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News Release

## **For immediate release**

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### **INDEPENDENT STUDIES FIND THAT RESORT PROPOSAL VASTLY OVERESTIMATES BENEFITS, UNDERESTIMATES COSTS, HURTS LOCAL BUSINESSES**

[Shandaken, NY – July 28, 2013] The citizens' group [Catskill Heritage Alliance](#) (CHA) today released new reports demonstrating that the benefits of the proposed Belleayre resort have been grossly overestimated and its costs grossly underestimated—including the cost of damage to local businesses.

The reports were issued by independent consulting firms commissioned by the CHA to [review](#) developer Crossroads Ventures, LLC's proposal to build a new 629-room private, luxury mega-resort adjacent to an expanded state-run Belleayre Mountain Ski Center (BMSC). The reviews showed that the proposed resort is oversized for the market, with negative consequences for existing businesses. In addition, the reviews found that the ski center expansion, which would require public funding, would be oversized for realistic skier growth and climate change—at a significant cost to taxpayers.

“The new reports assemble evidence showing that assumptions underlying the resort proposal are simply false,” said Kathy Nolan, chair of the Catskill Heritage Alliance. “They find the project as proposed to be ill-conceived, vastly oversized and a threat to the local economy. They also outline much better alternatives. CHA supports New York State spending far less money on Ski Center expansions, especially since spending less will achieve a much better result.”

One of the reports, an economic review of the Belleayre Resort Supplemental Environmental Impact Statement (SDEIS) and the BMSC Unit Management Plan (UMP) was conducted by the Washington, DC, firm [Public and Environmental Finance Associates \(PEFA\)](#). Another, a technical review of the BMSC Draft Unit Management Plan, was

conducted by the mountain recreation planning and civil engineering firm [Alpentech](#) of Salt Lake City, Utah.

CHA has submitted both reports, along with technical environmental reviews, to the NYS Department of Environmental Conservation (DEC) as part of the public comment process on the Belleayre expansion and resort project, which concluded on July 24. It has also posted them on its website, [www.catskillheritage.org](http://www.catskillheritage.org).

### Evidence Doesn't Support "Full Build-Out"

The "Full Build-Out" alternative includes a maximally expanded public Ski Center that effectively functions as an amenity for an oversized private resort. The private resort envisions 629 lodging units extending from the base of the Ski Center up-slope alongside the proposed Highmount ski trail expansion. If built as proposed, the Ski Center expansion would cost New York State taxpayers an estimated \$74 million and require the state to purchase with public funds the former Highmount ski area, now owned by the developer. The independent economic and technical reviews found this plan not to be justified by documents submitted to the DEC or by feasibility or market analysis.

"The resort and UMP decision documents [are] unreliable, outdated, and incomplete [and] unresponsive of the full build-out alternative," according to the PEFA review. For example, it finds that construction costs for the full build-out are underestimated by 20-30%, the ski condo time-share market has collapsed by 80%, and skier visits have declined significantly since their 2008 peak of 181,509. The UMP projects BMSC's annual skier visits to double from about 160,000 to 320,000.

"As this review shows," says the PEFA analysis, "the ski center expansion is unsupported by a realistic skier visit forecast, and the proposed resort is excessive in terms of its size and capitalization."

PEFA's economic review concluded that full build-out of the Ski Center would result in an oversupply of skier capacity and would not generate the number of skier visits claimed. Based on analysis of ski industry data, Alpentech projected that Belleayre could not achieve "more than 210,000 skier visits for any scenario."

### Consequences of Being Too Big

PEFA's economic analysis shows that the average annual increase in lodging units at comparable resorts between 1997 and 2007 was under 25

units. The largest year-over-year jump was 115 units, which occurred between 2002 and 2003. The proposed resort would add an unheard-of 425 units in a single year. Yet more approved units at the resort would come onto the market the next construction season.

To justify such a leap, the resort would need to support as many lodging units per skier as some of the best-known four-season destination ski resorts in the world, such as Killington, Vermont or the four-mountain complex at Aspen, Colorado.

The PEFA review found no evidence suggesting this level of occupancy is plausible but plenty of evidence that if built as proposed, the resort would create a large glut of lodging units that would effectively cannibalize overnight stays from other lodges along the Route 28 corridor, “causing existing communities and proprietors of lodging and related services to see much of their economic base transferred to the proposed resort.” As more approved resort lodging units continue to be built, they would dominate the local market and reinforce a cycle of disinvestment and economic losses for local businesses.

The UMP’s vision to double its capacity would draw business away from neighboring ski areas such as Hunter, Windham, and Platekill. The proposal has drawn opposition from the owners of these private areas and also from the Greene County Legislature, which objects to spending state funds on Belleayre in a way that would allow it to outcompete private ski areas.

According to the Alpentech report, the Full Build-Out of the Ski Center could also be physically dangerous for skiers. It would create bottlenecks and raise the likelihood of collisions as advanced skiers are funneled down the mountain through beginner areas to reach the greatly enlarged Discovery base lodge area.

### A Superior Alternative

The UMP does suggest an alternative to the Full Build-Out, the “East Alternative,” though it does not describe or evaluate it in detail. Unlike the former Highmount ski area, envisioned as part of the the Full Build-Out, the East Alternative terrain is already within BMSC’s footprint and would not require the state to purchase land from the developer. It would add expert terrain in Cathedral Glen area of the mountain.

Alpentech’s report evaluates this alternative in more detail, and sketches a [preliminary trail and lift design](#) to flesh it out. It would expand the Ski Center’s trails roughly half as much as Full Build-Out. Combined with

upgrading the existing “core” Ski Center facilities, it would add a low-impact, three-season zip line in keeping with the purpose of the Forest Preserve to offer environmentally sensitive recreational activities to the general public.

Alpentech projected that this lower-build East side alternative, along with the existing core, would be less expensive to operate than the Full Build-Out scenario. The East Alternative would cost 54% less to operate than the West Side and Highmount trail systems. Other sources indicate that construction costs for the East side alternative could also be far less than alternatives tying into the proposed resort. Unlike the Full Build-Out, the East Alternative would be appropriately sized, matching realistic forecasts for growth in ski visits.

“CHA strongly opposes the Full Build-Out scenario as excessive and unjustified and not in the public interest,” said CHA’s Kathy Nolan. “It’s the wrong way to expand Belleayre, but there is a right way. We strongly endorse alternatives suggested in the UMP and especially urge the DEC to consider the East Alternative. It offers a rational, right-sized approach that could save the state tens of millions of dollars and upgrade the facility for skiers. When combined with a smaller resort that eliminates the Highmount Spa component, you begin to see investments with a greater chance of pulling their own weight in terms of economic performance and therefore able to avoid dominating the local lodging market and cannibalizing local businesses.”

### Environmental Impacts Not Adequately Addressed

Other reports submitted to the DEC by the CHA identified threats from steep slope development, [soil erosion](#), and [possible inadequate storm water management and wastewater treatment at the Pine Hill Wastewater Treatment Works](#).

According to [Sterling Environmental Engineering](#), more than 30% of the Highmount Spa area is sited on slopes steeper than 20%. This doesn't include the ski terrain associated with the Spa. Best practices generally avoid development on slopes steeper than 15%.

County Route 49A, the access road to the Belleayre Mountain Ski Center and the proposed resort, already suffers from inadequate storm culverts, and the proposed resort's runoff would likely contribute to overflows, with erosion and road embankment destruction the result.

Two large equalization tanks would be necessary to handle excessive

wastewater flow to the Pine Hill treatment plant, yet the SDEIS contained no discussion of how these would operate and to what extent wastewater treatment could be compromised from the added volume of waste from the resort and expanded Ski Center.

Sterling also found that trout habitat and spawning areas could be affected by the resort's runoff into tributaries and that erosion could increase water turbidity, a known problem for NYC reservoirs. Both the Ashokan and Pepacton reservoirs would accept runoff from the project.

The proposed snowmaking reservoir for Belleayre is one-third larger than the existing Pine Hill Lake, so massive that it requires a dam permit, yet the one included in the draft Unit Management Plan provided no analysis of the potential hazards to downstream communities in the event of failure of the 41 million gallon pond.

CHA's consultant on transportation and air quality, [Zamurs and Associates, LLC](#), found that the SDEIS did not conduct a regional traffic study, as should have been done for a year-round destination, but focused only on impacts occurring at the very local level--County Route 49A. Without a regional traffic study, it is not possible to determine whether the project's air quality study is adequate. Four-season travel to the resort could be enough to cause the area to fall into non-attainment for the ozone ambient air quality standard, which may soon be tightened by the Environmental Protection Agency.

In addition, [Zamurs and Associates, LLC](#) found that the models used in the SDEIS's air quality study are outdated and omitted a number of relevant pollutants and limited its location to one intersection, County Route 49A and New York State Route 28.

Although the proposed resort is promoted as "green," the inadequate traffic study makes the greenhouse gas emission analysis flawed and incomplete. Discussions of climate change are inadequate and outdated, and it is unclear whether the increased amount of energy needed for snowmaking anticipated in a Ski Center expansion has been factored into the greenhouse gas analyses. Finally, there is no commitment, in terms of binding permit conditions to energy conservation measures.

The CHA's submission also challenges plans to build ski trails, lifts, and buildings on Forest Preserve land to serve Highmount Spa guests. Details of these plans are not included in the Ski Center's UMP and may be a violation of Article XIV of the New York State Constitution. Details about management of these trails, lifts, and snowmaking by the Olympic Regional Development Authority are also omitted. The CHA also objects

to noise and [habitat destruction](#) causing impacts far into the Forest Preserve lands, whereas the SDEIS only considers impacts on the land to be cleared for the footprint of the resort.

**NOTE TO EDITORS AND PRODUCERS: Catskill Heritage Alliance spokespeople are available for interviews on request.**