

Snowmass Village ECE Feasibility Project

Final Slide Package

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I. Needs Assessment

Town Council presentation on February 22, 2022

Needs Assessment

▶ Purpose

- ▶ learn from community stakeholders the key needs for families around child care in TOSV
- ▶ Quantify the need for child care and inform the site evaluation and budget development phases

▶ Interviews conducted with key stakeholders representing the following organizations:

- ▶ Aspen Skiing Company
- ▶ MANAUS Foundation
- ▶ Little Red School House
- ▶ Rocky Mountain Early Childhood Council
- ▶ Aspen Community Foundation
- ▶ Kids First/City of Aspen
- ▶ Child Care Licensing
- ▶ Aspen School District
- ▶ Little Red School House

Needs Assessment: Additional Data Sources

- ▶ Community Needs Assessment Survey
- ▶ NW Council of Government Child Care Regional Assessment
- ▶ U.S. Census data on population
- ▶ Child care licensing data from Colorado Department of Human Services
- ▶ Capacity data from Kids First survey

Needs Assessment Key Themes and Implications

▶ Current lack of access to child care in TOSV

- ▶ In *Pitkin County*, there are about 5 children under the age of 5 for each licensed slots (279 slots for 818 children). About 58% of these are higher quality (Colorado Shines level 3, 4, or 5).
- ▶ TOSV has only one childcare provider (Little Red Schoolhouse), which is currently licensed for 30 but typically enrolls 20 to 24 children
- ▶ Lack of licensed care for infants and toddlers → only 3 locations in Pitkin County serve infants, with 39 licensed slots, and none in TOSV

Needs Assessment: Key Themes and Implications

▶ **Service Population:**

- ▶ Snowmass Village is geographically isolated
- ▶ LRSH likely only to serve residents and employees; not likely to attract families from elsewhere, unless they're working in TOSV
- ▶ Local workforce demand is likely significant, so should not limit to residents only or prioritize them
- ▶ SkiCo employees want child care near work to fit commuting schedules
- ▶ Small population means fluctuations in population and demand → need dynamic spaces and storage to repurpose spaces from Infant to Toddler to Preschool as needed

▶ **Scheduling:**

- ▶ Year-round and full-day or extended-day schedule is essential
- ▶ Align with local workforce demands (peaks Dec – April; weekends and holidays, especially Saturdays)
- ▶ Consider 6 or 7 days/week programming and holiday hours during peak season
- ▶ Low need for part-day programming

Needs Assessment: Key Themes and Implications (cont.)

▶ **Programming Considerations:**

- ▶ Infant care desperately needed, but much more expensive to operate.
- ▶ LRSB could take advantage of subsidies for infant care through KidsFirst (City of Aspen)
- ▶ TOSV may also need to consider supplemental subsidy
- ▶ TOSV could require operator offer infant care as condition of lease

▶ **Quality & Public & Philanthropic Funding:**

- ▶ State quality rating system is imperfect, however important to securing public funding
- ▶ Perception concerns re:-profit vs. non-profit status
- ▶ Look ahead to engaging in community discussion about operating structure, meeting community need, components of quality and quality rating options (Colorado Shines or national standards)
- ▶ There are public & philanthropic funding opportunities that LRSB has not historically maximized, but requires staff work to access

Needs Assessment: Key Themes and Implications (cont.)

▶ **Other Considerations:**

- ▶ Challenge to attract and retain child care staff. Could consider offering subsidized housing preference for child care workers
- ▶ In addition to providing for physical space improvements, Town may need to consider on-going operations subsidy, particularly to support infant programming, extended programming, or employee benefits

▶ **Upcoming investments in early childhood capacity in the region**

- ▶ City of Aspen investing in 70-child child care center for infants, toddlers, and preschoolers
- ▶ Town of Basalt building new centers between Carbondale and Basalt

Needs Assessment: Summary of Recommendations

- ▶ Expansion of capacity at LRSH is warranted - size / scope of expansion depends in part on what your goal is.
- ▶ Seek to serve TOSV residents and workers
- ▶ Year-round, full-day (8 hr) or extended day (10+ hr) programming priority; Weekend and holiday care during winter peak season would be major benefit - especially important to SkiCo employees
- ▶ Explore possibility of infant care
- ▶ Build dynamic spaces that can serve children of various ages to enable flexibility as enrollment changes year to year

II. Site Evaluation

Town Manager presentation on July 19, 2022

Site Evaluation

- ▶ **Purpose:** Identify and cost out options for expanding child care on the Little Red School House site
- ▶ **Key Considerations**
 - ▶ Priority for preserving/renovating the current historic structure
 - ▶ Other structures replaced?
 - ▶ Consider phased expansion approach
 - ▶ What could you do short term and long term?
 - ▶ How much could you build vs how much should you build (now vs tomorrow) future
 - ▶ Child care only vs child care + housing, etc.

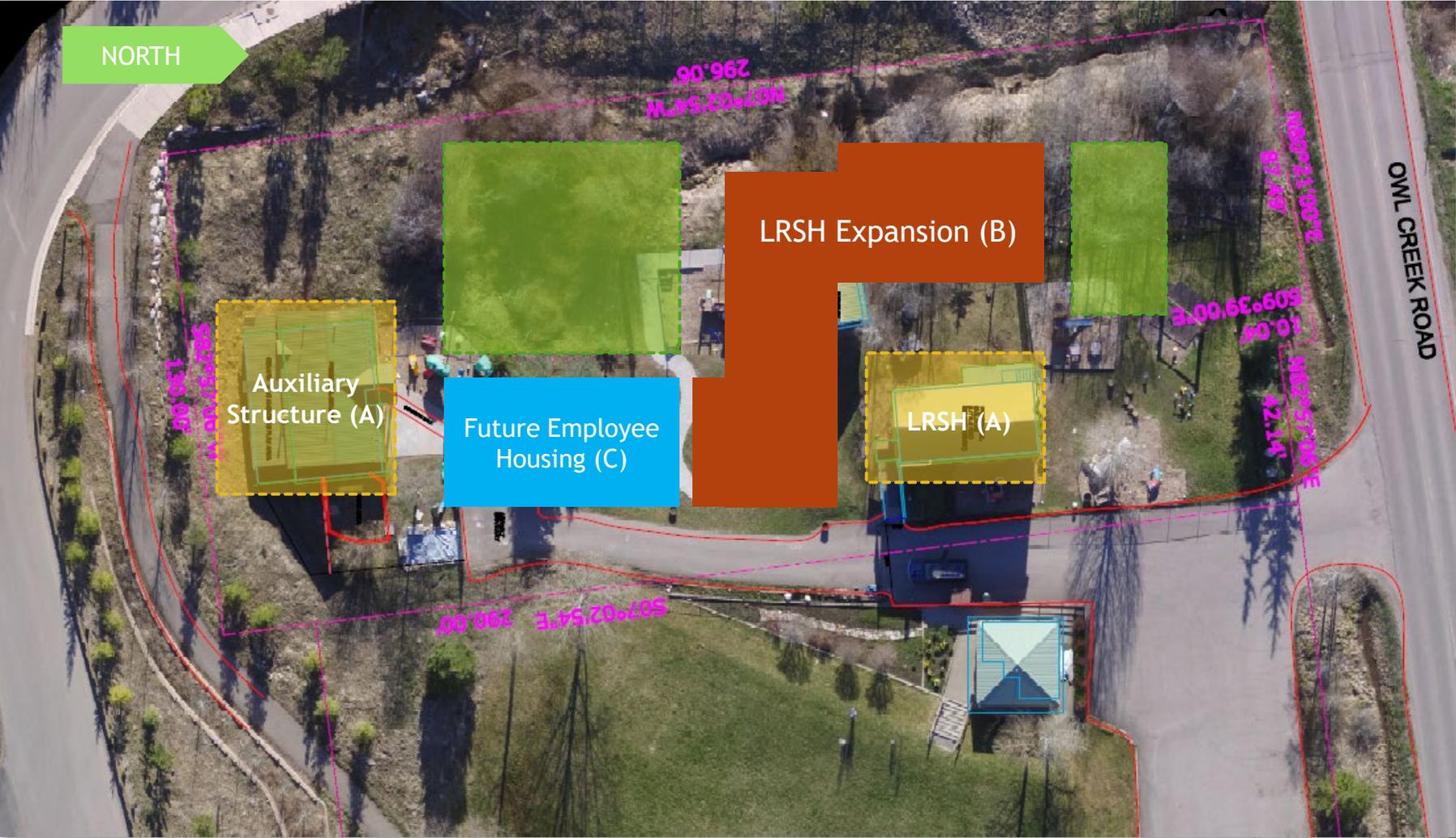
Site Evaluation Approach

- ▶ Contracted with GF Woods Construction
- ▶ Coordinated site visit to LRSH for GF Woods to walk the property
- ▶ GF Woods to provide high-level estimates based on current market conditions
- ▶ Produce 3 scenarios for consideration

Current Site Layout



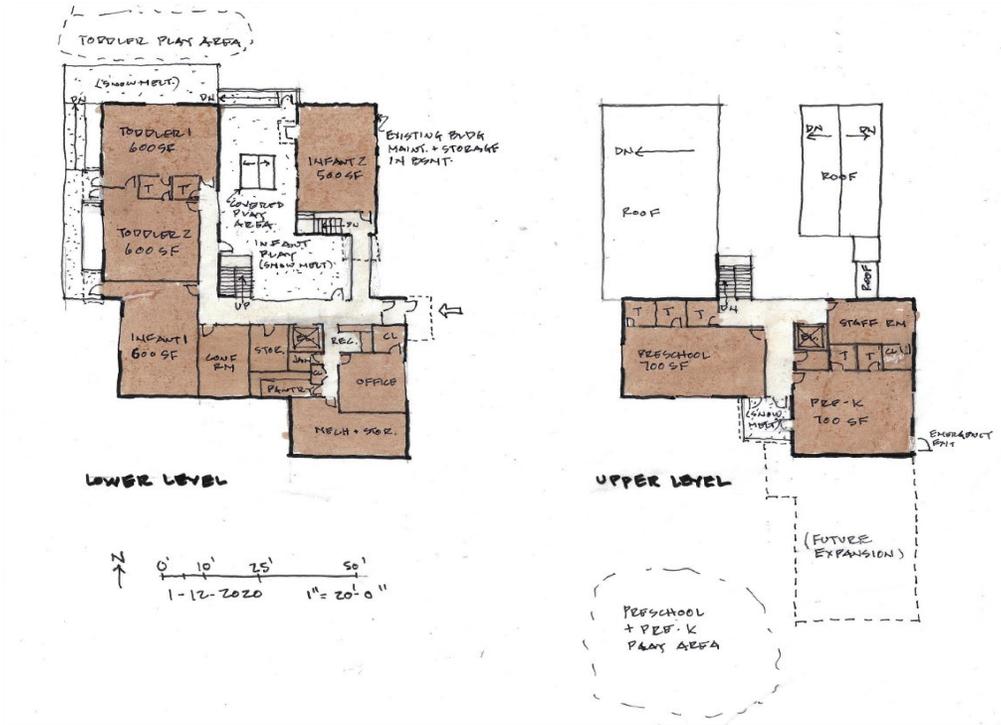
Future Site Plan Alternatives (GF Woods)



Scenario A: *LRSH Refurb + Replacement*

- ✓ Refurbish LRSH
- ✓ Demolish Auxiliary Bldg
- ✓ Replace with Similarly Sized Facility
 - ✓ Goal would be to replace current facilities with newer, safer and more functional space, but not to grow capacity
 - ✓ We do not have precise measurements of existing auxiliary facilities, so square footage is estimated
 - ✓ We do not have any conceptual drawings for how similarly sized facility could / should be reconfigured to maximize utility / benefit
- ✓ Could enhance play area and landscaping

Scenario B: *LRSH Refurb + Expansion*

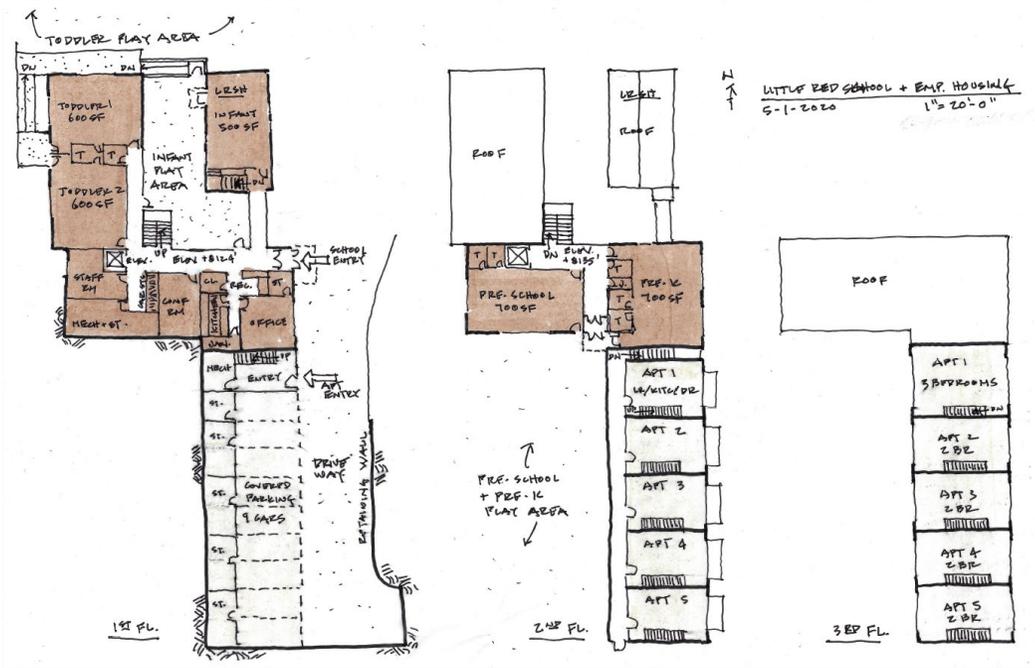


- ✓ Refurbish LRSH
- ✓ Demolish Auxiliary Bldg
- ✓ Replace auxiliary bldg. with expanded child care facility:
 - 6 total classrooms
 - Additional office and storage space
 - 4,400 sq.ft. to 9,100 (110% increase)
- ✓ Enhanced play area and landscaping (pricing not included)

Estimated capital cost:

\$4.6 - \$6.3 million

Scenario C: LRSH + Housing Expansion



- ✓ Refurbish LRSH
- ✓ Demolish Auxiliary Bldg
- ✓ Replace with expanded child care facility:
 - 6 total classrooms
 - Additional office and storage space
 - 4,400 sq.ft. to 9,100 (110% increase)
- ✓ Enhanced play area and landscaping (pricing not included)
- ✓ Construct four (4) 1,000 sq.ft. employee housing units (2br, 1 ba)

Estimated capital cost:

\$6.8 - \$9.0 million

Important Construction Considerations

- ▶ **Addressing the current parking area** does the current asphalt area need to increase? GF Woods estimates do not account for a larger parking surface.
- ▶ **Lead times on construction materials** are lengthy, currently 3-4 months prior to breaking ground currently as lead times on structural steel, appliances, windows, hardware, mechanical/electrical items still come with a very lengthy lead time.
- ▶ **What will the plan be fore the pre-school while the facility is under construction?** Is there a need for a phased approach to this project to allow the historic structure to be renovated prior to the any other areas to allow that structure to partially house the pre-school while the other facility is being re-developed? Or does the town have a temp facility that could house the entire program while the site is being fully renovated? (second approach will be quicker and more efficient for all parties).
- ▶ **Necessary research needs to be accounted for as it relates to the foundation of a new structure on this hillside.** Will a deep foundation or how extensive of deep foundation be necessary? (caissons or micro-piles to mitigate the natural springs on the site)

III. Budget Development

Town Council presentation on August 15, 2022

Budget Plan Development

Overview

- ▶ identify a financially sustainable business model for childcare operations at LRSH site
- ▶ Take into account start-up costs and ongoing operational costs
- ▶ Identify likely revenue sources (public and private)
- ▶ Consider costs to deliver care and likely revenue streams
- ▶ Incorporate findings from needs assessment and site evaluation phases

Budget Development: *Re-development Alternatives*

Scenario A

- ✓ Refurbish LRSH
- ✓ Replace Auxiliary Bldg with similar structure

Replace existing capacity with newer, safer, more functional space

Scenario B

- ✓ Refurbish LRSH
- ✓ Replace Auxiliary Bldg w/expanded structure

Expand child care capacity

Scenario C

- ✓ Refurbish LRSH
- ✓ Replace Auxiliary Bldg w/expanded structure
- ✓ Add four (4) employee apartments

Expand child care capacity

Expand affordable housing inventory

Capital Budget: *Additional Costs*

	Estimated Budget
Design Services	10% of construction cost
Landscaping	\$250,000
Contingency	25% of construction cost
<hr/> Sub-total: <i>Known Additional + Contingency</i>	
Scenario A	\$501,500
Scenario B	\$1,148,335
Scenario C	\$1,704,966
<hr/> Known, Unknown Costs	
Plan for re-location during construction	??
Foundation - <i>Structural engineering</i>	??
Foundation – <i>Incremental structural construction</i>	??

Capital Budget: Cost Summary

	SF	\$ / SF (GF Woods)	\$ / SF (25% contingency)	Estimated Cost (GH Woods)	Estimated Cost (incl. contingency)	
Scenario A	LRSH	2,400	\$375	\$450	\$900,000	\$1,125,000
	Auxiliary Bldg	2,000	\$553	\$665	\$1,106,000	\$1,332,500
	SUBTOTAL	4,400	\$464	\$558	\$2,006,000	\$2,507,500
	<i>Additional Costs (excl. contingency) ¹</i>				\$450,600	\$500,750
	TOTAL				\$2.5M	\$3.0M
Scenario B	LRSH	2,400	\$375	\$450	\$900,000	\$1,125,000
	Auxiliary Bldg	--	--	--	--	--
	LRSH Expansion	6,705	\$553	\$665	\$3,711,496	\$4,634,831
	SUBTOTAL	9,105	\$464	\$558	\$4,611,496	\$5,538,825
	<i>Additional Costs (excl. contingency) ¹</i>				\$711,150	\$825,983
TOTAL				\$5.3M	\$6.6M	
Scenario C	LRSH	2,400	\$375	\$450	\$900,000	\$1,125,000
	Auxiliary Bldg	--	--	--	--	--
	LRSH Expansion	6,705	\$553	\$665	\$3,707,865	\$4,634,831
	Housing (4 apts) ²	4,000	\$553	\$665	\$2,212,000	\$2,765,000
	SUBTOTAL	13,105	\$494	\$593	\$6,819,865	\$8,198,825
<i>Additional Costs (excl. contingency) ¹</i>				\$931,987	\$1,102,483	
TOTAL				\$7.8M	\$9.6M	

¹ Contingency included in increased cost/SF)

² Approx. unit cost = \$550,000

Budget Development

- ▶ identify a financially sustainable business model for childcare operations at LRSH site
- ▶ Take into account start-up costs and ongoing operational costs
- ▶ Identify likely revenue sources (public and private)
- ▶ Consider costs to deliver care and likely revenue streams
- ▶ Incorporate findings from needs assessment and site evaluation phases

Operational Costs: Assumptions

- ▶ Operating costs based on actual operating costs for LRSH
 - ▶ **Thank you** to Christina Holloway for invaluable time educating research team on local market and her business practices
 - ▶ Staffing model drawn from Christina's experience in TOSV
 - ▶ Operating costs align national accreditation standards (NAEYC) - also equivalent to a Level 4 on the Colorado Shines quality rating scale
- ▶ Salaries based on current pay for LRSH teachers:
 - ▶ Lead teachers: \$27.50/hour = \$47,457/year
 - ▶ Assistant teachers: \$23.00/hour = \$39,691/year
- ▶ Operating costs also take into account:
 - ▶ Administrative personnel
 - ▶ Benefits such as health insurance
 - ▶ Non-personnel costs such as materials and utilities
- ▶ Operating costs **do not** include:
 - ▶ Capital construction costs
 - ▶ Transportation

Operational Costs: Scenarios

- ▶ Two scenarios created:
 - ▶ Scenario 1: Assumes 5 classrooms (1 infant, 1 low toddler, 1 high toddler, 2 preschool)
 - ▶ Scenario 2: Assumes 8 classrooms (2 infant, 1 low toddler, 2 high toddler, 3 preschool)
 - ▶ Note: Scenarios created for **illustrative purposes** only → not a specific recommendation!
- ▶ Teacher: child ratios and class size based on actual operating realities for high-quality care at LRSH:
 - ▶ Infant room: 2 teachers, 8 children
 - ▶ Young toddler room: 3 teachers, 10 children
 - ▶ Older toddler room: 3 teachers, 12 children
 - ▶ Preschool room: 3 teachers, 19 children

Operational Costs: Results

Classrooms	Age	No. Classrooms	No. Children	Cost Per Child	Total
5	Infant	1	8	\$26,602	\$212,816
	Toddler	2	22	\$21,337	\$469,403
	Preschool	2	38	\$15,193	\$577,315
	TOTALS	5	68	\$18,523	\$1,259,534
8	Infant	2	16	\$23,726	\$379,616
	Toddler	3	33	\$18,542	\$611,886
	Preschool	3	57	\$12,493	\$712,101
	TOTALS	8	106	\$16,072	\$1,703,603

5-year Summary *Pro Forma*

RENT

SQFT (school only)	6,705
Rent / SQFT	\$20.00
Annual Lease Amt	\$134,100

LRSB Operations

<i>in thousands</i>	Year 1	Year 2	Year 3	Year 4	Year 5	5-YR TOTAL
Revenue ¹	\$1,752	\$1,822	\$1,895	\$1,970	\$2,049	\$9,487
Expenses	\$1,704	\$1,772	\$1,843	\$1,916	\$1,993	\$9,227
Income	\$48	\$50	\$52	\$54	\$56	\$260
<i>as %</i>	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%

DEBT SERVICE ²

Amt borrowed	\$6.6M
Interest Rate	5.0%
Contingency	\$330,000

TOSV Investment

<i>in thousands</i>	Year 1	Year 2	Year 3	Year 4	Year 5	5-YR TOTAL
Financing	\$330	\$330	\$330	\$330	\$330	\$1,650
Rent Relief ³	\$134	\$140	\$145	\$151	\$157	\$726
TOTAL	\$464	\$470	\$475	\$481	\$487	\$2,376

¹ 106 full day students, \$85/day, 216 service days, 90% efficiency rate

² Assumes 100% debt financing of LRSB capital costs

³ Assumes 4.0% annual escalator

Administrative Guidance

- ▶ **Proposed Content**
 - ▶ Licensure considerations
 - ▶ Opportunities for state and federal funding
 - ▶ Facility considerations including inspection and safety
- ▶ **Next steps and timeline**
 - ▶ Guidance phase begins in late February, complete at end of March

IV. Next Steps

Town Council presentation on August 15, 2022

Next-Steps

1. Select preferred redevelopment scenario
2. Refine development assumptions and costs
3. Finalize capital financing approach
4. Decide on long-term operations model (private operator, non-profit operator, TOSV managed facility, etc.)
5. Identify potential capital cost off-sets (e.g., CO child care facility grants)

V. Supporting Documentation

GH Woods Construction report

Relevant Legislation

Helpful links

Contact Information

Little Red School House
Snowmass Village, CO 81615

Schematic Pricing Breakout

- Scenario A – Replace & Improve: \$1,872,000.00
 - Refurbish historic structure (based on 2,400 SF)
 - Interior renovation (updating bathrooms, all new interior finishes including cabinetry/millwork, flooring, new roof, repainting exterior); $\$375/\text{SF} \times 2,400 = \$900,000.00$
 - Replace auxiliary structure with a new, similar size/capacity:
 - New construction of same size auxiliary structure building (assumes 2,000 SF)
 - $2,000 \text{ SF} \times \$553/\text{SF} = \$1,106,000.00$

- Scenario B – Expand & Improve: \$4,579,956.00
 - Refurbish historic structure (based on 2,400 SF)
 - Interior renovation (updating bathrooms, all new interior finishes including cabinetry/millwork, flooring, new roof, repainting exterior); $\$375/\text{SF} \times 2,400 = \$900,000.00$
 - Replace the auxiliary structure with a larger childcare facility that has additional capacity for expansion of the program. This is based on the estimate the GF Woods Construction provided in Feb 2020 which was based on 6,705 SF and totaled \$2,969,197.00. Since then, we have seen prices increase between 20-30%. With a 25% increase on \$2,969,197.00 the total would be \$3,711,496.00

- Scenario C – Expand & Improve + (4) Employee Housing Apartments; \$6,823,496.00
 - Refurbish historic structure (based on 2,400 SF)
 - Interior renovation (updating bathrooms, all new interior finishes including cabinetry/millwork, flooring, new roof, repainting exterior); $\$375/\text{SF} \times 2,400 = \$900,000.00$
 - Replace the auxiliary structure with a larger childcare facility that has additional capacity for expansion of the program. This is based on the estimate that GF Woods Construction provided in Feb 2020 which was based on 6,705 SF and totaled \$2,969,197.00. Since then, we have seen prices increase between 20-30%. With a 25% increase on \$2,969,197.00 the total would be \$3,711,496.00
 - Add employee housing units on a floor above to new structure
 - Based on adding (4) 1,000 SF 2-bedroom/1-bathroom apartments.
 - $4,000 \text{ SF} \times 553/\text{SF} = \$2,212,000.00$

[HB22-1295](#) Department Early Childhood And Universal Preschool Program ([Factsheet](#))

[HB22-1006](#) Non-Profit Child Care Center Property Tax Exemption ([Factsheet](#))

[HB22-1010](#) Early Childhood Educator Income Tax Credit

[SB22-130](#) State Entity Authority For Public-private Partnerships

[HB22-1070](#) Special Districts Early Childhood Development

[HB22-1117](#) Use Of Local Lodging Tax Revenue

Helpful Links

Colorado Department of Early Childhood (CDEC)

<https://cdec.colorado.gov/>

Colorado Children's Campaign

<https://www.coloradokids.org/>

Colorado Department of Education

<https://www.cde.state.co.us/early/p-3education>

Early Childhood Leadership Commission (ECLC)

<https://www.earlychildhoodcolorado.org/>

Executive Partnering to Invest in Children (EPIC)

<https://www.coloradoepic.org/>

Contact Information

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