

State Environmental Quality Review
POSITIVE DECLARATION
Notice of Intent to Prepare a Draft EIS
Determination of Significance

Date: November 21, 2007

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act, "SEQR") of the Environmental Conservation Law.

The NYS Department of Environmental Conservation (DEC), as lead agency, has determined that the proposed action described below may have a significant impact on the environment and that a Supplemental Draft Environmental Impact Statement will be prepared.

Name of Action:

Multiparty agreement endorsing an integrated development project including construction and operation of the Wildacres Resort and Highmount Spa Resort complex by Crossroads Ventures LLC ("Crossroads"); expansion of the Belleayre Mountain Ski Center by the New York State Department of Environmental Conservation (DEC), including ski-in-ski-out public access to the proposed Highmount Spa Resort; acquisition by DEC on behalf of the People of the State of New York of a 1200 acre +/- parcel referred to as the Big Indian; and acquisition by DEC on behalf of the People of the State of New York of a 78 acre +/- parcel referred to as the Former Highmount Ski Center and a related 21 acre +/- Highmount Spa Easement.

Location:

The project site is located in the Town of Shandaken (Ulster County) and Town of Middletown (Delaware County), within the boundaries of the State of New York's (NYS) Catskill Park and also within City of New York's Catskill and Delaware Watershed. The project site is generally south of NYS Route 28 and the Village of Fleischmanns.

SEQR Status:

The proposed project is a Type 1 action.

A Draft Environmental Impact Statement ("DEIS") on a predecessor resort proposal, "Belleayre Resort at Catskill Park", was accepted as complete on November 26, 2003; written comments were received until February 17, 2004; and hearings on the DEIS were held on January 14 and January 15, 2004.

Scoping:

DEC will conduct public scoping on the proposed integrated development. Draft scoping materials have been prepared by Crossroads and DEC. These draft scoping

materials are available on-line at <http://www.dec.ny.gov/permits/6061.html>, or from the contact person listed at the end of this notice. Written comments on the draft scoping materials are encouraged, and will be accepted by the contact person until January 07, 2008.

A public informational meeting on the integrated project plan will be held on December 10, 2007 between 6pm and 9pm, at the Belleayre Mountain Ski Resort, in the Discovery Lodge conference space. Representatives of DEC and the project sponsors will present descriptions of the proposed activities, and copies of the draft scope will be available to attendees.

A scoping meeting to receive comments on the draft scope for the SDEIS has been scheduled for December 11, 2007 between 6 and 10pm, at the Belleayre Mountain Ski Resort, in the Discovery Lodge conference space. Speaking times may be limited, if necessary to accommodate all attendees. Interested persons are encouraged to provide any detailed or extensive comments in writing.

Description of Action:

The action to be addressed in this SDEIS is described in a September 5, 2007 agreement reached among the State of New York (NYS) represented by the Governor; Crossroads Ventures LLC (“Crossroads”), sponsor of the Belleayre Resort at Catskill Park development; New York City Department of Environmental Protection (NYC DEP); and a number of non-governmental organizations (NGOs). A copy of the aforesaid agreement is posted on the New York State Department of Environmental Conservation’s website at: <http://www.dec.ny.gov/permits/6061.html>. Additionally, copies may be obtained through the contact person listed below. Under the agreement, all parties agreed to support an integrated plan consisting of several generally concurrent components, which include Crossroads’ proposed development of a resort and spa complex generally west of and adjoining the NYS-owned and operated Belleayre Mountain Ski Center (BMSC); expansion of BMSC, including creation of “ski-in-ski-out” access to the resort; and acquisition by NYS of a 1200 acre +/- parcel east of the BMSC, referred to as “Big Indian” and a 78 +/- acre parcel west of the BMSC, referred to as “Former Highmount Ski Center.” The Big Indian Resort and golf course and related Belleayre Highlands lodging complex previously proposed by Crossroads for lands to the east of BMSC are no longer being considered for development by Crossroads.

The modified resort plan consists of two resort complexes, both located west of the NYS Belleayre Mountain Ski Center along Ulster County Route 49A and south of NYS Route 28. The first resort, Wildacres, will include a 250 room hotel-plus 139 lodging units in townhouse-style units surrounding an 18-hole golf course. The second resort, the Highmount Spa, consists of a 120 room hotel, spa facility, 60 lodging units in two multi-unit buildings and 60 detached lodging units in up to 52 buildings. It is being designed as a ski-in, ski-out resort connecting with the BMSC through an expansion to be built on the site of the former Highmount Ski Center.

The expansion of BMSC will be the subject of an amended Unit Management Plan, as required by The Catskill Park State Land Master Plan. Consistent with state constitutional limitations on total miles of ski trail that can be developed at BMSC, DEC is proposing to expand BMSC to both the west and the east. On the west, DEC proposes to acquire portions of the former Highmount Ski Center (78 acres+/-), plus permanent easements over other lands in close proximity to Crossroads' proposed resort facilities, and to develop new ski lifts and ski trails, with snowmaking capacity on the acquired parcels, configured to provide ski-in-ski-out public access to the resorts. DEC also proposes a new lift and trails near the eastern edge of the existing BMSC property. The acquisition of the former Highmount Ski Center and all proposed expansions of the Belleayre Mountain Ski Center will also be addressed by this SDEIS.

The agreement proposed a number of infrastructure developments to support Crossroads' proposed resorts plus BMSC's proposed expansions, which must also be addressed in the SDEIS. Under the agreement, all of the facilities would receive sewage treatment services from the Pine Hill Wastewater Treatment Plant (Pine Hill WWTP) under special contract with its operator, the NYC DEP. Both DEC and Crossroads have committed to support infrastructure improvements to access the plant and to ensure that the Pine Hill WWTP will have adequate capacity to manage the total generated wastewater. Possible water supplies for the resorts and the ski area may draw from the same sub-watershed.

Reasons Supporting This Determination:

While the current integrated project proposals represent an attempt to create a lower-impact overall project as compared to Crossroads' original proposal, it may still have significant adverse impacts. In addition, as a consequence of the modified project plan for the proposed Crossroads development in relation to the expansion of the Belleayre Mountain Ski Center, significant cumulative adverse impacts on some resources are also possible. These potential significant adverse impacts that have so far been identified include:

1. **Water Quality:** The project site is located within the NYC Watershed and contains streams that flow into the Pepacton Reservoir in Delaware County and the Ashokan Reservoir in Ulster County. Several high quality protected streams are located within or in close proximity to the project site, and are tributary to streams of regional and statewide importance. Further, while resort-related construction has been removed from the steepest slopes (in excess of 20%), resort construction would still occur on slopes exceeding 10 – 15%, and much of the BMSC expansion work would occur on steep slopes. Thus, storm water runoff during construction and operation of BMSC and the Crossroads' projects could contribute to degradation of these streams unless significant stormwater management facilities and practices are incorporated into designs and operational protocols at each site.

The project will also generate approximately 255,000 gallons per day of sanitary wastewater requiring treatment prior to disposal. The BMSC and the

resort both propose to use the existing NYC DEP Pine Hill WWTP to provide wastewater treatment. To accommodate the total wastewater volumes, infrastructure upgrades should be evaluated. The effectiveness of the proposed solutions, and possible alternatives, should be explored.

2. **Water Supply:** The resort development will require approximately 195,000 gallons per day of potable water. The expansion of the ski trail system will require additional water supplies for snow making. Existing groundwater and surface water resources may be affected due to this increased demand. Alternative sources to meet this increased demand should be identified, and the potential impacts on existing water resources and other water supply systems should be compared and evaluated.
3. **Aesthetics:** The integrated projects are located within the Catskill Park and adjacent to State owned lands, including the Big Indian Wilderness Area of the Catskill Forest Preserve. Crossroads' revised proposal, particularly the Highmount Spa facilities, in conjunction with the BMSC ski trail expansion, may have an aesthetic impact upon existing Forest Preserve hiking trails. In particular, the views from the north looking south need to be analyzed due to the revised layout and the new Highmount Spa resort. Other issues that need to be considered include the proposed projects' impacts on the night sky and snow reflection.
4. **Noise:** New noise sources and receptors may create a potential large impact. Construction at the resorts and at BMSC may impact Forest Preserve and adjoining private properties. New lifts on the eastern side of mountain will impact the ambient noise levels for the adjacent wilderness area of the Forest Preserve; in addition, impacts of construction and operational noise on potential public vantage points within the Big Indian acquisition should be considered, including under the potential classification of the Big Indian parcel either as Wild Forest or as Wilderness. Sensitive receptors should be identified for construction and operations noise from the resorts and from BMSC; alternative noise controls and avoidance measures for construction as well as operations at all potentially-significant sources for those receptors should be identified and evaluated.
5. **Transportation:** The combined project will generate an increase in vehicular trips per hour at peak operation on a very limited rural road network. Existing road capacity and traffic related impacts should be assessed, and mitigation alternatives should be evaluated. In addition, to help minimize project-driven generation of greenhouse gases, transit and other alternatives to lower the number of individual vehicle trips should be assessed.
6. **Community Character:** The projects will result in seasonal population increases in a rural area, including patrons of the resorts and ski area as well as additional seasonal staff; year-round staffing needs may lead to a small

increase in year-round population. The demands for services for both visitors and residents will likely lead to secondary growth including development of various retail/commercial facilities in the project vicinity as well as increased demands for community services. Baseline community profiles should be established, including demographic as well as cultural and historic traits. Likely population level changes within existing populations as well as several likely new demographic groupings (including but not limited to transient resort patrons, transient ski patrons, seasonal staff, and year-round staff) should be assessed. There needs to be an evaluation of impacts of demographic shifts on cultural resources, visual character, community services, housing and other significant community traits. Potential mitigation measures for those impacts should be identified and compared.

For Further Information:

Contact Person: **Daniel T. Whitehead**, Environmental Analyst
Division of Environmental Permits
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Albany, New York, 12233-1750
Tel. (518) 402-9167
Email: wildacre@gw.dec.state.ny.us (Please ensure your subject
line includes the phrase “Scoping”)

A copy of this notice has been sent to:

State of New York Governor’s Office
New York City Department of Environmental Protection
Crossroads Ventures, LLC
Natural Resources Defense Council
Marc S. Gerstman, Esq.
Catskill Center for Conservation and Development
Riverkeeper, Inc
Involved Agencies (Separate List)
Supervisor, Town of Shandaken
Supervisor, Town of Middletown
ENB
cc: DEC Hearing Service List (Separate List)
DEC Staff (Separate List)