

Dave Everding  
Ameren UE  
9823 Mackenzie Road  
St. Louis, MO 63123

## **VARIANCE REQUEST**

Subject Property: Crestview Senior Living  
8800 Watson Road  
Crestwood, Missouri.

Owner: Spectrum Acquisition Partners, LLC  
200 Spruce St., Suite 200, Denver, CO 80203  
303 360-8812 ext 240

Dear Mr. Everding,

Spectrum Acquisition Partners, LLC is hereby requesting a variance from the State of Missouri Public Service Commission to allow master-metering instead of individual metering per the individual metering requirements of Rule 4CSR 240-20.050 at its proposed Crestview Senior Living project.

The requested variance is based upon the subject property meeting the following requirements as laid out by the State of Missouri Public Service Commission.

- (1) The average age of the residents is well over 65 years, or the residents are physically or mentally impaired or disabled;
- (2) The facility makes available assistance with Incidental Activities of Daily Living;
- (3) The facility has special design features to accommodate the elderly, infirm or disabled;
- (4) Communal dining is provided to residents;
- (5) Communal living areas make up a major portion of the facility; and
- (6) The individual units are relatively small.”

Crestview Senior Living meets each of these requirements as follows.

- (1) The average age of residents at the subject property will be approximately 83 years of age.
- (2) Incidental Activities of Daily Living will be provided at Crestview, as evidenced by multiple programs and services covered in the monthly rental including provision of all meals, a staffed activities program, exercise

- programming, a bus for transportation, maintenance, weekly housekeeping, laundry, trash, available home health services, paid water, gas and electricity.
- (3) Crestview is specially designed to accommodate the elderly, infirm or disabled, as evidenced by 24 hour emergency call system in each unit, 24 hour staffing, multiple elevators to living floors, automated entry doors, and full accessibility as required, inside and outside.
  - (4) Communal dining as evidenced by a commercial kitchen and a single dining room designed to accommodate all residents simultaneously, as well as all meals provided for in the monthly rental.
  - (5) Significant communal living areas as evidenced by 32% of the gross building area being comprised of common space. These common spaces include the communal dining room, private dining room, living room, library, theater, physical therapy, game room, meeting rooms, coffee shop, computer area, and country store.
  - (6) The individual units at Crestview Senior living will range in size from 400 SF to 975 SF, with an average size of 615 SF.

## **PRECEDENT**

As precedent to this variance request we put forward State of Missouri Public Service Commission cases #EE-2004-0267 and #EE-2004-0268, which were later consolidated into Case #EE-2004-0267. Per these cases, two retirement community projects similar to Crestview, The Brentmoor at Oaktree and the Rivers edge, requested a variance to allow master-metering instead of individual metering.

As documented in the “Order Approving Stipulation and Agreement, Granting Variance and Directing Filing”...

“The Commission’s Electric Meter Variance Committee ultimately decided that based upon consideration of the age of the residents of the two facilities (an average of 81 years at Brentmoor and 85 years at Rivers Edge); the provision of assistance to residents at both facilities with “Incidental Activities of Daily Living”, including cooking, shopping, driving, housework and paying bills, and also provision of assistance with “Activities of Daily Living”, including eating, dressing, walking, toileting, and getting in and out of bed; the provision at both facilities of communal dining and transportation, medical call alert systems, and assistance with medications, eating and grooming; and the specialized design and construction of both facilities to accommodate the needs of elderly, disable and infirm residents. The individual living units are quite small and each facility has extensive common areas. In summary, the Committee realized that Brentmoor and Rivers Edge are specialized facilities that form part of a continuum of care that also includes skilled care facilities and nursing homes. Given these conditions, it is clear that the cost of purchasing and installing individual meters would exceed the long-run benefits available to consumers.”

“The Stipulation and Agreement sets out the following list of distinguishing characteristics of Brentmoor and Rivers Edge, which form the basis for Staff’s willingness to agree to recommended approval of the requested variance:

- (1) The average age of the residents is well over 65 years, or the residents are physically or mentally impaired or disabled;
- (2) The facility makes available assistance with Incidental Activities of Daily Living;
- (3) The facilities have special design features to accommodate the elderly, infirm or disabled;
- (4) Communal dining is provided to residents;
- (5) Communal living areas make up a major portion of the facility; and
- (6) The individual units are relatively small.”

“The staff believes that this list of distinguishing characteristics can be of assistance to the Variance Committee in making appropriate and consistent recommendations concerning future variance applications.”

The Commission concluded that good cause existed to grant the variance for each facility from the individual metering requirements of Rule 4CSR 240-20.050.

It should be pointed out that Spectrum Acquisition Partners is aware of another precedent relating to this case. Specifically, the Homestead at Hickory View, located in Washington, Missouri, and completed in 1997, was also built with a single master meter. This 63 unit senior living project, with an average resident age of 84, is owned by Spectrum Retirement, and is effectively identical to Crestview Senior Living, as well as Brentmoor at Oaktree and Rivers Edge.

## **DESCRIPTION OF PROPOSED FACILITY**

Crestview Senior Living is a “worry free” retirement community of 132 units in which a single monthly rent will cover all utilities except telephone and cable television. Each unit will be served by an individually-controlled HVAC unit and a common, gas fired, hot water system. The project does not provide “low income” or HUD housing.

Residents of Crestview Senior Living will have an average age of 83. These residents, while not requiring nursing care or assisted living, are seeking to simplify their lives. Spectrum Retirement Communities provide all utilities to their residents, excluding telephone and cable television. They also provide congregate meals, maid and laundry service, activities, exercise programming, transportation, trash service, maintenance, available physical therapy, available home health service, 24 hour staffing and emergency call service, internet access, recreation and exercise programming, and beauty/barber shop. The common areas at Crestview will comprise approximately 32% of the gross building area. These common areas are specifically designed to

accommodate the needs of its elderly residents. Crestview Senior Living is a purpose-built community for the frail elderly, it is not a multifamily apartment complex.

Whether master-metered or individually metered, Spectrum Retirement will pay for the utilities in order to further its goal of providing “worry free” living to the residents.

Because the landlord would pay the utility bills, whether the buildings were master-metered or individually metered, the tenants would not even see the results of any conservation efforts. Furthermore, Ameren tariffs prohibit the landlord from presenting separately stated bills for utility services to the tenants. No conservation efforts would occur because no benefits would accrue to the tenants from any such efforts.

I would like to thank you for your attention to this matter.

Respectfully,

John A. Brewer  
Senior Vice President Of Development and Acquisitions  
Spectrum Acquisition Partners

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