

## Memorandum

**To:** Mayor and Council  
**From:** Tom Baker, Town Administrator  
**Date:** October 6, 2015  
**Re:** Update: Kuersten Property

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**Purpose:** The purpose of this item is two-fold:

1. To keep Council up-to-date regarding conversations we have with parties that have an interest in Senior Care facilities; and
2. To ask Council for staff direction to pursue the next step of contacting developers interested in western Colorado.

### **Conversations:**

I spoke with Linda Venturoni last week. Linda is a consultant that does survey research on a variety of public policy topics for governments and private businesses. Over the past 4 ½ years Linda has worked with Augustana Care on the Castle Peak Project in Eagle, Colorado. Castle Peak is a senior care facility: 20 assisted living; 22 skilled nursing; 12 memory care; and 10 short-term rehabilitation. The Castle Peak facility is currently under construction and is on a 5-acre site.

Eagle County acquired the land using in part USDA Rural development funds. Once the project pro forma was developed the project still had a \$4.3M shortfall. Augustana then brought in a fund raising team and in 3-months raised the needed funds.

Augustana Care is a 100 year old Lutheran non-profit. Augustana Care employed focus groups and a citizen advisory committee to understand user desires and to keep the community informed about the project through "Ambassadorship".

Augustana Care currently has an "Interest List" of 55 people for a facility of 64 beds/units.

Linda said that the work of The Highland Group (Elisabeth Borden) was vital and that the Augustana organization was very professional and high quality.

Linda is retired last week and is moving out of state. She will make herself available to work with Elisabeth Borden and Kathy Kopp and on selected projects.

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I spoke with Elisabeth Borden, The Highland Group, to debrief from the September 15<sup>th</sup> Council meeting.

We talked about next steps. In the meeting it appeared that the next step was to conduct a Preliminary Demand Analysis to understand whether or not there was a large enough demand to make a senior care project successful. After some thought Elisabeth thought that a more prudent and less expensive next step would be to engage her to come up with a short-list of

potential west slope developers and inquire (along with Town participation) if they had any interest in a New Castle project. She listed 3 developers off the top of her head – Augustana, Volunteers of America; and Northwest Colorado Visiting Nurses Assoc. (this last name may not be correct.)

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Kathy Kopp, CFO Augustana Care of Minnesota. Mayor Gordon, Councilor Metzger and I met with Ms. Kopp in Eagle Ranch. Eagle Ranch is the location of their Castle Peaks Senior Care facility: 20 assisted living; 22 skilled nursing; 12 memory care; and 10 short-term rehabilitation. We spoke about New Castle and about the process that Augustana Care undertakes to determine project feasibility. Ms. Kopp identified 5 steps that Augustana undertakes to determine if a location is suitable for a project.

1. Site and Community visit – On November 3<sup>rd</sup> Kathy Kopp will visit New Castle at approximately 1PM. She would like to visit the site, tour the community and conduct a first level focus group with 8 to 10 community members that are passionate about the project and also include community members that are both passionate about the project and have the willingness to support the project financially. She will be trying to gauge community interest, ability to support the project, level of demand and capacity to pay rent, entrance fee, and workforce availability. Prior to her visit she asked for demographic information and an estimate of construction costs (Tim will put together the demographic information and I will ask Jeff to estimate constructions costs.)
2. Preliminary Demand Analysis – If after the November 3<sup>rd</sup> visit Ms. Kopp/Augusatna find New Castle an attractive location, then the town should pursue what Elisabeth Borden termed a Preliminary Demand Analysis. This analysis will allow Augustana to understand the likely “Target Area” and how many age/income clients residenin this area.
3. High Level Financial Analysis – Once steps 1 and 2 are complete Augustana will conduct a high level financial analysis, which will consist of several elements, including cost of construction, cost and availability of staff, rents, entrance fee...
4. Community Engagement – Augustana Care is a 100 year old Lutheran organization that has a mission of helping people in need. They do this by providing resources for the senior population. These projects can only be successful if there is considerable community support. In Eagle Ranch, Augustana created a large Citizen Advisory Group that conducted fund raising, outreach and general support to ensure that the community understood what was needed and what was happening regarding the project. Ultimately, the community raised \$4.4M to close the funding gap for this project and make it happen. Other funding sources included: USDA, Eagle County, Augustana, and many businesses and individuals...the total project cost was in excess of \$23M.
5. Site Work – Soil tests, etc.

Next Steps: In addition to preparing for the November 3<sup>rd</sup> meeting with Kathy Kopp/Augustana we can also ask Elisabeth Borden of the Highland Group to submit a scope and budget to develop a short-list of potential west slope developers and inquire (along with Town participation) if they have any interest in a New Castle project.

Town Actions for November 3<sup>rd</sup> Meeting:

1. Tim Cain will compile demographic information for Ms. Kopp
2. Jeff Simonson (others?) will provide an estimate of construction costs for NC
3. Council select 10 -12 participants for a focus group session with Kathy Kopp
  - a. Community members that are passionate about a Senior Care Facility;
  - b. Community members that are passionate and also have the financial means to support a Senior Care Facility;
  - c. Faith community members;
  - d. Community members who understand the problem and demand that this facility addresses.

Of course community members will fall into more than one category.