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Eagle Senior Living Files for Bankruptcy, Citing Labor Costs

Eagle Senior Living filed for Chapter 11 bankruptcy on Friday, citing “exponential” increases in labor costs.

The pre-arranged filing will allow the chain to operate without interruption and make needed capital improvements, Eagle said in a Friday press release. The company listed both assets and liabilities in the range of \$10 million to \$50 million. It also holds \$215 million in municipal debt.

Plunging occupancy during the pandemic and higher wage and supply costs have pummeled the sector, resulting in \$1.67 billion in municipal bond defaults for senior living facilities last year. Not only did Eagle’s occupancy decline, Eagle President Todd Topliff said in a court filing, but the pandemic “placed unprecedented stress on the sales and marketing efforts of the Facilities.”

Even with fewer residents, the company wasn’t able to reduce staff because of health and safety protocols, all the while contending with higher costs for supplies and meals, according to Topliff.

Eagle was formed only in 2018 with the purchase of facilities from Brookdale Senior Living Inc. It now operates 15 facilities in seven states including Florida and Ohio with about 1,000 residents. It plans to sell its Vista Lake facility as part of the bankruptcy process.

The company is working with law firm Polsinelli and FTI Consulting.

The case is American Eagle Delaware Holding Company LLC, 22-10028, U.S. Bankruptcy Court for the District of Delaware.

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