Niwot Incorporation Roads Review for NCA

June 2026

Purpose

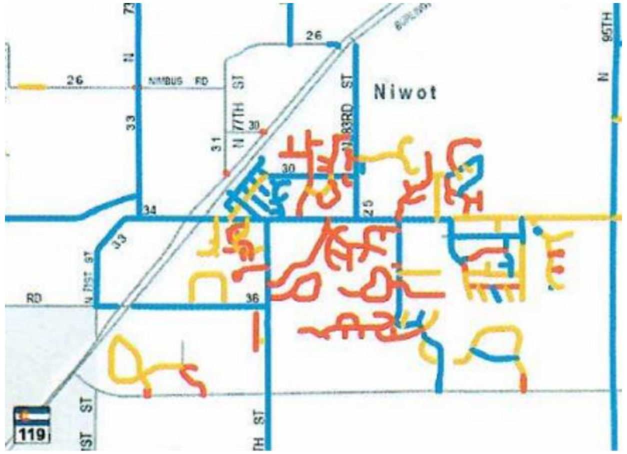
1. Identify points of agreement with Neighbors for Niwot on road situation
2. Consider risks identified by Neighbors for Niwot
3. Update Town of Niwot roads model and pro forma financials

Points of Agreement

1. Length of roads = 31.7 miles
   - Local and residential collector with no road repair mechanism = 23.0 miles (75%)
   - Burgundy Park PID = 0.5 miles (2%)
   - Private roads owned by HOAs = 3.12 miles (8%)
   - Collector roads maintained by Boulder County = 5.13 miles (16%)
2. Width of roads ~ 31 ft on average
3. Private roads should be included in Town model
4. Full reconstruction (Full Depth Reclamation or Remove & Replace) is typically done at PCI < 25. Boulder County PID uses more conservative PCI < 50
5. Boulder County also uses conservative cost assumptions for PIDs
6. Using the same cost/sf and PCI cut-off assumptions results in approximately the same initial project cost for Lance's model and Town model

Points of Agreement

7. Roads overall are in poor condition
   - Local and residential collector measured in 2024: average PCI = 44
   - Private roads vary depending on age, initial quality, HOA spending on routine maintenance, HOA reserve contributions
   - Collector roads, as well as downtown roads, had either M&O or FDR between 2017 and 2023 so generally in good condition



8. Time is not on our side: PCI degrades ~ 2 pts/yr; can be significantly higher once PCI < 60
9. Neighborhood PIDs are a time-consuming, incomplete and expensive solution. (In the 10 years that BoCo has been offering this option, only 1.3 miles in two HOAs have taken the offer – and that was with the 30% up-front contribution and 0% financing no longer available).
10. Inflation rate of 3%
11. Pavement Management Plans require expertise beyond the scope of analysis

Elements of Town Roads Plan

1. Initial Project to bring all roads up to PCI > 70
   - Funded by road bond so can be completed in mid-late 2029 and early 2030
   - Engineering, project specs, and competitive bids in 2028
   - Roads divided into 4 categories as of 2024 PCI and 2026 estimate
   - Combination of full depth reclamation (FDR), M&O, chip/slurry seal, and crack sealing
2. Annual maintenance (chip/slurry seal and crack sealing) to slow future degradation
3. Reserves for future FDR and M&O (e.g., roads in better categories in 2029 will need more work sooner than roads reconstructed in 2029)

Note 1: Lance's model combines #2 and 3 into "Ongoing Maintenance" annual expense

Note 2: Maintenance of collector roads that pass-through Niwot will be subject of Intergovernmental Agreement discussions. Opinion of county staff is not definitive.

Possible Risks Identified & NIC Response

Relating to Initial Project (Bonded Project) to bring all roads up to PCI > 70

- Reduced PCI by 2029 should be explicitly considered in initial project cost

  Agreed. Reduced 2024 PCI values for every road by 10 points. For the worst roads, the reduction could be higher but doesn't change the type of repair needed (FDR).

- Contingency recommended by BoCo PID is 20%; town estimate uses 10%

  BoCo used 10% in recent PID proposal for Springhill HOA.

- Initial project may not adequately account for ancillary items (signs, striping, drainage, etc.)

  Niwot has limited ancillary infrastructure but added 10% contingency (so 20% total).

Possible Risks Identified & NIC Response

Relating to Initial Project (Bonded Project) to bring all roads up to PCI > 70

- Bond amount may not cover expected initial project cost

  Recalculation using estimated 2029 PCIs, Son-Haul base estimate, revised overhead assumptions by repair method (40% for FDR, 22% for everything else, excluding contingency), and 20% total contingency results in total cost of ~$15.8 million. Bond proceeds with premium over par ~$16 million. Actual project cost TBD in 2028 by Town Council with road expert consultant.

- More subgrade work may be required than included in Son-Haul estimate

  Overhead component of FDR adds 9% or $450,000 for subgrade grading, compaction support, and material import if needed for stabilization.

  Son-Haul estimate of $4.05/sf for FDR (excluding overhead/subgrade work) exceeds:

  - Palmer Lake project in 2023 @ $2.50/sf
  - Weld County project @ $3.53/sf

Possible Risks Identified & NIC Response

Relating to Ongoing Maintenance Annual Expense

- Not all roads will be completely rebuilt in Initial Project; Town model may not include adequate reserve funds to repair these roads in following years.

  Previous pro forma separated annual operating expenses for minor maintenance (crack seal & chip/slurry seal) and cumulation of reserves for future major repair projects. Agree to use a comprehensive "ongoing maintenance" roads expense line item that "smooths" expenses. Recalculated a combined line item for ongoing maintenance in pro forma using Lance's simplified model with updated cost estimates for each type of repair.

  Agree that collector roads with only minor work in 2029 may need M&O or FDR sooner than future rebuilds of local/private roads. Agree with 21-year cycle assumptions of 4.2 crack seals, 2 chip/slurry seals, 0.5 M&O and 0.5 FDR (meaning half the roads need FDR and half need M&O every 21 years) for collector roads.

  Propose a longer cycle and assumptions for local and private roads, with lower traffic and axle weight. BoCo agreed to a 25-year cycle for the 2025 PID proposal. Used 25-year cycle, 5 crack seals, 3 chip/slurry, and 1 M&O to calculate annual maintenance expense for these roads.

Possible Risks Identified & NIC Response

Relating to Ongoing Maintenance Annual Expense

- Some reserves should be accumulated for other town needs

  Updated pro forma: ~ $5.8 million in cumulative reserves by 2040, excluding reserves for roads

- Unclear whether expenses beyond “just the roads” are included

  Pro forma includes (2029, then escalated by 3%):

    $50,000 for signs, lights, other hardscape

    $93,000 for landscaping, trees, parks, etc.

    $103,000 for materials, which is expected to mostly be used for roads and transportation needs

Sanity Check

- Total funds for roads through 2040 (excluding the bond proceeds, which are amortized in the bond repayment) = $30.8 million
- Average of $2.6 million/yr for 31.7 miles = $82,000/mile per year
- 2025 PID was expected to generate $2.15 million for roads for 23.4 miles = $92,000/mile per year
- Can the Town of Niwot with direct control of costs, bids, traffic control, etc. self-manage all its roads for 90% of the cost if the county does it? Yes.
- It remains to be seen, but expectation is that the county will cost-share some of the collector roads.

Comparison to Elizabeth, CO will be addressed later

Conclusions

- Reasonable agreement on approximate initial project cost to remedy decades of neglect
- Good suggestions on clarifying and consolidating ongoing maintenance costs
- Actual costs for both components requires a professional pavement management plan, detailed specifications, and competitive bids – town model is in line with costs developed by Boulder County in 2025, assuming modest (10%) cost savings over county's conservative estimates
- Using bond financing, all roads in Niwot can be brought up to good-excellent condition by mid-late 2029 and early 2030
- No alternative revenue model is proposed, other than vague suggestion that each subdivision should pursue a PID. We can't know for sure whether the actual initial project cost will be $13 million or $15 million or $17 million. We can't know for sure whether the annual ongoing maintenance costs should be $0.8 million or $1.2 million or $1.6 million.

WE KNOW FOR SURE THAT THESE COSTS ARE NOT ZERO!

And they'll only go up if we fail to come together as a community on a plan.