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SUPREME COURT
STATE OF WASHINGTON
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BY SUSAN L. CARLSON
CLERK

IN THE SUPREME COURT
OF THE STATE OF WASHINGTON

No. 94437-7

Court of Appeals No. 48423-4-II

(Thurston County Superior Court Cause No. 15-2-00527-5)

JOHN ROSKELLEY, FAYETTE KRAUSE, SPOKANE AUDUBON SOCIETY, SPOKANE MOUNTAINEERS, AND THE LANDS COUNCIL,

Petitioners,

v.

WASHINGTON STATE PARKS AND RECREATION COMMISSION, AND MT. SPOKANE 2000,

Respondents.

DECLARATION OF EDWARD S. BEELER RE MOTION FOR INJUNCTIVE RELIEF

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Attorneys for Mt. Spokane 2000

I, Edward S. "Ted" Beeler, declare under penalty of perjury under the laws of the State of Washington as follows:

1. I am over the age of 18 and competent to testify to the matters herein.

A. GENERAL BACKGROUND.

2. I am the President of Sno-engineering, Inc., d/b/a SE Group, a New Hampshire corporation ("SE Group"). Attached hereto as Exhibit "A" is a true and correct copy of my current resume.

3. SE Group was founded in 1958 as the first company created to plan and design ski facilities. Since its beginning, SE Group has provided consulting services for over 2,500 projects in the ski industry, spanning many geographic regions and types of clients, including ski area developers and operators, mountain resort communities, ski area associations, and government/public land management agencies.

4. Our consulting specialty includes ski facility planning and design, environmental analysis and permitting, market and financial analysis feasibility studies, operational evaluations and general consulting. Personally, I have prepared analyses for a number of ski facilities to evaluate the financial feasibility of development and expansion.

5. SE Group currently has 27 employees focused on our unique market niche and presently has approximately 100 projects underway

throughout the world. SE Group offices are located in Burlington, Vermont; Frisco, Colorado; Salt Lake City, Utah; Ketchum, Idaho; and Bellevue, Washington.

B. HISTORY OF INVOLVEMENT WITH THE MT. SPOKANE SKI AREA.

6. Our involvement with the Mt. Spokane Ski Area began in 1992, when SE Group was hired by Washington State Parks and Recreation Commission ("Commission") to conduct a comprehensive study reviewing the ski area operation and the current former concessionaire. Based upon the results of our study, SE Group was then retained to assist the Commission in preparing a new concession agreement for purposes of seeking competitive bids for a future operator/concessionaire. In 1997, the Commission selected Mount Spokane 2000 ("MS2000") as the new concessionaire. Since that time, SE Group has undertaken numerous consulting projects for MS2000 as part of an ongoing process to improve the quality of the ski experience.

C. EXISTING AND FUTURE OPERATING EVALUATION FOR MT. SPOKANE SKI AND SNOWBOARD PARK.

7. SE Group was retained most recently by MS2000 to undertake an evaluation of the existing Mt. Spokane Ski & Snowboard Park's economic performance as operated by MS2000 and to provide a future economic projection of performance with the inclusion of the

proposed "Chair 6" expansion, including the development of seven runs and a chair lift ("Expansion"). A true and correct copy of the evaluation, titled, “Existing and Future Operating Evaluation for Mt. Spokane Ski and Snowboard Park” dated January 26, 2016 (“Evaluation”) is attached hereto as Exhibit "B."

8. The Evaluation was initially prepared by SE Group in response to the injunction request filed by Petitioners before Division II of the Court of Appeals. That Evaluation considers data through the 2014-2015 ski season. To confirm that the Evaluation remains suitable for evaluating the potential financial impact to MS2000 if the proposed injunction is granted, I spoke with MS2000 regarding the 2015-2016 and 2016-2017 skier visit figures. I understand that MS2000 had an increase in skier visits during the 2015-2016 ski season and again during the 2016-2017 ski season. Based upon this information, the assumptions and conclusions contained within the Evaluation remain the same as they did at the time of the Evaluation.

9. To conduct the Evaluation, SE Group relied upon operating data and financial information provided by MS2000, its certified accountants, and data provided by the National Ski Areas Association's Economic Analysis of United States Ski Areas.

10. The Evaluation is similar to many other financial analyses SE Group has undertaken throughout North America and is based upon data and scientific methods generally accepted throughout the very small ski area consulting community. The Evaluation focuses upon the increased carrying capacity of the Expansion, potential increase in operating season length, future utilization, past financial performance of the ski facility, and comparisons to the NSAA Economic Surveys of similar sized facilities in the Pacific Northwest region.

11. The proposed Expansion is a game changer for MS2000 as it relates to other facilities in the Pacific Northwest. The Expansion will effectively enhance years when there is an adverse snow condition by allowing the ski facility to operate during periods with low snowfall while serving the growing demand for a proximate and quality ski experience for residents of the Spokane, Washington market area. This should allow MS2000 to routinely operate the facility closer to its anticipated total number of operating days of 100. MS2000 can also enjoy certain efficiencies from the Expansion because it has already developed robust infrastructure from the existing facility and does not require many additional capital expenditures.

12. SE Group's Evaluation is based upon a two phase, two year development process based upon MS2000's implementation of the Plan of

Development. The first phase of the expansion will include the timber harvesting and grading activities, which will ultimately allow the new runs to open immediately upon completion. The second phase will include the construction of the chairlift.

13. The Evaluation employs a "contribution margin," representing the net proceeds to MS2000 after deducting applicable operating costs, including concessionaire fees payable to the Commission. As outlined in the Evaluation, the completion of the first phase should increase total usage of the ski facility by 5,000 additional patrons and provide for a contribution margin of $131,000. SE Group expects that upon completion the Expansion will produce, on an annual basis, between 14,000 to 34,000 additional skiers, creating an additional contribution margin of between $1,033,000 to $317,000. While the range may be significant, my professional opinion is that it is more likely that the potential contribution margin to MS2000 will be between $1,033,000 to $854,000.

Signed at Ketchum, Idaho this 19th day of July, 2017.

Edward S. "Ted" Beeler

PROOF OF SERVICE

I CERTIFY that I served a copy of this document on all parties or their counsel of record on the date below as follows

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I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

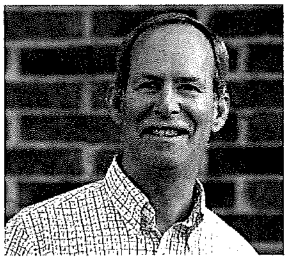
DATED this 19th day of July, 2017, at Spokane, Washington.

Terry L. Strothman

Terry L. Strothman

EXHIBIT A

RESUME OF EDWARD S. "TED" BEELER



TED BEELER
PRESIDENT

Respected advisor. Incisive problem solver. Engaged veteran.

Ted leads SE Group and provides strategic oversight on a variety of projects, ranging from vision development to market and financial feasibility studies, due diligence analysis, and strategic planning. A valued advisor to resort developers and operators, Ted has deep expertise in the areas of research, analysis, program formulation, planning and leading the preparation of resource and development-oriented studies. In addition to leading the growth and development of SE Group, Ted brings his passion for the mountains coupled with his travel experiences to other worldwide resorts, in helping clients to discover and implement new ideas.

Areas of Expertise

- Market and financial feasibility studies
- Project visioning
- Due diligence related to resort acquisitions
- Strategic planning and regulatory approvals
- Environmental Analyses

Appointments

- National Ski Areas Association Board of Directors (2000–2006)
- National Ski Areas Association Environmental Committee Member (1998 to present)

Affiliations/Memberships

- Member of Vistage International (1999–2010)
- Urban Land Institute
- National Association of Environmental Professionals

Experience

Ted has over three decades of experience leading and managing projects of varying size and scope, involving multi-discipline planning and analytical assignments for both public and private sector clients.

Ted has been on the board of the National Ski Areas Association (2000–2006), and has been an NSAA Environmental Committee Member for the past 15 years. He is also a popular speaker and has published numerous articles.

Ted has a Master of Urban Planning from the University of Michigan and a Bachelor of Science from the University of Utah. His professional education also includes membership in Vistage, an international organization of CEOs.

Representative Projects

- Australian Ski Areas Association. International Ski Industry Leasing Best Practices Comparative Report
- Bigrock Ski Area, Maine. Operational and Financial Review
- CNL Income Properties. General consulting and Due Diligence Analyses
- Crystal Mountain Resort, Washington. Master Development Plan EIS
- Crystal Mountain Resort, Washington. Ski Trails, Night Lighting, and Mountain Restaurant EA

- Dyer Mountain, California. Project Vision and Concept Plan
- Garibaldi at Squamish Resort, British Columbia. 2014 Alpine Activity Analysis
- Government Camp, Oregon. Aerial Transportation System Feasibility Study
- Hyland Ski and Snowboard Area, Minnesota. Strategic Business Plan
- Mt. Agassiz Ski Area/Riding Mountain National Park, Manitoba. Comprehensive Feasibility Study
- Oquirrh Mountain Resort, Utah. Preliminary Feasibility Study
- Riverhead Resort, New York. Market and Financial Feasibility Analysis
- Snow King Ski Area, Wyoming. Operational Evaluation and Pro Forma
- Tamarack Resort, Idaho. Master Planning Services
- Telluride Resort, Colorado. Due Diligence Evaluation
- Vail Ski Area, Colorado. Night Lighting EA

EXHIBIT B

EXISTING AND FUTURE OPERATING EVALUATION FOR MT. SPOKANE SKI AND SNOWBOARD PARK

EXISTING AND FUTURE OPERATING EVALUATION FOR MT. SPOKANE SKI AND SNOWBOARD PARK

January 26, 2016

Prepared by:

SE GROUP

PO Box 1449
220 South Second Ave. Suite 201
Ketchum, ID 83340

Introduction

Sno-engineering, Inc. dba SE group has been retained to undertake an evaluation of the existing Mt. Spokane Ski Area (MSSA) economic performance as operated by Mt. Spokane 2000 ("MS 2000") and to provide a future economic projection of performance with the inclusion of the proposed "Chair 6" lift and ski trail development. To conduct this evaluation, SE Group has relied on information provided by MS 2000, their certified accountants, and the National Ski Areas Association's *Economic Analysis of United States Ski Areas*, an annual publication. In addition, SE Group has performed similar financial analyses at many ski areas throughout North America and has a long history of working with MS 2000 and the Washington State Parks and Recreation Commission in various capacities, as noted below.

- Mt. Spokane State Park Alpine Ski Area Study; Washington State Parks, 1992
- Mt. Spokane Ski Area Concession Agreement; Washington State Parks, 1997
- Mt. Spokane Ski and Snowboard Park; Potential Expansion Area Concept, 2006
- Market and Economics Analysis for the Mount Spokane Ski and Snowboard Park Master Facilities Plan, 2007
- Mount Spokane Ski and Snowboard Park; Base Area Lodge Preliminary Design Study, 2008
- Draft and Final Supplemental Environmental Impact Statement (EIS) for the proposal to construct a ski lift and trails, 2012
- Mt. Spokane State Park: Draft and Final EIS for the Proposed Ski Area Expansion, 2014

The Project Analyzed in this Study

In November 2014 MS 2000 (non-profit operators of MSSA) received approval from the Washington State Parks and Recreation Commission to expand into the Potential Alpine Ski Expansion Area (PASEA) to construct a ski lift and seven ski trails within a 279-acre area. From an operational perspective, numerous planning documents, Commission meeting notes and two EIS's have addressed the reasoning, or Purpose and Need for this important expansion project. A few salient points include:

- *Increasing the available inventory of round trip, consistent gradient, intermediate level trails within the concession area, which will allow for better circulation and more even distribution of low-intermediate and intermediate level skiers throughout the ski area.*
- *Increasing the amount of terrain that has better long term snow accumulation, retention capability and snow quality available within the ski area, which provides a better assurance of continued operations during periods of low snowfall and gives the resort the ability to favorably compete in the market, as well as to address the potential effects of climate change.*

- *Improving search and rescue operations within the PASEA (FEIS 2014).*

Since the inception of this project, MS 2000 has invested to date $1,072,656 in capital plan development costs (excluding expenses on legal challenges) on planning, design, engineering and environmental permitting for the new lift and trail system. MS 2000 has also spent $151,785 to purchase, dismantle and ship a used chairlift to the Spokane area. Further, MS 2000 has estimated that it will cost $700,000 to $850,000 to install the chairlift, clear the ski trails and perform all of the required mitigation. At this time, this represents a substantial non-performing investment for a small non-profit ski area. The development of the expansion to the ski facility may occur over two seasons and there may be one season in which there is no chairlift for the expansion area.

In summary, this is a very important ski lift and trail project for MS 2000, allowing the ski area to operate during periods with low snowfall while serving the growing demand for a proximate and quality ski experience for residents of the Spokane market area. As noted in our evaluation that follows, this project will generate additional revenue for the MSSA operation, which in turn will allow MS 2000 to continue to build a facility that promotes recreational benefit and well-being to thousands of snow sports participants each year.

Existing Operating Conditions

In order to project future skier visitation and financial performance it is important to review existing baseline operational conditions such as length of season, ski area capacity, utilization rate, revenue and expenses and other analytic metrics. Exhibit 1 depicts that the average season length at MSSA for the previous five operating seasons (2014/15 through 2010/11) is 89 days with the longest season of 106 days in 2010/11 and only 40 days in 2014/15. Average skier visits during this period was 84,924 or approximately 85,000, with a high of 100,651 in 2011/12 and the low of 41,552 in 2014/15. The variability within this average is a significant operating challenge for the ski area. Exhibit 1 also illustrates the computed Comfortable Carrying Capacity (CCC) for the existing ski area, as well as the theoretical visitation and utilization rate. These are all metrics that are utilized to assess ski area performance.

Another means to measure individual ski area performance, and to establish a baseline for future operations, is to compare MSSA with other ski areas of similar size and market orientation. Exhibit 2 provides a four season comparison (2010/11–2013/14) of key performance indicators between MSSA and other ski areas of similar size in the Pacific North region. The data for the comparable ski area set is from the National Ski Areas Association's *Economic Analysis of United States Ski Areas*. Financial data for MSSA was provided from MS 2000's Independent Accountant's Compilation Reports as compiled by Michael D. Caprye, CPA. This comparison shows generally that MSSA performs in-line with the other ski areas in the representative sample. However, as noted during the 2014/15 ski season, the variability of weather is a significant operating challenge for MSSA as the majority of the existing ski terrain faces to the south and is lower in elevation than the expansion terrain. Accordingly, with the future development of the northerly facing lift and ski trails in the PASEA the ski area will be in a better position to minimize climate swings in the operating results and perform more closely to the comparable set in the Pacific North.

Projection of Future Project Performance

To provide a future economic projection of performance from the development of the new lift and trail system at MSSA, a range of high, medium and low outcomes were analyzed. This analysis is based upon the increased capacity of the new lift and trails, potential increase in operating season length, future utilization, past financial performance of the ski area, and comparisons to the National Ski Areas Association's economic surveys of similar sized resorts in the Pacific North region.

In order to project a probable outcome from the development of the Chair 6 ski pod, SE Group calculated the new CCC for the expansion area. The new CCC of 730 skiers is shown in Exhibit 1. Additionally, Exhibit 1 illustrates how future visitation is derived through the use of existing computations (operating days and utilization) to arrive at an increase in skier visitation of 24,407 for the new expansion area.

Another method to project future visitation as a result of ski area expansion is to review other examples that have occurred in recent years within the marketplace. White Pass Ski Area opened new lifts and terrain for the 2010/11 ski season. During the previous year (2009/10) they received 125,933 skier visits. During the following ski season, their skier visits increased to 153,589, representing a 22% increase. Similarly, during the 2007/08 ski season, 49 Degrees North opened the Sunrise lift and ski trail system and witnessed a 20% increase in visitation over the prior year (from 79,506 to 95,436). These amounts correlate closely with the projected gain in visitation of 24,407 for MS 2000 (Pacific Northwest Ski Areas Association 2016).

In order to calculate the projected monetary contribution from the new lift and trail system the increase in skier visits must be translated into future revenues and expenses for MS 2000. Exhibit 3A depicts the new revenue model and underlying assumptions that demonstrate the contribution for the new lift and trail pod, while Exhibit 3B illustrates to build up of the incremental expenses for operating the new lift and trails. Operating expenses for Chair 6 and the ski trails were developed from anticipated operating schedules, specific staffing and other direct and incremental expenses related to the additional operation.

It is anticipated that the development of the expansion area may occur over two seasons and there may be one season in which there is no chairlift for the expansion area. In this case, construction in the first season would be limited to the trail network in order to fit within the allowed construction periods. The lift installation would occur in the second season. There is a limited financial benefit associated with only the trail expansion as the new trails will be accessible with a mile traverse back to Chair 4. Projected incremental visitation for the opening of the trail network without the lift are estimated to be 5,000 skier visits that will generate additional contribution margin of approximately $131,000.

Year 1: Trail Network Only	
Additional Visits	5,000
Revenue per Visit	$37.00
Projected Incremental Revenue	$185,000
Operating Expenses	$54,000
Projected Contribution Margin	$131,000

As noted in Exhibit 1, the projected annual increase in visitation based on the capacity of the lift and the ski area's utilization rate is over 24,000 visits. As illustrated in Exhibit 3A (Year 2), the projected high range includes the 24,000 visits plus an additional 10,000 incremental skier visits to capture the potential increase in the average length of the season (from 89 average days to 100). The medium range includes the 24,000 visits, and the low range is limited to an increase of 14,000 visits. These visitation increases added to the five year average of approximately 86,000 visits provide an annual projected range for a high of 120,000 visits, medium of 110,000 visits, and low of 100,000 visits (representing a year of low snowfall). The table below summarizes the contribution margin of these scenarios to MS 2000's existing operations on an annual basis.

Year 2: Lift and Trail Network	High	Medium	Low
Additional Visits	34,000	24,000	14,000
Revenue per Visit	$38.00	$38.00	$38.00
Projected Incremental Revenue	$1,292,000	$912,000	$532,000
Operating Expenses	$259,000	$237,000	$215,000
Projected Contribution Margin	$1,033,000	$675,000	$317,000

Summary and Conclusion

In summary, MS 2000's ability to achieve the annual projection is based upon their recent operating history and the following facts:

- In the last five years, two seasons have exceeded 100,000 visits.
- New ski terrain on the northerly facing aspect of the mountain will yield an increase in average operating days.
- The ski area has already achieved or exceeded skier visit projections from earlier studies such as the *Market and Economics Analysis for the Mount Spokane Ski and Snowboard Park Master Facilities Plan* (2007).
- Using comparisons within the National Ski Areas Association's *Economic Analysis of United States Ski Areas*, the ski area performance strongly aligns with similar resorts of their size in the Pacific North.
- Two resorts in Washington experienced 20% increases in visitation in the year after they added a lift and ski trails in the last ten years.

In conclusion, based upon the analysis outlined in this report, it is the professional opinion of SE Group that the projected annual forecast for skier visits and contribution margin from the expansion of the new lift and trail system at MSSA is in the likely range of 115,000 to 120,000 skier visits and $854,000–$1,033,000 in contribution margin to MS 2000.

EXHIBITS

	Five-Year Average	**2014/15**	**2013/14**	**2012/13**	**2011/12**	**2010/11**
Annual Visits	84,924	41,552	91,374	100,176	100,651	90,865
Operating days	89	40	102	93	105	106

Existing CCC[1]	2,540	CCC is the Comfortable Carrying Capacity of a Resort
Average operating days	89	5 year average for the 2015 - 2011 winter seasons
Theoretical Visitation	226,568	CCC times average operating days
Actual 5 year average visitation	84,924	5 year average visitation for the 2015 - 2011 winter seasons
Utilization rate[2]	37%	average visitation divided by potential visitation
Chair 6 projected CCC	730	CCC for the proposed lift expansion
Theoretical Visitation	65,116	CCC for the proposed lift expansion times the average operating days
Projected annual increase in visitat	**24,407.18**	potential visitation for the proposed lift times the resort utilization rate

[1] Comfortable Carrying Capacity (CCC) is a planning tool used to determine the optimum level of utilization that facilitates a pleasant recreational experience. CCC is used to ensure that different aspects of a resort's facilities are designed to work in harmony, that capacities are equivalent across facilities, and sufficient to meet anticipated demand.

[2] A resort's utilization rate is a comparison of a resort's actual annual skier visits to the theoretical annual (CCC X Average Days of Operation) ski area design capacity. Typical utilization rates vary from 25% to 55% (depending on market niche, geographical location, etc.).

Exhibit 1: Existing and Future Ski Area Operational Characteristics

Sources:
SE Group, MSSA

		Mt. Spokane - 6.3M VTFH[2]				Pacific North - VTFH - 0 - 9,500			
	2014/15[1]	2013/14	2012/13	2011/12	2010/11	2013/14	2012/13	2011/12	2010/11
Average Total Visits (in '000s)	41,552	91,374	100,176	100,651	90,865	69,921	87,101	77,684	92,533
Tickets	$1,605	$2,294	$2,310	$2,149	$2,368	$1,852	$2,419	$1,986	$2,301
Snowplay & other winter ops						$14	$22	$16	$29
Lessons						$157	$190	$162	$180
Food and Beverage	$228	$507	$522	$518	$566	$499	$605	$491	$541
Retail						$130	$144	$125	$148
Rental	$103	$216	$215	$203	$214	$190	$235	$201	$242
Accommodations/lodging						$0	$0	$5	$6
Miscellaneous						$7	$14	$8	$21
Other	$57	$180	$68	$51	$29	$125	$129	$116	$115
Property operation						$0	$0	$0	$0
Total	$1,993	$3,197	$3,115	$2,921	$3,177	$2,974	$3,758	$3,110	$3,583
# of areas	1	1	1	1	1	4	4	5	5
Operating Margin (Tbl 3)	-18.3%	9.1%	10.2%	4.1%	10.9%	12.8%	25.7%	18.6%	19.6%
Average Operating Margin					8.6%				19.2%
Pre-Tax Profit Margin						-2.6%	10.8%	2.3%	-0.5%
Revenue per Visit	$47.96	$34.99	$31.10	$29.02	$34.96	$42.53	$43.15	$40.03	$38.72
Operating Days	40	102	93	105	106	93	104	98	107
Opening Day	12/24/14	11/23/13	12/8/12	11/25/11	11/26/10				
Closing Day	2/15/15	4/13/14	4/7/13	4/7/12	4/10/11				

[1]Information from the National Ski Areas Association 2014/15 Economic Survey is not available yet.
[2]VTFH - Vertical Transport Feet per Hour

Exhibit 2: Operating History Compared to NSAA *Economic Analysis*

Sources:
National Ski Areas Association; Independent Accountant's Compilation Reports (Michael D. Caprye, CPA)

Exhibit 3A: Projected Revenue/Operating Expenses

Year 1: Trail System Only (return to Chair 4 via mile traverse on summer access road)

Skier Visits[1]	5,000
Revenue Per Visit[2]	$37.00
Revenue[6]	$185,000
Operating Expenses[3]	$54,000
Net Income	$131,000

Year 2: Lift and Trail System

	120,000 Skier Visits			110,000 Skier Visits			100,000 Skier Visits		
	Existing	Projected	Total	Existing	Projected	Total	Existing	Projected	Total
Skier Visits[4]	86,000	34,000	120,000	86,000	24,000	110,000	86,000	14,000	100,000
Revenue Per Visit[5]	$38.00	$38.00	$38.00	$38.00	$38.00	$38.00	$38.00	$38.00	$38.00
Revenue[6]	$3,268,000	$1,292,000	$4,560,000	$3,268,000	$912,000	$4,180,000	$3,268,000	$532,000	$3,800,000
Operating Expenses[7]	$2,941,200	$259,000	$3,200,200	$2,941,200	$237,000	$3,178,200	$2,941,200	$215,000	$3,156,200
Net Income	$326,800	$1,033,000	$1,359,800	$326,800	$675,000	$1,001,800	$326,800	$317,000	$643,800
Net Income as % of Revenue	10%	80%	30%	10%	74%	24%	10%	60%	17%

Range of Potential Contribution Margin for the New Lift and Terrain Expansion

	Visits	Contribution Margin
Year 1	5,000	$131,000
Year 2		
High	34,000	$1,033,000
Medium	24,000	$675,000
Low	10,000	$317,000

1 Skier Visits for projecting the impact of the new trail system without the lift and traverse back to chair 4.

2 Revenue Per Visit for the trail system only at $37.00 is based on the $35.99 in 2013/14 plus annual ticket price increase.

3 Operating expenses for the trail system only are equal to half of the grooming and associated incremental costs to operate the trail system only.

4 Skier Visits for projecting the existing operating scenario are based on 86,000 visits for the resort. Projected incremental new visits are derived from the

5 Revenue Per Visit at $38.00 is based on the $35.99 in 2013/14 plus a the effect of a $3.00 ticket price increase for the new lift and terrain. For the trail system

6 Revenue is Skier Visits times Revenue Per Visit

7 Operating Expenses for Existing operations are estimated at 90% of revenue to match the resorts average performance. Expenses for the new Lift and Terrain are estimated from an incremental build up of anticipated operating costs.

and Estimated Contribution from New Lift and Trail System

Exhibit 3B: Project Labor/Operating Costs and Other Expenses for New Lift and Ski Trails

Operations								
Personnel	# of Employees	# of days	Scheduled Hours	Hourly Pay Rate	Total Gross Wages			
Lift Supervision	2.00	100	2	12	4,800			
Lift Operators	3.00	100	9	10	27,000			
Lift Maintenance	1.00	120	2	14	2,520			
Trail Grooming	2.00	100	6	15	18,000			
Subtotal					*52,320*			
Estimated PR Taxes					7,848			
Total Personnel Costs					60,168			
Other Operating Costs	Unit	# of days	Operating Hours	Hourly Rate	Total Cost			
Grooming Machine	2	100	6	72	86,400			
Power					8,200			
Maintenance					30,000			
Total Other Operating Costs					124,600			
Incremental Costs				Visit Ranges	120,000	110,000	100,000	5,000
General Liability	1.21 per $100				15,633	11,035	6,437	2,239
State Park Concession Fee	4% on additional revenue				51,680	36,480	21,280	7,400
Leasehold Tax	12.84% of Concession Fee				6,636	4,684	2,732	950
Total Incremental Costs					73,949	52,199	30,450	10,589
Total Costs to Operate New Lift and Terrain					258,717	236,967	215,218	53,788.66
				Rounded to	259,000	237,000	215,000	54,000

Source:
MSSA

KUTAK ROCK LLP

July 19, 2017 - 10:49 AM

Transmittal Information

Filed with Court:	Supreme Court
Appellate Court Case Number:	94437-7
Appellate Court Case Title:	John Roskelley, et al. v. State Parks and Recreation Commission, et al.
Superior Court Case Number:	15-2-00527-5

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