Comments received after the

Governing Board packet submitted

On December 5, 2011

Homewood Mountain Ski Area Master Plan

Public Comment

Individual Letters

FOR

David Landry

From: Renee Koijane <rkoijane@sbcglobal.net>
Sent: Monday, December 05, 2011 4:05 PM
To: David Landry
Subject: Homewood Project: Letter of Support

Dear Mr. Landry and TRPA Governing Board:

My husband and I are full-time residents in Homewood, raising two young boys currently aged 6 and 3. My husband has lived in Tahoe nearly 25 years and we intend to live out our retirement years here! We have nothing but good intentions for the environment and quality of life in Tahoe and specifically on Tahoe's beautiful West Shore.

As such, we along with every other family we know here, are very hopeful that the plans we've seen thus far are carried out to revitalize Homewood Ski Resort. To not have any resort or ski area here would be such a shame and would certainly leave this area blighted, or perhaps worse, lined with nothing but oversized estate homes that gate off public access to some of loveliest land in the basin.

As it has said, Homewood Ski Resort cannot afford to exist as it is. Something needs to happen. We feel JMA Ventures' plans are tasteful and in keeping with the flavor of the West Shore. In such hard economic times, a resort like this would reinvigorate the area financially and infuse a neighborhood spirit that is certain to benefit this side of the lake. This is a thoughtful, sustainable project that will keep the locals employed and the ski resort alive. What's more, it will serve as a benchmark for resort town planning, hopefully showcasing that the projects embracing both the environment and the people that live there are the most successful and enduring.

Over the coming years, I imagine my children biking over to the resort and perhaps working at the ice cream parlor there, and later on teaching skiing on the hill. I imagine a charming, magical West Shore with a pedestrian and bike-focused epicenter that is Homewood Ski Resort.

In the end, Lake Tahoe is to be cared for and it is also to be loved and enjoyed.

Best,

Renee Koijane
4810 Sacramento Ave.
Homewood, CA 96141

Gail A. Jaquish
P.O. Box 129
Zephyr Cove, NV 89448

December 6, 2011

RECEIVED
DEC 06 2011
TAHOE REGIONAL
PLANNING AGENCY

Mr. David Landry
TRPA
P.O. Box 5310
Stateline, NV 89449

Re: Homewood EIS Certification & Final Project Approval

Dear Mr. Landry,

As a fulltime resident of and business owner in Tahoe, I urge the TRPA Governing Board to certify the Homewood EIS/EIR and to approve the Project. For the past several years, the TRPA has represented to the community throughout the Tahoe Basin that the agency believes the path forward to achieving environmental improvements is through redevelopment and associated introduction of new water quality treatment technologies. The Homewood Project delivers precisely the kinds of environmental improvements that the TRPA contends will enable it to achieve its goals.

Beyond commending the environmental improvements that this Project will deliver to Lake Tahoe water quality, the Homewood Project also achieves the too often neglected TRPA goal of balancing the needs of the environment with the needs of the community. By risking their capital in this project for many years to get to this point, the investors/owners of Homewood should be applauded for their significant part in promoting job creation in the Tahoe Basin during a time in which our Basin-wide economy is in decline.

Finally, residents of this community are well aware of the reasons why the Nevada Legislature passed Senate Bill 271 during the 2011 legislative session. For too long, the project review process in the Lake Tahoe Basin has been arbitrary, capricious, slow, unscientifically based, and politically motivated ideological advocacy that has trampled on private property rights and the rule of law in Tahoe. From the smallest home improvement projects to the largest development projects, the existing project review process has wasted public and private resources, delayed fair due process, perpetuated a climate hostile to investing and thereby harmed the local economy and demeaned and demoralized the citizenry. SB 271 is now law in Nevada; it sets forth new conditions that need to be met in order for the TRPA bi-state compact to survive. The TRPA Governing Board now has an opportunity through certifying the Homewood EIS/EIR and approving the Project to evidence that the TRPA will be a part of solving the Basin's environmental, economic and societal problems, rather than be a cause of its own demise.

Respectfully,

Gail A. Jaquish

Sierra Colina, LLC

Mail to:
P.O. Box 129
Lake Tahoe, NV 89448-0129

FedEx, UPS Deliveries (No Mail):
224 Kingsbury Grade, Suite #203
Stateline, NV 89449

E-mail: QMOØ1@hotmail.com
Tel: (775) 588-4949
Fax: (775) 588-6292

December 6, 2011

Mr. David Landry
Tahoe Regional Planning Agency
P.O. Box 5310
Stateline, NV 89449

RECEIVED
DEC 06 2011
TAHOE REGIONAL
PLANNING AGENCY

Re: Support for Homewood EIR/EIS and Project

Dear Mr. Landry:

I am one of the principals of Sierra Colina, LLC. Previously, I was the managing partner of KOAR Tahoe Partners, the developer and former owner of both the Embassy Suites Hotel at Stateline and the Embassy Vacation Resort at Ski Run, now re-named the Lake Tahoe Vacation Resort.

Twenty years ago, on December 14, 1991, I completed and opened the Stateline Embassy Suites Hotel, the first south shore redevelopment project. In 1996, I developed and opened the second south shore redevelopment project, the Embassy Vacation Resort at Ski Run. Together, these two projects made a collaborative agreement with the League to Save Lake Tahoe, the California Attorney General, and TRPA to improve the environment and economically benefit the community. The incremental property taxes and transient occupancy taxes generated by these 2 projects funded a $60 Million bond offering, the proceeds of which were used by the City of South Lake Tahoe solely to make environmental improvements in the Basin. Today, both resorts are providing local jobs and desirable lodging options to the Basin's visitors. Most would label these efforts a huge win/win for the community and the Lake.

In 2009, the League sued our Sierra Colina community home project with LEED Green construction by challenging the public bicycle and pedestrian trail network which TRPA had approved through our 18 acre private parcel. The U.S. District Court in Reno questioned during oral argument the League's motivation for filing the case, and ruled against the League on all of its causes of action in a very strongly worded judicial opinion last August. The League nevertheless chose continuing litigation and obstructionism when it appealed the case to the U.S. Ninth Circuit Court of Appeals. The League's actions, here and elsewhere, continue to block environmental improvements in the Basin.

Homewood is under a similar assault by an assortment of activists, including the League, whose objections to the project ignore its many water quality improvements and community benefits. The investment community is also aware of the Homewood project. There are numerous attractive investment opportunities for institutional real estate investors to pursue in all of the well-known, prestigious resort destinations, whether the projects be hospitality related or residential in nature. One commonality which these attractive investment opportunities share is transparency from the regulatory authorities and certainty about what is required to move forward with a project. Capital flows where the approval process is clear and transparent, and applied consistently and even handedly to all applicants. Where this capital invests is of utmost importance to the Basin, which needs private capital to advance the EIP program and to make environmental improvements that the public sector can no longer fund.

TRPA's denial or revision to such a well-designed and environmentally beneficial project as Homewood (per the EIR/EIS) would be a devastating blow to Tahoe's attractiveness as a recipient of institutional investment capital. It would cause the investment community to conclude that meritorious projects such as Homewood which benefit the environment and the community are judged by TRPA on factors other than science, the law and the Lake's and community's best interests. For the sake of the Lake, please certify the EIR/EIS and approve this clearly meritorious project without amendment. Thank you for your consideration.

Very truly yours,

Steven C Kenninger

Homewood Mountain Ski Area Master Plan

Public Comment

Individual Letters

AGAINST

RECEIVED
DEC 07 2011
TAHOE REGIONAL
PLANNING AGENCY

SIERRA CLUB
FOUNDED 1892

TAHOE AREA
SIERRA CLUB
P. O. Box 16936 • South Lake Tahoe, CA 96151
motherlode.sierraclub.org/tahoe/

Dec 3, 2011

Tahoe Regional Planning Agency
128 Market Street
Stateline, Nevada 89448

Subject: Hearing on FEIS: Homewood Ski Resort

Dear Board Members:

The Tahoe Area Sierra Club has several concerns regarding this project and has previously submitted a response with FOWS and The League. Rather than re-list over a dozen issues and concerns we have, which would likely repeat what numerous other stakeholders will be discussing at the Hearing on Dec. 14th, 2011, we hereby incorporate by reference all reports and presentations which have previously been submitted and others which shall be made at the hearing opposing various aspects of the project as currently proposed, and instead we shall focus on just one issue in support of our position that this project should be downsized by 1/3. In our discussing the downsizing of this project, it should become apparent to the Board that virtually NO credible investigation and objective analysis was made by TRPA staff, nor the environmental consultant retained by TRPA nor Placer County in support of the developer's view that Alt. 6 or any smaller version of Alt 1A was and is not feasible as required by CEQA.

Homewood Ski Area can and should downsize by 1/3rd as their analysis claiming to need 312 residential (income producing) units is not correct

JMA basically argues that they need an additional 400 mid week skiers to break even on the ski area daily operational expenses. This is explained in the DEIS as follows:

"1) Homewood Mountain Resort Viability:
HMR prepared a financial analysis for agency review to support the number of tourist accommodation and residential units they have proposed in their Master Plan application. The typical ski season on average consists of 110 days, 72 of which are non-holiday mid-week days. Non-holiday mid-week days have historically averaged around 300 skier visits per day. HMR's financial analysis states that the Ski Resort needs to increase mid-week ticket sales by an average of 400 skier visits per day in order to generate sustainable revenues and at minimum cover cost of operations. HMR's analysis states that weekends and holidays have sufficient skier visits and related revenue generation to cover operating expenses, but that the marked decline in skier visitation during the mid-week period has been an impediment to balancing the overall annual cost of operations with revenue.
In order to increase mid week visitation to generate 400 additional ticket sales per day, HMR states that a minimum of 316 onsite tourist accommodation and residential units are required. Their analysis assumes that each unit will be occupied by an average of 2.25 skiers and will have an average occupancy rate of 55 percent resulting in approximately 400 additional skier visits per day during the mid-week period (316 tourist accommodation and residential units (336 including units with lock-offs) times an average of 2.25 occupants per unit times 55 percent average occupancy rate equals approximately 400 skier visits). The occupancy rate and average number of occupants per unit that was modeled in the HMR analysis was derived from historic data of area resorts and other tourist accommodations tracked by the North Lake Tahoe Resort Association.
HMR retained Bay Area Economics (BAE) to perform a third-party analysis of the Proposed Project, and the skier revenues needed in order to ensure the long-term viability of the resort. BAE's report is generally consistent with HMR's analysis."

(Note: The current number of requested residential units is 312 (325 total units less 13 employee housing units according to the environmental consultant)

In a nutshell, what JMA is saying is they need 312 residential income-producing units for midweek skiers with an assumed 2.25 skiers per unit facing a 55% occupancy factor at Lake Tahoe. (The 312# may have increased at the recent Placer County hearing to 330 units, but this response will focus on the # confirmed by the environmental consultant).

1. The problem: The developer and staff are using the wrong occupancy factor

A. HMR will not be weighted down by a 55% "average" occupancy factor. Just think about it for a moment: The reality is that this project with 3 pools, a skating rink, miniature golf, a 4-star hotel, a health spa, an additional 1 million sq. ft. of build-out, coupled with the existing fantastic and world-famous views of Lake Tahoe and across the street from its own top-of-the line West Shore Inn will set the standard for the Lake for years, and possibly decades, to come. **This project will simply not be "average", which is exactly what the occupancy factor tells us**: the average occupancy of rental units in a certain time period within a certain geographic area. Homewood, especially during the ski season which is the focus of the developer's argument for more mid week skiers will not be limited by an average occupancy factor of only 55%. Why? Because the 55% factor is an annual factor addressing the **entire** year, including the shoulder months and the summer months when there will be no need for mid-week skiers to cover daily skier operational expenses. . Homewood Ski Resort should, in all likelihood, remain full, just like certain restaurants that are booked months in advance and still are years later. Yes, full occupancy can and does happen.

Picture an occupancy analysis as a bell curve, with about ½ the commercial residential locations operating below 55% (these will be the below average locations), the others above 55% (these will be the above average locations). In fact some will be struggling at maybe 25%, others quite busy at 75%. Then along comes Homewood, offering more and better of everything, and based on simple supply and demand, they will jump to the high side of the bell curve, no doubt surpassing the existing leaders which only have maybe 1 pool, maybe no golf facility, probably no skating rink, no award winning restaurant situated on the Lake, and no fantastic views of the Lake. Homewood will leave all the other competitors in the dust. **It will not be average which is what the occupancy factor calculates. (see Dean Runyan report dated Aug.2009 relied on by the developer at P. 7 defining the occupancy factor as overall revenue divided by the # of occupants in 1 year; the report does not focus on high end resorts, nor seasonal analysis. See: http://www.deanrunyan.com/doc_library/FinalReportCA.pdf)**

B. The developer and staff should be analyzing the occupancy factor of a resort during its limited high season, and disregarding all the rest as explained above. The Occupancy factor being used here by the developer is taken from the Runyan report which analyzes many financial issues for this area. But it states its Occupancy factor analyzes the annual rate, not a seasonal rate (see P. 7). So why should we be focused on a rate (from the Runyan report) which includes, significantly, the shoulder months (probably a 0-5% occupancy rate), when the issue before us is ONLY the 4 months of the ski season? In fact, this is the sum total of the developer's argument for the size of the project (See Alt. #6 argument). Remember: the developer is claiming it needs the extra units to help cover its mid-week ski operational expenses—nothing else). And even if the developer produces Squaw Valley and Northstar occupancy numbers for their ski season, let's be sure to factor in the total number of residential units at Squaw and North Star. Why? Because they may be over-built such that they achieve maybe a 55% factor because they are stuck with an excess in residential units. (that is: if they had half an many units for rent, they might find themselves at 90% or more occupancy). So, if Homewood does not over-build (as other areas may have done), and thereby only offers 200 residential units, it should meet its new mid-week skier # consistently. But if it adds 312 units, it may not be able to fill all of them each mid-week night. Said differently, the concept of "Build It and They Will Come" may not be accurate for every demographic and geographic area and activity. Why not build fewer residential units, save millions of dollars in capital construction costs, and carefully evaluate if this plan to entice additional midweek skiers will even succeed??

Accordingly, if Homewood is only permitted 200 residential units, at 2.25 skiers/unit per the FEIS—(more about this inaccurate # below), and remains full, then they will actually need under 200 units if they can remain full each midweek night (ie 200 x 2.25=450 skiers).

C. The 2.25 skiers/unit assumption of the developer and staff makes absolutely no sense and is wrong

Next, and equally important, we need to ask ourselves: what's wrong with the assumed 2.25 skiers/unit when a number of units are 2 bedrooms very likely to accommodate 4 skiers, others have 3 bedrooms and would accommodate 6 skiers, and still other units have 4 bedrooms which could likely accommodate 8 skiers? How do these facts equate to only 2.25 skiers/unit? Where is the neutral objective report proving the accuracy of 2.25 skiers/unit? Let's, for math purposes, use 5 skiers/unit as a compromise (midway between 2.25 and 8 skiers) and lets also factor in a lower occupancy rate even though this will be the The Place to Go, and use only 85% for what will be the most popular place at the Lake. Then: 200 units x 5 skiers per unit x 85% Occupancy factor= 850 additional midweek skiers (where the developer only needs 400 additional skiers).

In fact, just using the compromise # of 5 skiers and an even lower occupancy factor yields: 200 units x 5 occupants x 70% Occupancy = 700 new skiers where the developer needs (per its arbitrary formula) only 400 new skiers. And if you drop the compromise # of skiers in the residential units to just 4 (obviously too low), you still achieve: 200 x 4 x 70%=560 new mid week skiers.

A brief note about the Lift Ticket Yield analysis: this is just another discount factor being thrown out to discount any analysis tending to bolster Alt 6. Why? Because (1) again think of a bell curve and ask why Homewood would be stuck in the middle of the pack (see above discussion re: Occupancy Factor issues) which this analysis comes up with. Homewood should achieve a much higher yield as it will attract a greater share of full paying skiers (2) much of this number is under the control of the ski operator giving out free passes, complimentary tickets, etc. thereby lowering the yield; (3) Ski Area Management, a national publication, suggests, in its March 2011 publication that the **average** yield is 58% on average (along with an average operating profit of 25.6% and points out that for '09-'10, skier visits have been strongest in the Pacific West. (see: http://www.saminfo.com/issues/article.php?tid=3933) Conclusion: Applying an "average" yield factor to Homewood makes no sense.

Finally, the Alt 6 v. 1A analysis ignores the millions of dollars which the developer would save by going with Alt 6 v. Alt 1A, thereby requiring much less investment funds and bank financing.

2. **The request for 312 residential units is a red herring**. JMA is not really reliant on needing 312 units anyway. As we can see from the phasing of construction (2 phases), 201 income-producing units are to be built in Phase 1. That demonstrates that the 316-330 units are far more than they actually need; the rest (in phase 2) are for a greater return on investment for their investors. *So, who says the only way to save the ski area is with 312 residential units whose skiers will pay the daily operational expenses when you in fact have both investors and banks paying in tens of millions of dollars for the project for all of its needs and the developer is building and selling dozens of condos and chalet units? Why isn't a significant portion of the operating expenses of the project also being paid from these tens of millions of dollars?* **Who says mid week skier expenses have to be paid ONLY from additional mid-week skiers?** We would agree that ticket sales (and other sources of skier revenue like lunches, ski lessons, parking fees, kiddie services, etc.) should equal and in fact reasonably exceed daily operational expenses *if no real estate were in the mix. But this project is significantly about adding new real estate development to the ski area.* **Further, and apparently missing from JMA's financial modeling is the added revenue which will be spent by the additional overnight skiers for non-lift-ticket "operational expenses" such as food (probably up to 3 meals/day), lessons, ski repairs, accessory purchases, and so on.** (See P. 6 of BAE report sent to David Landry dated 9/14/11 confirming the BAE analysis does **not** estimate this additional revenue stream). What the developer appears to be doing is simply coming up with an argument to support more development for more profit. That may be standard business practice to maximize profits but in this case **the adverse effects on the Lake Tahoe environment must be considered first and should outweigh the developer's search for additional profit**.

3. **TRPA is not required to over-develop this area to insure JMA makes a large profit**. JMA is not legally entitled to insist that we, the public, nor you the permitting agency, partner with JMA to make this a financially successful venture for the developer's shareholders and investors. Reasonable cooperation, yes. Bending over backwards, and imposing an immense project on a sleepy little village as well as amending over a dozen codes to pave the way for even greater profits, no.

4. **Approving this project may in fact adversely effect the financial health of the hospitality sector of the Lake**. JMA is not

necessarily going to help the long term financial health of the Lake if it is allowed to build this resort. If the Lake is at 50 or 55% occupancy now, how will **adding** 312 (or more) units help those competing hotels and resorts?? If and when 312 additional residential units come on line won't other hotels and resorts suffer due to increased and strong competition? As it is, the several dozen resort establishments at the Lake are, on average, sitting on ½ their inventory based on the 50% occupancy factor), and all are competing over the same pool of tourists so adding more and newer units in a very attractive setting is not the way to help the other resorts. Let's be realistic: the existing 45-55% average occupancy factor determined by JMA and Runyan is not that healthy a number to begin with; why risk lowering it?

In conclusion, it seems clear the FEIS and environmental consultant retained to evaluate the smaller Alternatives did not perform a thorough or any analysis of the financial arguments raised by the developer to support what it claimed it needed to make this a viable alternative. Accordingly, and using most of the developer's own numbers and methodology, and only changing (1) the # of skiers/unit (to more realistically reflect the likely # of skiers omitted but present in the 3 and 4 bedroom units), and also (2) increasing the occupancy factor (to recognize the error in casting this resort, as envisioned, as just "average" when it will in fact be at the top of the list), we see that this project can be built with 200 residential units (or less). And not discussed in this letter is the likelihood of increasing lift ticket prices in anticipation of the Homewood Ski Resort becoming a much more likely destination resort.

Respectfully submitted,
/s/ Ron Grassi

Ron Grassi (Co-Conservation Chair)

David Landry

From: MARK H WOOD <masterplan@skihomewood.com>
Sent: Tuesday, December 06, 2011 1:00 PM
To: David Landry
Subject: Comment in support of the Homewood Master Plan

Submitted on Tue, 2011-12-06 13:00

Submitted values are:

Your comments: lets desendtheplan to above the sholder far south above quail lake. You could start with a towable hut, tent the view is the best return for your investment dallor. Panoramic views with a midsize tram or funitel. A comanding view .A undergrond below next to the tram,dirt covered and landscaped. (parking) Your name: MARK H WOOD Your address: 7243 7th Ave Your phone number: 530-525-1358 Your email: WWW.TOHOMAMARK.NET.ATT

David Landry

From:	bbvb11@gmail.com on behalf of Vic and Barbara Brochard <bbvb@calalum.org>
Sent:	Monday, December 05, 2011 4:31 PM
To:	David Landry
Subject:	Correction of Letter to TRPA Governing Board re Homewood Mountain Reosrt
Attachments:	CORRECTED Homewood Mountain Resort 12.02.11.doc

Dear David,

I made an error in my letter to the TRPA Governing Board regarding the Homewood Mountain Resort.

In the "Water" section I stated that HMR will be "going from 23 acres of ski runs to 100 acres." It should read "increasing snow making potential from 23 acres to 100 acres."

I have attached a corrected version for you distribution and thank you in advance for causing you an inconvenience.

Barbara Brochard, President
McKinney Bay Improvement Association, Inc.

---------- Forwarded message ----------
From: **Vic and Barbara Brochard** <bbvb@calalum.org>
Date: Sun, Dec 4, 2011 at 9:28 PM
Subject: Letter to TRPA Governing Board re Homewood Mountain Reosrt
To: dlandry@trpa.org

Dear David,

Please find attached a letter to the TRPA Governing Board regarding one of the topics at their December 14 meeting, the Homewood Mountain Resort proposal.

Could you see that each board member has a copy of this letter?

Thank you,
Barbara Brochard, President
McKinney Bay Improvement Association, Inc.

TO: TRPA Governing Board December 2, 2011

FROM: Barbara Brochard
President, Mc Kinney Bay Improvement Association, Inc. in Placer County
HOA begun in 1956 representing over 100 members

RE: Homewood Mountain Resort

The McKinney Bay Improvement Association (MBIA) supports the position of the Friends of the West Shore (FOWS) that the Homewood Mountain Resort (HMR) should be built at 33% less than HMR is requesting. The most pressing of our reasons are as follows:

Financial:

HMR's need for the immense size of the resort is based on the contention that they need 400 midweek skiers to support the ski resort.

HMR's financial analysis is inadequate:

- How was the need for 400 additional mid-week skiers determined? What is the calculation of the need for the 400 skiers?
- Ski occupancy was not based solely on winter occupancy, but on an annual average, which includes low shoulder season occupancies.
- HMR has not provided information on other income streams such as concessionaire income, ski lessons, real estate revenues or increase in lift ticket prices.

Water:

HMR must Provide more information on its proposed water source and supply for these reasons:

- HMR is increasing snow making potential from 23 acres to 100 acres. They will need a great increase in water for snow making.
- They will also need water for the many condos they intend to build.
- FOWS is concerned that the aquifer water level for nearby communities will decrease, negatively impacting current water users.

Traffic:

The effect on the increase in traffic cannot be mitigated. An increase of over 1400 vehicular trips per day during peak summer activity is very significant.

- The proximity of the resort to the highway (unlike Squaw and Alpine) will result in queuing on Highway 89.
- A mitigation fee will not make it go away.
- The least we can do is to reduce the size of HMR by one third.

Lake Clarity:

The clarity of the lake will be decreased by this project. Vehicular exhaust has been shown to produce particulate matter which will negatively impact the lake. Traffic increases are a given, let's minimize the effect of exhaust by reducing the size of HMR.

The West Shore neighbors are most interested in maintaining the character of the quiet shore. We realize that Homewood needs an upgrade, but such a large upgrade will be incompatible with the long-standing character and neighborhood of the West Shore and set a precedent for more urban expansion.
Please vote for a smaller, still viable Homewood Mountain Resort.