

BEAVER CREEK METROPOLITAN DISTRICT

Operations Plan

And

Supplement to the 1997 Amended Service Plan

Adopted September 22, 2021

Overview

Beaver Creek is located within the Upper Eagle River Valley of Eagle County, Colorado and consists of 325 single family homes, 1446 condominiums/townhomes, 387 hotel rooms and 270,000 square feet of commercial space. Beaver Creek is bordered by Avon, Colorado to the north, Eagle Vail to the east, Bachelors Gulch to the west and Forest Service property to the south. Beaver Creek lies within an unincorporated area of Eagle County. The Beaver Creek Metropolitan District was originally formed in 1978. This supplement to the District's Service Plan is produced for easy reference to the structure and services of the District. A map of the 2021 boundary is attached.

Legal Structure

Beaver Creek Metropolitan District exists as a quasi-municipal corporation and political subdivision of the State of Colorado. Formed under Title 32, Colorado Revised statutes it (along with the Beaver Creek Resort Company) substitutes for any Municipal Government which might otherwise exist. As a Title 32 Metropolitan District, Beaver Creek has broad powers to tax (with voter approval), exercise eminent domain, contract for services and form intergovernmental relationships.

Governance

The Beaver Creek Metropolitan District is governed by a five member Board of Directors who are generally elected to four-year terms by the qualified electors of the District (but directors elected in 2020 and 2022 are elected for three-year terms so that elections can be switched from May of even years to May of odd years pursuant to state law). To qualify as an elector within the District and thus also qualify as a member of the Board of Directors, one must either:

- a) Reside within the District; or
- b) Own taxable real property within the District in his or her name (or spouse owns property); and
- c) Must be a Colorado registered voter.

Financial

The Beaver Creek Metropolitan District is primarily financed through the collection of property taxes as approved by the electorate. Revenues currently collected are sufficient to fund all operations and capital expenditures as well as debt service as budgeted and projected in the District's long range plan. The District levies the following separate property tax mill levies:

1. Operating mill levy sufficient to raise up to a cap of \$4,602,882 in 2020 (the amount needed to fund the District's 2020 budget). This cap is increased based on the Denver Aurora Lakewood CPI in future years. The Board has the ability to temporarily lower the taxes levied in years when the funds are not needed. This mill levy continues indefinitely.

2. Vilar Center mill levy of the lesser of 0.85 mills or \$250,000 per year for capital improvements at Vilar Center. This mill levy ends at the end of 2031 unless extended by the District's voters.
3. Transportation Mill Levy to raise \$3,458,773 in 2021 is increased with Denver Aurora Lakewood CPI in future years and used to fund the transportation systems in the District.
4. Debt service mill levy to raise the dollars necessary to service the District's 2014 bonds, approximately \$320,000 per year, until the bonds are fully paid in 2043. These bonds were used to acquire a restrictive covenant and restrictive agreement to prohibit certain development on the face of Beaver Creek Mountain. This mill levy ends when the bonds are fully paid.

District Services

The Beaver Creek Metropolitan District has the power to provide the following services:

1. Streets. The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, bus turnarounds, roundabouts, equipment storage and maintenance facilities, parking facilities, paving, lighting, grading, landscaping, tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.
2. Fire Protection. The acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or service for protection against fire, including, but not limited to, fire stations, fire protection and fire fighting equipment, adoption of fire codes, as well as all necessary, incidental, and appurtenant facilities, land and easements, together with extension of and improvements to said system. The District owns a fire station, fire pumper engine and a wildland-urban interface engine.
3. Water. The design, acquisition, installation, construction, operation, and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes together with all necessary and proper reservoirs, treatment works and facilities, wells, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extension of and improvements to said systems.
4. Transportation. The design, acquisition, installation, construction, operations and maintenance of public transportation system improvements, including transportation equipment and related improvements and equipment, On-Demand

systems and related improvements and equipment, park & ride facilities and parking lots, transportation storage and maintenance facilities, parking structures, passenger drop off areas, bus turnarounds, roundabouts, roofs, covers, and facilities, including, but not limited to facilities for the commercial structures and for the conveyance, and structures or repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

The District owns and operates the transportation system which was transferred from Beaver Creek Resort Company in 1999. BCRC funds the total costs of the transportation system in excess of the revenues produced by the transportation system property tax.

5. Traffic and Safety Controls. The design acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring and rodent and pest controls necessary for public safety, as well as other facilities and improvements including but not limited to, main entry access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

6. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television, co-axial cable and communications facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities. In conjunction with this service, the District receives cable TV access fees from Comcast under an Access/Operational Agreement which automatically renews for successive five-year periods unless terminated by the parties.

7. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, swimming pools and spas, tennis courts, exercise facilities, bike paths, hiking trails, pedestrian trails, equestrian trails and centers, picnic areas, skating areas and facilities, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

8. Legal Powers. The powers of the District will be exercised by its board to the extent necessary to provide the services contemplated in this Amended Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and

conditions contained in the Special District Act, other applicable statutes, and the Amended Service Plan, as any or all of the same may be amended from time to time.

9. Other. In addition to the powers enumerated above, the Board of the District shall also have the following authority:

a. To amend this Amended Service Plan as needed, subject to the appropriate statutory procedures, including, by written notice to Eagle County pursuant to SS 32-1-207, C.R.S., of actions which the District believe are permitted by this Amended Service Plan but which may be unclear. In the event Eagle County elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by Eagle County that such activities are within the scope of this Amended Service Plan; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, general benefit to District constituents, resource availability, and potential inclusions of property within the District, or if the development of the improvements and facilities would best be performed by another entity; and

c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise or, in its description, choose to provide or exercise; and

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Board of the District.

Contracted Services - as of September 2021

Domestic Water System - Provided through Upper Eagle Regional Water Authority.

Fire Protection - Eagle River Fire Protection District.

District Operations - Provided through operations agreement with the Vail Corporation.

Transportation - Agreements with the Vail Corporation & Beaver Creek Resort company.

Other maintenance contracts as necessary (i.e. weed control, mosquito control, vehicle maintenance).

Other contracts as necessary (i.e. janitorial, storm sewer facility clean out, road overlays).

Conclusion: After 40 years of existence, the District continues to evolve to meet the service requirements of its constituency. Any questions related to this Supplement to the Amended 1997 Service Plan should be directed to the District's General Manager at (970)748-9174.