

## The Friends of Olympic Valley presentation to the MAC August 17, 2024

We believe that if the size of the proposed Village were smaller, the environmental effects would all be reduced.

The Court of Appeals ruling nullified the Placer County and Superior Court approvals of the Village Project and required the Applicant (now Alterra Mountain Company) to resubmit their Specific Plan and CEQA analysis. The applicant has resubmitted with no changes to the Specific Plan and only very minor changes to the CEQA analysis.

Therefore, no economic analysis of the project has been provided despite significant inflation in the costs of materials, labor and land. The only analysis was done 8 years ago in 2016 in an entirely different economic environment.

As part of the CEQA process, the Applicant was required to submit an Alternative Economic Analysis of a smaller alternative plan. Unfortunately, the smaller alternative plan that was submitted did not achieve the expected 12-15% Internal Rate of Return (IRR) needed to make it economically feasible.

At the Supervisors meeting November 15, 2016, the Friends of Olympic Valley challenged the Applicant's alternative plan. FOOV did so by presenting a viable, smaller alternative plan for the Village (Reduced Size Alternative – RSA) which showed that a Reduced Size Alternative achieved the same IRR as the proposed Village Plan.

FOOV believes that the Reduced Density Alternative (RDA) from the CEQA document was very badly envisioned because it simply eliminated intermediate buildings, essentially maintaining the geographic size of the village.



This had three very critical impacts:

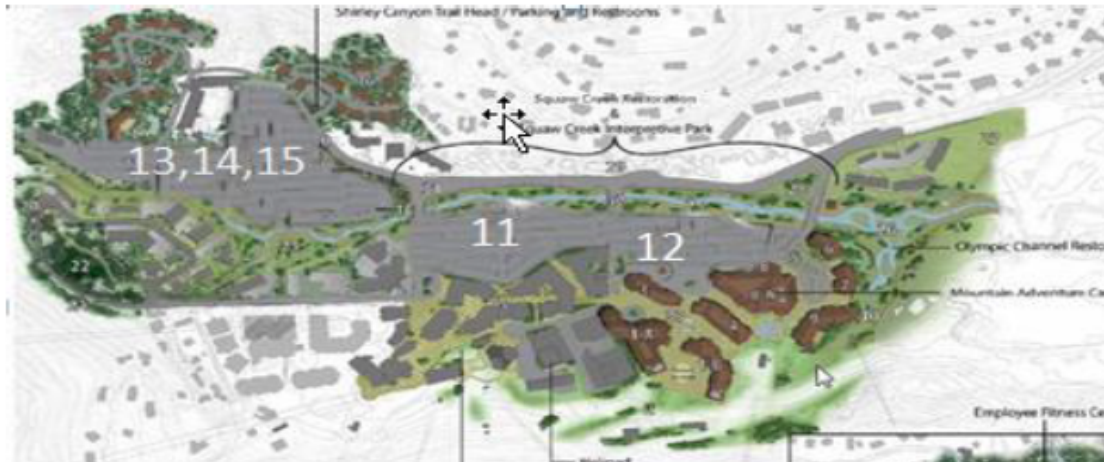
1. The infrastructure costs were almost the same as if the entire original Village had been built
2. The applicant's Alternative plan maintained the very high \$94Million cost of the Day Skier Parking structure
3. The smaller village plan (RSA) proposed by FOOV could not absorb these costs and therefore failed to achieve the targeted IRR

*\*\*According to the proprietary cash flow models provided by the Applicant, the construction of parking for day skiers for the Proposed Project and the Proposed Project—No Hotel costs approximately \$100 million. Construction of parking for day skiers under the Reduced Density Alternative costs approximately \$94 million. This structured parking for day skiers is the largest Master Development Cost in each case.*

FOOV believes that a Village with the same room count as the CEQA Reduced Size Alternative can have a much lower cost structure, and at the Board of Supervisors meeting the Friends presented such a plan. It did so by:

1. Eliminating parking structures using surface parking to match their capacity
2. Repositioning all buildings within the Village Core
3. Reimagining these buildings to produce a World Class village

Our plan demonstrated that a smaller alternative plan (RSA) could in fact achieve the required IRR.



Unfortunately, at the Supervisors meeting the Applicant's lawyer challenged this plan, but the Supervisors did not allow the Friends to refute what he had said. The last thing the Supervisors were told was not accurate and had we been allowed to respond; we would have shown that his comments were incorrect.

Lastly, in addition to the significant cost increases of construction since 2016, the revenue side of the IRR analysis has also changed. For example, the Applicant now charges for parking and the simple inclusion of revenue from the Day Skier parking structure would positively affect the IRR of the smaller alternative plans.

So, just at the environmental conditions have changed in the 8 years since the original Plan and CEQA analysis were submitted, so have the costs and revenue. Current economic conditions demand a complete plan redo with renewed focus on developing viable alternative plans.

It would seem incumbent upon the County to assure themselves that the Applicant's plan is financially viable before approving it, and thereby eliminate the possibility of this valuable land becoming a white elephant, with a poorly envisioned, partially completed project.

**Therefore, we ask that the MAC to reject the Village plan and recommend to the Supervisors that they require the Applicant to redo the CEQA Alternatives Economic Analysis and include a well thought out Reduced Density Alternative, along the lines of the one presented in 2016 by the Friends of Olympic Valley.**