

**Incline Village General Improvement District
Steering Committee on the Diamond Peak Master Plan
Meeting Minutes**

**Monday, March 23, 2015, 3:00 – 5:00 p.m.
The Chateau – 955 Fairway Boulevard**

- 1. Welcome.....Deborah Prout**
- 2. Group Discussion: Consolidating Work to Date and Assessing Where We Stand**

Deborah asked if we need to know any additional information. Do we want additional speakers and what do we wish to get from additional information and speakers.

Overview thus far with this committee:

- Open slate for your opinion
- Financial summary
- Speakers: Tim Cohee & Kent Sharp
- Taking a pulse: what are you still uncertain about?
- Eric Severance spoke about addressing the goal of the committee. General Manager Pinkerton said it will be interesting to find out what the consensus is and where there are still disagreements among the group and we can drill down with the specifics as well.
- Al O'Connor said he thinks there should be an output from this committee. We received enough information. There are segments that need to be discussed: Summer operations, winter operations, Snowflake renovation, and the big picture of how this plan is tied together. Should IVGID be in the business for providing activities for tourists?
- Ms. Prout asked the committee if this group wants to produce a true product of 3-5 pages.
- Andy Jaine said there are two groups. Those who think this is positive and a good idea and those who are not in favor of it. We need to get it assessed by the community as a whole. He said we don't know what the climate will do in the next 5 years. With the last 3-4 years, the motivation for summer activity is incredibly enhanced.
- Charlie White said we can base our decision on climate change.
- Shane Johnson said there is more than just climate at stake.
- Robert Olmer said if you notice the pattern of tourists, they won't necessarily come up here if there aren't ski areas open during the winter. You won't increase business. If winter declines, does summer counter balance operating.
- Liz Harrell said we had great snowmaking.
- Jess Jameson suggested breaking out the plan into categories as drivers: Climate, customer, community, and these drivers will influence our decision. Ms. Jameson said she would like to include values or mission to this document. To address the climate question: We will always have summer.
- Bill Echols said we need to put this up to a vote to the property owners because we are using their taxes. We can make assumptions, but it's their taxes. The Board has a fiduciary responsibility. He said he would like to get this on the Board of Trustees agenda and make a formal presentation with interaction and takes questions from the board.
- Al O'Connor said he wants to have different categories to discuss the highest and best use.

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- Andy Jaine said he doesn't like the statement that if climate goes down, people won't come to Lake Tahoe.
- Robert Olmer said if people come up for ski/snowboard, they might go somewhere else if there isn't snow. He said he wants to get a consensus about spending money on tourist activities.
- Judy Miller said she would like more information about other capital projects for the entire organizations. That is the risk and reward discussion.
- Steve Pulver said we need a consensus about the master plan.
- Shane Johnson said this is a business plan, and it's asinine to have a master plan for just Diamond Peak.
- Ms. Prout said this is a piece of puzzle of how it fits all together.
- Shane Johnson said we need a 20 year plan for entire community not just Diamond Peak.
- Charlie White asked what is the long term vision for IVGID as a community as a whole. We keep talking about tourist vs. community activities. If the community as a whole thinks IVGID shouldn't get involved, we need to address that.
- Eric Severance talked about breadth of scope and long range planning. Larger corporations do this with several divisions. Golf has a master plan process as well.
- Shane Johnson said you have to start with the mission and vision at the very top. It never works working from the bottom up. We are starting in a fundamentally flawed way.
- Ms. Prout asked if everyone agrees with Shane? She said we are working on one chapter in the book.
- Steve Pulver said the Board voted to move forward exploratory. They wanted to look at it with more detail. They gave us the opportunity to discuss it. That is the task we were given.
- Andy Jaine said we can interject other venues. Other venues are instrumental.
- Ms. Prout said we should be cognizant of the other venues when we discuss the different categories.
- Jess Jameson said asked about the strategic plan. General Manager Pinkerton said they are currently working on their strategic plan.
- Bruce Simonian said there is cross marketing with other venues. We are focusing on Diamond Peak and should stay on Diamond Peak. We are paying attention to other venues. We need to focus on this plan, whatever decisions we make will work for the community. Bring the focus on exactly how this is going to serve the community. If we don't do our due diligence, everyone will suffer. There are ski resorts that have closed already. We need to be prepared as a community for the future climate or whatever. Nobody wants a Disneyland, however we need to have strong stewardship and serve our community. People are looking for something to do. Be prepared, prioritize, and serve the community.
- Andy Jaine said people come up based on the amount of snow and other things to do. A lot of our second homeowners won't come up if there is no snow. They are like our tourist. Tourists aren't the only transients.

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- Brain Hrindo said it goes both ways because snowbirds leave when the snow comes.
- Robert Olmer said Sugar Bowl closed because the business was so bad. Diamond Peak Ski Resort General Manager Brad Wilson said conditions didn't warrant being open. They didn't want to offer their skiers this product. Robert Olmer said people come to Tahoe in the winter for snow sports.
- Steve Pulver talked about the activities and attractions. The objective of the master plan is to make DP sustainable in the IVGID structure.
- Ms. Prout asked the group if it's the premise to make DP sustainable.
- Steve Pulver said we need to make sure our assets are here for the next generation.
- Ms. Prout said the Trustees are constantly reviewing a 20 year projection in relation to capital and they balance that shifting scenarios with each venue.
- Shane Johnson said this is self financing.
- Bruce Simonian said we are trying to make the best decision.
- Andy Jaine said he lived for 25 years in California and came to Nevada because it's a no tax state. 60% of the people probably came because there is a no State tax. It's beautiful with amenities. We are still making out like a bandit because there is no State tax. It may be financed on the back of the home owners but he said he is ok with paying for this.
- Judy Miller mentioned The Chateau. She said the selling point was that catering will cover the costs. The Rec Fee is an unusual fee. It's mandatory with no cap on it. This can potentially be a risk. The bonds being paid off didn't result in a reduction. General Manager Pinkerton said the Rec Fee has been \$830 for the past 6 years.
- Al O'Connor said hypothetically we never do summer activities, there still needs to have a plan. Do we believe it's a good business model in the first place? If it is, do we want to do it? People come for a lot of reason. Summer doesn't have trouble attracting people.
- Eric Severance addressed Ms. Jameson's topic about our purpose and strategic planning and master plan. He said for Diamond Peak, it's about the long term projection of sustainability and better utilization. You have to go through assessment and analysis. It's separate and very vital. Proformas drive the 'should we' discussion and how can we afford it and keeping us focused with framework.
- Ms. Prout said we can look at best utility and return on investment and discuss what we like and don't like.
- Eric Severance said in terms of speaking about the plan and breaking it into categories or 'buckets,' we need to address what isn't on the list in the current master plan? What has been overlooked? Are there activities and topics that are missing from the plan?
- Andy Jaine said possibly snowmobiling
- Jess Jameson said we still have questions or concerns within the plan. She said she agreed with Mr. Severance, we need a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. Need framework to work through.
- Robert Olmer said we don't know the future and how profitable summer operations will be. Does the mountain coaster fit the profile of this community? We need to ask this question of our community? Do we need this attraction?

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- Ms. Prout said we can address these topics within the bucket of categories. How does anything fit into the ethos of our community?
- Robert Olmer said Snowflake lodge is a dump but others in the community might disagree it needs to be updated.
- Bill Echols said, to Mr. Olmer's point, does it fit into the community. Let's find out what the community wants. There are skidoo parks around the basin. IVGID needs to scope down. There is a role for the private sector.
- Liz Harrell said Diamond Peak already competes with other resorts.
- Eric Severance said its common back East for government to run ski resorts.
- Charlie White said he could understand Mr. Echol's point. Government should be more limited. However, in this case, we already operate Diamond Peak. It's irresponsibility not to maintain the asset and that he believes Mr. Echols has a reasonable concern, however we are already invested.
- Bruce Simonian said we looked at outsourcing. We took things back in order to operate them at the best interest of our community. We need to speak to more specific things rather than vague concepts. We are doing our due diligence.
- Steve Pulver said if we do summer operations right, we will make money to offset. Is there a consensus if we want summer operation if so, what do we offer. He said he knows some people don't want change. The majority of the folks in this community might want summer operation.
- Bill Echols said he hears from people that Incline Village is unique but not a resort. The summers are already crowded. We don't need another amenity to pull people in. They want beach access tightened up. It's crowded and we need to maintain the uniqueness.
- Al O'Connor said we want to make the most money per square footage. Maximize our assets. We don't want IVGID to lose money. He said he has heard a split in opinion about the desire to want a change at Diamond Peak.
- Andy Jaine spoke to Mr. Echol's point and said it's already happening. The 4th of July is already crowded.
- Jess Jameson spoke about amenity and attractions. If there are so many people here, opening up another asset to be used is in line with stewardship. There are ways to utilize the mountain in ways that work.
- Ms. Prout said there is the notion that people aren't going to come here just for this. They will take one of their 4 days of vacation to enjoy it.
- Judy Miller spoke to Ms. Jameson's point and said we have a lot of people here, and it might take the stress off of the beaches; it would work if there wasn't any external marketing. She asked what will be the impact on tourism for those who aren't already here.
- Eric Severance said Mr. Sharpe, from the SE Group, discussed tourist coming to Lake Tahoe they aren't making a destination choice based on these activities. There is a lot of data behind that. There might be some incremental additions for extra visitations. Spreading the load is a hidden benefit for our community. It's a congestion point. If you

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focus just on July, there is an appetite from people on what else there is to do. He said he made phone calls to other ski resorts to explore who is doing this new utilization push into summer activities. He said they are doing it because they are interested in doing it, they need to do it, and the economic pressure. Some are coming back realizing they can't because they are missing some clear components. We had 2 out of the 3 macro points and we have the foundation and basis for a credible shot at this. He said some resorts just dabbled into it and they ruined their chance.

- Ms. Prout said she didn't hear a lot of new data questions and she asked if there are more discussion items.
- Charlie White said he would like to have a meeting at Diamond Peak to see where these activities would go.
- Ms. Prout said to see and understand the impact.
- Bruce Simonian said the logistics at the beach has been on our radar. We have been addressing them schlepping their things coming down. They are second homeowners coming down. Integrating the bus systems and addressing the congestion.
- Charlie White said by focusing on these topics we might be distracted from additional discussion.
- Andy Jaine asked do we do the summer activities or not?
- Robert Olmer asked if we continue this process this way, is there anything that will change your feeling about the master plan?
- Ms. Prout said we have huge call for sorting out some questions. It sounds like we don't need additional data.
- Al O'Connor said there will a compromise. They won't do this exact master plan.
- Ms. Prout said we have a bucket of summer, winter, and hybrid for discussion.
- Andy Jaine said he is in favor of the plan if these issues are addressed: noise, traffic, finance, and fire; these are huge issues that need to be addressed. These are fundamental issues to be brought up.
- Charlie White said we need to start with a structure of summer activities, winter activities, and Snowflake. We need to cover the same main things we have discussed of strengths, concerns, and general recommendations. Then we need to prioritize. We need to establish a structure first where these fit.
- Jess Jameson asked what the next tangible steps are. No one will agree this exact document works.
- Robert Olmer suggested going through each stage and applying our questions to each phase to get answers. There will be positives and negatives and topics will come up. Integrate the questions when going through the phases. The community need to know what the questions are and what we have wrestled with. He said he would like something done with Snowflake regardless what comes out of this group.
- Eric Severance said the sequencing and phasing is predicated on self financing. There are big topics within each category, but can't get stuck into the phasing.
- Ms. Prout said let's talk about the entire summer bucket.

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- Eric Severance said if you look for commonality among the questions, we can cluster them.
- Ms. Prout said she is pushing to see where there is consensus and disagreement in summer bucket. Where is the agreement and disagreement and how strong is that.
- General Manager Pinkerton said it's not monolithic and spoke to what Mr. Olmer said. We need to understand the land use for each activity and get an idea of what these activities are. Bring in a traffic and noise consultant to discuss potential concerns.
- Steve Pulver said people have strong feelings about the whole project. We aren't discussing what is in the master plan. The IVGID Trustees will deal with these things. We haven't even discussed the plan.
- Ms. Prout said if we dug through the details, there would be feeling that we hadn't honored some issues. Why dig into the small details when we haven't addressed bigger topics. Ms. Prout then asked the group, what else you need to know. The group asked for origin of the plan, finance, details of summer/winter.
- Al O'Connor said if we have to create an output, we need to get realistic.
- Ms. Prout said the structure will be summer and winter bucket. Go through on your own notes, and these are the positive, negative, and things we need more info on.
- Charlie White said we need more detail so we can determine the pros and cons for each feature. Need to know where we have consensus and disagreement.
- Robert Olmer asked to go through phase one, summer activities. Snowflake, most will agree we need to do something. We can get through some of this very quickly.
- Ms. Prout said we can start with phase one, summer and get general concerns, itemize it.
- Robert Olmer said we need to discuss areas of agreement and disagreement.
- Andy Jaine said we are ready to do it. There are no new topics to bring up.
- Ms. Prout told the group to read the summer chapter and we will gather the agreement and disagreement and consensus.
- Andy Jaine said there are something topics that aren't related to summer/winter operations. They are more overarching topics.
- Jess Jameson said she would love to take a field trip. Everyone should have an idea of where everything would be.
- Eric Severance asked if we should have a 3 week break? We lose a meeting, we might lose momentum.

Reconvene next Monday, March 30, 2015, 3-5pm at Diamond Peak for a tour and discussion.