

FALLS CREEK RANCH  
Falls Creek Main Chip Seal Proposal – FAQ  
August, 2023

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Common questions and answers regarding the proposed Falls Creek Main chip seal road improvement project are provided below. Please direct any additional questions you may have to:

- [Mark Smith](#) or [Joe Scarpino](#) – Any road improvement or proposal questions
- [Paulette Church](#) – Participation in project financing

### FAQ

**Q Why is FCR proposing to change the road surface on Falls Creek Main from dirt/gravel to chip seal?**

A FCR is proposing the chip seal application on Falls Creek Main to:

- Eliminate potholes and washboards on Falls Creek Main year round
- Improve the durability and quality of the road surface
- Save an estimated ~\$430,000 over 15 years – (See the accompanying financial summary.)
- Minimize road maintenance needs
- Reduce road dust and minimize residents’ respiratory risks
- Stop the Mag Chloride damage to trees and vehicles

**Q How long will the chip seal surface last?**

A Based on our conditions and usage, the chip seal surface is expected to last approximately 15 years. As a point of reference, the chip seal at the west side of the turnaround at FCR entrance was completed in 2008, 15 years ago. The other side is overlaid with asphalt.

**Q What road maintenance is required after the chip seal is completed?**

A The vendor provides a guarantee for the five years after the completion of the road. Maintenance is estimated at:

- Years 1-5: \$500/yr
- Years 6-10: \$2,000/yr
- Years 11-15: \$5,000/yr

**Q Will upgrading the road surface cost FCR more or increase HOA dues?**

A No, upgrading the road will not increase HOA dues. The road project will actually mitigate future increases in HOA dues because of the ~\$430,000 cost savings over the 15-year life span. (See accompanying financial summary.)

**Q How will FCR cover the costs for the new road surface?**

A Several FCR residents have offered to participate in financing the project. The note/loan terms will be over eight years at a rate of 6.5% interest. We are not planning on a commercial loan for this project. If residents are interested in this private lending opportunity, they should contact Paulette to express interest. The Ranch successfully engaged in private funding for earlier projects and is confident to proceed with private funding for this project as well.

**Q Why is the proposal only for FCR Main and not for all the roads within the Ranch?**

A Our most important maintenance challenge is Main and the purpose is to avoid having to spend the time, effort, and money rebuilding Main every year. The chip seal layers will provide a good road surface all year on our most-heavily travelled road. To maintain the original vision for FCR while meeting the preferences of the majority of the residents, many have expressed a desire to keep dirt/gravel arterial roads. If in the future, residents prefer chip seal paving of arterial roads, that could be explored as a second phase.

**Q Why would we “fast-track” this project and start it in the Fall rather than waiting until next Spring?**

Falls Creek Main has had extensive build up and is in excellent condition right now. The vendor has communicated that due to the current road conditions along with other work they will have going on in the area in the Fall, they can offer better pricing now than in the Spring.

- \$132K total additional cost to hold off on the project until Spring '24.
  - \$64K - Vendor price increase due to mobility and materials costs
  - \$50K - If we wait until Spring, FCR will have to rebuild the road
  - \$18K – additional interest costs due to increased loan amount of \$64K in '24

**Q How will the surface change to chip seal impact winter driving?**

A According to the Colorado Department of Transportation, chip seal provides a coarse wearing surface with increased tire traction, improving safety during winter driving conditions. In addition, snow/ice will melt faster with sun exposure than on a dirt/gravel surface.

**Q Have we decided on a preferred vendor for the chip seal project?**

A The preferred vendor is Western Chip Seal. Their references have been very good, and they have provided us with the best proposal to perform the work this Fall. They will have the equipment in the area for other projects which provides us with a cost advantage for the Fall start date and includes a triple chip seal for a large portion of the length of Main. We did get one other proposal for this Fall but it was only a double chip seal for the entire length and was \$30,000 more. Other vendors would not provide pricing for Spring 2024.

**Q Is Western a good vendor?**

A Due diligence has been conducted, resulting in positive feedback from Western’s customers in the Durango and Colorado Springs area with no negative comments received. They have an A+ Better Business Rating since 2002.

**Q I’m undecided on my vote. If I choose not to vote on this project, how will that be counted?**

A If residents do not cast a vote, their vote will be considered a “no” vote. If you are undecided or have questions, residents are encouraged to contact Mark Smith, Joe Scarpino or Paulette Church to have any questions answered or to obtain clarification on the project. Everyone’s vote is important and a 2/3rds “yes” vote is required for passage to chip seal Falls Creek Main.

**Q Will other FCR residents know how I voted?**

A No. All votes cast are/will be anonymous.

**Q When will ballots be emailed to lot owners?**

A Early Saturday, August 5<sup>th</sup>, and due in by 10 pm, Sunday, August 13<sup>th</sup>.