

**Questions and Answers
About
The Incorporation
Of the
Town Of
Keystone**

Keystone Incorporation

What are the benefits of incorporation?

- **More of the tax dollars collected in Keystone will be kept in Keystone**
- **Decisions related to Keystone will be made by Keystone Citizens**
- For more benefits, please see the “Keystone – Why Become a Town” paper at incorporatekeystone.com

What will be included in the town of Keystone?

- **Keystone western boundaries include everything to the east of Summit Cove starting with the River Golf Course and the West Ranch HOA on the west and extending through eastern Keystone past Settlers Creek Estates. All non-forest service land in-between is included. Summit Cove is not included. However, the town will be slightly smaller:**
 - Vail Resorts has opted to exclude The Ranch Golf Course, most of the River Golf Course, six of the 10 buildings in Wintergreen and most of the undeveloped land in Mountain House and the Mountain House Lodge, Sage Brush, the Medical Center, and maintenance facilities.
 - While it complicates working issues with Vail Resorts after becoming a town, the exclusion of these land parcels has very little impact on the cost or revenue for the town.
 - Because of the importance to the community, we are proceeding with becoming a town.
 - After becoming a town, Vail Resorts could always request annexation of those parcels into the new town.

How much will it cost in new taxes?

- **No new taxes are required to form the town and enhance services to the community.**
 - Today Keystone generates over \$8.5 million in tax, fee and state transfer revenue for Summit County. This revenue grows each year as Keystone grows.
 - Property Tax-\$4.4 million
 - County Sales Tax-\$2.4 million
 - County Workforce Housing Sales Tax-\$898,000
 - Short Term Rental License Fees-\$497,000
 - Planning and Building Permits-\$290,000
 - Intergovernmental Transfers-\$290,000
 - Summit County provides on call law enforcement support, building and planning support and expends about \$100,000 per year on road maintenance.
 - Because of the Summit County tax structure over \$4.5 million would be returned to the town of Keystone to support community requirements (all revenue except property tax)
 - In the first full year of operations the town budget is projected to be: \$3.0 million.

- Town administration and infrastructure-\$1.2 million
- Planning and Building-\$640,000
- Public Safety (law enforcement)-\$660,000
- Roads, Trails and Open Space-\$500,000
- **Consequently, no new taxes would be needed, in fact in the first five years of operations after paying for the town administration and services at the a higher level than provided by Summit County today, there would be**
 - Over a \$5.2 million surplus available to support Keystone existing long term infrastructure maintenance, new services, new infrastructure, and a rainy day fund.
 - Over \$4 million dedicated to Keystone workforce housing
 - Over \$13,000 provided by the state for Trails and Open Space

What's the Concept?

- **The town takes on town administration and functions provided today by Summit County of planning and zoning, building permits, short term rental management, Keystone PUD administration, police protection, ownership of county roads in Keystone, maintenance of the 7.5 miles of roads currently maintained by the county, maintenance of 6.5 additional miles of Keystone Roads, and oversight of trails and open space in Keystone.**
 - The town staff would consist of a town manager, town clerk, business administrator, a public works director, a community development director and one planner.
 - Services currently provided by the county will be provided via contracts. The level of service received as a town will be higher than received today from Summit County.
 - Roads maintenance: Asphalt Roads maintenance currently maintained by Summit County (7 miles) continues through an extension of the current Summit County contract with Vail Resorts
 - Roads maintenance: Gravel (Loveland Pass Village-.5 mile) continues through contracts with Summit County
 - Roads maintenance: An additional 6.5 miles of roads in Keystone would become town owned and maintained via contract. This would correct the inequities in Keystone which the county has fostered by having HOAs maintain roads which support multiple users and the general public.
 - Police Services continue with a contract with either Summit County Sheriff's Department or another local entity. Along with the current 24/7 of on call service, an additional two full time officers would be dedicated to the Keystone Community.
 - Building Permits and building inspections are performed by Summit County via a contract.
 - Planning and Zoning, Building Permit approval, and issuing of certificates of occupancy is performed by the town staff and town council/trustees.
 - Town services for finance and accounting, town attorney, municipal court judge and prosecutor are contracted.
 - Short Term Rental License Fees would remain the same as currently charged by Summit County

- **Vail Resorts keeps doing what it has been doing and what it must do to be a successful resort. Vail Resorts would continue to provide:**
 - Bus service in the resort
 - Road maintenance of town maintained roads through extension of current contract with Summit County.
 - Landscaping on US 6 medians and right of ways (required by prior agreement with the Colorado Department of Transportation and Summit County)
 - Other resort services.
- **Keystone Neighbourhood Company continues to provide the same services to its members it currently provides.**
 - Most roads in East Keystone would be maintained by the town, reducing KNC costs.
 - All other services received by KNC members continue unchanged by incorporation.
- **The town does NOT have to take on difficult, complex, and expensive operations of water service, sewer service, fire protection and emergency services.**
 - Water service continues to be provided by the Snake River Water District, East Dillon Water District, or Vail Resorts depending on the location of the property.
 - Sewer service continues to be provided by Summit County
 - Fire Protection and Emergency Services continues to be provided by Summit Fire and Emergency Services.

How will the town be structured?

- **The town could be incorporated as a home rule town.**
 - A home rule town has its own town charter and does not have to follow all state statutes regarding towns. There are significant advantages to home rule including zoning autonomy, town code self-determination, and revenue generation.
 - The towns of Dillon, Silverthorne, Frisco and Breckenridge are home rule.

How will the town be governed?

- **The town will be led by a Town Council elected by Keystone's voters.**
 - The Council will consist of six members and a mayor.
 - Council members must be registered to vote and have been a resident of the Town for at least a year
 - The council will hire a Town Manager and Town Clerk who will manage the day to day affairs of the town. All contracts will be approved by the council and administered by the Town Manager who will be responsible for all members of the town staff.

Will second home owners and business owners get to vote in the town?

- **It depends. Colorado statute allows a home rule town to allow all property owns to request a ballot to vote in town elections. The question of all property owners being allowed to vote will be addressed when the Town Charter is written and approved by voters.**

Does this add new layers of government that don't exist today?

- **No. It replaces the administration and services provided by Summit County with a dedicated town staff of six focused on Keystone's issues. The town government does not work for the county, it works for the Keystone Community.**

What assurance is there that taxes won't be raised in the future?

- **A future town council could determine that additional taxes are needed to enhance/increase services to the Keystone Community. However, because of the Colorado Taxpayer Bill of Rights, any new taxes would require a vote of the people to enact. Taxes cannot be raised without voter approval.**
- **If new services are desired by the town, there should be no reason to raise property taxes. Keystone's sales/lodging/Short Term Rental tax rate is the lowest in Summit County (6.35% with Vail Resorts adding 6.275% for a resort surcharge for properties they own or manage). Silverthorne and Frisco have 14-16% tax rates. Dillon is expected to vote in November on an increase that will raise their rate to about 18%. Unincorporated Summit County is expected to vote in November on a 2% lodging tax. There is sufficient room to raise revenue with lodging taxes to fund new requirements without impacting the competitiveness of Keystone Short Term Rentals. Using lodging taxes as a revenue source requires the visitors to Keystone who are causing the impacts to the community to pay the costs associated with those impacts.**

What is the incorporation process?

- **Two petitions are circulated to become a home rule town.**
 - The first petition is to incorporate to become a home rule town. The petition requires the signature of 150 Keystone registered voters who are property owners.
 - The second petition is for individuals to indicate their support for incorporation. Anyone in the Keystone Community can sign this petition.
 - A district judge reviews the petitions, the proposed town boundaries, and other aspects. If things are in order, the judge orders an incorporation election and appoints a minimum of five election commissioners to conduct and oversee the election.
 - An election is held within 90 days of the appointment of the election commissioners. There are three items on the ballot: incorporate yes/no, home rule yes/no, and election of a home rule charter commission.
 - The home rule charter commission holds community meetings and drafts a home rule charter which governs how the town will operate.
 - An election is held to approve the home rule charter.
 - After charter approval, individuals circulate petitions and run for non-partisan Town Council positions, and an election is held to elect the Town Council members
 - After election of town officials, the community becomes incorporated as a Town
- **In the first year, the Town Council would:**

- Adopt local zoning code, adopt town codes and ordinances
- Hire a Town manager who in turn would hire a Town Clerk and the town staff.
- Because Keystone is a small community, there would be ample opportunity for community input, communication and discussion with the Keystone Community at every step along the way.
- During the first year, the town begins collecting its tax revenue from the state and Summit County. However, Summit County is obligated for up to a year to continue providing county services at no cost until the town takes them over.
- **The entire process should take about one year.**
 - The process is lengthy to ensure that the citizens who live in Keystone have ample opportunity to express their will.
 - Once we have the town of Keystone, we will be able to control our own destiny and shape the future of the town so that it is the kind of community in which we all want to live. Services will be better, taxes will not increase, and the town council will become responsive to community needs. We will become a community with a heart of its own, controlling its own destiny.

Will incorporation impact HOA fees?

- For some HOAs like West Hills, Antlers Gulch, Frey Gulch, Tennis Townhomes, Quicksilver, Cabins in the Pines, and the Keystone Neighbourhood Company, road maintenance costs should decrease because the town will be taking over maintenance of roads currently maintained by these HOAs. This will fix current inequities which exist in road maintenance across Keystone.
- For other HOAs, there should be no impact.