
RECORD OF PROCEEDINGS

**Minutes of the Joint Meeting of the
Boards of Directors of
Alpine Metropolitan District and Breckenridge Mountain Metropolitan District
January 27, 2022**

The Joint Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held January 27, 2022 at 9:00 a.m. via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID: 899 0768 0446.

Attendance

The following Directors were present and acting:

Alpine:

Trevor Maring
Dustin Stokes
Martin Allen

Breckenridge Mountain:

Trevor Maring
Dustin Stokes
Martin Allen

The following Directors were excused:

Alpine:

Jim Testin

Breckenridge Mountain:

Jim Testin

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver LLC, Recording Secretary
- Bill Ankele, White Bear Ankele Tanaka & Waldron PC
- Trish Harris, White Bear Ankele Tanaka & Waldron PC
- Jason Bretz, Breck Blades, LLC
- Jonathan Heroux, Piper Sadler
- Chris Noraka, Development, Breckenridge Grand Vacations
- Graham Frank, Breckenridge Grand Vacations
- Blake Davis, Breckenridge Grand Vacations
- Deb Norton, Breckenridge Grand Vacations

Call to Order

Director Maring called roll at 9:08 am for the joint meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District meeting noting a quorum was present for each district.

**Potential
Conflicts**

The Boards noted that they have received certain written disclosures of potential conflict of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: Dustin Stokes is General Manager of Keystone Lodge and Spa for Vail Resorts Management Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts; Trevor Maring is Director of Base Area Operations at Breckenridge Ski Resort a subsidiary of the Vail Corporation and an indirect operating subsidiary

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of Vail Resorts, Inc., which all have significant business interests within the Districts; James Testin is Director of Mountain Planning at Breckenridge and Keystone Ski Resorts, Vail Summit Resorts Inc, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts. Martin Allen is Director of Resort Services Keystone Ski Resort, Vail Summit Resorts Inc, a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., which all have significant business interests within the Districts.

- Agenda** There were no changes to the agenda.
- Public Input** There was no public input.
- Minutes** The Board reviewed the minutes included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the November 4, 2021, minutes as presented.

**North Gondola/
Gold Rush Lots
Project**

Mr. Marchetti and Mr. Heroux reviewed the financial model prepared using the proposed subdistrict. Mr. Heroux relayed that the model used preliminary project cost of \$5 million sent by BGV and a 5.5% interest rate was assumed. The mill levy required to service the debt was then determined to be about 24 mills. Mr. Frank announced that the Leitner Poma quote was increased to \$5.4 million due to increases in the tower height needed to cross the road. Mr. Heroux explained that any increases to the project cost would lead to a corresponding increase to the mill levy required to service the debt.

Mr. Frank reviewed the BGV construction timeline with closing dates for properties, coordination with Vail Resorts, and CDoT permits submitted to the Town by end of March. The Master Plan approval from the Town of Breckenridge was received and the garage construction applications were submitted with construction expected to start in 2024 and completion by October 2025.

There was general discussion on funding of the operating costs for the gondola. BGV expects a similar operating arrangement with Vail Resorts as the escalator project completed in 2019. Mr. Marchetti explained that the subdistrict may be maxed out to pay the debt service and have little room to levy an operating mill to cover operating expenses. The Board requested that Mr. Heroux prepare an updated model to include the debt at the new

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project estimate of \$5.4 million and an operating mill projection based on estimates submitted by Director Maring. General discussion continued on the burden of a high mill levy and option of Developer contributions.

Subdistrict Formation

Ms. Harris confirmed that notice of the subdistrict formation was provided to the Town of Breckenridge and Summit County. The District is on track to pass a Resolution to create the subdistrict at the February meeting. Ms. Harris reviewed the timeline for the subdistrict election included in the packet. Mr. Marchetti explained that once formed, the subdistrict would be just like another District with the same statutory regulations, reporting requirements and costs. He recommended separating out costs to form the subdistrict and have a Developer backstop or advance in place to reimburse the District if the project or subdistrict did not reach completion. Discussion turned to when the subdistrict could start levying mills and the projected timing for the bond proceeds. Mr. Ankele said there was potential for the Town to require a service plan amendment which could push the election into November but that timing would still fit within the construction timeline. Following discussion, BGV agreed to advance costs for the subdistrict formation to be reimbursed from the bond proceeds once issued. Mr. Heroux suggested that the bond issue be started in August for an anticipated December close.

Mr. Noraka, Mr. Frank, Mr. Davis, Ms. Norton and Mr. Heroux left the meeting at 9:49 a.m.

Ice Rink Operations Report

Mr. Bretz reviewed the following for the Ice Rink:

- The rink opened later than expected due to staffing issues.
- There has been about one injury per week since the rink opened.
- Review of financial information for November and December.
- The tarp is completed and will be shipped as soon as final payment is received.

There was general discussion on the use and busy times of the rink, staffing, and marketing options such as coupons and ads in the BMMA shuttle. Mr. Bretz postulated that low revenues for 2021 were due to the rink not being able to be open due to soft ice and limitations on skater capacity.

Mr. Bretz left the meeting at 10:01 a.m.

Financial Statements

Mr. Marchetti reviewed the preliminary 2021 year end financial statements for each District explaining that preparation for the District's audit was in process and additional year-end entries would be made. Ms. Johnston gave an overview of the Ice Rink financials explaining that some expenses had

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yet to be received from Breck Blades. Mr. Marchetti advised that the audits were scheduled to start at the end of February.

Accounts Payable The Board reviewed the Accounts Payable list included in the packet. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Accounts Payable list as presented.

Posting Location Resolutions

Ms. Harris reviewed the posting Resolutions included in the packet. After discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Designating the District's Posting Location for both Breckenridge Mountain and Alpine Metropolitan District.

Future Meetings The Board confirmed the next meeting for February 24, 2022.

Election Update There was general discussion on the Districts' election on May 3. Ms. Johnston confirmed that the Call for Nominations would be sent out via email and USPS mail per the new State requirements. The Call for Nominations and self-nomination forms have been posted to the Districts' website and were available for download. The Director terms and deadlines for submitting the nomination forms was reviewed.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Joint Special Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 27th day of January 2022.

Respectfully submitted,



Beth Johnston
Recording Secretary