
RECORD OF PROCEEDINGS

Minutes of the Joint Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District February 24, 2022

The Joint Meeting of the Boards of Directors of Alpine Metropolitan District and Breckenridge Mountain Metropolitan District was held February 24, 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
Jim Testin
Martin Allen

Breckenridge Mountain:

Trevor Maring
Jim Testin
Martin Allen

The following Directors were excused:

Alpine:

Dustin Stokes

Breckenridge Mountain:

Dustin Stokes

Also in attendance were:

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

Call to Order

Director Maring called roll at 9:04 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 January 27, 2022, minutes as presented.

**North Gondola/
Gold Rush Lots
Project**

Mr. Frank reported that BVG was working with Mr. Heroux and his team on bonding capacity for the subdistrict. The operating costs of the new gondola sent by Director Maring were reviewed and seem correct. BVG is ready to move forward with POMA on final pricing on the gondola. The parking structure plans are being finalized for obtaining necessary permits. The final step for BGV is securing funding for the new gondola.

Mr. Heroux gave background on the district and subdistrict reviewing that a model was prepared using a project fund of \$5.3 million with 28 mills to service the debt. Until the development has been built out and assessed value in the subdistrict increases, the mill levy could not be set high enough to cover the operating and maintenance cost of the gondola. General discussion continued on the mill rate, operating costs and how they would be covered, and inflation rate assumptions. Discussion turned to concern for future taxpayers of the subdistrict. Mr. Frank confirmed there were no existing owners within the subdistrict except Vail Resorts although there were anticipated future owners. Mr. Davis said existence of the subdistrict and the anticipated mill levy for the subdistrict would be clearly disclosed when sales of the units were made. Discussion turned to potential market pushback due to the high mill levy rates when factoring in the mill levy from Breckenridge Mountain Metropolitan District and other overlapping taxing authorities.

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Discussion continued on other entities that may benefit from the operation of the gondola and could assist the District with operating costs. During discussion, it was confirmed that the parking garage assessed value was included in the funding model. Mr. Frank confirmed that the current project estimate is still accurate and the timeline on track.

Following discussion, the Board requested further information on overlapping mill levies and aggregate mill levy rates in similar communities for comparison as well as an updated funding model with a more conservative assessed value and revised inflation rate for operating costs.

Discussion turned to the District having an agreement with the developer to cover construction costs that exceed the project bond funds and the potential need for developer subsidy of operating costs during the initial years of the development. Mr. Frank expressed that the Developer would be amenable to such an agreement.

Subdistrict Formation

Ms. Harris reviewed the subdistrict formation process and the election timeline. The Resolution regarding formation of the subdistrict, calling an election to approve the subdistrict and ability for the subdistrict to issue debt was reviewed. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Regarding the Formation of a Subdistrict with Breckenridge Mountain Metropolitan District subject to receiving Owner Consent forms from Vail Resorts and Town of Breckenridge receiving the certified map as requested.

Ms. Harris reviewed the funding agreement explaining it would cover the costs of forming the subdistrict. There was discussion on what costs would be covered including costs going back into 2021 and for all district vendors and contractors. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Funding and Reimbursement Agreement – Subdistrict Organization Costs between **Alpine** Metropolitan District and the Developer subject to revisions by Developer and approved by District’s general counsel.

Mr. Frank, Ms. Norton, Mr. Heroux and Mr. Ohtake-Gordon left the meeting at 9:57 am.

Ice Rink Operations Report

Mr. Bretz reviewed the following for the Ice Rink:

- The tarp was received and is working as expected.

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- Opening hours will be changed to 1:00 pm and will be adjusted as needed based on ice safety. There was general discussion on the busiest times for the rink which is during ski hours and how to ensure the rink stays open during those time.
- Various marketing options are being considered including reaching out to lodges and other partners to stimulate attendance.
- There was one injury. Staff is encouraging use of safety equipment but customers are not taking advantage of it.
- There was general discussion on staffing and staffing issues.
- The closing date for the rink is April 17 however it may need to be as soon as April 3 based on weather and temperatures.

The January preliminary rink financials produced by the Manager were reviewed. Discussion continued on budget to actual for January and how to increase revenue.

Mr. Davis, Mr. Noraka, and Mr. Bretz left the meeting at 10:06 a.m.

Election Update Ms. Harris reviewed the board vacancies and gave an update on the election process.

Financial Statements Mr. Marchetti reviewed the financial statements included in the packet explaining that they were updated for the audit which was in progress. Mr. Marchetti then reviewed the ice rink portion of the District financial statements. He explained that all revenues were deposited directly into District bank accounts and expenses were reconciled and reimbursed to Breck Blades monthly.

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.

Future Meetings Due to scheduling conflicts, the Board cancelled the regular meeting scheduled for March 24 and called a special meeting for Tuesday March 22, 2022 at 9:00 via electronic meeting.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Joint Meeting of Alpine and Breckenridge Mountain Metropolitan Districts Board of Directors this 24th day of February 2022.

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Respectfully submitted,

A handwritten signature in blue ink that reads "Beth Johnston". The signature is written in a cursive style with a large initial "B".

Beth Johnston
Recording Secretary