



Garden View Case Study – Monona, Iowa

Project Name: Garden View Senior Community

Location: 800 Garden Drive, Monona, IA 52159

Development period: April 1996 through August 2004

Construction duration: August 2004 through July 2005

Opening date: July 15, 2005

Total Project Cost: \$3,270,000 (\$500,000 of the development costs were raised locally, as required by USDA). City spent \$40,000 for consultant firm to conduct capital campaign to raise required match.

Total Construction Costs: \$2,751,000

Number of Assisted Living Units: 16 assisted living units, 6 dementia units, and 12 independent senior housing units

Affordable Assisted Living Units: 16 units

Building design: The two-story building was constructed with no physical barriers between the assisted living units and the senior apartments. The design included two separate dining rooms (one on the first floor and one on the second), but tenants prefer to eat together. Tenants from the senior apartments and the assisted living units socialize freely, making the transition for those who need additional services much easier.

All units have a full kitchen. The space for the refrigerator and stove are interchangeable, so stoves can be removed if the tenant does not use it and would like more floor space. The refrigerator can be slid into the space created by removing the stove.

In retrospect, those involved in the project would advise others to encourage the architect to standardize as much as possible. For instance, special lighting is attractive, but the cost of purchasing special light bulbs as lights burn out has been problematic.

Inside the dementia unit, bathroom doors were removed from the floor plans and replaced by curtains to allow dementia clients easier access to the restroom and to promote bowel and bladder health. A 24-hour light inside the bathroom helps to minimize falls.

The design team would encourage developers to ensure the program is placed on property that allows for potential growth to accommodate the changing needs of the community.

Site:

Physical layout: 4.3 acres on west side of town, donated to the City of Monona by Monona Enterprise Group (local economic development group)

Architect: Gardner Architects, Strawberry Point

Special design considerations: Foundations from previous farm structures caused change of location of building on the 4.3 acre site. Costs associated with moving the planned building were \$40,000 versus \$103,000 required to excavate foundations. Soil boring was conducted prior to construction but missed structures.

Operator/Service provider description:

Housing: City of Monona

Services: Subcontracted to Tealwood Care Center

Adjacent Services: None

Service Subsidies: Medicaid

Rent Subsidies: No tenants receive rent subsidy as of November 2006

Project Fee Structure:

Physical (rent): Studio = \$746; 1BR = \$946; Memory Care Unit = \$946

Board package: \$504 (includes meals, activities & emergency response) for AL units and \$540 for dementia units

Services: Level 1 = \$500; Level 2 = \$750; Level 3 = \$981; Level 4 = \$1,052; Level 5 = \$1,352; Level 6 (Memory Care Unit only) = \$1,426

Services Available: Three meals per day, weekly housekeeping, weekly laundry services, personal and health-related care, medication administration, and transportation

Staffing: Configuration: Dietary = 3; Universal Workers = 4 FT & 8 PT; 1 AL Manager; 1 Activity; 1 RN (16 hours per week); 1 (10 hour) maintenance

Marketing efforts: Local economic development group had been attempting to attract or create a health care facility for many years. Marketing efforts began at the time of construction. The City hired Tealwood Care Center to market and manage the facility. Tealwood was given \$70,000 to begin advertising and marketing efforts. The bank provided an office space for marketing director to utilize while the AL was under constructions. Marketing efforts included brochures, newspaper ads, public events and meetings, and visits to nearby health care providers.

Pre-development issues: It was difficult to find a developer interested in building in a small community. USDA Rural Development required a \$500,000 community match. One year

earlier, the City of Monona had conducted a capital campaign to construct a water park, which raised \$1.2 million. The City paid a marketing firm \$40,000 to conduct the campaign for the assisted living program, which raised \$500,000 in about four months. There is a generous, community-minded couple in Monona who contributed \$250,000 and asked local citizens to match.

The City of Monona spent a considerable amount of time addressing issues related to property tax status. The county agreed to grant Garden View exemption from taxes as long as the city was not generating significant revenue from the project. City leaders feel property tax relief is a key ingredient in maintaining the financial viability of the program.

Financing issues: The City has a direct loan for \$1.7 million with a 40-year amortization schedule and a USDA guaranteed loan with the bank for \$1.07 million (guaranteed loan has lower interest rate initially) with a 20-year amortization.

Construction issues: Encountered poor soil when constructing the parking lot, which required excavation. Costs associated with work were approximately \$25,000. The City held weekly meetings with contractor supervisor and monthly meetings with the contractor.

First Year of Operation: Fifteen months into operations, the program is covering interest and principle. Occupancy ramp-up went as planned. The financial pro forma included a conservative occupancy ramp-up estimate (80 percent at a year), which turned out to be reflective of the market.

Experience with Subsidy Programs: Program administrator feels the current Medicaid reimbursement is not sufficient to cover costs, and the billing mechanism is cumbersome. The program currently limits the number of Medicaid clients because of these issues.

Summary:

The City of Monona had been searching for a health care option for their small community for many years but could not find a developer interested in investing in such a small market. The original intent was to build a nursing home, but city representatives believe the city is better served by an assisted living program. The community response has been tremendous. Three seniors who had moved out of the community to access assisted living services in a neighboring state have returned to Monona to live at Garden View.

Representatives from Monona believe Garden View is one of the biggest risks the city has ever taken but one of the most rewarding projects ever accomplished. City leaders describe the USDA funding as the “cake,” and the outstanding service and technical support provided by local and state USDA Rural Development representatives as “the icing on the cake.” They believe the paperwork to procure funding was minimal, and they see the technical advice and support provided by USDA employees as a key factor in avoiding potential disasters and ensuring the project was built in a timely manner. City leaders describe USDA Rural Development’s involvement in this project as a “true partnership.”

Garden View was truly a community project. More than 40 citizens volunteered to help with the capital campaign, and volunteer city council members dedicated countless hours to pave the way for the development and construction of the program. Citizen volunteers served on an interior design committee, which chose paint colors, furniture, and wallpaper. That sense of community is alive and well within Garden View, as neighbors gather to play cards and socialize with friends they have known all their lives. Seniors are much more willing to leave their homes knowing they can stay in the community in the assisted living Garden View provides.