

RESPONSES TO MEMBER INPUT AT THE SEPTEMBER 8 SPECIAL BOARD WORKSHOP

Thank you to all members who voiced comments and questions at the September 8 special board workshop concerning the Downhill Ski Lodge Replacement Project. During the two member comment periods, general comments were made and specific questions were asked. Staff transcribed all member input thoroughly.

As seen below, questions and comments have been organized by subject (it is important to note that not all comments required a response). Staff also used the transcribed member comments to ensure they addressed specific questions and comments. This full meeting recording can be [found here](#).

COST

1. “Whether it be 28,000 square feet or 25,000 square feet, it’s confusing to me how the cost [of the downhill ski lodge] could be so much higher than the costs of our Alder Creek Rec Center, which I believe someone had mentioned was around 11,200 square feet. So, I know there are differences between a downhill ski area and a cross country ski area, but that one has multi-use, that one also has dining, that includes storage and other similar amenities, so for me, I think, no?”

This is not an apples-to-apples comparison. The Alder Creek Adventure Center (ACAC) had a flat, easily buildable lot with few building constraints and was constructed as a single-story building. Although both buildings are ski lodges, the needs analysis (i.e., what functionalities and interior space are required to meet skier experience expectations) for each is completely different. In addition, ACAC was completed seven years ago in a much different building environment than today. The 11,228-square-foot building was completed in 2015 for a total all-in project cost (planning, permitting, construction and contingency) of approximately \$6 million or \$535 per square foot. In today’s building environment as well as including inflation to the 2015 number, today’s building costs would be substantially higher than \$535 per square foot.

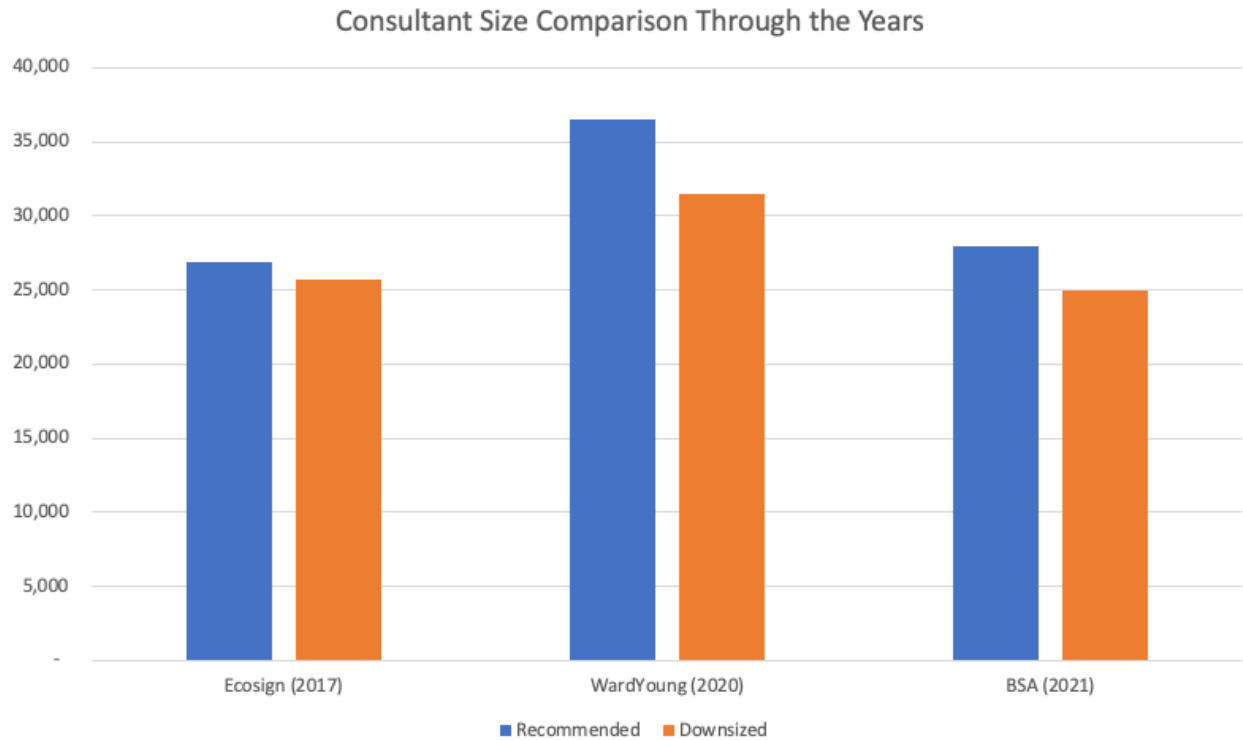
2. “The membership deserves a better understanding of how we’ve gotten ourselves to the point where we’re considering building a \$23 million lodge.”

Since 2017, three professional consultants, the management team and association committees have performed analyses to determine what is needed in the new ski lodge facility to accommodate current skier volume. The parameter used for this project has always been the needs analyses to bring the lodge into compliance with ADA and California Building Code requirements as well as to size the building correctly for current skier volume matching the capacity of the other components of the ski area, mainly the parking lots. The conclusions from the three consultants are available on the project website [here](#) and are summarized as follows:

- 2018: Ecosign’s 26,910 square feet (early estimate based on overall resort master plan without programming analysis)
- 2020: Ward Young’s 34,000 square feet (using detailed programming analysis)

- 2021: BSA’s two options at 24,908 square feet and 27,910 square feet (pared size down as much as possible using efficiencies and adjacencies of spaces)

The graph below demonstrates the evolution of the design since 2017 from a size perspective.



3. “I would love to see the estimated homeowner due fee estimates based on the current plan.”

The estimated increase to the Development Fund portion of the Annual Assessment through the end of construction for this project has been published since October 2020. It has not changed since then. Staff are forecasting an increase of \$111 for 2022, \$139 for 2023, \$173 for 2024 and flat after that.

5-YEAR IMPACT ON DEVELOPMENT FUND ASSESSMENT

Year	Proposed Increase Each Year From 2021	Proposed DF Portion of Assessment Increased 25%/year Though 2024
2022	\$111	\$555
2023	\$139	\$694
2024	\$173	\$867
2025	\$0	\$867
2026	\$0	\$867

The two design options from BSA under consideration would allow for a positive contribution of \$300 per homeowner to the Operating Fund before capital charge. The estimated net impact per homeowner would be between \$138.98 and \$150.56 after capital charge. To see the net impact to Annual Assessments per owner, [view slide 14 of the presentation here](#).

4. “You are projecting \$500,000 revenue increase from going from a 24,000 square foot to 28,000 square foot place. You are only projecting a cost increase of \$80,000 on a \$500,000 revenue increase.”

Staff are unable to validate the numbers in this question comparing 24,000- and 28,000-square-foot sizes, as the cost increase is \$46,000 and revenue increase is \$141,000 as indicated in [staff's September 8 presentation](#) shown below. Perhaps this member was referring to the difference between the current facility and the 27,910-square-foot building, so staff will address this. The increase in revenue is the result of an increase in yield per skier based on a larger seating area for food and beverage sales and the ability to offer more all-day lesson products over half-day lesson products from the flexible space (kids ski school) included in the design presentation.

The labor impact of these changes is minimal – ski school will be gaining efficiency as lesson offerings will be designed to consolidate half-day afternoon lessons into larger groups, therefore no labor hour increases are expected. The Food and Beverage Department will require additional staffing resources primarily only on peak days during the season. This additional labor cost will be absorbed by savings gained through staffing efficiencies in the guest services area. Other expenses, such as utility costs and cost of goods sold, are included in the forecast.

	Current Lodge – 15,838 sqft (450 Capacity)	LODGE – 24,908 sqft (678 Capacity)	LODGE – 27,910 sqft (906 Capacity)
REVENUES			
Tickets + Season Pass Sales	\$1,993,586	\$2,000,756	\$2,007,926
Lessons + Rentals	\$1,992,835	\$2,267,433	\$2,303,283
Food + Beverage	\$486,767	\$606,544	\$704,799
Retail + Other Revenue	\$273,487	\$278,385	\$278,385
Total Revenue	\$4,746,675	\$5,153,118	\$5,294,393
EXPENDITURES			
Total Expense	\$3,066,545	\$3,098,502	\$3,144,825
Net Operating Result	\$1,680,130	\$2,054,616	\$2,149,569
NET IMPACT TO ANNUAL ASSESSMENT PER OWNER	\$259.56	\$317.41	\$332.08
Annual Capital Charge	\$1,000,000	\$1,155,000	\$1,175,001
Net Result After Annual Capital Charge	\$680,130	\$899,616	\$974,568
NET IMPACT TO ANNUAL ASSESSMENT PER OWNER	\$105.07	\$138.98	\$150.56

5. “I think you should be realistic about what you present to the members instead of just coming out with a number, any number, that is just going to present the rosiest case scenario without realistically reflecting increased HR costs, payroll costs and variable costs like food costs.”

Even though this is not a specific question, this topic continues to come up. All costs are integrated into the pro forma. HR is a fixed cost to the association. The association is not adding additional staff to HR for the Downhill Ski Resort. In addition, all pro forma information was based on 2019 actual data, which represented an average skier-total year. Revenues were higher in 2019 than in the past due to the Downhill Ski Resort increasing its rates annually, including incorporating peak period pricing during holiday periods and modifying its product offerings to meet the needs of visitors.

6. “You’re not reflecting on the dues implications to the members near enough. 6,000 households; maybe this is 4,000 per household to come up with the \$23 million.”

The project’s \$23 million cost includes contingencies. The association already has \$12.5 million for this project, and the extensively developed funding plan suggests single-digit-percent increases to the association’s assessment for the next few years to build the lodge and make other improvements to association facilities. Tahoe Donner can pay for this project over the next 3-4 years.

7. “However, that does not reflect on maintenance or insurance or the increase in cost of personnel that all will come back to members to pay for.”

Initial maintenance costs will be lower with the new building. Additionally, the replacement reserve cost of this new building will not be impacted for 15-20 years other than normal annual maintenance such as painting/staining. Replacement reserve components for the new building will be set up in the replacement reserve study immediately after construction is complete.

There will be sufficient funds in the Replacement Reserve Fund when they come up for replacement in 15 to 20 years.

8. “I’m thinking alone about things like fire insurance and quake insurance. I’ve carried those on my house, and if I multiply out what it would be for a \$23 million building, I think we’re talking \$40,000 a year. And that alone is \$700 per member.”

To be clear, if there was a \$40,000 increase, the per-member impact would be \$6.18 a year. However, the insurance renewal for Tahoe Donner is an association-wide comprehensive commercial insurance package and is calculated differently than residential insurance. It is based on a Statement of Values for all facilities with criteria such as construction class, asset valuation, age of facility, date of recent improvements (electrical, plumbing, HVAC, roof, etc.) and adjustments for construction cost inflation. The policy and premium are rated by these factors. Any insurance cost increases for a new, higher-valued facility would not be a proportional increase.

9. “I think you need to get real about the cost and the future to members as well as the cost of the construction. And you said that you were doing this because ADA and accessibility, and I don’t see on the plans any marks which bathrooms are ADA.”

Every space in the proposed facility will be fully ADA compliant as building code requires. The Town would not issue a building permit until all code requirements are met in the plans, including ADA.

10. “The cost of the temporary facilities may outweigh the benefit, and maybe we should consider like the golf course where the facility was closed for one year so that we don’t have the sunk cost of the temporary facilities since I presume that they will outweigh any profit that we may make on the hill.”

The association can still provide a ski product for the membership to enjoy while the lodge is under construction. On the golf course, fairways and greens are necessary to provide a product. Staff are confident they can operate the ski hill during the construction season and produce a positive net operating result.

11. “With the cost running at about \$10 million over what I understand the budget is, how will it be assessed? And how much of it will be paid by the actual users of the facility?”

To be clear, neither the current board nor prior boards have ever approved a budget for the new downhill lodge. Pages 28-29 of the [September 23 budget workshop presentation](#) provide the association's latest view on how to raise the rest of the money to complete the lodge if the board should approve moving forward. Average annual increases in the Development Fund portion of the Annual Assessment of \$141 from 2022-24 will provide the balance of the funding for the downhill lodge as well as a suite of other development projects described on slide 27. Again, based upon what staff know today, these Development Fund increases translate into an average mid-single-digit percent increase in the Annual Assessment through 2024.

Looking forward, in a typical snow year, the Downhill Ski Resort with a new lodge is expected to return to the association an annual surplus (defined as direct revenue less direct expenses and

capital charges) of approximately \$900,000 per year, thereby reducing a member's Annual Assessment by roughly \$139. [Click here and scroll to slide 14](#) to view the summary of the financial impact to each homeowner.

12. "I believe it was John from BSA mentioned earlier that somewhere around 3-400% increase in revenue is associated with locations that have rebuilt their facilities. And I don't really see that kind of increase in revenue reflected in this chart. And then if you look at the bottom line, which is always dangerous as all of you know, I see a benefit to the Annual Assessment of about \$45 on an investment of \$23 million. And if you look at it just on apparently the excess beyond what's already in the budget for this project, you know, it would take us about 50 years to recoup the expenditure. So, normally if you make a business decision, you would never come to such a decision."

Staff do not use BSA's expected increase in their projections. The food and beverage revenue increase from the current facility to the 27,910-square-foot facility is 45% driven primarily by higher sales volumes during peak periods that are achievable due to increased seating and a properly sized commercial kitchen. Based on the association's ski hill dynamics, it was unrealistic to expect a 300-400% increase in revenue, so staff scaled back to a more conservative approach.

PROCESS

13. "My first comment is that, despite claims over this past summer that – quote – no decision had been made on the size of the ski lodge, in mid-June, staff now says they submitted a preliminary permit application to the Town of Truckee based on the renderings for the 28,000-square-foot design."

Staff did not apply for or seek any type of permit for the ski lodge from the Town of Truckee. Staff simply wanted to get the project in front of the Town's Planning Department to get a better understanding of any concerns they may have; this was done through a preliminary application process. Because this project is still far from a formal submittal, it is also standard practice during any preliminary application process to discuss all the sizing options staff have been evaluating, including 28,000 square feet, which is the largest of any option being considered at this point.

The town understands that the building size/design/project is still in its early stages and the only thing that is confirmed is that it will not be bigger than 28,000 square feet. Tahoe Donner is not under any obligation to submit the same size/design/project for the formal application process.

14. "During the site preparation, what will be the cost for remediating the high water table underneath the lodge site for popping out a disposal of the high water table? What will be the impact on Alder Creek flows?"

This came up as a possible issue when staff interviewed potential design teams prior to selecting BSA. When this was originally discussed, it was assumed that the excavation was going to be much larger in scope than the current proposal. BSA has configured the foundation into the hillside, stepping up with each level and in turn minimizing the extent of the overall excavation. This results in savings for foundation prep costs and construction.

The first piece of data that will help the design team to determine the need and extent for dewatering is the geotechnical report expected by the middle of October. If dewatering is necessary, it is extremely unlikely that it would have any impact on the flows of Alder Creek.

15. “Have project staff submitted a plan to the Lahontan Regional Water Board that addresses this problem?”

No; there is a process for that, and the design team first needs to determine if it is needed. Next, they need to determine the expected discharge and develop a plan. Staff would then submit an application to the Town of Truckee and/or Lahontan and follow their dewatering requirements.

16. “Did the engineers that BSA hired as part of the 30% design phase conclude that this water table situation doesn’t exist or can be handled without dealing with the Lahontan Regional Board?”

This has been addressed in the previous two questions.

17. “Both the GM and director of capital projects said they anticipated the high water table situation to pose significant engineering and regulatory compliance problem during the site prep. Yet there is no mention of it anywhere in the September 8 presentation materials.”

As stated earlier, it appears now that less excavation will take place, which may impact the dewatering issue. As discussed above, there is a permitting process through the Town and Water Board that will be followed if they need to go down this road. Based on the current design, less excavation will take place than previously planned, which will also reduce project costs.

18. “Who makes the decision [on the ski lodge design]?”

Ultimately, the board will make the decision on the ski lodge after taking all member comments, data received to date, data from the task force, input from members and more. In addition, [here is a link to a letter](#) that further explains the fiduciary responsibility of the board from the board president.

19. “Do the members make the decision, and that’s including the members on the board, or does the board alone make the decision on these important decisions on size, cost, the look of the ski lodge?”

As mentioned above, the board will utilize member feedback, information provided by their professional consultants, input from staff, budgetary constraints, task force participation and other appropriate information before they exercise their fiduciary responsibility to make the decision on the lodge.

20. “Do you think the lodge makes sense that we need to improve it and upgrade it? Maybe even rebuild it?”

The board made the determination in 2019 to replace the lodge. This was based on the association’s responsibility to make the facility ADA and California Building Code compliant while improving member enjoyment and solving overcrowding issues. In addition, there have been engineering and architectural studies, site visits and recommendations from professionals who definitively recommended a “demolition and build new” approach as offering the best value for members’ capital.

21. “During the presentation, somebody mentioned that maybe we have a contingency in case the contractor missed something, like he didn’t realize it needed a roof. Usually when you’re engaged in a contract with a contractor and you give them detailed plans and you give them a detailed materials list and that stuff, it gets to be a firm, fixed bid. And if they miss something, it kind of falls on the contractor rather than the people doing the contracting. So, it seems like – somebody mentioned before making sure we do right in that contract – if we provide the detailed information that you’re already putting together, it seems like it should be more of a fixed bid and not need a large contingency for something that the contractor missed.”

There is no question addressed, but this topic has come up multiple times. The association should never design a project of this size without a contingency. This is industry standard in any large construction project. As the design develops and unknowns are addressed, the contingency may come down, but at this point in the process, a 10% contingency is warranted.

22. “I feel like your survey was sent out to over 25,000 members and I myself personally have received three surveys regarding this Downhill. If your response rate was only 2,000, it’s less than a 10% response rate. It never asked any questions about the cost of the lodge to members and increased assessments they’re willing to bear. So I think that’s a little bit unfair and not realistic to say that you took member comments when going ahead with this project.”

Staff have never sent a survey to 25,000 people and are unable to validate the numbers from this speaker in this question. The Downhill Ski Lodge Survey was sent out to 9,900 members and responded to by 2,643 members, which is a 27% response rate. The survey was open from December 29, 2020, through January 7, 2021. Members can see this summary report and every survey conducted in the last three years at tahoedonner.com/survey. The association has consistently sent surveys to every email address it has in its various databases that are associated with a validated member account to seek as much member input as possible. In a previous survey, staff did track how many properties had more than one response per household and weighted their response accordingly (e.g., if two people responded, each person was weighed at 50%). In that survey (2019 member survey), the houses that had more than one response were less than 9% and, once weighted, had little to no impact on that actual data due to the large sample size. It is costly to have data weighted as such and would be cost prohibitive to the association to do this on every survey.

Additionally, it's important to think of survey data as just one tool in the toolbox of decision making. Survey data should not be used independently to make decisions, as it is a snapshot of community feedback and comes with a margin of error. Other key information sources such as expert consultants, amenity usage data, member feedback and the hands-on experience of staff should all factor into any decision.

OPERATIONS

23. “Will Tahoe Donner have to limit ticket sales and usage by season passholders during that ski season to mitigate the loss of overflow parking and to avoid illegal street parking?”

For clarification, parking on the street is allowed under the terms of Town of Truckee Ordinance Section 10.17.035. It is likely that staff will need to limit daily ticket sales during construction and are able to do that through online ticket sales as was done during the 2020/21 COVID-19-impacted season.

Staff are prepared to implement the potential use of shuttles as necessary as has been done in the past.

24. “Why hasn’t Tahoe Donner completed regrading of Mile Run at the same time, and why has installation of snowmaking for the Eagle Rock Chairlift been further delayed?”

Based on member feedback and direction from the board, the association is accelerating the snowmaking project to Eagle Rock, which is scheduled to go under construction at the same time as the downhill ski lodge.

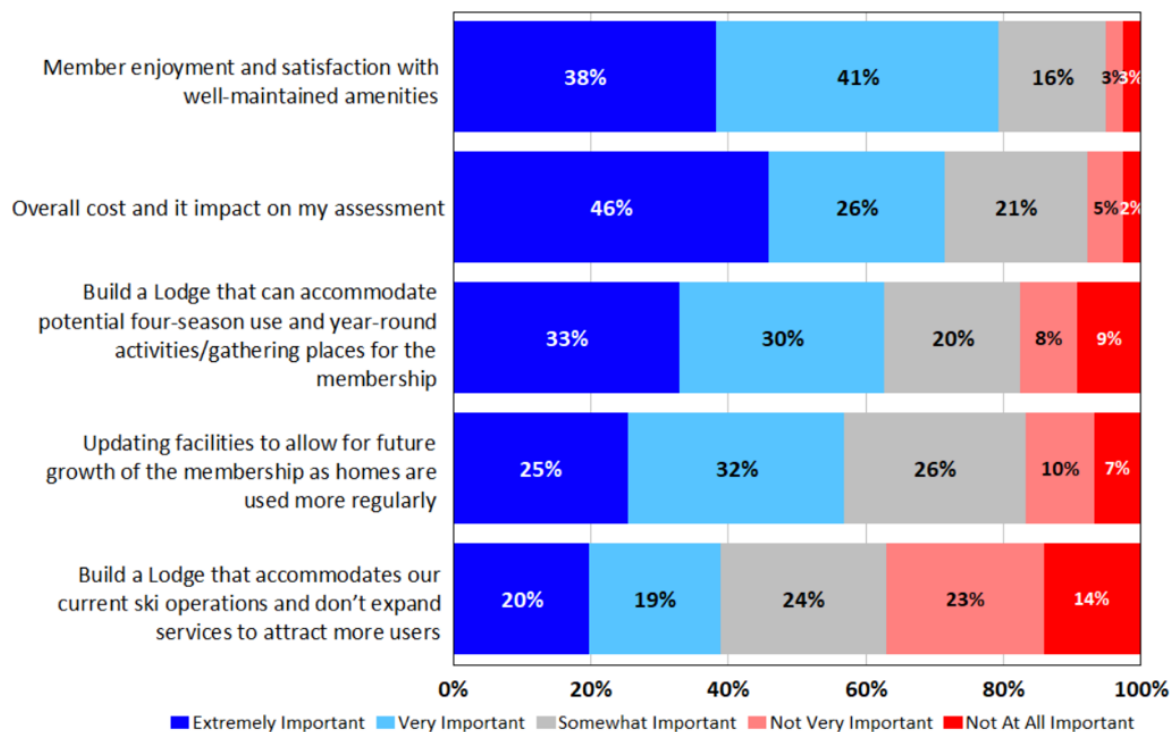
Solving the environmental impact and permitting challenges of the Mile Run regrading project has been underestimated. Based on its complexity, this project has been pushed out several years, but it is contemplated in the 10-year capital plan.

25. “If this is about member enjoyment, why not spend less money on the lodge and finish one or both projects [concerning regrading Mile Run and installing snowmaking for the Eagle Rock Chairlift] that more directly benefits skiers?”

Based on the condition of the existing facility and information provided by the professional consultants the association has hired, the number one priority at the Downhill Ski Resort is to rebuild the lodge. Additionally, as it has been acknowledged by the board, the lodge needs to be replaced. Member enjoyment and satisfaction in well-maintained amenities is highly valued, as shown in the 2021 ski lodge survey question below.

Q9. Importance of Various Aspects of the Ski Lodge Design Decision Making Process

by percentage of respondents



Source: ETC Institute (2021)

26. “We talk about ski lockers. Well, I taught there for four or five years, and it was common for people to share lockers because the predominance of the instructors were part-time. In addition, the predominance of the instructors at the Downhill Ski are not certified by any known organization, and that is because they’re J-1s and they’re just taught when they get to Tahoe Donner.”

It is necessary for employees to have a place to store both their work and personal belongings in a safe location. Since most ski areas also consider this a fundamental provision for their ski school employees and other staff members, it was identified as a need for Tahoe Donner’s ski school in the needs analysis.

While ski instructor certification does not correlate with updating the ski lodge, to clarify for the membership, over the past four seasons, Tahoe Donner has averaged 29 certified instructors on the ski school team with three of those 29 being Level 3 instructors. J-1 staff members supplement all the ski area’s departments, so in any given year, about 15-25 are in ski school.

To be clear, Tahoe Donner staff and the board are proud of the positive contributions that seasonal J-1 employees have and will continue to have on the overall member and guest experience. Tahoe Donner aims to treat all employees, whether J-1 or domestic, with dignity and respect and to offer them fair compensation and appropriate working conditions. Having a safe and professional work environment is fundamental for all employees.

27. “We’re talking about Food and Beverage and spending \$750,000 to \$1 million. It’s never made any money. What makes us think that we’re now going to make money or even break even?”

Net Operating Result (NOR) is a standard Tahoe Donner measure of amenity or business unit operational performance. It is defined as direct revenues less direct expenses and before any capital charge. Looking at the yearly operating results from 2011 to 2020, the average NOR for the winter Food and Beverage Department at the Downhill Ski Resort was \$49,530. In all but the two drought years of 2014 and 2015 (prior to snowmaking), the operation had a positive NOR.

28. “I believe I heard BSA architect John say that the seating capacity would allow for 906 people to be served with the turn of three. However, when I look back at some of the previous studies in 2020 and 2018, I see we served 1,287, so I do need an explanation how we’re currently serving more than in the plan for the \$23 million.”

Staff believe the 1,287 number the speaker is referring to concerns daily ticket sales, not the number of people served in the cafeteria. The seating quantity in the current cafeteria is 150. With three turns, the capacity is 450. It is estimated that the current facility is not providing satisfactory food capabilities for over 800 skiers on a 1,287-skier-visit day.

Recent survey data from the membership concluded that this area was the most desired for expansion. The new facility will address this.

29. “I’m wondering if we have considered online ordering and payment with simply a pickup in-house. I also wonder about for some of the phone calls – I understand they take a long time, 15 minutes, maybe – most companies now, especially since the pandemic, we’re all working from home and doing that actually either better or the same and with higher customer satisfaction.”

The Downhill Ski Resort currently utilizes online ticketing. The association is looking to consolidate ticket office personnel with Member Services personnel for this upcoming season and will continue to consolidate personnel in the new facility as space adjacencies will allow for more staff efficiencies.

30. “I was wondering why don’t we just close down the ski hill and build the lodge kind of the way that the golf course was done?”

The association can still provide a ski product for the membership to enjoy while the lodge is under construction. As a reminder, the golf course was closed since all 18 greens were being replaced. The fairways and greens are necessary to provide a product. Staff are confident they

can operate the ski hill during the construction season and still produce a positive NOR while utilizing temporary facilities.

31. “Realistically speaking, if you look at 10 years of Tahoe Donner operating history, your revenue grew, but your expenses grew even more. So, one would have to think that you would actually lose more money on higher revenue because this is how Tahoe Donner has operated. I have not seen the management team operate towards any profit in most of the operations.”

Over the last 11 years, revenue has increased at a higher rate than operating expenses for the Downhill Ski Resort. Net operating results for the last 11 years indicate that:

- From 2009 through 2019 (the last non-COVID-19-impacted year), revenues have gone from \$2.107 million to \$4.573 million, an increase of \$2.466 million or 117%.
- During that same period, operating expenses went from \$1.583 million to \$2.872 million, an increase of \$1.289 million or 81%.

32. “How many full-day lessons do we do for children versus half-day lessons? Because in my experience as both a parent and grandparent, usually a half-day lesson the kids would prefer to eat with their parents rather than separately in an area. So that may be an area that we may be able to cut back some of our costs on for building a separate area for children to eat.”

Industry standard shows the majority of parents prefer to drop off their children and leave them for the day; this also creates a better learning experience for the child. This was evidenced by the response to product-offering modifications over the last few years when the Downhill Ski Resort added all-day child lesson products and regularly sold out of these products. The 2019 data indicated that about half of all kids group lessons were all-day lessons. The association anticipates a conversion to 80% of all kids group lessons being all-day lessons given the number of all-day lesson requests that currently are not filled. Staff will achieve this by utilizing the added flexible space (kids ski school) in the building.

33. “The lifts are already at capacity here – are we going to have the management group here say we need to start building high-speed lifts so we can handle more skiers on the mountain?”

Even though this is not a specific question, this topic continues to come up. To be clear, there is excess capacity on the mountain, and slope capacity and lift capacity exceed current and proposed lodge capacity as detailed in the 2018 Ecosign report.

34. “I mostly think about the capacity of the hill, not the capacity of the lodge.”

Please see question 33.

35. “I really think the elephant in the room is the overall size of the facility, and I really think we need to go back and equate it to the capacity of the hill.”

Please see question 33.

36. “There’s two undersized chairlifts and a very short run on the ski hills – we’ve really grossly oversized this facility.”

The capacity of the chairlift exceeds the capacity of the proposed lodge. Tahoe Donner is designing the facility to meet the current user demand.

DESIGN

37. “I thought BSA did a good job describing a Range Rover-type facility that is 90% bigger than what we have today.”

Regardless of what type of vehicle one was to compare the proposed lodge to, there are fundamental items that the replacement lodge needs to have. In addition to improving member enjoyment, this lodge is being replaced to mitigate risk. No high-end finishes or embellishments will be added as BSA takes a modest approach to this design in order to accommodate ADA and California Building Code regulations, enhance ski school space and size the building correctly for current skier volume. Three different professional consultants have validated those needs, and the result is the 27,910-square-foot 15% design presented by BSA. Importantly, roughly half of the increase in the size of the new lodge (up to 22,000 square feet) is just to make it ADA and California Building Code compliant and functionally equivalent to what the association has now as well as bring the ski school space (yurt) into the building. A 22,000-square-foot lodge would not address severe overcrowding on the ski area’s 40 busiest days and would still deliver a poor overall visitor experience.

38. “What I don’t understand is the yurt still has 10-15 more years, and basically, we’re saying we’re going to replace it at a cost of \$2 million when it has the life of 10-15 years. I would like to know who really has said that that was necessary and why we want to write off the yurt that still has a very useful life.”

The yurt was built in 2014 as a temporary structure with an established 15-year life, though various components of this structure, like the exterior canvas, need to be replaced before then. The yurt is a non-conditioned tent space without running water, a bathroom or a kitchen. It is situated in the Downhill Ski Resort’s limited, prime beginner terrain, so including this space in the lodge would open up the beginner area and allow Tahoe Donner to enhance the lesson programs. Not only would it enhance the ski school experience, but it would comply with ADA challenges.

39. “I’m curious about lockers – when you looked at the smaller version or had fewer lockers, what about outdoor lockers? Is something like that possible?”

Outdoor lockers are possible, and it is likely there will be lockers outdoors in the drop-off area.

40. “I’m really curious: did the board give priorities or must-haves to BSA when we looked at smaller size options?”

The direction the board gave was to develop a new lodge as efficiently as possible to meet the association’s needs based on a rigorous outreach process involving focus groups, surveys, member comments, staff experiences and more. The association was interested in BSA’s input

on a smaller lodge option that still provided a level of functionality. In the last workshop, the impacts of that downsizing were itemized.

41. “There’s a rather large bar area that is included in this design and that would be only used most probably from about 3-4 or 5 [p.m.] – two hours per ski day for a certain number of people. So perhaps we should not be encouraging the consumption of alcohol on the premises and driving afterwards. There’s insurance issues that are there for that.”

In Tahoe Donner’s community survey, membership attendees who had been to the ski area shared that the bar was the third most popular response to “What areas of the downhill ski lodge that should be considered for expansion,” behind an indoor eating area and grill and food service area. 58% of the responders indicated that the bar area should be expanded.

42. “On the various presentation, I did not see exactly where first aid is located, and how you would access first aid from the slope.”

The ski patrol room is located on the first floor of the facility. Ski patrollers transporting patients to first aid would come down the south side of the building. This design is deliberate, as it allows emergency response vehicles to back into the loading dock area in the event of a patient transport.

43. “And certainly, we have less parking available too than we used to in the past years because we’re not allowed to park on both sides of Snowpeak as I understand.”

This is an incorrect statement. The Downhill Ski Resort has had the same amount of parking area since 2012 after the association added a fourth tiered lot. The Town of Truckee does not allow the association to use both sides of Snowpeak Way or Slalom Way.

44. “The architect says the comparables are Alpine Meadows, Sugar Bowl, Diamond Peak, Mt. Rose. That’s not Tahoe Donner. Those are corporate ski resorts; we are a small – granted 6,000 plus units – private ski resort for the residents...”

The Downhill Ski Resort is not a private ski resort. The association is building this lodge for the membership, their guests and the public. Tahoe Donner has a long history of opening its ski area to the public through selling excess capacity to improve the overall financial results of the operation. While the comparables are all the ski areas in the Truckee/Tahoe region, Tahoe Donner has a unique demographic since skiers are largely families and adults interested in friendly terrain. The lodge is being built to meet current skier volume.

The ski areas listed above all have multiple facilities serving their skiers. The association is building one facility that includes all mountain operations.

45. “I hadn’t really heard anything about all-year use of the facility.”

The association’s priority is replacing the lodge for ski-season use. Potential off-season use is not influencing the design or sizing of the project. It has only been noted that the building could accommodate off-season use if the association decided to move in that direction. In Tahoe Donner survey results and focus groups, it was simply shown that members were interested in non-ski-season programming.

46. “In that presentation, Jon, was it you talking about the number of turns in the cafeteria? That we were well below the three-industry average or standard. And I was just wondering if a larger kitchen is going to change that, and how do you turn those tables over?”

Larger dining space (cafeteria space) will increase the percentage of tables that are being used for their intended purpose – dining. Due to the nature of Tahoe Donner’s family clientele, some tables still won’t turn over as frequently. The proposed kitchen space includes an area where customers select and purchase food, food service area, prep kitchen, storage, office space, dishwashing area and necessary refrigeration space to support the increase in seats.

47. “And I feel as though we’re building larger lockers, larger bathrooms, larger cafeteria for the public, and I don’t think we need it.”

The current lodge was built 50 years ago when the capacities and building requirements were much different. In addition to member enjoyment, the locker area is being designed for current industry standards, bathrooms are being designed per California Building Code and ADA requirements and the cafeteria is being designed to support current user volumes.

48. “I think the ADA issues not only affect the bathrooms but, once we become ADA and public compliant, you also have to make your programs ADA compliant... Do you expect us to pay for lifts for the wheelchair crowd to ski our little hill?”

The lifts are ADA compliant as is required by Cal/OSHA, and the ski area is inspected twice a year – once prior to the operation opening and once during the season. There would be no additional cost associated with ADA compliance outside of the facility.

While it is a regulatory mandate, the association believes it is the right thing to do to accommodate disabled members, guests and public who utilize this ski lodge.

49. “I think you really need to look at the whole situation and I think it’s nice to do more, but we already have an ADA compliant bathroom.”

The current lodge does not have public restrooms that comply with the current ADA code.

50. “The seating for indoor food needs, I believe if I didn’t misunderstand the presentation, was that that was three times through to get 906 but there was no inclusion of the outdoor seating. And so, I think they need to relook at the factors there in order to come up with a relative reduction in indoor seating because we should take care of the outdoor seating from a circulation standpoint.”

It is clear that the current capacity of 150 seats indoors is insufficient. The professional recommendation has been 300 seats in the dining area; the 27,910-square-foot lodge provides 266 seats in the dining area with the remaining number in the flexible space (kids ski school). 266 seats indoors along with outdoor dining will be sufficient.

51. “At the drive-up and drop-off zone, there should be an outside ski ticket window so that the patrons that need just the ski ticket can walk straight up those stairs and right out on to the lift and not have to drop their equipment and go into the building.”

The Downhill Ski Resort does intend to have self-serve kiosks in the drop-off area or just inside, depending on the level of weather resistance available.

52. “On level three, there’s not enough restrooms. Keep in mind that the downstairs restrooms are great when you first arrive in the morning or when you’re leaving in the evening, but mid-day you’re going to be in the lodge and everyone’s going to have to go downstairs to go to the restroom.”

There are restrooms on level three; in consideration of competing space requirements, the opportunity for the largest set of restrooms is on the second floor. Restroom capacity on the uppermost floor will double in the 27,910-square-foot lodge design compared to existing conditions.

53. “The deck in the southeast corner should be expanded so that the deck daylights. There was a slope there that wasn’t taken advantage of.”

The design team considered this; however, based on building constraints on the southeast side of the building, lot space is limited. The association needs to leave space for ski patrol access and member access for those who want to ski down to their cars.

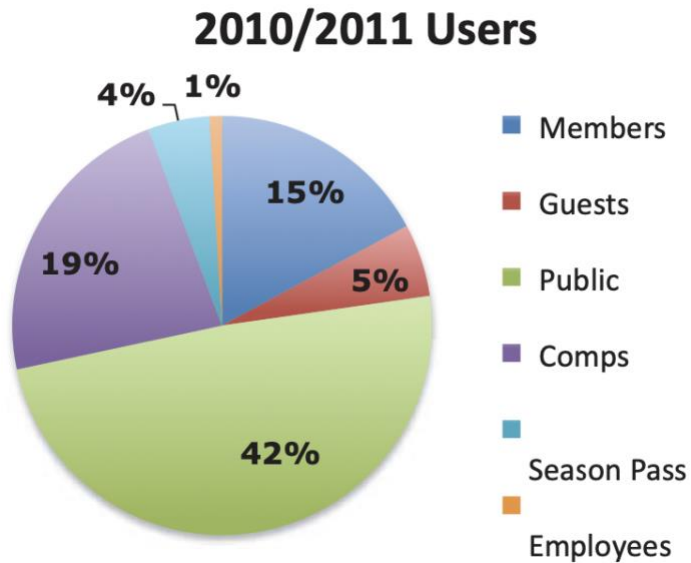
54. “The saddles in the roof to retain 30-40 feet of snow in our best years is a really poor design.”

The building is being designed to contain and safely control snowshed, ice and stormwater runoff through an internal drainage system with external overflow capabilities. Snow loads are being incorporated into engineering and design. This design feature was developed for ski lodges and has been tested across the world to alleviate serious situational and operational problems seen today.

USAGE

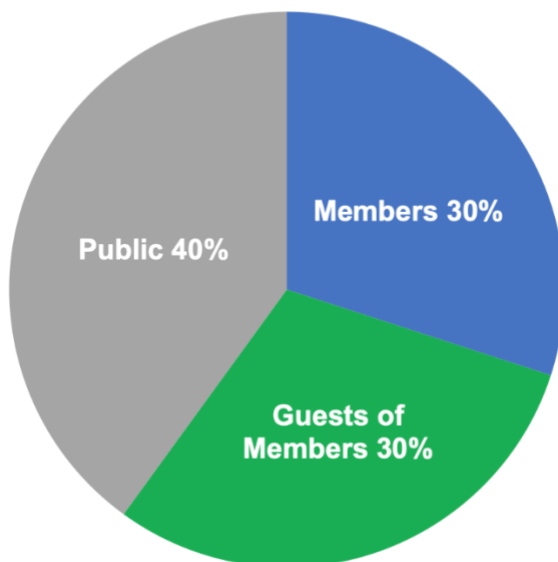
55. “It seems like the proportion of members and guests versus the public were switched. And the earlier studies 2020/2018, it was roughly 32% members and guests, 68% public, but what I saw on the management deck, it was 40% public and 60% members and guests. So I don’t understand that.”

Analyzing the data over the past 10 years, the volume of public visitors has not significantly changed. Prior to 2019, staff did not have a breakdown of all the different users. The only “guest” product sold at the ski area was an all-day adult lift ticket, and all lesson packages were sold as “public.” The assumed breakdown at that time, first created in September 2013, is shown below; note that “comps” included all users 6 and under; 6 and under are no longer complimentary:



Prior to the 2018/19 winter season, the board directed staff to create member, guest and public products for every skier product sold at the ski area so the association would be able to track this split accurately. That is when updated data was collected concerning the accurate percentages of member, guest and public visitors illustrated in the chart below:

DOWNHILL VISITS BY USERS



56. "I would like to understand why BSA said that Tahoe Donner ski lodge often has over 10,000 ski days because, according to your report that was published in January of 2020, among the 19 busiest days, you only exceeded 900 capacity nine days of the busiest days and seven days over 1,000 on the busiest days... And given the fact that your average skiers per

year is 440,000 skiers, and divide that by 120, it seems to be your average ski days is less than 400. It does seem like you are designing a lodge for Easter Sunday.”

Staff are unable to validate the numbers from this speaker’s question. The first documented version of usage data was presented to the board on February 22, 2020. It showed the ski area on average exceeding 900 skiers a day for 13 days a season and exceeding 1,000 skiers a day for 10 days a season. Data in the presentation shared by staff and the task force at the September 8, 2021 board workshop is slightly different than those statistics. Staff incorporated the 2019/20 season to show the most recent data as well as identify usage patterns for the last five years with snowmaking. Staff also updated the table to reflect the actual lodge capacities based on the most current designs. Including the 2019/20 season, the five-year average with snowmaking shows the ski area exceeding a 906-skier day 14 times and exceeding a 1,000-skier day 10 times (please note: the association does not show the number of 1,000-skier days in the current table because it is no longer the design capacity; 906 is the proposed design capacity). The table below and slide 10 of staff’s September 8 presentation show how many days the Downhill Ski Resort is over capacity with its current lodge and the most current designs.

DOWNHILL SKIER VISITS SUMMARY

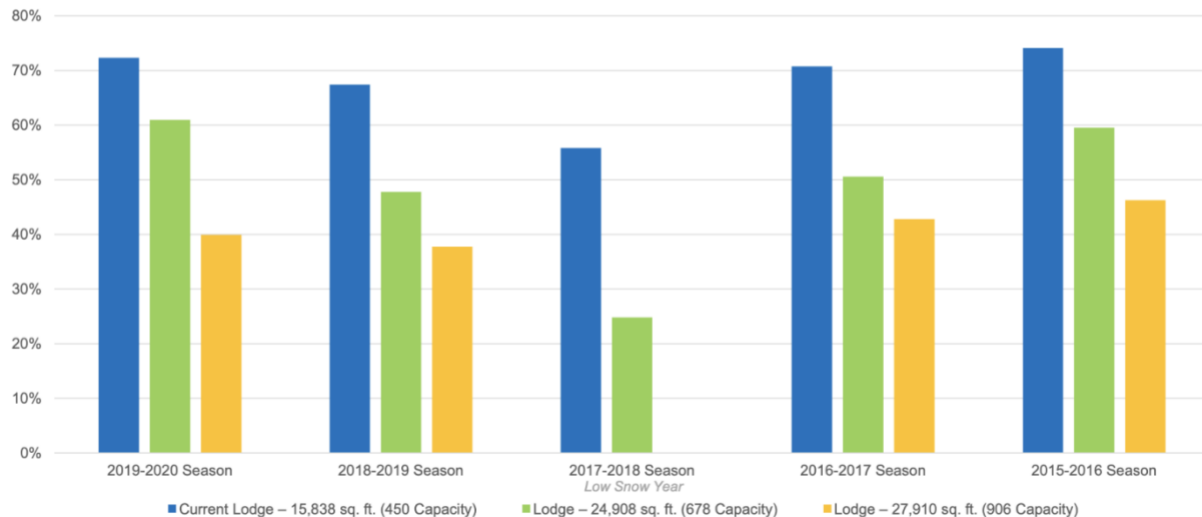
	Number of Days Over Building Capacities			Total Skiers Per Season
	Current Lodge – 15,838 sq. ft. (450 Capacity)	Lodge – 24,908 sq. ft. (678 Capacity)	Lodge – 27,910 sq. ft. (906 Capacity)	
2019-2020 Season*	32	24	13	39,655
2018-2019 Season*	38	22	16	47,292
2017-2018 Season* (Low Snow Year)	31	11	0	34,462
2016-2017 Season*	43	24	20	51,271
2015-2016 Season*	44	29	20	55,154
2014-2015 Season	8	6	1	9,177
2013-2014 Season	1	0	0	3,961
2012-2013 Season	38	28	20	48,151
2011-2012 Season	12	4	2	22,215
2010-2011 Season	43	30	19	59,239
2009-2010 Season	50	35	25	60,849
2008-2009 Season	36	26	18	49,931
Average All Seasons	31	20	13	
Average with Snowmaking	36	22	14	44,223

*Snowmaking capabilities at Downhill Ski Resort

Industry standard is to design for the tenth busiest day, which would be the 1,000-skier day threshold in the case of the Downhill Ski Resort. The association is not pursuing that because it is trying to be as efficient as possible with building space to keep the size and cost down.

Data below illustrates the importance of considering the number of skiers impacted on busiest days, as it is a far greater percentage of skiers than those impacted when looking at averages. For example, 44,000 skiers during a 120-day ski season are 366 skiers a day, which would mean 0% of skiers are impacted by the size of the current lodge. This graph shows that four out of the last five years over 70% of annual skier visits were impacted by the current lodge, as these visits were concentrated on weekends and holidays.

PERCENTAGE OF SKIERS IMPACTED BY BUILDING CAPACITIES



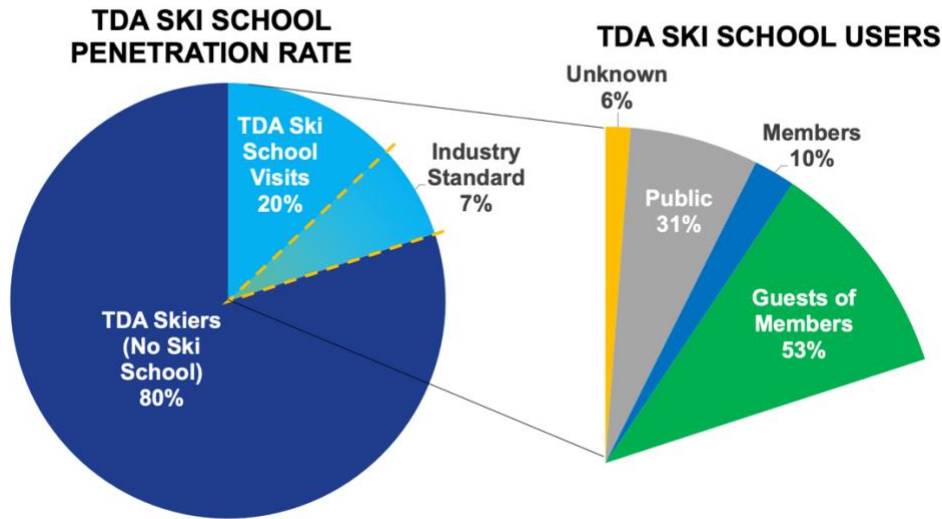
57. “The ski hill has about 120 days a year. One third of the year. There are 19 days (Christmas, MLK, President’s Week) that get busy along with everything else. That means 346 days a year, it’s not busy. And on average, given the numbers that I saw from 440,000 skiers, we average about 3-400 a day.”

Please see the response to question 56.

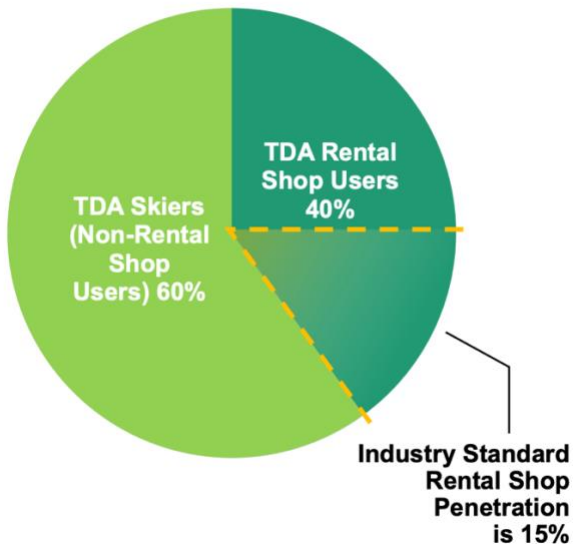
58. “Who are we building this for? Charles Wu, I think you brought up the best points I heard, which is what are the comparables?”

The association is building this lodge for its existing customer base, which is 60% members and guests. Their needs are unique relative to the other ski areas in the area. Rental and lesson penetration rates at the Downhill Ski Resort far exceed other ski areas. This means Tahoe Donner requires a larger fleet of rental equipment and a large ski school instructor team.

SKI SCHOOL VISITATION



TDA RENTAL SHOP PENETRATION



59. "I think the lodge itself is designed well and I think the team has done a great job putting everything together, but when you have less than 7% of the owners actually using it and then to expect us to pay for it, it seems a little backwards. So, I would just really question why or would want to understand why there is a push to spend +\$20 million for something that really no one in the mass – the majority of owners are not using."

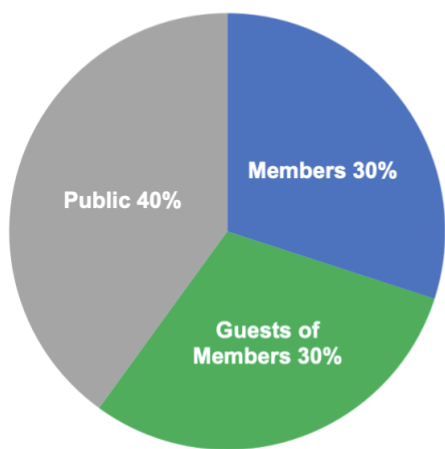
Staff are unable to validate the numbers from this speaker in this statement. In the past five years, 64.9% of Tahoe Donner properties (or 4,203 of 6,473) purchased a Downhill Ski Resort product.

60. “I think we’re building this for the public because those user numbers or ratios seemed to have changed also. But the majority of users has always been the public.”

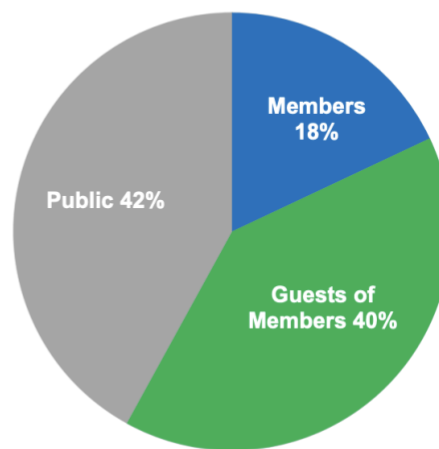
In 2019, when staff were able to track each user type as a result of having member, guest and public products for each product offering, the ski area experienced a member, guest and public split of 30%, 30% and 40% respectively, as shown below and on slide 7 of staff’s September 8 presentation.

VISITS + REVENUE SOURCES

DOWNHILL VISITS BY USERS



DOWNHILL REVENUE BY USERS



The member/guest/public ratios have only changed when staff received additional user information as shown in question 55.

61. “On the usage data, I think it’s really important to understand who the guests are, because the guests also include mostly short-term renters. Do we view them the same as the members?”

Staff do not have data to suggest that guests are “mostly short-term renters.” Guests pay more than members to use the ski hill, and the public pays higher still. C&Rs allow the association to sell excess capacity, and the public contributes 42% of revenue. Public and guest participation is controlled through surge pricing.

62. “I fully support STRs making money and it’s their homes – they have a right to do whatever they want – but should the members have to pay for 40% of downhill member users who are not actually members?”

Guests are treated the same whether they are accompanied or unaccompanied at the ski area. In either case, they pay the guest fee for whatever product or service they are purchasing. Association data shows that the Downhill Ski Resort users are made up of 30% members, 30% guests and 40% public; members and their guests represent a majority of ski users at approximately 60%. Members do not pay for guests; guests pay for guests. Staff do not have

reliable data to determine whether guests or public fall under the category of short-term renters. Guests and the public do pay a premium relative to members to ski at the Downhill Ski Resort.

63. “Does [staff] have off the top of [their] head an answer to what the actual safe skiing number is on the ski hill in terms of, you know, elbow to elbow and lift lines? Where do you stop bringing people in?”

There is excess capacity on the hill as compared to the lodge. Limits are based on parking. When parking lots fill, staff begin limiting ticket sales (staff are not trying to increase the capacity of the hill). The association typically stops selling day tickets to guests and public when the parking lot is full.

64. “Has staff already, or will we be analyzing a business model for additional uses outside of this ski season for this lodge?”

The association's priority is replacing the lodge for ski-season use. Potential off-season use is not influencing the design and sizing of the project; it is only noted that the building could accommodate off-season usage if the association decided to move in that direction. Three off-season ideas were modeled based on ideas generated by the membership survey and focus groups conducted in late 2020, and no decision has been made to pursue them.