

## Diamond Peak Steering Committee

March 30, 2015 3-5pm

### Mountain tour & discussion

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- Andy Jaine asked the group if we should discuss how to structure the financial part, and get an agreement, then it would be easier to decide what we would use the money for.
- Bill Echols said we need to find out what the property owners want. Do they want to change the character of the District?
- Liz Harrell said Bruce had mentioned that the surveys don't work, and the board was elected to make these decisions.
- Bill Echols said the surveys didn't have any finances attached to it. Money changes the discussion. There weren't any risks associated to it.
- Jess said she would like to talk about the summer plans. She said we should hear from the property owners, however, we have put in a lot of time and effort. Should we have summer activities?
- Eric said it's not our call and we are making recommendations as a committee. We will come up with recommendations and beliefs. We are on this committee to do this work.
- Bill Echols said he doesn't want to rubber stamp this. Some things are great and some things won't work. The overall question is 'is this what the community wants'?
- Andy said we don't have the ability to diagnoses what the community wants. It's a good idea to tell the board that it's a concern, which they already know.
- Brian Hrindo said we had multiple board meetings with big attendance with those who support and those who don't.
- Robert Olmer said we would like to scale into this; phase into this and adopt some of the activities. That would be step one.
- Andy Jaine said what Brad and Mike are proposing for snowflake is a conservative approach. Make it more usable and see how well it goes. If it goes well, they can do something else.
- Al O'Conner said surveys might not work because people don't know what's going on with the details. How do we do this with lower risk? The cost drivers are the coaster and the canopy tours. The canopy tours around the lake do really well. Al showed a good place for the coaster on the map. He talked about addressing some of the activities first and holding off on implementing others. De-risk it. He said he doesn't believe the lunch numbers. He doesn't believe the traffic will be an issue. See how it works. Put the coaster in a couple years later.
- Andy said Mike Bandelin made a good point. You have to ask for everything for the next 20 years for entitlement permits. Judy asked about getting detailed engineering permits.
- Al O'Connor said the Trustees will have decision points and can shut it down in a few years. There are a lot of people who have fears.
- Eric said we need to continue to invest in the assets. These are new businesses to us. Take some of these new things, and prove them at a lower cost in phase 1-A and we can show they are working. Many things shift and change. Our 20 year plan might not be exactly how we envision it. There are risks and unknowns. This is a dead asset. Can it have more revenue opportunities?

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Will this work? There are track records out there that prove it works, including what is happening around the lake.

- Andy said we should look at what would be a good thing to do, and don't look at the financing first.
- Deborah said we can look at slowing the risk.
- Eric said if the board and community want it later, we can determine the financing for that.
- Steve Pulver said IVGID and DP have received a lot of information from the consultants and the committee doesn't trust the numbers. Steve Pulver asked if this is a lot of money that we are talking about.
- Steve Pinkerton said it's a 36million budget. This group was made to drill down into the details. We wouldn't have proposed it if we didn't think it was reasonable. We are still lacking land use. We need to talk through the impact on the community because there are still concerns.
- Judy said we are not a city or tourist district. We are a Recreation District. The highest risk item is the coaster. We are homeowners with facility fee. Our direction is for the community. The alpine coaster is more of a tourist attraction. The Rec Fee was supposed to be reduced when the bond was paid off. Not everyone gets the perks if they aren't users of the amenities. The wealthier people are subsidized by the poorer people. How many of the people living in the apartment complex will be able to use the alpine coaster.
- Charlie said Kevin Lyons is working in Honduras with their government. He creates a survey for the government. We keep hitting a wall because of this survey.
- Deborah said we were tasks to do our job. We will make a note of it, but move forward.
- Kevin Lyons said the system is designed to get feedback within 48 hours. You can get information back by the next meeting.
- Bill Echols said he wants to take a poll, not a survey of the tax payers.
- Al said talked about phasing; this is a lot of money for a lot of people. There is a divide among the people. The phasing is building consensus.
- Robert said there is analysis paralysis. Resorts up here are mostly private. They are developing things to bring people here and it works for them. They aren't being subsidized.
- Deborah said there is some consensus for some summer activities with phasing. Some economic plan with lower cost items, deferral of the coaster, modest improvements with snowflake, and let it be tested for summer use (phase 1A), and we can prove this.
- Jess said she doesn't necessarily agree. She said we need to look at the value added to community and what we are looking for, but not roll it up with the finances.
- Deborah said we can address the summer activities of low hanging fruit that is value added to community.
- Steve Pulver said some people are not afraid of financial risk. Deborah said if he would go with phase one as written.

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- Steve Pulver said he's good with the plan and let the BOT make the decision. They are the elected representatives.
- Eric asked how many people are in favor of summer activities (everyone raised their hand except for Bill)
- Andy said asked how many people were in favor of making snowflake more accessible during the summer/more activities (everyone raised their hand except for Bill).
- Deborah said snowflake would have modest updates in phase one.
- QUESTION: how many in favor to make modifications to snowflake lodge to make it usable in the summer and improve inside and build \$250K for kitchen updates and to make the food better. Everyone raised their hand, except Bill Echols. Bill said he wanted to talk about summer activities, not necessarily snowflake.
- Robert said with some improvements to snowflake would be good direction. We have a general consensus.
- Deborah said we can honor Bill's point.
- Jess said it's not always about financial risk.
- Al said the things that make the most money are the canopy and coaster. He said it will blend in the trees if done nicely. He said this is a tricky problem.
- Andy said these would be profitable in the first year. What do you think the community would be most open for? Deborah addressed mountain biking and hiking as a summer activity topic.
- Everyone said yes, this is a small investment.
- Charlie said you can cut costs with volunteers with local groups such as the schools or boy scouts. Constructed for and by the community.
- Brian said the local businesses would also contribute with volunteers. There are other ways to offset costs.
- Jess said we need reach out to the community now about these projects. We need to get the message out.

#### Mt. Biking:

- Brad said the lower mountain would be constructed by a professional company, and the upper mountain would be constructed by volunteers. Hiking trail requires less. Mountain biking are more expensive to build.
- Al O'Conner asked if there is a market for those to take the chair lift for mountain biking. Eric Severance said yes, there will be those who will do loops on the mountain, and those who will use the lift to go to other mountain trails.
- Brad said it would be geared towards families without having to wear full gear. The downhill group isn't the group we are targeting. People will use the lift to get to other trails for cross country rides. We aren't competing with Northstar. Our focus is families.
- Andy said those bikers will use the bar and eat at snowflake.

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- Jess asked about the liability policy. Brad said you will have to sign a waiver. There is assumption of risk just like anything. With hikers and bikers, they will sign a form for liability on their own. Judy said we have insurance for DP that isn't part of the POOL. Brad said increase in liability cost would be small. Ski is already high risk.
- Judy said because the rim trail and incline flume are accessible from the highway. Are people going to want to use the lift to get to those?
- Andy Jaine said you have to park your car at one access point, when they can just take the lift up.
- Brad Wilson said the forest service wants them to enter the trail here.
- Robert Olmer asked if we should consider phasing that. Hiking, and the next year we do mountain biking.
- Eric said we need to consider the danger in dabbling. That is human nature. Give them all the low cost or free activities. We need to get to an activity level. You have to have enough activities to make food and beverage viable.
- Bill said to spend \$230K, how are we going to generate revenue on that? People already ride here.
- Brad said it's about taking the lift versus riding up. It's a lift ticket and mountain bike rental opportunity. The skills part down below would introduce them before sending them up the hill. Low angled mountain biking before steeper terrain. Brian said the lift will be for hiking, biking, and the canopy.
- Brad said one activity wouldn't support the lift. Add all the activities together and its economy to scale. Paid lift rides would pay for it.
- Eric said the sweet spot in market is the family riding with gentle riding. They don't necessarily want to ride up hill. The flume can be too intense. They ride lakeshore. There is a need for riding opportunities for visitors and locals.
- Brad said one of the advantages is the Incline Flume. Its 9 miles. You are able to ride a flat trail that's an incredible opportunity. We can tap into with this opportunity. Yes, we can offer lessons. We want to introduce and prepare them to the sport.

#### Bike skills/Pump track:

- Charlie said this will have a constant presence of users.
- Liz said people go to the Truckee pump track. This will be family friendly. This will keep them here.
- Steve Pinkerton said our ski school and rentals made budget this year because we are family focus.
- Jess said all of activities should work with our 'brand,' our theme. Who are we as IVGID. We are providing education opportunities, environment friendly services to our community.
- Al said he wouldn't even know where to go to send a kid to learn how to mountain bike.

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- Liz said she was taking her son to Northstar for mountain biking. She said there isn't anything like this around here. Let's tap into the market.

Canopy:

- Andy said it looks like it makes money the first year. It's stupid not to do it. it will cost \$924K. add maintenance. Total would be \$1.1m. 85% ROI on first year.
- Judy said we are a community who loves the outdoors. All activities discussed up to now develops physical skills. This doesn't develop the physical skills like the other activities.
- Charlie said you can't separate the two. There is human development in these activities. Canopy tour is more fun, but it's scary for some. It crosses age boundaries, and allows people to overcome their fears and challenges them. You have the time of your life. It's a safe way to bridge gap of scary and manageable and tangible accomplishments.
- Judy said this seems like a tourist attraction. What are the businesses going to do to contribute?
- Brad said they can send their visitors up to the activity.
- Judy said they need to be part of the building process. They aren't taking the risk. Share the risk, share the benefit.
- Brad said it's our opportunity to educate everyone about our area and what makes us so unique. We will have interpretive signage and the guides will discuss the environment. People will leave with a better understanding of the area and how they can protect the area.
- Eric said it spans ages and people can overcome fears with nature. It's congruent with our community and if it can add to the economics. I know my children will use it and work here.
- Al said he struggles with the canopy because it's 'one and done' activity, however, we need it because it fits into nature and others would enjoy it. People come to Tahoe and will spend money. It's a manageable risk. He said he doesn't think it will lose money. He said we will have the challenge and canopy tour for the critical mass. One activity wouldn't be enough.
- Brad said we would have a discount for residents. During the core summer months on Catalina, it was sold out. We offered free rides for residents when it opened.
- Robert said our recommendation is to stay family focus. This fits into our community.
- Steve Pinkerton said golf and ski are niche business. We will reach the large market with these activities. We have 21,000 pass holders. A lot of people get labeled tourists, but in fact, they are our part time residents.

April 13 meeting will be held at Diamond Peak to tour and discuss snowflake and winter activities.

Additional meetings - There can be more additional meetings. Mark your meeting for one more additional meeting after the next two.