

WORK SESSION #2—AUGUST 4th, 2011

Minutes of the Huntsville Town Council Work Session, held at the Huntsville Town Hall at 6:00 p.m. August 4th, 2011.

Present: Mayor James Truett
Council Member Max Ferre'
Council Member Laurie Allen
Council Member Alan Clapperton
Council Member Richard Sorensen (Via Conference Call)
Clerk/Recorder Gail Ahlstrom
Legal Council Jerald Engstrom

Citizens: Doug Allen Jeff Holt Lewis Johnson
Shane Erickson Nate Boswell Sherry Crosby
LuDean Robson

Mayor Truett welcomed the visitors to Huntsville. Shane Erickson introduced himself by saying he met Ron Gault at the Family Tree Assisted Living Center in Morgan. Shane is part owner of this facility. Ron explained to Shane that the town is exploring the idea of an assisted living facility for the school property and asked Shane to attend tonight's meeting. They have a 50 bed facility in Morgan. Nate Boswell grew up in Liberty, and currently lives in Eden. Both Shane and Nate are part of the Utah Assisted Living Association. Nate owns several assisted living homes. Nate and Shane have teamed up to create a consulting company to help people who want to do an assisted living facility. There is a big learning curve with State licensing requirements. Nate has done a preliminary demographic study of the Ogden Valley and the numbers came up with a 22 bed facility, a facility that size would only require an acre of land. Mayor Truett asked Shane to explain the definition of "assisted living."

Nate explained that the first level of care is independent living, resident come and go as they please, they can usually still drive, meals and laundry services are provided, help is at the facility 24/7 in case of emergency. When a resident needs help with meds, bathing, dressing, brushing teeth, and eating, then they move into assisted living. There are two categories in assisted living, type 1, the resident has to stand up and be able to move themselves from bed to wheelchair etc. Type 1 facilities are no longer built. A Type 2 facility means the resident moves in and takes care of themselves until they need more assistant. CNA's are there all day and night, they help administer meds, showering, and dressing. Mayor Truett asked if there could be two wings, one for independent living and the other for assisted living. Mayor Truett said there needs to be more traffic going to the library. Jeff asked if Type 2 assisted living would be able to go over to the library. Shane replied yes, about ½ of the residents would be in wheelchairs, and the other ½ in walkers. They also have buses that transport residents. Shane said it starts with independent living, assisted living, Nursing home/rehab center, and finally a memory care or Alzheimer's unit. Shane said the school property is an ideal setting for an assisted living facility. Residents want to be where they can get out and see things. Local people don't want to leave the valley.

The idea would be to start with a 22 bed facility to start with and then expand if needed. Jeff said the town would love to create revenue but can't afford to take a risk. Jeff asked if there are communities doing assisted living centers with grants, how they are financing them. The town is tied to the property for five years, conditions of the CDBG grant, but the town could lease the property. Mr. Engstrom asked if the facility was built do they have administrators who can run it. Jeff said one of the things the town does have going for it is a good relationship with the president of Zion's Bank, Scott Anderson. Assisted Living facilities are an industry that a lot of people are getting interested in.

Shane said they have been looking at the option of raising a fund for clients who have land but can't up with the 40% down that the banks require on a loan. That way many people can contribute and own a piece of the facility, and collect a dividend. Doug said he has been thinking about doing an assisted living facility for some time now and would be interested in being a stock holder. Shane said the fact that the town is actually interested in an assisted living center would be an incentive to a developer; the town could also waive some of the impact fees.

Morgan's facility was laid out with 17 of the rooms on the inside of the building; they all had a walk out door. Shane marketed those as independent living units. With both independent and assisted living under one roof, residents don't have to move into the assisted living section. They have found that independent living is lower occupancy. People don't want to pay when they can stay at home. Independent living is a luxury where assisted living is a necessity.

Nate mentioned that he quickly looked at the demographics in the Ogden Valley and it looks like there are about 6,000 people in the valley. Obviously there would be a market for an assisted living center in the valley: people want to stay where they have lived their whole lives Morgan has 2,600 residents. They over built their Morgan facility on purpose by 25%. They have 50 beds, 43 units, 7 rooms are couples rooms. Right now they have 3 couples, and have filled 34 rooms. The rooms are designed as studio apartments; the entire room is about 380 sq feet. The rooms are all ADA compliant with walk in showers. The Morgan facility filled up real fast; they averaged 5 new move-ins a month.

Mayor Truett asked Shane and Nate to put together some design ideas for the town as well as some possible financial options. There have been a lot of ideas bounced around relative to what the town is going to do with the school property, but an assisted living center keeps coming to the top of every discussion. Jeff stressed that the town is not in a position to take on any financial risks, but would be willing to partner with a developer or investors on a project like this. The main thing the town has is the property. Jeff asked Shane and Nate to put together some design and financial models for the town. Shane believes that an assisted living facility will do well in the valley. The town needs a revenue stream. Shane said assisted living facilities are generally an easy sale; they generally don't have to look for investors. This would be a unique opportunity where the town has the need and wants the facility but needs investors; usually it's the other way around. They have the investors but have to look for places to build the facility.

Nate asked the group, what would happen if he and Shane were able to bring in investors. Nate asked if the town was looking for a monthly income or a buy out. The town is looking for monthly revenue at this point.

The town can't sale any of the property for five years, because the majority of it was paid for with a CDBG grant, and that is one of their stipulations. Nate said it will be difficult to finance a building that is on property they don't own. Jeff said this is something the town can talk to Zion's Bank about; the town has a very good relationship with Scott Anderson, President of Zion's Bank. Nate said that's what he wanted to hear.

Sherry Crosby commented that there are all types of groups that would get behind a project like this. All the construction workers, excavation, CNA's, physical therapists, nurses, home health care providers, doctors, pharmacists, etc. From the ground up there would be enough support in the Ogden Valley to build and support this facility, we should use and utilize local people.

Meeting adjourned at 7:05 p.m.

Gail Ahlstrom, Clerk/Recorder

James A. Truett, Mayor