

EXECUTIVE SUMMARY

1.0 Introduction

This Supplemental Draft Environmental Impact Statement (SDEIS) has been prepared on a Modified Project proposal for the Belleayre Resort at Catskill Park (the “project” of “Modified Project”). The New York State Department of Environmental Conservation (NYS DEC), as the lead agency for the SEQRA review of the Belleayre Resort at Catskill Park has required the preparation of this SDEIS in accordance with the SEQRA regulations and the Agreement in Principle (AIP) entered into on September 5, 2007 by the majority of the parties to the NYSDEC permit hearing on applications filed for the Project (see below and Appendix 1). The SEQRA regulations provide that an SDEIS is “limited to the specific significant adverse environmental impacts not addressed or inadequately addressed in the EIS that arise from: (a) changes proposed for the project; (b) newly discovered information; or (c) a change in circumstances related to the project.” 6 NYCRR Section 617.9(a)(7)(i). The SDEIS is subject to the “full procedures” that apply to any DEIS. 6 NYCRR Section 617.9 (a)(7)(iii).

1.1 Background

The Modified Project is a product of negotiations between parties to the DEC permit hearing facilitated by the Office of the Governor of the State of New York that led to the AIP dated September 5, 2007. The Modified Project alternative and agreed upon mitigation measures set forth in the AIP and assessed in this SDEIS advances a reasonable and feasible alternative project which minimizes or avoids potentially significant adverse environmental impacts previously identified in regard to the original proposed Belleayre Resort project. The Modified Project will continue to provide significant economic and social benefits. This supplement to the Belleayre Resort DEIS which was accepted as complete in December 2003, analyzes the environmental effects of the Modified Project and provides for additional public review and comment as required by SEQRA.

The history of this project is lengthy and dates back to 1999 when the initial SEQRA documentation and permit applications for the Belleayre Resort were submitted to the NYSDEC. Initially, the Towns of Shandaken and Middletown proposed to be co-lead agencies for the SEQRA review of the project because both municipalities had land use approval authority over the Resort. The NYC DEP, an agency with jurisdiction over the projection due to its stormwater regulations, proposed that it be lead agency. The resulting lead agency dispute was decided by the NYSDEC Commissioner on March 20, 2000 in favor of the NYSDEC being lead agency due to the scope of the necessary NYSDEC permits and approvals for the project and the regional impacts of the project, as well as its proximity to the Belleayre Mountain Ski Center (BMSC) operated by NYSDEC.

NYSDEC as lead agency issued a determination of positive significance, requiring that a Draft Environmental Impact Statement (DEIS) be prepared for the Project. The NYSDEC conducted a public scoping of the project giving the public and other involved and interested agencies the opportunity to submit comments orally at a number of public scoping meetings, as well as an extended period of time to submit written comments. The scope was approved by the NYSDEC

on November 3, 2000. The preparation of the DEIS, as well as its review by the NYSDEC staff and other involved agencies such as the Towns and NYCDEP, resulted in numerous resubmissions of the DEIS. A determination of completion of the DEIS was issued by NYSDEC on December 10, 2003. The Notice of Legislative hearing, dated December 5, 2003 was issued by NYSDEC and public hearings were held on January 14, January 20, February 3, and February 19, 2004. The written public comment period closed on April 23, 2004.

An issues conference was convened on May 25, 2004 before Administrative Law Judge Richard Wissler and it was continued on seventeen subsequent days concluding on August 26, 2004. The parties to the hearing included the applicant; NYSDEC staff; NYCDEP staff; the Catskill Preservation Coalition (comprised of the Catskill Center for Conservation and Development, Riverkeeper, Inc., Natural Resources Defense Council, Inc., Trout Unlimited, Friends of Catskill Park, Zen Environmental Studies Institute, Pine Hill Water District Coalition, Catskill Heritage Alliance, Theodore Gordon Flyfishers and N.Y.P.I.R.G.) and the Sierra Club; the Coalition of Watershed Towns, Delaware County and the Towns of Middletown and Shandaken. The Town of Shandaken Town Planning Board filed a petition for party status but did not participate in the issues conference. The Watershed Inspector General was granted Amicus Status. The transcript of the issues conference proceedings and the exhibits were extensive. After the close of the issues conference various motions were made to reopen the proceedings to add additional information. Briefs and reply briefs were submitted by the participants.

The Administrative Law Judge ALJ issued his ruling on party status and issues to be adjudicated on September 7, 2005. The ALJ's ruling was thereafter appealed to the Commissioner of the NYSDEC and the Commissioner's Interim Decision of December 29, 2006 found that the following issues met the "substantive and significant" standard set forth in 6 NYCRR 624.4(c) and should be adjudicated:

- 1.) Whether the water supply permit application for Big Indian Plateau satisfies the regulatory requirements for a such a permit;
- 2.) Whether at the pumping rates proposed in the draft water supply permit for Big Indian Plateau the risk exists that dewatering would occur to the detriment of aquatic habitats;
- 3.) Storm water issues related to (a) the adequacy of the HydroCAD model and its assumed inputs and design points, (b) the adequacy of the Big Indian SWPPP and the design of its various storm water management controls, (c) the identification of the storm water flow paths on the project site, (d) the level of pre- and post-development storm water flows, and (e) the basis for the waiver of the requirement to have no more than five-acres exposed during construction at any one time;
- 4.) A study of operational noise impacts on users of Wilderness and Wild Forest areas of the Catskill Forest Preserve arising from onsite activities at Big Indian Plateau;
- 5.) Visual impacts caused by Big Indian Plateau in wintertime conditions and the extent to which the area in the vicinity of Big Indian Plateau would be impacted by visible lights and "night glow", particularly from higher elevations and during winter months; and
- 6.) A supplemental evaluation of a reasonable range of alternative project designs/ layouts with sufficient information to undertake a comparative environmental assessment of such alternatives.

While a small number of the issues for adjudication related to both Big Indian Plateau and Wildacres elements of the Belleayre Resort, the majority of the issues related only to the Big Indian Plateau portion of the project.

The hearing parties received encouragement to meet and attempt to narrow the issues for adjudication and potentially agree upon an alternative project design that would address the issues identified for adjudication. In the spirit of cooperation and through the mediation efforts of the Governor's office over a period of several months, the Project Sponsor, the NYCDEP, the State of New York, the Watershed Inspector General and all of the groups that had requested and been awarded party status participated in the development of the Modified Project design. Ultimately, all but four of the intervening parties executed the AIP and endorsed the Modified Project design concept.

Most importantly the AIP's Modified Project design eliminated the Big Indian Plateau portion of the Project which was the primary source of environmental concern. The AIP provided for the acquisition of the property on which Big Indian Plateau was to have been built by or on behalf of the State of New York. To preserve the economic viability of the overall project, 240 out of 333 (72%) of the lodging units and related amenities that were to have been built on the Big Indian Plateau were reassigned to the western portion of the project, and some units there were eliminated altogether. Moreover, the AIP also provided for an evaluation of the ways in which the redesigned project, along with an expansion of the BMSC operated by NYSDEC, could further enhance tourism and economic development in the region and further improve the likelihood of success of the redesigned project. The AIP also provided for the preparation of a SDEIS on the revised project, as well as the proposed changes to the unit management plan (UMP) for the BMSC. The AIP set forth a proposed scope for the SDEIS and the agreed upon additional studies that needed to be undertaken as well as a procedure for allowing the parties to the AIP an opportunity to review and comment on those studies. This SDEIS and supporting studies set forth in the appendices to the SDEIS satisfy both the requirements of SEQRA and the AIP.

1.2 Modified Project Site Location

The Modified Belleayre Resort at Catskill Park project (the Modified Project or the Project) is located in the Central Catskill region of New York State near the intersection of the boundaries of Delaware County, Ulster County and Greene County. The site is located approximately 35 miles west of the City of Kingston, accessed from Exit 19 of the New York State Thruway.

The project site includes lands in the Town of Shandaken in Ulster County and lands in the Town of Middletown in Delaware County, which are located west of the adjacent BMSC. The 739 acres that comprise the Modified Project site are located on either side of Ulster County Route 49A just south and west of the hamlet of Highmount.

1.3 Modified Project General Description

The Project contains a mix of resort land uses that include recreational, lodging, lodging-related commercial, spa, a conservation easement area and other areas to remain undeveloped.

Wildacres Resort (Wildacres) is located on approximately 254 acres on the eastern side of the Project site with access from County Route 49A south of the Alpine Osteria and near the upper driveway to BMSC as well as access from Gunnison/Kraft Road. The old Wildacres Motel and the former Marlowe Mansion are currently located on this part of the site. Most of the Wildacres site is currently wooded with second and third growth trees, and there is evidence of past agricultural use of the property in many locations. Development proposed for Wildacres includes a hotel building with 250 units and ancillary hotel uses (dining, spa and limited hotel-related commercial), 139 lodging units in multi-unit buildings operated by but detached from the hotel, and an 18-hole golf course. The existing buildings at the base of the former Highmount Ski Area will be adaptively reused as the Resort's Wilderness Activity Center.

Highmount Spa Resort (Highmount) is located on approximately 237 acres with development proposed to the south and west of the former Highmount Ski Area with access proposed off Route 49A. This part of the Modified Project site includes the upper portion of the old Ski Area as well as lands to the west, most of which was previously used for agriculture (the old Leach farm). Much of this portion of the project site is also currently wooded. Development proposed for Highmount includes a 120 unit hotel with spa facilities. Also located in the hotel/spa building are 53 "semi-detached lodging units". A multi-level lodge building is proposed near the hotel/spa and will contain 27 "semi-detached" lodging units. Forty (40) additional "truly detached" lodging units in 32 buildings are also proposed. The terms "semi-detached" and truly detached are used for the purpose of tracking the numbers and types of units allowed in the AIP, which allowed for 120 hotel rooms and 120 detached units. In order to further cluster the development on the site and to develop vertically rather than horizontally, 80 of the 120 AIP-allowed detached units were placed inside larger buildings, 53 were placed into the Hotel building and 27 were placed into the Lodge building. That is why these units are referred to as semi-detached. A portion of Highmount, approximately 77 acres, may be leased or sold to New York and could be used to locate a public ski lift and trails.

The part of the Modified Project site furthest to the west, known as the Adelstein parcel, is approximately 203 acres in size and in accordance with the AIP is under a Conservation Easement to the City of New York. The Conservation Easement allows for passive recreational uses associated with Highmount and Wildacres, such as cross country skiing, snowshoe trails, hiking, horse riding, and accessory structures, and/or an outdoor amphitheater, but provides that there will be no residential, overnight lodging, or industrial uses.

The Modified Project will have its own central water supply system and the source of potable water will be wells ("K" and "Q") that are located in the valley along NY Route 28 further west of the project site. The K-well property is located off Todd Mountain Road and the Q-well or Quarry parcel is located off Moran Road.

The Modified Project will have its own central wastewater collection system and wastewater will be sent to the NYCDEP Pine Hill Wastewater Treatment Plant (Pine Hill WWTP) as agreed to in the AIP.

See Section 2 of the Executive Summary below for a more detailed description of the Modified Project.

1.4 Comparison of the Modified Project with the Previously Proposed Project

“The original project analyzed by the DEIS consisted of one economically integrated resort, impacting two non-contiguous assemblages of parcels, Big Indian Plateau and Wildacres, situated on approximately 1,960 acres of land owned by Crossroads. Both are located just south of New York Route 28, within the Catskill Park and the Catskill and Delaware Watersheds of the New York City water supply system.” (AIP)

“...the modified project represents a new, lower impact, alternative which minimizes or avoids the potential for significant adverse environmental impacts identified by several of the Parties and others during the public comment period and Issues Conference, and which the State has determined will provide significant economic benefits to the Central Catskills region.” (AIP)

The following table provides comparative statistics for the DEIS project and the Modified Project.

Table ES-1 Comparison of DEIS and Modified Projects

Project Component	DEIS Project	SDEIS Project	Difference	Difference (%)
total project site size (ac.)	1,960	739	-1,221	-62%
acreage to be developed	573	235	-338	-59%
acreage added to Forest Preserve	0	1,189	1,189	N/A
conservation easement lands (ac.)	0	203	203	N/A
number of lodging structures	121	58	-63	-52%
hotel lodging units (#)	400	370	-30	-8%
single family home lots	21	0	-21	-100%
overall density (units & rooms/acre)	0.38	0.85	0.47	124%
total length of roads (mi.)	8.2	2.6	-5.6	-68%
length of roads on >20% (mi.)	5.1	1.1	-4.0	-78%
impervious surfaces (ac.)	85	27	-58	-69%
golf courses	2	1	-1	-50%

- The size of the project, in terms of its total size as well as the area to be developed, has been reduced by approximately 60%.
- The size of the project, in terms of its number of lodging structures, has been reduced by over 50%.
- The size of the project, in terms of its total number of lodging units, has been reduced by 143 units or 19%.
- The size of the project in terms of its single family homes has been reduced by 100%.
- The length of proposed roads and the total amount of proposed impervious surfaces have both been reduced by approximately 70%.
- The length of roads on lands with slopes greater than 20% has been reduced by 4 miles, or nearly 80%.
- Nearly 1,200 acres of land are now proposed to become New York State Forest Preserve lands.
- 203 acres of land have been placed in a Conservation Easement to the City of New York.

In addition to the positive aspects of the proposed Modified Project as compared to the DEIS Project quantified above, the following qualitative improvements are also accomplished by the proposed Modified Project.

- With the exception of a very small portion of the Wildacres site, stormwater discharges to the sensitive Ashokan Reservoir and Watershed Basin have been eliminated.
- Detached lodging units proposed to be built only on slopes less than or equal to 20% will provide significant stormwater management benefits for this project. This commitment by Crossroads is an enhancement beyond current NYSDEC and NYCDEP regulatory standards for steep slope construction (AIP).
- Impacts to views from the Wilderness Area lands in the Forest Preserve have been eliminated.
- Two previously proposed private wastewater treatment plants have been eliminated, and treatment is now consolidated at NYCDEP's Pine Hill WWTP.
- Revised plans for water supply for the Project no longer include the Rosenthal wells eliminating potential impacts to Birch Creek.
- The Big Indian Golf Course has been eliminated and the remaining Highmount Golf Club Golf Course was reconfigured to minimize and avoid wetland and stream impacts.

Moreover, it will be managed in accordance with an Organic Golf Course Management Plan developed in concert with representatives of the environmental parties to the AIP.

- The Wildacres Resort, Highmount Spa Resort and detached lodging units will be designed and constructed with green building design elements set forth by the United States Green Buildings Council. Crossroads is committed to obtaining a Silver or higher rating under the Leadership in Energy and Environmental Design (“LEED”) program, for the Wildacres Hotel, Highmount Hotel and Highmount Lodge building.
- The design of the stormwater facilities at the Wildacres Resort maximizes the use of stormwater runoff for irrigation of the golf course,
- Performance bonds or some other form of security will be posted to ensure that construction stormwater and sediment and erosion control are carried out in conformance with NYSDEC and NYCDEP permits.

1.5 Modified Project Need and Benefits

For almost fifty years, the economic decline of the Central Catskills and the potential for a revitalized tourist economy has been subject of studies by a variety of consultants and commissions. Crossroads Ventures, LLC was formed to address the recommendations these studies have made, and believes that the Modified Belleayre Resort Project is the ideal fulfillment of the needs identified by these studies.

Section 1.3.2 of the original DEIS previously established the BMSC as the primary economic engine of the Catskill High Peaks area at the nexus of the three major Catskill counties: Ulster, Greene and Delaware.

BMSC is the major attraction, the key destination, the focus of activity for outsiders and the major generator of information for the world outside the region. When its annual visitation is down – as it was for the middle years of the 1990’s – all of the region’s businesses suffer. When annual visitation is up, as it is currently, virtually all local businesses benefit and with the new capital expenditures, as outlined in their updated UMP/DEIS (Part A), the BMSC will seek to substantially increase its present visitation.

The overwhelming majority of its current visitors drive to and from the area in a single day. In order for the BMSC to have the most beneficial effect on the local economy, a major portion of these day-trips need to be converted into overnight stays. Only then will the local shops, restaurants, and lodging facilities see a significant economic improvement. One of the primary barriers to this transition is the number and character of available hotel rooms. Of the limited available rooms in the region many of them are quite fine, but many more offer only very basic and out-dated accommodations. If BMSC is to achieve its potential, it needs a major increase in the number and quality of hotel rooms on the order of 500 additional hotel rooms.

With this need in mind Crossroads Ventures also recognizes that Resort areas – whether based on skiing or other activities – require a rounded menu of high-end and moderately priced rooms,

together with an exciting array of shopping, *après-ski* and other entertainments and these for a variety of family age-groups. The Belleayre Resort at Catskill Park has been conceived and planned to serve as a major contributor to the ambient circumstances which will enable BMSC – and the region – to reach its full potential. As proposed it will become an unrivaled upscale, four-season resort directly serving the New York metropolitan area. With ski-in, ski-out privileges, ±15,000-square-foot conference facilities, 18 holes of championship golf, and two separate full-service spa operations, the resort features a full array of year-round demand generators. For example, the conference facilities alone address a core need of the region for space with attached lodging where one can hold conferences, weddings, proms, banquets and the like. This feature in turn would generate an increase in the need for local florists, photographers, entertainers and other ancillary services. In addition, the projected annual expenditures of \$12.8 million by resort guest and employees outside the resort would provide a major stimulus to the local economy as well as support local and regional cultural events.

Recently, both Delaware County and Ulster County recognized the need for the modified project and its importance for economic development in the region. In April of 2010 both the Ulster County Legislature and the Delaware Board of Supervisors passed resolutions supporting the construction of the project.

Both Counties expressed their commitment to and strong support for economic development and the tourism industry. Over the past 10 years Ulster County alone has spent almost \$10 million to improve economic development with over 2/3 of that total spent on efforts to improve and encourage tourism.

Both Counties reported declining economic conditions including recent job losses, reductions in household income, and flat or decreasing tax revenues. The job creation, wages and tax revenues to be generated by the project were cited to in both Counties' resolution of support.

In the summer of 2000, a Business Community Survey was conducted, and the results of this study were discussed in Section 7 and Appendix 26 of the DEIS. Of the 153 survey returns, 17 demanded anonymity, while 136 or nearly 89% were comfortable revealing who they were. As of February 09, 2011, of the 136 businesses who participated in the survey and identified themselves by name, 44 businesses, or nearly 1/3, have since closed and have not been replaced by a similar or another business. Of the 44 closed, the breakdown is as follows: 9 restaurants; 3 hotels; 4 automotive; 1 amusement/recreation; 1 real estate agency; 6 building construction/materials; 13 miscellaneous retail; and 7 personal services.

The proposed project will provide significant employment opportunities.

During the construction phase the project will generate a total of 2,176 person years of direct employment and an additional 1,812 person years of indirect employment. The construction phase will produce direct wages and salaries of \$112.7 million and indirect wages and salaries of \$191.34 million.

The operation phase of the project at full buildout will generate approximately 541 full-time jobs and 230 seasonal and part-time positions, or a total of 771 jobs, with an annual payroll of \$24.85

million. The operation phase of the project at full buildout will also produce 264 indirect off-site jobs in the region with indirect wages and salaries of \$12.96 million.

During the operational phase when the proposed project is in full operations, the Resort would provide annual sales tax revenues to Ulster County and New York State. On an annual basis, these taxes are estimated to include \$2.69 million in sales taxes for Ulster County, and \$2.69 million to New York State.¹

Upon full development of the proposed project, the taxable assessed value is estimated to be nearly \$60 million. By 2031, when all construction is completed, and when all business investment tax exemptions have expired, there will be an estimated annual property tax revenue increase of \$3.49 million in Shandaken and Ulster County. These future property tax amounts are estimated to be allocated as follows:

Ulster County General	\$ 715,205
Shandaken Town General	\$ 395,111
Shandaken Highway	\$ 374,378
Highmount Fire	\$ 167,154
Pine Hill Fire	\$ 11,871
Pine Hill Light	\$ 4,841
Pine Hill Water	\$ 5,412
Onteora Library	\$ 323
Onteora Central School	\$ 419,306
Margaretville School	\$1,400,446

At that point in the future, there would also be an annual property tax revenue increase of an estimated \$324,649 in Middletown and Delaware County allocated as follows:

Delaware County General	1	\$ 114,621
Middletown Town		\$ 51,182
Highway Outside Village		\$ 31,843
General Outside Village		\$ 2,119
Middletown FD #1		\$ 7,878
Margaretville School		\$ 117,006

In addition to the employment and tax benefits provided by the project, it is projected that at full buildout annual off-site Resort patron spending of \$10.64 million will occur, and that this will occur mostly in businesses located in local village and hamlet centers. These visitor-generated expenditures would result in additional sales tax generation accruing to the Counties and State.

¹ The 2003 Draft Environmental Impact Statement (DEIS) estimated sales tax revenues generated by a hotel use that would be located within Delaware County. The revised program being advanced in this SEIS does not include uses that would generate sales tax revenues within Delaware County.

2.0 Proposed Actions

The following is a summary description of the major components of the Modified Project. Section 2 of the SDEIS contains the project description.

2.1 Modified Project Design and Layout

Project masterplan drawings are included in the Site Plans that are part of this SDEIS.

Overall

The project consists of two development areas; Wildacres Resort (Wildacres) and Highmount Spa Resort (Highmount). Wildacres is planned to be a 3.5-4 star, 4-season resort with a focus on outdoor recreation such as golf, skiing, tennis, swimming and hiking. The Wildacres Hotel is proposed across from the upper entrance to the Ski Center and the proposed new Belleayre West lift. Highmount is planned to be a 5-star, 4-season resort focused on spa and wellness center facilities and providing ski-in/ski-out access to BMSC trails. The western portion of the project site, known as the Adelstein parcel, has been put under a Conservation Easement granted to the City of New York.

The following table, “Project Development Summary”, provides a general description of the different areas of the project site and the development proposed for the different areas.

Table ES-2 Project Development Summary

PROJECT AREA	Hotel/ units	Detached Units	Other Improvements	Golf or Ski
Wildacres				
NE Corner, Front 9 Village	0/0	84	Clubhouse, Pool, Tennis (2)	6 Holes
North of Gunnison	0/0	0	Golf Maintenance	2 Holes
Main Parcel	1/250	55	Golf Clubhouse with Hotel, Parking Garage, Marlowe Clubhouse, Tennis (2)	10 Holes, Lift nearby
Wilderness Activity Center	0/0	0	Wilderness Activity Center in Existing Buildings	Lift Nearby
Highmount				
Main Parcel	1/120	120*		3 Trails, Lift
North of CR 49A	0/0	0	None	None
West of CR 49A	0/0	0	Conference/Additional Space	None
Adelstein Cons. Easement.	0/0	0	None	None

* 80 of the 120 detached units at Highmount are actually housed within the multi-level hotel/spa and lodge buildings, only 40 units are truly detached, either in individual or duplex units.

Highmount Spa Resort

The plans for Highmount are in accordance with the AIP, including Exhibit C, Highmount Layout. The following are the development components proposed at Highmount.

1. Main Hotel/Spa Building – located in the northwest portion of the parcel this building has a footprint of 299,117 square feet and has 6 horseshoe-shaped levels intersecting with the upward slope of the ground topography.
 - a. 120 hotel rooms
 - b. 53 fractional lodging units within the building (formerly East & West Lodge in the AIP)
 - c. Café and sundry shop
 - d. 125-seat restaurant
 - e. 50-seat lounge
 - f. Spa-30 treatment rooms, lap pool, cafe
 - g. Fitness facilities
 - h. Executive conference center with 3 conference rooms, one board room and one large meeting room
2. Adjacent Lodge Building – located to the southwest of the hotel/spa building and across the entrance driveway this building has a footprint of 51,887 square feet and has 4 levels.
 - a. 27 fractional lodging units within one building (formerly individual detached units in the AIP)
 - b. 1 common room for owners (card room, library or the like)
3. Detached Lodging Units – The Agreement in Principle allows for up to 120 detached lodging units. Eighty (80) of these are located within the hotel/spa and lodge buildings and the remainder (40) are located as follows.
 - a. 16 units below the hotel/spa in 8 duplexes (2,500 sf)
 - b. 5 single units along access road above the hotel/spa (2,750 sf) (The AIP allowed for up to 10 at this location if certain conditions could be met.)
 - c. 19 single units on a topographic bench near the top at the former Highmount Ski Area (2,750sf)
4. 12,000 square feet Auxiliary Conference/Clubhouse functions west of County Route 49A. This will be an adaptive reuse of the Leach Farm buildings within an overall footprint of approximately 7,300 square feet.
5. Skiing
 - a. Lift from hotel/spa building to the top of old Highmount
 - b. Trails – two down from the top of old Highmount, and one from the hotel/spa down to the bottom of old Highmount.
6. Driveway access off of County Route 49A to hotel/spa, lodge and detached units – 7,447 feet (1.4) miles long.

7. Parking
 - a. 310 covered spaces within hotel/spa building
 - b. 31 covered spaces within the Lodge building
 - c. 2-car garages at each single detached unit (total spaces = 48)
 - d. 1-car garage and 1 surface parking space per unit at each detached duplex unit (total spaces = 32)

Wildacres Resort

The plans for Wildacres are in accordance with the AIP, including Exhibit A, Wildacres Layout. The following are the development components proposed at Wildacres.

1. 250 unit hotel with a footprint of 4.0 acres and has 8 levels that step down the hillside across County Route 49A from the upper Ski Center entrance. See subsection D for building information.
 - a. Resort-related shops up to a total of 13,000 square feet
 - b. Two restaurants one with 150 seats and one with 300 seats
 - c. 100-seat beverage lounge
 - d. Indoor Pool
 - e. Two Tennis Courts
 - f. Full Service Spa with 15 treatment rooms and a grotto pool
 - g. Fitness Center
 - h. Conference Center with 500-seat ballroom/auditorium
 - i. 200-seat ballroom
 - j. Eight meeting rooms
2. Existing Marlowe Mansion to be adaptively reused as a social club for detached lodging unit guests, and resort operational offices.
 - a. Library
 - b. Meeting Rooms
 - c. Game Rooms
 - d. Reception, sales and operations office space
3. Highmount Golf Club – located on two areas north of Gunnison Road and on the main parcel south of Gunnison Road.
 - a. 18-hole championship organic managed golf course
 - b. Practice range and practice green
 - c. Clubhouse connected to the Hotel (footprint size included with hotel size provided above)
 - (1) 40-seat snack bar
 - (2) Pro shop
 - (3) Cart storage
 - (4) Locker rooms with steam and sauna
 - d. Maintenance Facility
 - (1) +/- 1,500 sf offices, restrooms, lockers, break room
 - (2) +/- 4,800 sf maintenance area – garage bays, mechanic space, storage, etc.

- (3) +/- 1,000 sf organic fertilizer & pesticide storage area
 - (4) covered wash down, rinse/recovery area
 - (5) 2 +/- 1,000 gallons above ground fuel storage tanks
 - e. Two on-course restroom buildings
4. 139 detached lodging units (2 and 3-bedrooms) in multiple-unit buildings clustered in the northeast portion of the site and near the hotel. Most of the units are housed in buildings that contain 8 units (octoplexes) and some are in buildings that contain 4 units (quadplexes). Five (5) octoplexes and 11 quadplexes (84 units) are clustered in the northeast portion of the site and are part of what is called the Front-9 Village. There are 7 octoplexes (56 units) located on the main parcel in the area of the hotel and are collectively referred to as the West Village. One of the units in the octoplex closest to the driving range will be for non-residential, Resort-operations use. Units average 1,500 square feet and are on a single floor. There are upstairs and downstairs units in octoplexes and the quadplexes. See Subsection D for building information.
5. Clubhouse and recreation amenities for octoplex detached lodging unit occupants in the Front-9 Village. Footprint is 4,720 square feet.
- a. 40-seat snack bar
 - b. Outdoor swimming pool
 - c. Health club
 - d. Game rooms
 - e. Reception, sales and operations office
 - f. Two tennis courts
6. Wilderness Activity Center – adaptive re-use of former Highmount Ski Area buildings along County Route 49A.
- a. Existing main lodge building of Highmount Ski Area
 - (1) Café with lounge and library
 - (2) Locker rooms and weight training room
 - (3) Jacuzzi, sauna and steam room
 - b. 20-foot addition to existing main lodge
 - (1) inside rock climbing wall
 - (2) outdoor rock/ice climbing wall
 - (3) enlarged outdoor deck
 - c. Existing ski rental shop – outdoor products sales and rental shop
 - d. Staff to include guides to direct Resort guests to other off-site recreational uses including hiking, fishing, mountain biking, etc.
 - e. Shuttle access for Resort guests (Wildacres and Highmount)
7. Roads (all roads are internal and will be privately maintained)
- a. Access connecting County Route 49A and Gunnison Road – 4,511 feet
 - b. Connector to detached lodging units near 16th Fairway – 1,029 feet
 - c. Front 9 Village Access off County Route 49A – 1,889 feet

8. Driveways
 - a. Hotel driveway off of County Route 49A across from upper entrance to Ski Center
 - b. Connection between hotel and parking garage
 - c. Golf maintenance access off of Gunnison Road
 - d. Wilderness Activity Center shuttle access off County Route 49A
 - e. Driveways to detached lodging units.

9. Parking
 - a. Under hotel-250 covered spaces
 - b. Parking garage – 208 covered spaces
 - c. Golf clubhouse – 72 surface spaces
 - d. Golf maintenance-18 surface spaces
 - e. Front-9 Village-45 surface spaces

2.2 Modified Project Land Disturbance and Impervious Surfaces

Measurements of the grading plans for Modified Project show that nearly 70% of the project site will remain undisturbed as per the statistics below.

Entire Site

Total = 739 ac.

Disturbed = 235 (32%)

Undisturbed = 504 (68%)

Wildacres

Total = 254 ac.

Disturbed = 175 ac. (69%)

Undisturbed = 79 ac. (31%)

Highmount

Total = 237 ac.

Disturbed = 59 ac. (25%)

Undisturbed = 178 ac (75%)

Adelstein

Total = 203 ac.

Disturbed = 0 (0%)

Undisturbed = 203 ac. (100%)

K-Well

Total = 35 ac

Disturbed = <1 ac. (3%)

Undisturbed = 34+ ac. (97%)

Q-Well

Total = 10

Disturbed = <0.1 ac. (1%)

Undisturbed = 10 (99%)

The amount of impervious area in the Modified Project puts the Project in the category of one of the least impervious percentages as per the criteria for stormwater management design in New York State.

A total of 18 acres of impervious surfaces is proposed at Wildacres. The percentage of proposed impervious area at Wildacres is 7.3%, which, according to Table 4.2 of the New York State Stormwater Management Design Manual, falls somewhere between the impervious cover for agricultural lands and open urban land (i.e. park land, recreation areas and cemeteries). Approximately 30% of the impervious area at Wildacres is associated with the hotel and parking garage.

A total of 8 acres of impervious surfaces is proposed at Highmount, with nearly all impervious coming from the detached units and roadways. The 3.6% impervious cover at Highmount puts it in the same impervious cover category per the Stormwater Management Design Manual as Wildacres (between agriculture and open urban land).

2.3 Modified Project Phasing

The site plan drawings that are part of this SDEIS include a phasing plan for the Modified Project. It is estimated that project buildout will take approximately 11 years. The overall phasing plan for Modified Project is as follows.

Phase 1

- Wildacres hotel, 10 holes of the Highmount Golf Club.
- Highmount Spa Hotel, the access road to the top of Highmount.

Phase 2

- Remaining 8 holes at the Highmount Golf Club
- Wildacres Front-9 Village Amenities and 16 detached units
- The Lodge building at Highmount
- Wilderness Activities Center at old Highmount Ski Center buildings

Phase 3-8

- Wildacres remaining Front-9 Village detached lodging units
- Highmount detached units.
- Conference/clubhouse facilities at the Leach Farm

2.4 Modified Project Water Supply

Pumping tests on new wells were performed in 2007 and 2008 as part of developing a potable water supply for the Modified Project. The impetus for installing and testing the new wells was to avoid the use of the Rosenthal wells, which are located in the Birch Creek valley in Pine Hill. Concerns had been raised regarding the use of the Rosenthal wells and the potential effect on the flow in Birch Creek. The preference of the environmental parties, which were signatories to the AIP, was to prioritize the use of other potable water sources rather than the Rosenthal wells. In keeping with this preference, the new wells are located outside of the Birch Creek drainage

system and near the Village of Fleischmanns (the Village). The pumping and water quality tests demonstrate that these wells will provide sufficient potable water for the resort without the use of the Rosenthal wells and without adversely affecting the Village of Fleischmanns' water supply.

2.5 Modified Project Wastewater Collection and Treatment

As per the AIP, wastewater from the Modified Project will be collected and conveyed to the Pine Hill WWTP for treatment. The wastewater at Highmount will be collected and pumped to Wildacres. The combined flow will be collected at Wildacres and pumped to the Pine Hill sewer system. After flowing by gravity through the Pine Hill sewer system, the wastewater will be treated at the Pine Hill WWTP that is owned and operated by NYCDEP. The WWTP discharges all its treated wastewater to Birch Creek pursuant to an existing SPDES permit.

The proposed project could more than double the average day flow (130,000 gpd to 290,000 gpd), however this higher flow rate would only be 58% of the design and permitted capacity of the WWTP. Since the Pine Hill WWTP has sufficient treatment capacity and the loadings from the Resort are similar to conventional residential wastewater, the proposed project will not adversely affect the treatment capacity of the WWTP, nor its ability to meet its SPDES discharge permit. The existing SPDES permit will not require any amendments to accept the effluent from the Resort.

The Pine Hill WWTP currently experiences high flows during wet weather events due to inflow and infiltration issues with the existing Pine Hill sewer system. To assist the WWTP in dealing with the high flows, the AIP requires Crossroads to pay for its fair share amount a flow equalization tank at the WWTP.

2.6 Modified Project Golf Course Management

The golf course at Wildacres is very similar to that proposed in the DEIS however, important changes to the design were made to avoid and minimize potential impacts on adjacent wetlands and streams. One significant change is that as agreed upon in the AIP, the golf course will be managed as an organic golf course. This represents a major departure for typical golf course facilities in New York State. Although the integrated pest management plan proposed in the DEIS will continue to be relevant in the event that issues arise with respect to organic management, the Project Sponsor fully intends that the golf course will be a model facility in terms of its management as an organic course and its quality of play. The quality of the golf course is of paramount importance to enable the Modified Belleayre Resort to achieve its goal of bringing tourism and recreational amenities to the region in spring, summer and fall months.

3.0 Environmental Setting, Potential Impacts and Proposed Mitigation Measures

See Section 3 of the SDEIS for more detailed information.

3.1 Surface Waters

The project site is within the Delaware Watershed draining to the East Branch Delaware River and the Pepacton Reservoir. The Delaware Watershed consists of 648,320± acres. The 739 acre total project site represents 0.1% of the Delaware Watershed, while the 234.5 acres to be developed represents 0.04% of the Delaware Watershed. The project site is located approximately 14 miles upstream of the Pepacton Reservoir.

There are three mapped streams on the project site that are part of the Delaware Watershed. Todd Mountain Brook (WIN D-70-80-10) originates on the Adelstein parcel and flows north, parallel to Todd Mountain Road, before entering the Bush Kill south of NY Route 28 in the Village of Fleischmanns. An unnamed tributary to Emory Brook (WIN D-70-80-12-2) originates on State lands east of the former Highmount Ski Area, flows north through the Wildacres Resort and eventually enters Emory Brook in Thompson Hollow, north of NY Route 28. The last mapped stream on the Crossroads assemblage is another intermittent tributary of Emory Brook (WIN D-70-80-12-3) that originates south of Gunnison Road, flows north onto and through the Crossroads assemblage and then under NY Route 28 and into Emory Brook. To the east of the existing Wildacres Hotel (Marlowe Mansion) there is a drainage that originates in a seepy area to the south. In the vicinity of the existing Hotel driveway seasonal or storm flow becomes channelized, then passes under the driveway and continues north and down the slope.

It was determined that the following components of the project would not impact surface water resources: potable water use; wastewater collection, treatment and discharge, organic golf course management; irrigation water use; and utility installations. No streams will be impounded. No culverted stream crossings are proposed. Stream golf cart path crossings will be on bridges elevated over the streams.

Extensive and detailed sediment and erosion control measures have been developed for the project and these have been incorporated into the plans that accompany the SDEIS and the Stormwater Pollution Prevention Plan developed for project construction. Measures include a detailed phasing and sequencing plan that dictates the construction schedule, perimeter controls, structural controls, temporary and permanent stabilization, and sediment basins. In addition to the technical design of enhanced sediment and erosion controls, the following measures have been adopted to assure the proper implementation of the enhanced controls.

The following is from the AIP Exhibit F and #15.

- The project is being administered under an individual industrial permit for construction stormwater discharges. This permit will be issued following a detailed evaluation by NYSDEC and NYCDEP.

- The individual stormwater permit process incorporates a control program for both construction and operational phases of the project.
- None of the [detached] lodging units (exclusive of their access ways) will be constructed on slopes greater than 20%. The Parties acknowledge that the commitment by Crossroads to build [detached] lodging units only on slopes less than or equal to 20% will provide significant stormwater management benefits for this project. This commitment by Crossroads is an enhancement beyond current NYSDEC and NYCDEP regulatory standards for steep slope construction.

In accordance with AIP paragraph 21 Crossroads will select an independent stormwater monitor or monitors (“Independent Monitor”), subject to the approval of NYSDEC and NYCDEP, to review and supervise all aspects of the implementation and maintenance of management plans and controls with respect to stormwater and erosion and sediment control programs during construction of the modified project/lower impact alternative. The role of the Independent Monitor will be to assure the effective implementation of all erosion and sediment control practices, all storm water control practices, all construction phasing practices, as well as related measures, pursuant to the Stormwater Pollution Prevention Plan (“SWPPP”), permits issued by NYSDEC and NYCDEP,

There will also be a Project Erosion Control Superintendent who will be a main point of contact for the Independent Monitor. There will be a dedicated erosion control team of 4 to 6 people whose primary role will be repairing, maintaining and upgrading structural erosion control devices such as silt fence, construction fence and wattles. These crews will be equipped with all the necessary equipment and supplies necessary to effectively maintain the erosion control devices. The site work contractor will install all erosion controls and will also be responsible for maintaining the temporary sediment basins under the direction of the Erosion Control Superintendent and supervision of the Independent Monitor.

In accordance with AIP paragraph 37, prior to the commencement of any construction, and as security for the observance and performance by Crossroads of its obligations under the erosion and sediment control plans and stormwater control plans prepared for the Modified Project alternative and the applicable provisions of NYSDEC and NYCDEP permits to be issued, Crossroads will deliver to NYSDEC and NYCDEP a performance bond, letter of credit, or other form of security acceptable to NYSDEC and NYCDEP, in a principal amount equal to the estimated cost of implementing and complying with the SWPPP prepared for the Modified Project, and the applicable provisions of NYSDEC and NYCDEP permits, during the period of construction.

Stormwater management has been re-designed for the Modified Project in order to insure that the Project meets the latest updates to the NYSDEC and NYCDEP stormwater regulations. The overall goal of the revised stormwater management plan was to incorporate stormwater management as part of the overall project design. This includes protecting the site’s natural resources and environmentally sensitive areas, minimizing development impacts and impervious areas by using effective site planning principles, and incorporating design features that effectively manage stormwater runoff such as green roofs, bioretention areas and an irrigation

pond that captures water for re-use. The plan utilizes these elements in order to achieve the primary goal of meeting water quality objectives, while at the same time mitigating potential impacts associated with increased stormwater runoff. Specifically, the objectives of the stormwater management plan are to enhance the quality of stormwater runoff to prevent water quality degradation, and preserve water quality in receiving water bodies including New York City water supply reservoirs, promote infiltration and evapotranspiration, and to prevent increased runoff from developed land to reduce the potential for flooding, erosion and flood damage.

Phosphorus loadings in runoff were recalculated for the Modified Project. Under existing conditions it is estimated that the site produces 89.4 kg of phosphorus per year. Under the developed conditions, including the proposed stormwater management practices, phosphorus export in runoff is estimated to be 154.7 kg, or an increase of 65.3 kg per year. In comparison, total phosphorus export in runoff for the DEIS project was 346 kg per year total with 139 kg per year previously generated at Wildacres.

The vast majority of additional phosphorus in project runoff occurs in the Pepacton watershed. Phosphorus from project wastewater is discharged from the Pine Hill WWTP in the Ashokan watershed. Phosphorus loading from the Modified Project wastewater has been estimated to be 111 kg per year.

3.2 Groundwater Resources

Section 2.4 of the Executive Summary above discussed how new wells were developed to provide water to the Modified Project, how the use of these wells avoids having to use the Rosenthal wells developed for the original project, and how these wells to meet the needs of the Modified Project without impacting groundwater resources.

Section 2.5 of the Executive Summary above describes how project wastewater will be conveyed to the Pine Hill WWTP. This involves transfer of potable water taken from wells in the Pepacton basin into treated wastewater discharged in the Ashokan basin. An analysis of this interbasin transfer of water concluded that baseflow conditions in the various streams that flow through and into the Delaware River Basin will not be impacted.

A water budget was developed for the project. One component of the water budget was a comparison of groundwater recharge rates between the existing, pre-development condition and the post-development condition. The water budget analyses determined that there will be no significant changes in groundwater recharge rates as a result of the Project.

Impacts to groundwater as a result of golf course management have been mitigated through an organic golf course maintenance plan in accordance with the AIP.

Blasting will be required to build certain buildings and sections of road. The majority of the blasting will occur in the earliest phases of project construction. Site preparation for the hotel buildings begin early in Phase 1, as does most of the access road construction. Some of the smaller areas that require blasting at Wildacres will occur in Phase 2 construction. Mitigation

measures relating to blasting and groundwater include performing a pre-blast survey of any homeowner's well within ¼ mile who would like to have a survey performed, and establishment of an arbitration process whereby any complaints of well damage that could have arisen as a result of site blasting will be examined by one or more independent professional hydrogeologist and resolved at the Applicant's expense (See SDEIS Section 3.2.4 for details).

3.3 Soils

The lands on and around the project site are mostly areas of shallow and moderately deep, very stony soils formed in glacial till soils derived from red shale and sandstone. There are some areas of deep glacial till soils that have a very firm fragipan. At the base of slopes along the outlet of small streams coming off the slopes there are some broad areas of very gravelly (actually channery and flaggy) glacial outwash. A few areas of the deep till do not have a fragipan. The soils on and around the site have a relatively high content of fine, colloidal material that does not settle out readily when in solution.

Potential impacts relating to soils are primarily related to sediment and erosion control that was discussed previously in section 3.1 of the Executive Summary above. An additional mitigation measure related to soils and sediment and erosion control is how water captured in the proposed sediment basins during construction will be "cleaned" prior to the basins being emptied. The DEIS describes in detail how a food grade organic flocculant, chitosan or Liqui-floc®, will be used to reduce turbidity in the sediment basins. This same approach will be used for the Modified Project discussed in this SDEIS. The rigorous review of chitosan during the issues conference led to NYSDEC staff permitting its use for the Project as per its draft permit.

Earthwork for the project is balanced – there will not be a need to import additional fill material, nor will there be a need to export net cut material. There will no need to transport material between Wildacres and Highmount.

3.4 Vegetation

Vegetation on the 739 acre project site is primarily beech-maple mesic forest that is present on approximately 588 acres, or nearly ¾ of the project site. The next most prevalent vegetation covertype is Hemlock-northern hardwoods forest at 72 acres, followed by ski slope (old Highmount Ski Area) at 41 acres. No rare, threatened or endangered plant species occur on the site nor are there any unique plant communities on the site.

A total of 233 acres of existing vegetation on the project site will be affected by project construction, leaving nearly 70% of the site vegetation unaffected. Only 26 of the 233 acres affected will be converted to impervious areas. The remaining 207 acres will be revegetated as golf course and landscaped areas.

At the Big Indian portion of the site nearly 1,189 acres of vegetation would remain undisturbed under the Modified Project. Similarly, 203 acres on the Adelstein parcel has been placed into a Conservation Easement that will also protect vegetation on this part of the project site.

3.5 Wetlands

There are no State-jurisdictional wetlands on or around the project site.

Federal wetlands on the site and along the off-site water and sewer lines off of the site are limited in their number and extent, and generally exist along the streams and drainages discussed in 3.1, above.

No wetland filling or excavation is proposed. No other type of physical disturbance of wetlands is proposed except for removal by hand of woody vegetation for golf course playovers. No compensatory mitigation or other mitigation is required.

3.6 Wildlife

Wildlife surveys were undertaken for the DEIS in 2000 and supplemented in 2004 for the issues conference. In the December 29, 2006 Interim Decision by the NYSDEC Deputy Commissioner it was stated that the wildlife surveys conducted for the DEIS project were deemed to be sufficient. Additional wildlife surveys at Wildacres and Highmount were conducted for the SDEIS in 2008.

No rare, threatened or endangered species were encountered during the most recent survey work. This confirms a February 2011 letter from New York Natural Heritage Program that no such occurrences are known for the site or its surroundings.

Analysis of potential Project impacts found that construction activities, loss and change of habitat types, habitat fragmentation, and golf course maintenance practices would not have any significant adverse impacts on local wildlife, including terrestrial, semi-aquatic and aquatic wildlife. Permanently protecting the 1,189 +/- acres at Big Indian, and 203 acres of Adelstein property in a Conservation Easement is a substantial benefit to wildlife under the Modified Project.

3.7 Traffic

An updated traffic impact study was completed for the SDEIS. The traffic impact study assessed the project's effects during the worst case condition: recent winter peak hour for existing traffic which is Saturday afternoons when skiers are leaving BMSC.

Approximately 60% of the trips generated by the resort during the peak hour will be trips between the resort and BMSC. Of these trips, it is estimated that 90% will use the resort's shuttle system or utilize ski-in/ski-out facilities. Approximately 168 cars would be added to the road system from the resort during the Saturday afternoon peak.

The analysis of traffic levels indicates that some roadway improvements should be installed in order to improve traffic movements. These include constructing a right turn lane on County Route 49A to facilitate right turns onto NY Route 28 eastbound towards Kingston. A left turn lane would be constructed on NY Route 28 to facilitate left hand turns off of NY Route 28 and

onto County Route 49A towards the resort and BMSC. A three-phase traffic signal would also be installed at the NY Route 28/County Route 49A intersection.

The entrance to the Wildacres Hotel is proposed across County Route 49A from the BMSC upper driveway. Because of existing sight distance problems in this location, this section of County Route 49A will be improved with reconstructed vertical and horizontal curves. As part of this reconstruction a center left turn lane from County Route 49A into the BMSC upper driveway and into the Wildacres Hotel will be added to County Route 49A.

The section of County Route 49A above the BMSC upper driveway will also be improved in order to widen the road and to alleviate some existing limitations due to horizontal and vertical curves. The vast majority of the proposed improvements are necessary under the existing baseline conditions.

3.8 Visual Resources

A visual impact assessment was undertaken for a study area that encompassed lands within 5 miles of the project site. Project visibility was evaluated during daylight hours and at night, and during leaf-on conditions and leaf-off conditions. Project visibility was also evaluated for a number of mountain peaks (including fire towers) and hiking trails outside the 5-mile study area.

The daytime assessment analyzed the changes in views that could be expected as a result of the project from 10 locations representative of the viewshed in the five-mile study area as determined by NYSDEC as the Lead Agency. These views included local roadways, Forest Preserve lands, a Town Park, and a building on the National Register of Historic Places. None of the 10 locations identified will experience a significant change in visual resources.

This lack of change is a result of two main factors, first the context of the existing views, and second, the mitigation measures integrated into the project design that are intended to reduce the potential for visual impacts.

The project will not be visible from any Forest Preserve lands classified as Wilderness.

There are no other significant resources of statewide significance located in the study area that could be affected by the project.

The SDEIS also assesses the effect of the project outdoor lighting on project visibility at night by analyzing Outdoor Site-Lighting Performance (OSP) or “Glow”. The OSP analysis showed that the proposed outdoor lighting at the Resort will likely produce more outdoor light leaving the boundaries of the site in winter compared to summer, due to reflective snow on the ground. The new outdoor lighting at the Resort will probably emit more light than the adjacent old lighting at BMSC. However, when comparing the ratios of light delivered to the ground plane and that leaving the site, the proposed resort lighting is expected to perform better than the existing ski facility.

While glow will be greater at the Resort than the BMSC, these levels are all very low. All the conditions compare favorably to the recommended limit (0.09 fc) that the Rensselaer Polytechnic Institute Lighting Research Center proposed in their 2008 OSP publication, for the most rural locations after a curfew time. While many lumens will be emitted, the flux density is not excessive in any of these conditions because the sizes of the sites are large, and many areas have no outdoor lighting at all. A curfew time of one hour after sunset has been established for the lighting at the project tennis courts. An automatic timer will shut off the tennis court lights in order to mitigate potential impacts.

A total of 22 locations from mountain peaks, hiking trails and/or overlooks outside the 5-mile study area were identified by NYSDEC for evaluation. Of these 22, 19 had no views in to the site because views were blocked by intervening topography and/or vegetation. Three locations Halcott Mountain (a trail-less peak that is actually within the 5-mile study area), the Hunter Mountain fire tower located 13 miles to the north, and Bearpen Mountain located 9 miles to the northwest, were identified as having potential views towards the project. There were no significant impacts to views from these 3 locations as a result of the Project.

3.9 Noise

Noise impact assessments were performed for project construction and project operations.

Project construction sound levels were estimated and noise impacts were assessed for construction of the following: access roads, golf course, buildings/facilities and construction of detached lodging units. Rock crushing to support construction was also assessed. Construction noise impact assessment results and proposed mitigation are summarized as follows:

- *Access Road* – Unmitigated sound for a limited time period would likely impact three receptors under worst-case conditions when construction is within 500 feet of receptors only. Proposed mitigation consists of minimizing on-site equipment usage when within 500 feet of residences. Additional mitigation of access road construction, such as the construction of barriers, was not deemed practical due to the local topography and the additional construction sound that would result during barrier construction compared with the limited duration of the noise impacts.
- *Highmount Golf Club* – Unmitigated sound was, at times, expected to impact residences at three receptors. These impacts are only anticipated under the worst-case condition when golf course construction activities are near receptors, and not predicted under more typical construction distances. Mitigation of noise can be accomplished within 500 feet of receptors by minimizing equipment use. Mitigation of noise when over 500 feet of receptors can be accomplished by maintaining vegetative buffers between the construction and the receptor, as feasible.
- *Building and Facility Construction and Renovation* – Unmitigated sound from construction of Golf Maintenance Facility, Highmount Hotel and Highmount Lodge may at times result in noise impact at 2 receptors. Proposed mitigation consisted of minimizing on-site equipment during excavation and finishing aspects of construction. In addition, added control of sound from Highmount Lodge construction can be accomplished by placing a temporary barrier line-of-sight between the construction equipment and receptor W-1.

- *Rock Crushing at Highmount* – Unmitigated sound from rock crushing near the Highmount Hotel during construction Year 1 was predicted to result in potential noise impacts at one receptor. As a result, mitigation was proposed consisting of constructing a barrier between the rock crusher and the receptor which is predicted to control the temporary rock crushing noise to below significance.

Potential noise generated by the proposed Project's operation was estimated and extrapolated to the nearest potential receptor locations using CadnaA noise prediction software. Similar to the construction noise assessment, resultant total sound levels at the receptors were estimated and used to predict potential Project noise impacts at each receptor including the State Forest Preserve. Project operation was assessed for the following three conditions:

- **Nighttime Continuous** – Compared continuous steady-state Project sound to the nighttime residual ambient sound level (L_{90}).
- **Nighttime** – Compared Project nighttime sound to the average nighttime ambient sound level (L_d), and
- **Daytime** – Compared Project daytime sound to the average daytime ambient sound levels (L_d),

Operational sound levels after proposed mitigation measures are incorporated indicate that increases in ambient sound levels will be 4 dBA or less at all nearby receptors (primarily the residences closest to the project) that were evaluated. In addition, estimated sound levels from Project operation at the State Forest Preserve will result in no increase to the ambient sound level.

Noise from blasting will be relatively brief and infrequent. Prior to construction all property owners within 1.4 mile will be contacted by mail and receive notice of their right to be notified in advance of blasting events. Resident within a ¼ mile that wish to receive notification will be phoned one hour prior to the blast.

During the period of active construction Crossroads will maintain a phone noise complaint line. All complaints received will be logged, and complaints will be investigated within 2 hours and response provided to the person who complained. If warranted, corrective actions will be taken to reduce noise levels, and actions will be logged as well. If the offending noise source(s) cannot be identified, the person making the complaint will be allowed to inspect the site with a company escort. The complaint log will be kept on site and will be available for inspection by NYSDEC.

Noise from project-related vehicular traffic was also analyzed in accordance with NYSDEC's Noise Program Policy. Traffic related noise levels are expected to increase to a maximum of three (3) dBA along County Route 49A during the ski season Saturday afternoon peak hour of traffic. These predicted noise level increases will be gradual and slowly increase until full buildout. They also fall into the range of barely noticeable to most people and remain below the FHWA noise abatement criteria for existing land uses. The increased traffic levels will not cause a noise impact, so no mitigation measures are necessary.

3.10 Land Use and Planning

The project is an allowed use requiring special use permit approvals from the Shandaken and Middletown Planning Boards in accordance with the current zoning regulations of both Towns. No variances from local land use regulations are required.

Subsequent to the DEIS, the Town of Shandaken adopted a Comprehensive Plan in 2005. Of the 6 goals and objectives that are contained in the Comprehensive Plan, goals 1, 2, and 3 are applicable to planning and development projects, while goals 4, 5 and 6 are more applicable to municipal actions to be taken to implement the Comprehensive Plan.

- 1.) Protect and preserve the environmental, historical and cultural features and resources within the Town of Shandaken from harm, physical degradation and visual impacts.

The Belleayre resort project, in its original form and now in its modified form, has received the highest level of environmental scrutiny at the local, regional and State levels. Environmental planning for the project began in 1999 and is continuing some 12 years later. It is fair to say that the environmental review of the project has set precedent for environmental reviews of other projects, as has also been responsible for modifications of some regulations that have resulted in greater environmental protections.

In terms of being protective of historical and cultural features, the project, in its original form and its current modified form, has received confirmation from the New State Office of Parks Recreation and Historic Preservation, the agency that reviewed the project under the New York State Historic Preservation Act, that the project will have no adverse impacts.

The project is also protective of the visual environment as discussed and illustrated the Visual Impact Assessment in the SDEIS.

- 2.) Promote the economic development of the Town of Shandaken to ensure an acceptable standard of living for its residents.

The socioeconomic analyses in the SDEIS assesses in great detail the economic benefits that the project will produce, including but not limited to, much-needed employment opportunities and the generation of revenues at not only the local level, but also at the county and State levels.

- 3.) Provide programs and laws to guide future development toward desired patterns within the Town of Shandaken.

As discussed previously, the proposed project is consistent with the current zoning regulations in the Town of Shandaken.

When addressing development of new tourist destinations in the Route 28 corridor the Comprehensive Plan states that “unless the nature of the specific use requires a site with unique features, tourist destination uses should be located in or adjacent to the hamlets.” Shandaken

includes 12 hamlets (six delineated). The modified project site is located in/adjacent to the hamlet of Highmount, the westernmost hamlet in Shandaken.

3.11 Socioeconomics

Employment

The proposed project is estimated to generate approximately 541 full-time jobs and 230 part-time jobs, a 5.0 percent increase from the number of employees in the workforce study area in 2007. It was assumed that the part-time positions would be filled by workers in the area that work part-time but are looking for additional work, unemployed persons who are searching for part-time employment, and others who are not technically in the labor force. Because part-time employment generally does not offer a salary that would support moving from one area to another, it was assumed that they would not adversely affect the housing market in the study area.

Of the full-time jobs, it was assumed that about 20 percent would live outside of the workforce study area. Also, not counting people whose qualifications do not match up with the jobs being offered for positions at the proposed project, it was assumed that approximately 183 unemployed persons from within the workforce study area would be qualified to fill positions at the proposed project. Thus, it was determined that there would be an additional demand for as many as 250 employees from outside the study area. Based on an online search conducted in June 2008, there were 259 single family homes for sale and 93 rental units available in the study area, indicating that the existing housing stock could accommodate the employment generated at the proposed project.

Construction Period Benefits

Construction of the proposed project would create an estimated 2,176 person-years of direct construction employment (a person-year is the equivalent of one person working full-time for a year). This would represent an average of 218 full-time jobs during the ten-year construction period. Total direct and indirect employment (from secondary or induced expenditures) is estimated at 3,988 person-years, or an average of 399 jobs during the construction period. Total wages and salaries are estimated at \$191.34 million (all dollar amounts in 2008 dollars). The total economic effect from construction of the project is estimated at \$703.07 million. Total local and state tax revenues generated by the project, exclusive of real estate taxes, are estimated at \$16.85 million.

Operating Period Benefits

Upon completion, the project would create total direct and indirect employment estimated at 1,035 permanent jobs in the Delaware-Ulster-Greene tri-county region and a total of 1,184 jobs in the wider New York State economy. Total wages and salaries are estimated at \$47.17 million in New York State. The total recurring effect from operating the project is estimated at \$210.49 million annually in New York State. The annual operation of the project would have associated

with its substantial sales tax, person income tax, corporate and business taxes, and other tax revenue.

Future Property Tax Revenues with the Proposed Project

The proposed project would generate significant future tax revenues for Delaware and Ulster Counties, Onteora and Margaretville school districts, and other taxing districts. The properties on which the proposed project would be located generated about \$87,300 in annual tax revenues in 2007. With the proposed project, the properties could generate over \$2.16 million annually, representing a 2,375 percent increase over the fiscal year 2007 tax revenue of approximately \$87,300.

3.12 Community Services

All service providers contacted indicated they had the ability to serve the project, some with mitigation measures in place.

Service providers contacted included police (State, counties and local), fire, ambulance, hospitals, schools, solid waste, electric and telephone. The Applicant will provide funding for manpower and/or equipment to the Shandaken Police Department, the Pine Hill Fire Department and the Shandaken Ambulance Squad to mitigate the effects of increased demands for the services of these providers as a result of the Project that are not addressed by the significant increase in local tax revenues. No mitigation measures are required for any of the other service providers.

3.13 Global Climate Change and Carbon Footprint

The Project carbon footprint is the sum of all GHG emissions and is calculated as metric tons per year carbon dioxide equivalent (CO₂). GHG emissions from the Project primarily would result from fossil fuel combustion during construction and operation of the Project. The GHG emissions have been evaluated in accordance with NYSDEC Program Policy and the AIP.

The anticipated potential Project GHG emissions are estimated to be less than 25,000 metric tons per year of CO₂, indicating the Project's projected emissions are minor in nature.

3.14 Air Quality

Microscale and mesoscale air quality screening analyses were performed for project-related traffic. The air quality assessments conducted conform to the procedures followed by the NYSDEC. Currently, the NYSDEC follows the procedures outlined in the New York State Department of Transportation (NYSDOT) Environmental Procedures Manual (EPM), Chapter 1.1, Air Quality, last updated January 2001. These procedures address the Clean Air Act Amendments of 1990 and guidance from the Environmental Protection Agency (EPA).

Based on the site screening analysis conducted for the intersections analyzed for full build out conditions the 2015 Build Volumes are lower than the criteria shown in the EPM Table 3C.

Therefore, a microscale air quality analysis is not necessary. Based on procedures outlined in the Particulate Matter (PM) Final Policy the PM microscale air quality analysis was performed using CAL3QHC, Version 2.0. The predicted particulate matter concentration differences for the receptors were calculated to be less than the maximum allowable potential significant impact thresholds. The criteria for a mesoscale air analysis found in Chapter 1.1 of the EPM are not met with the development of the project; therefore, a mesoscale analysis is not required and no particulate matter mesoscale analysis is required.

3.15 Cultural Resources

NYS Office of Parks, Recreation and Historic Recreation (OPRHP) has determined that the Modified Project will not have any adverse impacts on cultural resources. OPRHP will be consulted when more detailed plans for the adaptive reuse of the Marlowe Mansion and the Leach Farm buildings are available.

3.16 Catskill Forest Preserve

Under the DEIS plan the Big Indian portion of the project abutted the Big Indian Wilderness Area and there were existing hiking trails connecting the proposed resort to the Big Indian Wilderness Area. Under the current Modified Plan, the project no longer abuts any wilderness area (or wild forest area either) nor are there any proposed direct connections between the resort and wilderness or wild forest areas.

Local and regional trails are expected to receive an incremental increase in use from the Project. There is no accurate way to estimate how many residents of the Project will actually utilize the trails in the area, however the SDEIS attempts to quantify the potential additional hikers generated by the Project relying on State documentation and studies.

Applying participation data from the Statewide Comprehensive Outdoor Recreation Plan to the numbers of people staying at the Project it is possible that 209 people per day that could be engaged in hiking, however, many of these people will choose to participate in some other form of recreation such as golf, tennis, fishing, swimming, etc. Others may choose not to participate in a recreational activity on a given day, opting instead to participate in activities such as spa treatments, off-site shopping or sightseeing, etc. A more reasonable figure would be 105 hikers per day when the Resort is at average occupancy.

To mitigate potential Forest Preserve impacts the Applicant is willing to accept permit conditions from NYSDEC to assist NYSDEC collect data that could be used to update future Unit Management Plans for the area. These conditions were raised during the Issues Conference and state as follows.

- “Prior to the start of resort construction, Crossroads Ventures LLC shall develop a plan to be submitted to NYS DEC for its approval to implement a program to educate and guide resort guests in the use of the trails in the Forest Preserve. In developing the plan, the applicant shall consult with the NYS DEC and other appropriate groups, including the NY/NJ Trail Conference, to identify area trails, in particular, those which may be the subject of over use,

in order to redirect guests to less intensively used trails. The plan shall include a method of keeping track of resort guest usage of Forest Preserve trails and for seeking feedback from resort guests on trail conditions. The information on guest usage and trail conditions shall be compiled into an annual report and submitted to NYS DEC. In addition, Crossroads Ventures, LLC shall provide a monthly report to NYS DEC of usage of Forest Preserve trails.”

4.0 Alternatives

Section 5 of the SDEIS includes assessments of various alternatives in accordance with the Final Scoping Document for the Modified Project. This included a comparison with the DEIS project discussed in section 1.4, above.

4.1 Relocating Upper Highmount Units to Wildacres

An additional alternative design that was examined involved the Highmount Spa Resort project without the upper 19 detached lodging units, the 5 detached lodging units along the upper access road, and without the access road beyond the hotel and lodge building. See SDEIS section 5.2 and Figure 5-1. Under this plan the proposed lift line from the Highmount Spa Hotel would be extended up to the top of the old Highmount Ski Center and an observatory/warming hut was proposed near the top of the lift.

The 24 detached units removed from the upper part of Highmount under this alternative plan would be relocated as follows: a third floor would be added to the detached lodging unit buildings at Wildacres. The new third floor units would encompass, and be within, the footprint of the detached lodging buildings. Parking for all units in the buildings, including these upper floor units, would be provided under the buildings. Elevators would be added to connect the underground parking and the third floor units. Driveways and surface parking for the lower level detached units have been rearranged to accommodate the underground parking and the layout of the detached units in the Front-9 Village would be reconfigured slightly. The reconfiguration provides for a slightly tighter cluster in this area with units remaining off slopes greater than 20%.

Under this alternative the following environmental effects would occur.

- Further elimination of 5,580 feet (1.1 miles) of roadway, the majority of which is located on slopes >20%.
- Further reduction of impervious surfaces from roads, buildings and driveways totaling approximately 6 acres.
- Further reduction in the number of detached unit buildings by 24.
- Further reduction of approximately 17 acres of site disturbance.

- Reduction of the highest elevation proposed for development (with the exception of the ski trails and lift and observatory) from 3080 feet to 2620 feet.

Further reduction of the overall visibility of the project, including elimination of the very limited daytime visibility of the project from Forest Preserve Wild Forest lands on the Dry Brook Ridge Trail and the Balsam Lake Mountain Fire Tower. Nighttime visibility would also be reduced slightly from some vantage points.

The following table provides a comparison of this alternative plan with the Modified Project (AIP) plan and also the DEIS plan.

Table ES-3 Comparison of DEIS, SDEIS Modified and SDEIS Alternative Plans

Project Component	DEIS Project	SDEIS Modified Project	SDEIS Alternative
total project site size (ac.)	1,960	739	739
acreage to be developed	573	235	218
acreage added to Forest Preserve	0	1,189	1,189
conservation easement lands (ac.)	0	203	203
number of lodging structures	121	58	34
hotel lodging units (#)	400	370	370
detached lodging units (#)	351	259	259
overall density (units/acre)	0.38	0.85	0.85
total length of roads (mi.)	8.2	2.6	1.5
length of roads on >20% (mi.)	5.1	1.1	0.1
impervious surfaces (ac.)	85	27	21
golf courses	2	1	1

4.2 Eliminating Entire Highmount Development

The proposed Modified Belleayre Resort at Catskill Park is an integrated singular development project although its major components (Highmount Golf Club, Wildacres Resort and Highmount Spa Resort) are physically separated to the north and west of Belleayre Mountain Ski Center they are nevertheless connected by County Route 49A.

This alternative involves reducing the size of the project by pursuing development of the Wildacres component of the project only. The intended purpose of such an alternative would be to eliminate the physical disturbance in total to one tract of land and thereby avoid the potential

environmental impacts associated with site development. This alternative would result in the following:

- approximately 59 acres less project site disturbance;
- approximately 8 acres less project site impervious area; and
- approximately 500,000 cubic yard less of project site earthwork.

However, as examined in detail for the proposed action, it is noted that the extensive investment in terms of site design and construction planning already minimize or avoid environmental impacts associated with the full construction of the site.

From a market demand standpoint the proposed project cannot consist of either portion of the project standing alone individually. The project must make an approach to the broadest segment of the market. The project must be of sufficient scale and quality to make a recognizable impact of the target market's impression of the area. The project must offer a variety of activities and facilities to accommodate all members of the family and all levels of proficiency at the various activities. These statements have been consistently supported by various land use and economic analyses of the proposed project performed by various experts in resort development, particularly resorts that involve golf.

HVS is the leading national consulting firm providing appraisal and financial consulting services to the hotel industry. HVS examined the potential development of the Belleayre Resort by examining detailed estimates of initial project costs and future revenues and expenses once the Resort was operational. By relating the financial performance of the Resort (i.e., net income after expenses) and then relating this performance to the initial cost of the development, the project's return on initial investment can be measured.

The HVS study provides detailed projection of income based on all revenue producing components of the project (i.e., room charges, food, golf, spa, retail sales, conference fees) applying regionally adjusted industry benchmarks in terms of rates, occupancy, and golf rounds played. Expenses, also benchmarked to industry standards, included fixed costs (i.e., property taxes, insurance, operating reserves) and variable operating costs (including labor, supplies, marketing, administrative, fees, and others). Income and expense streams over the 10 year analysis period were adjusted based on historical inflation trends as calculated by the Consumer Price Index and an average rate of 3 percent per year was utilized.

The marketability and demand-based viability of the proposed project requires the full breadth of project components, including both hotels to fully cover the marketplace from a 3 to 5 star hotel, a golf course, fractional interest and time share units. As analyzed by HVS Consulting Services, this market-driven need for all components to be considered as an integrated whole, is also reflected in the financial performance of the proposed project

Based on this financial analysis as well as their in-house market data and review of other documents prepared for the Belleayre Resort project, the HVS Consulting study concludes that the proposed project – namely, full development of all project components – is the only feasible and viable approach. This is based on the following findings:

- Critical mass is essential to attracting sufficient patron demand and market awareness for the Resort. This is critical to overcome the current limitations of the surrounding area.
- Economies of scale generated by the operating efficiencies of co-operatively operating the two facilities is important to providing enough expense sharing contributing to the overall feasibility of the project.
- Elimination of market segmentation, thereby allowing for both middle and top elements of the target marketplace to create customer base.

The *No Build Highmount Alternative* is not considered a reasonable or feasible alternative based on the information on market and financial viability presented in the SDEIS. It is unlikely that this alternative would ever attract sufficient equity investment or financing or, if built, would be marginally performing or scaled back to a substantially lower quality development without the integration of well-designed and high performance environmental standards. The findings further enforce that the proposed Resort represents an attractive investment opportunity only when considered collectively, in its entirety. The Applicant would not pursue the Wildacres portion of the Project without the ability to develop the Highmount Spa and related facilities as presently conceived.

4.3 No-Action Alternative

Under the no-action alternative, the proposed 235 acres of project disturbance would not occur, views into the project site would not be affected by the Project, and the additional traffic associated with the Project would not occur.

Under the no-action alternative, the socioeconomic benefits of the project described previously in section 1.5 would not be realized. These benefits included employment and generation of tax revenues.

In the event the Belleayre Resort was not to be developed as presently conceived under the AIP, the lands controlled by Crossroads Ventures would likely be sold. Prospective purchasers may include residential or recreational developers, a public entity such as NYCDEP, or perhaps a land trust. In the event of a sale to a developer, the Big Indian parcels would likely be residentially developed for large lot development. The Wildacres and Highmount parcels, given their proximity to Belleayre Mountain Ski Center would likely be developed with a mix of residential and commercial uses. These alternative development scenarios would occur without the substantial, heightened environmental controls associated with the proposed project as established and agreed to in the AIP.

5.0 Permits and Approvals Required

The following permits and approvals are required for the Modified Project.

Local

Town of Shandaken Planning Board
Special Use Permit

Site Plan Approval
Town of Shandaken Town Board
Approval to Form Transportation Corporation(s)

Town of Middletown Planning Board
Special Use Permit
Site Plan Approval

Town of Middletown Town Board
Approval to Form Transportation Corporation(s)

Ulster and Delaware County

Health Department (Ulster only)
Water Supply Infrastructure
Wastewater Disposal Infrastructure
Food service
Hotels
Swimming Pools
Department of Public Works Bridges and Highways Division
Road Improvements and Driveways

Regional

NYCDEP
Wastewater Treatment Plant Connection
Stormwater Pollution Prevention and Impervious Surfaces

Delaware River Basin Committee
Groundwater Withdrawal Approval

State

NYSDEC
Streambank Disturbance (golf cart bridge crossings)
Water Supply Application
Individual SPDES Permits for Stormwater Discharges associated with
Construction and Operations
Petroleum Bulk Storage Registration
Chemical Bulk Storage Registration
Sewer and Water System Infrastructure Signoffs

NYSDOH (Delaware County Facilities)
Water Supply
Sewer System Infrastructure Signoffs
Food Service for Delaware County Portion
Hotels
Swimming Pools

NYSDOT
NY Route 28 Improvements
Speed Signage Approvals

Federal

US Army Corps of Engineers
Federal Wetlands/Waters of the US Jurisdictional Determination