducing new continuing care contracts and plans with new pricing. The objective was to get the community positioned to effectively hit a sweet spot in the marketplace that we believed was underserved and create a compelling value equation, but while also ensuring strong future financial performance and sustainability.
- Providing detailed financial analysis and projections of the proposed repositioning strategy (the future state of the community) including multiple sensitivities to determine:
 - With what assumptions could the community be financially feasible and meet outlined financial performance expectations
 - A reasonable and appropriate purchase price target based on projections
 - A strategy for addressing community refund obligations and unsecured creditors that were at risk under previous ownership/management and in bankruptcy restructuring.
- Developing the capital formation strategy to fund the acquisition and working with Bethel and potential lenders to ultimately secure financing for the acquisition.
- Working closely with legal counsel and representing Bethel in legal proceedings to successfully navigate the structured bankruptcy process and win court approval to acquire the property against well-funded for-profit competition.



- Ongoing operational oversight including management of financial reporting and continued communication with capital partners.

Outcome: Bethel has successfully integrated The Knolls under its umbrella and has substantially enhanced its occupancy and performance since closing on acquisition of the community in 2017. Following four years under new ownership, The Knolls has stabilized and executed a refinancing of the financing incurred for the acquisition, significantly reducing its annual debt service. The Knolls reached a stabilized occupancy of 92% by August 2020, and has closed a total of 90 new resident contracts since the time of acquisition. This is a blueprint for a story of successful acquisition and turnaround of a distressed community.