

## **TAHOE DONNER DECISION PAPER DRAFT (June 2018)**

**Issue:** On Friday and Saturday evenings in the summer, weddings hosted at the Event Tent play music after dinner for dancing. This occurs almost every weekend for 5 months from the middle of May to the middle of October. The music can be heard at least 1/2 mile away. The event tent is a benefit for 10-15 homeowners per year while being a significant noise nuisance for 30 homeowners. It also encourages commercial STRs. The event tent doesn't lower dues.

**Background:** The event tent was purchased to host club and other special events. Initially, it was taken up and down for these events. In the last few years, external wedding marketing has become successful and volume has gotten high enough that the event tent has become permanent for 5 months. Instead of being a homeowner benefit, it's become its own externally driven business to the detriment of many homeowners and Lodge diners. It's especially detrimental to the golf condo owners and may impact their property values. Music can be heard up to 1/2 mile away.

In 2017, the event tent is currently booked for almost EVERY weekend for 5 months other than holiday weekends (May 12-Oct 20). In 2017, 35% of the tent revenue usage is projected to be homeowner/club events.

### **The Event Tent hurts more members more often than it benefits**

A key purpose of the association is to "protect, enhance and maintain the single family residential family atmosphere...and avoid an overburdening of Common Areas and Common Facilities (Art. II, sec. 3(a))

The tent directly directly benefits approximately 10-15 homeowners a year. It has a direct negative impact on the 30 golf condo homeowners and homeowners living up to a mile away.

"We own a condo next door to the Lodge. Our major concern is with the tent and the DJ's loud music we have to endure from 7pm-10pm every summer Saturday and sometimes Friday nights. The sound of the bass is the absolute worst...so we hear a bounce-back of "bo-boom, bo-boom" for 3 hours straight. We look at the clock waiting for the 10pm stop. No joke! - Wendy Whltworth

"We live exactly 1/2 mile from the tent and we hear it on summer evenings...given that it is easy to hear 1/2 mile away, it must certainly be a negative impact on those living at closer distance. We don't enjoy the noise at 1/2 mile. As others have stated, we simply skip having dinner at the lodge during the months when the tent is up..." - Blair Romer

"We were there last Saturday evening. As we left a wedding was letting out. People were way too drunk and got in their cars and drove away. They went up Northwoods, as did we. I don't like drive me on the roads with drunk people." - Birdie Forsythe

### **The Event Tent encourages Commercial STRs**

There is spinoff revenue for STRs especially for our large commercially run event houses. Anecdotally, one of the commercial STRs has tried to cut a “business deal” with our Events salesperson.

“Lisa Tomas, who runs group sales and events for TD, and I meet on couple of occasions and I referred guests to her couples interested in a wedding or event venue.” - Vladamir R’s NextDoor Comment

### **Event Tent is non-compliant with Tahoe Donner and Town of Truckee Noise Rules:**

Weddings and the event tent are likely to be in violation of various Town of Truckee Ordinances as well as Tahoe Donner CC&Rs and Bylaws. The Town of Truckee purportedly turned down the ability for our wedding department to hold weddings at the Marina and Ski Hill and banned music after 8pm at Alder Creek. If the Golf Condo group was as large/active as the Ski Condo group, there wouldn’t be any event tent.

"The Lodge management lets events run at 80 – 100 dBA. " - TD Event Management Comment

In the CC&Rs, Article VIII governs "Use of Properties and Restrictions"...Section 2 governing Commercial Lots restricts "Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness (Art. VII, sec. 2(c)(ii)) while Sec. 2(f) governing Noise Level prohibits "ay sound, whether intermittent, recurrent or continuous, in excess of 55 decibels (dbs) measured at any point on any boundary area of said lot." - TD CC&Rs

"Noise impacts are be considered to be significant if any of the following conditions exist exterior noise levels in outdoor activity areas reach 65 dBA CNEL at any residential land use or 75 dBA CNEL at office industrial commercial or recreational" - Town of Truckee

<http://www.townoftruckee.com/home/showdocument?id=1090>

### **Public use of the Event Tent DOESN’T lower Dues: Event Tent is actually more profitable if we don’t market outside of Tahoe Donner**

Management’s numbers from their July 2017 proposal include \$120K of overhead, presumably from external event management and marketing. 80% of banquet revenues are for the Event Tent. If you include these allocated costs, the Event Tent appears to be more profitable if you don’t market the Tent outside Tahoe Donner.

Note that these numbers don't include the cost of breakage, capital equipment (other than tent amortization), food wastage/inventory costs and other Lodge overhead (other than Banquet management and marketing), never mind Tahoe Donner corporate overhead.

It's also notable that over the last 5 years as the event tent success has grown, the NOR loss of the Lodge/Banquets has also grown. NOR has decreased from positive \$50K in 2013 to a negative \$150K budgeted in 2018 (actual results of \$80K in 2017).

Spinoff positive NOR assertions from rehearsal dinners and golf rounds are negated by management comments that the Lodge is typically full on summer weekends and 90% of rounds are Tahoe Donner Homeowners (as well as negative NOR on both operations). You can't have it both ways...

### Financial Analysis

\$\$\$ in thousands	2013	2014	2015	2016	2017
Revenue - Banquet Tent Only	\$217	\$242	\$270	\$303	\$375
NOR - Lodge- Banquet Tent Only - assumption	\$72	\$80	\$89	\$100	\$125
NOR Margins (assumed 33%)	33%	33%	33%	33%	33%
Allocated Capital Costs (July Paper)	\$5	\$5	\$5	\$5	\$5
Allocated Overhead (80% of 1.5 employees)	96	96	96	96	96
<b>Banquet Tent - Net Income</b>	<b>-\$29</b>	<b>-\$21</b>	<b>-\$12</b>	<b>-\$1</b>	<b>\$24</b>
Revenue - Banquet Tent from Members	\$57	\$64	\$71	\$80	\$99
NOR from member revenue	\$19	\$21	\$24	\$26	\$33
Allocated Capital Costs	\$5	\$5	\$5	\$5	\$5
Allocated Overhead (No Sales/Marketing)	\$0	\$0	\$0	\$0	\$0
<b>Uncommercialized Banquet Tent - Net Income</b>	<b>\$14</b>	<b>\$16</b>	<b>\$19</b>	<b>\$21</b>	<b>\$28</b>

[https://docs.google.com/spreadsheets/d/1\\_F6WGPZX8YkG\\_4RS2I9WCanSO\\_Yr1CJ6CdFBMH8gJvg/edit#gid=1188012452](https://docs.google.com/spreadsheets/d/1_F6WGPZX8YkG_4RS2I9WCanSO_Yr1CJ6CdFBMH8gJvg/edit#gid=1188012452)

**Conclusion:** The banquet tent has become an externally driven public business for Tahoe Donner. Contribution to lowering our dues is dubious at best. **Public evening wedding use for the event tent creates harm to our community and provides no benefit.**

**Near Term Recommendation Options:**

- 1) Only Book TD related events (about 1/3 of Event Tent bookings)
- 2) Only allow acoustic stringed instruments for evening events

**Long Term Recommendation Options:**

- 1) Evaluate a permanent facility (already in the GPC)
- 2) Consider eliminating the event tent and holding only small weddings in the Adventure Center.

## Appendix

### Homeowner Comments Regarding Noise

Wendy Whitworth

, Tahoe Donner · 18 Mar

Like Lynn Heislein, we also own a condo next door to the Lodge. We rarely hear noise from The Lodge itself and love to visit the place. Our major concern is with the tent and the DJ's loud music we have to endure from 7 pm – 10 pm every summer Saturday and sometimes Friday nights. If we had to have our peace invaded once in a while (as in the past) we're fine with that, but with management actively seeking to increase bookings, this will force us to either endure loud music every summer weekend or completely avoid enjoying our home over weekends! The sound of the bass is the absolute worst and we are also "extra" unlucky in that it sometimes reverberates, so we hear a bounce-back of "bo-boom, bo-boom" for 3 hours straight. We look at the clock waiting for the 10 pm stop. No joke!

Blair Romer

, Tahoe Donner · 1d ago

Just a couple of quick thoughts about the tent and weddings at Tahoe Donner. We live almost exactly 1/2 mile from the tent, and we hear it on summer evenings often past 10 PM. Given that it is easy to hear 1/2 mile away, it must certainly be a negative impact on those living at a closer distance. We don't enjoy the noise at 1/2 mile.

As others have stated, we simply skip having dinner at the lodge during the months when the tent is up. Part of what we thoroughly love about the dining experience at the lodge, is enjoying a window table in the dining room overlooking the beautiful environs just outside. That experience is almost entirely blocked by the tent. When the tent is up, we go elsewhere.

### The Event Tent encourages Commercial STRs - See Vladimir R.'s Comment

Vladimir R.

, Tahoe Donner · 21 Feb

Lisa Tomasi, who runs group sales and events for TD, and I meet on couple of occasions and I referred guests to her couples interested in a wedding or event venue. She told me that the tent venue is just starting to take off and it's generating close to \$500K with 50% profit margins on catering. It seems that this is a good revenue source for TD, which pays for the negative cashflow

from the amenities that we enjoy. I do personally think that installing a commercial kitchen and seeing how Alpine Adventure Center can be better utilized or events is something that should be analyzed by the board or appropriate committee.

TDA Governing Documents should also be consulted, and followed.

In the CC&Rs, Article VIII governs "Use of Properties and Restrictions" including "lots, Common Areas and other parcels." Art. VIII Section 1(c) "Prohibition of Noxious Activities" prohibits "activities....which...could become an unreasonable annoyance or nuisance to neighboring property Owners."

Section 2 governing Commercial Lots restricts "Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness (Art. VII, sec. 2(c)(ii)) while Sec. 2(f) governing Noise Level prohibits "ay sound, whether intermittent, recurrent or continuous, in excess of 55 decibels (dbs) measured at any point on any boundary area of said lot."

Given that a key purpose of the association is to "protect, enhance and maintain the single family residential family atmosphere...and avoid an overburdening of Common Areas and Common Facilities (Art. II, sec. 3(a)), board and staff may reasonably be expected to justify the decision. is the noise not real? Are the complaints not reasonable? Is this a "greater good" decision based on the projected NOR from the facility?

From the Town of Truckee search on "Noise"

<http://www.townoftruckee.com/home/showdocument?id=1090>

-----  
"Noise impacts are be considered to be significant if any of the following conditions exist exterior noise levels in outdoor activity areas reach 65 dBA CNEL at any residential land use or 75 dBA CNEL at office industrial commercial or recreational and uses If and when it has been determined that noise levels oft these magnitudes could be realized appropriate mitigation measures will be required to be implemented that reduce noise to below these levels"

So, TDA noise limit is 55db & the Town's limits are 65 &75db. From Wendy's post:

"The Lodge management lets events run at 80 – 100 dBA. "

If that is the case, TD is in non-compliance with its own governing documents plus the Town of Truckee codes / ordinances.

### Financial Analysis

\$\$\$ in thousands	2013	2014	2015	2016	2017	2018E
<b>Revenue - Lodge - Dinner/Banquets</b>	<b>\$1,825</b>	<b>\$2,000</b>	<b>\$1,998</b>	<b>\$2,312</b>	<b>\$2,445</b>	<b>\$2,300</b>
<b>NOR - Lodge- Dinner/Banquets</b>	<b>\$27</b>	<b>\$3</b>	<b>-\$80</b>	<b>-\$64</b>	<b>-\$88</b>	<b>-\$154</b>
<b>Revenue - Banquet Tent Only</b>	<b>\$217</b>	<b>\$242</b>	<b>\$270</b>	<b>\$303</b>	<b>\$375</b>	<b>\$365</b>
NOR - Lodge- Banquet Tent Only - 33% margins assumed	\$72	\$80	\$89	\$100	\$125	\$122
NOR Margins (assumed 33%)	33%	33%	33%	33%	33%	33%
Allocated Capital Costs (July Paper)	\$5	\$5	\$5	\$5	\$5	\$5
Allocated Overhead (80% of 1.5 employees)	96	96	96	96	96	96
<b>Banquet Tent - Net Income</b>	<b>-\$29</b>	<b>-\$21</b>	<b>-\$12</b>	<b>-\$1</b>	<b>\$24</b>	<b>\$21</b>

[https://docs.google.com/spreadsheets/d/1\\_F6WGPZX8YkG\\_4RS2I9WCanSO\\_Yr1CJ6CdFBMH8gJvg/edit#gid=81160233](https://docs.google.com/spreadsheets/d/1_F6WGPZX8YkG_4RS2I9WCanSO_Yr1CJ6CdFBMH8gJvg/edit#gid=81160233)

Last Summer's Board Meeting Analysis (see last page):

<http://www.tahoedonner.com/wp-content/uploads/2017/02/Item-M-Special-Event-Tent-at-The-Lodge-Restaurant-Pub.pdf>

Video from last summer's board meeting: (start watching at 5:48:00)

<http://www.tahoedonner.com/board-of-directors-meeting-july-29-2017/>

Current Analysis:

<http://www.tahoedonner.com/wp-content/uploads/2018/02/Item-C-Event-Tent-Business-Plan-2019-Bookings.pdf>

