

# Tahoe Donner Association Master Plan

Submitted by the Tahoe Donner General Plan Committee

## Table of Contents

1. Introduction
2. The Planning Process
3. The “Current State”
4. Financial Operations and Planning
5. Homeowner Associations
6. Resident Demographics
7. The “Future State”
8. Dudek Evaluation Process
9. Dudek Evaluation of Current Amenities
10. Dudek Recommendations
11. GPC Investment Recommendations
12. Acknowledgements

### Appendix

- A. Tahoe Donner Capital Projects Process (CPP)
- B. How New Amenities Affect the Member Assessment
- C. Benchmarking Other Mountain Recreation Communities
- D. How Technology is Improving Customer Service
- E. 2017-2037 Investment Plan
- F. Tahoe Donner Activities

## 1. Introduction

The Tahoe Donner Association is a not-for-profit “Mutual Benefit” California Corporation. Each of the 6,470 homeowners is a member. The Board of Directors is obligated to provide members with a “General Plan” outlining expected major expenditures for the future. In 2011, the “2030 General Plan” described a list of improvement projects that have now been completed thus it is time to update this plan. This document includes that update as well as an overall look at the Tahoe Donner community today. Using a variety of planning tools described below, this document describes a future look at the community and defines a plan for developing a new list of improvements. The primary drivers of this plan are:

- **Input from members**
- **The Tahoe Donner Vision as described in the Strategic Plan:**

***Tahoe Donner Vision***  
*Tahoe Donner is a vibrant and desirable mountain community, providing attractive and well-maintained facilities, events, programs, and leading customer service to its members, guests, and public, all while maintaining accessible and healthy natural surroundings*

To help write this plan, the Board of Directors hired the Dudek consulting firm, who wrote the TD Land Management Plan. Their comments have been incorporated into this document.

## 2. The Planning Process

**2.1 Planning Background & Member Input** - The purpose of this document is to help the Association look forward by developing an investment plan for the next 10 – 20 years. This plan estimates future changes in demographics, technology, member interests, regulations, etc., while investing in capital projects that maintain the Tahoe Donner Vision. In recent years the community has been engaged in a series of forward looking planning efforts. The following planning efforts provided a background for this plan:

- 2013 Tahoe Donner Trails Master Plan
- 2015 Tahoe Donner Trails 5-Year Implementation Plan
- Tahoe Donner Strategic Plan (2010)
- 2030 General Plan (2011)
- Town of Truckee Trails & Bikeways Master Plan (2007)

Note: All of these documents are available on the Members section of [tahoedonner.com](http://tahoedonner.com).

Member input was collected by the following methods:

- Comment cards at each amenity
- Individual surveys at each amenity
- Periodic town-hall or member-forum meetings with Members
- Member comments sent to the website, to the Board and on social media
- Improvement suggestions from staff, board and committees
- 2015 Member Survey

The 2015 Member Survey was especially useful as it summarized the other inputs and provided the following guidance:

### ***2015 Member Survey***

- *94% of Members agreed with the Tahoe Donner Vision*
- *Members expressed a strong desire to improve & enhance amenities rather than adding more*
- *Nature is as much a part of the Tahoe Donner experience as the amenities. Efforts to protect open spaces are a high priority for Members.*
- *22% of Members returned the Survey, representing 80% vacation homes and 20% primary residences*

**2.2 Capital Projects Process** - In 2016, the Board of Directors approved the Tahoe Donner Capital Projects Process for evaluating, tracking and documenting capital projects from preliminary idea to post-project review. Hundreds of ideas have been submitted to this process through the outreach efforts described above.

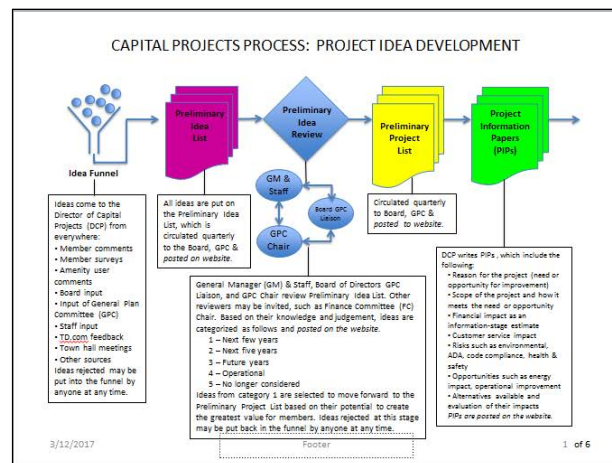
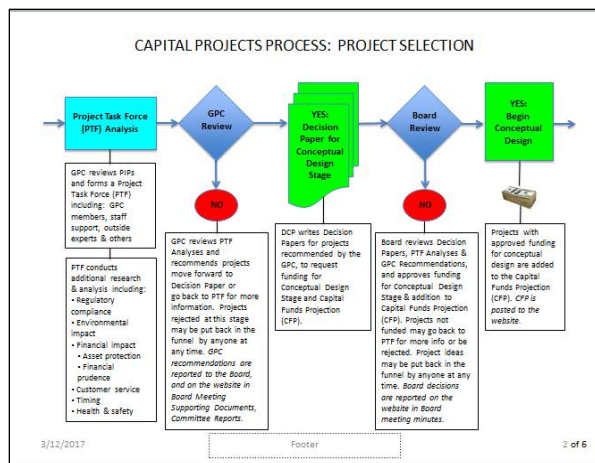
# Tahoe Donner Association Master Plan

This “Stage-Gate” process was derived from the methods used by the Tahoe Donner staff. Projects take place in “Stages” of activity, and at the conclusion of each stage the Board has an opportunity to review progress before opening the “Gate” of funding for the next stage.

Through each stage, a Task Force of General Plan Committee volunteers support the Tahoe Donner staff. Scope, Schedule and Spending are evaluated and tracked so that risk is minimized. Periodic update reports are published on the Tahoe Donner website and in Tahoe Donner News so that progress is visible to all Members.

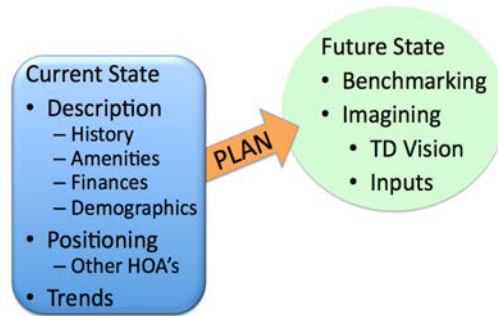
Last year, the Capital Projects Process was used for the first time to track several projects. It is anticipated that the process will be continuously improved based on the information gleaned during the final stage of the process, the post-project review.

Below are examples of the flowcharts for two stages of the Capital Projects Process:



# Tahoe Donner Association Master Plan

## 2.3 Planning Structure



In addition to the guidance from previous planning efforts, Member input and the Capital Projects Process, this plan is constructed from an analysis of Tahoe Donner today (the “Current State”) and a description of how Tahoe Donner would look 20-years in the future if we follow the Vision and the desires of the Members (the “Future State”). Also, the team surveyed (“benchmarked”) other family oriented mountain recreation communities in order to broaden our imagination of the future; the comments from those communities are shown in the Appendix. The GPC Investment Recommendation in section 11 is the summation and analysis of all these inputs.

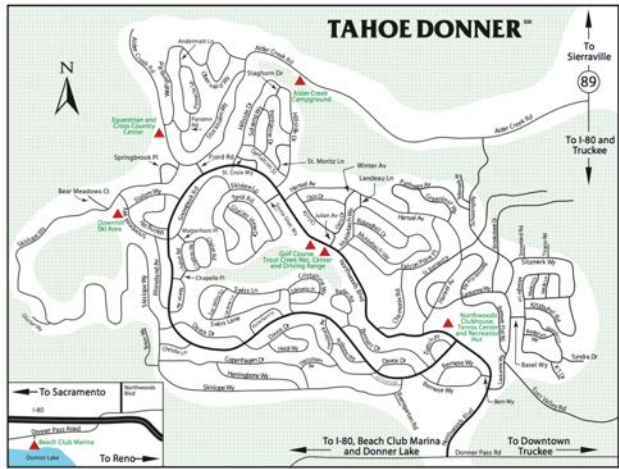
The recommendation for investment is the summation and analysis of all these inputs.

# Tahoe Donner Association Master Plan

## 3. The “Current State”

3.1 Tahoe Donner Association (TDA) is a recreational homeowner community located within Truckee, California, five miles from Donner Lake, and fifteen miles from Lake Tahoe.

TDA was established in 1971 with the construction of private homes and multiple family units. An original trail system was constructed for equestrian use and consisted of approximately 15 miles.<sup>1</sup> It was maintained by Multi-Use Management (M.U.M.), an outside contractor. In 1982, TDA acquired an additional 2,000 acres, which contains many forest roads and skid trails created to support the railroad and the salvage logging operation after the 1960 Donner Ridge Fire. Doug Smith, the first forester for Tahoe Donner (from 1988 until 1993) created the basis for today’s trail system. There were 16 miles of multi-use trails in 1994.



### FACTS AND FIGURES ABOUT YOUR ASSOCIATION

*Estimates as of November 2016 / Subject to Change*

6,473 MEMBER PROPERTY OWNERS | 25,000 MEMBERS | 84% 2<sup>ND</sup> HOMEOWNERS  
ESTABLISHED 1971 | 90% BUILT-OUT | OWNED & MANAGED BY THE PROPERTY OWNERS  
\$23.3 MILLION BUDGET FOR 2017 | \$56 MILLION IN TOTAL ASSETS  
7,000 ACRES | 26 BUILDINGS | 120,000 SQUARE FEET OF CONDITIONED SPACE

**OWN AND OPERATE:** GOLF COURSE, BEACH CLUB MARINA, DOWNHILL SKI AREA, CROSS COUNTRY SKI AREA, SNOWPLAY AREA, EQUESTRIAN CENTER, TENNIS CENTER, POOLS, RECREATION CENTER, DAY CAMPS, RESTAURANTS, AND RETAIL SHOPS.

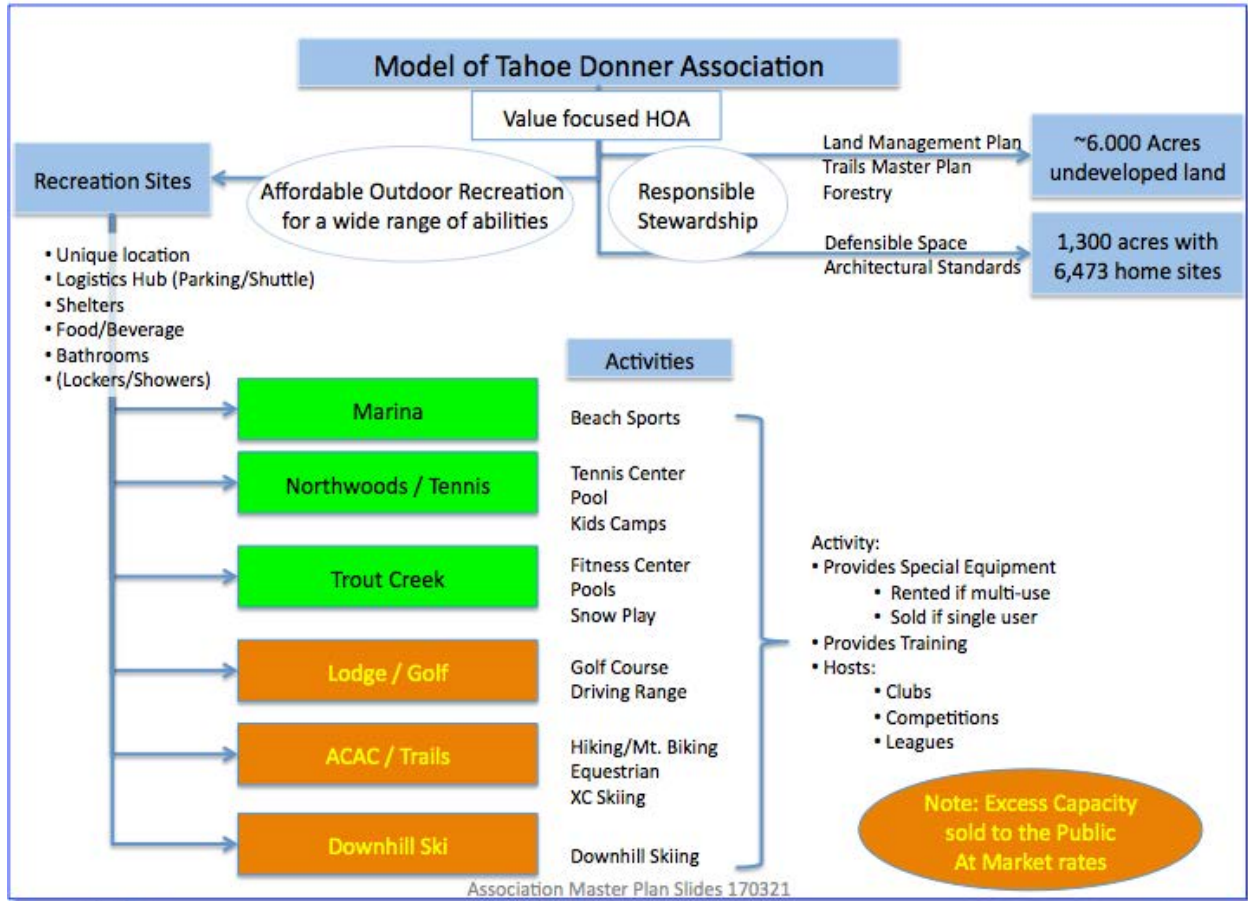
*Source: “Tahoe Donner Budget Report 2017”*

Since 2010, TDA has made several open space purchases, including: the 240-acre Bucknam Tract, the 20-acre Forestry Facility, the 482-acre Euer Valley, the 161-acre McGlashan Springs, and the 640-acre Crabtree Canyon.

<sup>1</sup> Trail master plan page 3-1

## Tahoe Donner Association Master Plan

**3.2 Model of Tahoe Donner Association** - The Tahoe Donner Association is focused on providing family-oriented outdoor recreation and being a responsible steward of the land, as shown in the following diagram:



**3.3 Recreation Centers** - By creating unique Recreation Centers, Tahoe Donner can provide recreation to users of all abilities. Each Center rents or sells the special equipment needed for the activities and promotes a range of social interactions inspired by the activities. The very active clubs and sports associations surrounding each activity are a unique and valuable part of the Tahoe Donner community. No other community in the North Tahoe area has the range of activities or the size of the permanent resident population to sustain this.

A Recreation Center is a location that is a destination for at least one activity and meets most of the following criteria:

- Specialized location
- Transportation hub
  - Parking
  - Possible shuttle stop

## Tahoe Donner Association Master Plan

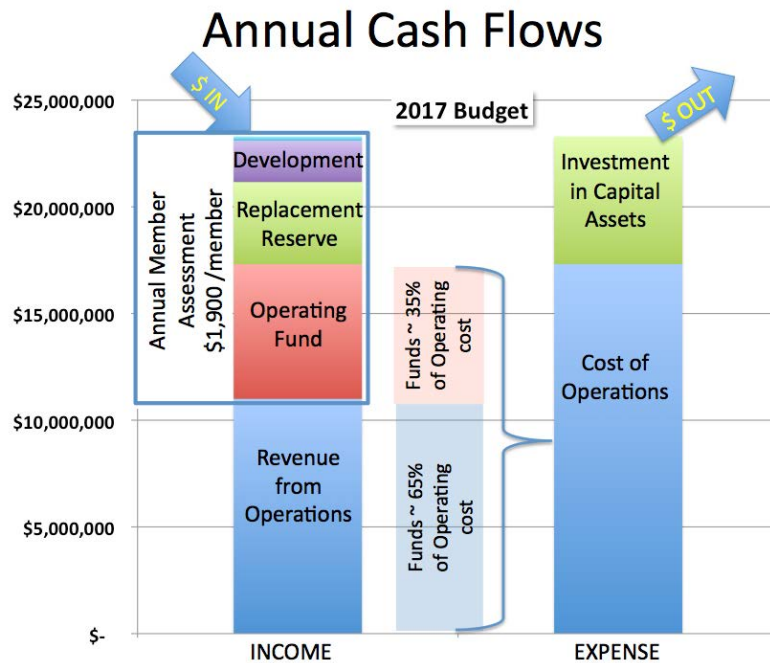
- Provides specialized equipment
  - Rental
  - Retail
- Provides lessons
- Hosts clubs or leagues
- Hosts special events
- Sheltered seating area
  - Enclosed & heated for winter activities
- Full food service
  - Restaurant and bar
- Personal service area
  - Bathrooms, showers, locket or changing room



## 4. Financial Operations and Planning

**4.1 Financial Operations** - The Association is registered in the State of California as a California Mutual Benefit Corporation and with the IRS as a 501-(c)4 Social Welfare Organization. With an annual budget of \$23.3 million dollars a year, the Association is regulated by both federal and state regulations and a set of governing documents, which along with the California Corporations Code and the Davis-Stirling Act, provide for very specific governance. These regulations instruct the Board of Directors to approve and distribute financial information to all its members annually. This information includes estimated revenue and expenses and plans for funding future maintenance, repair, restoration or replacement of facilities. There are five Directors at any one time and each serves a three-year term. The Association is run by a General Manager, who with the support of operations and management staff oversees more than 500 temporary and full-time employees at peak activity periods.

**4.2 Financial Planning** - Each homeowner is a Member of the Tahoe Donner Association and each membership parcel pays an annual assessment that funds a portion of the association’s annual budget. The TDA budget includes an operating fund, reserve replacement fund, development fund and an equipment fund for the maintenance of Association facilities, their associated programs and support departments.

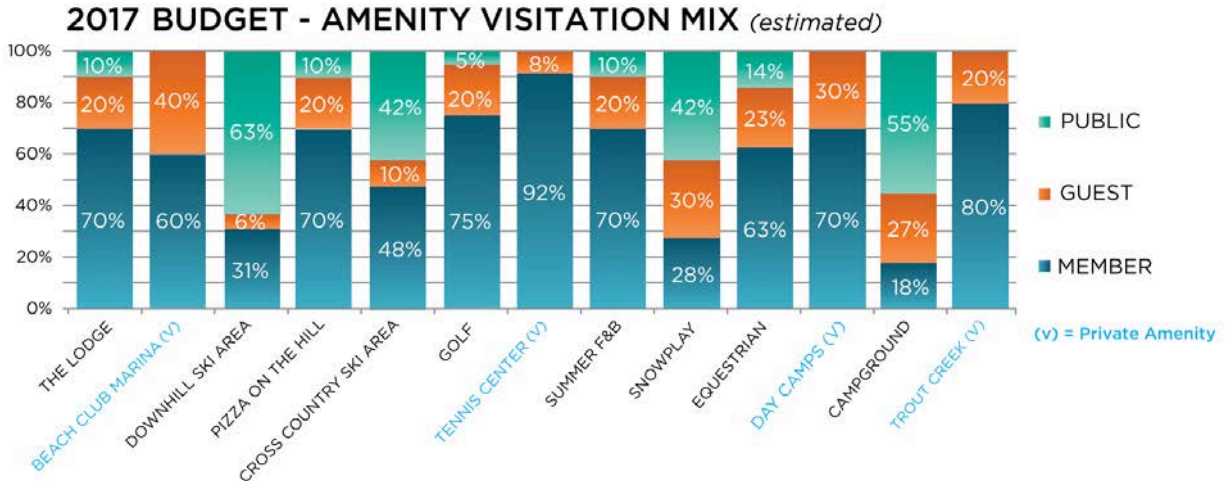


Because the cost of improvements is borne by Members and is derived from the Annual Assessment, and since it is Tahoe Donner’s policy not to borrow money for improvements, spending must be planned to match revenue. With no deficit spending, there are always more projects in the idea pipeline than finances to fund them.

## Tahoe Donner Association Master Plan

**4.3 Amenity Funding** - Tahoe Donner’s amenities are a compelling attraction for Members and prospective buyers, and contribute significantly to the value of Members’ real estate investment. To protect the value of this investment for Members and the Tahoe Donner community as a whole, a portion of Members’ annual assessment helps subsidize the amenities by ensuring their ongoing quality and Members’ consistent access to them.

All Tahoe Donner amenities are available to members of the homeowners association, and some are open exclusively to members. Other homeowner amenities are also open to the public on a fee-for-service basis.



*Source: "Tahoe Donner Budget Report 2017"*

Daily fees are charged for access to and use of the amenities. Members of the Association also have the option to purchase a recreation pass, currently \$270 per year for a household of up to 4 people, which entitles them to use the various amenities without paying the daily fee at the time of use. In order to account for this form of usage at the end of the year, the total revenues from the sale of the passes are allocated back to the various amenities based upon the utilization of passes.

For each amenity to function as efficiently as possible, all amenities are operated with Tahoe Donner staff. Full-time, part-time and temporary staff is used to balance the fluctuating needs of seasonal amenities. At the end of any given budget year, some amenities will have generated a net surplus (profit), and others will experience a net deficit (loss). These operating results have switched from negative to positive from one year to the next based upon wildly varying conditions, such as good snow years creating profits at the ski hill followed by deficits in drought years. Other amenities may be subject to changing tastes and participation rates in recreational activities, for example switching from consistently profitable operations at the golf course, to deficit patterns as the popularity of the sport wanes.

In the most recent budget report for 2016 it can be seen that the amenities generated almost \$8.6 million in operating revenue. Total operating costs were even higher, however, at \$9.8 million. Under TDA’s business model, it makes complete financial sense to subsidize the net operating

<sup>2</sup> In the 2016/17-ski season, snowmaking eliminated this revenue variation.

## Tahoe Donner Association Master Plan

deficit of \$1.2 million (-14% of revenues) from the annual assessments against each property. This modest subsidy currently requires less than \$200 out of each \$1,900 annual homeowner assessment. Note that if public use were not allowed, a substantial portion of the revenue deficit would need to be distributed across all Members, resulting in an increase in annual assessment of almost \$1,000 per household.

## 5. Homeowner Associations (HOAs)

**5.1 Planned Communities** - Community associations – condominiums, cooperatives, and planned communities – are prevalent in the United States today. Planned communities are called by a variety of names such as homeowner associations (HOAs), property owner associations, and townhouse associations. Primarily designed for market-rate and above market rate homebuyers, associations often include restrictive covenants, congruent architectural styles, residential amenities, and have been planned with automobiles in mind. Early community associations did not operate with complex administrative coordination that linked development requirements to land planning, master plans, residential finance, and volunteer governance - as communities do today.

The Foundation for Community Association Research (Foundation) estimates that in 2015, there were between 342,000 and 344,000 community associations in the United States.<sup>3</sup> Florida and California hold the largest number of community associations: 47,200 and 44,900 respectively. This growth is remarkable considering California had approximately 10,000 communities in 1970. In 2014, the National Association of Realtors noted record-breaking vacation-home sales - over a million units, 6 percent above the 2006 peak, with 71 percent of sales in the southern and/or western states.<sup>4</sup>

The Foundation defines a large-scale community association (LSA) as a community that meets three requirements: 1) provides municipal type services; 2) contain at least 1,000 lots, units, or acres; 3) has an operating budget of \$2,000,000 or more.<sup>5</sup> The Foundation estimates between 6,000 and 9,000 LSA's currently operate in the United States. The median number of acres at Resort/Residential LSA's, (which include golf courses, marinas, ski areas, etc. in addition to residential properties) is 1,778 acres. The median number of lots with units is 1,900 and the estimated number of full-time owners is 1,337. The number of part-time or seasonal owners drops to 600.<sup>6</sup>

**5.2 Truckee Region HOAs** - From a geographic perspective, the communities in “Truckee Region HOAs” chart below define the competitive set for the Tahoe Donner Association, but no other planned communities in the Donner Lake/Truckee region meet the requirements for an LSA. Although Martis Camp, Lahontan Golf Club, Schaffers Mill, Gray's Crossing, Old Greenwood, and Northstar Property Owners Association all provide a combination of municipal services and have operating budgets of \$2,000,000 or more, none have more than 1000 lots in the development. Northstar and Martis Camp are the second largest in terms of acreage and number of lots in the development. Northstar Property Owners Association includes 808 single-family homes and five condominium associations with 672 units.<sup>7</sup> However,

---

<sup>3</sup> 2015 stats review

<sup>4</sup> <http://urbanland.uli.org/industry-sectors/confident-consumers-drive-record-vacation-home-sales/>

<sup>5</sup> Large scale survey page 10

<sup>6</sup> Ibid

<sup>7</sup> <http://www.npoa.info/home>

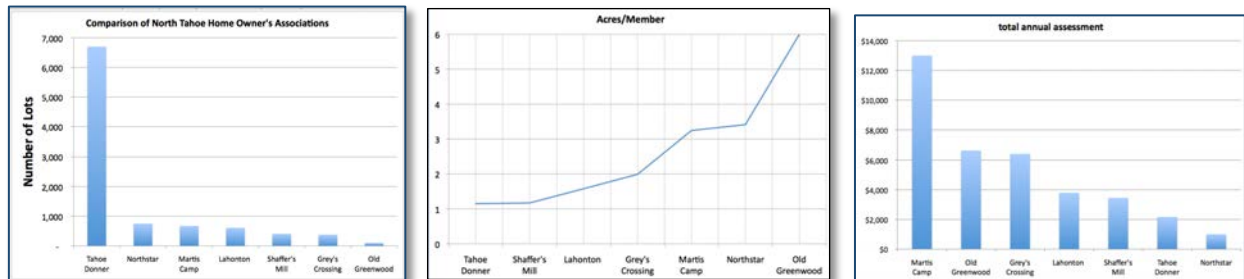
## Tahoe Donner Association Master Plan

Northstar Property Owners Association does not own any open space, although Northstar Resort owns approximately 3,170 skiable acres. Martis Camp has 671 lots on 2,177 acres.

### Truckee Region HOAs

	Tahoe Donner	Martis Camp	Lahontan Golf Club	Schaffers Mill	Gray's Crossing	Old Greenwood	Northstar
<b>Number of lots</b>	6,700	671	609	406	377	~100	750+
<b>Acres</b>	7,700	2,177	960	475	\$750	600	2,560
<b>Annual Assessment</b>	\$1,900	\$3,000	\$2,800	\$3,450	\$1,020	\$1,204	\$1,000
<b>Rec. Passes or Social Dues</b>	\$270	\$10,000	\$1,000	Incl./ HOA	\$5,400	\$5,400	Specific

On the one hand, the amenity offering at Tahoe Donner will always be compared to the other resort communities and their HOAs in North Tahoe, because all of these constitute alternative locations for prospective homebuyers in that geographic area. On the other hand, there are many substantive differences between these communities, making comparisons between the amenities offered in each community resembles a comparison of apples and oranges.



As the oldest and most comprehensive large-scale community in North Tahoe, TDA enjoys the position of having stability and sustainability in its amenity offering, built upon the lessons learned from 45 years of operating history. It also has essentially the lowest ongoing carrying costs for its amenity package, arguably providing the best value for homeowners' money in the marketplace.

Most other resort community offerings in the market area continue to be influenced today by the need for the developer to be marketing real estate and burnishing the community's image. The developer has an incentive to provide a lavish number of recreational amenity offerings, at a level of quality that is at least perceived to be high, even if that quantity and quality package is unsustainable over the long run. Several of these competitive-set communities described in "Truckee Region HOAs" are also still in a shakeout period, which has been extended by the recent journey through the Great Recession.

For example, Lahontan emerged as the first dedicated golf course community in the Lake Tahoe region in the mid-1990's and came to define the high-end offerings in the early 2000's. When Martis Camp began marketing in 2006, however, it was immediately perceived as representing a new high end for the market, offering a direct connection to the Northstar ski area, including ski in/ski out opportunities, and a very expensive and comprehensive amenity package. The

## Tahoe Donner Association Master Plan

competition proved to be destructive, in that a number of wealthy families who originally bought in Lahontan sold those homes and repurchased in Martis Camp. While both communities suffered during the recession, the performance of Martis Camp was superior due to its top-of-the-market positioning. The value of golf memberships and real estate continued to grow strongly in Martis Camp, while values tended to stagnate at Lahontan.

**5.3 Golf Courses Today** - Other developers within the competitive set described in “Truckee Region HOAs” have experienced similar uncomfortable transitions, and instability through the recent rocky economic times. Schaffer’s Mill started out as a private club, but the golf amenities have now gone public. Old Greenwood and Gray’s Crossing were built by the same developer, and in the late 90s and early 2000’s when they were being designed, it was an unquestioned assumption that golf courses should be included. In hindsight, with these new golf courses, and with the Coyote Moon course as well, it could be said that there may be too many golf courses spread among the communities in North Tahoe to be fully sustainable. Local resort developers report that if they were starting over today, they might not include a golf course as part of an amenity package for a new North Tahoe community. Reasons they cite for why golf is more problematic today include:

- The time commitment (4 or more hours to play 18 holes, is more than many contemporary get-away vacationers have time for).
- The players still tend to be predominately adult men, which splits up families during short vacation periods.
- At 6,000 feet elevation, the season for golf is uneconomically short.

**5.4 Fractional Ownership** - There are additional factors, which make comparisons among amenity packages for these communities problematic. Many of the newer communities have been designed around fractional ownership concepts, including one-quarter share, and 1/10 share ownerships in various units. This creates more utilization of the residential units, and higher utilization of amenity packages than in a more traditional community such as Tahoe Donner that is dominated by whole-ownership, single-family units.

**5.5 Whole Ownership and Rental Options** - On the other hand, the whole-ownership pattern at Tahoe Donner is more conducive to additional use through Airbnb, VRBO, and other short-term rental options. This boosts occupancy in the real estate inventory, with a corresponding increase in demand on the amenity package. It should also be noted, that the growing ease in renting units through these sharing services makes the investment in a Tahoe Donner home more attractive in the first place, offering a second home owner the opportunity to more easily enhance rental income to help support their investment.

Countervailing forces in reducing amenity demand are also at work, however. Projects such as Martis Camp that are oriented towards the highest end of the market tend to get the most international buyers and wealthy families from distant origins seeking trophy properties. This tends to create lower occupancies in the real estate units, and generates less demand on the amenity packages.

**5.6 Amenity Expectations** - Most of the amenities are common to all of the communities in the competitive set described in “Truckee Region HOAs”. Homeowners have access to clubhouses, fitness facilities, and many other recreational opportunities that are unquestionably expected in

## Tahoe Donner Association Master Plan

these mountain resort settings. Not all include direct access to a ski hill, however. Although modest in scale, Tahoe Donner's ski area elevates the prestige of the community due to its inclusion. The attraction power of various ski areas varies depending on their terrain and facilities.

The Tahoe Donner ski area is clearly one of the smallest and most basic facility offerings within the North Tahoe market area. On the other hand, Tahoe Donner has developed a well-earned reputation as a good place for new skiers and snowboarders to learn, making it a very attractive amenity and destination for families for a few seasons when they have children of novice age.

A subtler amenity that has been designed into all new North Tahoe communities is an internal network of multi-use trails that connect amenities to residential areas and commercial cores. These design features enhance the family-friendly environment of these new resorts, and respond to America's growing interest in cycling and walking for both recreation and local transportation. TDA was designed in a decade where the base assumption was that every household would depend primarily upon their own automobile for even local transportation.

In the wintertime, this network of trails is the site of one of the premier cross-country ski areas in the West with over 100 km of forested and valley trails for skiers of all abilities. A modern and attractive new lodge with a full-service restaurant and extensive lounge area supports this as well as providing a full ski rental area and extensive lessons.

## 6. Resident Demographics

At Tahoe Donner, 2,660 acres are devoted to the private lots and residences of the association.<sup>8</sup> Residences are concentrated in the central and eastern areas of TDA. There are 5,791 single-family lots (4,983 lots developed), 127 multiple family lots (114 lots developed), and 799 undeveloped single family and multi-family lots.<sup>9</sup> 83% of these residences are second homes, with the remaining ~17% living at Tahoe Donner full time. There is a rising population of younger and more affluent members, which contributes to the increasing number of residents who do not live at Tahoe Donner full-time. As of 2015, close to 80% of residents are families with one to three children<sup>10</sup>. This is representative of national trends, in which millennials are expected to pass baby boomers in travel spending in coming years, becoming the largest buying group in the industry. In 2005, prior to the Great Recession, nearly half of all second-home buyers did not have children living at home, but today families with children living at home represent the majority of buyers.<sup>11</sup>

This shift in the demographic of those buying second homes, often in resort communities, is reflected in a shift in what people are seeking in these communities. The Urban Land Institute notes that many of these second-home buyers are coming from cities, hoping to escape the traffic, congestion, and their cars.<sup>12</sup> Therefore, “demand for healthy communities – walk-able, vibrant places designed around transit and green spaces walk-ability – has never been higher.”<sup>13</sup> Combined with the rising younger generation of buyers, most resorts and second-home communities have a growing emphasis on wellness, walk-ability, and physical, outdoor activities. Furthermore, this demand for outdoor activities is supported by the demand for better family experiences. Previously, second-home and resort buyers tended to be content with golf, pools, and spas as their amenity package. However, both the younger generation with children and retirees with extended families are placing higher value on multigenerational amenities that allow for more “immersive experiences.” These include amenities and experiences that provide consumers the opportunities to explore and interact with more natural environments.

The majority of the housing units are utilized as vacation homes. This demographic presents some unique challenges in order to accommodate large numbers of people at peak times during the year, while creating smaller scale operations during lighter times of usage. The overall goal would be to design facilities for “average” use while building in flexibilities to accommodate peak and seasonal needs.

---

<sup>8</sup> Trail map summer 2016

<sup>9</sup> <http://www.tahoedonner.com/architectural-standards/homeowner-property-inspection-program/>

<sup>10</sup> Tahoe Donner Demographic facts, 2015

<sup>11</sup> <http://urbanland.uli.org/sustainability/product-council-outlook-recreational-development/>

<sup>12</sup> <http://urbanland.uli.org/sustainability/product-council-outlook-recreational-development/>

<sup>13</sup> <http://uli.org/wp-content/uploads/ULI-Documents/10-Principles-for-Building-Healthy-Places.pdf>



## 7. The “Future State”

If we went to sleep today and awoke twenty years from now, what would Tahoe Donner look like? In this plan, the answer to that question is guided by the Vision and by member input.

**7.1 Facilities** - If we are true to our vision, all of our facilities will be “attractive and well maintained”. That means that the facilities that today have not been upgraded since they were built 40 years ago will have been brought up to the standard of the Vision. New and/or remodeled buildings will serve the needs of the Marina, Northwoods Clubhouse, the Tennis Center and the Downhill Ski Area. The Downhill Ski Lodge will have been expanded to accommodate the holiday crowds. Our 40-year old ski lifts will have been replaced by efficient, safe, low-maintenance units that reduce waiting time during peak use periods. Our golf course, pools and tennis courts will have been meticulously maintained and represent the same standards. The cluster mailboxes will be modern and placed in a protected location.

The Alder Creek Adventure Center, Trout Creek Fitness Center and The Lodge, shown below, are examples of facilities that match our Vision.



[Note: need to replace third photo with one of The Lodge.]

**7.2 Customer Service** - Our vision of providing excellent customer service will have driven us to provide affordable housing within Tahoe Donner for our service employees. This will be done to minimize service disruption due to weather-related commute problems and to help attract high quality employees in a housing market with rising costs and declining availability. A shuttle bus system combined with new parking lots will be expanded to alleviate parking problems during peak use times. On-line technologies will have been expanded everywhere to provide easy access to the shuttle service and to make reservations and ticket purchases.

**7.3 New Activities** -In response to member requests, we will have added new activities at our Recreation Centers, possibly including mini-golf, ice skating and an “activity zone” containing a variety of summer action sports.

**7.4 New Recreation Centers** – In response to the member’s desire to minimize increases in the annual member assessment, there will be no new Recreation Centers unless the incremental revenue from their operation balances the incremental cost of such operation.

**7.5 Planning for the Future** – Each one of these investments will have been thoroughly examined and analyzed by teams made up of staff and Member volunteers according to the

## Tahoe Donner Association Master Plan

Tahoe Donner Capital Project Process. Project progress will have been published in Tahoe Donner News, in email newsletters and on [www.tahoedonner.com](http://www.tahoedonner.com).

To insure that our community reflects the most current thinking in family-oriented outdoor recreation communities that are responsible stewards of the land, we will have “benchmarked” other associations and adopted the most effective and efficient facilities and methods in use today and others anticipated for the future.

The Appendix includes the results of our initial benchmarking and the analysis criteria we will use for every project.

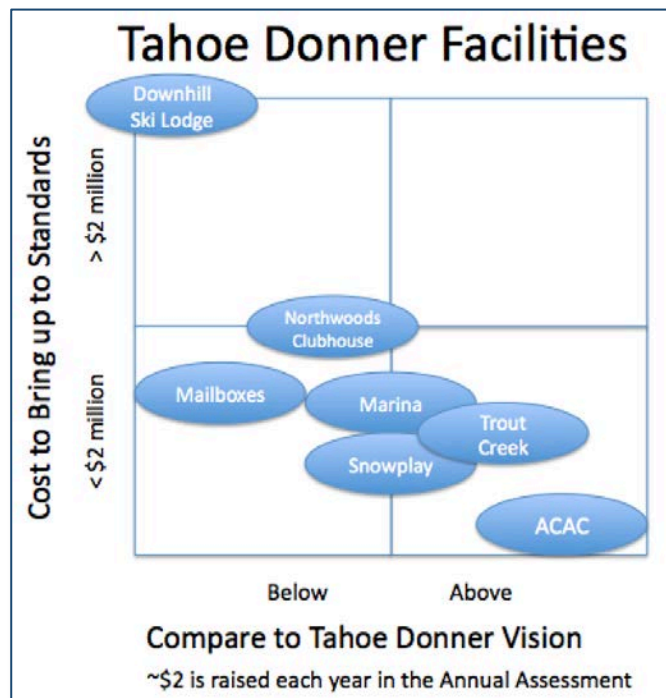
## 8. Dudek Evaluation Process

Tahoe Donner amenities support property values. Therefore, the quality of the amenities and Member access to them is an important consideration in ongoing management and future planning. For a local example of the opposite effect, the falling property values that occurred in Sparks when their golf course closed illustrate the impact of amenities on property value.

Tahoe Donner has the most extensive portfolio of amenities of any community in the region. In any given year, some amenities will be profitable, while others will not, but the goal is for the portfolio to break even or be profitable overall.

**8.1 Planning Toolbox** - When evaluating and planning for Recreation Centers and the activities they provide, Tahoe Donner has a well-stocked planning toolbox, including the Association’s governing documents, policies and processes; staff and management experience and expertise; and the passionate involvement of Members.

The 2015 Member Survey clearly supported the Tahoe Donner Vision of “a vibrant mountain community providing attractive and well-maintained facilities, events & other programs to its members, guests and the public ....” This Vision provides a general guideline for investment planning.



Furthermore, the Association established Guiding Principles as stated in the March 27, 2015 board-approved Strategic Plan below:

### ***Tahoe Donner Guiding Principles***

- *Support the customer first and always.*
- *Sustain the foundation of Tahoe Donner programs and services.*
- *Encourage environmental stewardship.*
- *Engage in local community involvement and participation.*
- *Minimize annual operating assessment by allowing homeowners to pay for the amenities they desire to use.*
- *Responsibly maintain, preserve and enhance the common property.*

**8.2 Planning Factors** - In addition, the following Planning Factors have been identified to evaluate Tahoe Donner Recreation Centers and the activities they provide.

**8.2.1 Serve a wide range of abilities** – Tahoe Donner demographics include a full range of users from young families to retirees. National trends reflect a desire to meet the physical abilities and desires of a wide range of users. Thus, TDA focuses on services and Recreation Centers that include a wide variety of users, and for activities that provide for full family experiences.

**8.2.2 Support sustainable transportation** - TDA was designed in a decade where the assumption was that every household would depend primarily upon their own automobile. There is a trend in the second home and resort community marketplace to increase transit, pedestrian and bicycle networks to decrease the need for vehicle trips and expanded parking.

**8.2.3 Primarily serve Association Members** – Tahoe Donner amenities and activities create a compelling attraction for Members and visitors alike, and contribute substantially to property values. While designed primarily for Association members, where these opportunities are open to nonmembers, public use should significantly support the use financially and should not deter from member use.

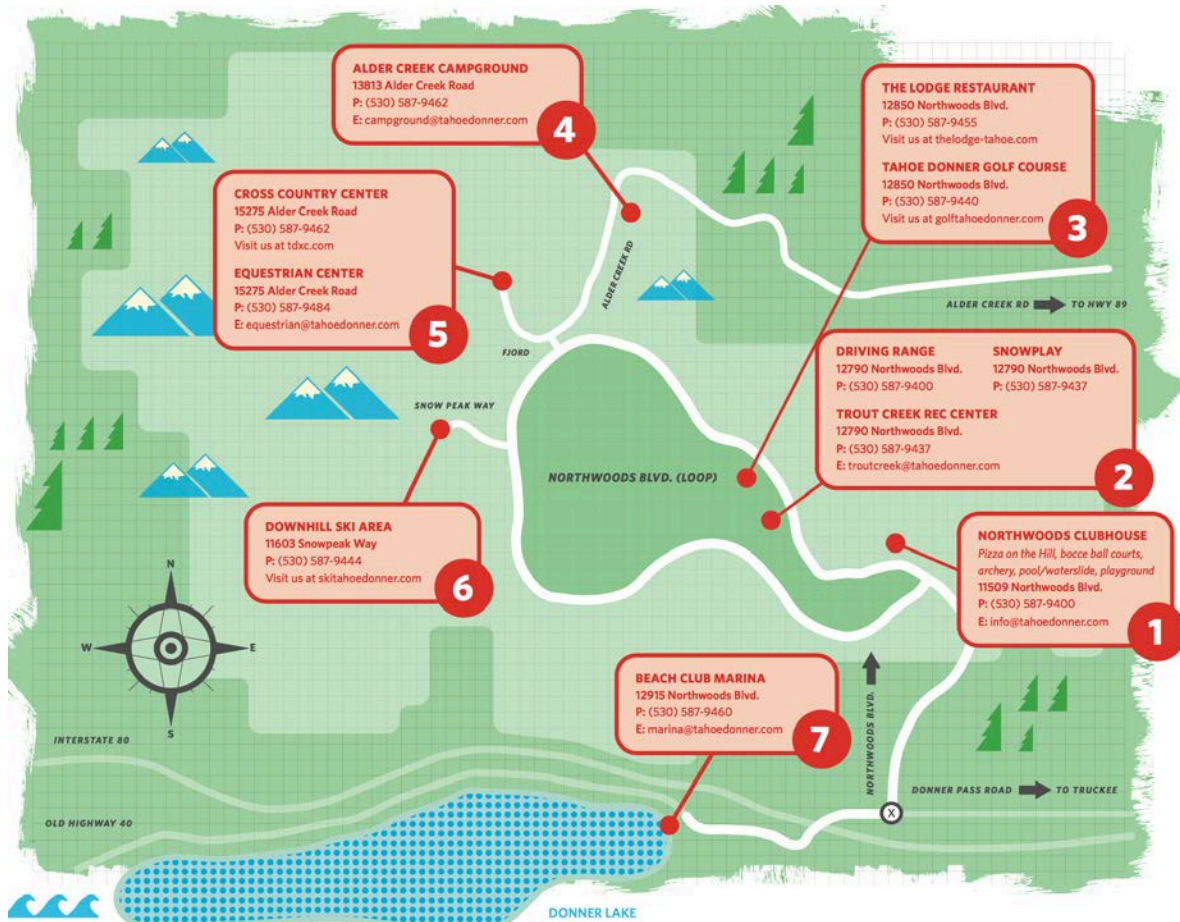
**8.2.4 Support special events** – Examples include those organized by TDA, such as concerts or fairs; private events such as weddings, reunions and other large gatherings; training and special interest clubs for all ages; and meet the growing trend to develop small conferences and retreats.

**8.2.5 Support conservation** – TDA stewards more than 7,600 acres of land, including valuable natural resources and habitat, and encourages environmental stewardship among Members and the public. Recreational use of lands for primarily undeveloped recreation activities meets people’s increasing desire for access to trails through interesting natural environments in all seasons.

**Dudek Evaluation** – *Using the guiding principles above, the Dudek consulting firm evaluated each of the Recreational Centers and provided the following Sections 9 and 10.*

## 9. Dudek Evaluation of Current Amenities

### Tahoe Donner Association Recreation Centers



**9.1 Northwoods Clubhouse** - The Northwoods Clubhouse Recreation Center was built when the Dart Corporation began development in the early 1970's. It is located north of the intersection of Northwoods Boulevard and Northwoods Boulevard. The main building on the site serves as TDA's administrative offices. It also contains a reading room with fireplace, library, easy chairs and community computers, a casual restaurant (Pizza on the Hill), an indoor movie screen, and meeting rooms that TD clubs may use.

Clustered around the Clubhouse are various recreational activities, including a swimming pool, children's playground, bocce ball courts, horseshoes, archery, volleyball, and the Tennis Center. The Northwoods Pool is open from approximately mid-June through Labor Day. In 2012, the bocce ball courts were remodeled and an additional court was added to accommodate the game's growing popularity. The Clubhouse also has an outdoor patio behind the Clubhouse, which can hold up to 150 guests.

## Tahoe Donner Association Master Plan

The high level of use of the Clubhouse and its associated recreation facilities frequently overwhelm the availability of parking, especially during peak periods. The parking lot accommodates approximately 110 cars and is often inadequate.

The Tahoe Donner Tennis Center lies to the north of the Clubhouse. The Tennis Center is a private seasonal amenity for members and their guests. It yielded record revenue in 2015. It has 11 hard courts, two pickleball courts, one youth court, and two practice walls. The Tennis Center is open from May through October, and has consistently high utilization throughout the summer.

In 2012, Tahoe Donner removed the underutilized lawn and backboard area at the Tennis Center, replacing it with a Quickstart court. Quickstart courts are modified courts and equipment scaled for younger children (generally 10 and under). The addition of these courts allowed for the implementation of a United States Tennis Association (USTA) youth learning program. The Tennis Center also received a safety and aesthetic update in 2013; the upper walkway was graded, resurfaced, and new stone benches and a formal staircase now line the entrance to the facility.

Annually, several USTA tournaments are held at the tennis center, including two National Tennis Rating Program (NTRP) events, two junior events, and one senior event. 2016 was the eighth annual NTRP Gold Cup tournament and the seventh Tournament of the Year at Tahoe Donner. The Tennis Club is one of the more popular clubs at Tahoe Donner, which “seeks to promote tennis involvement in the Tahoe Donner community.” The Tahoe Donner Tennis Center supports the Tennis Club, an athletic and social club that promotes the sport within the community, as well as hosting burger bashes, pro exhibitions, and the club doubles championship. At the tennis facility there are also a variety of fitness classes, extended instructional clinics, Cardio Tennis and Ladies Drill and Play classes as well as the social tennis club. However some of these facilities (such as bathrooms and locker rooms) serving both activity centers are aging.

The extensive utilization of the Tennis Center has surpassed the capacity of the tennis facilities. The restrooms, locker rooms, tennis pro-shop, and snack bar are part of the original amenity built in the 1970's, and have not received any upgrades since their construction. Improvements to these facilities would help TD maintain its high level of customer service and quality amenities.

When considering the guiding principles set out in section 8.2 the Northwoods Clubhouse Recreation Center serves most of them reasonably well. It is suitable for use by persons of differing skill levels, it primarily serves Association members, and it provides space for special events and TD clubs.

It falls short in terms of conservation and parking. It does not promote the conservation or enhancement of TD's natural resources. Admittedly, it was built prior to many of the laws enacted to better protect wetlands and other resources. Likewise, the Clubhouse site is short of parking. Increasing parking will be needed in the coming years. When large-scale events are held at the site, such as the TD Annual Members Meeting, a bus shuttle service could ameliorate the parking shortfall.

## Tahoe Donner Association Master Plan

Overall, the Northwoods Clubhouse, pool and Tennis Center are showing their age, although they still meet current needs, except for parking. If Association staffing grows, the Clubhouse may need expansion or remodeling. While the courts are in very good condition, other facilities at the Tennis Center will need attention over the life of this Master Plan and will likely need to be expanded. Over the years, there has been a discussion of enclosing the tennis courts for year round use. However, such a capital improvement is expected to serve a low proportion of TD member and guests since the majority of owners and guests come to the area for snow activities in the winter, not to play tennis. This assessment could change in the coming years, depending on member wishes and willingness to fund the expense.

**9.2 Trout Creek Recreation Center** - Trout Creek Recreation Center (TCRC) is centrally located within Tahoe Donner, near the intersection of Northwoods Boulevard and Julian Avenue. Built in 1993, Trout Creek is a fitness and spa center available to homeowners and their guests. The fitness facilities include a cardio room, weight room, a heated year-round lap pool, recreation pool, sauna, steam room, and three hot tubs.

According to the General Plan Committee's Task Force for TCRC, this private amenity has the highest overall utilization numbers, with an average of 300-400 visits/day. However, utilization sharply increases during the months of June, July, and August. Currently there are 36 fitness classes scheduled per week in the TCRC gym, 11 of which are spin bike classes, each with 5-10 people per class, and 5 swim classes in summer. Construction for the remodel of the sauna, steam room, and poolside locker rooms began in September 2016 and has been completed. The remodel updated finishes and fixtures throughout, provided improved ADA accessibility and upgraded all mechanical, electrical, and plumbing systems.

The heated lap pool is open year-round. Regular users of the recreational pool (children and families) have used the heated lap pool during the winter months, resulting in perceived overcrowding of the lap pool. Accordingly, the larger recreational pool, typically open June through September, is now open on a trial basis this winter in an effort to relieve the overcrowding in the lap pool. The hot tubs are also overcrowded during winter months, often resulting in conflicts between children and adult users.

Because TCRC is occasionally overcrowded during peak periods, plans are currently under consideration to reallocate space within the structure, gaining usable floor area without a substantial change in the building shell itself. These modifications will improve customer service levels and operational efficiencies. The plans include expanding the current fitness/cardio room and weight room, relocating the Kids' Club, and providing a stretching area. Completion of the project would increase the usable space within the existing TCRC floor plan (approximately 12,800 sq ft) by about 1,100 sq ft (an increase of about 9%).

The large open space south of TCRC serves multiple uses. During the summer and fall, it is a golf driving range. The driving range operates on the same seasonal schedule as the golf course: from late May through October depending on weather and snow conditions. In addition to normal driving range usage, TD offers Junior Golf Clinics designed for ages 6 to 13 on the driving range.

## Tahoe Donner Association Master Plan

Summer concerts on the driving range are also popular and generally sell out. These concerts have served as an effective way to involve the community and provide evening entertainment (2 nights in a row around 4th of July; 2,500 capacity; 4 cover bands-2/ night; \$35 ticket price).

In the winter, depending on the snow, Snow Play is offered in the area of the driving range to both members and to the public (the public must pay a fee) on the driving range area. TDA provides the tubes and sleds. This seasonal activity is dependent on the weather but can run from Thanksgiving until the beginning of April. Snow Play has proven popular among members and the public alike.

The TCRC is impacted by parking, traffic and circulation issues only during the highest peak periods, such as winter weekends when snow play is popular and during summer concerts. During these times parking is inadequate. However, generally this facility is not a primary pinch point in this area. That said, if a TDA shuttle service were established, the shuttle could reduce parking shortfalls during periods of peak use, such as concerts and on weekends when snow play is heavily used. Further, when space is available, the TCRC parking lot could serve as a remote lot for other TD facilities.

In sum, TCRC meets most of our guiding principles. It serves a wide range of users, provides training and other special events, it principally serves TD members and it usually offers sufficient parking. It does not advance our conservation principle but does not impede it, either.

**9.3 The Lodge and Golf Course** - The Lodge is located at the TD golf course. It is a full-service, high quality restaurant and bar that serves members and the public for lunch and dinner. It seats [redacted] diners. During 1915, it served almost 50,000 persons, about 136 per day, per the TD 2015 Annual Report. The Lodge also provides a conference room for small conferences, banquets and events, and offers a venue for weddings and similar celebrations. The restaurant provides catering services for these events. The Lodge was extensively expanded in [redacted] to increase the dining space.

The recent expansion and improvements at The Lodge are now complete. The old deck was transformed into an enclosed porch with a roof and perimeter walls, and is equipped with operable windows and a fireplace for comfortable year-round operations. The Golf Pro Shop has expanded by 500 square feet, offering a new layout and office and storage space.

Tahoe Donner operates its 18-hole, 7,002-yard par-72 championship golf course on 200 acres adjacent to The Lodge. The golf course includes fairways situated within the greenbelts between residential neighborhoods and along the upper reaches of Trout Creek. The course is open to the public and operates from late May through October depending on weather and snow conditions.

During the winter, Tahoe Donner holds a Winter Golf Academy, a “virtual” golf experience where players can practice the sport in the off-season. Participants are able to virtually play on 27 of the world’s finest golf courses, receive club fittings, and hone their skills.

A single parking lot serves the Lodge and Golf Course. The lot is occasionally impacted by parking, traffic and circulation issues during peak periods such as summer holiday weekends



## Tahoe Donner Association Master Plan

and during special events. At these times parking can be difficult. Generally, however, there is sufficient parking at the facility.

The Lodge and Golf Course complex are generally consistent with the guiding principles set out in this plan. It serves primarily TDA members (the golf course is mainly used by members), offers golf clinics and winter training sessions, and provides space for multiple activities such as meetings, conferences, weddings and banquets. Regarding transportation, if TD were to establish a shuttle service, diners would have easy access to The Lodge and the parking lot could serve as remote parking for other facilities and events, such as the ski hill and summer concerts at the TCRC green. It does not promote conservation or enhancement of TD's natural resources, except to serve as private open space.

**9.4 Campground** - The Campground functions well as a seasonal campground with approximately 45 campsites. It is open to the public and members. The Campground has minimal room for expansion. No changes are recommended for this facility. The Campground is not consistent with the plan's guiding principles, however, it is an original amenity established in the CC&Rs for Tahoe Donner and must be retained unless the membership votes to eliminate it.

**9.5 Alder Creek Adventure Center** - The new Alder Creek Adventure Center was opened in 2015. It is located on the west side of Alder Creek Road near the western intersection of Alder Creek Road and Wolfgang Road. The ACAC includes the Alder Creek Café, BikeWorks, Cross Country Ski Area, and the Equestrian Center. These activities serve members and guests and are open to the public. Parking is provided on site for these activities and provides access to trails in open space areas including Euer Valley and Hawk's Peak.

In winter, the Alder Creek Adventure Center offers cross-country skiing facilities, rentals, and retail sales. It is the premier cross-country facility in the Tahoe basin. Over 100 kilometers of Nordic ski trails traverse 1,000+ acres of open space, including Euer Valley. Within the ski area boundary are four modest warming huts. The new Center enables Tahoe Donner to serve both recreational skiers (Members and the public) and local school cross-country race teams, as well as accommodate occasional regional or national ski races.

During the summer, ACAC provides mountain biking facilities, rentals, and retail sales. The amenities utilized by skiers in the winter serve hikers, bicyclists, youth day campers (for activities such as nature camps, riding camps, and bike camps), equestrians and others. In addition to serving these specific seasonal purposes, the Center will continue to serve as a locale for occasional special events throughout the year, such as resident meetings and social gatherings, seasonal parties, and similar events.

The Equestrian Center was an original amenity and has long been popular with a small but steady percentage of TDA Members, who typically maximize its capacity for boarding and riding horses. Members and the public generally fill the available summer camps for kids and trail rides for adults, which utilize the Tahoe Donner-owned herd of generally around 20 horses. It is usually open June through September, offering trail rides, private lessons, camps and long- and short-term boarding throughout the summer for approximately 35 horses.

## Tahoe Donner Association Master Plan

There have been discussions of moving the existing outdoor arena from its current location away from the Alder Creek Adventure Center building and closer to the recently relocated boarding facilities. Horse trailer parking could then be moved away from ACAC as well. This would allow the current arena space to perhaps become an open grass area that could be used for camps, a sports field, or an ice skating rink in the winter. A big lawn area could also be used to host weddings in tents, concerts, and other revenue-producing special events. Parking spaces currently used for horse trailers during the summer could then be used for Members and guests.

There are [redacted] spaces in the parking lot that serves ACAC and an additional [redacted] spaces that the Town of Truckee has authorized on Alder Creek Drive. While the parking area is sufficient much of the year, it is generally overloaded on winter weekends when the snow is good for skiing. The problem is worsened by the need to store snow from the parking lot on a remote portion of the lot, eliminating a number of spaces. TD operates a shuttle service ferrying skiers to remote lots during these peak periods. It seems likely that this parking shortfall will continue as a long-term issue. A solution will be needed in the coming years. Given the extensive wetlands around ACAC and an ephemeral stream along Alder Creek Drive, the better solution may be a more extensive shuttle service.

ACAC satisfies most of this plan's guiding principles. It serves a wide range of abilities, principally serves Association members, supports special events, and serves to protect and enhance natural resources. While parking is inadequate, regular shuttle service may provide a long-term sustainable transportation solution.

**9.6 Downhill Ski Area** - The Dart Corporation constructed the Tahoe Donner Downhill Ski Area and Lodge on [redacted] acres off of Snowpeak Way in 1970. There have been [redacted] subsequent additions and remodels through the last 45 years to accommodate growing numbers of visitors and to improve service levels. Currently, TDA operates five ski lifts: 1 quad chair, one double chair, and three conveyor lifts. These ski lifts support 15 total runs, three terrain parks, and 120 skiable acres. The 2015-2016 season opened on December 11, 2015 and received 16,317 downhill ski visits, up 100% from 2014.<sup>14</sup>

The Downhill Ski Area specializes in teaching first timers and novices and is acknowledged to fill a unique niche in the Tahoe area. Use is generally made up of 40% novice skiers and 60% intermediate skiers. The skiing population breakdown is approximately 75% public and 25% members.

In addition to the Ski Lodge there is a 700 square foot yurt with a sundeck that provides a slopeside warming area for lessons. The Eagle Rock Summit has a flat area and there has been discussion of building another yurt or warming lodge in that location to reduce frequent overcrowding at main Ski Lodge. Success of this facility is very much seasonal and weather dependent, as the ski hill can only operate when there is sufficient snow on the ground. Improvements to this facility should take into account climatic changes that very well may occur over the coming decades. Recent investments in snow making equipment make operation more viable over the term of this Master Plan.

---

<sup>14</sup> 2015 annual report

## Tahoe Donner Association Master Plan

The major concern for the immediate future of this facility is the aging Ski Lodge. It is in need of a major update and expansion. A project information paper prepared in August of 2016 estimated that a 9,000 sq. ft. facility would be needed to adequately accommodate the current level of use. This report considers how this facility could be built in phases to avoid missing an operating season, as the facility is a major source of revenue for TDA.

Planning for the ski hill must also consider that the lifts are also 43 years old, and the company that built them is no longer in business. Lift upgrades would improve the future safety of the facility and improve and streamline operation and maintenance.

A major unknown question is the extent to which the long-term global warming trend will affect skiing in the Sierra. Even with the addition of extensive snowmaking equipment, will operating a ski area at this elevation be a viable business proposition over the long term? That must be considered when considering replacement or major remodeling of the lodge.

Parking at the ski hill is remote from the hill itself and skiers must take a short bus ride from the parking lots to the hill. Although a bit of an inconvenience, this does not seem to dissuade skiers and has the advantage of eliminating the long walk from car to hill typical at most ski areas. The parking lots, however, are inadequate on high visitation weekends. There is little to no ability to add parking in this area, thus this facility would benefit if a TDA shuttle service were established that could carry skiers from the remote lot to the hill.

The Downhill Ski Area is only vaguely consistent with the guiding principles set forth above. It primarily serves beginner and intermediate skiers and snowboarders, primarily serves the public, does not contribute to sustainable transportation solutions and does not promote conservation of natural resources, except for the fact that it is a private open space. Special events may be held at the lodge, although parking is on remote lots.

Nonetheless, the ski area is extremely popular due to its extensive program of lessons for children: it is "The Place to Begin" a lifetime of skiing. The Downhill Ski Area is also TD's most significant generator of revenue, which helps support other TD operations. Although it did not make money in 2015 or 2014, poor snow years and before the snowmaking equipment began operating, between 2009 and 2013 the ski area contributed excess revenues of \$2.2 million toward TD's overall resources, helping support many different activities. Whether the Downhill Ski Area will serve as a financial boon remains to be seen, and depends on the weather, especially during the critical Christmas and Presidents' Day holidays which see peak visitor numbers.

**9.7 Beach Club Marina** - The Association owns an approximately 2.5-acre parcel on the eastern shore of Donner Lake. The Tahoe Donner Beach Club Marina operates as a private Beach Club Marina and beach facility and serves TD members and guests. A boat launch ramp, sandy beach and dock, changing rooms, recreational watercraft rentals and storage, picnic area, and café are among the facilities. Approximately 140 Tahoe Donner families regularly (or over the summer season) use the boat ramp. The primary season is typically Memorial Day through Labor Day, after which modified hours are offered until the end of October. The heaviest use is concentrated in only 6 weeks: the month of July and the first half of August. The Marina is very popular and regularly generates revenues well in excess of operating expenses.

## Tahoe Donner Association Master Plan

The Beach Club Marina offers a large variety of equipment that both members and guests can rent, including: one and two-person kayaks, two and four-person pedal boats, stand-up paddleboards, windsurfers, a Hobie Wave, and a Hobie Getaway (with and without an operator).

Many members bring their own kayaks to the Marina. There has been significant conversation regarding the need for improved owner access to launch and seasonally store private non-motorized boats at the Marina. Users have stated that kayak carts could help this situation and that there is insufficient space for kayaks and paddleboards to launch and return safely.

Parking and vehicular circulation are significant problems at the Marina. The eastern portion of this parcel provides parking for the facility. There are     parking spaces for cars and 11 boat trailer parking spots. The demand for both types of spaces far exceeds the supply. Many users must park on Donner Pass Road and walk into the Marina. Likewise, many boat owners each weekend drive into the Marina and launch their boats and then leave to park their trailers elsewhere. Vehicle/pedestrian circulation is also an issue. Pedestrians and boat launchers sometimes try to occupy the same space, causing safety concerns. TD has addressed this by providing a spotter who directs boats into the water and keeps pedestrians out of the launch area.

There is no space for additional parking at the Marina. A few spaces could be gained by eliminating the area for boat trailers, but that would cause more inconvenience for boat owners. To achieve more parking in the immediate area would be difficult, at best, since the State of California owns the vacant land in the vicinity. At present, TD rents parking space at Truckee High School on busy weekends and provides a shuttle service for Marina users. A community-wide shuttle service could serve the same purpose and eliminate the need to rent space at the high school, but the pros and cons of such a service have not yet been studied.

The Marina meets few of the TDA guiding principles. While it exclusively serves Association members and their guests and serves a wide range of abilities (like the Downhill Ski Area, the Marina is very popular with families), the Marina does not offer special events, does not provide long-term sustainable transportation at present, and does not help protect natural resources.

**9.8 TDA Trail System** - TDA's 38-mile multi-use trail system is the jewel in Tahoe Donner's crown. The system includes hiking and biking trails that traverse residential neighborhoods and the high alpine environment in the Sierra Nevada, both on Tahoe Donner land and the miles of surrounding public lands. Equestrians also use the trails outside the residential areas. The trail system provides access to mountain top views, expansive meadows, and Tahoe Donner activity centers. The trail system is open to members and the public for hiking without charge. Skiers in winter and bikers in summer are required to obtain passes to use the trails, although enforcement of this requirement is very difficult and therefore limited.

In 2013 the Association developed a detailed Tahoe Donner Trails Master Plan (TMP) that identifies a number of trail improvements and new trails. The TMP covers the Association trails within the boundaries of Tahoe Donner and promotes possible connections with other trail systems in the area. In addition, specific recommendations that should be noted are also made under the Five-Year Plan for upgrades at Glacier Way Trailhead and at Bermgarten Trailhead.

## Tahoe Donner Association Master Plan

The trail system and the open space it serves are key examples of TD's efforts to protect the natural environment that members appreciate and enjoy. As disclosed by the 2015 member survey, the protection of TD's open space and natural environment is a high priority. Accordingly, the trail system and open space clearly advance the guiding principle of protecting the environment. The system is readily usable by hikers, bikers, horse riders and skiers of a wide range of ages and abilities and to a limited extent can provide opportunities for special events of a low-impact nature, such as trail walks by clubs, nature education for children, and the like. Transportation to and from the trails system is generally good, excepting busy winter weekends when parking at ACAC is overcrowded. The TDA trails system serves Members and the public well at this point.

## 10. Dudek Recommendations

For the occasional visitor to TDA, either as a guest of a homeowner or as a renter of an owner's unit, perception is invariably dominated by use of the amenity package. Visitors report feeling like they had been to a "multisport camp" for a few days after engaging in even a few of the wide variety of activities offered. Clearly, the amenity package constitutes a significant part of the attraction power of TDA for visitors.

A homeowner's relationship to the amenity package is more complicated, and can shift over time. A homeowner enjoys use-value of his home, as well as the use-value of the amenity package. Given the multigenerational offering of amenities, appealing activities can be found for people of all ages within the Association. Even so, some homeowners may find that over time their use of the amenities diminishes, and the value of owning the home itself may increase proportionately (for example, as a home shifts from being a second home to a permanent residence in retirement.) For a permanent resident who uses the amenities relatively infrequently, however, the presence of the amenity package continues to support a higher property value, which may be realized upon sale. For those who still maintain a second home for occasional personal use, the amenity package provides attraction power for renting the home to others when not being used personally, and supports higher rental rates and higher annual rental income overall.

**10.1 How Member Assessments Fund the Tahoe Donner Association** - A significant part of Members' annual assessments fund reinvestment in the maintenance and expansion of the capital facilities, approximately 44% in 2016. The operating fund consumes just over half of the assessment, approximately 56% in 2016. Within the operating fund, however, the majority is for the general overhead of the employees and administration that supports all Association services, as well as the amenities. Direct subsidy of the amenity operations is variable and quite small, under 10% of the annual assessment in 2016.

**10.2 Specific Recommendations** - Most of the specific recommendations that are discussed below have been introduced in various plans over the last several years within the TDA community. One recommendation that has emerged from this investigation is focused on the benefits that could accrue from a TDA shuttle system. Many of the amenities are compromised by difficult parking situations, especially during times of peak visitation. On-demand shuttle systems with frequent pickup spots in neighborhoods and near major amenities, such as the system at Northstar and other resort communities, have proven quite effective.

For any upgrades to amenities, or addition of entirely new amenities or activities in the future, different business models could be employed to keep operating costs in line with the revenues those amenities may generate. In some cases, Association staffing may need to expand to operate them. In others, private concessionaires or partnering agencies could operate some or all of the new activity, minimizing the impact on need for operating subsidies from the annual assessment.

The fees and charges for amenity use in the Association business model could also be adjusted more frequently to reflect shifting conditions. In the 2016 budget, the private amenities actually

## Tahoe Donner Association Master Plan

generated a net positive operating result. The public amenities, on the other hand, generated an operating deficit, led by a poor year at the ski area, and followed by declining popularity of golf. By raising daily use fees, some of this deficit could be made up.

### 10.3 Specific Recommendations for Amenity Priorities

To address concerns about a rising Member annual assessment, the charge for the recreation pass could also be adjusted upwards somewhat. This would allow some homeowners who find they no longer use the amenities as much as they used to the option of opting out.

Substantial investment in new amenities has the potential to increase capital costs, requiring a larger annual assessment to fund them. There appears to be a dynamic in the evolving composition of the Tahoe Donner community where newer buyers, epitomized by families from the Bay Area with substantial wealth and younger children still at home, desire an ever wider menu of activities included in their membership. At the same time, a pool of long-term homeowners, many of whom are now living on fixed incomes, do not want constantly increasing assessments, and as a result would rather freeze the amenity package where it stands today.

## 11. GPC Investment Recommendations

Using all of the inputs above, the GPC recommends to the Board a set of staged investments that are focused on creating the desired Future State of Tahoe Donner over the next 20 years. As noted above, this plan concentrates on improving the current Recreation Centers and bringing them up to the standard described in the Vision. It also recognizes the state of our infrastructure (for example, our mailboxes) and that “leading customer service” requires us to improve parking and transportation in Tahoe Donner. Lastly, our portion of the region-wide lack of affordable housing must be addressed for us to maintain the expected level of customer service.

Staged investments are planned over time as funds from the Development Fund and the Replacement Reserve Fund become available. For each specific investment recommendation, the Tahoe Donner Capital Projects Process will be used. This means that a stage-gate procedure will be used to further analyze, document and publicize each project to insure that our funds are used with care. Every step in this process is posted on [www.tahoedonner.com](http://www.tahoedonner.com) for all members to see.

The Investment Plan shown in Appendix E would be carried out in 5-year increments over 20-years. Most of the projects in the first five years are already underway. As this period expires, the subsequent investments will be examined again in light of the environment at the time. Thus the plan is “refreshed” on periodic basis to account for changes and advancements.

## 12. Acknowledgements

This Association Master Plan was developed with help from the Dudek Consulting firm and with the dedicated efforts of the Tahoe Donner staff and the General Plan Committee volunteers.

## Appendix A. Tahoe Donner Capital Project Process

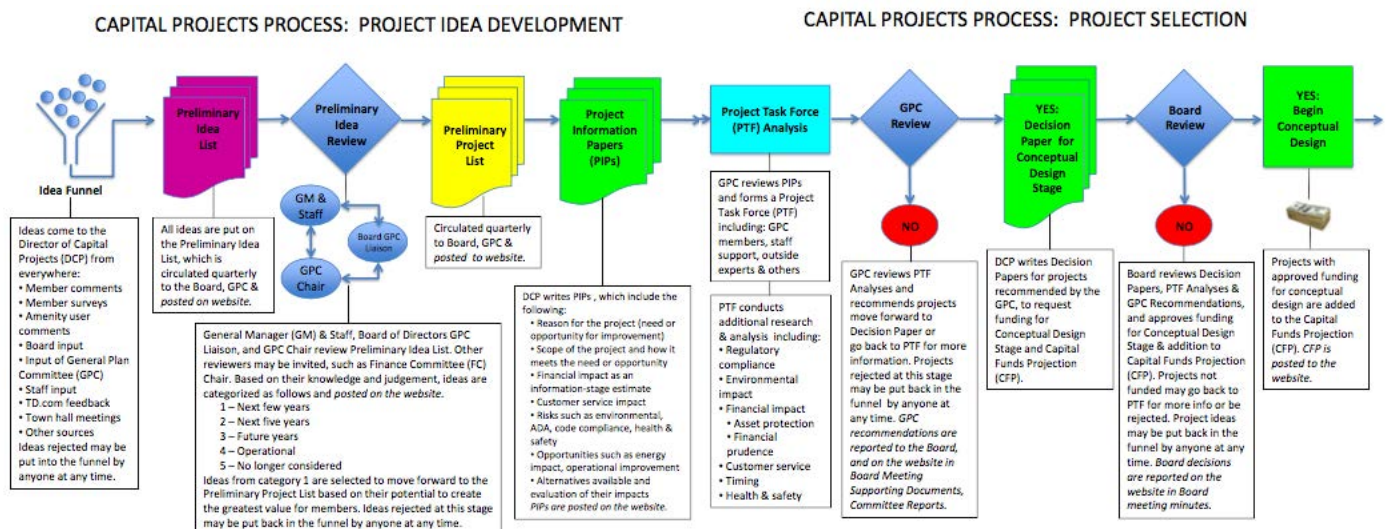
In 2016, the Board approved a process for tracking capital projects. This “Stage-Gate” process was derived from the methods used by the Tahoe Donner staff. Documenting the process and reporting on the Tahoe Donner website is intended to make the progress visible to all members.

Projects take place in “Stages” of activity. At the conclusion of each stage, the Board has an opportunity to review progress before opening the “Gate” of funding for the next stage.

At each stage, the Staff is supported by a Task Force of General Plan Committee volunteers. Scope, Schedule and Spending are tracked and evaluated so that risk is contained. Periodic reports to members provide visibility and invite member ideas.

Last year, this process was used for the first time to track several projects. It is anticipated that the process will be continuously improved based on the information gleaned during the post-project review.

The following are examples of the flowcharts for two of the stages:

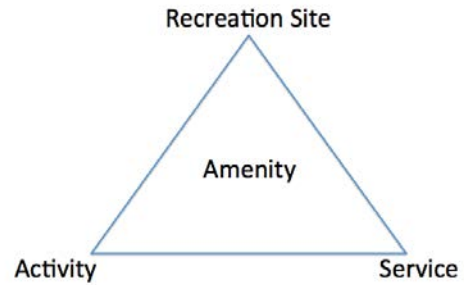




## Appendix B. How New Amenities Affect the Member Assessment?

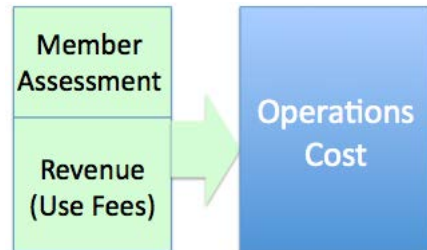
### What constitutes an Amenity?

An amenity includes the Recreation Center that hosts Activities and the Services that are provided to users.



### How are amenities paid for?

Users pay to use the amenities with Members receiving a discount compared to public fees. Thus amenities with higher public use have higher revenues. Because the value of each member's property is increased by the presence of the amenities, members pay for any costs that exceed use fees.

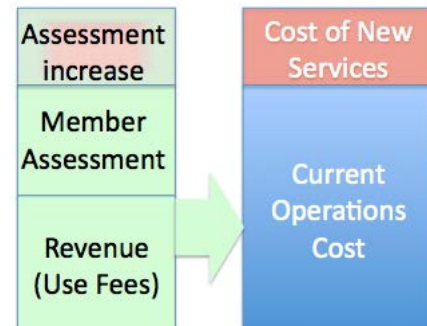


### How are new amenities paid for?

The Capital Cost of new amenities is paid from a percentage of Member assessments allocated to the Development and Replacement Reserve Funds.

If revenue from new amenities does not cover the increased cost of the new services, then the Member assessment will increase

For some amenities, like Snowplay, the Revenue exceeds the operating cost and the excess revenue helps defray the cost of other amenities.



Because Members do not want the annual Member assessment to increase, this plan does not include new Recreation Centers unless their anticipated revenue meets or exceeds the incremental operating cost.

## Appendix C - Benchmarking Other Mountain Recreation Communities

In considering the future state of Tahoe Donner, the GPC felt it necessary to perform a benchmarking exercise, which had enough detail to be included in the Association Master Plan (AMP). While it's understood that the primary focus of the AMP's future state is to ensure the current portfolio of amenities is meeting TD's standard, the information that follows will be available for use should incremental funding be available within the AMP's time horizon.

Conference calls were held with two Resort Management executives. The following comments are documented for potential future state strategy development:

- Upgrading the current set of amenities to Tahoe Donner's standard, as well as that of its competition should be a primary priority.
- Ensuring the amenities are as attractive, updated and as useful as possible should be balanced with Members' desire to maintain current assessment fees.
- TD may want to consider public input, in as much as the local public utilizes a sub set of the amenity portfolio.
- A few thoughts were shared regarding specific amenity additions or services that we might consider going forward:
  - Zip Lines are very popular additions at resorts in this decade
  - Delivery Service from our market and restaurant are also popular
  - Adding more Grab & Go food from the market.

Locations represented by the Resort Management interviewees included Park City, Whistler, and Telluride. As part of this analysis, we investigated and list below amenities from these resorts that can be considered for Tahoe Donner's future state, should funding become available.

Zip Lining	Snowmobiling	Ice Skating	Bungee Jumping
Trampolines	Spa	Bob Sledding	Rock Climbing
Dog Sledding	Sleigh Rides	Hay Rides	Food Tours
Ice Climbing	Child Care	Ropes Course	Mountaineering
Paragliding	Photography Tours	Water Walking	

## **Appendix D - How Technology is Improving Customer Service**

Dudek's research indicates that recreation communities like ours are implementing some of the following technologies to improve customer service and to reduce operating and capital costs:

## Appendix E – GPC 2017 to 2037 Investment Plan

At the current number of members and assessment rate, the Development Fund (DF) accumulates \$1,942,000 per year. Over 20 years, if the above assumptions remain unchanged, this provides \$38.8 million for “large-scale projects identified as necessary due to the new capacity requirements or changing needs of the Association” (as noted in the 2017 Budget Report). In addition, partial funds for large-scale projects are already accrued in the Replacement Reserve Fund (RRF) and this money is also contributed as part of the investment. The details of these accruals are shown on page 5 of the “2017 Budget Report”, which can be found on [www.tahoedonner.com](http://www.tahoedonner.com). This plan identifies the following MAJOR investments:

### Improvements needed to achieve the Tahoe Donner vision

1. Northwoods Clubhouse / Tennis Center
  - a. Northwoods Clubhouse – Renovation and/or expansion to meet growing needs
  - b. Tennis building – renovate or replace ageing building
2. Trout Creek
  - a. Re-allocate existing space to improve customer service
  - b. Consider moving Snow Play location to improve parking congestion
3. Lodge / Golf Course – no major projects planned
  - a. Consider moving event tent to improve customer service
4. Campground – no major projects planned
5. Alder Creek Adventure Center and Trails
  - a. Equestrian Center – complete Phase 3
  - b. Snowmaking – in Cross-Country meadow area
  - c. Complete Trails Master Plan
  - d. Euer Valley Cookhouse and Bathrooms
6. Downhill Ski Area
  - a. Downhill Ski Lodge - Renovate / Replace
  - b. Snowbird chairlift - Replace
  - c. Eagle Rock chairlift - Replace
  - d. Snowmaking - Complete the installation on the rest of the ski hill
7. Marina
  - a. Kitchen and deck area - Expand to improve customer service
8. Infrastructure improvements to achieve “leading customer service”
  - a. Mailboxes – create covered center(s) containing modern mailboxes
  - b. Back-up Power – provide generators at major facilities for safety and customer service
  - c. Parking – Develop and implement a site-wide parking/shuttle plan
  - d. Affordable Employee housing to maintain our customer service – Develop and Implement an integrated buy/build/rent strategy
9. Land Purchases as appropriate to preserve natural surroundings

The staff meets with the General Plan Committee each month to review the details of each project and to schedule project activities so that they match to the available funds. The output of this work is shown on [www.tahoedonner.com](http://www.tahoedonner.com) as the “Capital Funds Projection”.

Tahoe Donner Association Master Plan

Appendix F – Tahoe Donner Activities

ACTIVITY MATRIX						CORE						SATELLITE			
Current State - 2017						TD Members Only			Public						
Activity	Rental Equipment	Lessons	Clubs or Leagues	Special Events	Retail Sales	Marina	Clubhouse/Tennis	Trout Creek RC	Lodge/Golf	Alder Creek AC	Downhill Ski	Trails/Euer Valley	Campground	Glacier Way	Bermgarten
Archery															
Basketball															
Beach Sports															
Boat Launching															
Bocce															
Camping															
Cardio equipment															
Fitness															
Golf Course															
Golf Driving Range															
Hiking															
Horse Boarding															
Equestrian															
Horseshoes															
Hot Tubs															
Kayak															
Massage															
Mountain Biking															
Movies															
Pickleball															
Playground															
Pony Rides															
Sailing - Hobe Cat															
Sauna															
Skating Cross Country															
Skating Downhill															
Snowboarding															
Snowplay															
Spin Room															
Steam Room															
Swimming															
Swimming Lap Pool															
Tennis															
Volleyball															
Weight Room															