

**From:** barrettbuffalopark@gmail.com  
**Sent:** Tuesday, May 13, 2025 5:01 PM  
**To:** 'John Crone'; 'Ken Riley'; council@keystoneco.gov  
**Cc:** rukmini.callimachi@nytimes.com; 'Jason Blevins'; 'Governor's Office'; 'Dylan Roberts'; 'Rep. Julie McCluskie'  
**Subject:** Keystone Gives More Love to (non-paying) Vail Resorts than to Those that Pay the Town's Revenues  
**Attachments:** Lot 4 Keystone Base 1.pdf; Keystone with Lot 4 Keystone Base 1 Shown.pdf

I ask the town of Keystone, once again, to stop facilitating the continued extortion by Keystone Neighbourhood (sic) Company of approximately 1,100 homeowners that are within the jurisdiction of the town of Keystone. I do not use the word extortion lightly. Instead, I use it intentionally, due to what I believe is likely an illegal abuse of power by KNC, for which I provide support herein.

***How could it be that Keystone Decides to Plow less than Half of the Roads within its Jurisdiction? Any Behind-the-Scenes Agreement Gives KNC a Shred of a Reason for Its Existence.***

Manager Crone stated that “only those roads that have been accepted for public maintenance and are *not* subject to other agreements are the responsibility of the Town” (emphasis added, email to M. Barrett dated Sept. 19, 2024). So, the table below shows both the roads that Keystone is now maintaining and the roads that KNC is maintaining (first per Town of Keystone Staff Report, Dec. 10, 2024, Exhibit A, Scope of Work: Services Agreement for Year-Round Maintenance, and the second per email from M. Bothel of KNC, Oct. 2024). So where is that “agreement” that Manager Crone states must exist between the town of Keystone and KNC to coordinate such a delineation of maintenance? To date, there is no evidence that such an agreement exists.

<b>Keystone Roads - Maintained by Keystone</b>	<b>Keystone Roads - Maintained by KNC</b>
Soda Ridge Road	Ida Belle Drive
East & West Keystone Road	Dercum Drive
Bristlecone Road	River Run Road
Porcupine Court	Trailhead Drive
Appaloosa Court	Hunki Dori Court
Lenawee Lane	East Independence Road
Last Chance Lane	Stage Stop Lane
Wild Irishman Road	Thieze Lane
Saw Whiskers Cit.	Thackwell Lane
Saw Whiskers Drive	Independence Lane
Elk Crossing Lane	Outpost Drive
Elk Drive	Tip Top Trail
Elk Circle	Wolf Rock Road
River Overlook Ct	Alpen Rose Place
Independence Road West	Alhambra Road

Oro Grande Road	Alcove Court
--	Arabella Drive
--	Independence Court
--	Alders Lane
--	Paulson Place

Isn't that a bit risky, for a town to simply decide, without discussion or agreement, to not plow half of the roads within its jurisdiction? Of course it's too risky, and of course we can only conclude that there is in fact some agreement made that has not seen the light of day. Any such behind-the-scenes agreement violates Colorado's sunshine laws. These types of agreements, established within phone calls and personal meetings, violate transparency rules and corrode stakeholders' trust in our elected officials.

### ***KNC Homeowners Provide Directly, or Through Use of Our Homes, Almost Half of Keystone's Revenues***

Perhaps Council and Mayor feel that we KNC homeowners don't matter, because most of us are registered to vote elsewhere. Well, we do matter to Keystone because we KNC homeowners own about half of the short-term rental housing that provides the short-term rental license fees (assuming 1,100 KNC homes and 2,000 short-term rental properties in Keystone), and because our short-term rental properties provide the lodging for approximately half of those that stay overnight and consequently pay sales taxes to the town of Keystone. Per Keystone's own posted "Statement of Revenues, Expenses, and Changes in Fund Balance," short-term rental license fees constitute about ½ million dollars of Keystone's total 4.6 million dollar projected revenue stream for 2025. In other words, about 12% of Keystone's revenues comes from short-term rental license fees, and of that STR-licensing stream, KNC homeowners are likely the majority of the owners. And what about sales taxes? Sales taxes constitute about 72% or so of Keystone's revenues, and we KNC homeowners likely provide lodging for more than half of those that stay overnight and pay a large portion of this sales tax revenue stream. So, this means that KNC homeowners, directly or indirectly, likely provide on the order of 40% of Keystone's incoming revenues. Yet the town of Keystone continues to undermine KNC homeowners in their efforts to dissolve KNC, as though we simply don't matter. We do matter and your behind-the-scenes support to KNC is not appreciated.

### ***KNC is a Rigged Game that is Rigged to Serve Vail Resorts***

Since none of you are members of KNC (as the KNC homeowner list shows, as provided by M. Bothel of KNC, Oct. 11, 2024) perhaps none of you understand that Vail Resorts has rigged KNC so that we KNC homeowners have no voice nor means by which to change KNC operations. Perhaps you think, why don't you homeowners just vote to change KNC? Just like those of us that bought into the KNC HOA when we bought property in River Run and its close-in neighborhoods, you might be forgiven for assuming that the votes of KNC are distributed according to the ownership of KNC, as common interest communities in Colorado are bound by law to do. Well - surprise! You may be just as surprised as we KNC homeowners when we learned that KNC is rigged, and was rigged from the very get-go, so that Vail Resorts has blocking voting powers that derive from a discriminatory allocation of interests in its original documents. More specifically, 1,000 votes are/were granted by the Declarant, i.e., the predecessor of Vail Resorts, at the point of the community's development. These blocking voting powers remain in perpetuity, by the

Declaration, regardless of how little developable property Vail Resorts actually owns in the KNC HOA, and regardless of how few revenues Vail Resorts' provides to the HOA. Right now, Vail Resorts owns only about 20 percent of KNC developable property, but has about 50 percent of the voting power (per "The Keystone Neighbourhood Company Voting Analysis, dated Sept. 1, 2024). Right now, homeowners provide about 75% of the reserves fund's income, yet Vail Resorts has the means to block any homeowner input for control of the 15 million dollar fund that has grown over the years from, in large part, these homeowner revenues.

***A Beaver Pond with Wetlands that Has no Connection to the Ski Resort Grants Vail Resorts the 1,000 Blocking Votes in Perpetuity***

How did this happen? In 1995, Vail Resorts set up the KNC HOA and granted to itself (by its predecessor), 1,000 votes in perpetuity. So, let's do the math quickly - with Vail Resorts voting its 1,000 votes, we 1,100 or so homeowners can *never* reach the 67 percent threshold to change KNC, even though we add, year after year, about 75% of the revenues to KNC and even though we own about 75% of the actual real, developable properties in KNC. Here is the amazing thing: those 1,000 votes are issued on the basis of Vail Resorts' ownership of a beaver pond and wetlands on a lot along Independence Road! You can't (and I'm not) making this stuff up. See p. 19 of the "Declaration of Covenants, Conditions and Restrictions for the Neighbourhoods at Keystone," recorded at 504399, Dec. 1, 1995. This un-developable beaver pond and wetlands lot is designated as the "resort parcel," and whomever owns the "resort parcel" gets 1,000 votes in the KNC HOA, for which there are only about 2,700 votes total. So, I repeat, KNC is a game that has been rigged on behalf of Vail Resorts. And the resulting approximately 15 million dollar community fund that we homeowners primarily provide, can be used however Vail Resorts wishes to use it, given this discriminatory allocation of voting interests to the Declarant at its origin.

***Way to Really (or Not) Hear from Your CCIOA Members – Make Your Annual Meeting In-Person Only on the Busiest Travel Day of the Year!***

Is it any wonder then, that this (so-called, presumed) common interest ownership community's director makes its annual meeting an in-person-only event, refusing to offer a virtual meeting, when about 95 percent of those that actually own in the community live many hours' drive away, if not living in another state entirely? What a smart way by which KNC Director Mathews can make sure that KNC doesn't really ever get a quorum in a meeting, a quorum by which anything could change in the KNC's bylaws. And what a great way to be sure that Director Mathews doesn't ever have to hear the (pesky) voices and opinions of KNC owners that provide the lion's share of revenues and who own the lion's share of real property in the community.

***Vail Resorts Pays no Taxes to Keystone on its Ticket Revenue Stream while Homeowners and their Guests Underwrite the Roads and Infrastructure and Provide the Lodging and Services that Ticket Holders Use***

Why does Keystone exclude Vail Resorts from having to pay any taxes whatsoever on the sales of its lift tickets (per statement of J. Crone, Keystone Town Manager, in email dated March 13<sup>th</sup>, 2025), yet we homeowners are taxed to maintain and underwrite the roads and infrastructure that Vail Resorts' ticket purchasers use? I personally am not at all opposed to help pay for housing in Keystone, but I object, and I

think most reasonable people would also, to Vail Resorts not also having to pay sales taxes on their revenue streams to pay for housing and infrastructure and roads and services also. And currently, it does not appear that Vail Resorts is even fully living up to its obligations for employee housing that are stipulated in the Keystone PUD (per review of the 2023-2024 Annual Housing Report, provided by M. Sielu, May, 2025). So, to be clear, there is not a single dime of taxes on Vail Resorts ticket purchases in Keystone, even though Vail Resorts netted from their operations almost a ¼ billion dollars last year (see <https://investors.vailresorts.com/news-releases/news-release-details/vail-resorts-reports-fiscal-2024-fourth-quarter-and-full-year>). And, to be clear, there is not a single dime of taxes on Vail Resorts ticket purchases in Keystone, even though Vail Resorts receives this almost ¼ billion dollar annual take-home payout for operations on land that they don't own, and for which Vail Resorts pays a pittance to use. (See Aspen Daily News, citing 23 million dollars that Vail Resorts paid in use fees for all of their 11 resorts on federal lands in the US.) I think most reasonable people would see this as a corporate giveaway and as corporate welfare.

***Why does Vail Resorts get Private Meetings with Town Officials about Keystone's Economic Future when Vail Resorts owns Little Property in, and Pays Little Direct Revenues to Keystone?***

It is very disconcerting to see multiple discussions between Mayor Riley and (previous) Town Manager Martinez with Vail Resorts personnel and affiliates about important topics like Warren Station, about Keystone's design architectural design choices, and about Keystone's economic development and marketing goals, all done without including the public (per emails between K. Riley, Mayor of Keystone, and C. Sorenson of Vail Resorts and other Vail Resorts' employees, and with M. Matthews, KNC Director, received per CORA request, 2024). Mayor Riley, please know that Mark Matthews, Chris Sorenson, Maja Russer and Morgan Marty, are all affiliates of Vail Resorts, and please know that these people speak for Vail Resorts only and not the voters or homeowners in Keystone. Mayor Riley, please know that Vail Resorts owns very little property now in the Keystone area and actually provides far less direct revenue than Keystone's homeowners to the town. Mayor Riley, instead please hold a meeting for the voters and homeowners to describe what they, the actual owners of Warren station, believe should be done with Warren Station when its current occupancy permit expires, instead of discussing this with Vail Resorts in private. Mayor Riley, please ask the voters and homeowners of Keystone about the expectations for Keystone's designs, about Keystone's economic future and about Keystone's marketing plans, instead of having private meetings and extending invitations to Vail Resorts on these issues, out of public view.

***Both Keystone and KNC Tax Homeowners for the Very Same Set of Services – So we Have Double the Taxation and Zero Representation?***

Ironically, these same email records show that KNC knows well, and Mayor Riley knows well, that KNC and the town are both tasked with providing the same set of services to KNC's homeowners. Mark Mathews asks in an email to Mayor Riley and Manager Martinez, "what are the Town's priorities in terms of economic development," and "how is the Town positioning itself in terms of marketing"? (Per email from Mark Mathews of KNC to Ken Riley, Town of Keystone, including C. Sorenson and to Maja Russer both of Vail Resorts, and D. Stelzer of Keystone Citizen League, on April 2nd, 2024, obtained through CORA request.) Since economic development and marketing are the stated purpose of KNC, let's be clear - Keystone is charged with providing the same services that KNC states as its purpose. So why is it that we

KNC homeowners have to pay another 50% of our county property taxes to KNC, when the town of Keystone is supposed to be providing these very same services?

***It is Not Fair that the Town of Keystone Both Ignores and Taxes their Homeowners***

Mayor Riley and Council, you can't have it both ways, wherein you believe that we KNC homeowners are in your jurisdiction and so you impose taxes on us, at the same time that you look the other way while another parallel organization reaps taxes from us for the same set of services. It appears that the town has worked out a behind-the-scenes agreement whereby KNC is maintaining our roads and wherein KNC is also tasked with economic development and marketing of the town. Well, fine then, but if the town is willing to relinquish part of its jurisdiction and contractual obligations to another whole entity, as the town's actions show it to be, then the town should also release us from the imposition of its taxes on those within the relinquished jurisdiction.

***Town Should Buy the (so-called) Resort Parcel and Become the Controller of the Fund***

A solution could be that the Town of Keystone buys the "Resort Parcel" from Vail Resorts (see attached). Then the town of Keystone could both: a) make sure that this open space parcel is protected and b) become the controller of the app. 15 million dollar KNC reserves fund. Maybe then, with a portion of that 15 million dollars, Keystone could construct 50 or more units of worker housing, designated for use by Keystone's police and fire safety officers, public school teachers, or other workers, on the River Run parking lot parcel that is designated for that purpose (but for some weird reason, never seems to get developed for workers despite the urgent need).

Or, the town could just decide that to ask Vail Resorts to pay its fair share is just too hard a thing to do.

Thank you.

Maureen Barrett, Red Hawk Lodge Unit 2301, Keystone, CO 80435