

September 18, 2018



Dear Town Planning Commissioners:

Thank you for the opportunity to comment on the Snow King base area master plan amendment. We believe Jackson Hole can be a national model of a strong community living in balance with nature, and Snow King can be the greatest example of this balance: a ski hill built on our community values of protecting wildlife and providing access to nature on our public lands. We want Snow King to succeed as our Town Hill, not an amusement park covered in new condos at the base.

We appreciate that the Town, County, and Forest Service are all working together to make holistic decisions about the future of Snow King. Within that context, please understand that **the base area master plan amendment you are currently reviewing is entirely about future private real estate development – and the developers are proposing a radical shift from the deal our town made in 2000.**

In 2000, our town made a deal with Snow King to allow dramatically more commercial and lodging development at the base – 915,000 square feet, the equivalent of almost 10 Marriotts or two Four Seasons – in exchange for that development serving as the “financial and operational platform” for the ski area¹. Essentially, local government created many millions of dollars of commercial property value through an upzone, and gave it to the investors. In total, that development equates to 550 new condos or 1100 new hotel rooms – about half of it still latent. Nearby condos are currently selling for \$1.5-2 million, so 550 condos means \$800 million to a billion dollars of condo revenue. A small portion of that revenue was supposed to – and easily could – support the winter skiing operations.

The investors agreed to use some of the additional revenues from the increased lodging and commercial development to fund “community-oriented activities” like operating the ski area. The Resort Master Plan was crystal clear on how this would work:

“The Snow King ski area provides a venue for the junior ski racing programs, adult ski racing as well as recreational skiing and snowboarding, both day and night. ... It must be noted that many of our community partnership activities mentioned above often come at a high cost to Snow King. Resort operation of lodging and other facilities provides the financial and operational platform and the resources to support these and other community-oriented activities.” [172-173]

This is normal for ski resorts – most don’t make their money on lift tickets, they make money on lodging, real estate, and commercial development at the base.

So, Snow King’s investors agreed to create the Snow King Resort Master Association (SKRMA). The simplest way to understand SKRMA is that it’s like a Homeowners’ Association (HOA) for everyone who owns land or does business at Snow King. SKRMA was empowered to charge dues on all the property owners. According to the Resort Master Plan:

“SKRMA will act as a pseudo improvement district and be entitled to assess and collect dues and assessments from all property owners, renters, resort guests and from any

¹ *Snow King Planned Resort District Master Plan [2000]*, page 172-173.

entities performing management functions, owning property or obtaining revenues within this Planned Resort District. These dues are intended to cover all of SKRMA's costs including various mitigation plans, constructing and maintaining any improvements that are its responsibility including landscaping, roads, utilities, employee housing, parking, pathways, recreation, district promotion, common signage, transportation, marketing and any other aspects associated with the proper and successful implementation of this Master Plan and its goals and objectives." [171]

The deal was clear: the community gave Snow King's investors additional commercial value and revenue; in return, the investors agreed to use part of that revenue to pay for community benefits. Unfortunately, Snow King's investors never carried out their end of the deal. They never levied dues through SKRMA to fund the "community-oriented activities" with those dues. According to the Wyoming Secretary of State's website, SKRMA stopped even filing its paperwork, so the State dissolved it in 2014.² (Snow King has since re-filed SKRMA's paperwork.)

It gets more complicated. When our community made the deal with Snow King in 2000, the same investors owned everything: the ski area, the hotel, and the vacant land at the base, so it would have been easy for them to set up SKRMA. But over time, the investors made short-term business decisions to sell off key parcels like the hotel and the new condos, sacrificing part of their "financial and operational platform" for fast cash. As a result, there are now more owners at the SKRMA table, making it more complicated to get agreement on how to levy and spend dues – but that doesn't change their responsibilities.

We hoped the investors would try to fix this situation through the amendment in front of you. Unfortunately, they're doing just the opposite. **The new investor group wants to delete their responsibilities from that deal with the Town, and instead set up a new deal in which intrusive on-mountain amusements like a zipline serve as the "financial platform" for the mountain.** They want to do this by changing the base master plan text as follows (see the "track changes" version, PDF page 366 in the P18-208 transmittal memo):

Current text	Proposed text
Resort operation of lodging and other facilities provides the financial and operational platform and the resources to support these and other community-oriented activities.	"operation of lodging, conference, and on mountain activities provide the financial and operational platform and the resources to support these and other community-oriented activities."

However, they want to keep the remaining 500,000 sf of commercial development they received from the Town in 2000. We believe that the investors need to decide whether to have their cake or eat it, but not both. Either they follow through with the 2000 master plan deal and use the development and commercial revenue to support the ski hill, as promised, or we should undo the deal entirely (and remove the massive future commercial development potential) and they can use new zipline revenues to support the ski hill.

²WY Secretary of State website:

<https://wyobiz.wy.gov/business/FilingDetails.aspx?eFNum=142033254045148183251016013178103047250038006104>

Here are two simple options:

	Town: Base master plan	USFS: On-mountain
Option 1: stick with deal	Follow through with 2000 deal: use revenues from the base to support ski area, keep 500,000 sf of latent development	Don't need to build new amusements to generate revenue, since revenue comes from base
Option 2: new deal	Undo 2000 deal: don't use base revenues to support ski area – and remove 500,000 sf of latent hotel/condo/commercial development	Build new amusements to generate on-mountain revenue to support ski area, since no revenue from base

Before our community gives Snow King's investors even more economic benefits on our Town Hill, we and our Town Council need to hold them accountable to the deal they already agreed to. *Before* we approve anything new, Snow King's investors should get together with the other resort property owners and agree on a legally-binding SKRMA funding structure, dues, and what those dues will go to. They should commit (in binding documents, with bonding) to keep the lifts spinning, maintain free uphill public access to our public lands, build workforce housing, and invest in transit and parking for their new summer traffic – with the dues from their commercial and lodging revenues.

How this relates to decisions on Town land

The investors also want to take over more Town land in Phil Baux Park, to land a private gondola and zipline. The Parks & Rec director and board both rejected a zipline on Town land, and the board also rejected the proposed gondola location. Whatever Parks & Rec *does* approve should be part of a comprehensive negotiation about the entire future of Snow King – public and private land. Please work with your Parks & Rec colleagues to come up with a joint recommendation for:

1. Re-negotiating the base area masterplan [you recommend, Town decides]
2. Re-negotiating Town lease agreements for Phil Baux Park, the almost 30 acres of ski area the Town owns, half the ice rink building, etc [Parks & Rec recommends, Town decides]
3. Allowing new amusements like ziplines [Town recommends, Forest Service decides]

Please look at all these processes holistically and comprehensively, so that our community can best negotiate a great outcome for our Town Hill.

Please let me know if we can be of assistance.

Sincerely,



Skye Schell

Executive Director

Jackson Hole Conservation Alliance

Protecting the wildlife, wild places, and community character of Jackson Hole.

685 S. Cache St. • P.O. Box 2728 • Jackson, WY 83001 • (307) 733-9417 • info@jhalliance.org • JHAlliance.org