

## MVS, LLC

7611 State Line Road, Suite 301

Kansas City, MO 64114-1698

816-444-0900

jct@tutera.com

June 18, 2013

Chairman and Commissioners  
City of Prairie Village Planning Commission  
7700 Mission Road  
Prairie Village, KS 66208

Re: **Mission Chateau – Application Numbers PC 2013-05 and PC 2013-114**

Dear Chairman and Commissioners:

I appreciate the Commissioners' service and time committed to this and all projects presented for their review. A mountain of information has accumulated since our submission in early April 2013 along with hours of presentations. Your continued diligence in reviewing these and additional materials is critical to proper evaluation of the development. This memo contains the presentation materials that would have been presented on June 4<sup>th</sup>, at the second Planning Commission meeting, had time permitted. I hope you agree that cutting back the property owners' presentations to allow time for comments and questions from the Commissioners advanced the understanding of the project.

This memo will supplement my prior narrative, further describe the project, and specifically speak to the size, quality, design, unit count, unit mix, services, lifestyle, and the makeup of the resident population. The elements above are directly connected and integrated to the need and the changing demographics of Prairie Village, which will be discussed.

Please refer to the attachment of slides as an outline of my discussions.

## **Mission Chateau**

### **A Continuum of Care Retirement Community**

At our first work session, I described Mission Chateau as a rental, fee-for-service Continuum of Care Retirement Community (CCRC) comprised of 5 residential housing options.

- Independent Living
- Villas
- Assisted Living
- Memory Care
- Skilled Nursing

The narrative that accompanied our application speaks to the product and services. These have been covered, and I will not speak to this further other than to stress that Mission Chateau's 351 units provide **housing for RESIDENTS—not PATIENTS**. Patients are in hospitals and surgical centers; residents live in homes—just like we all live in homes of one kind or another. What we are building includes 5 different types of homes all suited for seniors. Seniors will live in all the options—from the villas and independent living, offering no assistance in daily living, to the skilled nursing, which offers assistance that is in part provided by a nurse.

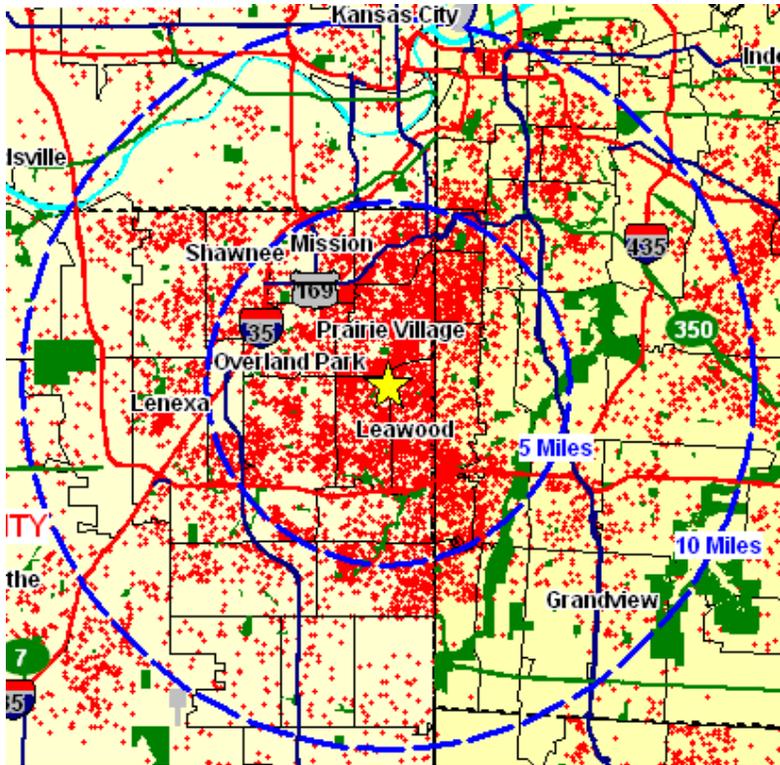
In our neighborhood meeting leading up to our submission, we described at length the number of units, the unit mix and size, lifestyle elements, as well as our site plan and its improvements. This plan changed materially in design, but it retained the CCRC elements along with a unit mix, sizing, and other elements required to sustain a vibrant, quality lifestyle for its community.

When developing a senior living community, unit counts are not an appropriate driver. Unlike apartments or a single-family neighborhood, placing more units on a property does not increase profitability, viability, or lifestyle. Investing \$150,000 per unit in improvements for an ill-conceived, under-utilized residence for the sake of diluting land cost by a few thousand dollars per unit is not good business and is not a motivator. The driver is creating a lifestyle and providing the right mix of residences and services. The following will describe the lifestyle that is being created and how it relates to the number of units and the size of the community for each of the 5 residential options.

## **Independent Living**

### **Without the Residents, There is No Lifestyle**

When creating the sizing and programming for a CCRC, we first look at the market demand and then the existing alternatives. The first component that is studied is the independent living. The independent living facility sets the lifestyle and character of the community. It will be the home for most of the residents and includes most of the lifestyle amenities: pool, spa, fitness area, dining and entertainment alternatives, theater, etc. The studies show that Prairie Village is in the center of the very dense age and income-qualified population. Prairie Village has 7,400 over-65+ seniors. The number of 75+ seniors in the city is 3,400, and this number will grow materially over the next few years as the depression era children are replaced by the baby boomer generation. I will speak to the demographics later, but the demand is very deep, and the lack of supply is astonishing. The need is clear and analysis supports the conclusion that many **Prairie Village seniors leave the city for their senior housing needs**. The dot density map speaks a thousand words.



- Each dot represents one household, age 75+ with annual income of \$50,000 or more. (Age- and Income-Qualified Households “AIQ HH”)

Looking at the map, it is very easy to understand why **Prairie Village has a proportionately**

**higher need for more senior living residences than Johnson County as a whole.** The need in Prairie Village will increase dramatically over the next few years. The outside rings of Johnson County will see this need in future decades as the current generation ages.

The independent living facility is sized at 160 units. It contains 650 to 1,250 SQFT apartments of modern design and amenities including: walk-in closets, full kitchens, living rooms, dens, large baths, etc. The space dedicated to independent living is 1,310 SQFT per unit, including the common areas, circulation, and amenities. This compares to other full service facilities; e.g., Claridge Court with 1,540 SQFT per unit. Please see the following grid.

### Independent Living Facilities Size Comparison

|                          |     |                     |            |
|--------------------------|-----|---------------------|------------|
| Silvercrest @ Deer Creek | 117 | Park Meadow         | 133        |
| Leawood Town Center      | 187 | Atriums             | 167        |
| Brookdale Place          | 275 | Forum               | 118        |
| Foxwood Spring           | 193 | Santa Marta         | 139        |
| Villa Ventura            | 174 | McCrite             | 123        |
| Kingswood                | 201 | Lakewood            | 300        |
| Cedar Lake Village       | 114 | Tall Grass Erickson | 300        |
|                          |     | <b>Average</b>      | <b>180</b> |

The average size is 180 units. A facility of 160 units is considered “mid-sized.” It is large enough to drive the full range of services and lifestyle being provided at the quality that is desired. The size per unit is consistent with the trend for larger living spaces and more two-bedroom units. We are providing 37%, or 60 units, as two bedrooms. About half these two-bedroom units will be occupied by two residents. Many seniors desire the space for other living areas; e.g., dens, guest rooms, etc. The size also permits a variety of unit sizes and configurations providing residents more choices, a wider price range, and broader market access. All units are market rate rental units—no subsidy. **No buy-in or endowment is required.** Units are offered on a rental basis only, and all services are provided fee-for-service, requiring no long term contract or substantial upfront investment.

Having established the size and program for living spaces, we look at the existing options in the community. Our study was conclusive: **NO RENTAL INDEPENDENT LIVING OPTIONS EXIST IN PRAIRIE VILLAGE.** Claridge Court, developed 21 years ago, offers buy-in occupancy at \$380,000 to \$900,000 per unit along with a monthly maintenance fee starting at \$3,500 per month. Clearly, this is a specialized market. Claridge is the only non-faith-based endowment CCRC in the metro area. It draws from a broad service area as a result. Claridge is full with a multi-month to year-long wait list depending on the unit desired. The closest facility adjacent to Prairie Village is the Forum at 95<sup>th</sup> and Mission Road, which is currently 24-years old and has no excess capacity.

A modern senior independent living community is not comparable in size, unit count, and design to a mid-rise residential apartment project or single-family development. The design criterion includes, among other factors, reducing the distances between common spaces and the residents’ apartments, security, convenience, and age-appropriate socialization. This lends itself to connected spaces, short hallways, and vertical construction multiple wings off of one central core. As a result of this design, there are fewer buildings with smaller impact on lot coverage (22.9%), more total green space (52%), and the ability to concentrate green space in large areas (5.34 acres of parks).

## Villas

### The Most Flexible Housing Choice in a Senior Community

Villas are the most independent form of senior living. This product offers the highest level of choice and independence in a rental, maintenance-free lifestyle while maintaining access to all the amenities of the community. The villas are not row homes. They are 2,235 SQFT custom homes in a single-family and duplex configuration. Each home has unique architectural elements making it a **one-of-a-kind residence**: spacious back yard, patios, vaulted ceilings, private entrance, and two-car garage.

Mission Chateau has strategically placed the villas to the south of the property, 35 to 80 feet from our property line and creating a 150-foot transition space to the south. As exhibited in May, the view of the villas and the improvements to the north of the villas are screened by the natural vegetation and/or the villas themselves. The villas are a desirable choice for couples who are moving from a single-family residence, maintain an active lifestyle, and desire CCRC community benefits.

Eleven villas exist to complement the 160 independent living units. **THERE ARE NO SENIOR VILLAS OF ANY KIND IN THE COMMUNITY.**

## Assisted Living

### Our Assisted Living is a Residential vs. a Medical Model

To understand the lifestyle and features of Mission Chateau, you need to understand the progression of assisted living over the last 20 years. There are many types of assisted living products, and the product continues to evolve. The earliest of the assisted living facilities were intermediate care facilities within convalescent homes. From the 1950s through 1980s, there were nursing homes that contained both a skilled care level of service and an intermediate care. Intermediate care was for residents that could no longer live independently and needed assistance with some daily living activities, nutrition, medications, bathing, etc.; however, they were otherwise physically independent and did not need the care of a nurse. The accommodations were the same as the old style nursing home: double-loaded corridors (doors on the right, doors on the left, and 6-foot hallways down the middle), semi-private, and 220 SQFT rooms with a curtain down the middle of two beds, no private bathing, and limited or no private space. The entire facility would be 400 SQFT per unit (and most units were semi-private). This progressed to the first assisted living facilities. Brighton Gardens was one of the first prototype facilities that gained a large market appeal. It consists of 82 units with 15% semi-private occupancy providing for 94 residents. The design was a substantial step in the right direction, moving the first few steps away from the medical model. Twenty years have now passed; the senior population has grown by leaps and bounds; and the product has evolved. Seniors desire larger private living space, more independence, and a home-like environment. The earlier design of a studio apartment with a mix of semi-private occupancy is no longer acceptable. The Brighton Gardens building is 600 SQFT per unit. The bulk of the units are 325 SQFT. Benton House building is 667 SQFT per unit based on 47 units. It has 23% semi-private occupancy for 58 residents.

Mission Chateau is the next generation of assisted living based on a residential/social model. Rather than develop our assisted living as another evolution of the medical model of the past, our model builds from the ground up, based on the independent living residential model. It provides a living environment and lifestyle for seniors who are accustomed to independent living, either in their current homes or within one of our independent living residences or villas, and now need some assistance, but who are

otherwise independent. This resident does not want to move out of his/her home into a studio unit, and s/he definitely does not want to lose the privacy and dignity of private occupancy. This resident wants space that accommodates his/her furniture and keepsakes, a true one-bedroom apartment, large closet, a living room, and a bedroom. Some residents and spouses desire a two-bedroom unit. They want all the amenities of the CCRC that their friends and neighbors enjoy.

To develop this lifestyle and the quality of this community, our facility provides 1,000 SQFT per unit as compared to 600 or 667 per unit. The apartments at Mission Chateau are twice the size of those at Brighton at 576 to 888 SQFT; they are apartment residences not a room or a studio. Once we established the product, we focused on the right number and mix of units. Please see the following grid.

### Assisted Living Facilities Size Comparison

|                    | Units |                   | Units     |
|--------------------|-------|-------------------|-----------|
| Freedom Point      | 100   | Sunrise Leawood   | 53        |
| Brighten Gardens * | 94    | Park Meadow *     | 96        |
| Benton House *     | 59    | Sunrise Lenexa    | 63        |
| Lamar Courts       | 86    | Sunrise Lenexa    | 63        |
| Rose Estates       | 80    | Bickford AL- OP * | 60        |
| Brookdale Place    | 40    | Santa Marta       | 32        |
| Village Shalom     | 54    | Sunrise OP        | 40        |
| Atriums            | 35    | <b>Average</b>    | <b>64</b> |

\* Semi-private occupancy reflected as two units

The sample average size is 64; facilities range from 100 to 32 units adjusting for semi-private occupancy. The size is not driven by density standards similar to residential developments as mentioned earlier: it is driven by services and lifestyle. To drive the services, a minimum number of residents are needed. Personal care assistants are on site 24/7. Programming includes activities, wellness, and socialization, which requires a minimum number of participants to generate the lifestyle desired. Keep in mind that all **our units are private occupancy**, and many of the smaller facilities were built in the early years of assisted living or as conversions and were limited by prior design decisions. Mission Chateau contains 10 two-bedroom units and 50 one-bedroom units. There are no two-bedroom units in the market. **THERE ARE NO COMPARABLE RESIDENTIAL MODEL FACILITIES IN THE MARKET.** The Brighton product is 16-years old and is full. The Benton House product serves a more specialized need and is 50% occupied after a few months of operation. Neither product offers its services in connection with a CCRC.

## Memory Care

### Our Memory Care is a Social Neighborhood vs. Medical Model

Memory care design, services, and programming are best understood by referring to the concepts discussed above for assisted living. Memory care facilities represent a very large need in the senior

community, particularly as residents, or their spouses, age in place. Memory care is a subset of assisted living, but the design of the living space is very different and is extremely important to the quality of life. The residents’ needs are very much centered on the environment and their interactions with that environment. The design of Mission Chateau’s memory care sets the standard for quality and forward-thinking design. It is a culmination of years of research and prior experience from studying the shortfalls and best characteristics of earlier generations of facilities.

The memory care facility is designed around a neighborhood concept. It is on one level surrounding an interior courtyard. The design is based on residential elements originating on the exterior and continuing throughout the interior. The design provides for single-loaded corridors, high ceilings, clear views to green space from every location, no closed-end hallways, and all private occupancy. Each unit contains a private living space and bath to preserve the resident’s dignity and quality of life. This compares to the medical model of double-loaded corridors still being built today. These units consist of a row of doors on the right, a row of doors on the left, with a dead-end corridor at one end, and locked door at the other. They typically consist of the smallest studio units within the facility. Mission Chateau is a huge departure from this model and will set the standard in the metropolitan area for the highest quality, state-of-the-art memory care residences.

Mission Chateau’s memory neighborhood shares support space, kitchen, housekeeping, business office, etc. with the skilled nursing center that is attached in a two-story structure to the north. The memory care neighborhood is 766 SQFT per unit as compared to approximately 490 SQFT for Brighton Gardens and Benton House. The residences at Mission Chateau are 570 SQFT per unit. Brighton’s units are 240 SQFT studios. Benton’s semi-private units are 371 SQFT; private units are 300 SQFT.

Similar to the assisted living model, a minimum number of residents are required to drive the personal assistance and other specialized staffing and programming desired. Please see the following grid.

**Memory Care Facilities Size Comparison**

|                  | <b>Units</b> | <b>Residents</b> |                            | <b>Units</b> | <b>Residents</b> |
|------------------|--------------|------------------|----------------------------|--------------|------------------|
| Park Meadows     | 37           | 48               | Sunrise- Overland Park     | 20           | 26               |
| Clarbridge       | 34           | 38               | Sweet Life Brookdale Place | 40           | 45               |
| Village Shalom   | 12           | 12               | Sweet Life Shawnee         | 54           | 57               |
| Benton House **  | 24           | 44               | Homestead- Olathe          | 43           | 46               |
| Cypress Springs  | 66           | 66               | Bickford OP                | 30           | 30               |
| Heritage Center  | 48           | 48               | Stratford Commons          | 47           | 57               |
| Emeritus         | 56           | 56               | Forum                      | 30           | 34               |
| Sunrise- Leawood | 30           | 38               | Santa Marta MC             | 16           | 18               |
| Sunrise- Lenexa  | 38           | 38               | Brighton Gardens *         | 24           | 25               |
|                  |              |                  | <b>Average</b>             | <b>38</b>    | <b>43</b>        |

\*\* with approved addition 12 units 22 residents

\* Based on 84 ALF

On average, there are 38 units with 43 residents in a memory care facility. Mission Chateau has 36 **all-private residences**. Benton is currently 12 units with 83% semi-private occupancy with 22 residents. With its approved expansion, it will be 24 units with 44 residents. Brighton has 24 units with 25 residents. As mentioned, memory care need is a subset of the assisted living demand. The demand for these services is deep. **NO SIMILAR PRODUCT EXISTS IN PRAIRIE VILLAGE, AND NO PRODUCTS EXIST WITHIN A CCRC.** Mission Chateau residences are unmatched by any existing facilities in the county.

## Skilled Nursing

### All Skilled Nursing Is Not the Same – Neighborhood Design

The need for skilled nursing in the community is largely unmet. Skilled nursing represents 41% of the senior housing need in Johnson County. Many Prairie Village seniors require skilled nursing on a short- and/or long-term basis.

Skilled nursing conjures up in many people's minds the image of a convalescent home of decades earlier. These facilities were based on a medical model. The living environment mimics that of a hospital. Again, double-sided corridors, nurse stations, concentrated dining and social spaces. Over the years, this model has been evolving; however, with the exception of very few facilities, it has yet to break out of this mold. Most facilities are an adaptation of prior medical models based on the limitation of the original designs. The trend is toward private occupancy and residential settings, architecture, and living spaces on a residential scale. Progressive facilities, like Mission Chateau, are built around a residential and social model much like assisted living. A typical skilled nursing facility, such as Brighton, is 400 SQFT per unit with semi-private occupancy, shared bathing, and limited personal space. Resident rooms are typically 220 SQFT.

On the other hand, Mission Chateau is 766 SQFT per unit. The residents' suites range in size from a typical 315 SQFT unit to 515 SQFT for a semi-private suite, which suite may be occupied by two residents or by one resident who desires a bedroom and a den. The units are of the same size as many of the assisted living units currently available in the city.

More importantly, this skilled nursing is designed around neighborhoods of 7 suites. The neighborhoods, similar to the memory care neighborhood, are based on single-loaded corridors with the same strict adherence to the residential scale and the view of exterior and interior green spaces from all vantage points, and with no dead-end hallways. The neighborhoods contain a den and dining and entertainment space scaled to the 7 residential units that are adjacent. The suite has a full private bath, media area, coffee bar, and will accommodate the resident's personal furniture if desired. The design of the **neighborhoods can be seen in the exterior elements**, making the facility look nothing like the institutional nursing home of years ago. This community is truly a leap forward in design and lifestyle

for seniors who need a residence that meets their health needs and that in part provides assistance by a nurse.

The proper size of the skilled nursing residence is relative to the size of the CCRC. It is also **proportionate to the need in the community**. It is not driven off of density calculation, like multifamily or a single-family subdivision. The size is relative to the quality, services, programming, and lifestyle that will be offered to the residents. Mission Chateau is in the middle- to small-range of skilled nursing facilities with 84 units. Mission Chateau is on two floors with about 42 units on each floor, one for long-term residents and the other for short- to mid-term residency. Mission Chateau is 24% skilled nursing, (84 of its 351 units). Claridge Court's is 25% (45 out of 180). Brighton Gardens' is 27% (45 out of 164). All of Johnson County has 3,338 of its 8,140 senior living population in skilled nursing, or 41%.

There are two facilities in the city: Brighton Gardens, 28 units with 45 beds, 60% semi-private occupancy; and Claridge Court, 45 units, all private occupancy. As mentioned, Claridge Court is a buy-in life care facility requiring an upfront investment of \$380,000 to \$900,000, plus an ongoing monthly maintenance fee. For this buy-in, residents are provided lifetime access to the skilled nursing on a priority basis for its current and former independent living residents and their spouses. Claridge is 21-years old and has a wait list as well as a mature group of residents that live in the skilled care facility. Access is very limited as a result and will remain restricted and limited. Mission Chateau will be the only facility that offers the skilled nursing as part of a rental CCRC. It will allow **PRAIRIE VILLAGE RESIDENTS THE HIGHEST QUALITY LIFESTYLE AND RESIDENCE, UNMATCHED BY ANY FACILITY IN THE METROPOLITAN AREA**, while allowing the senior or their spouse to stay in their community close to family, friends, and community services.

## Summary and Benefit

Mission Chateau's forward-thinking design and the programming will provide the highest quality lifestyle and residences for the seniors of Prairie Village, while exceeding all planning guidelines, improving public safety, reducing noise and traffic, reducing the volume while improving the quality of water runoff, and increasing the adjacent property values, just to name a few.

Mission Chateau represents a 500% larger investment in the community as compared to a single-family residential development. As a result, Mission Chateau will directly generate, through real-estate taxes alone, enough income to cover approximately 6% of the City's operating deficit, as averaged over the last 4 years.

Although we have a clear mission to the highest quality residences to the seniors of the community, we recognize the need to conform to all development standards. As such, the original plan proposed in the fall of 2011 **met or exceeded all the requirements; and no variances of any kind were being requested**. However, through direction from the City's staff and its consultants, as well as through the feedback

from multiple neighborhood meetings, we were able to make substantial changes in scale, circulations, storm water treatment, parking, height, setbacks, green space, unit count, and density. **These were not minor changes**, rather a completely new site layout, circulation, floor plans, facility programming, elevations, and engineering. These plans were prepared after our first submission ready-set of plans were completed and tendered to the city for review in late 2011. The plan now being considered for approval represents the culmination of many months of work. Nevertheless, all these comments were void of Planning Commission comments; and as such, **we are hard at work to preserve the quality and lifestyle of the community while improving the plan in the areas noted**. I respectfully request that you consider the quality of the lifestyle, the benefit to the community, and the sensitivity of the design to the function.

Thank you in advance for you continued diligence in the review of these and other materials, and we look forward to our July 2<sup>nd</sup> work session.

Sincerely yours,

*Joe Tutera*

Joe Tutera  
MVS, LLC

Attachment