



**Financial Advisory Board
Wednesday, August 14, 2024
9:00 AM
130 Kearns Road
Small Conference Room
Agenda**

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
 - 2.a. Approval of July 10, 2024 Minutes**
[7-10-24 Minutes-BL.docx](#)
- 3. ITEMS FOR DISCUSSION**
 - 3.a. Review of the Draw Site Employee Housing**
[Memo to FAB 8-7-2024.docx](#)
[8B Attachment A Draw Site Renderings.pdf](#)
[Attachment B Draw Site Financial ProForma Analysis.pdf](#)
[Greg Smith Memo.pdf](#)
- 4. NEXT MEETING**
- 5. ADJOURNMENT**

TOWN OF SNOWMASS VILLAGE
FINANCIAL ADVISORY BOARD
July 10, 2024

Item No. 1: ROLL CALL

FAB MEMBERS PRESENT: Phil Sirianni Jr, Andrew Light, Scott Hanson, Jim Shallcross, Shawn Gleason, David Rachofsky and Brooks Tanner

FAB MEMBERS ABSENT: N/A

STAFF MEMBERS PRESENT: Anne Martens, Public Works Director; Brandi Lindt, Assistant Finance Director; Emily Flood, Finance and Sales Tax Analyst; Clint Kinney, Town Manager

OTHERS PRESENT: N/A

Item No. 2: APPROVAL MAY 15, 2024, MINUTES

Shallcross motioned to approve the minutes Sirianni seconded, and all members were in favor.

Item No. 3: UPDATE ON CIP, CERF AND BERF FUNDS

Anne Martens, TOSV Public Works director introduced herself and presented a review of the Capital Improvement Fund, Capital Equipment Reserve Fund and the Building Equipment Reserve Fund to the Financial Advisory Board. Martens explained the need and difference between the three funds. Kinney elaborated that CERF is the fund for the Town's vehicles and is mainly funded by the General, RETT and Road funds. BERF is the fund for the Town's buildings and equipment, and CIP is the fund for the "big ticket" projects. Gleason wanted to know if there are any major improvements the Board should be aware of and if they were fully funded.

Martens began with the CERF fund and showed how the spreadsheet tracks depreciation of the vehicles (including harm due to high altitude), and accounts for inflation. Gleason asked how the vehicles are tracked, and Martens explained that the Town uses a software system called Pub Works to track the vehicle values and life, in addition to frequently checking industry standards on vehicles lifespan. When in need of a replacement, Martens explained that the Town gets vehicles through dealerships with state contracted prices. Kinney added that the Town's buses are funded from the RETT fund and from transportation federal grants. He also noted that grant funding may be going away in the future so the contribution from the Town has been increased. Sirianni asked about repairs and Martens confirmed repairs are done in-house and tracked through Pub Works, which reduces cost and downtime. Gleason pointed out the increased revenue and expenditure for 2026, which Martens explained is due to the anticipation of replacing high valued vehicles, i.e. road vehicles.

Martens moved on to the BERF fund spreadsheet which provides detail on the depreciation and life cycle of facilities and equipment. She explained the facilities' budgets includes costs for maintenance,

such as painting. The life cycle and cost of each item is currently monitored and updated, and they are only replaced when they need to be. Kinney emphasized that the Town could use the 30% reserve fund if there was a true emergency that was not budgeted. Funding is typically not the issue when it comes to completing the projects, it's operations because we don't always have the manpower. Gleason asked about upcoming major projects and Martens gave examples such as control vaults for Snowmelt Rd, generator project for Town Hall.

Lastly, Martens walked through 2024 budget CIP detail and elaborated on the revenues/transfers in. Martens then explained the Overall Condition Index pavement conditions map, and the future road projects related. Rachofsky asked about a timeline to fix all the roads and Kinney answered that it would take time over 20 years. Rachofsky felt the condition of the roads is deteriorating and since is important to most residents, the funding should not be limited to the road fund. Kinney explained we look at the conditions and amount of use to determine what needs fixed.

Item No. 4: Next Meeting

The next meeting will be September 18th to review 2025 Budget. Another meeting was suggested to be scheduled for August to review the Housing Draw Site.

Item No. 5: ADJOURNMENT

Gleason motioned to adjourn. All members were in favor.

Town of Snowmass Village

Financial Advisory Board

DATE OF MEETING:

August 9, 2024

AGENDA ITEM:

Draw Site Workforce Housing Plan

PRESENTED BY:

Betsy Crum, Housing Director

BACKGROUND:

There has probably never been a time when the shortage of workforce housing in the Village and Valley has been more critical and the need more acute. Except for locally built deed-restricted and government-subsidized units, there are functionally no units in the upper Valley that are affordable to its own workforce. The demand for private market housing has driven the median sale price in the upper Valley to over \$10 million. One-bedroom condominiums in Snowmass Village sell for over \$1 million with monthly HOA fees of more than \$1,000. Apartments and homes that were previously rented have mostly been converted into Short Term Rentals, while others have seen rents double and triple over the past two years. A recent study found that the average rental price for a two-bedroom apartment in the Snowmass Aspen area is \$7,500 monthly. Businesses, unable to recruit and retain their workforce due to lack of housing, are forced to reduce hours and cut back on services. These market imbalances throughout the region have resulted in extremely long commutes, which in turn impacts the Valley's roads, quality of life, and the environment as affordability creeps into the Colorado River Valley. Even if two-hour commutes were acceptable, the once-affordable Rifle has a median sale price of \$550,000, requiring an annual income of \$155,000. We are in an affordable housing crisis.

In response to the dire need for workforce housing in our community, the Town developed a Workforce Housing Master Plan that was unanimously adopted by the Snowmass Village Town Council in October 2021. Following that, the Council has consistently named creating new affordable housing as one of its top priorities and set a goal to create approximately 200 new units for people working in our Village. With the completion of 15 units at Coffey Place, the Council directed staff to develop the Town Hall Draw site, selected because it has the greatest potential for unit development, is well-located, and has historically been identified for future housing development.

DRAW SITE CONCEPTUAL PLAN:

After many months of development and several iterations at the site, we have developed an approach that provides a feasible way to most effectively utilize the Draw Site for affordable workforce rental housing. The design incorporates a fully underground parking garage structure with several levels and two residential towers set forward in the site and rising above the garage. The front building (Building A) is envisioned to be one story shorter than the back building (Building B), and the primary vehicular entrance to the site would be at the east side of Building A. A sizable courtyard would be between the two residential buildings to provide access for emergency vehicles and offer a flexible, green outdoor amenity for all tenants. The schematic plans have been completed, and the civil design is nearly complete. The schematic renderings are in Attachment A.

At the July meeting, the Council agreed to continue to advance this design. With the completion of the schematic drawings, we engaged a professional cost estimator (Axias) to perform a detailed analysis of the current schematic plans. As expected, their analysis resulted in a higher estimate, with all-in construction costs now expected to be \$75 million, which includes cost escalation to 2026 and a 17% contingency. The primary drivers of this increase over our last estimate are:

- Escalation of all costs over the past year and a half. This is consistent across the nation and is particularly acute in the Valley due to high labor costs and expense and scarcity of materials.
- Plan development is much more advanced than it was in the last cost estimate and is more “dialed in” and accurate.
- Per direction of the Fire Department and Code requirements, we have changed the construction to a “Type II” building, which is much safer but more expensive than originally considered.
- We now have items such as a fire pump, standpipes, generator, and mechanical equipment that was not originally envisioned.

There are areas for value engineering, all of which will be explored going forward. We have proposals from four contractors in response to our RFP for a Construction Manager/General Contractors. When selected, that contractor will be working with us going forward to maximize cost savings, secure real-time pricing and eventually competitively bid the project to their subcontractors.

FINANCIAL IMPACT:

We have revised the financial projections based on the cost estimates and in conjunction with DA Davidson, the firm we work with on financing capital projects. Our proforma is included in Attachment B and builds in the following cost assumptions:

- The current hard cost estimate.

- An additional hard cost contingency to bring the overall contingency to 20%.
- Estimates for all the design and engineering work through completion, water and sanitation fees, cost of bond issuance and legal fees, and a “soft” cost contingency.
- A “plug” number of \$2 million to reconfigure the Kearns road intersection, which was not in the Draw Site’s original scope.

In total, our conservative estimate is \$86 million, or just over \$1,000 per square foot. This is consistent with what we have seen in Aspen with recent affordable housing developments and is what we expected based on communication with local contractors.

The FAB will recall that, in 2022, a significant majority of the Snowmass Village voters approved adding workforce housing as an allowed expenditure of the existing lodging tax and marketing sales tax revenue (that was otherwise dedicated to tourism functions). This voter approved change produces approximately \$5million annually for workforce housing projects. We have projected dedicating \$3 million of this already-approved annual revenue to debt service on this project’s capital financing along with the revenue from monthly rents on the 79 apartments. Based on these two revenue sources alone, DA Davidson currently projects that they can capitalize just over \$70 million at current rent rates with bond financing. Staff is confident that the projected “gap” of approximately \$15 million can be filled with a combination of state housing grants, local partner funding (including local businesses and other local governments), and adjustments in rental rates. The rent rates are currently projected at \$1,400 for a one-bedroom, \$2,000 for a two-bedroom and \$2,500 for a three-bedroom apartment in the first year of occupancy.

To summarize, this plan anticipates fully funding this development without using any TOSV general funds or requiring any new taxes.:

Total Development Costs:	\$86,095,615
Development Sources:	
2025A Bonds financed with rent & existing lodging revenue	\$23,500,000
2025B Bonds financed with rent & existing lodging revenue	\$47,180,000
Grants &/or partner capital	\$15,415,615
Total Development Sources:	\$86,095,615

ATTACHMENTS:

- Attachment A: Schematic Renderings
- Attachment B: Financial Pro Forma Financial Analysis



Schematic Design:

LEGEND

- 1 BUS STOP
- 2 OUTDOOR SEATING
- 3 GUEST EV PARKING
- 4 UPPER LEVEL OUTDOOR KITCHEN
- 5 COVERED BIKE PARKING
- 6 EXTERIOR CIRCULATION
- 7 EMERGENCY ACCESS HAMMER HEAD TURN OVER STRUCTURE
- 8 FLEXIBLE USE HARDSCAPE
- 9 ALL AGES PLAY FEATURE
- 10 FLEXIBLE USE LAWN
-  BUILDING ENTRANCE W/ BUILDING LEVEL





VIEW TO DRAW SITE FROM POINT SITE - MATERIAL OPTION B



VIEW FROM SOUTH - MATERIAL OPTION B



**SITE
ARCHITECTS** | **SD-4.6**

TOSV DRAW SITE | 05.14.2024



VIEW FROM UPPER TOWNHALL PARKING - MATERIAL OPTION B



VIEW FROM COURTYARD - MATERIAL OPTION B

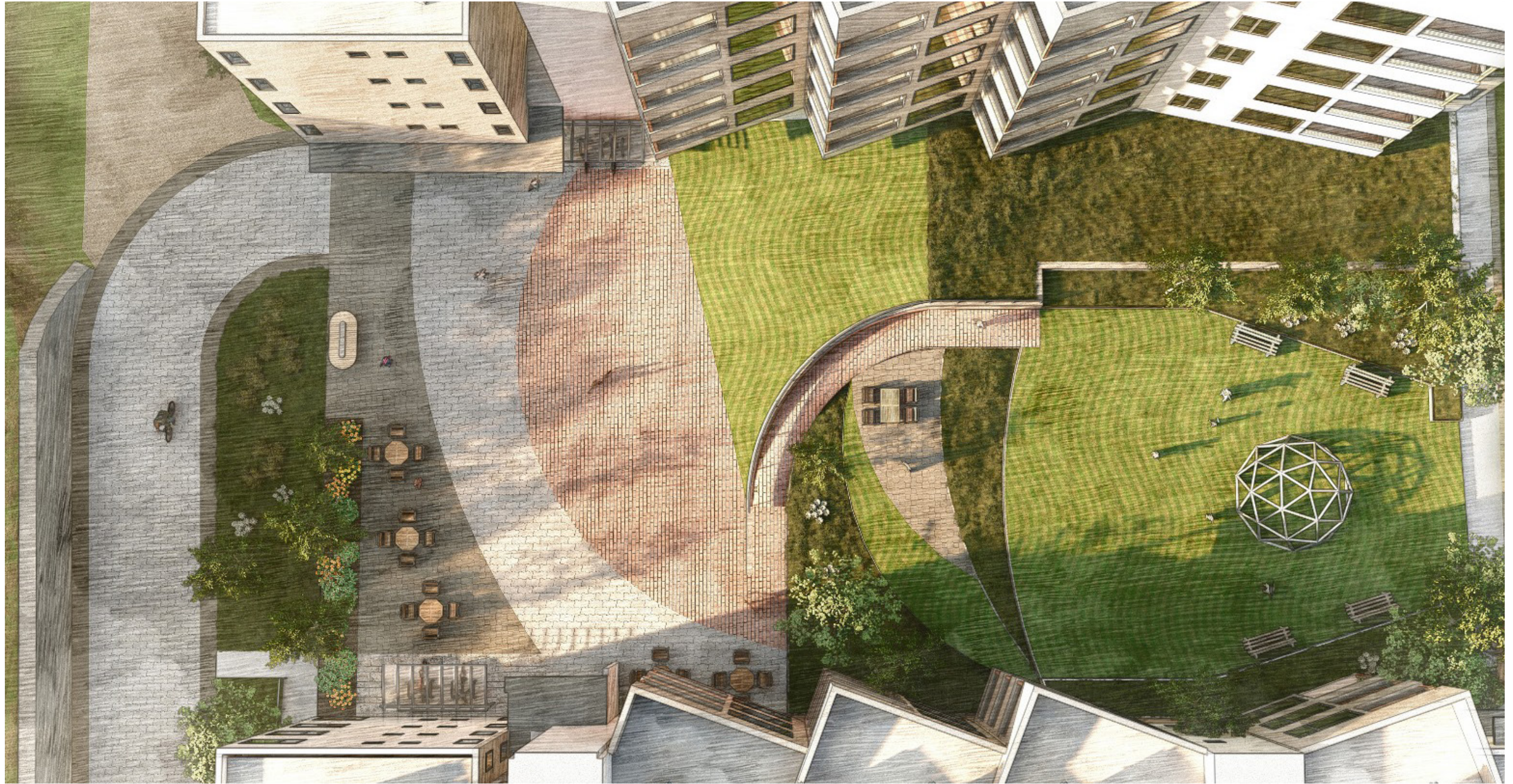


**SITE
ARCHITECTS** | **SD-4.8**

TOSV DRAW SITE | 05.14.2024















DRAW APARTMENTS

Snowmass Village CO

TOSV Housing Department

projected construction: 2025

Prepared:

PROJECT DATA				UNIT MIX				
Total Number of Units		79		Affordability	# of Units	% of Units	Bedrooms	# of Units
Residential Square Footage		104,025		25%	0	0%		0
Commercial Square Footage		-		50%	0	0%		0
Parcel Size		0		100%	79	100%		79
Number of Parking Spaces		120.00		Other	0	0%	0	0
Assessors Parcel Number		0		Total	79		Total	79
Number of Stories:	4	Zoning:		Project Based Subsidies:				
Acreage:	4.00	Density:	19.75					
DEVELOPMENT BUDGET				PROJECT INCOME				
Description	Per Unit	Estimate		Unit Size	Target Population	Number of Units	Net Rent	Annual Revenue
Land SF:	0	0	0	SRO		0	0	0
Acquisition Costs		0	0			0	0	0
Total Acquisition		0	0	Subtotal SRO Bedroom Units		0		0
Construction / Rehabilitation	949,996	75,049,651		Efficiency/Studio		0	0	0
Hard Cost Contingency	38,000	3,001,986			workforce	0	0	0
Architecture and Engineering	44,460	3,512,324				0	0	0
Survey & Permits	18,000	1,422,000		Subtotal Eff Bedroom Units		0		0
Financing Costs	0	0		1 Bedroom		0	0	0
General Development Costs	36,397	2,875,364			workforce	49	1,400	823,200
Other Costs	0	0				0	0	0
Soft Cost Contingency	2,966	234,291		Subtotal 1 Bedroom Units		49		823,200
Reserves	0	0		2 Bedroom		0	0	0
Developer Fee & Costs	0	0			workforce	21	2,000	504,000
Developer Overhead	0	0				0		0
Syndication Costs	0	0		Subtotal 2 Bedroom Units		21		504,000
Total Development Costs	1,089,818	86,095,615		3 Bedroom		0	0	0
FINANCING						9	2,616	282,479
Source	Per Unit	Total		Subtotal 3 Bedroom Units		9		282,479
2025A Bonds	297,468	23,500,000		Other		0	0	0
LIHTC 9% Equity	597,215	47,180,000				0	0	0
Other: Local Partner	63,291	5,000,000		Subtotal Other Units		0		0
First Mortgage from Rental income	0	0		Manager's Unit		0	0	0
State/Local/FHLB	131,843	10,415,615		Subtotal Net Rentable		79		1,609,679
Other	0	0		Common / Commercial Area				
Other	0	0		Circulation	0.25			
Total Sources	1,089,818	86,095,615		TOTAL		79		1,609,679
ADDITIONAL FUNDS REQUIRED				PROJECTED CASH FLOW VARIABLES				
		0		Rent Increase Rate - Tenant			3.0%	
OPERATING EXPENSES				Rent Increase Rate - Operating Subsidy (N/A)			3.0%	
Item	Per Unit	Annual		Vacancy Rate			1.0%	
Administration	82	6,500		Operating Expense Increase			3.0%	
Utilities	1,364	107,722						
Operating & Maintenance	1,635	129,200						
Taxes & Insurance	380	30,000						
Service Expenses	0	0						
Total Operating	3,461	273,422						
Per month	288	22,785						
Total Reserve Deposits	600	47,400						
CASH FLOW								
	Year:	1	2	3	4	5	6	7
GROSS INCOME								
Gross Rental Income	Per Unit							
Other Income	20,375.69	1,609,679	1,657,970	1,707,709	1,758,940	1,811,708	1,866,060	1,922,041
Operating Subsidy (HUD PRAC)	189.87	15,000	15,150	15,302	15,455	15,609	15,765	15,923
SCHEDULED GROSS INCOME	0.00	0	0	0	0	0	0	0
(Less) Vacancy Allowance	20,565.56	1,624,679	1,673,120	1,723,010	1,774,395	1,827,317	1,881,825	1,937,964
EFFECTIVE GROSS INCOME	(203.76)	(16,097)	(16,580)	(17,077)	(17,589)	(18,117)	(18,661)	(18,661)
	20,361.81	1,608,583	1,656,540	1,705,933	1,756,805	1,809,200	1,863,164	1,919,304
NET INCOME								
(Less) Operating Expenses	(3,461.04)	(273,422)	(281,625)	(290,073)	(298,776)	(307,739)	(316,971)	(326,480)
(Less) Reserves	(600.00)	(47,400)	(48,348)	(49,315)	(50,301)	(51,307)	(52,333)	(53,380)
NET OPERATING INCOME	16,300.77	1,287,761	1,326,567	1,366,545	1,407,728	1,450,154	1,493,860	1,539,443
DEBT SERVICE								
	0	0	0	0	0	0	0	0
NET CASH FLOW								
	1,287,761	1,326,567	1,366,545	1,407,728	1,450,154	1,493,860	1,539,443	

SOURCES & USES
DRAW APARTMENTS

I PERMANENT SOURCES

Equity/Grants	Amount	INTEREST	TERM	AMORTIZATION	CONSTANT	ANNUAL PMT
2025A Bonds	23,500,000	4.00%	20	30	5.729%	1,346,311
2025B Bonds	47,180,000					
State/Local/FHLB	10,415,615	0		0		
FHLB			-			
Sponsor Note	0		-			
State HTCC	0		-			
Other: Local Partner	5,000,000					
Other: Deferred Fee	0					Net Dev fee/OH =
Total Equity	86,095,615					

Debt Financing	Amount	Rate	Term	Amort	Constant	Annual Payment
First Mortgage from Rental income	0	4.00%	20	30	5.729%	0
		4.51%	30	30	6.089%	0
Total Debt	0					

NOTES:

Soft Debt	Amount	Rate	Term	Amort
Grant/Partner Capital		0.00%	30	0
		0.00%	30	0
State - CHAMP - soft funds	0	1.00%	30	20000
State - HSF		2.50%	50	0
State - HOME		0.00%	30	0
State - AHT	0	0.00%	30	0
State - HPSTF		0.00%	50	0
Deferred Dev Fee	0	0		
Total Soft Debt	0			

Total Sources \$86,095,615
Total Uses \$86,095,615
Surplus (Gap) (\$0)

II CONSTRUCTION/PREDEVELOPMENT SOURCES

Construction Loan	Amount	Rate	Term (Months)	Avg % Outstanding
Lender: TBD	0	4.00%	14.00	50%
Total Const				

Predevelopment Loans	Amount	Rate	Term (Months)	Avg % Outstanding
Morse capital	0			
DOH Predevelopment	0			
Total Predevelopment	0			

ITEM	TOTAL PROJECT COST		Per Unit	% of Total
ACQUISITION				
Acquisition: Land		0.00	-	0%
Land Cost	0.00		-	0%
	0.00		-	0%
Acquisition: Building	0.00		-	0%
Total Acquisition Cost		0.00	-	0%
CONSTRUCTION / REHABILITATION				
Direct Construction Budget		75,049,651.00	949,996	87%
Site Improvements	8,955,479.00		113,360	10%
Site prep	8,955,479.00		113,360	10%
landscape	0.00		-	0%
Off-Site improvements	0.00		-	0%
Demolition			-	0%
Residential	46,087,216.00		583,382	54%
Residential Units	\$443 46,087,216.00		583,382	54%
Permit			-	0%
Pre construction services			-	0%
Parking	20,006,956.00		253,253	23%
Structure	20,006,956.00		253,253	23%
On-grade	0.00		-	0%
Environmental Remediation	0.00		-	0%
General Requirements			-	0%
Contractor Overhead			-	0%
Contractor Profit				
Construction Contingency		3,001,986.04	38,000	4%
Total Const. / Rehab. Costs		78,051,637.04	987,995	91%
ARCHITECTURE AND ENGINEERING				
Architecture	3,512,323.67		44,460	4%
Feasibility studies	0.00		-	0%
Design SD/DD/CD/Bid	4.5% 3,512,323.67		44,460	4%
Printing/Reimburseables			-	0%
Add'l services			-	0%
Total Architecture & Engineering		3,512,323.67	44,460	4%
PERMITS				
Permit Fees	0.00		-	0%
Govt - Zoning	0.00		-	0%
Govt - Building Permits	0.00		-	0%
Govt - Other (special fees such as TCO, sanitation, etc)	0.00		-	0%
Utility Hook Up Fees (Tap Fees)	1,422,000.00		18,000	2%
Total Permits and Feeds		1,422,000.00	18,000	2%
GENERAL DEVELOPMENT COSTS				
Bond Premium	\$750,497		-	0%
Legal		314,233.00	3,978	0%
Legal fees	314,233.00		3,978	0%
Escrow Fees & Title Endorsements	0.00		-	0%
Other (Acq Loan, Predev Loan, etc)	112,226.00		1,421	0%
Accounting & Cost Certification		0.00	-	0%
Audit & Tax Returns & Requisitions	0.00		-	0%
Cost Certification Costs	0.00		-	0%
Furnishings			-	0%
Insurance		0.00	-	0%
Preconstruction	0.00		-	0%
Course of Construction	448,905.00		5,682	1%
Placed in Service			-	0%
Relocation Expenses		0.00	-	0%
Relocation - direct residential			-	0%
Relocation - direct commercial			-	0%
Relocation Consultant			-	0%
Appraisal Costs		0.00	-	0%
Appraisals	0.00		-	0%
Appraisal - Permanent			-	0%
Security (if not in const contract)		0.00	-	0%
KEARNS ROAD INTERSECTION		2,000,000.00	25,316	2%
Total General Development Costs		2,875,364.00	36,397	3%
Soft Cost Contingency	\$234,291	234,290.63	2,966	0%
TOTAL PROJECT COST		86,095,615.34	1,089,818	100%
SYNDICATION COSTS				
Legal - Syndication		0	-	0%
Other Syndication Costs				
Total Syndication Costs		\$0	-	0%
GRAND TOTAL - Construction / Syndication		\$86,095,615	1,089,818	100%

INCOME, RENTS & SQUARE FOOTAGE
DRAW APARTMENTS

RENT SCHEDULE									
Unit Type	Affordability Tier	Type of Rent (from Guide below)	# of Apts	Gross Rent (link to chart below)	Util Allow (pulls from below)	Effective Rent	Total Annual	Sq. Ft.	Sq Ft
								Per Apt	Total
SRO			-	-	-	-	-		-
Studio			-		-	-	-		-
Studio					-	-	-		-
Studio					-	-	-		-
1-Bedroom					-	-	-	-	-
1-Bedroom					-	-	-		-
1-Bedroom					-	-	-		-
1-Bedroom			49	1,926.75	-	1,400	823,200	750	36,750
2-Bedroom					-	-	-		-
2-Bedroom					-	-	-		-
2-Bedroom			21	2,163.00	-	2,000	504,000	900	18,900
3-Bedroom					-	-			-
3-Bedroom					-	-			-
3-Bedroom			9	2,615.55	-	2,500	270,000	1,320	11,880
4-Bedroom					-	-			-
4-Bedroom			-	-	-	-	-		-
4-Bedroom			-		-	-	-		-
Manager			-		-	-	-		-
Rent-Free			-		-	-	-	20,802	20,802
					-	-			
					-	-			
TOTAL			79	\$0		\$0	\$1,597,200		88,332

OPERATING BUDGET

Project Name:

DRAW APARTMENTS

Number of Units:

79

6.00%

EXPENSES	ANNUAL	Monthly
ADMINISTRATIVE EXPENSES		
Management Fee	\$0	\$0
Manager Payroll		\$0
Taxes-Payroll (9.5% of payroll)		\$0
Legal	\$0	\$0
Audit	\$1,500	\$125
Advertising	\$0	\$0
Telephone, Answ. Service, Fax & Computer Lines		\$0
Office Supplies	\$500	\$42
Bookkeeping/Accounting	\$2,500	\$208
Misc. Administrative Expenses (specify)	\$2,000	\$167
TOTAL ADMINISTRATIVE EXPENSES	\$6,500	\$542
UTILITIES EXPENSES		
Electricity	\$45,000	\$3,750
Trash	\$15,000	\$1,250
Natural Gas	\$0	\$0
Water & Sewer	\$47,722	\$3,977
TOTAL UTILITIES EXPENSES	\$107,722	\$8,977
OPERATING & MAINT. EXPENSES		
Maintenance Payroll	\$40,000	\$3,333
Janitor/Cleaning Contract	\$0	\$0
Benefits	\$50,000	\$4,167
Janitor/Cleaning Supplies	\$0	\$0
Interior Paint/Decor contracts	\$0	\$0
Garbage/Rubbish Removal	\$0	\$0
Snow & Ice Removal	\$2,000	\$167
Grounds Contract	\$6,000	\$500
Maintenance Rent		\$0
Maintenance Supplies	\$20,000	\$1,667
Maintenance Contracts	\$5,000	\$417
HVAC Repairs & Contract		\$0
Pool Maintenance		\$0
Interior Paint/Decor Contract	\$1,200	\$100
Interior Paint/Decor Supplies	\$0	\$0
Miscellaneous Operating & Maintenance	\$5,000	\$417
TOTAL OPERATING & MAINT. EXPENSES	\$129,200	\$10,767
TAXES & INSURANCE		
Taxes-Personal Property	\$0	\$0
Taxes-Real Estate		\$0
Taxes-Other		\$0
Insurance/Property & Liability	\$30,000	\$2,500
Insurance/Fidelity Bond		\$0
Other Insurance		\$0
TOTAL TAXES & INSURANCE	\$30,000	\$2,500
SERVICE EXPENSES		
Resident Services Salary	\$0	\$0
Resident Services Supplies		\$0
Resident Services Misc. Expenses	\$0	\$0
TOTAL SERVICE EXPENSES	\$0	\$0
TOTAL EXPENSES	\$273,422	\$22,785

Operating Expense Per Unit:	\$3,461	
Replacement Reserve Deposits Per Unit:	\$ 600.00	600
Other Reserve Deposits Per Unit:	\$0	
Total Op Exp Per Unit:	\$4,061	

OPERATING INCOME, EXPENSE & CASH FLOW PROJECTION

Project Name: DRAW APARTMENTS
Total Units 79

OPERATING INCOME	Inflation	Initial Year														
	Factor	Per Month	Per Unit	1	2	3	4	5	6	7	8	9	10	11	12	13
RENT																
Resident	3.00%	134,140	20,376	1,609,679	1,657,970	1,707,709	1,758,940	1,811,708	1,866,060	1,922,041	1,979,703	2,039,094	2,100,267	2,163,275	2,228,173	2,295,018
OTHER INCOME: Laundry	1.0%	1,250	190	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405	16,569	16,735	16,902
OTHER INCOME																
GROSS INCOME		135,390	20,566	1,624,679	1,673,120	1,723,010	1,774,395	1,827,317	1,881,825	1,937,964	1,995,785	2,055,337	2,116,672	2,179,844	2,244,908	2,311,920
VACANCY LOSS																
Resident	1.00%	(1,341)	(204)	(16,097)	(16,580)	(17,077)	(17,589)	(18,117)	(18,661)	(19,220)	(19,797)	(20,391)	(21,003)	(21,633)	(22,282)	(22,950)
EFFECTIVE GROSS INCOME		134,049	20,362	1,608,583	1,656,540	1,705,933	1,756,805	1,809,200	1,863,164	1,919,304	1,975,988	2,034,946	2,095,669	2,158,211	2,222,626	2,288,970

OPERATING EXPENSES		Initial Year														
		Per Month	Per Unit													
Administration	3.0%	542	82	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735	8,998	9,267
Utilities	3.0%	8,977	1,364	107,722	110,954	114,282	117,711	121,242	124,879	128,626	132,484	136,459	140,553	144,769	149,112	153,586
Operating & Maintenance	3.0%	10,767	1,635	129,200	133,076	137,068	141,180	145,416	149,778	154,272	158,900	163,667	168,577	173,634	178,843	184,208
Taxes & Insurance	3.0%	2,500	380	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773
Service Expenses	2.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		22,785	3,461	273,422	281,625	290,073	298,776	307,739	316,971	326,480	336,275	346,363	356,754	367,456	378,480	389,834
RESERVES																
Replacement Reserve	2.0%	3,950	600	47,400	48,348	49,315	50,301	51,307	52,333	53,380	54,448	55,537	56,647	57,780	58,936	60,115
NET OPERATING INCOME		107,313	16,301	1,287,761	1,326,567	1,366,545	1,407,728	1,450,154	1,493,860	1,539,443	1,585,265	1,633,046	1,682,268	1,732,974	1,785,210	1,839,021
AVAILABLE FOR DEBT SERVICE W/DSC	1.10			1,170,691												
DEBT SERVICE																
Debt Service: First Mortgage		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Coverage, First				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW		107,313	16,301	1,287,761	1,326,567	1,366,545	1,407,728	1,450,154	1,493,860	1,539,443	1,585,265	1,633,046	1,682,268	1,732,974	1,785,210	1,839,021

OPERATING INCOME, EXPENSE & CASH FLOW PROJECTION

Project Name: DRAW APARTMENTS
Total Units 79

OPERATING INCOME	Inflation	Initial Year								
	Factor	Per Month	Per Unit	14	15	16	17	18	19	20
RENT										
Resident	3.00%	134,140	20,376	2,363,868	2,434,785	2,507,828	2,583,063	2,660,555	2,740,371	2,822,583
OTHER INCOME: Laundry	1.0%	1,250	190	17,071	17,242	17,415	17,589	17,765	17,942	18,122
OTHER INCOME										
GROSS INCOME		135,390	20,566	2,380,940	2,452,027	2,525,243	2,600,652	2,678,319	2,758,314	2,840,704
VACANCY LOSS										
Resident	1.00%	(1,341)	(204)	(23,639)	(24,348)	(25,078)	(25,831)	(26,606)	(27,404)	(28,226)
EFFECTIVE GROSS INCOME		134,049	20,362	2,357,301	2,427,679	2,500,164	2,574,821	2,651,714	2,730,910	2,812,478
OPERATING EXPENSES		Initial Year								
		Per Month	Per Unit							
Administration	3.0%	542	82	9,545	9,832	10,127	10,431	10,744	11,066	11,398
Utilities	3.0%	8,977	1,364	158,193	162,939	167,827	172,862	178,048	183,389	188,891
Operating & Maintenance	3.0%	10,767	1,635	189,735	195,427	201,289	207,328	213,548	219,954	226,553
Taxes & Insurance	3.0%	2,500	380	44,056	45,378	46,739	48,141	49,585	51,073	52,605
Service Expenses	2.0%	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		22,785	3,461	401,529	413,575	425,983	438,762	451,925	465,483	479,447
RESERVES										
Replacement Reserve	2.0%	3,950	600	61,317	62,543	63,794	65,070	66,371	67,699	69,053
NET OPERATING INCOME		107,313	16,301	1,894,455	1,951,560	2,010,388	2,070,989	2,133,417	2,197,728	2,263,978
AVAILABLE FOR DEBT SERVICE W/DSC	1.10									
DEBT SERVICE										
Debt Service: First Mortgage		0	0	-	-	-	-	-	-	-
Debt Service Coverage, First				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
NET CASH FLOW		107,313	16,301	1,894,455	1,951,560	2,010,388	2,070,989	2,133,417	2,197,728	2,263,978

From: Greg Smith <gcsmith17@yahoo.com>
Date: August 3, 2024 at 4:03:46 PM MDT
To: phil@rossmoreproperty.com
Cc: Marianne Rakowski <MRakowski@tosv.com>, Clint Kinney <CKinney@tosv.com>
Subject: Fwd: Draw Site

Hello Phil,

I hope all is well with you.

Since I mentioned the FAB in the attached note, I wanted to supply a copy to the FAB, but I couldn't figure out how to do it from the Town's website. It does still list you as Chairman, but if not, if you could pass it onto the rest of the board members or whoever is Chair, I'd appreciate it.

Thanks!
Greg
Sent from my iPad

Begin forwarded message:

From: Greg Smith <gcsmith17@yahoo.com>
Date: August 3, 2024 at 3:29:13 PM MDT
To: Bill Madsen <BMadsen@tosv.com>, Alyssa Shenk <AShenk@tosv.com>, trfidstein@tosv.com, smarolt@tosv.com, bgustafson@tosv.com
Cc: Clint Kinney <CKinney@tosv.com>, Marianne Rakowski <MRakowski@tosv.com>
Subject: Draw Site

Council Members,

After seeing the packet for the Council meeting, I felt it was important to comment. While I have an opinion, I'm sure you're getting adequate comments on the scale, mass, etc. I'm sure you're also getting comments on the importance ("dire need" noted in the packet) of additional workforce housing. I do not believe that this note will change anyone's mind, but I'm hopeful that it causes a pause to take a balanced view of both sides.

I will therefore restrict my comments to disclosures and the costs/risks of this endeavor. Regarding disclosure, I found the wording of the proposed ballot question to be problematic. While it may be technically correct that there are no new taxes for this proposal, it is very misleading. The town will go further down the path of property management, it will require infrastructure upgrades, there will be required oversight both during and after construction, and the town will take on a very substantial incremental debt burden. While it is conceivable that all of that can be accomplished without added headcount or a specific "tax", it is very clear that it would require money and resources

that could be used elsewhere to broader town benefit, and to imply otherwise is disingenuous.

With respect to cost, this project is projected to cost more than the town's entire revenue and taxes for 2024 from all sources. It is also more than four times the entire capital fund budget for 2024. Any project of this magnitude should clearly communicate all of the risks should issues arise. I have the sense, perhaps unfair, that these risks are not being adequately considered. Obvious large risks include the volatile geopolitical environment we are in, another pandemic, a severe economic recession, a major cyber issue either here or in the travel industry, a construction incident, funding issues, a couple of bad weather years in a row, etc. In the corporate world, this type of action would include many pages of risk disclosures, and very clear language covering the costs, risks, trade offs and benefits. I believe our taxpayers deserve the same level of respect and transparency prior to being asked to vote

I have complete faith in the town's finance department and management, and in the Financial Advisory Board. I would hope that they could add to the dialogue, including funding details and the broad array of risks with this expenditure, if they have not already done so.

Respectfully,
Greg Smith

Sent from my iPad