Eaglecrest Summer Operations Task Force
Friday February 11th 1:00pm
Zoom
Meeting Minutes

1. CALL TO ORDER / ROLL CALL

Members present:

Assembly member Greg Smith (Chair), Carole Triem, Wade Bryson
Michael Satre, Jonathan Dale, Shawn Eisele

Others present: Mayor Beth Weldon, Maria Gladziszewski, Eaglecrest Board Bruce Garrison, Dave Hanna

Staff present: Dave Scanlan, Rorie Watt, Beth McEwen, Robert Palmer, Jeff Rogers, Alexandra Pierce, "Eaglecrest Ski Patrol" "Ptarmigan First"

2. APPROVAL OF AGENDA
Mr. Eisele asked to add discussion of the next meeting date to the bottom of the agenda. Hearing no objection, the agenda was approved as amended.

3. APPROVAL OF MINUTES: August 26th 2021

Minutes of the August 26, 2021 meeting were approved as presented.

Chair Smith introduced himself as the newly appointed Chair for the Eaglecrest Summer Operations Task Force and also brought forth the fact that he is also the Liaison to the Eaglecrest Board. He mentioned that there has been intent to reconvene the Task Force over the last couple of months. Mr. Bryson's funding ordinance to appropriate $2M for the purchase of the used Gondola from Austria is the catalyst for reconvening the Task Force at this time.

4. History of the ESOTF and process to date

Mr. Scanlan presented a slide show to bring members back up to speed on the Board's efforts and planning that has happened to date going back to 2019 including the creation of the ESOTF by Mayor Weldon on October 14th 2019.

Mr. Scanlan discussed in his presentation the items listed below.

5. Used Gondola Purchase

a. First step in the future sustainability and revitalization of Eaglecrest

b. Winter use and increased accessibility for the Juneau Community

c. Timing of purchase establishing the planning process for the next steps.

6. Continued work with the Task Force

a. Funding options for installation and other components

b. Financial model

Chair Smith brought forward the timeline for the Funding Ordinance to move forward would require motion of support from both the Eaglecrest Summer Operations Task Force and the Eaglecrest Board of Directors to move the Ordinance to the February 14th Committee of the Whole meeting. The Eaglecrest Board has scheduled a special meeting the evening of February 11th to be able to potentially provide this motion. He then opened the floor for questions and discussion from Task Force Members.

Ms. Triem mentioned that she has been on the Task Force since created and can only remember two meetings and feels that some key steps along the way may have been missed. She is concerned that we may be deciding to purchase the lift before deciding some of the bigger question of whether or not to move forward with commercial summer operations.

Mr. Watt commented the he would have liked to have had the time to help dig into the charge of the Task Force to assist the mission along the way. He talked about the different models that have been talked about in the past and the best model that he has seen is having Eaglecrest own the summer ski lift and allowing others to enter into a public private partnerships for other aspects of Eaglecrest Summer Development. He mentioned that Mr. Scanlan has taken a lot of initiative to find a way to move Eaglecrest toward a more financially sustainable year around operation.

Mr. Dale commented that there is certainly a lot more work to do but this could be a good first step in allowing Eaglecrest to benefit financially from the strong Summer Cruise Visitor Industry.

Mr. Bryson wanted to be on the record, as a non-skier, sees this as a great opportunity for all of Juneau including all of our non-skiers to be able to use Eaglecrest for more of the year and worries that without summer revenue the aging infrastructure will cost CBJ exponentially more in the future. He also sees this as a way for Eaglecrest to become profitable benefitting the entire community.

Mr. Satre commented that though we have not had a lot of Task Force Meetings, as we have been preoccupied with the Pandemic, that the planning efforts during the last 18 months has not stopped at the Eaglecrest Board Level. The planning for infrastructure replacement or planning for summer expansion has been a part of nearly every Board Meeting. In his mind buying this Gondola gives us ultimate versatility due to its low cost and ability to be positioned in many areas on the mountain. Ideally, it will allow us to create significant new revenue stream to allow Eaglecrest to self-fund future infrastructure improvements. He used the analogy that “this isn’t a case of putting the cart before the horse, we are simply buying the horse”.

Mayor Weldon reminded the Task Force that the purpose of the Task Force is to analyze the business case and look at the money to determine if this is a positive direction for Eaglecrest.

Mr. Smith asked about the history of Summer Operations at Eaglecrest and where it is in the Master Plan and if the questions has ever been answered if Eaglecrest should be in summer operations. Mr. Scanlan talked about the last full Master Plan written in 2012 where the public weighed in with the desires for more developed Summer Operations. Mr. Scanlan also discussed steps that Eaglecrest has taken since 2012 in developing more commercial activities at Eaglecrest while preserving existing local summer use.

Mr. Eisele commented that in the status quo with a commitment to funding replacement of aging infrastructure is a viable pathway to the future. On the other hand, there is a lot of interest in summer development, six month of unused infrastructure while having so many visitors in town makes sense to me. Mr. Eisele worries that we are saying yes to summer tourism. He sees the best pathway forward to install this lift in view of helping our winter infrastructure needs while keeping the option open to using this Gondola for summer development if the community decides that is what they want. He asked what boxes we need to check to be going forward with summer operations.

Mr. Watt talked about all of the needs and pressures of the community for resources from the Assembly. He feels the Assembly will be more focused on the potential for this development to reduce the ongoing financial needs of the Ski Area and if that is truly possible and what that will look like.

Mr. Smith asked Mr. Scanlan to talk over the financial model.

Mr. Eisele commented that he is looking at the difference in costs that would be needed to replace Ptarmigan in the next five years, at $4M, verses the Gondola approach and how the two pencil out with a Ptarmigan replacement not forcing a move into summer development.

Mr. Bryson commented on how he analyzes business opportunities and feels like this is the one path that can lead to Eaglecrest being revenue neutral. He does not see another pathway that can get us the same outcome.

Mr. Smith asked if we know if this lift can fit at Eaglecrest and operate in our environment. Mr. Scanlan let everyone know that he is having the Gondola analyzed by a ski lift professional from their master planning firm and expects a memo from them prior to the Committee of the Whole meeting on Monday April 14th.

Ms. Triem asked Mr. Watt what the process is for Eaglecrest to fund large infrastructure improvements. Mr. Watt confirmed that Eaglecrest infrastructure improvements comes through small amounts in the annual CIP with larger projects being possible every five years in 1% sales tax project lists.

Mayor Weldon had questions about the Capital Schedule and what was included and asked who has vetted the Capital Costs for installation and the financial pro-forma in general. Mr. Scanlan said that he has consulted with local contractors that have experience in Gondola installation and they felt that his preliminary estimates were in the ball park but they encouraged him to take time to do thorough geotechnical analysis. He is also hoping to have the ski lift engineering company that is qualified to perform the retrofitted design perform an analysis and comment on the costs. In the short timeframe that he is working under he has not had the opportunity to have the full proforma vetted.

Mr. Bryson commented that he would like to see the focus of additional capital cost remain on just the Gondola.

Mr. Satre commented that the financial model provided allows us to add or remove various inputs to the model as we move forward. Once we know that we are going to buy this Gondola, the additional financial modeling can continue as we go forward in addition to the technical analysis such as the geotechnical work. Mr. Scanlan will be happy to work with anyone individually explaining questions that might arise on the financial modeling.

Mr. Smith asked if there is a potential motion to come forward to allow this to go back to the Committee of the whole for further discussion.

MOTION by Ms. Triem that the ESOTF forward the Gondola issue to the Assembly COW for additional discussion.

G. Smith & R. Watt (2:17p.m.) board members should forward info from their meeting tonight that would be helpful

Mr. Satre – sole reason for calling special board meeting tonight is to forward a resolution to the COW for the 2/14 COW meeting.