

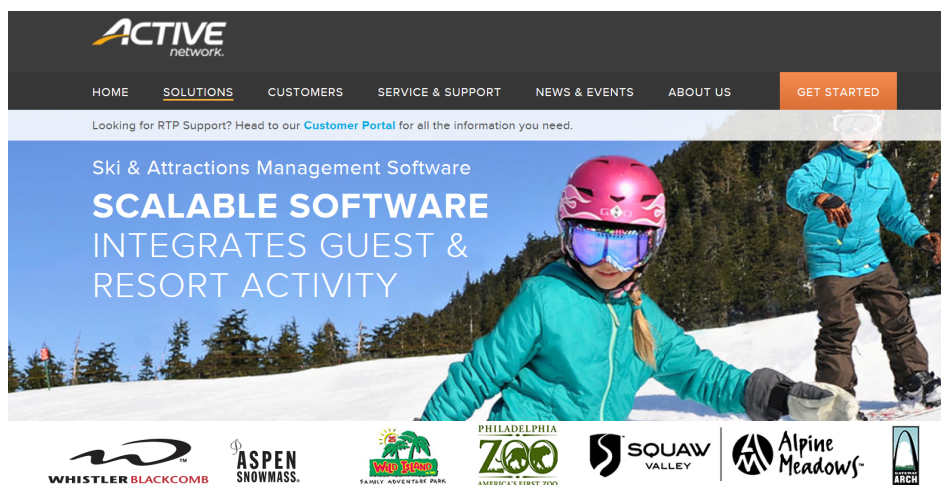
To: Board of Directors
From: General Manager
Dates: December 7, 2018
Subject: **Review of Tahoe Donner Private Amenity Access and Membership Card System**

ISSUE

Review of amenity access policy & management implementation practices.

Background

1. Since upgrading to RTP One from RTP55 in 2005, Tahoe Donner Association has utilized a modern membership validation software and point of sale system at our private amenities called Resort Technology Partners (RTP) now owned by Active network.



2. As a membership / access validation management system and point of sale system which integrates with our accounting system, a Radio-Frequency Identification (RFID) photo card system is utilized to identify individual users. Photo RFID cards were implemented in 2008, including RFID Guest cards. All cards old and new also utilize a bar code scanning system to ensure cards are valid in the membership database system. Currently RFID cards are maintained in the following categories, with membership and guest cards only issued by the Tahoe Donner Member Service Office.

- a. Blue Card = Association Member associated with one of the 6,473 units in TD
- b. Green Card = Public (Season Pass Holder)
- c. Guest Card = White (Old), Blue-White (New)



- d. TD Employee = Gray (Employment Category 1-6, Full-time to seasonal)

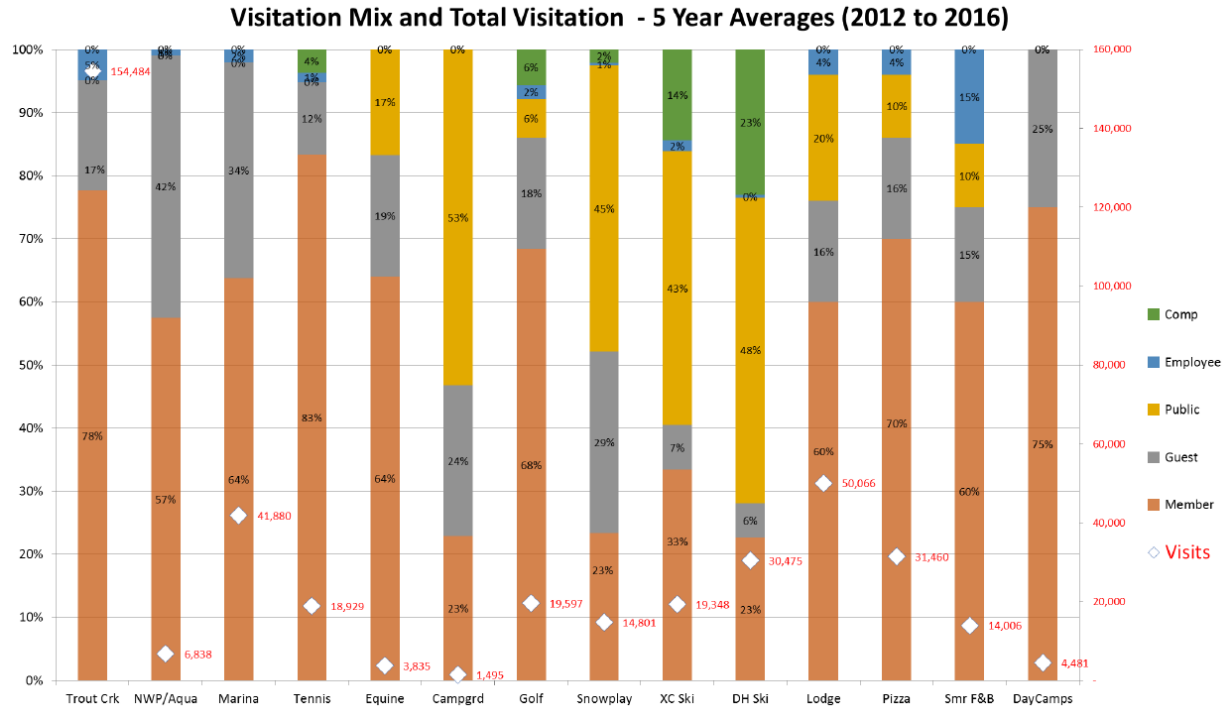


- 3. Currently Tahoe Donner Amenity Access Policy outlines the board policy on private amenity access and number of blue member identification cards authorized per property along with the maximum of two guest cards per property.
 - a. 6,473 = Current private property units within Tahoe Donner
 - b. Each property in good standing is entitled to up to eight-member RFID cards for qualified individuals. Qualified individuals are on the deed of a property, direct family members of owner(s), declared relatives, domestic partners, or individuals who meet co-habitation criteria. Member RFID cards identify individuals as a member and affords daily access to the private amenities (\$8 per card holder) and public amenities at the member rate (where applicable). Members have the option to pay with each daily entry to private amenities or purchase the Recreation Fee for unlimited access each fiscal year (May-April cycle). With the Recreation Fee purchased, this authorizes up to four-member cards of property. Each property may purchase up to four additional Recreation Fees for qualifying individuals (same qualification requirements as cards 1-4 above). These additional cards are \$125 (starting 2019) for each member card.
 - i. Current Active Members: 23,909
 - ii. Current Members is the RTP system which have not obtained a membership ID Card: 2,576

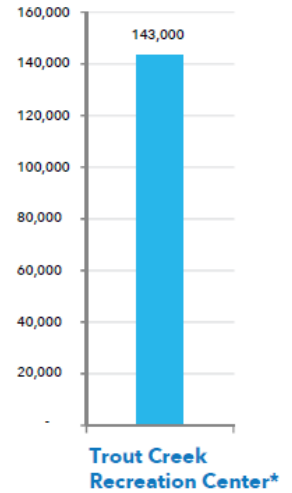
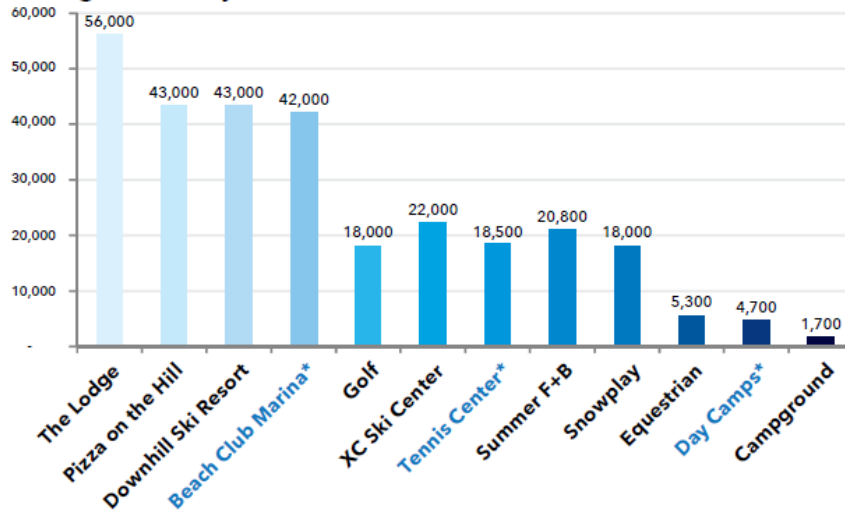
- iii. Attachment G07.2 – 10/29/2018 – Pricing Model – Rec Fee and Daily Access Fees provides further details on current and expected revenue, pricing, and volumes.
4. Each property is also entitled to a maximum of two transferable guest cards for use by property owner’s guests to gain access to the private amenities, where guest daily access fees apply. Starting in 2019, these guest fees are again increasing as outlined in the 2019 Budget Report. Member guests who utilize these guest cards are considered unaccompanied guests and will pay a \$15 daily entrance fee at each private amenity (Beach Club Marina, Northwoods Pool, Trout Creek Recreation Center, and Tennis Center). Up to four guests may gain access on a single transferable guest card at the private amenities. Guests accompanied by members will be charged a \$10 entrance fee per accompanied guest at the private amenities. Member guests (accompanied or unaccompanied) are only generally defined in the governing documents and amenity access policy. Member guest can range from direct family members without membership cards, to extended family, joint owners without membership cards, friends, or short / long term renter member guest.
- i. Active Guest Cards: 6,431 Properties x 2 Guest Cards = 12,856 Guest Cards
 - ii. Guest Daily Use Fee:
 - 1. Accompanied by member \$10
 - 2. Unaccompanied by member \$15
 - iii. Guest visitation at the private amenities is tracked in the RTP system by different categories with the two primary categories being member guest with members (accompanied) and member guest utilizing the guest card without a member present (unaccompanied). The segregation of tracking of these two sub categories of member guest started in 2018, prior to that both categories were tracked together with the same daily entrance fee. See attachment “Guest Visitations”.
5. Upon payment of the annual recreation fee, all member cards associated with that membership property in good standing are granted access to the private amenities without having to pay the daily entrance fee. The 2018-19 recreation fee is \$270 and is valid from May 1, 2018 through April 30, 2019 and can be purchased at the Member Services office at Northwoods Clubhouse. The 2019-2020 recreation fee is \$290 and is valid from May 1, 2019 through April 30, 2020. This fee is non-refundable and non-transferable.
6. Other guest (card) privileges by amenity:
- a. Cross Country and Downhill – All individuals with a guest card or accompanied by a member, will received guest rates for trail passes / lift tickets, lessons and equipment

- rentals (new this season) – there is no limit to the number of guests to receive these rates per guest card at these public amenities.
- b. Snowplay – All individuals with a guest card or accompanied by a member, will receive guest rates for access – there is no limit to the number of guests to receive these rates per guest card.
 - c. Golf – All individuals accompanied by a member will receive the guest green fee rate. Individuals with a guest card can receive four (4) guest green fee per day. Members have preferential reservation booking tee times over guest and public.
 - d. Equestrian – Individuals with a guest card or accompanied by a member will receive guest rates for services.
 - e. Tennis Center – Individuals with guest cards can reserve courts. Members have preferential windows for reserving courts and equipment. Tennis is a private amenity so guest access fees apply.
 - f. Day Camps – Individuals with guest cards can register for Day Camps. Members have preferential windows for reserving camp slots.
 - g. Aquatics – Individuals with guest cards can register for swim lessons. Members have preferential windows for reserving swim lessons.
 - h. Campground – Individuals with guest cards will receive guest rates for services.
7. Stored Value & Credit Card on File: Money can be attached (stored) on your membership or member guest card. Members can come into Member Services with their credit card to add value/money to their member cards or their guest cards. To use stored value, the member or guest must tell staff that there is stored value on the card. The receipt will show the balance left on the card.

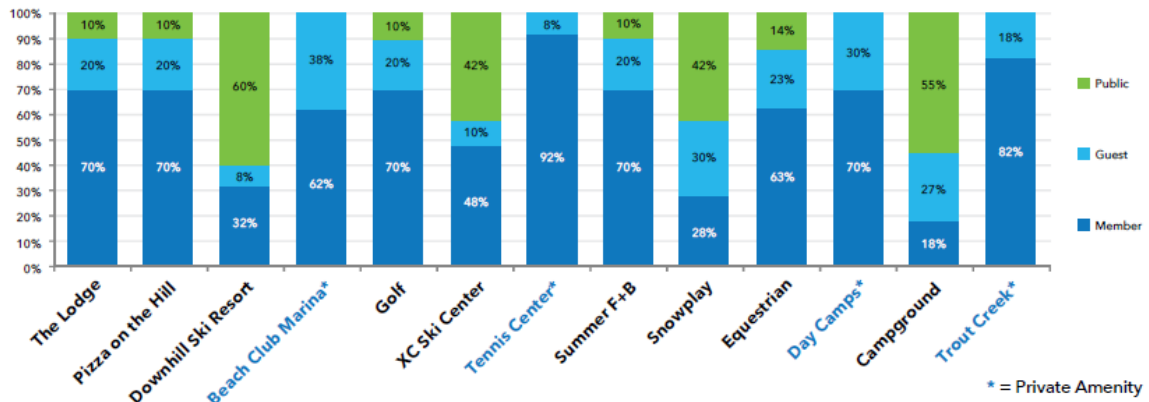
8. Amenity visitation history and 2019 Budget below & attached G03.2 Unit/Lot Utilization % by Amenity:



2019 Budget - Amenity Visitation Metrics



2019 Budget - Visitation Mix (Estimated)



* = Private Amenity

- Community Growth: In recent years, there have been 274 new homes constructed in Tahoe Donner from 2006 – 2016, with an average of 4 members per property = 1,096 new members of the association in the last 10 years. This continued growth of new construction in Tahoe Donner is expected to continue for many more years with just over 700 lots still vacant.

2017 ASSESSMENTS
as of December 31, 2017

Unit	Single Family Zoned Properties				Multiple Zoned Properties					Commercial Zoned Properties			Total Lots	Assessments *
	Total Lots	Improved	Vacant	Merged Lots	Total Lots	Improved	Vacant	Merged Lots	# of Units	Total Lots	Improved	Vacant		
Unit 1	498	463	35	0									498	498
Unit 2	315	277	37	1	91	78	11	2	372	9	5	4	415	698
Unit 3	535	427	108	0	21	21	0		44	5	2	3	561	579
Unit 4	643	585	54	4									643	643
Unit 5	554	472	77	5									554	554
Unit 6	628	543	84	1	13	10	3		35				641	666
Unit 7	356	324	32	0									356	356
Unit 8	606	534	72	0									606	606
Unit 9	651	563	84	4									651	651
Unit 10	488	411	73	4									488	488
Unit 11	514	464	48	2									514	514
	5788	5063	704	21	125	109	14	2	451	14	7	7	5927	6253

Notes:
 Commercial Properties are not included in Assessments
 Unit 01, Lot 184: Is owned by Tahoe Donner Association and is not included in Assessments (drainage lot)
 Unit 11, Lot 173: Is owned by Tahoe Donner Association and is not included in Assessments
 (Vacant Lots: Zoned for a further 65 units)
 Golf Course Condos: 30
 Ski Bowl Condos: 130
 Ski Lodgettes: 60
 Total Assessments: 6473

Identified Concerns

- A. Four + four additional membership RFID cards are too limited in quantity for the members associated with large families or multi-family owned units.
- B. Member RFID cards are issued to individuals with a simple affidavit of family connection by the deeded owner of a property.
- C. Guest of members are broadly defined in the governing documents and amenity access policy.
- D. Despite being a leading membership validation / point of sale system, the RTP system can be end user difficult to some front-line staff, particularly as the number of available products to be sold expands exponentially to address five subcategories of pricing (member, accompanied member guest, unaccompanied member guest, and public).
- E. Private amenities become overcrowded quickly during peak periods with members and member guest accessing facilities.
- F. No blackout periods or entry prioritization exist for members or member guest at the private amenities.

All Revenue amounts are rounded.

Discuss: Re-Entry another facility same day

	Base Line				Change Pctgs (input)			Estimate (output)				Change Amounts			
	Visits	Qty Sold	Price	Revenue	Visits	Qty	Price	Visits	Qty Sold	Price	Revenue	Visits	Qty	Price	Revenue
Total	185,675	54,722	<i>Yield</i>	1,509,000				180,205	52,177	<i>Yield</i>	1,663,000	(3,022)	(96)		\$ 154,000
Member	142,464		7.56	1,077,000				139,370		8.30	1,157,000				
Guest	43,211		10.00	432,000				40,835		12.39	506,000				
Recreation Fee	<i>3yr Avg*</i>	<i>3yr Avg*</i>	<i>2018 Price</i>												
Base to 4p	110,909	3,539	\$ 270.00	\$ 956,000	-2%	-2%	7%	108,691	3,468	\$ 290.00	\$ 1,006,000	(2,218)	(71)	\$ 20.00	\$ 50,000
5th 6th, per card	20,705	661	\$ 100.00	\$ 66,000	-3%	-3%	25%	20,084	641	\$ 125.00	\$ 80,000	(621)	(20)	\$ 25.00	\$ 14,000
7th 8th, per card	3,656	117	\$ 100.00	\$ 12,000	-5%	-5%	25%	3,473	111	\$ 125.00	\$ 14,000	(183)	(6)	\$ 25.00	\$ 2,000
	135,270	4,316	239.56	\$ 1,034,000	-2%	-2%	9%	132,248	4,220	260.67	\$ 1,100,000	(3,022)	(96)		\$ 66,000
<i>yield per visit</i>	\$ 7.64							<i>yield per visit</i>	\$ 8.32			\$ 0.67	9%		

Rec Fee Metrics to Daily Entry

Base Price per Card (4)	\$ 67.50			\$ 72.50			\$ 5.00
Daily Entry, Member	\$ 6.00			\$ 8.00			\$ 2.00
Break-Even Visits	11.3			9.1			(2.2)

Daily Entry

Member	7,194	7,194	\$ 6.00	\$ 43,000	-1%	-1%	33%	7,122	7,122	\$ 8.00	\$ 57,000	\$ 2.00	\$ 14,000
Guest w/Member	21,606	21,606	\$ 8.00	\$ 173,000	-1%	-1%	25%	21,390	21,390	\$ 10.00	\$ 214,000	\$ 2.00	\$ 41,000
Guest on Guest Card	21,605	21,605	\$ 12.00	\$ 259,000	-10%	-10%	25%	19,445	19,445	\$ 15.00	\$ 292,000	\$ 3.00	\$ 33,000
<i>Guest Mix is an Estimate</i>	50,405	50,405	9.42	475,000	-5%	-5%	25%	47,957	47,957	11.74	563,000		\$ 88,000

3yr Avg* - all visit/qty volumes are for rec fee cycle period fye 4/30/2016, 2017, 2018 ----visits for 5th-8th card prorotionally applied based on qty sold

Rec Fee Uses	4/30/2016	4/30/2017	4/30/2018	3yr Avg	Source- RTP access rule reports, except for Snowplay. Snowplay, RTP Product Flash Sales, Member Rec Fee access products Daily: RTP Product Flash Sales, access products
Trout Creek	96,550	95,409	93,909	95,289	
NWPool	2,097	2,502	2,498	2,366	
Marina	23,030	22,886	23,416	23,111	
Tennis	13,880	12,301	10,954	12,378	
Snowplay	2,927	2,443	1,008	2,126	
Total	138,484	135,541	131,785	135,270	

Member Daily Entry	4/30/2016	4/30/2017	4/30/2018	3yr Avg	adult \$6 Only
Trout Creek	4,250	3,808	4,374	4,144	
NWPool	319	502	358	393	
Marina	1,790	2,073	1,955	1,939	
Tennis	488	372	242	367	
Snowplay	484	405	162	350	
Total	7,331	7,160	7,091	7,194	

Guest Daily Entry	4/30/2016	4/30/2017	4/30/2018	3yr Avg	adult \$8 Only
Trout Creek	23,153	25,093	23,801	24,016	
NWPool	2,284	2,439	3,015	2,579	
Marina	13,570	14,256	17,250	15,025	
Tennis	1,603	1,633	1,537	1,591	
Snowplay (N/A)	-	-	-	-	
Total	40,610	43,421	45,603	43,211	

OTHER CHANGES PROPOSED:

- Eliminate free snowplay with DH or XC Season pass ----qty 37 3yr avg, qty73 visits in 2017
- Eliminate free snowplay with RecFee purchase (this is for 19/20 cycle that starts May 1, 2019)
 - 3yr Avg- Adult - 1762 visits This change impacts starting in Dec2020.
 - 3yr Avg- Junior - 44 visits Discuss: Re-Entry another facility same day
 - 3yr Avg- Child - 806 visits Discuss: GuestCard \$25 on PEAK DAYS
 - 3yr Avg- Senior - 13 visits Winter 26 Days, Summer MD/4thPeriod/LDW

d) Guest Visitations –

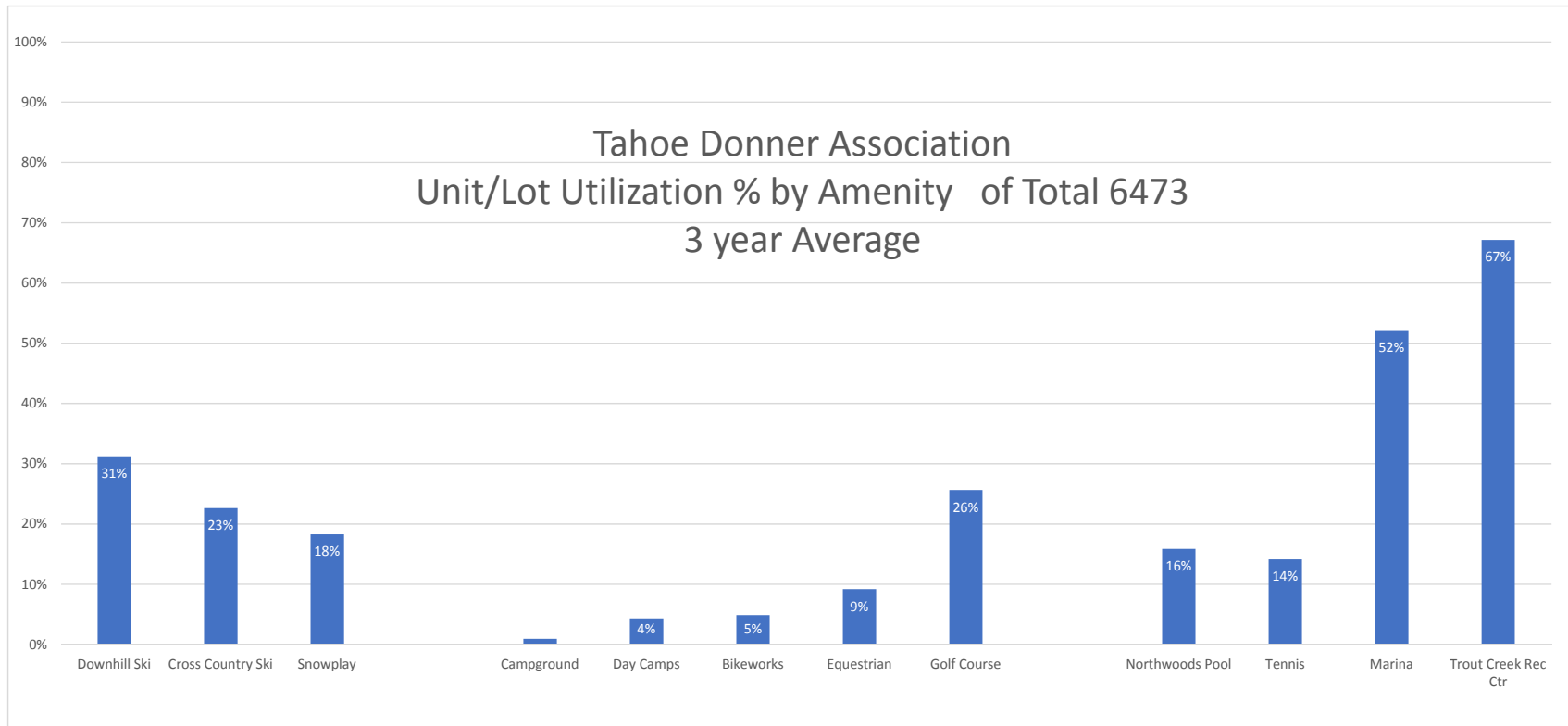
With the new guest pricing differentiation in 2018, below is subject information:

Trout Creek Recreation Center

	TL Visits	Guest V	GstV %	Guest Mix and %tl %G						Guest Revenue
				w/Mbr			onGCard			
Jan-Jul16	95,619	17,203	18%							\$ 78,398
Jan-Jul17	87,271	18,559	21%							\$ 86,308
Jan-Jul18	84,923	14,138	17%	5,585	7%	40%	8,553	10%	60%	\$ 88,870
Aug16	19,230	4,320	22%							\$ 31,174
Aug17	17,717	4,005	23%							\$ 27,842
Aug18	17,184	3,796	22%	1,309	8%	34%	2,487	14%	66%	\$ 38,970
Sep16	9,985	1,262	13%							\$ 9,400
Sep17	10,841	1,639	15%							\$ 11,580
Sep18	9,704	1,302	13%	618	6%	47%	684	7%	53%	\$ 12,904
Oct16	8,032	475	6%							\$ 3,678
Oct17	8,109	540	7%							\$ 4,240
Oct18	8,208	457	6%	257			200			\$ 4,316
YTD Oct16	132,866	23,260	18%							\$ 171,674
YTD Oct17	123,082	25,165	20%							\$ 178,358
YTD Oct18	120,019	19,693	16%	7,769	6%	39%	11,924	10%	61%	\$ 200,850
2018/day 304	395	65		26			39			\$ 661

Beach Club Marina

	TL Visits	Guest V	GstV %	Guest Mix and %tl %G						Guest Revenue
				w/Mbr			onGCard			
May-Jun16	7,700	2,339	30%							\$ 19,726
May-Jun17	8,476	2,636	31%							\$ 21,034
May-Jun18	7,773	2,361	30%	1,387	18%	59%	974	13%	41%	\$ 23,848
Jul16	16,599	6,755	41%							\$ 53,428
Jul17	19,560	8,608	44%							\$ 68,520
Jul18	18,732	7,726	41%	4,191	22%	54%	3,535	19%	46%	\$ 75,274
Aug16	12,080	4,533	38%							\$ 35,844
Aug17	11,157	4,721	42%							\$ 37,706
Aug18	11,197	4,224	38%	1,939	17%	46%	2,285	20%	54%	\$ 42,612
Sep16	3,332	927	28%							\$ 7,308
Sep17	4,386	1,718	39%							\$ 13,626
Sep18	4,065	1,229	30%	734	18%	60%	495	12%	40%	\$ 11,944
Oct16	32	1	3%							\$ 8
Oct17	208	37	18%							\$ 290
Oct18	85	-	0%	-			-			\$ -
YTD Oct16	39,743	14,555	37%							\$ 116,314
YTD Oct17	43,787	20,051	46%							\$ 141,176
YTD Oct18	41,852	15,540	37%	8,251	20%	53%	7,289	17%	47%	\$ 153,678
2018/day 129	324	120		64			57			\$ 1,191
<i>opend May 25</i>		YTD								



100 % paying Annual Assessment

See next page for information by year/season

8/19/2018 draft

Unit Lots 6473 6473 6473

# / % Unique Unit/Lots				% Unique Unit/Lots			3yr avg
15.16	16.17	17.18	Winter Season	15.16	16.17	17.18	
2304	2236	1531	Downhill Ski	36%	35%	24%	31%
1730	1641	1022	Cross Country Ski	27%	25%	16%	23%
1479	1350	720	Snowplay	23%	21%	11%	18%
2015	2016	2017	Year or Summer	2015	2016	2017	3yr Avg
66	63	52	Campground	1%	1%	1%	1%
295	268	277	Day Camps	5%	4%	4%	4%
273	348	327	Bikeworks	4%	5%	5%	5%
585	647	549	Equestrian	9%	10%	8%	9%
1720	1697	1560	Golf Course	27%	26%	24%	26%
898	1097	1087	Northwoods Pool	14%	17%	17%	16%
941	931	869	Tennis	15%	14%	13%	14%
3314	3322	3494	Marina	51%	51%	54%	52%
4260	4387	4392	Trout Creek Rec Ctr	66%	68%	68%	67%

~250 Guest kids have no know UL Member affiliation in system (and are excluded from metrics)

UL info for these four private amenities includes UL data combined for both daily sales and rec fee scans information in RTP POS system.

Source: RTP POS System for all data....

data compiled in filename = RTP ProductSQL Raw with IP 2015 2016 2017 2018halfyr.xlms and 16 17 18 Cycles Scan Data with UL.xlms, and UL Analysis PrivateAmen SalesandRecFee Combined.xlms

Unique # of Unit/Lots - data Not available -

No use metrics, currently covers estimated	Trails	Surveys say a large % of members utilize trails
covers tracked	Alder Creek Café	HOA Restaurant - (All Members dine)
covers estimated	The Lodge	HOA Restaurant - (All Members dine)
covers estimated	Pizza on the Hill	HOA Restaurant - (All Members dine)
	Summer F&B	HOA Restaurant - (All Members dine)

8/19/2018 draft