

March 20, 2013

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Dear Lynne,

This letter report evaluates potential revenue generation of alternative uses of lands comprising the Lake Valley State Recreation Area (LVSRA) and Washoe Meadow State Park (WMSP) in the south shore area of the Lake Tahoe Basin. This assessment is considered to be reconnaissance-level; consequently, it does not consider the cost effectiveness of the potential uses evaluated, instead focusing on potential revenues that could accrue to California State Parks (CSP) associated with the different uses. For purposes of this analysis, potential uses were classified into three categories: golf-related revenues, clubhouse event-related revenues, and revenues from other non-golf recreational activities.

It should be acknowledged that developing revenue estimates for alternative uses of the WMSP/LVSRA is inherently uncertain, and consequently requires developing assumptions and making professional judgments. Although I am not a golf industry expert, I have conducted many economic feasibility assessments of alternative uses of public and privately held lands, and more specifically, of lands that feature natural resources that support a range of recreational activities.

Golf-Related Revenues

The LVSRA currently includes an 18-hole regulation golf course (the Lake Tahoe Golf Course) through which the Upper Truckee River meanders. Erosion and sedimentation problems associated with the golf course are well documented, as are the potential fixes to these problems, most notably in the recent EIR/EIS for the Upper Truckee River Restoration Project (California State Parks 2011). The economic feasibility of various golf course footprints for a modified LTGC, including maintaining the 18-hole regulation course concept or converting to a 9-hole concept (or alternatively to an 18-hole Executive Course), also was the focus of a 2008 economic report prepared by Hansford Economic Consulting (hereafter referred to the HEC Report). Review of the methods, data, and conclusions in the HEC Report was the focus of a previous letter report prepared by TCW Economics (January 18, 2012).

One golf course option that was not evaluated in the 2008 HEC Report is the concept of a non-traditional (less than 18 holes but greater than 9 holes) course. As addressed in a September 28, 2012 letter report to you, this concept has been promoted since the mid-2000's by Jack Nicklaus, a golf industry ambassador who is widely considered one of the greatest professional golfers ever. The reasons frequently elicited by Mr. Nicklaus and others for their support of this non-traditional concept include concerns over the time it takes to play 18 holes of golf, high land and maintenance costs and the associated green fees for playing

18-hole courses, and environmental constraints encountered by golf course developers (including Mr. Nicklaus) in trying to get necessary approvals (see Why 18 Holes?).

Although the relative “newness” of the alternative number of holes concept makes projecting potential golfing revenues at the LTGC more challenging than for traditional length courses, reasonable estimates can be developed based on consideration of historical golf-related revenues at the LTGC, and of rounds of golf and green fees at other golf courses in the Lake Tahoe Basin. Also important to any reasonable projection is consideration of key factors that more generally influence golf play and associated revenues, including (among many) the courses’ location and proximity to population centers, its amenities and uniqueness, golfing rates, and overall course conditions.

As identified by American Golf, the concessionaire who operates the LTGC, and summarized in the 2008 HEC Report, the LTGC averaged 33,163 rounds of golf between 2003 and 2006, ranging from 31,082 in 2005 to 34,709 in 2003 (HEC Report, Table 7). Since 2006, the number of rounds of golf played has generally declined, ranging from 25,480 to 30,088 (Cyndi Walck, personal communication with Lynne Paulson, January 26, 2012). Tournament rounds accounted for an estimated 16 percent of the total annual rounds over the 2003-06 period. The so-called “rack rate” (standard published rate) for a round of golf (cart included) at the LTGC was \$80 per round in 2007, which was slightly above the average “rack rate” of \$78 per round for the five non-traditional golf courses (9-hole and 18-hole Executive courses) considered “comparable” in the Lake Tahoe Basin; however, the average revenue generated per round (green fees and cart) at the LTGC was \$56.74 in 2007, including \$41.25 for green fees and \$15.59 for cart rental (HEC Report, Tables 8 and 21). This lower-than-rack-rate average cost per round reflects that some golfers play less than 18 holes (at lower fees per round) and that discounted fees are available for play at certain times.

For projecting revenues from an alternative (one that provides a number of holes for play other than 9 or 18 holes) course at LTGC, I would estimate that the number of rounds played annually would initially be in the 25,000 to 30,000 range. (Even during the economic downturn during 2009 and the subsequent anemic recovery in 2010, total rounds played remained above 25,000 [(Cyndi Walck, personal communication with Lynne Paulson, January 26, 2012)]. This estimate of 25,000 to 30,000 rounds takes into consideration that a non-traditional course concept likely would lose some regular players who would only play courses with 18 holes of golf, but this effect would be offset to some degree by players who want to have a different or innovative golfing experience, spend less time playing a round of golf, or play a course that would likely not be as difficult as most 18-hole courses. This estimated range in the number of rounds played is not only anchored by rounds played historically at the LTGC, but also is consistent with the estimated number rounds played (25,000) at Old Brockway Golf Course in Kings Beach (HEC Report, Table 16). Based on my personal golfing experience at both courses, I consider Old Brockway to be a fairly comparable course in the Lake Tahoe Basin (although only 9 holes) to a potentially modified LTGC. According to additional information reported in the HEC Report (Table 16), the 2007 “rack rate” for 18 holes of golf (cart included) at Old Brockway was \$96, which is \$16 more per round than the 2007 “rack rate” for LTGC.

Based on estimates of 25,000 to 30,000 rounds of play annually and average spending (including driving range revenues of \$3.23 per round) of \$66.29 (reported in 2012 dollars, as estimated by applying the West Coast CPI inflator to average 2007 revenues), it is estimated that the alternative golf course concept under

consideration for the LTGC would generate gross receipts of between \$1,657,265 and \$1,988,700 annually from golfing activities. In addition, operation of the golfing-related food and drink concessions (average sales of \$4.42 per round – HEC Report, Table 21 as adjusted for reporting in 2012 dollars), sales of merchandise (average sales of \$6.03 per round – HEC Report, Table 21 as adjusted for reporting in 2012 dollars), and service charge and other golf-related fees (average charge of \$1.93 per round – HEC Report, Table 21 as adjusted for reporting in 2012 dollars) would generate an estimated \$309,500 to \$371,400 in gross receipts annually.

According to the 2008 HEC Report (Table 6), the average percent of gross revenues paid for rent by American Golf to State Parks was estimated at 27% of total revenues between 2003 and 2006. Based on this percentage, golf-related activities, including green fees, cart rental, driving range operations, food/drink concessionaires, and other golf-related fees, would generate rental revenues to State Parks of between an estimated **\$531,026 and \$637,227 annually**. In addition to state rental revenues, the concessionaire pays five percent of their total gross receipts into a Capital Improvement Fund. Based on projected total (golfing fees and related activities) revenues of \$1,966,765 to \$2,360,100, it is estimated that the contribution to the General Improvement Fund would range from **\$98,338 to \$118,005 annually**.

The success of a less-than-18-holes course concept for the LTGC is considered somewhat uncertain, primarily because of the limited track record for other courses that have converted to the less-than-18 hole course concept. Although the concept has been discussed among golf course developers for many years, the rising interest in recent years to develop non-traditional courses was apparently sidetracked by the recent economic slowdown. Examples of actual conversions from 18 holes to less-than-18 are few. One example, however, is the Derrydale Golf Course in Mississauga, Canada (near Ontario). According to Jim Holmes, the owner of Derrydale, the course was converted from 18 holes to 9 holes in 1996 (Jim Holmes, personal communication with Thomas Wegge, February 26, 2013). After experiencing an extended decline in the number of rounds played since the 18-hole-to-9-hole conversion in 1996, they decided in 2010 to redesign the course and add three additional holes. According to Mr. Holmes, the concept has been enthusiastically embraced by the club members, and the number of rounds played per year has increased substantially. Mr. Holmes believes that 12 holes is the ideal number of holes, and that the reduced (from 18) number of holes has had a very positive effect on the pace of play as well. In a 2012 interview for an article about non-traditional golf courses (Gould 2011), John Scardino, who is the owner of Monarch Dunes Golf Course, which is 12-hole par-3 course that recently opened in the California Central Coast town of Nipomo, commented, “If every grill room was located next to the 12th green you’d see 90 percent of golfers quit right on the spot”. That certainly sums up my personal golfing preferences these days.

Clubhouse Event-Related Revenue

The LTGC includes an approximately 2000-square foot clubhouse that is available for events year-round, mainly wedding and banquet events. The clubhouse maintains an in-house food and beverage staff beginning in April each year and who then work through the fall. For clubhouse events scheduled during the winter months, either the food & beverage staff is brought in for special events or catering is provided (Stephanie Smith, personal communication with Lynne Paulson, February 26, 2013).

The clubhouse at LTGC also houses the golf pro shop. According to Stephanie Smith, they are able to host events without conflicts with golfers. In the summer, they are able to set up tents not far from the

clubhouse to accommodate large numbers of event guests. The most popular day by far for wedding events is Saturday.

Based on information in the 2008 HEC Report, the clubhouse hosted an average of 37 events per year between 2003 and 2007. An estimated 78 percent of the clubhouse events that occurred between 2003 and 2007 were weddings (HEC Report, Table 7). According to Stephanie Smith, the club has the potential for booking more events each year. Besides wedding and banquet events, the possibility of an arts festival has been discussed with a favorable reaction. It is understood that the club currently has a permit that allows them to play music until 10pm.

Based on concessionaire information reported in the 2008 HEC Report (Table 21), food and beverage revenues generated by non-golfing events were expected to produce gross receipts of an estimated \$212,000 in 2008. In addition to food and beverage sales, non-event related service charges and other fees provided \$44,000 in concessionaire revenues.

Given the general acknowledgement that non-golf related events at the clubhouse can be held without conflicts to golfing activities, and that there is potential to host more events than has occurred historically, averaging 37 per year between 2003 and 2007, it is believed that the clubhouse could host considerably more events than the 2003-07 average. Factors that would influence the number of events potentially hosted at the LTGC clubhouse include the type of events (e.g., weddings typically need a Saturday), maintaining very competitive rates compared to other available venues in the Lake Tahoe Basin, and more aggressive marketing; for purposes of this reconnaissance-level analysis, it is conservatively assumed that up to 50 events could be held on average each year. (It should be noted that historical information on the number of clubhouse events held annually at the LTGC was requested from California State Parks (CSP) through a Public Records Act request but CSP indicated that it had no documents responsive to this request [Lynne Paulson, personal communication with Thomas Wegge on March 7, 2013]). The upper-bound estimate of 50 events annually, however, would appear reasonable given the year-round availability for scheduling events at the clubhouse, the potential for doing more than one event on a given day, such as a popular Saturday in June, the popularity of the Lake Tahoe area as a venue for events, and the apparent underutilization of the facility. (As pointed out in the 2008 HEC Report, non-golf events at the LTGC generate estimated annual revenue of \$128 per square foot, whereas the North Tahoe Conference Center, considered as a generally comparable event site, produces revenues of \$194 per square foot annually.)

Similar to State revenues from golfing activities, State revenues from non-golf events at the LTGC are estimated by applying 27% to total revenues (HEC Report, Table 26). (It should be noted that the rental agreement for the food and golf concession identifies a 10 percent rental rate on food and beverage gross receipts, but due to the method in which the rental calculations are made on a monthly basis, rental revenues to the State work out to be about 27% of all gross receipts, including golf and non-golf receipts, as reported in the 2008 HEC Report.) Based on average food and beverage revenues of \$6,283 per event and average service charge and fee revenues of \$1,304 per event (both based on information from the HEC Report, Table 21 and adjusted to 2012 dollars), the low estimate of 37 annual events would generate \$232,471 in food and beverage revenues and \$48,248 in service charges and other fee revenues. At a rental rate of 27 percent, this level of activity would produce an estimated \$75,794 in State rental revenues. The assumed higher number (at 50) of annual events would generate \$314,150 in food &

beverage revenues and \$65,200 in service charges and other fee revenues, which would produce \$102,424 in State rental revenues. **In total, an assumed 37 events per year would generate an estimated \$75,794 in State rental revenues, and an assumed 50 events per year would generate an estimated \$102,424 in State rental revenues annually.**

Although this assessment focuses on using the LTGC clubhouse for wedding and banquet events, similar to its current use, other facility uses may be feasible. These uses include as a multi-use recreation/visitor center, arts center, educational/interpretative center, and/or conference/event center. Although it is conceivable that the existing clubhouse facility might be able to accommodate one or more of these other uses while still hosting wedding and banquet events, the logistics of successfully using the facility for more than one of these purposes would appear to have substantial challenges. The revenue generation potential for these alternative clubhouse uses was not considered in this evaluation.

Revenue from Other Non-Golf Recreational Activities

Opportunities for participating in recreational activities other than golfing have long been part of the vision for the WMSP. For evaluating the revenue potential of non-golf recreational activities at the LVSRA/WMSP, non-golf activities identified in the Potential Recreation Options table in Attachment A to this letter report that appear to have potential for attracting visitors willing to pay for their experience are carried forward to assess the revenue generation potential. One group of activities is winter Nordic activities, including cross country skiing, snowshoeing, snow bicycling, sledding, and possibly snowmobiling. As indicated in Attachment A, strong interest in a Nordic activities concession at WMSP/LVSRA has been expressed by several members of the local business community.

A second category of non-golf recreation activities brought forward to assess revenue potential are recreational activities that logically could be “bundled” based on common attributes that would attract visitors willing to pay some type of entrance charge, either parking or a daily use fee. Activities at WMSP/LVSRA that fall into this category include birdwatching, hiking, picnicking, fishing, boating, photography, bicycling, and other forms of nature study. Although camping also would appear to have revenue generation potential, initial studies suggest that soils at WSMP/LVSRA are likely incompatible (see Potential Recreation Options table in Attachment A) and that due to limited space may conflict with existing uses.

Winter Nordic Activities

Although a number of Nordic Centers offering groomed trails and equipment rental already operate in the South Lake Tahoe area, several owners/operators of these centers have expressed interest in establishing a Nordic Center concession in the Meyers area. Several recreation trend studies indicate increasing interest in participating in Nordic activities, as identified in the Additional Recreation Options table. In addition, cross country skiing and snowshoeing were recommended for the area in the 1988 LVSRA General Plan (CDPR 1988) and in the Upper Truckee River Restoration Project EIR/EIS (California Parks System 2011).

To estimate potential rental revenues to the State from a Nordic center concession at WMSP/LVSRA, annual receipts and rental fees paid to the State from concessionaire operations at the Burton Creek State Park near Tahoe City were examined. Burton Creek State Park is a 1,900-acre undeveloped park open

year-round for day use only. Although considerably larger than the WMSP, which contains about 630 acres, Burton Creek SP has similar undeveloped features, with limited access and trails that are available for hiking, mountain biking, cross-county skiing, and snowshoeing.

Burton Creek SP is operated by the Tahoe City Public Utility District (PUD) under an operating agreement with State Parks and Recreation. The Tahoe City PUD maintains the trails for skiing and hiking and provides instruction services for Nordic activities. Between Fiscal Year (FY) 2007-08 and FY 2010-11, State Parks and Recreation reported that annual gross receipts from Tahoe City PUD operation at Burton Creek SP ranged from \$395,524 in FY 2008-09 to \$565,821 in FY2010-11. Based on the rental terms identified in the operating agreement, these gross receipts generated between \$12,866 and \$17,975 in rental revenues for the State (CDPR, various dates).

Based on the comparability of Nordic opportunities at Burton Creek SP, it is estimated that a Nordic center at WMSP/LVSRA could generate rental revenues at least equivalent to those generated at Burton Creek SP. Because of its proximity to the larger market area of South Lake Tahoe and nearby access from the heavily travelled Highway 50, the revenue generation potential at WMSP/LVSRA would appear to be potentially higher than at Burton Creek SP; however, the more limited area (compared to Burton Creek SP) available for Nordic activities at WMSP/LVSRA may constrain the Nordic activities potential. **For purposes of this analysis, a reasonable range of annual rental revenues from a Nordic Center concession at LVSRA/WMSP is estimated between \$14,900 (the FY 2007-08 to FY 2010-11 average) and \$22,350 (a 50% increase over the average).** It should be noted that more favorable rental terms from a concession operation, as well as potentially higher gross receipts resulting from a more aggressive marketing program, would reasonably be expected to substantially increase gross receipts and rental revenues paid to the State.

An existing sub-lease arrangement at LVSRA for a snowmobiling operation also generates revenues for American Golf, the concessionaire at LVSRA (HEC 2008). Gross receipts were reported to be \$5,647 in 2010; however, between 2004 and 2006, gross receipts from the snowmobiling operation ranged from \$9,300 to \$22,500. (Note that snowmobiling gross receipts were reported to be \$17,000 in the 2008 HEC Report, representing the 2004-06 average). Based on rental terms with American Golf (10% of winter sports activity receipts), snowmobiling operation would generate an estimated \$600 to \$2,200 in additional rental revenue for the State. Because the compatibility of a snowmobile operation with other presumably higher revenue-generating Nordic activities would appear uncertain, rental revenues from snowmobile operations are not included in the totals presented in the Conclusions section below.

Recreation Activities Enhanced by Fish, Wildlife, and Other Natural Resources

Similar to other parks in the California State Parks system, Washoe Meadows SP offers a wealth of natural resources for the enjoyment of visitors. As identified in the 1990 Resource Inventory for Washoe Meadows State Park (Showers 1990),

“Diverse types of vegetation, including conifer forest, wet and dry meadows, fen, and riparian woodland, support a rich variety of wildlife with the [Washoe Meadows] State Park. The extensive meadows of Washoe Meadows State Park are a significant natural and esthetic feature of the unit.” (p.5)

This characterization does not specifically mention the presence of the Upper Truckee River, and its tributary Angora Creek, which also greatly enhance natural, esthetic and recreational values of the Park.

Providing opportunities for the public to enjoy and experience these park resources clearly has been an important management goal for this State Parks unit since early on. As stated in the 1988 LVSRA General Plan (CDPR 1988),

“Though some passive recreation occurs at present, activities such as boating (canoes and kayaks), photography, painting, birdwatching, and other forms of nature study have the potential to increase significantly as the public becomes more aware of the status of this State Park System unit as a state recreation area. Significant recreational opportunities are or can be available here and at the contiguous Washoe Meadows State Park as interpretive programs and public facilities become established.” (p. 32)

According to State Parks (Steve Musillami, personal communication with Lynne Paulson, January 29, 2013), the different park unit descriptions (e.g., state recreation areas, State Parks, State Historic Parks) determine the appropriateness of park activities. State Recreation Areas are typically designated for the direct enjoyment of specific recreation, whereas a State Park designation occurs mainly for the enjoyment of the unit’s resources. To help fund management of unit resources, California State Parks oversee a concessionaire and operating agreements program, in addition to having a daily fee (or annual pass) system for collecting revenues.

Seven units of the State Parks System are located in the Lake Tahoe Basin (Showers 1990). In addition, Donner Memorial SP is located near the town of Truckee to the west of the Lake Tahoe Basin. One concessionaire, the Tahoe Adventure Company, is responsible for collecting user fees at three of the eight units (Ed Z’berg Sugar Pine Pont SP, D.L. Bliss SP, and Donner Memorial SP). Activities identified as park activities include hiking, biking, and in the case of D.L. Bliss and Donner Memorial SPs, kayaking. A different concessionaire (Donner Lake Water Adventures) operates a water craft and beach rental concession at Donner Memorial (CDPR FY2010-11).

Between FY 2007-08 and FY 2010-11, the Tahoe Adventure Company reported gross receipts from concessions at all three State Parks ranging from \$1,050 in FY 2007-08 to \$6,850 in FY 2009-10. These gross receipts generated \$487 to \$877 in State rental revenues. (Rental terms call for \$50 per month or 10% of monthly gross receipts, whichever is higher).

Attendance and user fee revenues at the three state parks identified above are presented in Table 1. The revenues reported in Table 1 do not include revenues from concessionaire agreements. All three of the parks offer camping, and although the number of camping visitors is reported separately from day use, camping-related revenues are included in the user fee revenues in Table 1.

To estimate potential revenues at WMSP/LVSRA from non-golf related recreation activities enhanced by fish and wildlife resources (i.e., birdwatching, hiking, picnicking, fishing, boating, photography, other nature study, bicycling), it is estimated that annual paid attendance for participating in these activities at WMSP/LVSRA likely would be less than at the three lakeside parks with developed facilities identified in Table 1. (WMSP/LVSRA also has fewer acres than any of these three parks.) For purposes of revenue projection, it is estimated that attendance at WMSP/LVSRA could range from 15,000 to 20,000 visitors

annually. Average revenues per visitor for the two park units within the Sierra District without camping, including Bodie State Historic Park (SHP) and Empire Mine SHP, was about \$4.60 per visitor (Table 1). **Using this average user fee per paid visitor and applied to attendance estimates of 15,000 to 20,000 annual visitors, annual state revenues from user fees are estimated to be \$69,000 to \$92,000.** It should be underscored that these revenues do not account for annual maintenance or any amortized capital improvement costs, which are only reported on a district-wide basis.

Table 1. Attendance and Revenues at Selected State Parks in Lake Tahoe Basin, Donner Lake Area, and elsewhere in the Sierra District

State Park Unit	Attendance (FY 2010/11)		User Fee Revenues (FY2010/11)	Revenues per Paid User (FY2010/11)
	Paid Day Use	Free Day Use		
D.L. Bliss SP	44,500	1,586	\$392,281*	\$8.81*
Donner Memorial SP	59,959	72,203	\$476,286*	\$7.94*
Ed Z'berg Sugar Pine Point SP	37,184	23,023	\$473,848*	\$12.94*
Bodie and Empire Mine SHPs	134,245	77,588	\$618,245	\$4.60

*Includes revenues from camping

Source: California Department of Parks and Recreation – FY 2010/11 Statistical Report

Conclusions

Total state revenues generated by activities at the WMSP/LVSRA considered for this assessment are reported in Table 2. Under the low-estimate scenario, total annual revenues would be \$789,062. Green fees and related concessions would account for about 67 percent of total revenues, revenues to the Capital Improvement Fund would account for about 12 percent, clubhouse events would account for about 10 percent, revenues from a Nordic Center concessionaire would account for about 2 percent, and user fee revenues from access or parking for the enjoyment of park amenities would account for about 9 percent of total WMSP/LVSRA-generated State revenues. As noted in the table, the user fee revenues do not account for park management or improvement costs.

Table 2. Summary of Estimates of Annual State Revenues Generated by WMSP/LVSRA Operations

Source of Revenue	Low Estimate	High Estimate
Golfing Activities		
Green fees and related concessions	\$531,030	\$637,230
Capital Improvement Fund	\$98,338	\$118,005
Clubhouse Events	\$75,794	\$102,424
Non-Golf Recreation Activities		
Nordic activities	\$14,900	\$22,350
Fish and wildlife-enhanced activities	\$69,000*	\$92,000*
TOTAL	\$789,062	\$972,009

*Represents state revenues from user fees, and therefore does not consider annual maintenance or capital improvement costs

Other recreation uses that appear to have additional revenue generation potential, either through concessionaire operation or from additional user fees collected by State Parks, include camping and horseback riding. As demonstrated in Table 1, revenues per paid user at units where camping occurs are 2-3 times greater than at units where camping is not allowed. As indicated in the Potential Recreation Options table (Attachment A), there are stables adjacent to the park and horseback riding has occurred at LVSRA in the past. As mentioned above, snowmobiling at LVSRA currently generates between an estimated \$600 and \$2,200 annually (depending largely on snow conditions), but the feasibility of continued snowmobile use appears uncertain if other Nordic activities become available in the LVSRA.

Alternative or additional uses of the clubhouse include use as an arts center, wildlife education/care center, educational/interpretive center, or conference/event center. The feasibility of these alternative uses for the clubhouse was initially investigated (refer to Attachment A) and some community interest has been expressed for all of them. However, the potential compatibility of one or more of these uses with continued and possibly expanded use of the clubhouse as a venue for events needs more detailed examination.

Lastly, music festivals at the LVSRA would appear to offer potential opportunities for additional revenue generation. Because they likely would be held in open areas on the grounds near the clubhouse, these events could potentially be scheduled so as not to conflict with clubhouse events and golf.

Thank you for the opportunity to further review and comment on the revenue potential of uses for the LVSRA/WMSP.

Sincerely,



Thomas Wegge
Principal Economist
TCW Economics

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ATTACHMENT A: Potential Recreation Options for LVSRA and WMSP

POTENTIAL RECREATIONAL OPTIONS FOR LVSRA AND WMSP

Prepared by Washoe Meadows Community
19-Mar-13

Recreational Activity	Recommended / Suggested Recreational Activities		Evaluation Criteria			Conclusions
	LVSRA General Plan	EIR	Future Recreation Trend	Currently a concession at one or more State Park units?	Regional Need	
1 birdwatching	X		increasing		M	Possibly. Investigate in the future. While there is a trend of increasing interest and little has been organized in the South Lake Tahoe area, more investigation of a business model for revenue generation needs to be done. There is a potential tie with ecotourism activities and opportunities for sales of related equipment items such as binoculars, field guides and tours. Other national parks have implemented this strategy.
2 hiking (inc self-guided nature trail)	X	X	high popularity and increasing	DL Bliss SP-Tahoe Adventure Co.	M	Possibly. Investigate in the future. While this is one of the top four outdoor activities that Californians would like to participate in more, and this offers one of many recreational options that could be based at LVSRA, more investigation of a business model for revenue generation needs to be done. There is a potential tie with ecotourism activities.
3 family picnic area	X		high popularity and increasing		M	Possibly. Investigate in the future. While this is a very popular activity and there are not a lot of convenient picnic areas set up in the immediate region except very close to the shores of Lake Tahoe, it isn't clear that people would pay for participating in this activity except through a parking or day use fee.
4 snowmobiling	X		increasing	LVSRA-American Golf	M	Yes. This already exists at the golf course and can be assumed to continue. There may be an opportunity to increase this business as part of a package of recreational offerings at the park units.
5 cross country skiing	X	X	increasing	Burton Creek SP-Tahoe City PUD	H	Yes because potential suppliers have been identified, an increasing trend is projected, local sources indicate support for this type of business. Combine into a Nordic center business to also include snowshoeing.
6 ice skating	X	X	increasing interest by youth		L	Not considered at this time because of these reasons: Infrequency of availability of natural outdoor ice skating locations, potential risks and liabilities associated with skating on a lake or pond, potential cost of constructing and maintaining a prepared outdoor ice arena and competition from indoor ice skating rink in South Lake Tahoe.
7 fishing	X	X	increasing by a large amount	Malibu Lagoon SB-Mailbu Pier Partners, LLC	M	Possibly. Investigate in the future. While this is a very popular activity, further research is needed to develop a more detailed business model for revenue generation and to identify potential suppliers.
8 boating--canoes & kayaks & rafts	X	X	increasing by a large amount	DL Bliss SP-Tahoe Adventure Co.	M	Possibly. Investigate in the future. There are several South Lake Tahoe suppliers but they operate on Lake Tahoe. Because of projections of demand, further research is warranted which should include identifying potential suppliers and a more detailed business model for revenue generation.
9 photography	X		increasing	Parks seem to have only photographic services for taking portraits of visitors	M	Possibly. Investigate in the future since there is an opportunity to provide short photography tours in the park units. This could be modelled after other successful programs at South Lake Tahoe and in some national parks.
10 other forms of nature study	X		increasing	Fremont Peak SP-Fremont Peak Observatory, Statewide-REI	M	Possibly. Recommend investigating this further since it could be part of a geotourism package and could be combined with offerings for photography, bird watching and other nature tours.

11	Multi-use recreation/visitor center		X		Folsom Lake SRA— CSU Sacramento	H	Possibly. Recommend reviewing how additional recreational activities can be included since the Meyers Community vision describes outdoor recreation as central to its community and local elected officials are promoting the need for a facility to serve as a recreational gateway. The revenue generation would be determined based on the individual activities evaluated for inclusion.
12	Bicycling		X	high popularity and increasing	DL Bliss SP—Tahoe Adventure Co.	H	Yes because potential suppliers have been identified, an increasing trend is projected, local sources indicate support for this type of business. Possibly combine with the same supplier as for Nordic activities to allow all season activities.
13	Horseback Riding		X	increasing	Andrew Molera SP— Molera Horsback Tours of Big Sur	M	Possibly. There has been previous use of the park by horseback riders from adjacent stables. Since this is an increasingly popular activity and something that has been demonstrated to be successful at other State Park units, it should be considered in the future.
14	Snowshoeing	X	X	increasing	DL Bliss SP—Tahoe Adventure Co.	H	see comments for 5 - cross-country skiing
15	Camping		X	popular and increasing	McArthur Burney Falls Memorial SP— Recreation Resource Management	?	Not investigated further because camping doesn't seem compatible with a golf course and State Parks documents indicate that the units may have soils that preclude building campgrounds.
16	Indoor Rock climbing		X	?		?	Not investigated further because the Public Resource Code says that "improvements to provide for urban or indoor formalized recreational activities shall not be undertaken with in state recreation areas".
17	Snow or fat bicycling			?		M	Possibly. This would be a unique offering for the area and could be combined with the Nordic center offerings to supplement the other recreational options, especially when the snow is not good enough for other activities. Additional research is needed to outline the potential revenue generating potential.
18	Sledding hill			popular and increasing		H	Possibly. Local business owners and residents suggest there is a demand for this in Meyers. This would need to be investigated further because it isn't clear where an appropriate site would be that could be readily maintained by State Parks. Sledding is very popular and the closest formal sledding areas are some miles away in South Lake Tahoe or at Echo Summit.
19	Music festivals			popular and increasing	LA State Historic Park	M	Possibly. This should be investigated further. A local event manager recommends this as a possible signature event for the SRA.
20	Frisbee golf			?		?	Not investigated further since there is a free frisbee golf course in a South Lake Tahoe park and it seems like an activity that is more suited to urban parks.

**Alternative/Additional Clubhouse
Uses—see items below**

Arts center, art & painting	X	X		There may be an art gallery in a retail area at a state park unit	Possibly. Investigate in the future.
Wildlife education/care center	X	X		Andrew Molera SP— Ventana Wildlife Society.	Possibly. Investigate in the future. Note Tahoe Institute for Natural Science interest in supporting a creation of a wildlife center.
Educational / Interpretive center	X	X	Popular and increasing	MacKerricher SP— Pacific Environmental Education Center	Possibly. Investigate in the future
Conference/Event Center		X		Asilomar SB— Aramark Sports & Entertainment	Possibly. Investigate in the future.