

Catskill Heritage Alliance



March 27, 2013

Daniel Whitehead, Region 3
New York State Department of Environmental Conservation
21 South Putt Corners Road
New Paltz NY 12561

Re: Belleayre

Dear Mr. Whitehead:

I am writing on behalf of a number of parties that are opposed to the massive size and associated environmental and financial consequences of the resort at Belleayre being proposed by Crossroads Ventures (the "Applicant"). Beginning in October 2012, representatives of our coalition have been requesting a meeting with DEC so that stakeholders, other than signatories to the 2007 Agreement in Principle, would have the opportunity to raise significant issues related to this proposal. Because we have not yet been granted a meeting, we are writing this letter to set forth some of our concerns.

We have been opposed to this project from the outset due to its large scale and density that will cause significant economic, traffic and community impacts in addition to environmental degradation (the latter including issues ranging from flooding, erosion, stream degradation, stormwater management, air and water quality, noise, and impairment of scenic resources). The Highmount portion of the proposed project is of critical concern, due to its negative impacts associated with high ridgetop development. In addition, we object to the State of New York spending significant sums of taxpayer money to subsidize ski-in and ski-out capabilities for a high-elevation, exclusive resort that is perhaps the most problematic element of the Applicant's proposal with respect to market and feasibility.

The Highmount portion is also the portion that will cause some of the most significant environmental consequences. Recent events, including the devastation caused by Hurricane Irene, Tropical Storm Lee, and Hurricane Sandy (and the environmental and economic havoc these storms have wreaked on the towns of Fleischmanns, Arkville and Margaretville, where runoff from this project would drain) only serve to underscore the problems associated with this element of the proposed development. The Applicant cites economic exigencies to justify this project. However, a new report issued by the Natural Resources Defense Council ("NRDC") confirms prior studies, including some performed by New York state agencies, and clearly indicates that a ski-based resort will not provide the boon to the local economy claimed by the Applicant.

We have retained a consultant to advise us on this issue. Our Consultant's initial review of elements of the SDEIS and Appendices submitted by the Applicant finds the proposed resort to be greatly oversized when skier and lodging facility metrics for other similar New York State ski resorts are applied — something the materials submitted by the Applicant neglected to

accomplish. Accordingly, were the resort to be built as proposed, it would fail to meet its operating pro-forma. This would tend to cause it to cannibalize market share from existing communities, businesses, and proprietors in the Route 28 corridor and elsewhere in the Catskills. From the proposed resort's inception, it has been our consistent position that we are supportive of appropriately scaled and environmentally sensitive base-area development at Belleayre Mountain Ski Center (BMSC) that is supportive of existing communities, businesses, and proprietors. This can be accomplished by reasonable alternatives that might include some new trails (particularly one with greater length and vertical drop, such as could be constructed at relatively little expense in the Cathedral Glen area) and/or a base area facility that might also include a more realistic number of overnight lodging units.

The findings set forth in the aforementioned NRDC report entitled "Climate Impacts on the Winter Tourism Economy in the United States" [<http://www.nrdc.org/globalwarming/files/climate-impacts-winter-tourism-report.pdf>] are at odds with the assumptions that have been made in support of the project. The findings indicate that future climate conditions could deviate substantially from that of the recent past. Among the NRDC report's findings is the conclusion that without intervention, "winter temperatures are projected to warm an additional 4 to 10 degrees by the end of the century...." Such conclusions were confirmed in the New York State Climate Action Council Interim Report, which predicts that the length of the snow season in the northeast will be cut in half. Such events will result in lower skier visits and therefore lower skier and related revenue. In New York and New England, snow cover is projected to decrease as a result of warmer temperatures, by 50% under a lower emissions scenario, and by 75% under a higher emissions scenario.

While there is a degree of uncertainty associated with such estimates, a sustained decrease in snow cover of even five to ten percent would likely cause the Applicant's pro-forma to seriously underperform.

The above-noted findings mirror those of other reports, including a study commissioned by NYSERDA in 2011. That study, the "ClimAID Report" [http://www.nyserda.ny.gov/~media/Files/Publications/Research/Environmental/EMEP/climaid/responding-to-climate-change-synthesis.ashx%3fsc_database=web] concluded that by mid-century, "expected annual reduction of ski-season length for three major ski regions in New York (Western, Northeastern and Southeastern) are expected to be in the range of 12 to 28 percent. A third report (Confronting Climate Change in the U.S. Northeast: A Report of the Northeast Climate Impacts assessment) [http://www.climatechoices.org/ne/resources_ne/nereport.html] predicted that the ski areas in southeastern New York were highly vulnerable within the next several decades. Although the use of snowmaking technology can compensate for some of this loss, snowmaking significantly increases a resort's operating costs and the technology has its limits. In order to make significant amounts of snow, certain temperature and humidity conditions must be present for (at least) several hours at a time. These conditions must be repeated over the course of days and weeks to maintain a sufficient base. A shift toward warmer winters will make such conditions less prevalent, while also shifting the precipitation from less snowfall to more rainfall that will more quickly erode whatever snow accumulation might occur.

There appears to be an assumption among many that operation of the proposed resort will improve the local and regional economies. However, one of the applicant's own economic studies submitted to DEC, conducted back in 2007, before the eastern half of the project was dropped, and before the economic collapse in 2008, concludes the proposed hotel element (now planned for Highmount) to be only "marginally feasible" under then extant conditions. Although the applicant has submitted two versions of a "Supplemental Draft Environmental Impact Statement" (one in 2011 and one in 2012), it has not updated either of the two market studies upon which it primarily relies. Those studies were conducted by HVS Consulting Services and Ragatz. The Ragatz report specifically stated that feasibility depended on then-prevailing economic conditions. Such conditions no longer exist, having deteriorated significantly. Thus, the Applicant's own 2010 studies reveal the project to be economically and financially infeasible.

In any case, the Applicant's market analyses are woefully deficient and lack relevance. For example, both studies are inapplicable to current and prospective financial and market conditions. Furthermore, even though the project is to be linked to a ski resort, the Applicant's analyses do not contain any skier market or ski resort lodging metrics whatsoever. The assumed level of skier visits is asserted with no empirical documentation whatsoever. And, there is no mention of the effect of climate change (as enunciated in the reports referenced above) on the skier or the skier lodging market, which form crucial demand components of the proposed development.

In the Alternatives Section (Section 5) of the most recent version of the SDEIS, the Applicant maintains that it cannot eliminate the Highmount portion of the project for economic reasons and bases that conclusion on the outdated and insufficient studies noted above. Yet the SDEIS indicates the Highmount portion of the project appears to be the most speculative and most costly portion thereof. Of the entire proposed project, the Highmount portion is most problematic in terms of feasibility, climate effects, environmental impacts, and most importantly to any citizen of the State of New York, use of taxpayer money to further an exclusive private development. Aside from those associated with its ridge-top location, none of these issues can be mitigated or ameliorated by merely relocating the Highmount elements lower on the mountain.

We have substantial data that support the concerns expressed herein, and we again request an opportunity to brief your agency on these issues properly before further steps are taken with respect to this project. While we intend to submit formal comments to the draft SDEIS after it is officially released for public comment, we believe it would be in the public interest for us to go over these issues with you in a manner that is more conducive to fully setting them forth.

I can be reached at 845-688-9702. I look forward to hearing from you.

Sincerely,

Kathleen Nolan, MD, MSL
Chair, Catskill Heritage Alliance

PO Box 88, Shandaken NY 12480

cc:

Thomas Rudolph, Acting Regional Director, Region 3 DEC

Gene Kelly, Regional Director, Region 4 DEC

Ted Blazer, President and CEO, ORDA

Tom Tarr, General Manager, BMSC

Carter Strickland, Commissioner, DEP

Thomas DiNapoli, New York State Comptroller

Mike Hein, Ulster County Executive

Loren Quimby, Friends of Catskill Park

Julie McQuain, Save the Mountain

Roger Downs, Sierra Club

Ramsay Adams, Catskill Mountainkeeper

Jeff Senterman, NY-NJ Trail Conference

Eric Goldstein, NRDC

Paul Gallay, Riverkeeper

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Chester Karwatowski, Ashokan-Pepacton Watershed Chapter of Trout Unlimited

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