



DOWNHILL SKI LODGE REPLACEMENT PROJECT SIZE + COST COMPARISONS

April 23, 2022



TAHOE DONNER™



OBJECTIVE

The Board of Directors will provide direction to the staff to proceed with design and construction for one of the following:

- **Option B**, with a lodge size of approximately 18,328 square feet with a total cost not to exceed approximately \$20,578,579;
- **Option C**, with a lodge size of approximately 20,908 square feet with a total cost not to exceed approximately \$21,969,249;
- **Option D**, with a lodge size of approximately 24,490 square feet with a total cost not to exceed approximately \$23,419,661;
- Board to provide an alternative motion on how to proceed with the Downhill Ski Lodge

RECAP

Based on member feedback, the Board directed staff to present five building scenarios.

After receiving the five scenarios at the April 4 meeting, the Board opted to removed option A (\$18M all-in cap) and Option E (largest building at 27,990sqft) and requested some additional information.

Today we will review

- **Option B:** Functionally Equivalent + Code Compliant at approximately 18,328 square feet
- **Option C:** Functionally Equivalent + Code Compliant + Ski School at approximately 20,908 square feet
- **Option D:** 24,490 square feet lodge with added member experience benefits



SUMMARY

After extensive evaluation of three scenarios, the following conclusions can be made

- **Option D**
 - While the largest and most expensive to build, has the fastest ROI (11 years) due to increased revenue potential
 - Addresses most deficiencies identified in member survey and focus groups
 - Provides the space for potential off-season use including increased summer camps
 - Scenario D is further in the design process and would allow for construction to begin in 2023, while the other scenarios will begin in 2024
- **Option C**
 - Functionally equivalent to current lodge regarding size (120 Food + Beverage seats in current building and this scenario); does not address current operational deficiencies
 - Allows the operation to continue in its current state while also bringing ski school into the building
 - All-in cost savings of \$1.45M from Option D
- **Option B**
 - The smallest and least expensive to build
 - Functionally equivalent to current lodge regarding size (120 Food + Beverage seats in current building and this scenario); ski school would stay in the yurt and would not allow for program expansion
 - Options B and C have the same ROI, 12 years



TODAY'S PRESENTATION

- Summary/Recap of Previous Presentation
- Definitions
- About Ski School and Department Net Operation Results
- Off-season uses
- Scenarios
 - Functionally Equivalent + Code Compliant
 - Functionally Equivalent + Code Compliant + Ski School
 - 24,490sqft
- Two-story vs Three-story building/setback
- Comparisons by Area and Costs
- Seating Chart and Space Comparison
- Post Fund Development Balance After Project
- Annual Assessment Projections
- Schedule

DEFINITIONS

- **Functionally Equivalent:** Building to have the same programmatic space it currently has, including, but not limited to, same number of bathrooms, same rental space, same dining space, etc.
- **Code Compliant:** Space required to be added to the existing facility to meet current building codes that the current facility does not meet, including, but not limited to, elevator, ADA compliance, updated California Building Codes and improved circulation and fire safety requirements.
- **Projected Budget** – “All-in” costs that are compiled from:
 - **Soft Costs:** Costs necessary for planning, design, permitting and construction management.
 - **Construction Costs:** Costs to build the project, including demolition, site prep and construction.
 - **Contingency:** Money set aside for unforeseen conditions; full contingency may or may not be spent based conditions.
 - **Inflation:** Construction costs are in today's dollars. Inflation at 4.9% is added to the construction costs for a 2023 construction. For project scenarios being constructed in 2024, an additional 4.5% is added.





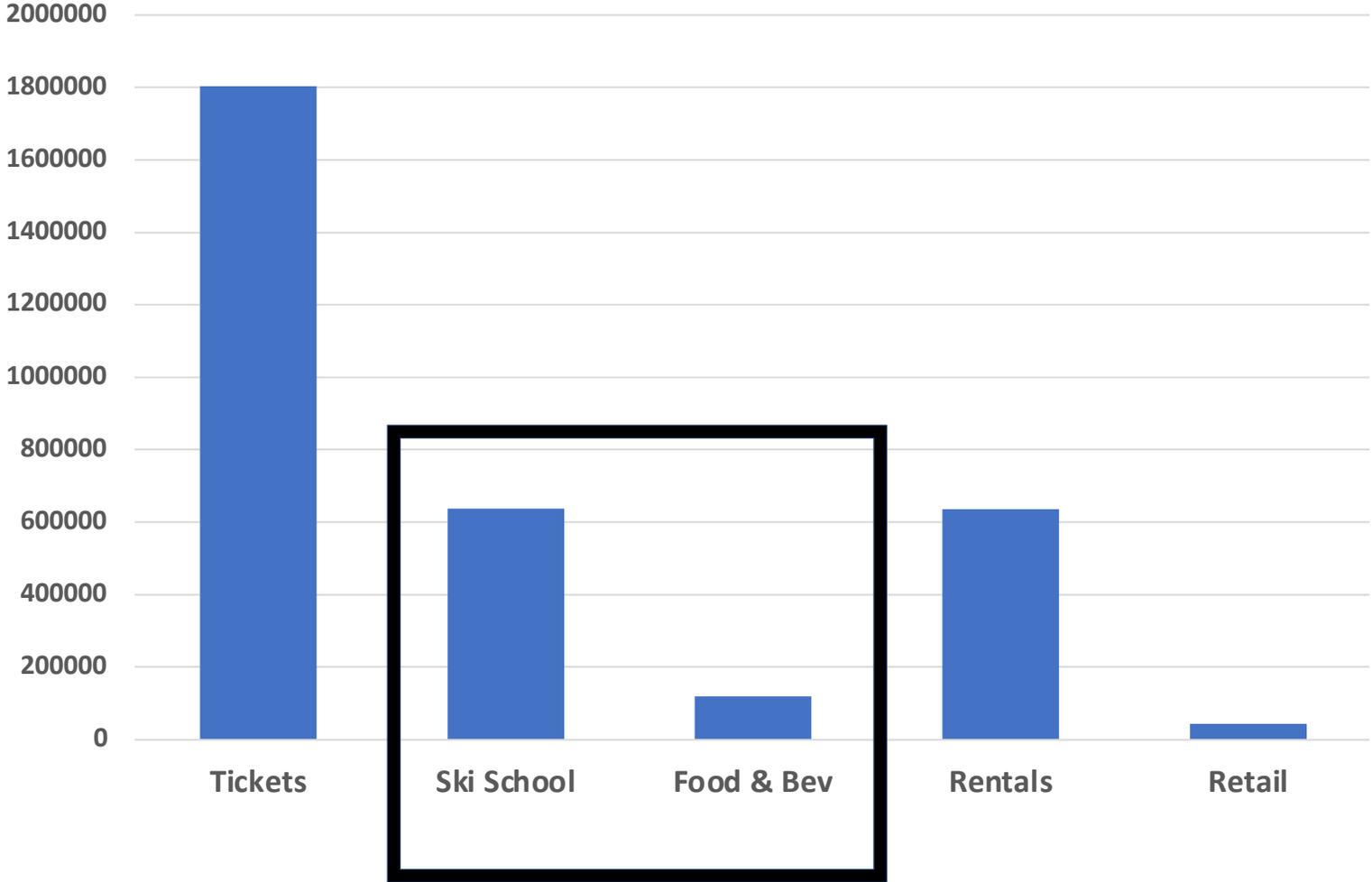
DEFINITIONS CONTINUED

- **Net Benefit to Owner:** Members' annual benefit to the Assessment from the net operating result.
- **Needs Analysis:** Study conducted by third-party professionals to evaluate space allocations (needs).
- **Capital Charge:** That portion of the Annual Assessment's contribution to funding the Replacement Reserve Fund allocable to a particular physical asset.
- **NOR Before Overhead and Capital Charge:** Direct revenue less direct costs, not including overhead or capital charge.
- **Return on Investment (ROI):**
 - Total number of years it takes the annual net operating result to cover the all-in project costs.
 - Calculated as cost per owner of the project divided by annual operating net benefit to owner.

UNDERSTANDING TAHOE DONNER SKI SCHOOL + LEARNING PROGRAMS



DOWNHILL SKI NET OPERATING RESULTS BY DEPARTMENT



Key Takeaway

While Ski School did not rank as a high priority in the member survey, fiscally, it is an integral function of the ski resort operation, contributing to all other revenue departments and providing a core service as "the best place to begin"

While Food + Beverage does not produce as much net operating result, it is important to the membership and overall experience

REVENUE + PROGRAM SUMMARY

Ski and snowboard school is an integral part of the Downhill Ski Resort operation, which is known as “The Best Place to Begin.” Ski school generated \$2M in direct and indirect revenue (2019)

- In addition to \$1.2M direct revenue, ski school drives \$810,000 revenues in the following departments

- Food & Beverage: Revenue received from each lesson package – estimated \$95,000 in revenue
- Rentals: Revenue received from each lesson package – estimated \$236,000 in revenue
- Retail: Revenue received from add-on sales – estimated \$38,000 in revenue
- Tickets: Estimated \$439,000 in revenue

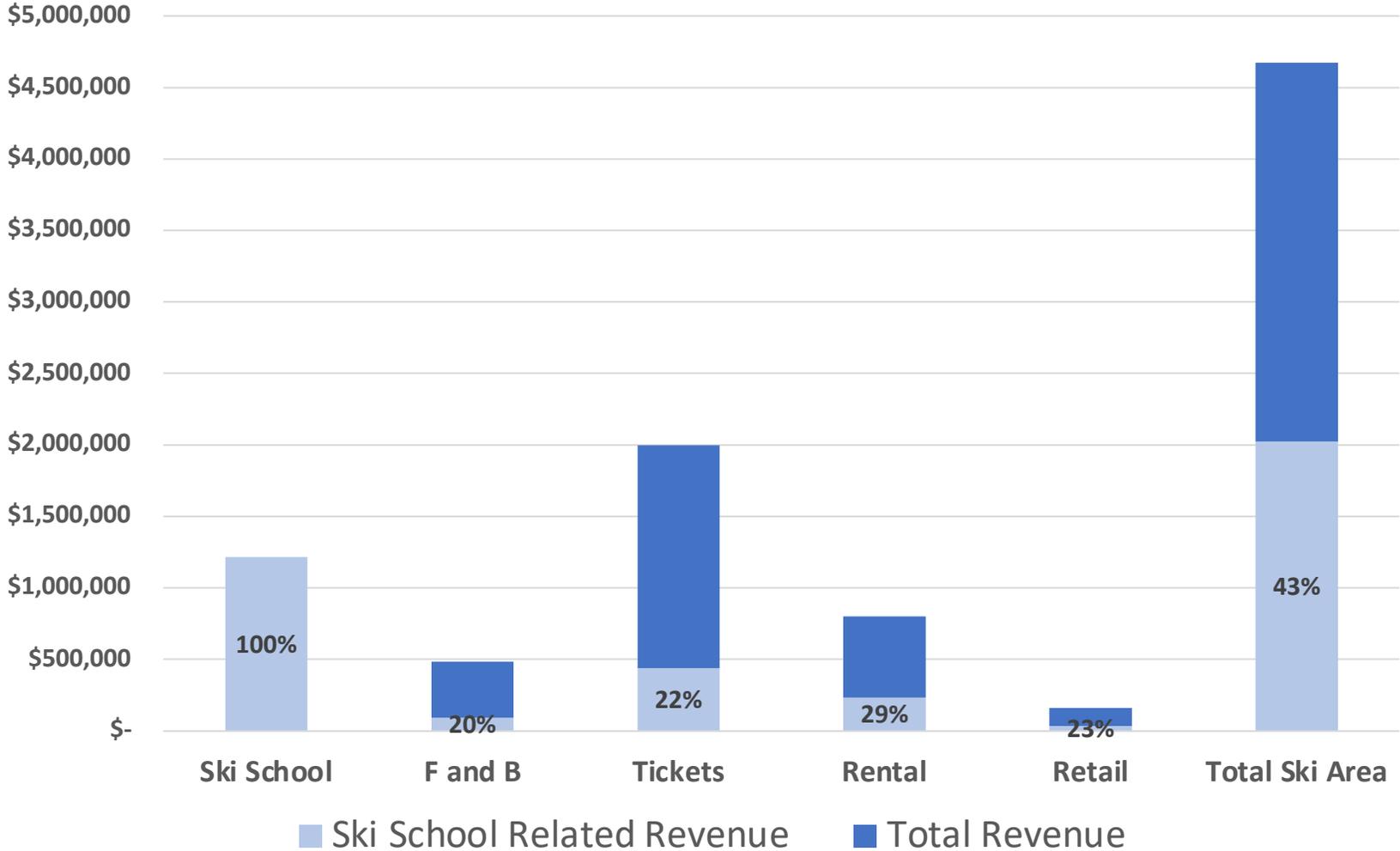
- Current ski school products include

- All-day and half day ski and snowboard school ages 5-12
- 1.5-hour Mini Snowflakes ages 3-4 (length not increased in future building)
- Adult Lessons
- Private Lessons (6 hours, 3 hours, 1 hour)
- Children and Senior Programs

- Approximately 9,000-10,000 skiers utilize the ski and snowboard school services each season

* 2021/22 ski season usage tracking with 2019

SKI SCHOOL CONTRIBUTIONS TO SKI AREA REVENUE



Key Takeaway
Ski school contributes over 40% of all ski area revenue.

BENEFITS TO INCORPORATING SKI SCHOOL INSIDE THE BUILDING

Scenarios C and D

- Creates a space that is code compliant for winter and summer activities – HVAC, running water, proper restrooms, ADA access, etc
- Improve safety and security for student drop-off and pick-up
- Increase efficiency of ski school operations
- Bring the program facility up to industry standards and on par with other competing programs in the region
- Permanently replace the temporary structure
- Provide additional space for summer camps and flexibility for a variety of potential member uses
- Increase revenue with full-day offerings for select age groups
- Allow ski school to expand and evolve with the changing needs of the community



OFF-SEASON USES

CURRENT

- Summer Kids Camps (88 kids per week or 70% of all camps)
- Summer Forestry defensible space offices

POTENTIAL OFF SEASON USES*

- Expanded camps (with scenario C and additional potential with scenario D)
- A flexible space that could accommodate member and club meetings
- The base camp for additional member activities that could include connected trail access, evening food and beverage option, an adventure course, beginner mountain bike park, etc.

** Additional off-season uses would require additional studies, member outreach and a potentially a use permit amendment from the Town of Truckee.*

BUILDING SCENARIOS

TAHOE DONNER
DOWNHILL SKI LODGE

LEGEND

GUEST SERVICES AND RETAIL

RENTALS AND LOCKERS

SKI SCHOOL

FOOD AND BEVERAGE

RESTROOMS

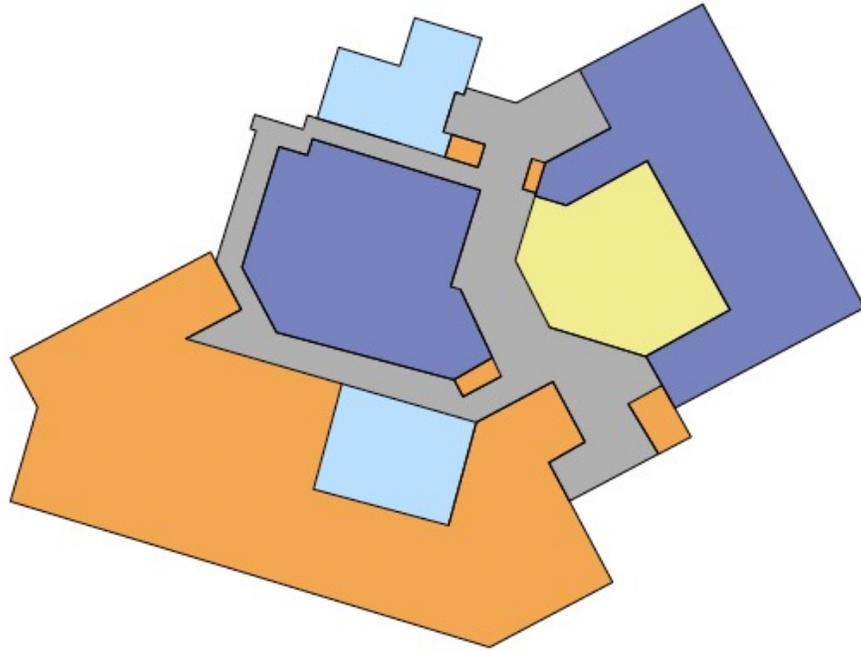
OPERATIONAL SPACE

CIRCULATION & MECHANICAL SPACE

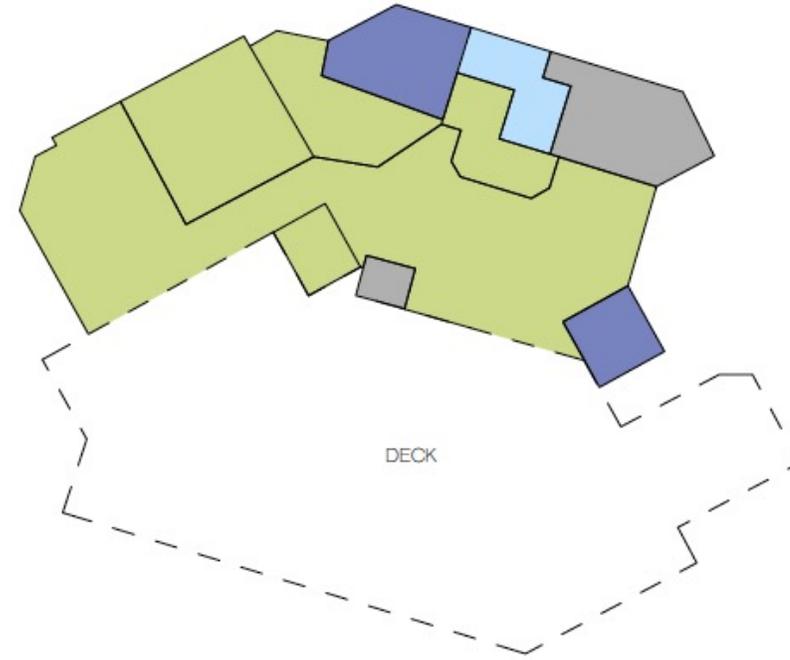
DECK



EXISTING SKI LODGE



LEVEL 1



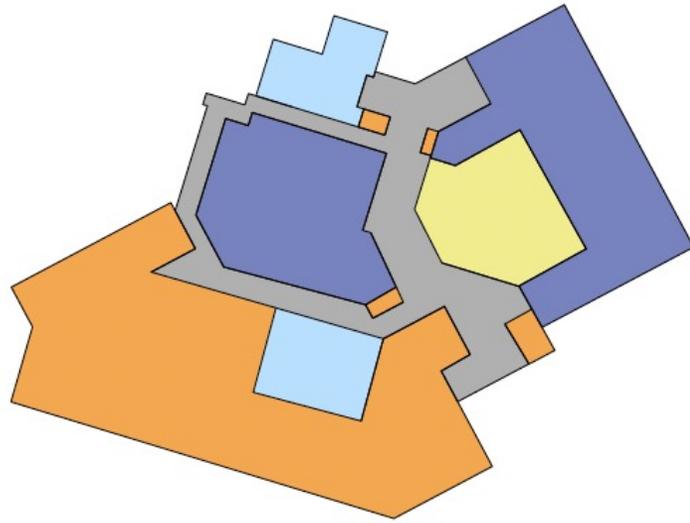
LEVEL 2

AREA AND PROGRAM SUMMARY		
CATEGORY / LEGEND	AREA (sqft)	CHANGE FROM CURRENT LODGE
GUEST SERVICES AND RETAIL	856	
RENTALS AND LOCKERS	3220	
SKI SCHOOL	0	
FOOD AND BEVERAGE	4229	
RESTROOMS	995	
OPERATIONAL SPACE	3548	
CIRCULATION & MECHANICAL SPACE	2280	
DECK	5065	
TOTAL BUILDING AREA (EXCL. DECK)	15,128	0

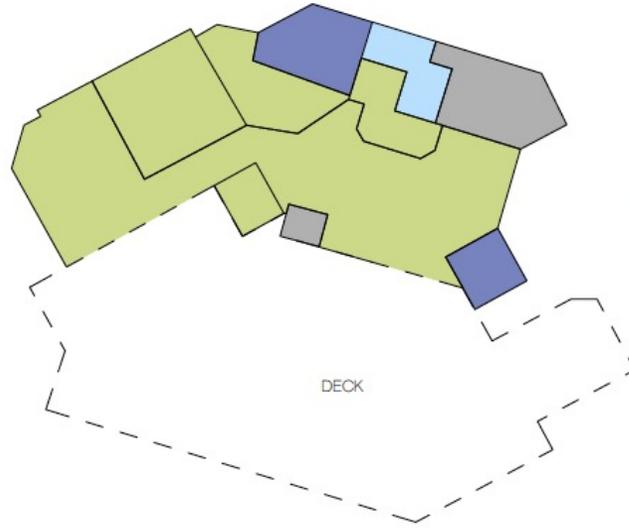
KEY TAKEAWAYS

- 21 Total Water Closets and Urinals
- 130 Dining Seats
- Does Not Meet ADA or Current Code
- Non-Skier Friendly Stairs
- Remote Ski School (Yurt)
- Crowded, Inefficient Dining
- Small Deck
- Long Climb to Lifts

LODGE SCENARIO B: FUNCTIONALLY EQUIVALENT + CODE COMPLIANT

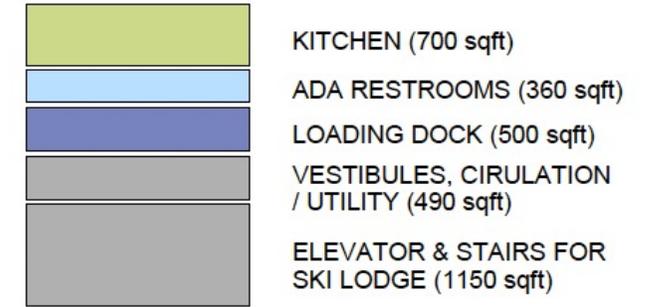


LEVEL 1



LEVEL 2

CODE, ADA, AND SKI SPECIFIC REQUIREMENTS



REQUIRED ADDITIONAL AREA REQUIRED = 3,200 SQFT



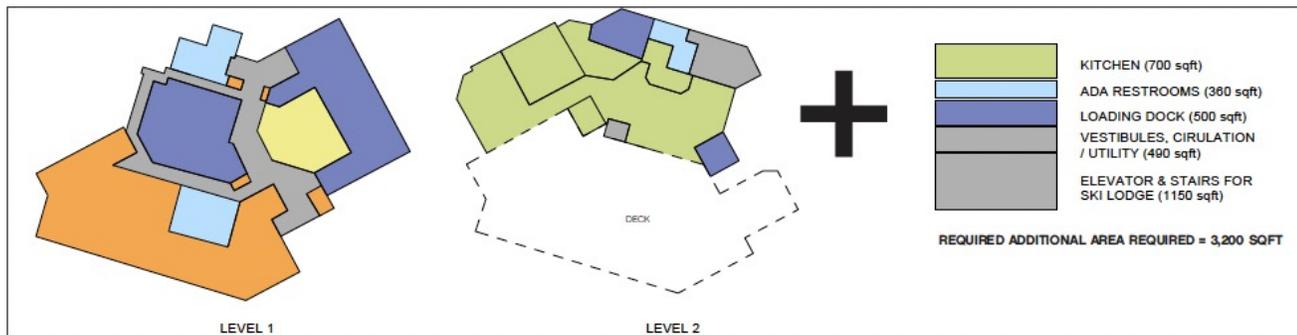
AREA AND PROGRAM SUMMARY		
CATEGORY / LEGEND	AREA (sqft)	CHANGE FROM CURRENT LODGE
GUEST SERVICES AND RETAIL	856	0
RENTALS AND LOCKERS	3,220	0
SKI SCHOOL	0	0
FOOD AND BEVERAGE	4,929	700
RESTROOMS	1,355	360
OPERATIONAL SPACE	4,048	500
CIRCULATION & MECHANICAL SPACE	3,920	1,640
DECK	5,056	0
TOTAL BUILDING AREA (EXCL. DECK)	18,328	3,200

KEY TAKEAWAYS

- 21 Total Water Closets and Urinals (same as current)
- 130 Dining Seats (same as current)
- No Member Benefit Improvements

CHANGES FROM CURRENT LODGE

- Improves circulation
- Does not change existing program space inadequacies including food and beverage, rentals, ski school, tickets and operational space



Construction Cost	Soft Cost	Construction Contingency @ 10%	Inflation for 2023 Construction @ 4.9%	Inflation for 2024 Construction @ 4.5%	Projected Budget "All-In"
\$15,280,473	\$2,300,000	\$1,528,047	\$748,743	\$721,315	\$20,578,579

POST-CONSTRUCTION OPERATING FUND NET BENEFIT TO OWNER

\$260



PROJECT NET CHANGE TO REPLACEMENT FUND PER OWNER

\$0



POST-CONSTRUCTION ANNUAL OPERATING REVENUE

\$4,746,675



YEAR OF PROJECTED GROUNDBREAKING

SPRING **2024**

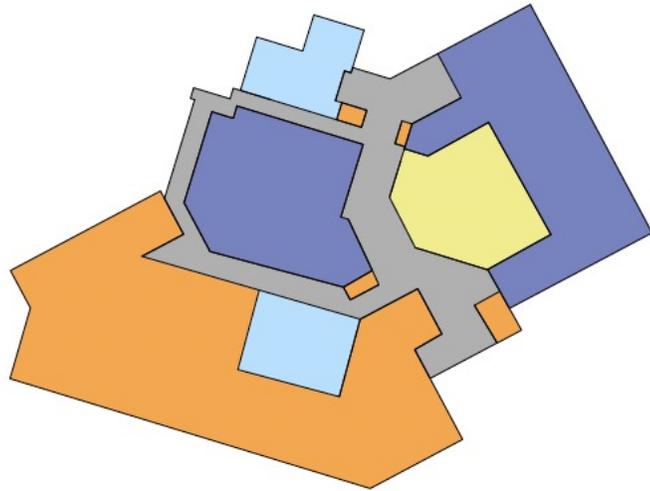
YEAR OF PROJECTED COMPLETION

DECEMBER **2025**

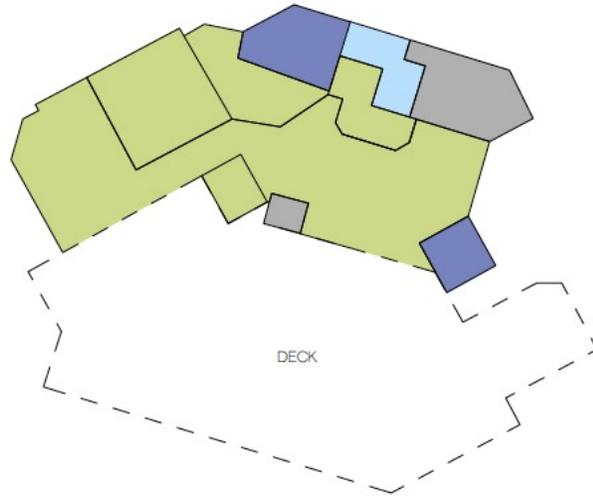
RETURN ON INVESTMENT

12 YEARS

LODGE SCENARIO C: FUNCTIONALLY EQUIVALENT + CODE COMPLIANT + SKI SCHOOL

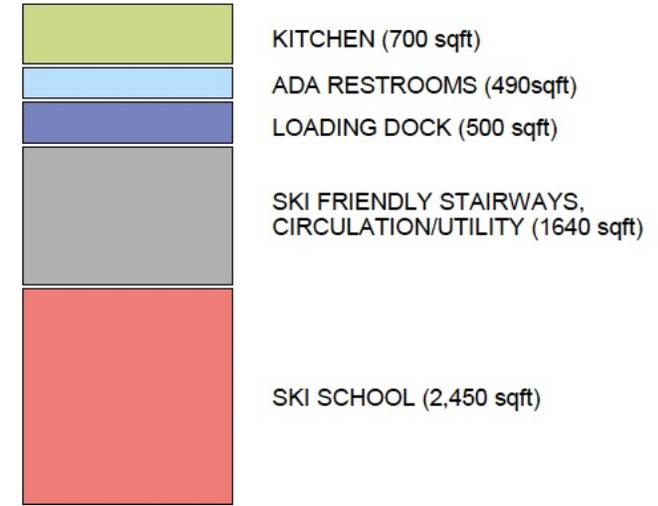


LEVEL 1



LEVEL 2

PREVIOUS + SKI SCHOOL



TOTAL ADDITIONAL AREA REQUIRED = 5,780 SQFT



AREA AND PROGRAM SUMMARY		
CATEGORY / LEGEND	AREA (sqft)	CHANGE FROM CURRENT LODGE
GUEST SERVICES AND RETAIL	856	0
RENTALS AND LOCKERS	3,220	0
SKI SCHOOL	2,450	2,450
FOOD AND BEVERAGE	4,929	700
RESTROOMS	1,485	490
OPERATIONAL SPACE	4,048	500
CIRCULATION & MECHANICAL SPACE	3,920	1,640
DECK	5,056	0
TOTAL BUILDING AREA (EXCL. DECK)	20,908	5,780

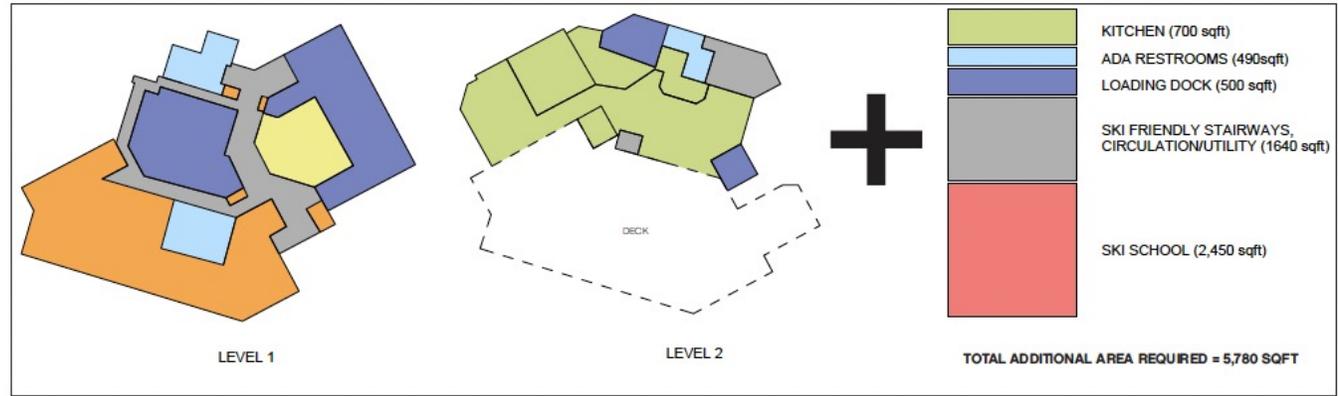
KEY TAKEAWAYS

- 23 Total Water Closets and Urinals (2 additional from current)
- 130 Dining Seats (same as current)
- Moves Ski School Functions to Inside Lodge
- No Member Benefit Improvements

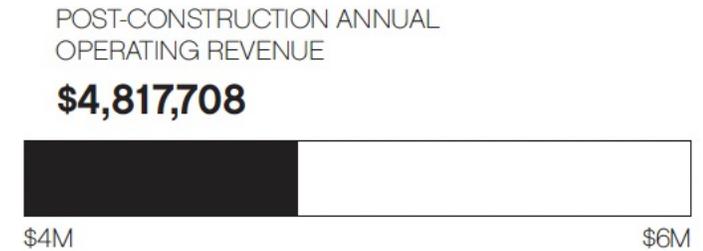
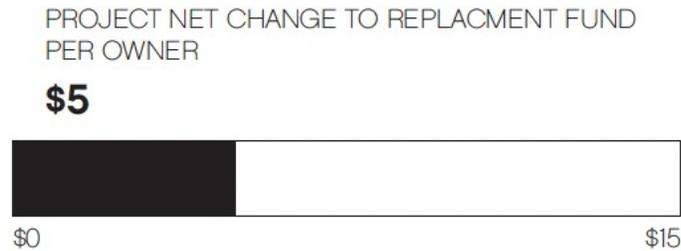
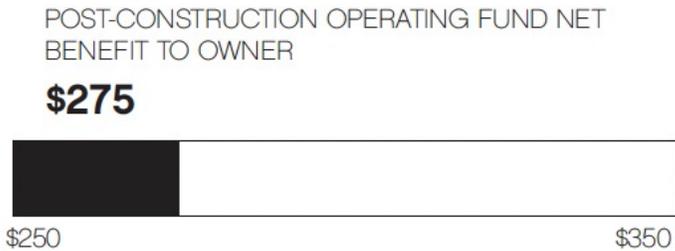
LODGE SCENARIO C FINANCIALS: FUNCTIONALLY EQUIVALENT + CODE COMPLIANT + SKI SCHOOL

CHANGES FROM CURRENT LODGE

- Improves circulation
- Does not change existing program space inadequacies including food and beverage, rentals, tickets and operational space
- Brings ski school space inside which provides a safe, permanent conditioned ski school facility with direct access to food and beverage, restrooms, rentals and ski school director



Construction Cost	Soft Cost	Construction Contingency @ 10%	Inflation for 2023 Construction @ 4.9%	Inflation for 2024 Construction @ 4.5%	Projected Budget "All-In"
\$16,443,042	\$2,300,000	\$1,644,304	\$805,709	\$776,194	\$21,969,249

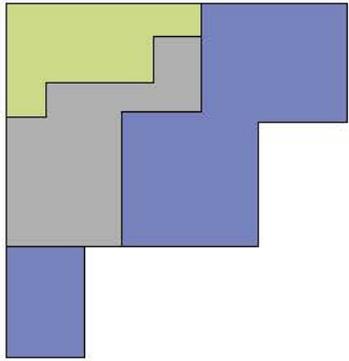


YEAR OF PROJECTED GROUNDBREAKING **2024**
SPRING

YEAR OF PROJECTED COMPLETION **2025**
DECEMBER

RETURN ON INVESTMENT **12 YEARS**

LODGE SCENARIO D: 24,490 SQFT



LEVEL 1



LEVEL 2



LEVEL 3



AREA AND PROGRAM SUMMARY		
CATEGORY / LEGEND	AREA (sqft)	CHANGE FROM CURRENT LODGE
GUEST SERVICES AND RETAIL	1,017	161
RENTALS AND LOCKERS	3,681	461
SKI SCHOOL	2,580	2,580
FOOD AND BEVERAGE	6,656	2,427
RESTROOMS	1,810	815
OPERATIONAL SPACE	4,800	1,252
CIRCULATION & MECHANICAL SPACE	3,946	1,666
DECK	6,700	1,644
TOTAL BUILDING AREA (EXCL. DECK)	24,490	9,362

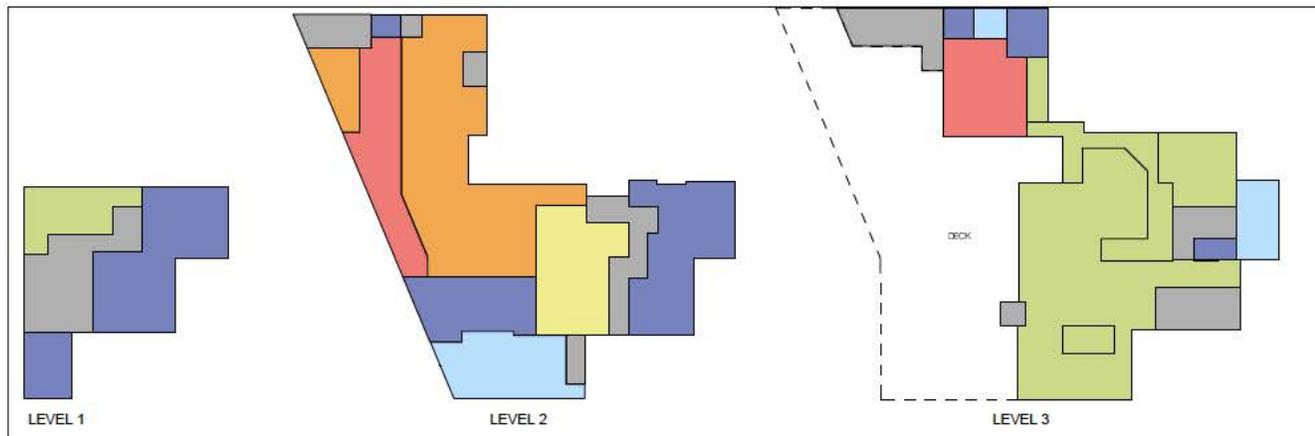
KEY TAKEAWAYS

- 27 Total Water Closets and Urinals (6 additional from current)
- 198 Dining Seats, Seating Increased by 68 Seats
- Improved Bar and Food + Beverage Experience
- Improved Rental Flow
- Increased Deck Size by 1,644 square feet
- 3-Story Building Puts Deck at Lift Grade

LODGE SCENARIO D FINANCIALS: 24,490 SQFT

CHANGES FROM CURRENT LODGE

- Brings ski school space inside which provides a safe, permanent conditioned ski school facility with direct access to food and beverage, restrooms, and rentals
- Increases food and beverage capacity from 130 to 198 seats
- Improves member experience for food and beverage
- Three story building with deck at lift elevation



Construction Cost	Soft Cost	Construction Contingency @ 10%	Inflation for 2023 Construction @ 4.9%	Inflation for 2024 Construction @ 4.5%	Projected Budget "All-In"
\$18,380,906	\$2,300,000	\$1,838,091	\$900,664	N/A	\$23,419,661

POST-CONSTRUCTION OPERATING FUND NET BENEFIT TO OWNER

\$316



\$250 \$350

PROJECT NET CHANGE TO REPLACEMENT FUND PER OWNER

\$11



\$0 \$15

POST-CONSTRUCTION ANNUAL OPERATING REVENUE

\$5,135,855



\$4M \$6M

YEAR OF PROJECTED GROUNDBREAKING

SPRING **2023**

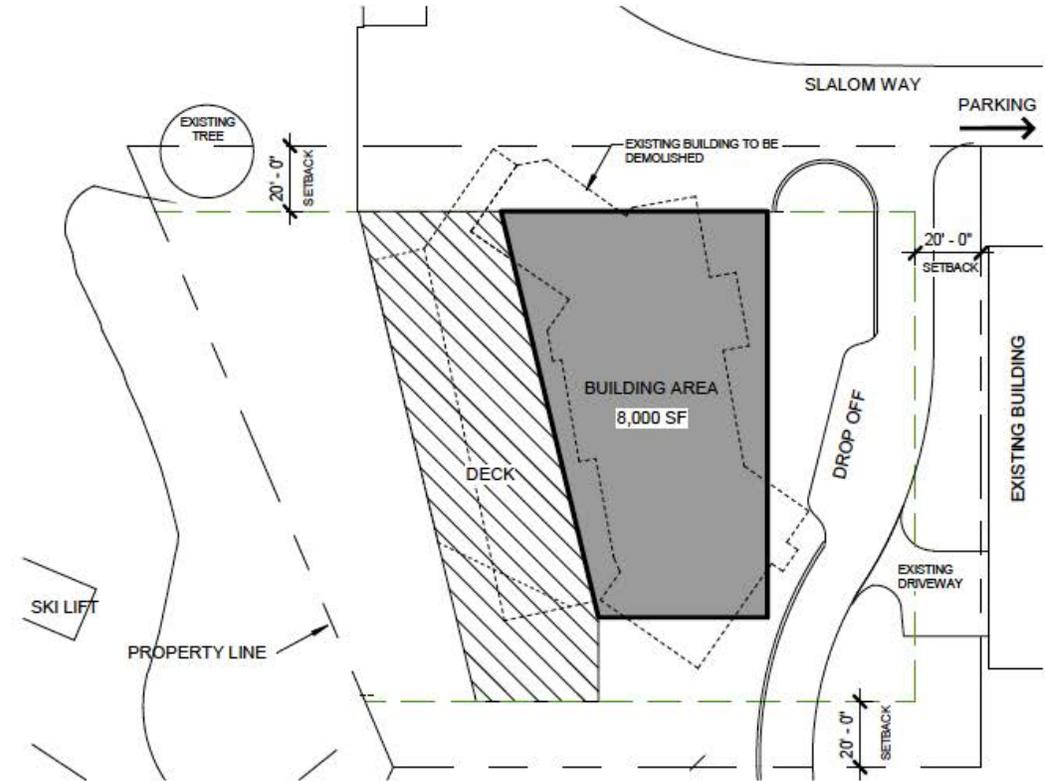
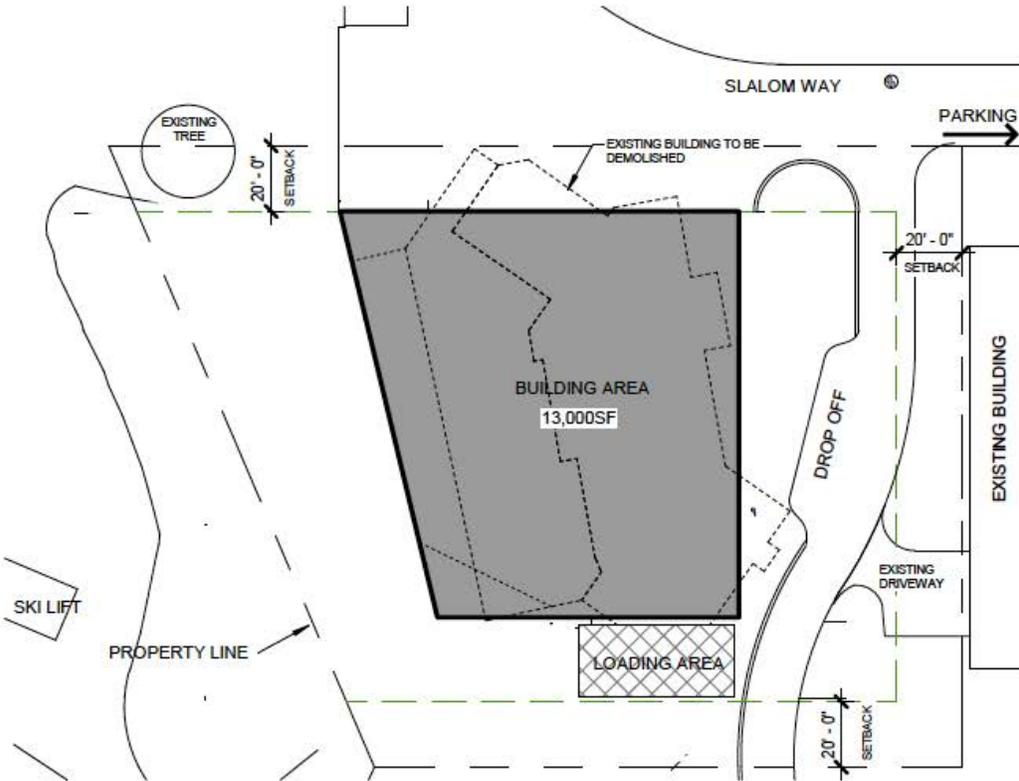
YEAR OF PROJECTED COMPLETION

DECEMBER **2024**

RETURN ON INVESTMENT

11 YEARS

TWO STORY SITE ANALYSIS



- LEGEND**
- BUILDING FOOTPRINT
 - DECK
 - LOADING

ADVANTAGES AND DISADVANTAGES OF A TWO-STORY BUILDING SCENARIO:

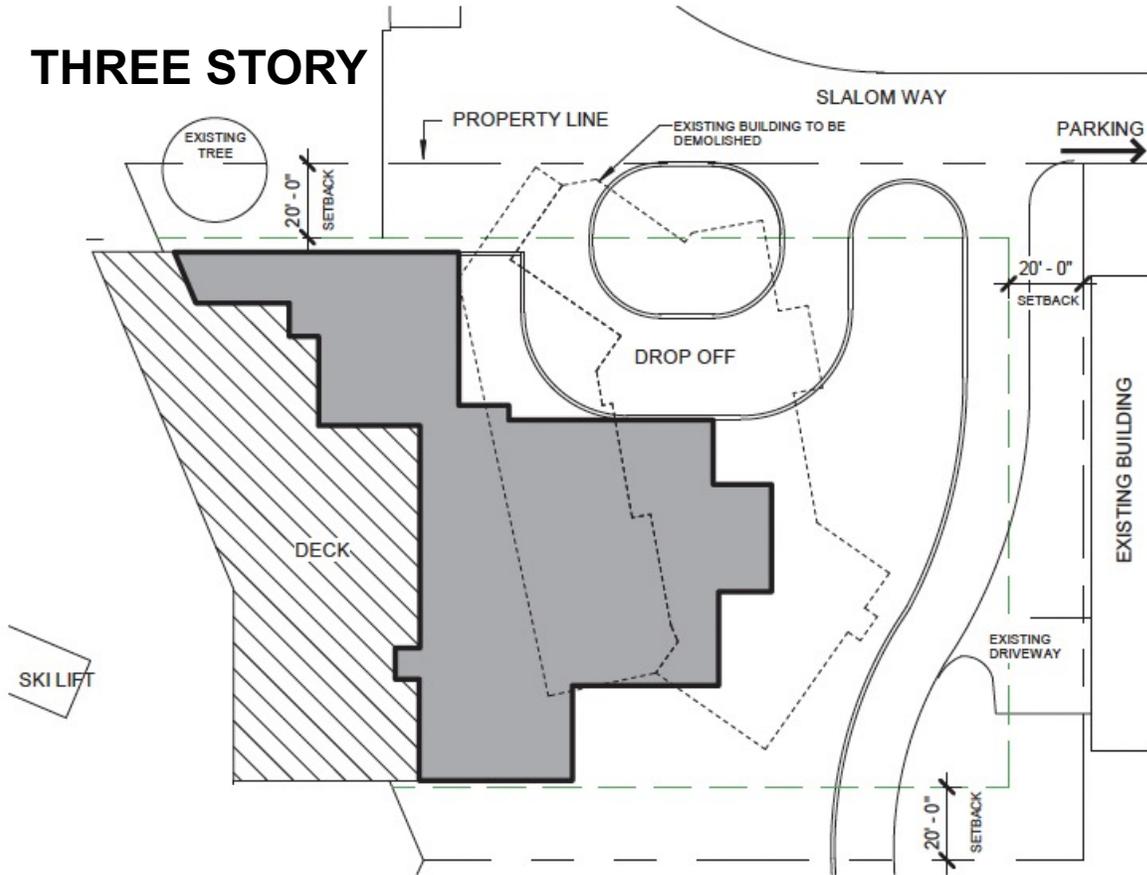
PROS	CONS
Less excavation expense Less construction cost	Deck area is one story below lift elevation Does not allow for proper drop-off Smaller building Less grill & food service area Less deck area Construction does not begin until 2024; not completed until 2025



Key Takeaway
 Current options B & C are two stories. A 3-story option C is not financially practical due to marginal cost savings

SITE PLAN COMPARISON

THREE STORY

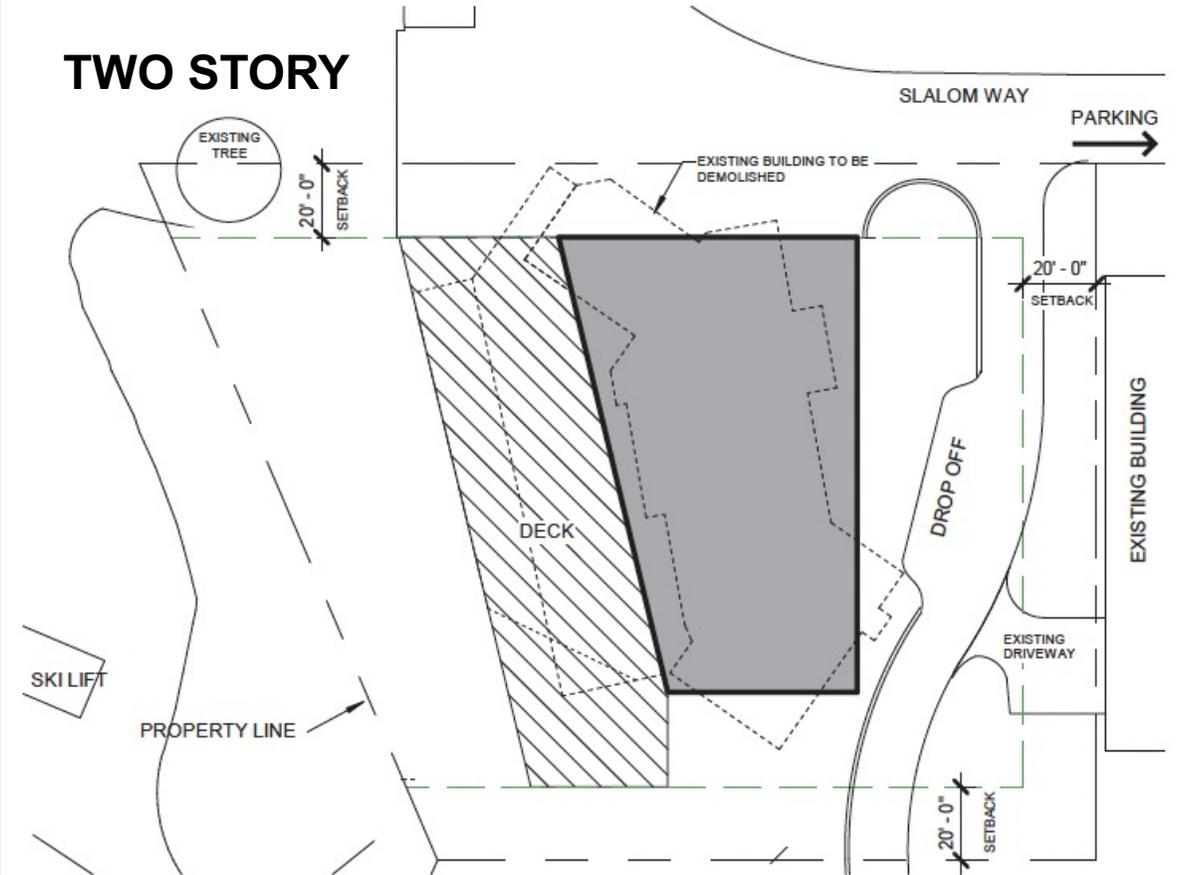


SITE PLAN - SCENARIO D

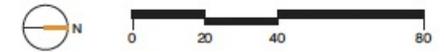
LEGEND

- BUILDING FOOTPRINT
- DECK

TWO STORY



SITE PLAN - SCENARIO C





COMPARISONS

COMPARISON: AREAS

Downhill Ski Lodge Program	Existing Lodge (sqft)	B. Existing Lodge plus Code and ADA (sqft)	C. Existing Lodge plus Code, ADA, and Ski School (sqft)	D. 24,490 Lodge Program (sqft)
GUEST SERVICES AND RETAIL	856	856	856	1,017*
RENTALS AND LOCKERS	3,220	3,220	3,220	3,681
SKI SCHOOL	0	0	2,450	2,580
FOOD AND BEVERAGE	4,229	4,929	4,929	6,656
RESTROOMS	995	1,355	1,485	1,810
OPERATIONAL SPACE	3,548	4,048	4,048	4,800
CIRCULATION & MECHANICAL SPACE	2,280	3,920	3,920	3,946
TOTAL BUILDING AREA (EXCL. DECK)	15,128	18,328	20,908	24,490
DECK	5,056	5,056	5,056	6,700

* In the April 4 presentation a portion of Guest Services space was overstated and has been corrected.

ADDITIONAL DETAIL BREAKDOWN AREAS

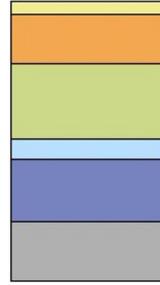
Downhill Ski Lodge Program	B. Functionally Equivalent + Code Compliant	C. Functionally Equivalent + Code Compliant + Ski School	D. 24,490 Lodge Program (sqft)
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F & B SPLIT UP (in sqft)			
Kitchen	420	420	704
Scramble	0	0	900
Servery (line up)	570	570	850
Back of House	436	436	707
Total	1,426	1,426	3,161

SEATING COUNT			
Indoor	120	120	198
Deck	165	165	218
Kids	0	30	30
Total	285	315	446

RESTROOM COUNT			
Male	10	11	13
Female	11	12	14
Total	21	23	27

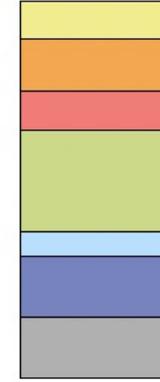
COMPARISON



B. FUNCTIONALLY EQUIVALENT + CODE COMPLIANT

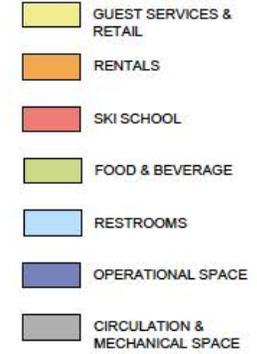


C. FUNCTIONALLY EQUIVALENT + CODE COMPLIANT + SKI SCHOOL



D. 24,490 SQFT LODGE

LEGEND



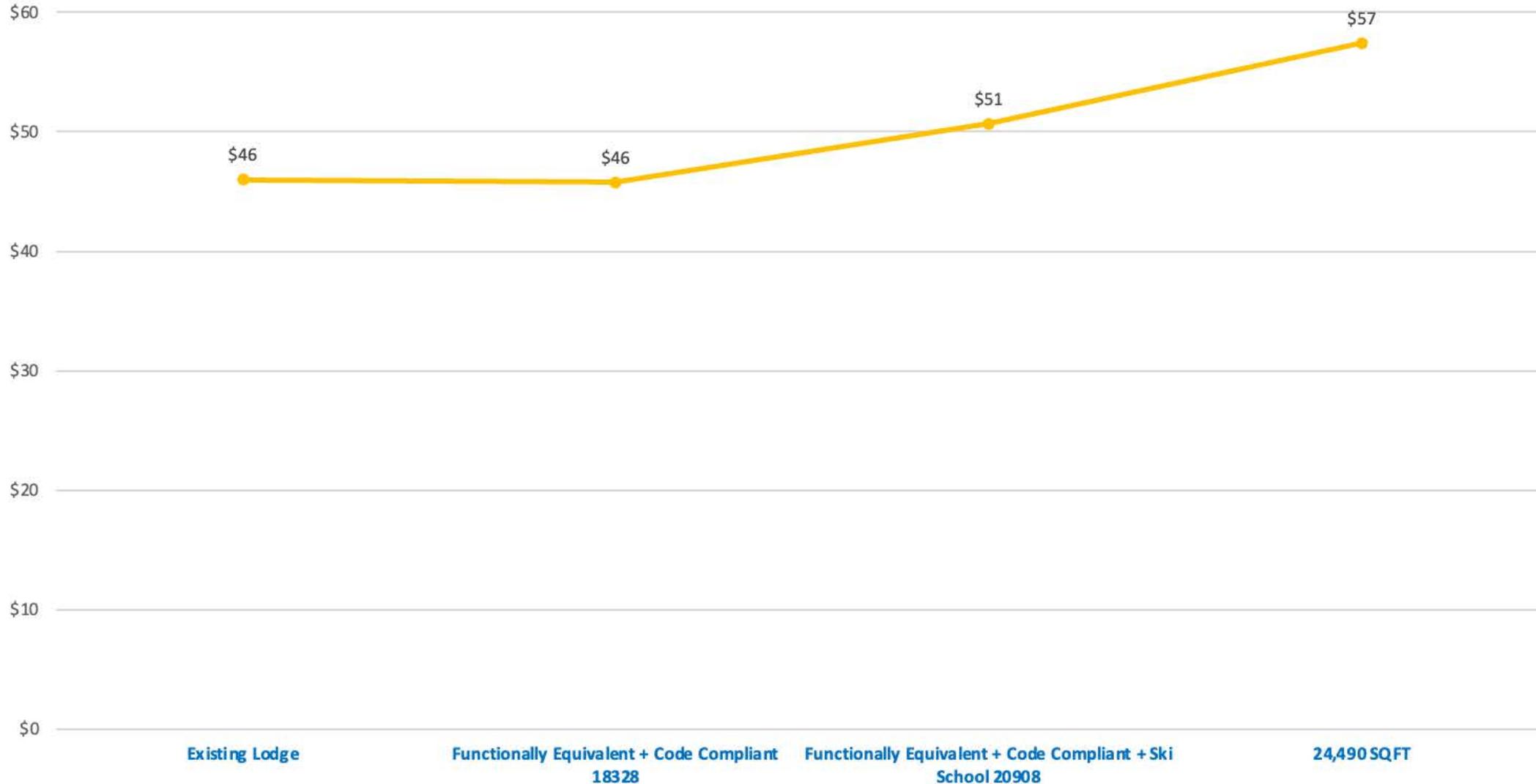
FINANCIALS

	18,328 SQFT	20,908 SQFT	24,490 SQFT
Projected Budget "All-In"	\$20,578,579	\$21,969,249	\$23,419,661
Annual Estimated Increase to Replacement Fund	\$0	\$5	\$11
Post-Construction Annual Operating Revenue	\$4,746,675	\$4,817,708	\$5,135,855
Post-Construction Operating Fund Net Benefit to Owner	\$260	\$275	\$316
Return on Investment	12 Years	12 Years	11 Years

FEATURES

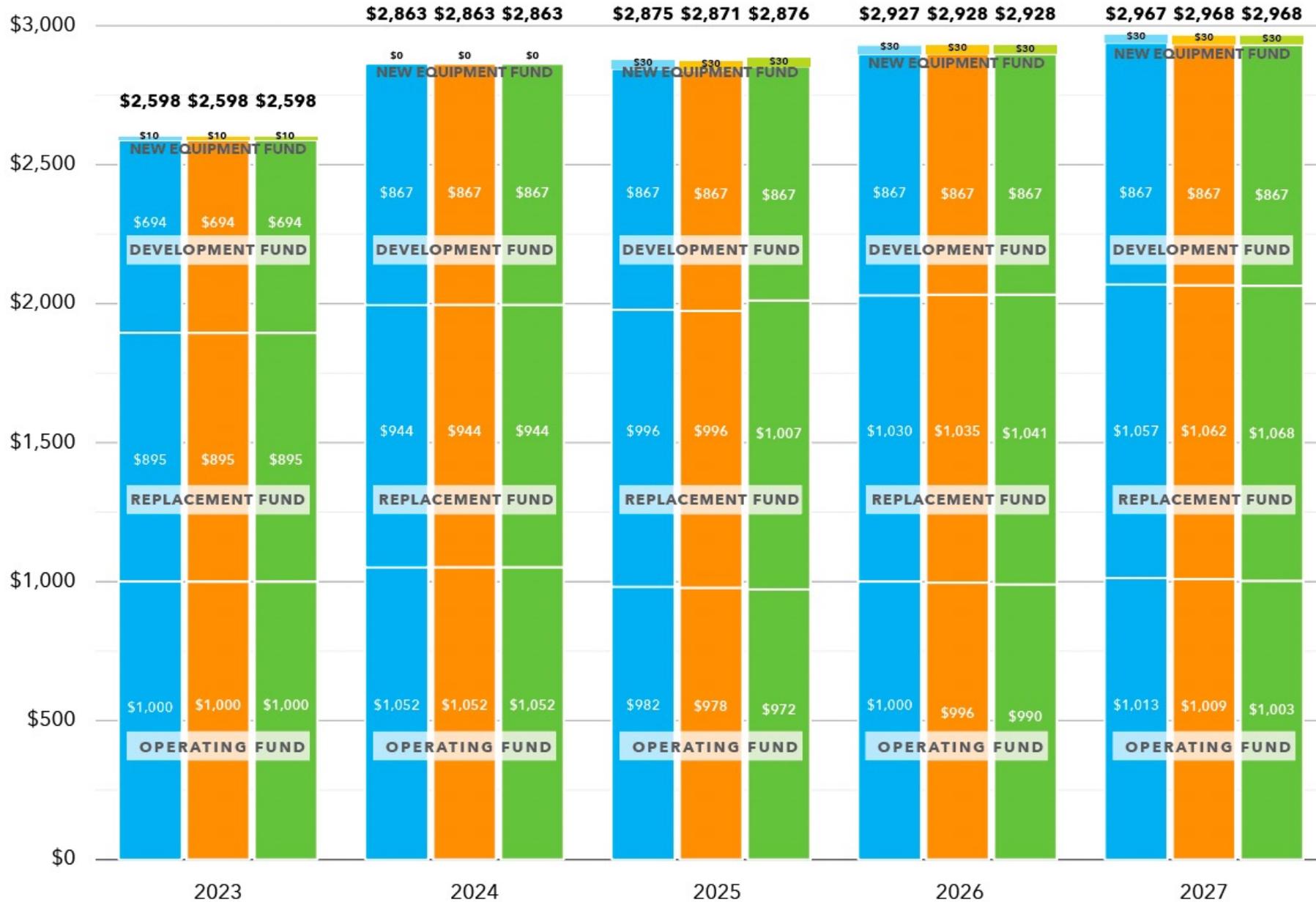
Bathrooms	21	23	27
Seats (Indoor + Outdoor)	285	315	446
Deck Size	5,056 sqFt	5,056 sqFt	6,700 sqFt

SKI LODGE REPLACEMENT RESERVE FUND (LODGE ONLY) ESTIMATE IMPACT PER OWNER, PER YEAR



Prepared by Staff in
conjunction with
Replacement
Reserve Specialist,
Hughes Reserves &
Asset Management

TOTAL ANNUAL ASSESSMENT ESTIMATE BY LODGE SCENARIO



Key Takeaways:

- Development Fund increase for Ski Lodge Project held constant. (see slide 32 for Development Fund ending balance variations).
- Revenue potential of larger building is greater and therefore less financial impact on the assessment

KEY



PROJECT COST AND ACCUMULATED SAVINGS

CURRENT SAVINGS TOTAL: \$17.4M (Development Fund: \$13.9M and Replacement Reserve Fund: \$3.5M)

	SCENARIO B	SCENARIO C	SCENARIO D
TOTAL PROJECT COST PER PROPERTY	\$20,578,579 \$3,179	\$21,969,249 \$3,393	\$23,419,661 \$3,618
ACCUMULATED SAVINGS TO DATE PER PROPERTY	-\$17,400,000 -\$2,688	-\$17,400,000 -\$2,688	\$17,400,000 -\$2,688
COST DIFFERENCE BETWEEN SCENARIOS PER PROPERTY	BASELINE 0	+\$1,390,670 +\$215	+\$2,841,082 +\$439

Funding plan adopted through the budget process to accumulate needed funds **for all scenarios** through an increase in the Development Fund portion of the Annual Assessment in 2021 (complete), 2022 (complete), 2023 and 2024.

2025 DEVELOPMENT FUND BALANCE AFTER PROJECT

	SCENARIO B	SCENARIO C	SCENARIO D
DEVELOPMENT FUND BALANCE AFTER PROJECT	\$4.54M	\$3.15M	\$1.7M

Scenario C and B calculation assumes yet-to-be-determined projects identified in the current 5-Year CIP as presented in the 2022 budget to be expedited.

PROJECTS PLANNED TO BE COMPLETED BY 2025 UNDER CURRENT FUNDING PLAN AND 5-YEAR CIP

- Downhill Ski Lodge
- Marina Deck Rehabilitation and Shade Structure
- Workforce Housing Feasibility Study
- Downhill Ski Phase 2 Snowmaking
- Northwoods Clubhouse Campus Master Plan
- And more
- Maintenance Yard Fuel Station Replacement
- Lodge Pavilion Family Dining Area Renovation
- Glacier Way Parking Lot Expansion
- Trail Improvement and Trailhead Projects
- Mailboxes

PROJECT OPPORTUNITIES + NEEDS

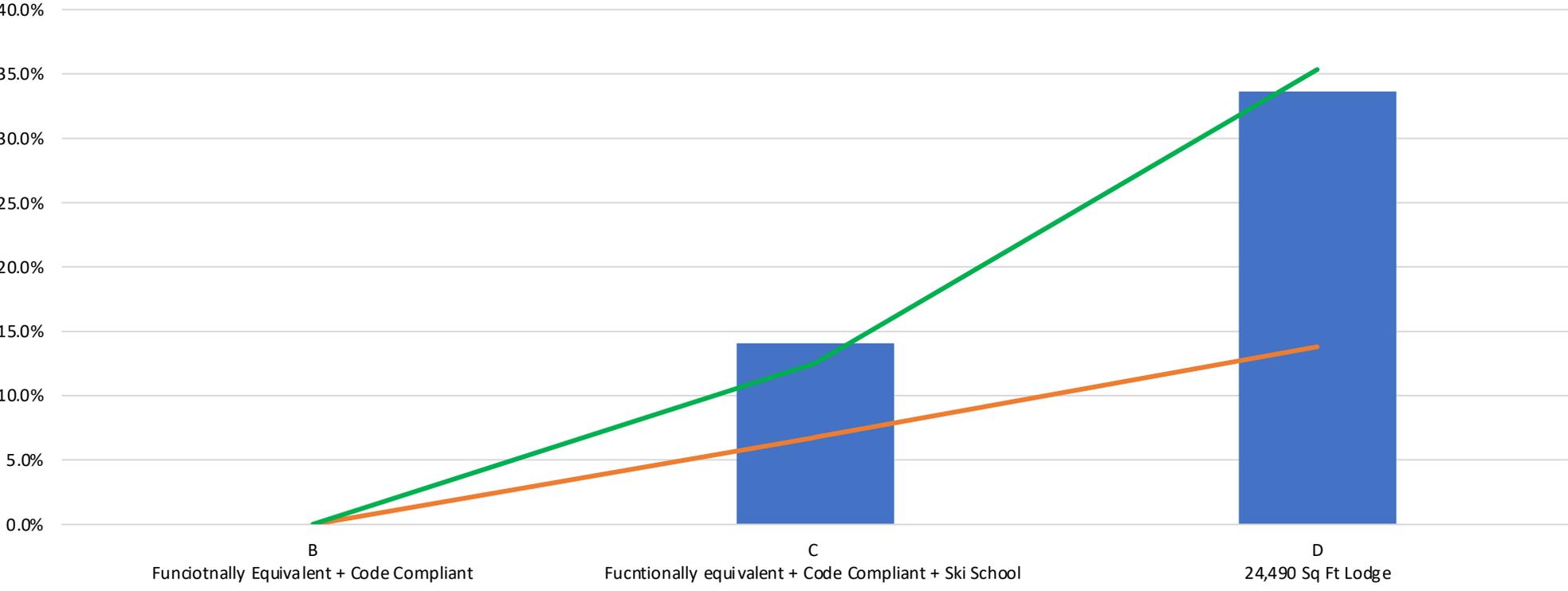
BUILDING SCENARIOS

	Reduced Size From 27,900	Reduced Cost From \$23.5M	Increase Operational Space	Integrated Ski School Operation	Expanded Seating, Dining + Bar	Additional Restrooms	Meets Capacity of 900	At-Grade Accessibility to Lift	Expanded Deck
SCENARIO B Functionally Equivalent + Code Compliant									
SCENARIO C Functionally Equivalent + Code + Ski School									
SCENARIO D 24,490ft ²									

KEY

- Fully addresses the issue or meets need
- Mostly addresses the issue or meets need
- Half addresses the issue or meets need
- Partially addresses the issue or meets need
- Does not address the issue or meet need

PERCENT INCREASE IN OVERALL SQUARE FOOTAGE COST AND BENEFIT PER LOT OVER BASELINE



- % increase in sq. ft.
- % increase in incremental cost per lot
- % increase in incremental benefit per Lot

Payback on incremental cost (net benefit-cost)
 Option B: baseline
 Option C: after 1 yr operations (2025-26 season) *
 Option D: after 2 yrs operations (2025-26 season)
 *Option C prep requires 1 year delay in construction

TIMELINE: SCHEDULE AND IMPACTS

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Scenarios	Entitlements	Redesign & Construction Documents (90% Building Permit submittal)	Building Department Review	Begin Construction	Completion
Scenario B	Sept. 2022 - May 2023	May 2022 - June 2023	June 2023 - Sept. 2023	Spring 2024	Fall 2025
Scenario C	Sept. 2022 - May 2023	May 2022 - June 2023	June 2023 - Sept. 2023	Spring 2024	Fall 2025
Scenario D	June 2022 - Feb. 2023	May 2022 - Jan. 2023	Jan. 2023 - April 2023	Spring 2023	Fall 2024

RECOMMENDED ACTION

By Motion, proceed into design and construction with Option D, a lodge size of approximately 24,490 square feet with a total cost not to exceed approximately \$23,419,661

JUSTIFICATION FOR SCENARIO D

- Offers more flexibility for future generations to utilize the space
- Based on revenue and efficiencies, ski school is an essential component of the operation and should be included inside the building. This allows Tahoe Donner to meet industry standards and be on par with other competing programs in the region
- The cost difference between scenario C and D is \$1.4M and over time is addressed through revenue opportunities and allows for an enhanced member experience
- Three story option allows the building/deck to be at the same level as the ski lift and provides easier on-snow access for our members and clientele

- While scenario C provides an opportunity to meet some of the needs of ski school, it does not provide increased deck space, additional restrooms, enhanced bar and food service areas, etc as identified in a number of focus groups and surveys
- Scenario B is the least expensive but does not resolve any of our current deficiencies other than code compliance

ALTERNATIVE ACTIONS

The Board of Directors will provide direction to the staff to proceed with design and construction for one of the following:

- **Option B**, with a lodge size of approximately 18,328 square feet with a total cost not to exceed approximately \$20,578,579;
- **Option C**, with a lodge size of approximately 20,908 square feet with a total cost not to exceed approximately \$21,969,249;
- Board to provide an alternative motion on how to proceed with the Downhill Ski Lodge

THANK YOU