



FOR IMMEDIATE RELEASE

The Kenney is excited for a strong future with the support and organizational strength Heritage can offer. Please see below a statement from Heritage President and CEO David Smeltzer.

The Kenney is currently affiliated with Heritage Ministries, a New York, not-for-profit provider of senior housing and services for the elderly. Heritage Ministries operates in four different states at 9 different locations including The Kenney in Seattle, Washington. The Kenney formally affiliated with Heritage just over 3 years ago after many years of financial struggles and 2 years of interim management under an agreement with Ontrack Solutions, a for-profit management company.

When The Kenney affiliated with Heritage in May of 2015, it had secured debt of \$21.8 million and was losing over \$3 million per year. As a result of the affiliation and under Heritage's oversight, the overall secured debt now stands at under \$15 million and annual losses have been drastically curtailed, but there is still work to be done.

With this new affiliation, The Kenney has begun taking steps to become a more viable, long-term retirement option for seniors in West Seattle. A significant step was taken earlier in 2018 when The Kenney ceased to operate skilled nursing beds at the location. According to President David Smeltzer, "the 20 bed skilled nursing unit was not a viable product. It was too small to be able to operate efficiently, was comprised primarily of semi-private rooms, and could not compete with larger facilities for the more profitable, short-term rehab portion of the business. We saw an opportunity to reduce operating losses while providing very similar care and services in our Lincoln Vista assisted living apartments which are all private units consisting of both efficiency and one-bedroom apartments. We now offer many of the same services in a much newer building and in a much nicer environment."

The Kenney is now in the process of totally renovating the old skilled nursing area along with another former assisted living wing to create a much more appealing memory care unit that will also enable it to increase the number of residents served with these needs from 13 to 20 with more room to grow in the future. This space will also offer private rooms, larger dining and activities spaces, and an improved access to outdoor spaces.

In addition to these moves to improve the facility, The Kenney has been gutting and remodeling the older apartments in two original buildings, Seaview and Sunrise. When Heritage took over, many of these units did not even have kitchens. Under this new leadership, smaller efficiency apartments have been combined to make much more appealing two-bedroom and one-bedroom units.

In addition, The Kenney is also well into the process of constructing 5 new townhomes on the corner of Fautleroy and SW Othello. They have been working with architects Shoemith Cox who designed the units and is leading the project through the City of Seattle permitting process. The Kenney is hopeful that construction on these homes will begin in 2019.

Two years ago, The Kenney held a meeting with community residents to discuss the townhome project as well as plans to build additional apartments on the corner of 47 Ave SW and SW Othello. However, with further analysis Kenney management has determined that a more critical need for The Kenney is the continued improvement of its existing facilities and infrastructure. The revised plan calls for complete renovations of all existing buildings and apartments, the improved Memory Care unit referred to above, brand new elevators, and perhaps most importantly a brand new dining facility to be built above the current Memory Care unit. This new dining facility will offer a variety of seating options with restaurant style dining and provide a better flow of traffic through the facility for residents and guests alike.



President and CEO Smeltzer stated, “Due to the financial struggles The Kenney had prior to their affiliation with Heritage, The Kenney was unable to keep the facilities up to date and provide the amenities which a retirement community in today’s market is expected to provide. We are working hard to overcome these obstacles to create a safe, secure, and appealing environment where seniors from West Seattle and beyond can find an affordable option for retirement with a continuum of vital services. We believe this can best be accomplished by accessing the capital that currently exists in the community rental properties on 47 Ave. SW and using it to bring The Kenney up to current standards while assuring that we maintain its rich history.”