

**CRYSTAL OAKS METROPOLITAN DISTRICT  
SERVICE PLAN**

**I. DESCRIPTION OF PROPOSED SERVICES AND SERVICE AREA**

The Crystal Oaks Bridge Association (“Association”) is responsible for the operation and maintenance of the private roads and bridge located within the Seven Oaks (12 Lots) and Lower Sewell Tracts Subdivisions (45 Lots) (“Subdivision”) and an additional five properties not located in either subdivision but that can only be accessed via the Crystal Oaks Bridge.

In order to provide adequate, compliant, and reliable road and bridge maintenance, the Association needs a source of funding for the ongoing repair, maintenance, and replacements of the road and bridge (“Improvements”). Having a reliable source of funding for operations and a substantial replacement reserve fund is critical to the long-term viability of the road and bridge maintenance.

The services provided by the Association are not presently available through Pitkin County or any other local governmental entity, the proponents of the Crystal Oaks Metropolitan District (“District”) have determined that a special district would be able to efficiently and reliably manage the Improvements.

The District will be incorporated to perform any of the powers granted to metropolitan districts under the terms of the Special District Act, C.R.S. § 32-1-101, et. seq., as may be amended. Currently, the District plans to perform the following municipal services:

Road Improvements: The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for road improvements through the construction and installation of curbs, gutters, culverts, and other drainage facilities and sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping and other road improvements.

Traffic Safety Protection: The District shall have the power and authority to finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic safety controls and devices on roads, as well as such other facilities as may be necessary.

The above list of services is intended to provide a general description of the services, facilities, and structures to be offered by the District. Services not specifically identified but which logically fall within the above-described areas or those allowed by law may be provided, including facilities which may be required for the prudent operation of the District.

**II. FINANCIAL PLAN**

The District has estimated its annual expenses to be \$30,000 per year for the road and bridge maintenance and reserve for future capital improvements. There are 12 properties in the Seven Oaks Subdivision, 45 properties in the Lower Sewell Tracts, and five properties outside of the subdivision that are accessed via the Crystal Oak Bridge. For a total of 62 properties.

The District will have the power to impose taxes and other fees or charges allowed by law within its boundaries and District Service Area.

Total population estimates within the District’s initial boundaries are projected at 3.5 people per property. The Seven Oaks Subdivision is fully built out. The Lower Sewell Tracts Subdivision still has two vacant lots, and one property is classified as agricultural land.

The valuation of the 62 properties for 2021 that access the District via the bridge is:

Total Assessed Valuation                      \$ 2, 136,433

There are two Parcels owned by Pitkin County in the proposed District. The District has included these properties in the District boundary but have not included any valuation in calculating the mill levy.

The mill levy required for the District to raise the \$30,000 a year from the 62 properties is 13.5. A mill levy of 13.5 would result in an additional \$96.525 in taxes per year per \$100,000 in actual value.

The property tax assessment will commence in 2022 with initial *ad valorem* tax receipts being received in 2023. The Pitkin County Treasurer’s Office is responsible for the collection of all *ad valorem* taxes levied within the County. All property listed and valued as of January 1 of each year will be included in the next year’s tax roll. All taxes required to be paid are due in full by June 15<sup>th</sup> and the County disburses 95% of all taxes collected in one month by the 10<sup>th</sup> day of the following month. Pitkin County currently retains 5% of all taxes collected on behalf of most special districts.

### **III. PRELIMINARY ENGINEERING SURVEY SHOWING HOW THE PROPOSED SERVICES ARE TO BE PROVIDED**

The roads and bridge the District will be maintaining have already been constructed. The District be providing maintenance, repair and capital improvements for the existing structures. It will not be constructing any new facilities. If the District needs any engineering for repair or maintenance of the roads or bridge, it will do engineering at that time.

### **IV. DISTRICT BOUNDARIES**

The District boundaries will mostly mirror the boundaries for the Subdivisions along with these five additional properties that use the Crystal Oaks Bridge for access:

Account #	Owner	Subdivision
R018856	Ranch IV LLC	Bane Tracts
R007801	Ranch IV LLC	Aresty-Ranch Lake IV, LLC Lot Line Adjustment
R007767	Pitkin County	Crystal Island Ranch Lot 4

R007960	Glenn M. Rand	M&B Description
R007727	Seven Oaks Common Co.	M&B Description

A map of the District boundary is attached at **Exhibit A**. A schedule of all the properties included in the District is attached as **Exhibit B**.

It is not presently anticipated that the District’s Service Area would be expanded to include any additional properties; nor will the District Board seek to include any additional property or land within the corporate boundaries of the District without the prior approval of the Board of County Commissioners. The District proposes to serve only those properties described herein.

**V. DESCRIPTION OF THE FACILITIES TO BE CONSTRUCTED**

The District is not contemplating construction of any facilities. It will just be maintaining the current Improvements.

**VI. ESTIMATED COST OF ORGANIZATION AND INITIAL OPERATION OF THE DISTRICT**

*Cost to Acquire Land.* The District will not be acquiring any additional property.

*Engineering.* The District is not anticipating any engineering costs in the near future.

*Legal.* The District is anticipating legal fees of \$8,000 and has budgeted approximately \$8,000 for legal fees in the first year of operation.

*Administration:* The District is not anticipating any annual administration fees.

*Initial Proposed Indebtedness.* The District is not anticipating any initial indebtedness.

*Maximum Interest Rates.* NA.

*Other Major Expenses Related to the Organizational and Initial Operation.* In addition to the organizational expenses already identified, the District will still need to pay the following expenses:

District Court Filing Fee	\$	182.00
Recording Fees	\$	300
Pitkin County Community Development	\$	\$500
Election	\$	1000

Initial operation costs for the District are expected to be approximately \$ 30,000 in the first year and subsequent years. This operating budget was derived from the annual expenses of the Association. Approximately 100% of the annual Association costs will be transferred to the District.

## **VII. PROPOSED AGREEMENTS WITH POLITICAL SUBDIVISION FOR SERVICES**

The District does not intend to enter into an agreement with any political subdivision for the performance of services.

## **VIII. COMPLIANCE WITH CRITERIA SET FORTH IN C.R.S. §32-1-203.**

In order to document the ability of the District to reliably and perpetually provide the core services being proposed, the requirements of C.R.S. §32-1-203, et. seq., must be met. Subsections (2)(a)-(d) and (2.5)(a-e) of this statute provide that Pitkin County shall have the authority to approve the District if the following requirements can be satisfactorily demonstrated:

- a. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special district.
- b. That existing service in the area to be served by the proposed special district is inadequate for present and projected needs.
- c. The proposed district is capable of providing economical and sufficient service to the area within its proposed boundaries.
- d. The area to be included in the proposed special district has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
- e. Adequate service is not, or will not be, available to the area through the county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
- f. The facility and service standards of the proposed special district are compatible with the facility and service standards of the county.
- g. The proposed service plan is in substantial compliance with the Pitkin County Master Plan and any duly adopted County, regional or state long range water quality management plan for the area.
- h. The creation of the District will be in the best interests of the area proposed to be served.

This Service Plan addresses each of these requirements and demonstrates that all requirements of C.R.S. §32-1-203 will be satisfactorily met.

*Existing and Projected Need for Organized Service in the Area.* There are 61 residential lots and one agricultural property within the proposed District Service Area. All of these properties are accessed via the bridge and the road system in the District Service Area.

*Existing Service is Inadequate for Present and Projected Needs.* The services in the proposed District has historically been completed by the Association. However, the mechanisms the Association has for funding have been inadequate to provide the financial means for the necessary maintenance and repair for the roads and bridge much less for any capital reserve funds.

*District is Capable of Providing Economical and Sufficient Service.* The cost of the road and bridge maintenance and repair for a limited number of properties can be difficult from an economic standpoint. The District will continue the services currently being provided by the Association but will begin the process of building its maintenance fund and capital reserve fund. This may increase the cost of service to the properties within the Service Area, but results in sound financial planning for the future of the Improvements. The District's research into the economic feasibility of the District determined the services could be provided economically through the District.

The Association has a track record for providing sufficient service within the Service Area. The responsibility for providing these services will be transferred from the Association over to the District and the level of service should not be affected and with more consistent funding, should be improved.

*Financial Ability of District.* With the District being able to collect the funding from a mill levy, the District will receive funding on a regular basis and will be better able to budget for necessary maintenance and repairs.

*Municipal Service is Not Available.* There are no governmental entities that can provide these services within the foreseeable future. Pitkin County does not provide road maintenance, plowing, or bridge maintenance for the District.

*Compliance with County Master Plan.* The overall plans for organization of the District, the services to be provided and the area to be served have been developed to comply with the goals of Pitkin County's Comprehensive Plan.

*Best Interests of Area.* The formation of the District will be in the best interest of the area by providing a long-term financial plan for the operations of the Improvements.

## **IX. DIRECTORS**

The initial Board of Directors for the District will be made up of five District constituents. Three will be elected to four-year terms, and two will be elected for two-year terms, which at their conclusion will be converted to four-year terms. By statute, staggered-term elections for District board members are held every two years during the month of May.

The initial Board of Directors for the District will determine and approve the initial by-laws, rules and regulations, and standards and specifications of the District; establish primary District policies and will be responsible for enforcing the rules, regulations and policies. The

District will thereafter operate according to the laws of the State of Colorado as a political subdivision of the State and a quasi-municipal corporation.