

densities on *Mozart*. It will no longer be necessary for guests from the Mountain House Portal to ride two lifts (Peru/Argentine to Montezuma Express/River Run Gondola/Summit Express) in order to access the south side of Dercum Mountain.

Diamond Back to Mineshaft Connector (Map Ref. 9-4)

Once the proposed “*Jimmy Connector*” ties in with *Diamond Back*, the *Diamond Back to Mineshaft Connector* will continue on to *Mineshaft*.

c. New Trails on Dercum Mountain

Five new trails are proposed on Dercum Mountain, as defined below. These trails total approximately 68 acres.

Wild Irishman/Paymaster Area (Map Ref. 3-14, 3-15, and 3-16)

Three new intermediate trails are proposed between *Wild Irishman* and *Paymaster* to help reduce trail densities on Dercum Mountain. This is one of the last areas for potential trail infill on the north side of Dercum Mountain. These trails will be readily accessible from the proposed *Schoolmarm* bypass trail.

Schoolmarm/Ballhooter (Map Ref. 5-17 and 5-18)

Two new trail segments, and trail widening, are proposed to separate A-51 Terrain Park egress traffic from *Schoolmarm* and *Ballhooter* traffic. The more advanced skiers and riders egress from the terrain park and continue on along *Schoolmarm* and *Ballhooter*, interfacing with novice and intermediate guests. The new trail segments will allow for separation of the two user groups and therefore reduce skier densities and skier circulation conflicts.

d. New Glades on Dercum Mountain

Two new gladed areas are proposed on Dercum Mountain. As described below, one of these areas will be groomable, while the other will not.

Spring Dipper Glades (Map Ref. G-11)

A new groomable, gladed trail is proposed immediately to the skier’s right side of *Spring Dipper* down to the proposed *Jackface/Burro Alley Bypass* (Trail 1-18). This new advanced-intermediate gladed area will total approximately 18.3 acres, while the skiable/groomable terrain will total approximately 7.5 acres.

The Windows Glades

The northern portion of the terrain in The Windows is proposed to be thinned to allow for more of this area to be used by advanced skiers and riders. Currently this area has timber that is too thick to ski and ride along a consistent fall line. This area will not be groomable. The total acreage of this area to be thinned is approximately 62 acres.

e. Trail Revegetation on Dercum Mountain

Three small portions of existing trails are proposed to be closed and revegetated due to their obsolescence. These trails are identified on Figure 5.3, and include:

- between *Schoolmarm* and *Paymaster*
- between *Schoolmarm* and *Silver Spoon*
- between *Silver Spoon* and *Paymaster*

The total area of trail revegetation is approximately 1.3 acres.

f. *Miscellaneous Trail Connections on Dercum Mountain*

The following trail connections are intended to improve overall skier circulation on Dercum Mountain:

- *Flying Dutchman/Spring Dipper* (Map Ref. 1-19)
- *Santa Fe/Swandyke* (Map Ref. 1-20)
- *Sante Fe* to River Run Gondola mid-terminal (Map Ref. 1-22 and 1-23)
- *Frenchman Bypass* (Map Ref. 3-13)

g. *Trail Improvements on Dercum Mountain*

As described earlier, skier flow is a major issue on *Schoolmarm* due to all skill classes mixing and moving at differing speeds. This is compounded by the fact that there are three flat areas which cause lower skilled skiers to slow down so much that they often resort to walking or skating.

Grading is proposed on select trails on the north and south sides of Dercum Mountain. This is designed to improve skier/rider circulation; eliminate steep, abrupt pitches; improve access to trails; and to aid in early season snowmaking operations. Grading on Dercum Mountain will total approximately 55 acres. Grading on existing and proposed trails includes:

- *Schoolmarm Bypass* (this will achieve a consistent gradient of 19 percent and a maximum grade of 23 percent)
- *Upper and Lower Schoolmarm*
- *Hoodoo*
- *Ballhooter*
- *Bobtail*
- *River Run* (near the mid-terminal of the upgraded River Run gondola)
- *Whipsaw*
- *Ina's Way*

- Bottom of *River Run*
- *Mineshaft*
- *Mozart*
- New “*Jimmy Connector*”
- Mid- and lower portions of *Jackface/Burro Alley Bypass*

In addition to grading, miscellaneous trail widening is proposed on select trails across Dercum Mountain, totaling approximately 44 acres. These trail widening projects are proposed to improve safety by opening up trail intersections, widening narrow trails and improving visibility by eliminating blind corners. All grading and trail widening is depicted on Figure 5.3.

h. New Teaching Terrain on Dercum Mountain

Under the 2009 MDP, Keystone’s teaching terrain will be reconfigured to better service guests’ needs. Keystone’s teaching terrain will be composed of three distinct areas – the Mountain House base area, the River Run gondola mid-terminal, and the summit of Dercum Mountain. In all, these teaching areas will be served by three aerial lifts and seven surface conveyors.



Mountain House

At the Mountain House base area, the Discovery double chairlift, and four adjacent surface conveyors, will remain in their current configurations. This area provides approximately 8.9 acres of first-time teaching/learning terrain.

Ski School Learning Center at the River Run Gondola Mid-Station

A small (0.5 acre), self contained ski school center is proposed at the mid-station of the River Run gondola. This area, adjacent to the River Run trail, is currently unused by skiers and riders. This facility will be located immediately west of the mid-terminal, and will be serviced by two surface lifts, a yurt, and restrooms. When compared to the River Run base area, the mid-terminal is a superior location for a ski school center for many reasons:

- Separation from heavy skier and rider flows
- Space constraints at River Run

- The existence of overly steep terrain immediately out of the River Run base area
- The distance from the skier service buildings at the base area to the existing Sunkid beginner lift
- The ease of direct access to this facility via the new River Run gondola

The Sunkid surface conveyor, currently located at the River Run base area, will be relocated to the Learning Center at the new River Run gondola mid-terminal. (This relocated lift will be complemented by an additional surface conveyor.)

Dercum Mountain Summit

The existing Ranger fixed-grip triple chairlift, and the existing Kokomo surface conveyor, will remain in their current configurations at the summit of Dercum Mountain. These two lifts will be complimented by the installation of an additional surface conveyor and a fixed-grip triple chairlift on *Schoolmarm*. As discussed under “Lift Network,” the new fixed-grip triple chairlift will extend from the Summit House on the top of Dercum Mountain, approximately 1,650 feet down *Schoolmarm*.

In addition, a teaching carpet conveyor is proposed immediately adjacent (northwest) of the Ranger chairlift at the summit of Dercum Mountain. This conveyor will be appropriately sloped at 12 percent and will service 1.2 acres of beginner terrain. Both of these lifts will continue to be supported by guest services that are currently provided at the summit of Dercum Mountain (currently in the Summit House, but relocated to a more logical area in the future).

In total, teaching terrain at the summit of Dercum Mountain will be focused on *Scout*, *Endeavor* and *Schoolmarm*, totaling 23 acres.

2. North Peak

a. New Connector Trails on North Peak

The two connector trails proposed for North Peak will total approximately 1.9 acres.

Powder Cap/Bullet Connector Trail (Map Ref. 11-10)

An approximate 700-foot connector is proposed between *Powder Cap* and *Bullet*. This connector gives the skier/rider an option to continue along the full length of *Powder Cap* or ride to *Bullet*, which essentially shortens the amount of time spent on *Mozart Flats*.

Geronimo/Cat Dancer Bypass (Map Ref. 11-11)

An approximately 330-foot long connector trail is proposed between *Geronimo* and *Cat Dancer*. With this connection, *Cat Dancer* will be opened earlier in the season, as the section of trail below this proposed connection holds natural snow very well as compared to the upper section.

b. Trail Improvements on North Peak

Strategic trail widening on select trails across North Peak will total approximately 13.4 acres.

3. The Outback

a. New Outback Express Terrain

Terrain served directly by the Outback Express will be expanded by 25.6 acres, composed of two new gladed trails on the north side of the Outback, east of *Timberwolf* (Map Ref. 13-13 and 13-14). This area is currently skied, but the trees are very tight. Glading of these trails will allow better skier utilization of the area.

In addition, the entry into *Timberwolf*, *Bushwacker*, and *Badger* is proposed to be thinned to improve the visibility of the entries into the trails totaling approximately 9.7 acres.

b. New Outback Surface Lift Terrain

New terrain that will become lift served in North and South Bowl due to installation of the Outback surface lift will total approximately 331 acres. This terrain ranges in classification from advanced intermediate through expert.

North Bowl

A 62-acre area below the new Outback surface lift (Map Ref. NB-3) is proposed for thinning. In addition, three new above-treeline advanced trails (Map Ref. NB-4, 5 and 6) in North Bowl will become accessible from the new Outback surface lift. Skiers and riders on these trails will be funneled back on *Coyote Caper* and eventually to the Outback Express. Acreage associated with trails NB-4, 5 and 6 totals approximately 111 acres.

In addition, thinning is proposed further up into North Bowl (Map Ref. NB-3) in the area that is referred to as Conquest, The Trap and the Wolf Den. This area totals approximately 62 acres.

South Bowl

Skiers and riders are increasingly searching out glades and high Alpine terrain. Therefore, three new above-treeline trails are proposed in South Bowl (Map Ref. SB-4, 5 and 7). These range from advanced-intermediate through expert, and total approximately 106 acres. In addition, a groomable, gladed trail in the Tele Trees is proposed in South Bowl (Map Ref. SB-6). This gladed area totals approximately 52 acres.

c. Trail Improvements at the Outback

Due to increased use of *Coyote Caper* and *Anticipation Flats* associated with previously-discussed trails in North Bowl and on the north side of the Outback, each of trails will need to be widened along its entire length.

Additional widening will occur on *The Grizz*, *Badger*, *Bushwacker*, *Oh Bob!*, and *The Willows* to improve visibility, circulation and improved skier safety, for a total of approximately 22 acres.

4. Bergman/Erickson/Independence Bowls

The two chairlifts that will service terrain in the Bergman and Erickson bowls area will be complimented by several new trails (including glades) totaling approximately 297 acres.

In conjunction with the proposed Bergman Bowl detachable quad chairlift, 16 trails are proposed (Map Ref. 16-1 through 16-16). These trails offer a wide variety of terrain in both Bergman and Erickson Bowls – from above treeline to traditional, including some glades. The ability levels of these trails range from low-intermediate to expert. The Bergman Bowl lift will serve approximately 193 acres of terrain.

In conjunction with the proposed Independence fixed-grip chairlift, seven new trails are proposed (Map Ref. 17-1 through 17-7). As with the Bergman Bowl detachable quad, trails associated with this lift offer a wide variety of terrain – from above tree line to traditional, including some glades. The ability levels of these trails ranges from low-intermediate to expert. Terrain served by the Independence Bowl lift totals approximately 104 acres.

Finally, thinning is proposed in Independence Bowl, on the slope immediately west of the lower terminal of the proposed Independence fixed-grip lift, in an area that is locally referred to as “The Sickness,” west of *Little Taos*. This approximately 23-acre area will accommodate advanced skiers and riders.

Installation of the Bergman and Independence chairlifts will displace KAT’s current snowcat program in this area. Because the Bergman detachable quad will likely be installed prior to the Independence fixed-grip lift, Keystone will explore options for offering snowcat

transportation out of the northern face of Independence Bowl until the second lift is installed. This program will likely resemble the current fee-based snowcat program offered at The Outback.



5. Hike-To and Snowcat Served Terrain

With the development of Bergman and Independence bowls, the existing KAT yurt on the northern aspect of Independence Bowl will be relocated to a private parcel on the north side of Independence Mountain. This will accommodate guests in KAT’s reconfigured backcountry operations within a roughly 900-acre area (see Figure 5.5). Additional snow studies and observations are needed to determine exactly what portions of this terrain will be available to hikers and the KAT program.

E. OUT-OF-BOUNDS TERRAIN

With incorporation of Bergman, Erickson, and Independence bowls into Keystone’s developed, lift-served terrain network, the existing backcountry access point on the eastern boundary of the SUP area will be relocated to the north (Figure 5.1). As is the current case, this access point is expected to be used on an infrequent basis.

F. TERRAIN PARKS

Keystone will continue to maintain three terrain parks on the western portion of Dercum Mountain. Because terrain parks are constantly evolving components of ski areas, ground recontouring and sculpting will likely be necessary create/improve the features and reduce snowmaking requirements.

G. RACE AREAS

There are two race centers at Keystone. Neither the NASTAR Race Center, located on *Flying Dutchman*, nor the Go Devil Race Area, located on *Go Devil*, is proposed to change.

Lower River Run on Dercum Mountain and *Starfire* on North Peak have been used for training by the US Ski Team. Keystone continues to look for race training and special events to occur in these locations.



H. UPGRADED CIRCULATION & DENSITY DISCUSSION

The intent of many of the previously listed trail projects on Dercum Mountain is to reduce skier/rider densities in areas that are currently experiencing high densities and to improve circulation and visibility.

Specifically, development of the lift and trail network in Bergman Bowl will reduce the densities seen on the front side of Dercum Mountain. Additional low intermediate and intermediate terrain in this up mountain pod will spread out those ability level users.

The proposed *Jackface/Burro Alley*, *Beger*, and *Schoolmarm* bypasses will separate conflicting user groups (i.e., lower intermediates from more advanced skiers and riders). In particular the *Schoolmarm* bypass is an important project that will ease the congestion on *Upper Schoolmarm*, by separating the more advanced skiers and A-51 terrain park users from low intermediate guest. Other trail projects that separate low intermediates from advanced user groups are trail segments 5-17 and 5-18 that essentially separate the A-51 users from the low intermediate skiers and riders.

The proposed “*Jimmy Connector*” trail from the top of the proposed Argentine lift to *Diamond Back* and terminating at *Mozart* will be an alternate route to North Peak and will help to reduce the skier densities on *Upper Mozart*.

Adding the “in-fill” trails between *Wild Irishman* and *Paymaster* will also reduce the skier densities on the front side of Dercum Mountain. The additional 21 acres of intermediate terrain are designed to better spread out users who are looking for intermediate terrain experiences on Dercum Mountain.

In addition to being able to round trip the upper two-thirds of Dercum Mountain, the installation of the mid-station on the River Run Gondola is intended to allow skiers and riders to efficiently use the underutilized trails to the east of the Gondola alignment. Increased utilization of these trails will help reduce the density related issues on *Upper* and *Lower Schoolmarm*, *Lower River Run*, and the *Paymaster/Silverspoon* junction.

These projects, along with the proposed grading projects, will help reduce the skier densities and improve the skier circulation across Dercum Mountain.

I. NIGHT SKIING AND RIDING

Keystone does not anticipate a large increase in demand for night skiing and riding in the future and therefore has no plans to significantly increase the amount of terrain that is illuminated. However, during regular operations and maintenance, lighting systems will require maintenance. Therefore, Keystone will continuously evaluate and explore the suitability and practicality of installing systems that reduce energy consumption while producing less “fugitive light.”

J. ADDITIONAL WINTER ACTIVITIES

1. Adventure Point

Greater emphasis will be placed on Adventure Point (at the summit of Dercum Mountain) in the future – the intent being that Adventure Point will become the hub of summer operations, as well as snowtubing opportunities (Figure 5.3). Keystone will continue to investigate alternative forms for winter and summer recreation that are appropriate for Adventure Point in order to compliment its more traditional skiing and riding activities. In order to provide guests with better overall service and comfort throughout the year, a new, permanent facility will be constructed to replace the existing yurt. The new facility will be approximately 2,500 square feet in area.

To accommodate existing and future demand, two to four additional tubing lanes will be added to the south of the existing lanes at Adventure Point. The additional lanes will require grading.



2. Keystone Nordic Center

No changes are proposed at the Keystone Nordic Center as a component of this MDP.

3. Ice Skating

No changes are proposed at the ice skating rink located on Lake Keystone as a component of this MDP.

K. SNOWMAKING

1. Coverage

Keystone's snowmaking coverage will increase by roughly 29 percent – from approximately 614 acres to 794 acres. See Table 5-2 for a breakdown of this acreage. Three categories of snowmaking are discussed here: 1) existing infrastructure and coverage; 2) existing infrastructure in need of replacement; and 3) proposed infrastructure and coverage. The reader is referred to Figure 5.7 for more information.

On Dercum Mountain, snowmaking infrastructure on six existing trails will need to be replaced or supplemented, including: *Jack Straw*; *Last Hoot*; *Ballhooter*; *Wild Irishman*, *Mineshaft*, and *Lower Mozart Flats*. Most of this infrastructure has been operated as recently as the 2007/08 season, but will require replacement in the near future. Combined with proposed, miscellaneous trail widening on these four trails, these areas account for approximately 72 acres of snowmaking coverage.

Two trails, *Ambush* and *Geronimo*, are in need of new air/water pipelines in order for snowmaking operations to continue on 30 acres that these trails are comprised of.

New/additional snowmaking infrastructure will be installed on six existing trails, and eleven proposed trails, totaling approximately 106 acres of new coverage. In addition, strategic widening on trails across Dercum Mountain, North Peak, and The Outback (as previously discussed in the Terrain Network section) that currently have snowmaking will amount to approximately 39 acres of new coverage.

**Table 5-2:
2009 MDP Snowmaking Coverage Breakdown**

| | Approximate Acreage |
|--|---------------------|
| Existing snowmaking coverage | ~560 acres |
| Widening on trails that currently have snowmaking coverage | ~39 acres |
| Replacement of existing infrastructure on eight trails, including miscellaneous trail widening | ~102 acres |
| Snowmaking on new/existing trails that currently have no coverage | ~106 acres |
| TOTAL | 807 acres |

Source: SE GROUP

New snowmaking is proposed on the following existing and proposed trails:

**Table 5-3:
New Snowmaking Coverage on Dercum Mountain and North Peak**

| EXISTING TRAILS |
|--|
| Sante Fe |
| Swandyke |
| Bobtail |
| Schoolmaster |
| Go Devil |
| Scout/Ranger |
| PROPOSED TRAILS |
| Jackface/Burro Alley Bypass (Map Ref. 1-18) |
| Ski Tip Connector Trail (Map Ref. 1-21) |
| Sante Fe to River Run Gondola Mid-Terminal Connector Trail (Map Ref. 1-23) |
| Silver Spoon/Paymaster Connector Trail (Map Ref. 3-7) |
| Schoolmarm Bypass (Map Ref. 3-11 and 3-12) |
| New Trail (Map Ref. 3-14) |
| New Trail (Map Ref. 3-15) |
| New Trail (Map Ref. 3-16) |
| “Jimmy Connector” Trail (Map Ref. 4-9) |
| Diamond Back to Mineshaft Connector Trail (Map Ref. 9-4) |

Source: SE GROUP

2. Snowmaking Water Storage and Supply

Over the years, Keystone has investigated numerous options for securing adequate instantaneous water supply for its snowmaking system. These include on-mountain storage reservoirs and constructing water pipelines from nearby water sources. Two potential options are:

1. Continuing to use water from the Roberts Tunnel but conveying water via a newly constructed pipeline from the Montezuma Vent Shaft (approximately 4 miles east of the base area) rather than using the Snake River to convey the water. The pipeline would connect to the existing snowmaking system tie-in located in the base area.
2. Using the Reynolds Reservoir (located west of the ski area at Keystone Ranch Golf Course Lake) to store snowmaking water, which would be conveyed by one of two potential pipeline alignments. Both alignments would follow along the Aqueduct Trail, but then one option would be up the Gulch Road, to CB 2 at the bottom of the Ruby Lift to tie into the existing snowmaking infrastructure or down the Gulch Road, along Soda Ridge Road and Keystone Road, eventually tying into the snowmaking intake at Mountain House. Reynolds Reservoir is

on privately owned land but portions of a newly constructed pipeline would be on National Forest System Lands.

All options will be considered in the future as Keystone continues to address its instantaneous water supply needs.

L. UPGRADED GUEST SERVICES SPACE AND FOOD SERVICE SEATING

1. Guest Services

With implementation of the MDP, there will be three base area staging locations – or portals – at Keystone: River Run, Mountain House, and Ski Tip. In addition to providing staging facilities, River Run and Mountain House will also continue to offer commercial guest services that are utilized throughout the day including food services, restrooms, and retail. The Ski Tip portal will provide staging facilities only, for the proposed day skier parking lot as well as for the adjacent real estate development.

Additional services will be provided on-mountain in four locations: Summit House, La Bonte’s Cabin, the Outpost Lodge and the proposed Outback deck.²³

A complete inventory of proposed guest services is located in Tables 10-13 and 15 of Appendix A.

Sufficient guest service space should be provided to accommodate the upgraded resort CCC of 16,120 guests per day. The distribution of the CCC is utilized to determine guest service capacities and spatial requirements for skier services at base area portals and on-mountain facilities. The CCC should be distributed between each guest service facility location according to the number of guests that would be utilizing the lifts and terrain associated with each facility.

Table 17 in Appendix A illustrates the distribution of Keystone’s upgraded CCC amongst the base area and on-mountain facilities. The existing distribution was re-balanced between the facilities based upon projected base area and on-mountain facility use at the resort.

In addition to distributing the CCC amongst the base area and on-mountain facilities, guest service capacity needs and the resulting space sizing recommendations are determined through a process of reviewing and analyzing the current operations to determine specific guest service requirements that are unique to the resort. The unique attributes of the resort operations that were determined as part of the existing conditions analysis have been utilized to project proposed spatial needs for guest services.

Based upon a CCC of 16,120 skiers, the distribution described in Table 17 in Appendix A, and the unique operational factors determined as part of the existing conditions analysis, Table 5-4 compares the upgraded space use allocations of the visitor service functions to industry standards for a resort of similar market orientation and regional context as Keystone. Square footage figures contained in this table are calculated to illustrate how the ski area compares to industry averages, and should not be considered absolute requirements.

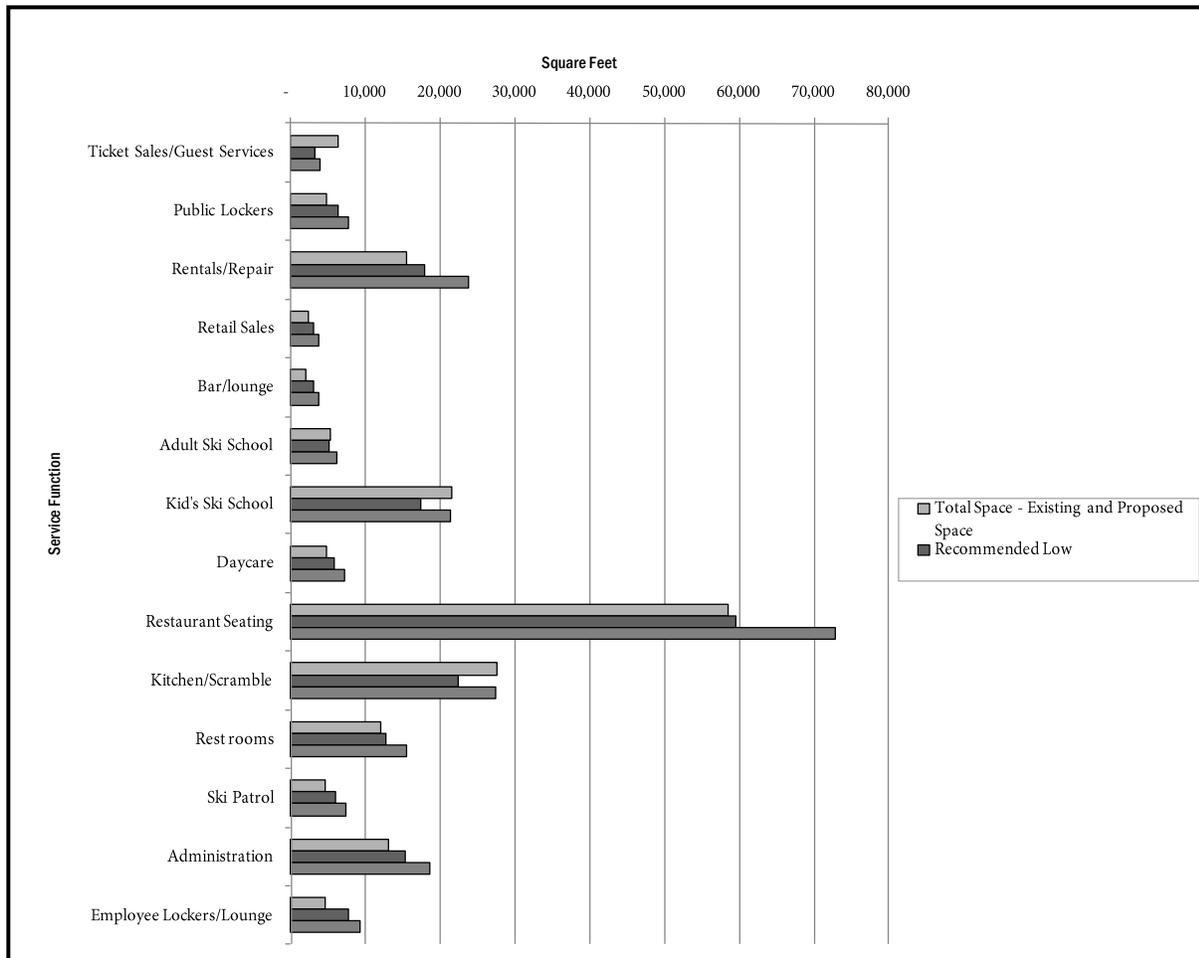
²³ Facility conditions are addressed below in the “On-Mountain Facilities” discussion.

**Table 5-4:
Industry Average Space Use – Upgrading Plan: Resort Total**

| Service Function | Existing (retained) | Proposed | Total Space | Recommended Range | |
|-----------------------------|------------------------|----------------|----------------|-------------------|----------------|
| | | | | Low | High |
| Ticket Sales/Guest Services | 1,044 | 5,349 | 6,393 | 3,160 | 3,860 |
| Public Lockers | 365 | 4,355 | 4,720 | 6,310 | 7,710 |
| Rentals/Repair | 900 | 14,500 | 15,400 | 17,880 | 23,830 |
| Retail Sales | 858 | 1,500 | 2,358 | 3,040 | 3,730 |
| Bar/lounge | 1,000 | 970 | 1,970 | 2,970 | 3,640 |
| Adult Ski School | 775 | 4,500 | 5,275 | 5,080 | 6,200 |
| Kid's Ski School | - | 21,499 | 21,499 | 17,410 | 21,280 |
| Daycare | 4,800 | - | 4,800 | 5,800 | 7,090 |
| Restaurant Seating | 23,386 | 35,174 | 58,560 | 59,580 | 72,810 |
| Kitchen/Scramble | 13,904 | 13,636 | 27,540 | 22,330 | 27,310 |
| Rest rooms | 3,323 | 8,648 | 11,971 | 12,670 | 15,480 |
| Ski Patrol | 1,200 | 3,360 | 4,560 | 5,950 | 7,290 |
| Administration | 7,460 | 5,555 | 13,015 | 15,240 | 18,610 |
| Employee Lockers/Lounge | 2,954 | 1,637 | 4,591 | 7,610 | 9,310 |
| TOTAL SQUARE FEET | 61,969 | 120,683 | 182,652 | 185,030 | 228,150 |

Source: SE GROUP

**Chart 5-2:
Total Space Use And Recommendations – Upgrading Plan**



As shown in the above table and chart, from a resort-wide perspective Keystone’s guest service space would fall just below the recommended range. Notable deficits occur in administration and employee space. Future plans for providing between 6,000 and 10,000 square feet of administration space (e.g., Human Resources, Employee Center, and Marketing) at an offsite location would alleviate this deficit.

Recommendations for Bar/Lounge and Retail space have been decreased from the existing conditions, since proposed future redevelopment of the base area facilities at both River Run and Mountain House will include the addition of several third party vendors who may supply these services for guests. There is a continued deficit in rental shop space which will be alleviated by third party vendors.

Restaurant seating and restroom space will be increased at the River Run and Mountain House base areas, as well as on-mountain at the Summit House, Outpost, and the new Outback Deck. This growth in restaurant seating and restroom space will accommodate much the existing deficit and the proposed increase in CCC. Detailed information on proposed increases is provided in the following pages.

The tables do not indicate whether this balance of space is typical at each base area and on-mountain facility location. Further detail of each individual guest service location is required to illustrate specific locations and amount of additional space recommended throughout the resort, in order to optimize opportunities for improvements to the guest experience. The following tables and text address the proposed upgraded space use at each guest service facility.

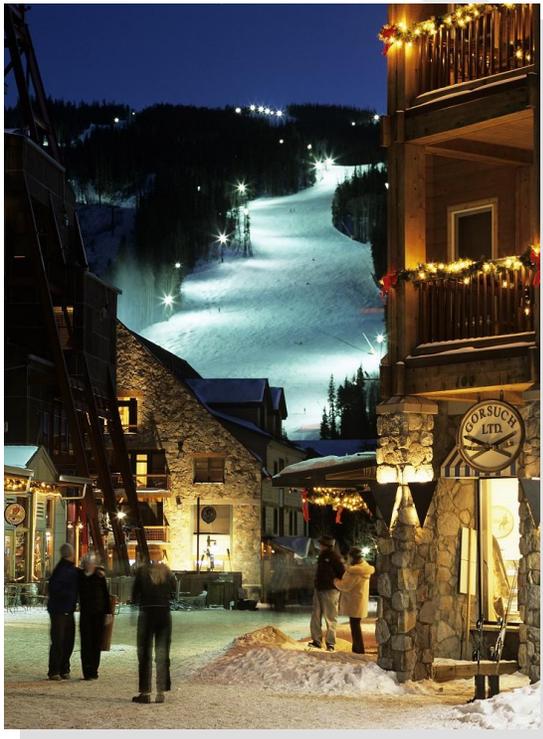
The space recommendations in the following tables are directly related to the distribution of the resort's capacity to the various guest service facilities located in the base areas and on-mountain, as illustrated in Table 17 found in Appendix A. This distribution responds to the ideal movement of guests onto and around the mountain throughout the day. As such, it is important to provide adequately sized facilities at each location to respond to this guest circulation.

a. Base Area Portals

The proposed portal staging capacity is depicted in Figure 5.2.

Redeveloped River Run Portal

The River Run base area will continue to provide staging services for guests who park in the adjacent day parking lots or arrive via the local shuttle/bus service. River Run will also provide services for overnight guests staying in adjacent accommodations who will either walk to the facilities from their units or arrive at the base area via the local shuttle/bus service.



The River Run portal will accommodate roughly 57 percent – or 9,188 – of the total guests accessing Keystone. The series of small buildings located near the Snake River which currently provides staging services have been reconfigured as part of the adjacent gondola replacement project. In the near term, a temporary rental shop (a roughly 5,000 square foot “Sprung” structure) will be utilized in this location.

Additional services will continue to be provided in the commercial level of the remaining existing River Run Village buildings (Mountain Services Center, Tickets, Ski Check, Jackpine Lodge, Black Bear Lodge, Arapahoe Lodge, Buffalo Lodge, Silver Mill, and Dakota Lodge) as well as in future real estate development. Mountain Services Center (formerly the Green Light) is currently being remodeled to include restrooms, ticketing and

guest services. Additional real estate projects located adjacent to the River Run Gondola bottom terminal will include construction of a new rental shop facility (roughly 6,000 square feet) to replace

the temporary Sprung structure. A 6,000 square feet ski school facility will be constructed in association with the real estate projects.

The proposed redevelopment of the River Run guest service facilities will increase the amount of rentals, ski school (both adult’s and children’s) and food service space, to better accommodate guests’ using this area as a staging portal and/or a lunchtime destination.

**Table 5-5:
Industry Average Space Use – Upgrading Plan: River Run**

| Service Function | Existing | Proposed | Total Space | Recommended Range | |
|-----------------------------|---------------|---------------|---------------|-------------------|---------------|
| | | | | Low | High |
| Ticket Sales/Guest Services | 1,044 | - | 1,044 | 2,070 | 2,530 |
| Public Lockers | 365 | - | 365 | 4,130 | 5,050 |
| Rentals/Repair | 900 | 6,000 | 6,900 | 7,720 | 10,290 |
| Retail Sales | 808 | - | 808 | 2,130 | 2,610 |
| Bar/lounge | - | - | - | 870 | 1,070 |
| Adult Ski School | 775 | 1,000 | 1,775 | 1,780 | 2,170 |
| Kid’s Ski School | - | 6,200 | 6,200 | 6,090 | 7,450 |
| Daycare | 4,800 | - | 4,800 | 2,030 | 2,480 |
| Restaurant Seating | 15,166 | 4,000 | 19,166 | 17,500 | 21,390 |
| Kitchen/Scramble | 6,944 | 1,500 | 8,444 | 6,560 | 8,020 |
| Rest rooms | 1,123 | 2,000 | 3,123 | 3,720 | 4,550 |
| Ski Patrol | - | - | - | 1,750 | 2,140 |
| Administration | 6,960 | - | 6,960 | 3,050 | 3,720 |
| Employee Lockers/Lounge | 2,454 | - | 2,454 | 1,520 | 1,860 |
| TOTAL SQUARE FEET | 41,339 | 20,700 | 62,039 | 60,920 | 75,330 |

Source: SE GROUP

There would be very little bar/lounge or retail space provided by Keystone at the River Run facilities, since these services would be available from third party vendors. The small amount of bar/lounge space that will be developed by Keystone is included in the restaurant seating space in Table 5-5.

A complete inventory of proposed guest services is located in tables 10-13 and 15 of Appendix A.

Redeveloped Mountain House Portal

As part of the redevelopment of private lands at the Mountain House base area, the existing one- and two-story buildings are planned to be removed and several taller accommodation buildings will be constructed. A total of 588 units will be developed, comprised of a mix of town homes and condo units. The planning of the new Mountain House development envisions that skier services will occupy much of the ground floor space, particularly in the buildings planned for the snow front. The regrading and reconfiguration of the snow front due to this development will take into account the elevations of the staging lifts and the beginner skiing zone as well. The location of the Discovery lift

top terminal will not change, but the bottom terminal (located on private lands) may be relocated slightly in the future to account for the new grades and building locations.

The Mountain House base area will continue to provide staging services for day skiers that park in the adjacent day parking lots or arrive via the local shuttle/bus service, as well as for overnight guests staying in adjacent accommodations.

Mountain House will accommodate 30 percent – or 4,836 – of the total guests skiing at Keystone. The Mountain House area will be undergoing a complete redevelopment in the future, which will include the construction of new staging services facilities.

A complete inventory of proposed guest services is located in tables 10-13 and 15 of Appendix A.

**Table 5-6:
Industry Average Space Use – Upgrading Plan: Mountain House**

| Service Function | Total Proposed Space | Recommended Range | |
|-----------------------------|----------------------|-------------------|---------------|
| | | Low | High |
| Ticket Sales/Guest Services | 4,769 | 1,090 | 1,330 |
| Public Lockers | 3,205 | 2,180 | 2,660 |
| Rentals/Repair | 7,500 | 10,160 | 13,540 |
| Retail Sales | 1,500 | 910 | 1,120 |
| Bar/lounge | - | 520 | 630 |
| Adult Ski School | 3,500 | 3,300 | 4,030 |
| Kid's Ski School | 15,299 | 11,320 | 13,830 |
| Daycare | - | 3,770 | 4,610 |
| Restaurant Seating | 8,214 | 10,380 | 12,680 |
| Kitchen/Scramble | 4,876 | 3,890 | 4,760 |
| Rest rooms | 1,988 | 2,210 | 2,700 |
| Ski Patrol | 1,420 | 1,040 | 1,270 |
| Administration | 5,555 | 12,190 | 14,890 |
| Employee Lockers/Lounge | 1,637 | 6,090 | 7,450 |
| TOTAL SQUARE FEET | 59,463 | 69,050 | 85,500 |

Source: SE GROUP

As shown in the table above, Mountain House base area facilities are below the recommended range. This is primarily due to the lack of administration and employee space at this location, which would be offset by the future plans for providing between 6,000 and 10,000 square feet of administration space (e.g., Human Resources, Employee Center, and Marketing) off site.

New Ski Tip Portal

The Ski Tip portal will be developed with a range of services to accommodate residents, overnight guests, and day skiers. It is envisioned that approximately 230 residential units (town homes, condos, and hotel units) will be constructed on private lands.

The Ski Tip Portal base area will be located southeast of the River Run base area. This portal will provide limited staging services (tickets, lockers, rentals and restrooms) for day skiers that park in the proposed Powerline day skier lot, as well as for overnight guests staying in adjacent accommodations and other residents in the East Keystone area (Settlers Creek, Trappers Crossing, and Ski Tip Neighborhoods). The Ski Tip Portal will accommodate roughly 13 percent – or 2,096 – of the total guests skiing at Keystone. A complete inventory of proposed guest services is located in tables 10-13 and 15 of Appendix A.

**Table 5-7:
Industry Average Space Use – Upgrading Plan: Ski Tip Portal**

| Service Function | Recommended Range | |
|-----------------------------|-------------------|--------------|
| | Low | High |
| Ticket Sales/Guest Services | 470 | 580 |
| Public Lockers | 940 | 1,150 |
| Rentals/Repair | 750 | 1,000 |
| Retail Sales | - | - |
| Bar/lounge | - | - |
| Adult Ski School | - | - |
| Kid’s Ski School | - | - |
| Daycare | - | - |
| Restaurant Seating | - | - |
| Kitchen/Scramble | - | - |
| Rest rooms | 100 | 150 |
| Ski Patrol | - | - |
| Administration | - | - |
| Employee Lockers/Lounge | - | - |
| TOTAL SQUARE FEET | 2,260 | 2,880 |

Source: SE GROUP

b. On-Mountain Facilities

New Summit House Facility

The long-term plans for the Summit House include a complete re-build of the facility. The new Summit House is scheduled to include day time food services as well as a dining room suitable for day time and evening uses, ski patrol, restrooms ski school and banquets/weddings. In addition to the Summit House facility, another building would accommodate ticket sales, food service (barbeque,

salads and sandwiches), a warming area, and restrooms for both the tubing and summer time operations.

It would be optimal to relocate the Summit House to an area between the top of the Outpost Gondola and Ruby Express. Relocating this facility will open up to the *Frenchman* entrance and will also open the entrance to *Bachelor* and *Flying Dutchman*. Higher use of these underutilized trails will also help reduce the traffic on Schoolmarm.

**Table 5-8:
Industry Average Space Use – Upgrading Plan: On-Mountain – Summit House**

| Service Function | Recommended Range | |
|-----------------------------|-------------------|---------------|
| | Low | High |
| Ticket Sales/Guest Services | - | - |
| Public Lockers | - | - |
| Rentals/Repair | - | - |
| Retail Sales | - | - |
| Bar/lounge | 790 | 970 |
| Adult Ski School | - | - |
| Kid’s Ski School | - | - |
| Daycare | - | - |
| Restaurant Seating | 15,840 | 19,360 |
| Kitchen/Scramble | 5,940 | 7,260 |
| Rest rooms | 3,370 | 4,110 |
| Ski Patrol | 1,580 | 1,940 |
| Administration | - | - |
| Employee Lockers/Lounge | - | - |
| TOTAL SQUARE FEET | 27,520 | 33,640 |

Source: SE GROUP

La Bonte’s Cabin

The expansion of food service seating at the Outpost, and the additional food service provided at the Outback Deck (both defined below) will alleviate the pressure on the La Bonte’s Cabin facility during peak lunch times. Additionally, the outdoor deck will provide additional seating to accommodate lunchtime demand.

**Table 5-9:
Industry Average Space Use – Upgrading Plan: On-Mountain – La Bonte’s Cabin**

| Service Function | Existing | Recommended Range | |
|-----------------------------|--------------|-------------------|--------------|
| | | Low | High |
| Ticket Sales/Guest Services | - | - | - |
| Public Lockers | - | - | - |
| Rentals/Repair | - | - | - |
| Retail Sales | - | - | - |
| Bar/lounge | - | 110 | 140 |
| Adult Ski School | - | - | - |
| Kid’s Ski School | - | - | - |
| Daycare | - | - | - |
| Restaurant Seating | 720 | 2,220 | 2,710 |
| Kitchen/Scramble | 960 | 830 | 1,020 |
| Rest rooms | 600 | 470 | 580 |
| Ski Patrol | - | 220 | 270 |
| Administration | - | - | - |
| Employee Lockers/Lounge | - | - | - |
| TOTAL SQUARE FEET | 2,280 | 3,850 | 4,720 |

Source: SE GROUP

As shown in the space use table, the food service facilities available are below the recommended range for this location. Seating on the outside deck counters this deficit.

Enlarged Outpost Lodge

The seating capacity of the Outpost Lodge will be increased by 300 seats, to accommodate the additional capacity of the proposed Bergman and Outback lifts and terrain. Additional seats will be provided by either a re-organization of the Alpenglouw Stube facility or by enclosing the outside deck seating area. The reader is referred to Figure 5.5.

**Table 5-10:
Industry Average Space Use – Upgrading Plan: On-Mountain – The Outpost Lodge**

| Service Function | Existing | Proposed | Total Space | Recommended Range | |
|-----------------------------|---------------|--------------|---------------|-------------------|---------------|
| | | | | Low | High |
| Ticket Sales/Guest Services | - | - | - | - | - |
| Public Lockers | - | - | - | - | - |
| Rentals/Repair | - | - | - | - | - |
| Retail Sales | 50 | - | 50 | - | - |
| Bar/lounge | 1,000 | - | 1,000 | 680 | 830 |
| Adult Ski School | - | - | - | - | - |
| Kid’s Ski School | - | - | - | - | - |
| Daycare | - | - | - | - | - |
| Restaurant Seating | 7,500 | 3,600 | 11,100 | 13,640 | 16,670 |
| Kitchen/Scramble | 6,000 | - | 6,000 | 5,110 | 6,250 |
| Rest rooms | 1,600 | - | 1,600 | 2,900 | 3,540 |
| Ski Patrol | 1,200 | - | 1,200 | 1,360 | 1,670 |
| Administration | 500 | - | 500 | - | - |
| Employee Lockers/Lounge | 500 | - | 500 | - | - |
| TOTAL SQUARE FEET | 18,350 | 3,600 | 21,950 | 23,690 | 28,960 |

Source: SE GROUP

As shown in the space use table, the food service facilities are below the recommended range. This deficit would be offset by the use of the outdoor deck seating area.

New Outback Deck

The Outback Deck (depicted on Figure 5.6) will be a new food service facility similar to La Bonte’s Cabin, located adjacent to the lower terminal of the Outback Express. This roughly 400-square foot (20’x20’) facility will include a public BBQ, “brown bag” area, and permanent restrooms.

**Table 5-11:
Industry Average Space Use – Upgrading Plan: On-Mountain – Outback Deck**

| Service Function | Proposed | Recommended Range | |
|-----------------------------|------------|-------------------|--------------|
| | | Low | High |
| Ticket Sales/Guest Services | - | - | - |
| Public Lockers | - | - | - |
| Rentals/Repair | - | - | - |
| Retail Sales | - | - | - |
| Bar/lounge | - | 70 | 80 |
| Adult Ski School | - | - | - |
| Kid’s Ski School | - | - | - |
| Daycare | - | - | - |
| Restaurant Seating | - | 1,360 | 1,660 |
| Kitchen/Scramble | - | 510 | 620 |
| Rest rooms | 400 | 290 | 350 |
| Ski Patrol | - | 140 | 170 |
| Administration | - | - | - |
| Employee Lockers/Lounge | - | - | - |
| TOTAL SQUARE FEET | 400 | 2,370 | 2,880 |

Source: SE GROUP

The food service offered at the Outback Deck location will be outside. As such, the spatial recommendations shown in the table above will be accommodated primarily by the outdoor space.

2. Food Service Seating

Food service seating at Keystone will continue to be provided at the following locations:

- River Run Base Area – Jackpine Lodge, Black Bear Lodge, Arapahoe Lodge, and Silver Mill
- Mountain House Base Area – as part of the base area redevelopment
- On-mountain – Summit House, La Bonte’s, Outpost, Outback Deck

A key factor in evaluating restaurant capacity is the turnover rate of the seats. A turnover rate of two to five times is the standard range utilized in determining restaurant capacity. Sit-down dining at ski areas typically results in a turnover rate of between two and three, while “fast food” cafeteria style dining is characterized by a higher turnover rate. Furthermore, weather has an influence on turnover rates at ski areas, as on snowy days guests spend more time indoors than on sunny days. Due to the mix of restaurant types and the typically good weather, turnover rates of between 1.0 and 4.0 were used.

The following table summarizes the seating requirements at Keystone, based on a logical distribution of the CCC to each service building/location.

**Table 5-12:
Recommended Restaurant Seats**

| | Base Areas | | On-Mountain Facilities | | | | RESORT TOTAL |
|---|------------|----------------|------------------------|------------|---------|--------------|--------------|
| | River Run | Mountain House | Summit House | La Bonte's | Outpost | Outback Deck | |
| Lunchtime Capacity (CCC+5% non-skiing guests) | 4,861 | 2,883 | 4,401 | 616 | 3,788 | 378 | 16,926 |
| Average Seat Turnover (indoor) | 2.9 | 2.8 | 3.5 | 4 | 3.5 | 3 | - |
| Existing Indoor Seats (retained) | 438 | 802 | - | 50 | 449 | - | 1,739 |
| Proposed Indoor Seats | 350 | 650 | 700 | - | 300 | - | 2,000 |
| Total Indoor Seats | 788 | 1,452 | 700 | 50 | 749 | - | 3,739 |
| Average Seat Turnover (outdoor) | 2 | 1 | 1 | 4 | 1 | 3 | - |
| Existing Outdoor Seats (retained) | 335 | 304 | 162 | 150 | 350 | - | 1,301 |
| Proposed Outdoor Seats | - | 250 | - | - | - | 50 | 300 |
| Total Outdoor Seats | 335 | 554 | 162 | 150 | 350 | 50 | 1,601 |
| Required Seats | 1,676 | 1,047 | 1,247 | 154 | 1,082 | 126 | 5,333 |
| Difference (indoor seats - required) | -888 | 405 | -547 | -104 | -333 | -126 | -1,594 |
| Proposed seating capacity (indoor) | 2,285 | 3,996 | 2,470 | 200 | 2,622 | - | 11,573 |
| Proposed seating capacity (indoor and outdoor) | 2,955 | 4,550 | 2,632 | 800 | 2,972 | 150 | 14,059 |

Notes:

River Run EXISTING = Kickapoo Tavern-133, Spoon-30, Inxpot-40, Paisanos-110, Starbucks-20, Pizza on the Run-25, Parrot's Eyes-80, and Jay's Patio Café-20

Turnover rates taken from 11/07 Ecosign MP

River Run turnover based on weighted average of seven restaurants (based on turnover rates from 11/07 MP document)

Outpost - There are 96 fine dining seats in the Alpenglow Stube, and 100 'on-snow' outdoor seats (in addition to deck)

Mountain House EXISTING = Last Lift-106, Silverthorne Room-116, Dillon Room-136, Frisco Room-136, Ernie's Day Room-88, Loft-72, Bite Me-148, Outdoor-304

Summit House PROPOSED = 500 seats (250 for banquet) and 200 seats for ski school

Mountain House PROPOSED = 650 indoor seats (assume 12sf per seat for 8,214sf) and 250 outdoor (assume 12sf per seat for 3,000sf)

La Bonte's outdoor seating includes 100 seats that are "on snow."

Source: SE GROUP

As shown in the table above, there is a slight deficit of indoor seating capacity overall, with specific deficits at all facilities with the exception of Mountain House. The overall deficit is somewhat offset by the supply of outdoor seating. Third party vendors, and guests returning to their accommodation units for lunch will offset the remaining deficit.

M. INVENTORY OF ACCOMMODATIONS

1. Skiers from Beds

The development of the Hunki Dori parking lot, the redevelopment of the Mountain House base area, and the addition of the Ski Tip Portal will increase the amount of guests within the Skier Walking Distance (SWD). Currently there are 4,261 guests in the SWD, after the developments are complete there will be approximately 7,450 guests within the SWD.

**Table 5-13:
Proposed Guests From Beds**

| Guests From Beds | |
|-------------------------------------|--------------|
| Within Skier Walking Distance (SWD) | |
| River Run Portal | 3,160 |
| Mountain House Portal | 3,290 |
| Ski Tip Portal | 1,000 |
| Total Within SWD | 7,450 |

Source: Ecosign

N. PARKING CAPACITY

In conjunction with the Ski Tip Portal, Keystone will develop a previously planned satellite parking lot – the “Powerline Lot” – which is located on private land, along the north edge of Montezuma Road (across from the road accessing the Ski Tip portal). The Powerline Lot has a designed capacity of approximately 700 vehicles and will specifically serve as a parking area for Keystone’s guests who plan to access the mountain through the Ski Tip portal, but will accommodate those wishing to access River Run, as well. Approximately 1,680 guests could be parking at the Powerline Lot on a peak day when the lot is parked at full capacity. A shuttle will be operated throughout the day to provide access between the Powerline Lot and the Ski Tip/River Run portals.

While no day skier parking will be offered immediately proximate to the Ski Tip lift, a skier drop-off area will be provided within the Ski Tip Portal. The drop-off area will be used by shuttles and day skier vehicles circulating between the Powerline Lot and Ski Tip Portal, and will be located a short walking distance from the lower terminal of the lift.

An increase in parking capacity will also be implemented at the Tenderfoot parking lot. Currently the Tenderfoot lot can park 970 vehicles. After expanding the lot it will be able to accommodate 1,300 vehicles.

The East and West Mountain House parking lots will be limited in size by the redevelopment plan. The currently planning for these lots takes the 1,250 existing parking spaces and reduces them to 300 spaces. These parking lots will remain pay lots.

Three of the four River Run parking lots are planned to be part of different development projects in the future. The Montezuma lot (2,000 spaces) will remain and but the Hunki Dori, Gold Bug, and Brown’s Cabin lots will no longer be available for skier parking.

Table 5-14 summarizes the future parking inventory and Table 5-15 shows the recommended parking.

**Table 5-14:
Future Conditions Parking Inventory**

| Lot #/Status | Name | Parking Spaces | Average Vehicle Occupancy | Parking Capacity |
|-----------------------------|---------------|----------------|---------------------------|------------------|
| RIVER RUN | | | | |
| Removed | Hunki Dori | - | - | - |
| P2 - Free | Montezuma | 2,000 | 2.4 | 4,800 |
| Removed | Gold Bug | - | - | - |
| Removed | Brown’s Cabin | - | - | - |
| <i>Total River Run</i> | | <i>2,000</i> | | <i>4,800</i> |
| MOUNTAIN HOUSE | | | | |
| Reduced | East | 150 | 2.8 | 420 |
| Reduced | West | 150 | 2.8 | 420 |
| <i>Total Mountain House</i> | | <i>300</i> | | <i>840</i> |
| SKI TIP | | | | |
| P9 - Free | Powerline | 700 | 2.4 | 1,680 |
| Expanded | Tenderfoot | 1,300 | 2.4 | 3,120 |
| TOTAL RESORT | | 4,300 | | 10,440 |

Source: VRDC and EcoSign

**Table 5-15:
Recommended Parking – Upgrading Plan**

| | Multiplier | All Parking |
|---|------------|-------------|
| CCC + other guests | | 16,926 |
| Guest walking from accommodations | | 7,450 |
| # parking at portal | | 9,476 |
| # of guests arriving by car | 97% | 9,173 |
| # of guests arriving by charter bus | 2.5% | 237 |
| Required car parking spaces | 2.40 | 3,822 |
| Required charter bus parking spaces | 35.00 | 7 |
| Equivalent car spaces (1 bus=4.5 car) | 4.5 | 30 |
| Required employee car parking spaces | | 150 |
| Total required spaces | | 4,002 |
| Existing parking spaces | | 4,880 |
| Parking spaces replaced by development parcels | | 1,610 |
| Parking spaces added by proposed or expanded lots | | 1,030 |
| Future parking spaces | | 4,300 |
| surplus/ <i>deficit</i> | | 298 |

Source: SE GROUP

0. BALANCE OF FACILITIES

The overall balance of the proposed ski area is evaluated by calculating the capacities of the resort’s various facilities and comparing those facilities to the resort’s CCC. The above discussed capacities are shown in the following chart.