



To: Mayor and Town Council
From: Clint Kinney, Town Manager
Date: February 14, 2025
Re: Info Update

SNOWMASS CENTER

We are working through all of the many necessary financing steps to purchase the three acres of land behind the Snowmass Center for housing and to pay for our share of the road construction. DA Davidson is the Town's long-time financial advisory in circumstances such as this. Most recently they helped us sell the Certificates of Participation (COP) for the Snowmass Inn and 250 Carriage Way. COPs are a form of debt that "look and act" a lot like a government bond, but rather than having the full faith and credit of TOSV behind the debt, we put up land/building as collateral. In order to purchase the 3 acres behind the Snowmass Center for \$12.5 million we are planning to use the Public Works Shop as collateral. Much like a bond process, we will need to get an updated credit rating from a major financial organization. We expect S&P to review our financials and conduct the necessary interviews and due diligence in the first half of March.

The five major criteria that S & P will look at in assessing our credit rating (worthiness) are;

- 1) Economy
- 2) Financial Performance
- 3) Reserves & Liquidity
- 4) Management
- 5) Debt & Liabilities

We have a 40+ year history of being very conservative with our financials, hence our strong credit rating. As we consider how to finance this road project and land purchase S&P guides us to be very thoughtful about "an excessive debt or liability burden relative to its economic base or operations". To this end, and for several technical issues about the timing requirements to spend the COP proceeds, we are planning to cash fund the \$2.2 million obligation for the road improvements and then borrow the \$12.5 million for the land. As we contemplate future CIP projects, we will need to divulge to S&P any unfunded liabilities that may be on the horizon, yet another reason to be conservative about capital projects in the near future. If you are interested in how the S&P undertakes their review, I will be happy to pass on information regarding their methodology for rating municipalities; it's a fascinating read. Before a closing date can be set, the final plat, development agreements, PUD Guide, etc must be in final form. The closing could potentially be as soon as May, but only time will tell.

TID BITS:

- The contractor for the Woodbridge Road culvert started mobilizing equipment, fencing, and materials this week. Next week, Stutzman will begin with the removal of trees and vegetation necessary to complete the culvert replacement project. Pedestrians will have a connection to the bus stop throughout the workday. Trucking operations will occur in the shoulder of Brush Creek Rd and will not affect traffic. This is a significant, complex capital project that we are working hard to not have impact Brush Creek Road traffic.

- As a requirement to meet a new State Law and in an effort to get TOSV eligible for State housing grants, we are partnering with Pitkin County and the City of Aspen to hire a third party consultant to complete a formal Housing Needs Assessment. Due to the new state legislation, we need to complete an assessment prior to December 2026. We are going to try to get two birds with one stone by have the assessment be completed in such a way that it allows us to apply for Prop 123 grants as well. It will be a good regional effort.
- Getting a redundant natural gas line placed under the Melton Ranch Trail is expected to take some complex legal work with the Aspen Valley Land Trust, the group that owns the conservation easement on the land. All the parties understand the importance of the redundant line, but getting the necessary legal permission to put the line under the trail may take a “friendly condemnation” or some other fancy legal work. Black Hills, AVL T and TOSV are all cooperating on this effort.
- We are exploring applying for a state transportation grant that could allow us to increase the frequency of our demand response bus service in Town during June, July and August.
- We are making good progress on the upcoming launch of electric We-cycle bikes. We will have 9 new sites opening this summer in addition to the two we already had.
- Good news/ Bad news, we are still working through a number of evictions for folks that did not meet the 1,400 hour work requirement.
- Good news/ Bad news, Harvest for Hunger has a need for expansion. The food pantry in Town Hall has been such a success they need more space for storage. We have found and approved some closet space next to the library for an additional freezer for them.
- Don’t forget, February 20 is the grand opening for the Response Domestic Violence Shelter. TOSV was a financial contributor to this project.
- Yes, it is only February, but we are already planning for the summer concert series. The new stage is constructed and will be delivered in time for summer. Be on the lookout for a big musical announcement for the July 4th weekend.
- Now that winter is back, we expect the ice rink to open again.
- Congrats to Parks, Rec and Trails. We received another grant that will allow us to undertake a formal Tree inventory on public land to help us monitor the health of the trees.
- ATCK will be at the March 18 Winter Apres event with the Town Council and PTRAB members. They will also be at Heathers at 4:00 on 2/24 for a Drink with the Council event.
- We have interviewed contractors for the Little Red School House construction project. We won't go under final contract or move dirt until we have all the necessary grant funds in the bank, so we keep actively looking for \$2+ million in grant funds for this project.

CC: Department Directors