

DECISION PAPER



April 2, 2020

Action:

The board of directors will consider approving Phase 1 and 2 of the Cross-Country Ski Center snowmaking project final design, permitting and construction.

Background:

Since the successful installation and implementation of snowmaking at the Downhill Ski Area in 2015, members have inquired about snowmaking at the Cross-Country Ski Center (TDXC). Snowmaking at the Downhill Ski Area provided the association with an insurance policy securing the ability to open a portion of the ski area, as well as protecting key association revenue, which which significantly offset member dues.

Installation of snowmaking at the TDXC will provide the same benefit as well as provide trail access to the natural snowline on high elevation snow years. On average snow years TDXC operates approximately 135 days per season. On low snow years/drought years, TDXC operating days range from 31 to 65 days. Over the past ten years, TDCX has had low snow/drought years for the 2011-2012, 2013-2014, 2014-2015, and 2017-2018 seasons. Analysis of these previous years shows a fluctuation in net operating results before overhead in excess of \$700,000 between good snow and low snow/no snow years. Return on investment analysis conducted conservatively shows complete recoup of investment over a ten year period assuming three bad snow years per ten year period. An ROI analysis of what the past 10 years would have looked like with snowmaking was also conducted.

Design:

The General Planning Committee and management prioritized snowmaking at Cross Country during budget cycle in 2018 to begin cost analysis and design options. In 2019, utilizing Development Funds, staff began design and preliminary permitting work. Working with subconsultant Pure Flow Mechanics (PFM), staff has completed a design resulting in a 3-phase installation plan as follow:

1. Phase 1 - Utility Infrastructure Setup and front-range Snowmaking (2020 Proposed Project)
 - Utility installation through Alder Creek Adventure Center parking lot to proposed pump house/utility shed
 - Construction of pump house/utility shed
 - Utility installation to Meadow and Practice Hill loops
2. Phase 2 – Snowmaking to Moondance Hut (2020 Proposed Project).
 - Utility installation along North Fork Trail to Moondance Hut
3. Phase 3 – Rough Rider Loop (Future Project)
 - Utility installation to complete Rough Rider loop

Outreach:

Staff has conducted extensive member outreach in 2020 for this project consisting of:

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- Direct mail notification and request for feedback sent to adjacent homeowners
- Email notification to property owners and membership: Feb. 11 and Feb. 18
- Demonstration and Q+A Session: Feb. 15 - 7:30 am & 4:30 pm, Feb 22 - 7:30 am & 4:30 pm
- Snowmaking guns on display: Feb. 14 - closing
- Information poster at Alder Creek Adventure Center: beginning Feb. 14 (and updated on Feb. 20) through closing
- Social Media: Instagram story Feb. 15 (demonstration video) and post Feb. 19
- Feature story included in March TD News
- Information portal created on website with 'call for feedback'
- Twentyfive member comments were received with seventeen in favor of, six opposed to snowmaking and two with general questions.
- Likemoji Feed Back – 20 Pro snowmaking responses recieved from Feb 15 to March 7
- Included in several Nextdoor threads with dozens of member comments
- Presented project information and update at January, February and March board meetings

Environmental:

Tahoe Donner Association follows the California Environmental Quality Act (CEQA) Guidelines for all capital projects. Given the project type and design, it is anticipated that discretionary approval will be needed from California Department of Fish and Wildlife (CDFW) as well as Lahontan Regional Water Quality Control Board (RWQCB) and the proposed permitting actions will most likely be covered under a CEQA Categorical Exemption. A Town of Truckee (TOT) Use Permit modification, as well as a grading permit, will be needed for this project. The use permit modification will require planning commission approval. Nevada County will be informed of the project but it is anticipated that the Town of Truckee will take jurisdiction and no additional Nevada County permits will be needed.

Cost:

Preliminary engineering soft costs to date for this project have been approximately \$5,000. Soft costs for final design and permitting are estimated at \$50,000. Construction costs are estimated as follows:

- Phase 1 – Utility Infrastructure Setup & front-range - \$409,141
- Phase 2 Moondance Hut - \$351,348
- Phase 3 Rough Rider – Current estimate \$155,000

The total project costs including soft costs and construction of all 3 phases is \$970,489. The proposed **2020** capital development fund costs to complete design, permitting, and construction **for Phase 1 and Phase 2 is \$810,489 plus 10% contingency of \$81,049 for a total of \$891,538.**

Options:

1. Proceed with a design build contract with PFM snowmaking at TDXC for completion of Phase 1 & 2 with a project budget not to exceed \$891,538 which includes a 10% contingency utilizing Development Funds. Complete construction by fall of 2021 with the possibility of early completion of fall 2020 if permits are secured.

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2. Proceed with final design and permitting with a soft cost budget not to exceed \$100,000. The increase in soft costs assumes this is potentially not a design build project and engineering stamped plans and construction bidding may be needed. Come back to board for approval to award contract and construct in 2021.
3. Do not move forward with TDXC snowmaking at this time.

Recommendation:

Management recommends the board consider approving Option 1: Proceed with a design build contract with PFM snowmaking at TDXC for completion of Phase 1 & 2 with a project budget not to exceed \$891,538 which includes a 10% contingency utilizing Development Funds. Complete construction by fall of 2021 with the possibility of early completion of fall 2020 if permits are secured.

Reviewed By: Jon Mitchell	_____	Date _____
Reviewed By: Miguel Sloane	_____	Date _____
Reviewed By: Annie Rosenfeld	_____	Date _____
Reviewed By: Michael Salmon	_____	Date _____
Board Meeting Dated: April 09, 2020	_____	Date _____