



FOR IMMEDIATE RELEASE

Beach Cities Health District Board Votes to Authorize Agreement with Sunrise Senior Living for Healthy Living Campus Redevelopment

REDONDO BEACH, Calif. (May 28, 2026) — The Beach Cities Health District (BCHD) Board of Directors voted Wednesday evening to authorize the Chief Executive Officer to execute an Agreement to Enter into a Ground Lease with Sunrise Senior Living, marking a significant milestone in the ongoing redevelopment of BCHD’s former South Bay Hospital site as part of its Healthy Living Campus initiative.

The proposed agreement follows an extensive, multi-year planning and public engagement process focused on reimagining the former hospital building at 514 N. Prospect Avenue into a community-centered wellness destination that supports the entire community with healthy aging, intergenerational connection and long-term financial sustainability for the health district.

“This project and the decision to move forward with Sunrise reflects years of community input, strategic planning and evaluation,” said BCHD CEO Tom Bakaly. “The Healthy Living Campus vision is centered on supporting the health and wellness needs of our whole community while creating a sustainable future for BCHD and expanding services for older adults.”

The proposed development would include a fully licensed Residential Care Facility for the Elderly (RCFE), offering independent living, assisted living and specialized memory care as part of a broader continuum of care for older adults.

The project will reflect Sunrise’s resident-centered model, combining tailored care and services with an engaging lifestyle, wellness-focused programming and the high-touch hospitality that define the Sunrise experience. Care will be guided by individualized service plans developed in partnership with families and physicians and adjusted as needs evolve — an approach informed by more than four decades of experience supporting seniors, including those living with memory loss. Sunrise’s highly trained team members use evidence-informed practices to support each resident’s unique needs, foster meaningful engagement, and deliver a consistent, high-quality experience that integrates holistic wellness, service excellence and enriching daily programming.

BCHD and Sunrise have been partners for more than 25 years in the Sunrise of Hermosa Beach Community, an 80-unit assisted living and memory care facility on Pacific Coast Highway.

“Sunrise is honored to build on our long relationship with BCHD and our commitment to creating the preferred lifestyle for enjoying longer, healthier, happier lives,” said Philip Kroskin, Head of Real Estate, SVP Investments. “We understand how personal this campus is to many families, and we approach this next chapter with deep respect for the seniors who call it home today as well as those who will benefit from the additional senior living options and support this new community will offer area residents. Our focus is to bring Sunrise’s decades of senior living expertise to a comprehensive, service-rich community — one designed around personalized care, meaningful engagement, hospitality, and an elevated resident experience.”

In addition to senior care services, the project would include several community-focused amenities, including:

- An indoor and outdoor Community Commons
- A pool accessible to BCHD’s Center for Health and Fitness members
- A Wellness Path designed to encourage walking, movement and social connection
- Flexible intergenerational gathering spaces inspired by Blue Zones Project principles

The proposed agreement establishes a 99-year ground lease structure under which Sunrise would finance construction, demolition of the existing 514 Prospect building, and all associated operational costs. Ground lease revenue to BCHD would total \$10 million during the initial 10 years and increase over time, with additional percentage rent provisions tied to future refinancing events. These revenues will support BCHD free programs and services for Beach Cities residents for generations to come.

The Board’s consideration follows a competitive Request for Expressions of Interest (RFEOI) process launched last June that attracted 12 redevelopment proposals. An Advisory Working Group composed of residents, staff and a BCHD Board member evaluated submissions based on mission alignment, financial sustainability, community benefit, feasibility and alignment with BCHD’s Healthy Living Campus goals.

After multiple rounds of evaluation, interviews, financial analysis and site tours, the Advisory Working Group unanimously recommended Sunrise as the preferred development partner in March 2026 and reaffirmed its choice earlier this month.

The Healthy Living Campus planning effort has included extensive public outreach since 2017, including 60+ public meetings, over 1,000 community comments, a 28-member Community Working Group and a comprehensive Environmental Impact Report (EIR) process. The certified, final EIR has not been challenged since being completed and certified in September 2021.

Community feedback consistently emphasized priorities such as:

- Lower building heights and reduced density

- Expanded open space and walkability
- Intergenerational programming
- Wellness-focused amenities
- Services that support aging in place

BCHD officials said the proposed project is designed to align with those priorities while helping address long-term financial challenges associated with the aging former hospital building and declining lease revenue.

Following the Board vote, Sunrise is expected to proceed with applications for a Conditional Use Permit with the City of Redondo Beach in Fall 2026. BCHD anticipates the current 514 Prospect building will be fully vacated by May 31, 2027, with tenants other than Silverado expected to be out by March 31, 2027

At last night's meeting, the BCHD Board also approved the early termination of its lease with Silverado, a tenant and memory care facility on the BCHD campus. This was a difficult decision as it affects residents and their families. In accordance with the terms of its existing lease, Silverado will be given one year's notice to vacate its facility by May 29, 2027, and will not pay rent for that one-year period. During this time, BCHD is committed to supporting Silverado residents through a thoughtful, supported transition, with its Community Services team available to work with families needing assistance relocating to a new facility.

About Beach Cities Health District

Beach Cities Health District (BCHD) is a healthcare special district focused on preventive health and serves the communities of Hermosa Beach, Manhattan Beach and Redondo Beach. Established in 1955 as a public agency, it offers an extensive range of dynamic health and wellness programs, with innovative services and facilities to promote health and prevent diseases across the lifespan. BCHD also operates allcove Beach Cities, a youth mental health center for ages 12-25, AdventurePlex, a health and fitness facility where kids play their way to good health, and the Center for Health & Fitness, a comprehensive fitness center that is one of just two Medical Fitness Association-certified facilities in California. Visit www.bchd.org or call (310) 374-3426 for more information.

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About Sunrise Senior Living

Founded in 1981, Sunrise Senior Living is credited with establishing the modern era of senior living. Each Sunrise community is dedicated to delivering a personalized approach to senior living where every aspect of the services and environment is built around the specific wants and needs of the individual seniors that call the community home. From purposefully created and thoughtful design, to engaging programming and lifestyle activities and best-in-class quality of care that evolves with the needs of each senior, Sunrise's

industry-leading innovation is built upon its mission to champion quality of life for all seniors. Celebrating 45 years, Sunrise operates more than 240 communities in the United States and Canada serving more than 20,000 residents. With more than 20,000 highly trained team members, Sunrise offers a full range of personalized services, including independent living, assisted living, care for individuals with Alzheimer's and other forms of dementia, as well as nursing and rehabilitative services.

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