



## SQUAW VALLEY LODGE

June 9, 2014

VIA: E-MAIL-Letter to follow

Commissioners  
Placer County LAFCO  
110 Maple Street  
Auburn, CA 95603  
[lafco@placer.ca.gov](mailto:lafco@placer.ca.gov)

RE: Olympic Valley Incorporation Proposal (LAFCO #2013)

Dear Placer County Local Agency Formation Commissioners (LAFCO),

This letter is written on behalf of the Squaw Valley Lodge, a 218 unit condominium resort located in Olympic Valley at the base of KT22. We represent over 200 owners with concerns about the request to Incorporate Olympic Valley ("IOV"). We strongly believe that if incorporation of Olympic Valley were approved, the newly created city would ultimately fail, resulting in ramifications that would be felt well-beyond Placer County and the Tahoe region. Our concerns about this incorporation are listed below:

- 1. Placer County Government Works** - The IOV movement contends that the current structure of government for the region does not work because the County seat is not in close proximity to Olympic Valley. In the Lodge's experience, the current governance by Placer County has been efficient and responsive. Since November 2012, the Squaw Valley Lodge Owners Association (SVLOA) has communicated regularly with Placer County to ensure that our interests and concerns regarding the new Village development at Squaw Valley are known, taken seriously, and considered by the developer and county. We found that the Placer County government officials listened and were responsive. The professionalism, responsiveness, and knowledge of the staff and officials at Placer County

confirmed to us that government process, as managed by Placer, does work.

2. **Management** - The proposed newly incorporated boundaries contain barely over 500 registered voters. We have great concern that this small, limited, pool of registered voters is not sufficient to draw from in terms of the necessary people and breadth of capability needed to provide leadership for both a township and all the functions that an incorporated city would need for the foreseeable future. We believe it would be extremely difficult to find enough experienced leaders necessary to effectively govern a new city. That shortage would only become more acute should the incorporation encounter any crisis such as Transient Occupancy Tax (“TOT”) shortfall, water shortfall, litigation, a decline in population, etc.
3. **Boundaries** - The proposed map of the incorporation is confusing and unclear, appearing so “gerrymandered” that it follows no logical boundaries. Proposed borders do not follow any topographical, drainage, or other natural boundaries, but seem to be configured in such a way as to maximize the number of registered voters necessary to qualify the petition for incorporation. This map appears to have no basis in land use planning, service provision, or revenue generation functions. On this basis alone, LAFCO should deny the proposed incorporation.
4. **CEQA** - Because of the potential for many significant environmental impacts that could result from incorporation, the very real possibility that the newly incorporated city could experience severe financial issues leading to widespread blight, as well as the question of whether adequate public services will be provided, we request that LAFCO prepare an environmental impact report to analyze potential impacts of incorporation under CEQA. The environmental impact report should also contain an analysis of potential impacts to surrounding areas, as required by Government Code Section 56668(c), as the proposed incorporation has the potential to result in significant impacts to the provision of existing public services and recreation outside of the proposed city boundaries, as further referenced below.
5. **Litigation Risk** - The long term litigation risk for a small incorporation is incredibly high. The new entity can and will likely be sued by many entities for any number of reasons. These risks, and the financial

implications involved, should all be analyzed as part of the comprehensive fiscal analysis (“CFA”) prepared for IOV.

6. **No Resources** - There are currently no buildings, no offices, and no equipment allocated directly for local government in the valley. All of this would have to be purchased or leased almost immediately after the incorporation. While IOV contends that the new government will acquire some resources from Placer County, major Placer County facilities supporting the Olympic Valley, including office buildings and corporation yards, are not located in the Valley. The costs associated with obtaining adequate resources to run the proposed new governmental body, including land, offices, furnishings, fixtures, equipment, etc., should be analyzed in detail as part of the CFA.
7. **Declining Real Estate Value** – The publicly stated intent behind the IOV movement is to attempt to control development in Olympic Valley. Unfortunately, we believe, if incorporation were to succeed, this would result in a likely detrimental effect on real estate value, as many developers would opt not to invest in a valley run by a newly minted and tenuous local government confronted with major fiscal risks.
8. **Tax Risk** - The Lodge is currently composed of almost all second home owners, who are not registered to vote in Placer County. The Lodge owners are currently subject to both TOT and property taxes from Placer County. The major difference between the County taxing the Lodge owners and a newly incorporated authority taxing the Lodge owners is that a new government is challenged by and subjected to many more fiscal risks, and therefore the new government would likely take additional actions to increase revenue. Some of the more subtle methods to tax are: moving violations, paid-parking zones, sales and use tax, building permits, event permits, property tax to pay for voter approved debt, additional hotel occupancy tax, etc. These types of additional taxes may ultimately have a contrary effect, as visitors, property owners, business owners and investors flee the Valley to escape onerous charges, leading to decreased revenues for the city.
9. **Not-inclusive** – The proposed incorporation is not inclusive and is divisive. Incorporation would cut out about 1500 second home owners who alone outnumber voting residents by more than three to one - not to mention an additional 5000 plus time share owners - all who have really financed the creation of our valley. That a small, minority group of

registered voters would have control over our investments, our homes and our vacation lives is not only of great concern, but effectively polarizes the entire valley community. Currently, all property owners are on a level playing field. All are governed by Placer County. True, registered voters who are Valley residents do elect one Supervisor, nonetheless, we all have the opportunity to work effectively and equally within the existing structure. Incorporation should only be pursued after it has been effectively demonstrated that the current Placer County governance is failing to effectively govern.

**10. Effects on Remaining Unincorporated Areas in the Tahoe Basin.**

The proposed incorporation could have far ranging implications to adjacent areas, to mutual social and economic interests, and on the local governmental structure of Placer County. For example, the precedent of incorporation of Olympic Valley could lead other similarly situated areas, such as Northstar and/or Tahoe City to seek incorporation. This would result in decreased revenue for existing service providers in the remaining unincorporated areas of the Tahoe Basin, and likely affect the viability of existing Special Districts. A new city would also likely jeopardize the cooperative and collaborative approach to governance and the provision of services that is currently experienced with Placer County and the surrounding Special Districts. Funding for region-wide and cross-boundary amenities such as trails, parks, and open space would likely decrease, as local agencies compete for revenue.

**11. Request to Remove Squaw Valley Lodge from IOV Proposal.** Given the huge risks associated with incorporation, and no associated benefits, we formally ask that LAFCO accept our request to be removed from this incorporation. The Lodge occupies 3.5 acres located at 201 Squaw Peak Road. Additionally, we ask that you exclude the approximate annual \$500,000 TOT collected by Squaw Valley Lodge and \$1,000,000 property tax we pay from your CFA for the IOV.

We believe alternatives to incorporation should be considered. The Lodge advocates an inclusive community business and home owners/second home owners group, comprised of all the stakeholders of the valley. Such a community would be inclusive and offer no risks except the risk that unifying to communicate Olympic Valley issues and priorities to Placer County might

actually result in tangible outcomes such as: sensible and balanced development. creek restoration, bike paths, a vibrant village and more.

Finally, incorporation is complicated and potentially expensive. We have concern about whether obligations are clearly understood ranging from what it takes and how long it takes to keep the County whole in terms of revenue neutrality to the provision of low income housing commitments, along with the plethora of unanticipated detail.

We greatly appreciate your time, consideration and focus on our concerns and issues. Do not hesitate to contact us if you have questions or we may be of assistance. Please also treat this letter as a request for notification of all LAFCO items related to IOV, including but not limited to the availability of the Comprehensive Fiscal Analysis for IOV, the availability of any environmental analysis or any notices under CEQA for the proposed incorporation, staff reports and recommendations regarding the proposed incorporation, and public hearings related to IOV. All public notices should be directed to Granite Peak Management, Attn: Evan Benjaminson, 1600 Squaw Valley Road, Suite 2, Olympic Valley, CA 96146, email: [evanb@gpeak.com](mailto:evanb@gpeak.com).

Regards,



Mike Syiek  
President, Board of Directors, Squaw Valley Lodge

cc: Kris Berry, Executive Officer, LAFCO