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INCORPORATE OLYMPIC VALLEY TO PULL APPLICATION

Incorporation Proponents Announced Plans to Withdrawal Petition after Multiple Fiscal Analyses Determine Proposed New Town to be Financially Infeasible; Both Sides of Issue Recognize Opportunity to Rebuild Cohesive Community

OLYMPIC VALLEY, Calif. – Dec. 1, 2015 – The small group of Squaw Valley homeowners who comprised Incorporate Olympic Valley (IOV) issued a press release Tuesday indicating that they intend to withdraw their petition for incorporation before Placer County LAFCO.

IOV's action follows the results of multiple fiscal studies that determined incorporation was not feasible. The fiscal reviews conducted by RSG Consulting and Blue Sky Consulting, along with the most recent examination by California State Controller's office (SCO), determined that a small resort community couldn't survive without several years of substantial subsidies from Placer County or by taking revenue from community neighbors.

The next step in the process likely would have required IOV and Placer County to enter into revenue neutrality negotiations. These negotiations would have focused on Tahoe area transient occupancy taxes (TOT), and the services the county provides through its contract with the North Lake Tahoe Resort Association.

In a letter to LAFCO executive officer Kris Berry this week, Placer County executive officer David Boesch wrote, "Despite the assertions of IOV, the proposed incorporation is not financially feasible; particularly, when considering the revenue neutrality payments that would be due to the County." For that reason, the County indicated support to deny the application at an upcoming LAFCO meeting.

At the November 19 LAFCO meeting, the SCO handed down its review of the draft Comprehensive Fiscal Analysis (CFA) and confirmed that the initial fiscal study conducted by LAFCO staff and consultants was not riddled with errors as proponents had claimed.

"Although IOV has suggested that the proposed town of Olympic Valley would be financially viable, the facts simply did not support that conclusion," said Matthew Newman, co-founder of Blue Sky Consulting Group. "In

their effort to show that the town could work financially, IOV proposed to capture all of the benefits of development in the form of higher tax revenues while simultaneously seeking to avoid the increased costs that new development would bring in the form of increased law enforcement services and more work for planners and the community development department.”

Newman continued, “IOV has suggested that a review by the State Controller’s Office found that the town would be financially viable. However, the Controller made no such statement and reached no such conclusion.”

“The detailed and informed work that went into the draft CFA, and the expert review by the State Controller’s Office has lead everyone, with the exception of a few of the IOV proponents, to the rational and logical conclusion that the proposed town is fiscally infeasible,” said Andy Wirth, president and CEO of Squaw Valley Ski Holdings LLC, who also represents Save Olympic Valley (SOV).

“The decision by IOV to withdraw their petition for incorporation is a step in the right direction for the future of Olympic Valley. Creating a new town would have been a risky proposition, not just for the people and businesses of Olympic Valley, but for the community of North Lake Tahoe. We now have the opportunity to move forward in a positive way, and to work together as a cohesive community to maintain our mountain culture and have a dialogue on how we can join together in tackling some of the challenges and concerns that prompted this initiative,” Wirth continued.

“Today, we start on a new path, focused on making our home, Squaw Valley an even greater place to live and recreate. Today we move forward, investing in a community that works out its differences and seeks solutions within the existing governance,” said Eric Poulsen, lifetime resident of Olympic Valley.

In response to the news of IOV’s decision to withdraw its petition for incorporation, Squaw Valley homeowner Keith Fountain looks forward to a collaborative future. “Let’s work with what’s been proven to work. Let’s perhaps approach the county on some of the issues that the local residents are concerned about that aren’t being satisfied. I think there are other ways of solving the problems, and I think we need to engage everyone in that dialogue. We need to make it an inclusive community activity, avoiding anything that might fragment us and weaken our position,” he said.

SOV is an alliance of local residents, homeowners, property owners and business leaders, many of whom have sought exclusion from the formerly proposed town. Businesses, properties and individuals that sought exclusion included: *Squaw Valley Ski Holdings, Plumpjack/Newsom Properties, The Resort at Squaw Creek, Poulsen Family Properties, Dean and Sandra Hall Properties, Richie Goldman Properties, Dan Morgan Property, Heidi and Terry Deveau, and Ciro Mancuso Properties.*

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