

## MEMORANDUM

**TO:** Steve Pinkerton  
General Manager

**THROUGH:** Sharon Heider  
Director of Community Services

**FROM:** Mike Bandelin  
Diamond Peak Ski Resort General Manager

**SUBJECT:** Review, discuss and possibly approve implementation of a three-tiered Season Pass sales initiative and rate structure for Diamond Peak Ski Resort's 2017/2018 ski season

**STRATEGIC PLAN:** Long Range Principle #2 - Finance

**DATE:** February 13, 2017

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### **I. RECOMMENDATION**

Staff recommends that the Board of Trustees makes a motion to approve having a three-tiered season pass pricing structure, effective March 21, for Diamond Peak Ski Resort's 2017/2018 season passes with an "early bird" (Tier 1) through April 30, 2017, "early season" (Tier 2) May 1 – October 31, 2017, and "regular season" (Tier 3) rates November 1, 2017 through the end of the ski season.

### **II. STRATEGIC PLAN REFERENCE**

Long Range Principle #2 Finance – The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvements, and debt management; Objective #3 with allocated resources equate service expectations with capacity to deliver.

### **III. BACKGROUND**

Last year, IVGID initiated a pre-season Season Pass sale in mid-March. This was in response to other resorts offering Season Pass sales early and the focus on capturing sales while people are still excited about the current season and

looking forward to next year. This strategy proved successful as shown in the table below.

<b>Season passes sold</b>	<b>2015/2016 (7/1/15 –1/31/16)</b>	<b>2016/2017 (3/19/16-1/31/17)</b>
<b>Total</b>	<b>3112</b>	<b>3880</b>
<b>Resident</b>	<b>1977</b>	<b>2235</b>
<b>Non Resident</b>	<b>1135</b>	<b>1645</b>
<b>Gross Revenue</b>	<b>\$543,873.00</b>	<b>\$718,795</b>

It is again proposed to initiate fiscal year 2017/2018 Diamond Peak season pass sales on or around March 17, 2017, and continue with the 3-tiered pricing structure for season passes adopted last season, with “early-bird” (Tier 1) rates available through April 30, 2017; “early season” (Tier 2) rates available from May 1 – Oct. 31; and “regular-season” (Tier 3) rates available from November 1 through the end of the ski season.

We are proposing to maintain IVGID Picture Pass Holder season pass rates at the same levels as the 2016-17 ski season.

We propose raising **Non-Resident** season pass prices by approximately 2% (Adult), 4% (Youth), 6% (Child & Senior) and 90% (Super Senior) to account for inflation and the rising costs associated with operating the resort. The more dramatic jump in **Non-Resident** Super Senior pricing is to bring these prices more closely in line with (though still significantly under) market rates in the Lake Tahoe ski industry.

A full breakdown of the proposed 2017-18 Season Pass pricing tiers is listed below, for reference, followed by a relative breakdown of 2016-17 Season Pass pricing tiers.

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<b>2017-18 Diamond Peak Season Pass Rate Proposal</b>	<b>March 21 - April 30 Tier 1</b>	<b>May 1 - Oct 31 Tier 2</b>	<b>Nov. 1 on Tier 3</b>
<b>Picture Pass Holder Full Pass</b>			
Adult (24-64)	\$289	\$299	\$349
College (with ID and 12 credits)	\$139	\$149	\$189
Youth (13-23)	\$139	\$149	\$189
Child (7-12)	\$109	\$119	\$149
Senior (65-69)	\$109	\$119	\$149
Super Senior (70-79)	\$29	\$39	\$49
6 & under / 80+	Free	Free	Free
<b>Picture Pass Holder Midweek Pass</b>			
Adult (24-64)	\$215	\$225	\$299
College (with ID and 12 credits)	\$109	\$119	\$149
Youth (13-23)	\$109	\$119	\$149
Child (7-12)	\$89	\$99	\$119
Senior (65-69)	\$89	\$99	\$119
Super Senior (70-79)	\$20	\$30	\$40
6 & under / 80+	Free	Free	Free
<b>Non-Resident Full Pass</b>			
Adult (24-64)	\$379	\$429	\$479
College (with ID and 12 credits)	\$219	\$239	\$259
Youth (13-23)	\$219	\$239	\$259
Child (7-12)	\$159	\$169	\$189
Senior (65-69)	\$159	\$169	\$189
Super Senior (70-79)	\$139	\$149	\$169
6 & under / 80+	Free	Free	Free
<b>Non-Resident Midweek Pass</b>			
Adult (24-64)	\$279	\$309	\$339
College (with ID and 12 credits)	\$179	\$199	\$219
Youth (13-23)	\$179	\$199	\$219
Child (7-12)	\$139	\$149	\$169
Senior (65-69)	\$139	\$149	\$169
Super Senior (70-79)	\$119	\$129	\$149
6 & under / 80+	Free	Free	Free

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<b>2016-17 Diamond Peak Season Pass Rates Final</b>	<b>March 21 - April 30 Tier 1</b>	<b>May 1 - Oct. 31 Tier 2</b>	<b>Nov. 1 on Tier 3</b>
<b>Picture Pass Holder Full Pass</b>			
Adult (24-64)	\$289	\$299	\$349
College (with ID and 12 credits)	\$139	\$149	\$189
Youth (13-23)	\$139	\$149	\$189
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Senior (65-69)	\$89	\$99	\$119
Super Senior (70-79)	\$20	\$30	\$40
6 & under / 80+	Free	Free	Free
<b>Non-Resident Full Pass</b>			
Adult (24-64)	\$369	\$419	\$469
College (with ID and 12 credits)	\$209	\$229	\$249
Youth (13-23)	\$209	\$229	\$249
Child (7-12)	\$149	\$159	\$179
Senior (65-69)	\$149	\$159	\$179
Super Senior (70-79)	\$69	\$79	\$89
6 & under / 80+	Free	Free	Free

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	March 21 - April 30	May 1 - Oct. 31	Nov. 1 on
2016-17 Diamond Peak Season Pass Rates Final	Tier 1	Tier 2	Tier 3
<b>Non-Resident Midweek Pass</b>			
Adult (24-64)	\$269	\$299	\$329
College (with ID and 12 credits)	\$169	\$189	\$209
Youth (13-23)	\$169	\$189	\$209
Child (7-12)	\$129	\$139	\$159
Senior (65-69)	\$129	\$139	\$159
Super Senior (70-79)	\$49	\$59	\$69
6 & under / 80+	Free	Free	Free

*\*The IVGID Board of Trustees allows management to adjust prices to accomplish yield management provided the rate offered to the public is above the IVGID Picture Pass Holder rate.*

#### **IV. FINANCIAL IMPACT AND BUDGET**

We expect the annual financial impact of adjusting Diamond Peak season pass prices to be positive.

We would expect the adjusted season pass pricing to bring in an additional \$20,000 - \$30,000 of revenue, with flat total season pass sales compared to the 2016-17 ski season.

#### **V. BUSINESS IMPACT**

This item is not a "rule" within the meaning of NRS, Chapter 237, and does not require a Business Impact Statement.