

BUFFALO MOUNTAIN

METROPOLITAN DISTRICT

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WWW.colorado.gov/bmmd

DATE: JUNE 22, 2020
TO: WILDERNEST PROPERTY OWNERS, RESIDENTS & ELIGIBLE VOTERS
FROM: BMMD BOARD OF DIRECTORS
RE: PUBLIC QUESTIONS & DISTRICT ANSWERS

Following is a list of questions received from the public regarding the potential sales tax initiative. District answers follow each question.

How can we access and participate in the public meetings?

Both public meetings can be attended by phone, in-person or via Zoom webinar. Visit the District website home page under "What's New" to see the details on how to participate, or click this link to view:

<https://www.colorado.gov/pacific/bmmd/potential-sales-tax>

Are new vehicle purchases subject to a sales tax?

Cars being bought outside of the District are not subject to a Metro District sales tax. Even if that car is delivered and not driven off the lot, there is still no Metro District sales tax. The only time a Metro District sales tax can be imposed on a vehicle is when the dealer and owner both are within the boundaries of the District.

Am I correct that a service contract for maintenance of District roads is expiring and the cost of renewal is the principal reason a sales tax is sought to supplement operating funds?

Yes. The current road maintenance sub-contractor is retiring at this end of this month after 35 years. The District bid out the service contract to ensure best price replacement was achieved. The submitted bids showed a drastic increase in service maintenance costs. Other needed capital improvement projects are also affecting the budget.

How are Directors recruited and elected to your Board?

Board of Director elections are scheduled every 2 years. The District posts election and nomination information on the District website, posts in the local Newspaper, and finally an article in the District newsletter which was mailed out to all District property owners back in February. Eligible board members must be a person registered to vote in the State of Colorado AND

- a. A resident of the District; OR
- b. Own (or whose spouse or civil union partner) taxable real or personal property within the boundaries of the District; OR
- c. Obligated to pay taxes under a contract to purchase taxable property within the District.

For the Officers and Directors listed on your website, please provide a brief summary of their professional backgrounds and any unique qualifications they bring to BMMD?

The five-member Board of Directors all have interesting backgrounds and bring different qualifications and skills to the table. You can view the District Board Bio's by clicking on the following link:

<https://www.colorado.gov/pacific/bmmd/board-directors-22>

Who monitors the short-term rentals, is it an honor system?

The District will hire a monitoring company that specializes in tracking all transactions that would be subject to a tax. Several other local municipalities in Summit County are already working with the monitoring company that has offered to help the District.

I own a short-term rental unit in Wildernest. How would I make a sales tax payment on my own?

Should the sales tax initiative pass, short term rental owners will be given specific instructions on how to submit sales taxes. Those payment options may include a mobile-enabled registration tax collection app that you will be able to easily manage, or many of the hosting companies offer the service automatically.

What analysis has been done by your accountants or financial advisors on the cost/benefit of Wildernest being annexed to Silverthorne, hence enjoying the services with a sales tax that compares to BMMD's proposal (i.e., the fund for water, sewer and drainage would be the primary BMMD function)?

While BMMD has not held direct discussions with Silverthorne recently regarding annexation, Silverthorne has historically been reluctant to take on the financial obligations to maintain subdivisions that have few retail establishments and as such don't generate as much sales tax income as commercial areas of the Town, as demonstrated by the fact that Wildernest has always been a part of unincorporated Summit County. Also, subdivisions within the Town typically have limited influence over the services provided to the subdivision and having a separate Metro District provides Wildernest a much greater opportunity to control its own services. But, more significantly, the process of annexation of a built-out area is no less than daunting and likely impossible practically and politically. There is no doubt a significant contingency of property owners/voters in Wildernest who would object to such a step, and it requires a petition/election procedure to complete the process. Moreover, even if the petition submitted has met the preliminary requirements, there remains the fact the Town has complete discretion over whether the annexation process will proceed and as to what terms and conditions will apply. For example, the District's water and sewer service systems are, in many areas within Buffalo Mountain, decades old. It would not be a surprise that the upgrade of those systems to current Town standards would be such a condition. Even so, the District's Board will revisit this topic to explore whether there may be a renewed interest on their part or on the part of the Town in annexation.

Can the District share services with any other governmental entities?

The District currently operates under an Intergovernmental Agreement (IGA) with Summit County to help share maintenance services on County owned roads in Wildernest. This arrangement has been in place for over 20 years. Outside of that arrangement, sharing with other County entities or municipalities is difficult since the District boundaries are located within Unincorporated Summit County jurisdiction.

We own a second home in Wilderness. Our primary home is in Colorado Springs. We received the BMMD letter. Are we among the "eligible voting constituents in Wilderness" who can vote on this in November 3rd election?

You must be an eligible voter to vote on this issue. Definition of an eligible voter is a person registered to vote in the State of Colorado AND

- d. A resident of the District; OR
- e. Own (or whose spouse or civil union partner) taxable real or personal property within the boundaries of the District; OR
- f. Obligated to pay taxes under a contract to purchase taxable property within the District.

If you are an eligible voter, then yes your ballot will include the District sales tax question.