



## **DECISION PAPER**

**February 17, 2021**

### **TITLE:**

2021/2022 Downhill / Cross Country Season Passes – Spring Sale Prices

### **RECOMMENDATION:**

**By motion:** Resolve for Tahoe Donner Association to establish 2021/2022 winter season pass pricing for the spring tier as indicated on **Attachment A**.

### **BACKGROUND:**

Season pass pricing, as an industry and regional standard, has tiered levels based on when the pass is purchased. These tiers generally can be described as spring tier, fall tier and winter tier based on when that particular price is available – spring tier is mid-March through April, fall tier is early September through November and winter tier is Dec 1 through the end of the season pass sales period. Management desires to launch spring tier 2021/2022 winter season pass rates on March 16, 2021 to be on sale March 16 through April 30. The spring tier season pass sale enables customers to lock in the lowest price being offered as well as ski for the remainder of the current season. Purchasers in spring are generally some of our most loyal customers. Launching a spring pass sale in the midst of a good season capitalizes on customer demand momentum.

### **ANALYSIS:**

Both Downhill Ski and Cross-Country Ski areas had record winter 20/21 season pass sales, in both volume and sales dollars. The strong pass sales are attributed to:

- Momentum from a great winter 19/20 prior to COVID
- The increase in the day ticket pricing which creates an improved value proposition in purchasing a season pass
- COVID protocols for the 20/21 season where season pass holders did not require a pre-purchased (limited) day ticket

All Member price recommendations are less than Public. For the 2021/2022 spring tier rates, staff recommends a 5% increase over the 2020/2021 winter tier (most expensive) rate – rounded to the nearest 4 or 9 for a consumer psychology advantage. Spring-to-spring rate increases for the core pass product is ~15%-17%.



Staff has researched our competitive set offerings, with details available in **Attachment B** for reference. We have proposed changes to pass rates to address rising cost pressures, while keeping pass rates competitive as passholders are our most loyal customers and are pre-committing for the season. In considering operational limitations and revenue potential, staff recommends an addition to the product suite of a Member Super Senior (70+) midweek/non-holiday pass. This offering will allow us to provide a reasonably priced product for this age group, while increasing the price of the Unlimited Super Senior pass product to capture the appropriate revenue associated with weekend use of the ski operations. Limiting this pass option to the super senior age range addresses legacy concerns for this age group.

**OUTREACH:**

Spring tier pass prices have been vetted internally at all levels of management with input used to develop the recommendation.

**FISCAL IMPACT:**

Staff estimates the net impact of these recommended spring tier season pass price changes (and subsequent ripple to fall and winter tier prices) to incrementally generate at a minimum of \$68,000 in revenues for 2021/2022 season, assuming a 3-year average for pass sales volume. Staff forecasts approximately \$200,000 in spring pass sales or approximately 20% of total season pass sales. While spring pass purchasers of 21/22 season pass would be able to utilize the pass for the remaining days of 20/21 season, all revenue from the sales would be 100% deferred to the 21/22 season for revenue recognition, consistent with prior years.

**ALTERNATIVES:**

Spring pass pricing can be moved higher or lower if the board desires, however, with the lead time requirement to get these products set up online and tested, we need to have a decision today in order to hit our target sales date of March 16.

Prepared by: *Miguel Sloane*, Director of Operations 2/15/2021

Reviewed by: *Todd Martyn-Jones*, Director of Finance 2/15/2021

Reviewed by: *Lindsay Hogan*, Director of Marketing 2/15/2021

Board Meeting Date: 2/26/2021

General Manager Approval to Place on the Agenda: \_\_\_\_\_