



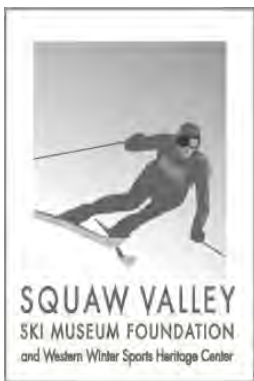
**SQUAW VALLEY OLYMPIC MUSEUM &
WINTER SPORTS HERITAGE CENTER
2012 REVISED CONCEPTUAL PROGRAM**

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**Original Disney Studios artist rendering of the 1960 Olympic Flame and Podium
Western SkiSport Museum Collection**



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www.squawvalleymuseum.org

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OLYMPIC VALLEY
CALIFORNIA 96146

The Squaw Valley Ski Museum
Foundation is a
501 (c)(3) corporation
FEIN #26-3480974

Fall, 2012

Squaw Valley Ski Museum Foundation
P. O. Box 2697
Olympic Valley, CA 96146

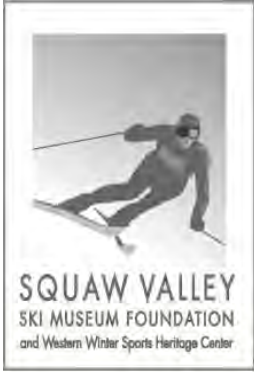
Re: Revised Museum Project Outreach

To: Placer County Board of Supervisors
North Lake Tahoe Community
Winter Sports Enthusiasts

The Squaw Valley Ski Museum Foundation was founded in 2008 to fulfill the vision of creating a Museum of local, regional and international significance that will tell the story of the VIII Winter Olympic Games in Squaw Valley, as well as the rich history of winter sports in the Sierra Nevada beginning with the Gold Rush.

In the ensuing four years the foundation has worked diligently to accomplish our goal. A few of the major milestones reached include:

- In June of 2009, working with distinguished museum planners, architects and a local engineering firm, we released our first feasibility master plan. The plan described in detail an Olympic Museum and Winter Sports Heritage Center and confirmed the viability of the concept as a historical and cultural attraction.
- In December 2010, when North Lake Tahoe celebrated the 50th anniversary of the VIII Olympic Games, we partnered with the North Lake Tahoe Resort Association, Olympic Heritage Committee, Squaw Valley Ski Corp and members of the local community to create a tremendously successful Olympic Heritage Celebration. The culminating Olympic Gala drew an unprecedented number of local Olympians, returning 1960 Olympians and more than 600 guests.
- From January 2010 to March 2011, board and community volunteers operated an "Interim Museum" in the Squaw Valley Village with a limited display of photos, artifacts and documents representing the history we intend to share in a future museum. We were greatly impressed and encouraged by the interest shown by locals and visitors alike.



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There is no doubt in our minds that the concept viability for this Museum is 100% positive. The selection of the project site however, has been a longer and more difficult process. Nonetheless, the board has remained undaunted in search of a site worthy of an Olympic Museum. We have listened to the community, talked with stake holders and explored every conceivable option. Through this period of due diligence and study, the board has reaffirmed the conclusion reached by the professional museum planning team and the foundation in 2009 – **that the Squaw Valley Park is the one and only location that can achieve the goal of a world class Olympic and winter sports museum.**

What follows in this revised concept is a new master plan for a museum located at the edge of the Squaw Valley Park, very different from what was proposed in 2009. This document provides solutions to concerns raised by some Squaw Valley community members regarding a location. We believe this new concept fits with the existing Squaw Valley Park activities and lays out a path to a positive enhancement to the park for the community and visitors to the region.

The Squaw Valley Ski Museum Foundation board is asking the Placer County Board of Supervisors to give consideration to this concept and allow us to move forward to the next steps. We recognize there will be challenges along the way, but we believe they can and will be solved through the process resulting in a museum the community will be proud of, ensuring a lasting legacy of Olympic history.

Placer County and the North Lake Tahoe region is, and always will be, an Olympic community. **We sincerely hope the Placer County Board of Supervisors will join with us in a public/private partnership to fulfill our mission to preserve our past, present and future history for visitors and locals alike.**

Thank you,

Squaw Valley Ski Museum Foundation Board of Directors

Executive Summary of the Site Selection Process:

From the inception of the museum planning process the selection of the right site has been a critical step. Just as the 1960 Olympic venue designers considered snowfall, wind direction and exposure, SVSMF must also carefully select a site that will support our mission and enable us to accomplish our objectives.

In order for our mission to be successful, there must be a symbolic proximity to the 1960 venues. An Olympic museum worthy site must also provide visibility, access to visitors both in and outside of Squaw Valley and be neutral in representing the winter sports legacy of the entire Sierra.

The four year journey by SVSMF to select and formally propose a site has concluded, with the belief of the board of the directors and respected consultants that a location on the edge of the Squaw Valley Park is the one and only location that can meet the objectives of the museum.

Brief summary of the due diligence in reaching this conclusion:

- Early in 2009, a team of museum planners, architects and local engineers were hired to prepare a feasibility master plan for the museum.
- The team conducted an extensive site analysis, within and outside Olympic Valley, and selected six potential sites for study. These sites were evaluated for ownership, size, zoning, access, utilities, along with subjective factors of visibility, proximity to 1960 venues and environmental setting.
- In June of 2009 the planning team submitted their master plan identifying the Squaw Valley Park as the overwhelming first choice worthy of an Olympic museum site. Public outreach meetings were held in the Squaw Valley and North Lake Tahoe community in June and again in September of 2009.
- Feedback from early meetings revealed that some Squaw Valley residents had concerns about locating the museum in the park; so a site selection committee was appointed in July, 2009, to further study the planning team's recommendations. The committee (5 Squaw Valley residents and 6 residents from nearby communities) held 9 open meetings over 12 months.
- Early in the process, the committee voted in favor of locating the Olympic museum close to highway 89 near the entrance to Squaw Valley, rather than close to the village or the base area. Extensive study was given to the undeveloped county land north (Tower of Nations site) of Squaw Valley road.
- At the final committee meeting in June 2010, the committee voted 9 to 1 in favor of locating the museum in the Park with the condition that, **"the museum would not significantly interfere with any of the present or planned activities and recreation in the park"**.



1960 Olympic Games, Men's Slalom, Eddy Ancinas collection

Final phase of the site selection process:

Following the conclusion of the site selection committee process and knowing the park site presented challenges in terms of deed restrictions, zoning and concerns that must be addressed, there was yet another period of study and debate by the board resulting in the following actions:

- Members of the SVSMF board met with representatives of KSL, the new owners of Squaw Valley, who were supportive of the museum concept. However, their future development plans for a village did not include a site that would meet the goals and objectives of the Museum.
- The Board again made a time consuming and costly investigation into the feasibility of the Tower of Nations site. Land owners adjacent to the county land were contacted again, and it was determined the private land was not an option. Scenarios for realigning an easement across the county land and moving overhead transmissions lines were explored and also determined to be unfeasible. The site was ruled out yet again.

Final site recommendation:

After four years of study, re-study, community input and considerable debate, the board of directors concluded that a new museum concept was needed. The decision was made to engage a project management team with extensive experience in museum planning to guide development of a revised concept for the museum located in the Squaw Valley Park.



**Raising the rings on Blyth Arena
Western SkiSport Museum, Stechschulte collection**

New Olympic Museum concept at the edge of the Squaw Valley Park

In the fall of 2011 SVSMF concluded an RFP process that selected consultants to take the project to the next step. Their scope of work called for a fresh evaluation of the extensive body of work completed to date and the development of a new concept for a museum sited at the edge of the Squaw Valley Park. The consultants were charged with finding solutions to issues and concerns previously raised and present a path to all stakeholders that will result in a museum the community will be proud to call their own. Some of the issues addressed included:

- Respect for the founding vision and mission of the park.
- Impact on the natural resources.
- Effect on the current summer only operation and infrastructure.
- Effect on current and future recreational activities.
- Deed restrictions
- Zoning

Guided by the consultants, the SVSMF board is confident concerns and questions that have been raised about the proposed park site have been reasonably and fairly addressed in this new concept that follows. Most importantly, the board believes this new concept for a museum now proposed on the edge of the park will not detract in any way from the present and future park activities, and in fact will enhance the park experience for locals and visitors as they learn about our unique Olympic and Sierra winter sports history. Some of the key issues addressed include:

- The new smaller building footprint at the north edge of the park that will be consistent with the original vision and mission of the park.
- The new museum concept will not affect current or future park activities and will not cause significant site disturbance or alteration to the resource.
- The addition of a historical, educational and cultural experience in the park will enhance the park's role in Squaw Valley and the North Lake Tahoe region for residents and visitors.
- The museum will bring improvements to the limited infrastructure allowing for future expansion of the recreational uses.
- **By forming a public/private partnership with Placer County the Museum will provide year-round operational and maintenance support that will maximize the public benefit and Placer County's investment.**

- **Deed Restrictions:** The museum will operate on a 501 c(3) non-profit charitable status and will not be in violation of the deed restrictions placed by the USFS in 1999. In December of 2011 SVSMF asked the U.S. Forest Service to clarify the original intent of the restriction that states, “... ***the use of the property for a community park does not include the use of the property for private development, of a commercial, residential, or industrial nature...***”. SVSMF submitted to the US Forest Service an extensive legal opinion (included in the supporting documents) that supports the board’s belief the museum would not be a commercial operation and would not cause an issue with the deed.
 - In his response Pacific South West Regional forester Randy Moore suggested, “...***the County is best able to assess whether the museum proposed by SVSMF is consistent with the use of the property as a community park pursuant to County park management authorities and terms and conditions of the deed. I propose you continue to work with the County in this assessment of the SVSMF proposal...***” The board and our legal advisors believes the USFS has clearly provided Placer County the authority to approve a non-profit museum use in the park without violating the deed restriction.
- **Zoning:** Current zoning of the park land use is designated under the Squaw Valley General Plan as Forest Recreation, which allows a limited range of recreational uses but not specifically a museum. Interestingly a historical function in the park was considered when the park was being developed but not included.
 - Should Placer County allow SVSMF to tentatively move forward SVSMF will propose a zoning code amendment to allow a category of “Libraries and Museum’s be added to the forestry zone subject to obtaining a Conditional Use Permit. **The amendment would be narrowly structured in such a way that only the location in the Squaw Valley park would apply.** The SVSMF board is hopeful this approach can be discussed in detail with senior county staff .



United States Cross-Country Olympic Team
McKinney Creek Cross-Country and Biathlon Venue
on Lake Tahoe's west shore

New Olympic Museum footprint at the edge of the Park

The illustrations below and on the following pages represent one possible building concept. The intent below is to demonstrate how the new concept with a reduced footprint at the edge of the park will address concerns and complement existing recreational use. **No design concept is being proposed and in fact SVSMF will conduct design workshops with community stakeholders.** It is only natural a museum representing the winter sports culture of the region be developed with community input.

Reduced building footprint

Original site plan
(12,500 sf. building footprint)



The original site plan showed a rather large and imposing building footprint that dominated the proposed site and created a significant impact on the natural resources of the site. The building would have been located close to existing recreation activities raising concerns about potential conflicts.

New site plan
(7,250 sf. building footprint)



The revised site plan shows a much smaller building which properly responds to the natural conditions of the site as well as the adjacent park. The building is nestled into the (E) site and respects rather than dominates the park and the natural topography of the site. The new proposed museum would be located behind the Olympic Rings (as seen from Highway 89) and will serve as an anchor to the park while at the same time preserving the character and charm of the existing park setting.

New building location at the edge of the Park



SITE PLAN

In this new conceptual footprint illustration the Squaw Valley Olympic Museum & Winter Sports Heritage Center will be approximately 14,500 square feet distributed over (2) levels. The layout of the building in this manner will result in a building footprint of roughly 7,250 square feet. The building is nestled into the site such that it will convey the appearance of a single story building from the entrance level.

As shown in the attached renderings, the building will be sited to allow for clear visibility from Highway 89 and to provide a picturesque back drop to the Olympic Ring of Nations. The proposed museum will utilize the existing infrastructure of the park site and will not take away any of the existing parking spaces on site. The limited loading functions have been located within the lower level of the building, accessed through the lower parking area, in order to maintain the character of the existing park setting.

Upper Level Floor Plan:



No building design is being proposed at this time. However, in this conceptual illustration the upper level floor plan serves as the entrance to the museum and will provide a variety of public program spaces for the visitors. The scale of the building at this level has been designed to co-exist with the site and take advantage of the unique topography of the site.

Off the main entry there will be a small, education driven retail space which will also serve as a regional visitor center for the NLTRA. **There will be ADA accessible public restrooms on this level that will be available at all times to the users of the museum as well as the park (via an outside entry) at times when the Museum is not open.**

There will be an exhibit space dedicated to "Ski History", a classroom – multiple purpose meeting space and a small theatre like space which will be available for community use and public events.

Lower Level Floor Plan:



Although no design is being proposed, this conceptual illustration shows how the lower level floor plan will house a gallery dedicated to “Olympic history” as well as a temporary exhibition space for special exhibitions created through the museum program. There will be an internal staircase leading to the upper floor plan above – allowing for a natural circulation path between the various program spaces.

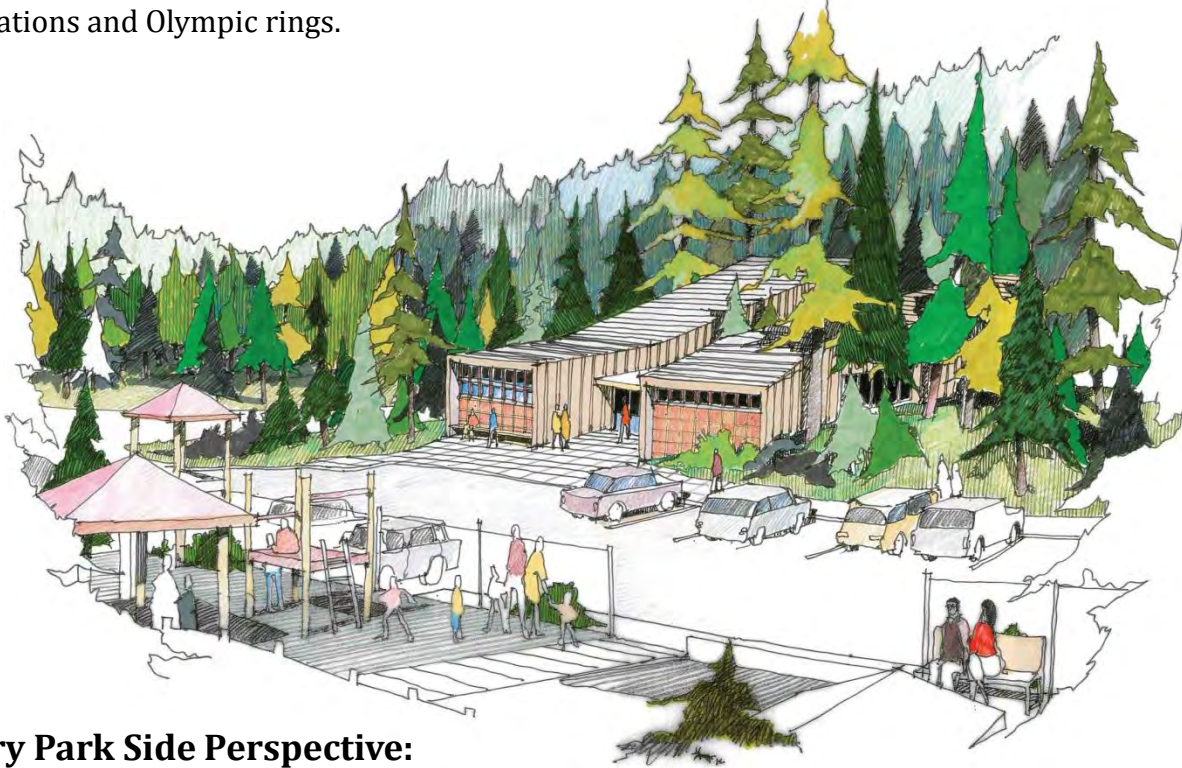
There will be opportunity to explore an outdoor space off the “Olympic history” gallery that would connect the visitor to the lower portion of the site and the original 1960 Tower of Nations.

In addition, there will be a variety of back-of-house (support) functions that provide the necessary infrastructure for the museum’s day-to-day operations. Archival storage will be located in this area.



Northeast Highway 89 Perspective:

The image above represents one possible building concept and is by no means intended to represent a final building design. However, this illustration reflects not only the feedback received after the original master plan but also the extensive reevaluation of the building program by the SVSMF board. The northeast side, facing and viewable from highway 89, will present a building placement under the tree canopy in scale with the existing tower of nations and Olympic rings.



Entry Park Side Perspective:

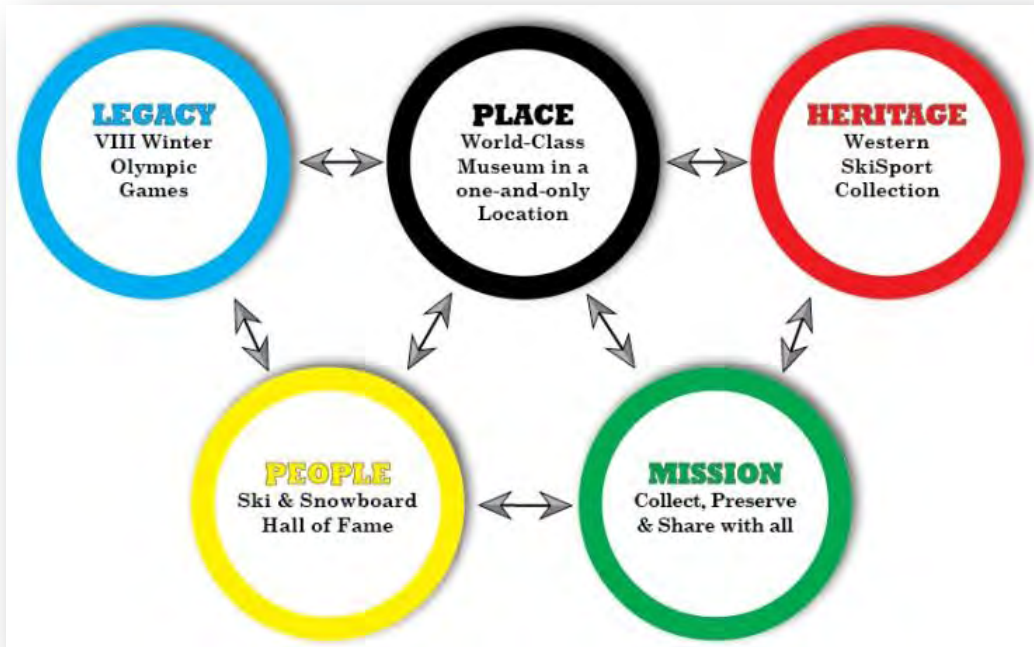
The image above also represents one possible building concept and again is by no means intended to represent a final building design. However, it represents a building that is much smaller in footprint. By design the final building will present a single story structure nestled into the tree canopy as viewed from the park activities. The goal will be to minimize the entry side of the museum in relation to the recreation activities.



Building Sections: these drawings illustrate how the existing topography will be used to achieve the conceptual goals in the previous illustrations.



The Squaw Valley Olympic Museum and Winter Sports Heritage Center:



The main objectives and themes for the Museum are symbolized in the five rings.

First contemplated during the 1960 Games, enthusiasm for an Olympic museum was renewed in 2008 prior to the 2010 celebration of the 50th anniversary of the 1960 games and the return of the Olympics to the west coast of North America in Vancouver, BC. Those events, plus the possibility of the Olympics returning to North Lake Tahoe, inspired the SVSMF, members of the community and numerous supporting organizations to consider creating a museum about the VIII Winter Olympic Games and the unique legacy of 150-years of western winter sports in the Sierra

Concurrently, Auburn Ski Club's Western SkiSport Museum (WSSM) located on Donner summit has outgrown their location and is seeking a new location. The SkiSport Museum, founded in 1969 boasts a world class collection and archives dating as far back as the 1850s, when gold rush miners traveled and competed on 14 foot skis they called "long boards." The WSSM collection is recognized by the US Ski Hall of Fame and Museum, and needs to be displayed in a place where the public-- skiers, students and historians-- can benefit from its extensive collection of artifacts and archives.

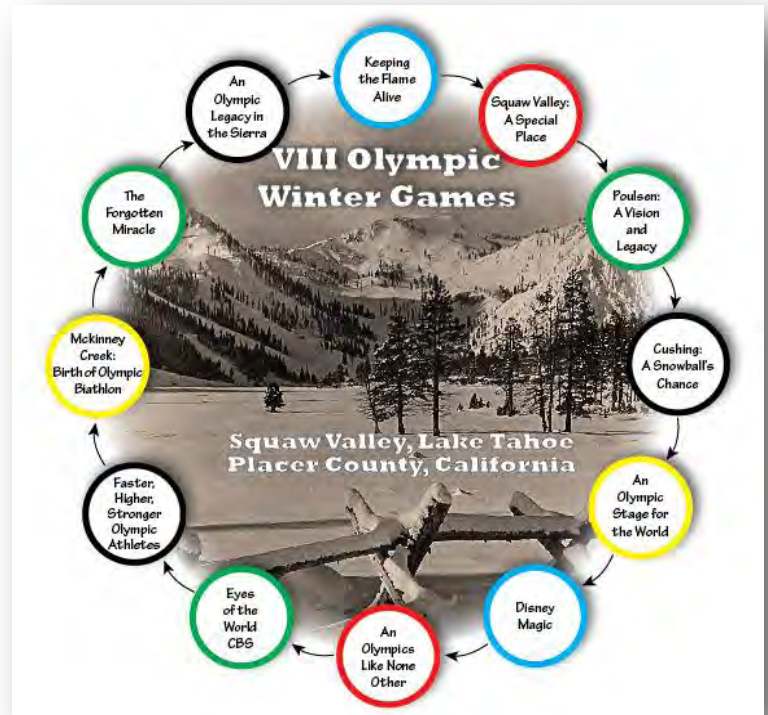
The SVSMF, members of the community and numerous supporting organizations recognized the golden opportunity to create a one-of-a-kind museum about the VIII Winter Olympic Games and the unique legacy of 150-years of western winter sports in the Sierra.

Mission Statement: Squaw Valley Olympic Museum collects, preserves, exhibits and interprets our western skiing heritage and celebrates the legacy of the 1960 Winter Olympics.

What roles will the Squaw Valley Olympic Museum and Winter Sports Heritage Center fulfill?

The Squaw Valley Olympic Museum will portray the common thread skiing and winter sports have played in the historic development of our mountain communities stretching from Southern California, Western Nevada to the Southern Cascade Mountains.

The museum is in a race against time to capture our winter sports' legacy before it is gone. The generation that pioneered winter sports in the west and organized an Olympic games like no other is disappearing. This museum will preserve that legacy by creating a repository of artifacts, archival and research collections for future generations.



- A year-round independent historical institution, with story-based exhibits, programs and interactive multisensory experiences to engage visitors as active and repeating participants.
- As a center for western winter sports heritage, the museum researches, educates and enhances awareness of the evolution of skiing in the Sierra Nevada for present and future generations.
- An educational, publishing and teaching institution rooted in the core California curriculum.
- A collecting museum with accreditation, permanent collections, oral history program, staffing and facilities to manage collections.
- An iconic building and location of architectural and environmental significance befitting the Olympic movement.
- An Olympic museum recognized and sanctioned by the US Olympic Committee and International Olympic Committee.
- A museum that is a great source of community pride and involvement keeping the flame alive for past, present and future Olympic athletes in the Sierras.
- A museum that attracts a multigenerational audience crossing social and economic lines all sharing "a way of life" and passion for winter sports and mountain culture.
- A historical attraction that will be of local, regional, national and international significance to visitors and the community.

Far West Ski and Snowboard Hall of Fame:

One of the major objectives represented in the five rings is the establishment of a Hall of Fame. Although places and events make up our western historical record; ***multiple generations of champions, ski-sport builders, leaders and legends are an important component of our truly unique culture of winter sports.***



The Foundation board is especially excited to bring the community together on an annual basis to celebrate and honor annual HOF inductees in a grand gala event. Formal rules of governance will be established with a voting panel of ski writers, historians and community leaders. Even before the museum is a reality, the HOF will reach out to the community for nominations for a large founding class of honorees who will be inducted at an annual fall gala event that no member of the winter sport's community will want to miss.



Frequently asked questions and responding comments:

1. The museum located in the Squaw Valley Park will interfere with existing or future recreational uses.

Early on the SVSMF board established that **“any proposed museum would not significantly interfere with any of the present or planned activities and recreation in the park”**. The new concept has been reduced to a 7,250 sf. footprint and orientated on land towards Hwy 89, at the edge of the park and away from recreational activities. The board is committed to a concept and Museum operation that blends with and improves the recreational activities with a Museum cultural/educational experience. SVSMF is proposing a public/private partnership with Placer County to accomplish this goal.

2. The museum should be located at the base of Squaw Valley where the games were held.

Many “up valley” sites were studied , re-studied and ruled out. The valley is about to change in ways hard to determine. The SV Park site meets the objectives of being highly visible, and will convey our community pride in Olympics and winter sports heritage for generations. The park also provides a beautiful and neutral setting that will be unaffected by future development.

3. How will the museum operate and be funded?

The museum will be operated on a 501 c (3) charitable non-profit basis. Approximately 80% to 90% of the annual operating expense will be generated through modest entrance donations (to the curated exhibits) and educational book sales. The board is exploring museum models that offer free attendance and voluntary entry donations.

4. There is no sewer and water on the site.

Sewer and water engineering to the park and adjacent properties is complete and ready. As the first project the museum will absorb the up-front costs (est. \$1M) to be reimbursed as other properties are required to connect. The new museum concept will provide rest rooms accessible to park users even when the museum is closed.

5. The North Lake Tahoe Resort Association has proposed a visitor kiosk on the Placer County land north of Squaw Valley road, how will this work with the museum?

An iconic Olympic museum visible from Hwy 89 will be a natural gateway attraction to SV and North Lake Tahoe. A visitor center function will be included in the museum to accommodate those needs in partnership with NLTRA and others.



**Sugar Bowl Silver Belt Winners
Starr Walton Hurley and Tom Cororan**

6. *Why not locate the museum on the north corner of Squaw Valley road and Hwy 89?*

That site was extensively considered and studied. The private land (north of the power lines) is not available. On the Placer County land (along SV road) existing easements and overhead power lines make the site too small. The power sub-station and commercial development also makes the site unattractive and inappropriate for an iconic Olympic museum.

7. *Will the museum increase Placer County's operating and maintenance costs?*

No, in fact SVSMF is proposing to Placer County the SVSMF take on a share of operating the park and form a public/private partnership with the County. SVSMF would share in general Park maintenance, operation and bringing improvements to the infrastructure.

8. *A privately funded Museum located in the Park would violate the deed restriction from the USFS prohibiting commercial uses.*

SVSMF and our legal advisors are confident a non-profit museum dedicated to winter sports history and culture of the Sierras is anything but commercial. December of 2011 SVSMF posed that question, along with a legal opinion, to the USFS and they responded suggesting the decision rests with Placer County. The legal opinion supporting the non-commercial status of the museum is contained in the supporting documents.

9. *The current park zoning of forest recreation does not allow museums.*

SVSMF will propose a zoning code amendment that will allow a land use category of "Libraries and Museums" subject to a CUP. The amendment will be included in the project application and would be narrowly written so as to only apply to the SV park land.

10. *The park and parking lot was designed for summer use and won't hold up to winter plowing.*

The parking lot was built with 2" asphalt base and 6" aggregate base. SVSMF will conduct an R-value test and if necessary strengthen with asphalt and woven fabric overlays.

11. *How will SVSMF fund the construction of the museum and how much will it cost?*

Once a site is close to being established SVSMF will conduct a fundraising study that will estimate potential private funding from grants and individuals. The study results (conducted by firms experienced with cultural projects) will guide the board in a budget process. Potential building costs (including exhibits and fixtures range from \$900 to \$1,100 per sq. ft.



12. How many visitors will the museum have annually?

The Squaw Valley Park location will be ideal for visitors to the region. Our 2009 master plan predicted 90K visitors by year three of operation. However, 50K is anticipated for budgeting. Heritage tourism is very popular as detailed in North Lake Tahoe Resort Association's 2008, "Investing in Heritage Tourism: Ensuring Placer County's Place in Olympic History"

13. Will the museum be a depository for collections that are currently held privately?

Yes, behind the scenes will be a curated collection dedicated to collecting and archiving under one roof. The face and culture of Squaw Valley is changing rapidly and the Museum will fulfill a role in capturing the legacy of Squaw and all Sierra winter sports. Artifacts currently held by the Western SkiSport Museum and individuals will find a home in the museum collection.

14. Will the museum be available for community meetings and events?

Yes, the SVSMF board feels strongly that the museum will be a natural and popular meeting place for community groups. SVSMF envisions a museum as much about the on-going culture of winter sports as it is history.

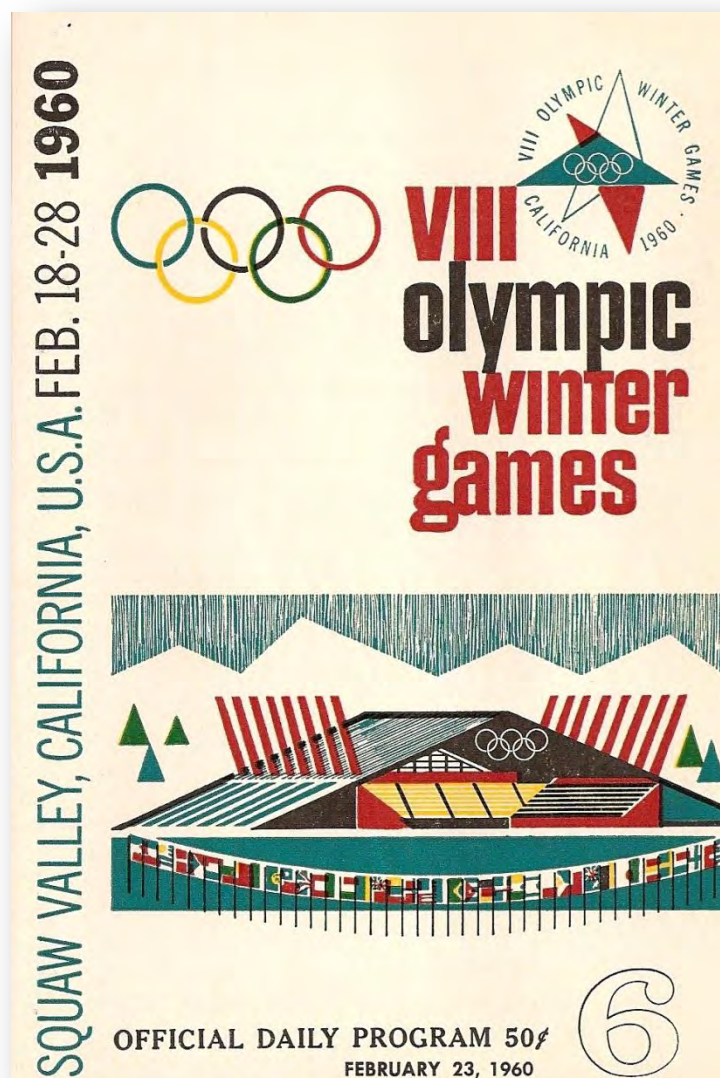
15. How will the community learn about this new concept?

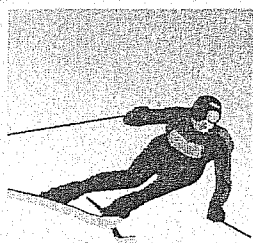
SVSMF board members will begin making presentations and gathering feedback and support throughout the community.



"Snow-Shoe racing in the mountains of California" The earliest published image of a ski race. California Mining and Scientific Journal 1974

Supporting documents:





SQUAW VALLEY
SKI MUSEUM FOUNDATION
and Western Winter Sports Heritage Center

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December 27, 2011

Mr. Randy Moore
Regional Forester
United States Forest Service
1323 Club Drive
Vallejo, CA 94592

RE: Squaw Valley Olympic Museum and Winter Sports Heritage Center

Dear Mr. Moore,

Over the past several years, the Squaw Valley Ski Museum Foundation (SVSMF), made up of a fully volunteer Board of Directors, has been planning the development of an Olympic Museum which will be known as the Squaw Valley Olympic Museum and Winter Sports Heritage Center. The new Museum will house permanent exhibition space and will feature in part, the key role that the USFS played in supporting the 1960 Olympic Games.

The Museum concept has had enormous and enthusiastic support from the community. Over the next three years, the Foundation plans to fund raise, design and construct the museum and open its doors in 2014.

Early in the site selection process, the SVSMF and a team of experts hired by the Foundation, which included civil engineers, planners, architects, and museum consultants, determined that a location near the intersection of Highway 89 and Squaw Valley Road would achieve the perfect balance of representing the Olympic story of the 1960 Olympics, the greater ski and winter sport community, and would present a gateway attraction to visitors of the Lake Tahoe region.

The SVSMF evaluated many sites in the area of Squaw Valley and concluded that an undeveloped area within the 35 acre park site at the intersection of Squaw Valley Road and State Route 89 was an ideal location for the Squaw Valley Olympic Museum and Winter Sports Heritage Center. After a significant amount of site evaluation and due diligence, it became clear to the Foundation that the preferred site was within the Squaw Valley Park site, a site which had been previously held by the USFS.

In 1999 this parcel of land was deeded to Placer County by the USFS. The deed states that no commercial entity may be developed on the property. The purpose of this letter is to request from the USFS an interpretation that the proposed Museum as described in the attached Project Description, would not be a restricted use pursuant to the deed restriction (see copy of Deed attached).

*Randy Moore, USFS Regional Forester
December 27, 2011*

Members of the Foundation have met with representatives of Placer County to informally notify them of the proposed project. We have been told that we first need an affirmative interpretation of the deed restriction prior to starting the permitting process.

In 2009 the SVSMF rolled out to the community the idea of constructing the Museum on the park site. The idea of placing the Museum on the Squaw Valley Park site was received with mixed reviews. The proponents, who far outnumbered the detractors, believed that the site would be an ideal location because it met all of the necessary criteria for a successful regional museum. A small group of individuals who had worked very hard to create the community park (which now includes two large parking lots and sports field), had not contemplated the development of a structure in the park and are not in favor of the location. While they fully support the idea of the Museum, they feel the park should remain as is.

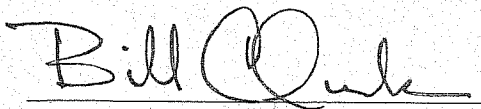
The SVSMF believes that in an effort to thwart the development of the Museum in the park, some have attempted to label it as a commercial enterprise because it will charge admission fees (school groups will not be charged admission) and may have a small gift/book store and food service component. If it were to be a commercial enterprise, it would be disqualified as an allowable use on the site pursuant to the deed restriction. The Deed (restriction) dated December 16, 1999 between the US Department of Agriculture Forest Service and Placer County states that "the use of the property for a community park does not include the use of the property for private development, of a commercial, residential, or industrial nature..." You will find in the attached Project Description, and within the Description, a legal opinion which supports the fact that the nonprofit nature of the proposed Museum would not make it a commercial enterprise.

It should be noted that pursuant to the USFS making an affirmative interpretation requested above, the project would still require the approval of Placer County.

Our project team is available to discuss this further with you or your representatives.

Thank you in advance for your consideration of this matter.

Sincerely yours,



Bill Clark
President, Squaw Valley Ski Museum Foundation

CC: Tom Quinn, Tahoe National Forest Supervisor ✓
Joel Roos, PUDC
Greg Johnson, PUDC
Bob Moore, SNOWFIRE Consulting



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Date: FEB 03 2012

Mr. Bill Clark
President
Squaw Valley Ski Museum Foundation
P.O. Box 2697
Olympic Valley, CA 96146

Dear Mr. Clark:

Thank you for your letter dated December 27, 2011, describing the current efforts by the Squaw Valley Ski Museum Foundation (SVSMF) to develop an Olympic Museum. Your letter proposes to locate the museum on a portion of a thirty-five acre parcel of land conveyed to Placer County (County) by the United States in 1999. The parcel was previously managed as National Forest System land.

As your letter noted, this parcel was conveyed to the County for use as a community park. As described in the deed conveying the land to the County, community park use does not include use of the property for private development of a commercial, residential or industrial nature. In the event the land ceases to be used as a community park, the deed states the United States has the authority to terminate the conveyance.

As the current landowner and manager, the County is best able to assess whether the museum proposed by SVSMF is consistent with the use of the property as a community park pursuant to County park management authorities and the terms and conditions of the deed. I propose that you continue to work with the County in this assessment of the SVSMF proposal. My staff is available to coordinate with the County as requested.

If you have any questions please contact Tom Quinn, Forest Supervisor, Tahoe National Forest at (530) 265-4531 or Ramiro Villalvazo, Director of Public Services at (707) 562-8856.

Sincerely,

FOR

RANDY MOORE
Regional Forester

Enclosures

cc: Ramiro Villalvazo, Tom Quinn



PROJECT DESCRIPTION

The Squaw Valley Olympic Museum and Winter Sports Heritage Center December 27, 2011

1. Introduction:

The Squaw Valley Ski Museum Foundation, Inc. (SVSMF) was established as a California nonprofit public benefit corporation on May 25, 2008. In January of 2009 SVSMF concluded the process that is required to establish the organization's charitable status and was issued a favorable determination letter from both the Internal Revenue Service and the California Franchise Tax Board that SVSMF is a charity that is exempt from taxation pursuant to Internal Revenue Code section 501(c)(3). SVSMF is governed by a seven to nine person Board of Directors and no person serving on the Board is an "interested person" as that term is defined in Corporations Code section 5227(b).

The Mission of the SVSMF is to "collect, preserve, exhibit, and interpret the western ski heritage and celebrate the legacy of the 1960 Winter Olympics." Pursuant to the terms of SVSMF's Articles of Incorporation, the Foundation's assets are irrevocably dedicated to these charitable purposes. Furthermore, as a private foundation, SVSMF faces very severe penalties under Internal Revenue Code section 4944 if it makes any investments of any kind that jeopardize the carrying out of the charity's tax exempt purposes.

The proposed museum is to be named the "Squaw Valley Olympic Museum and Winter Sports Heritage Center". As a center for western winter sports heritage, the Museum will perform research, and provide a venue to educate and enhance awareness of the evolution of winter sports in the Sierra Nevada for present and future generations.

One of the Foundation's missions is to create a facility that will serve and function as an educational institution of prominence in the entire northern Sierra Nevada region. The Museum will serve multiple visitor segments including families, students, sports enthusiasts, nature enthusiasts, history buffs, locals, and summer and winter tourists.

The museum facility and its endowment will be funded primarily through fund-raising efforts initiated by the Board and aimed at a diverse range of potential contributors, including families and individuals as well as contributions and grants from corporations and nonprofit community foundations. The community and cultural center areas of the Museum will be open to the public without charge, while the curated collection within the facility will require a modest entry fee, consistent with entry fees that are often charged at similar nonprofit public interpretative centers.

The Museum will be developed by SVSMF and is anticipated to be opened to public visitation by the year 2014. Once the Museum is operational, the Museum will function as a public, charitable institution without requiring any formal public (i.e., governmental) subsidy for the Museum's operation and maintenance. The Museum and Cultural Center will continue to be run as a nonprofit organization and will not be operated as a commercial enterprise or in a manner that generates unrelated business taxable income as defined in Internal Revenue Code section 511.

2. Inspiration for the Project:

The notion of creating a museum to celebrate the VIII Winter Olympic Games has been a vision and a dream of many California winter sports enthusiasts and Sierra Nevada historians for many years and was first contemplated during the 1960 Games. In 2008 SVSMF was founded to explore the feasibility of transforming this vision into reality, to form a world class, accredited museum. Instead of focusing primarily on the 1960 Winter Olympic Games, the Museum and its artifacts will tell the extraordinary story of not only those Games, but also the 150-year legacy of winter sports and the historic challenges of winter travel and commerce throughout the Sierra Nevada. This Museum will be part an interpretative educational center and community cultural center defining and displaying a way of life in the Sierra Mountain communities. Through interactive exhibits, multi-media, archival preservation, oral histories, and on-going museum programs, the Museum will bring this legacy to life for locals, historians, students, and visitors alike. The Museum will feature the remarkable ski-subculture in which the common passion for winter sports is shared and enjoyed by both individuals who have transformed their passion for winter sports into occupations and personal life-styles, to occasional vacationers as they ride the same chair and ski the same mountains together. The Museum will also feature and honor the key role that the United States Forest Service had in hosting the 1960 Olympic Games.

A regional Hall of Fame exhibit will honor the visionaries, mountain dreamers, early settlers, sports champions and local legends of winter sports. From the Gold Rush miners who risked their lives to cross the Sierras in the winter on long-board skis and snowshoes to an Olympics that some regard as the best ever, the Squaw Valley and surrounding region have a spirit and a history like none other. This Hall of Fame concept has the ability to become an important community event center for both locals and visitors to the Museum. Membership in the Hall of Fame promises to be a source of pride for the community as well as a focal point for patrons and visitors of the Museum.

The Museum will also provide an opportunity to consolidate existing private and public collections of winter sports artifacts and memorabilia related to the Sierra Nevada Mountains in one optimum location, including the extensive collection of the Western SkiSport Museum which is currently housed in a less-than-adequate facility at Donner Summit. In the event that SVSMF is successful in securing a quality site for the Museum, the artifacts and other historical documents and property of the Western SkiSport Museum will be available for viewing at a central, convenient, and prominent location. The enormous collection currently curated at the Western SkiSport Museum at Donner Summit will serve as the initial, anchor museum display of both Olympic and historical ski memorabilia.

3. The Site, Neighborhood and Context:

SVSMF believes that it is essential to the long-term success of the Museum to make the facility visible and conveniently accessible to the broader community. While many of the Olympic events in 1960 took place within Squaw Valley, many events actually venues at other locations throughout the Tahoe/Truckee basins. SVSMF feels that establishing the Museum at a location that can equally represent the VIII Winter Olympics and the rich ski history of the Sierra Nevada is its core task. Therefore, the site selection has focused on sites near, yet outside, of Squaw Valley and sites that are near principal highway routes leading to and from Lake Tahoe, Truckee, Reno and surrounding mountain communities.

Early in the site selection process the SVSMF agreed that a location near the intersection of State Highway 89 and Squaw Valley Road would provide the optimum features needed to create a gateway forum. This site would help to “tell” a wide range of visitors the Olympic story as a very significant element in the broader historical context of the Sierra ski and winter sport community.

The Foundation and its consultants which include civil engineers, land planners, architects and experts in the development of museums, evaluated many sites in the vicinity of Squaw Valley and concluded that an undeveloped area within the 35 acre Squaw Valley Park site at the intersection of Squaw Valley Road and Route 89 was an ideal location for the Winter Sports Heritage Center. Several sites were fully vetted with community input which was then filtered and evaluated through a site selection committee in order to be absolutely sure that the park site was the best site for the Museum. After a significant amount of evaluation and due diligence, it became clear to the Foundation that the preferred site was within the Squaw Valley Park site.

The Park site is a large multifunctional community amenity that sensitively integrates a wonderful natural landscape with desirable and well used summer recreational features. The site is highly visible at the highway intersection for all visitors traveling south toward Tahoe City, north toward Truckee and US Interstate 80, and west toward Squaw Valley. Currently, the park is designated for non-winter use only and as such is underutilized for a significant portion of each year.

The Park is now used mostly by Placer County families and residents, and is used for parking by bicyclists due to its location toward the northern end of the popular State Highway 89 bike route. With the addition of a museum, the Park is likely to become a more significant destination for both Placer County residents as well as visitors.

The Park site improvements have been sensitively integrated into the natural setting which includes impressive granite outcroppings. Also of significance to the viability of the Museum component at the site is the fact that the adjacent parcel to the north along Squaw Valley Road houses the Olympic Tower of Nations (TON). The proposed museum site within the Park, lies in between the newly developed upper and lower parking lots, a playground, and a synthetic turf soccer field that is located to the west of the upper lot.

The siting of the Museum within the Park can be done without the need for significant site disturbance or alteration. The architectural solution has the potential to grow organically from the granite outcroppings. The Museum can serve as a focal point of the entry and the site topography can allow for a multi-level compact plan with high visibility. From the standpoint of solar and general environmental sustainability, the park site is an ideal location. It possesses optimum southern solar exposure, with the potential for creative ways to handle snow melt and rain water management. The change in topography from the upper parking area to the lower area lends itself to a compact three dimensional building form and section.

The proposed Museum is anticipated to be between 12,000 to 15,000 square feet of space, would be two stories in height and would have a footprint of approximately 6,000 – 7,500 square feet. This footprint would represent coverage of approximately ¼ acre of the 14 acre park area or 1.6% of the developed park area (14 acres) and .68% of the total 35 acre land area. In short the lot coverage by the museum structure would be de minimis and would fit comfortably within the Park facility.

Prior to the installation of the Squaw Valley Park, the proposed museum site was used as a concrete batch plant which after decades of industrial use is still littered with concrete and steel material. One can easily find several feet deep of manmade fill and rubble beneath the tree canopy, shrubs and understory. A concrete buttress applied to a natural rock outcropping to avoid the collapse of the manmade fill (above) is still quite visible. The development of the museum would provide an opportunity to clean up the site and restore its natural contours.

The Museum would be an ideal partner with the County Park, from an operational perspective, because it would allow the existing infrastructure to be more highly utilized and would provide a use that is symbiotic with the site's principal use as a recreational park. The existing parking lots are rarely fully utilized, even during the summer season, and are dormant during the winter months. Because the Park operates for only part of the year, capital investment by the County to develop site has yet to achieve its maximum public benefit. The operation and maintenance of the park facilities is currently the burden of the County with nominal revenue being derived from soccer camps and league play. The Museum would co-use the parking facility and would thus optimize and share in its operating and maintenance costs, without necessity of any expansion of the parking area. What better complement to ongoing park and recreation uses than to feature a historical museum and cultural center that chronicles the rich history of winter sports activities in the region?

The Museum building program could also support community needs for public meeting and event space, and perhaps a small visitor's center. Such a visitor's center had been conceived for the north side of the intersection by the North Lake Tahoe Resort Association. Adding these multiple uses to the existing park facilities would bring great, year round, critical mass to the venue. The integration of the Museum in the Park will help transform this location into a place of pride for the entire region and will not be solely a Squaw Valley venue.

Due to its close proximity to Highway 89, the year round traffic volume and the large amount of bicycle traffic, this site provides a very strong drive-by image and attraction. The Museum's collections, activities and programs will enhance the community benefits and value of the park as a four season venue.

The Museum's identity will be visible to southbound traffic on Route 89. Sited behind the Olympic Rings, it will provide a memorable and 'postcard' photo opportunity and will be carefully designed for maximum effect at this very visible site while preserving the character of the existing park setting.

4. The Existing Development and Existing Uses and Zoning:

The site is bounded and defined by Route 89 to the east, Squaw Valley Road to the north, the Tavern Inn Condominiums to the west and USFS land to the south. The 7-11 property also known as the Poulsen property lies across the Squaw Valley Road to the north.

In 2000, Placer County sponsored the permits and entitlements for the community park and purchased the site from the United States Forest Service at that time. The 35 acre property was purchased and deeded to Placer County. Currently 14 of the 35 acres are improved for park uses, leaving the remaining 21 acres to open space. The park was dedicated in 2004.

In 2000, the Placer County Board of Supervisors approved a General Plan/Zoning Amendment for a community park at the prospective location (GPA-329/REA-889). A Negative Declaration (EIAQ-3394) was prepared and compliance was acknowledged and approved by the Planning Commission for the project.

Placer County approved the park project and amended the zoning to be an Forest and Recreation (FR) District, the FR District was chosen as the replacement district because it was the one that most closely resembled the CP district in terms of permitted uses, but is slightly more permissive, allowing a community park as a conditional permit (for a full description of both the land use districts taken for the Squaw Valley General Plan). For the remainder of the property acquired from the Forest Service, the existing land use designations remain unchanged.

The park features include:

- Turf playing field of approximately 360' x 200'
- Tot-lot
- Wetlands overlook
- Trail staging area
- Trail connection to the western States Trail
- Bicycle trail
- Gravel driveway
- Paved parking for 72 vehicles
- Paved parking for 45 cars and 20 trucks and trailers for the trail staging area

The Foundation understands and recognizes that an enormous effort was made by several passionate and dedicated community members and by Placer County to secure the land from the USFS and to improve the property for the public park. The Foundation also understands that the park plans had not originally contemplated a museum. However, addition of a museum facility would in no way detract from that original community vision and, as noted above, will likely result in an increase in the community's use and enjoyment of the Park.

The Foundation recognizes the Deed Restriction that was imposed by the US Forest Service when the land was sold to Placer County and that the restriction precludes the operation of any commercial establishments on the property. The Foundation further understands that the project's detractors have attempted to characterize the proposed Museum as a commercial enterprise (because it will charge admission fees and may have a retail and food service component). These detractors contend that the presence of any revenue producing elements in the Museum's operations or programs disqualifies the Museum as a permissible use on the site due to the Deed Restriction. The Museum is by no means a commercial enterprise and is therefore not subject to the Deed Restriction. The legal opinion provided below supports this position.

5. Proposed Uses:

The SVSMF is committed to designing and building the right museum – one that fits with the surrounding scale of the site while serving the overall programmatic needs of the institution. The development of this building will provide the museum with the opportunity to define its importance in both the local and global communities. The new museum should be a place that is comfortable and engaging as it helps tell the story of the western ski heritage and it helps to celebrate the legacy of the 1960 Winter Olympics. For some, it will be a backdrop for a social experience. For others, it will be about engaging directly with the collection and the stories that are told within.

It is anticipated at this time that the new building will be between 12,000 to 15,000 square feet. The museum and cultural center may house an entry lobby, a main exhibit hall, a multi-purpose theater, archive facilities, catering kitchen, offices, a book store, cafe and essential support spaces. The current working assumptions can be highlighted as follows:

- That the museum will be an educational institution, a place where the exhibits, the programs, and the visitor experience are rooted in education values, including linkages to the core curriculum of the California schools.
- That the focused audience for the museum will be multigenerational and include families, students, sports enthusiasts, nature enthusiasts, history buffs, locals, and summer and winter tourists.
- That the museum exhibits will provide state-of-the-art multisensory experiences and interactive technologies to engage visitors as active participants and informal learners, and encouraging them to share their own experiences.
- That the museum will be a collecting museum with permanent collections related to its mission, including appropriate staffing and facilities to manage and preserve its collections

The inspiration for the museum is represented symbolically by the five interconnected Olympic Circles (“rings”) which represent the athletes of the five continents who took part in the 1960 Olympic Games. Central to all exhibition planning will be themes which the museum feels will emulate the core values of the Olympic Games and their integration within the region which they were held. These themes; the Place, the People, the Dream, the Competition, the Legacy will help guide and shape the development of the exhibition concepts and content. A few highlights of the building program are:

The Winter Sports Technology Laboratory

This kids-centered Exploratorium-like lab would be a hands-on place for exploring and experimenting with past and present innovations in winter sports technology. Here, early versions of skis, boards, and gear can be compared and tested against today’s cutting-edge versions. Here one might:

- test the effects of light, temperature and humidity on ski gear and different materials, such as wood, metal, and composites
- experiment with the waxing “dope” of the old timers, and compare it with today’s special waxes
- analyze snow and its differences, and how these differences affect performance
- test the effects of heat and cold on the body, and how different vintage gear compares with today’s gear
- test the limits in many areas of the sports, and set up virtual reality experiments to determine outcomes
- explore the “hows and whys” of sports safety to discover the lessons we have learned

Olympic Theater/Lecture Hall

A seventy-five-seat presentation-style theater for short interpretive films, slide presentations, lectures, and demonstrations. The introductory film, “The Winter Olympics Story” will be shown here. Other interpretive films, selected from a menu, (Note: the extensive collection of classic ski films dating from 1920 are currently curated at the Western SkiSport and will be housed at the new Museum) will be viewable by visitors and shown on a daily basis, except when the theater is used for special event programming.

Permanent Exhibition Gallery

A permanent exhibit gallery which will feature the major themes; the 1960 Olympic Games, the winter sports heritage of the Sierra Nevada and the Far West Ski and Snowboard Hall of Fame.

Temporary Exhibition Gallery

A central component of the museum’s offerings will be a temporary exhibitions program in a gallery especially designed to showcase changing, temporary exhibitions. These temporary shows, thematically linked to the museum’s mission, will be produced in a variety of ways including:

- from the collections of the museum
- from materials borrowed from other sources

- as traveling exhibitions booked from other museums and organizations
- as joint exhibitions co-produced with other museums, groups, and individuals including:
 - Snowshoe Thompson the legendary skiing mail carrier
 - Longboard skiers of California Gold Camps
 - 10'th Mountain Division "Ski Troops of World War II"
 - Ski Jumpers of the 1930 and 1940's
 - Pioneering ski clubs including: the Yosemite Winter Club, Viking Ski Club, and the Auburn Ski Club
 - The birth and development of ski areas including: Badger Pass, Sugar Bowl, Squaw Valley and Olympic Hill at Granlibakken
 - U. S. Forest Service role in winter sports and ski areas
 - Evolution of ski and snow board equipment
 - Far West Ski and Snowboard Hall of Fame

Classroom/Meeting Room

A middle-size classroom or meeting room for up to thirty to forty people would be utilized for classes, meetings, and public events. This room would also be used for education activities related to school groups and other tours.

The design of the building has not yet been established however it is clear that the SVSMF knows that the building must architecturally reflect the local vernacular in such a way as to be inviting and welcoming to those who visit the museum and in such a way that it will appear in concert with the backdrop of the forest and the park complex.

The SVSMF is committed to designing and building the right museum; one that fits with the surrounding scale of the site while serving the overall programmatic needs of the institution. The development of this building will provide the museum with the opportunity to define its importance in both the local and global communities. The new museum should be a place that is comfortable and engaging as it helps tell the story of the western ski heritage and it helps to celebrate the legacy of the 1960 Winter Olympics. For some, it will be a backdrop for a social experience. For others, it will be about engaging directly with the collection and the stories that are told within.

6. The Potential Presence of Revenue Producing Operations Does Not Make the Proposed Museum a Commercial Enterprise:

Although the activities, programs and uses of the proposed Museum facility remain in a developmental/concept stage, it is possible that the facility could include some space for food and beverage sales or a small gift shop. It is also possible that other spaces in the Museum could be rented, on an occasional, short-term basis for events, meetings or conferences. However, such uses are not unusual components for a charitable museum and have been determined by the Internal Revenue Service in numerous Revenue Rulings to not jeopardize the organization's tax exempt, charitable status. This is a complicated area of law, however, you will find below a quick and accurate summary of the limits of revenue producing activities that are permissible for a charitable organization:

First, to be tax exempt as a charitable organization the entity must be organized and operated exclusively for religious, charitable, scientific, and testing for public safety, literary or educational purposes. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as being “operated exclusively” for one or more exempt purposes only if it engages *primarily* in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an *insubstantial part* of its activities is not in furtherance of an exempt purpose. As noted in the Introduction section of this Project Description, the Foundation is, by its charter as well as underlying applicable laws and IRS Rulings, restricted to the pursuit of activities and programs that are charitable and educational in nature. If the Foundation was to pursue commercial endeavors it would lose its tax exempt status and be subject to rather severe monetary penalties.

Another section of the Internal Revenue Code (section 511) imposes a tax, at normal corporate rates, on the unrelated business taxable income of charitable organizations. In other words, so long as those unrelated operations do not rise to the level of being a substantial component of a charity’s mission or programs, the organization’s tax exempt status is preserved, the only “penalty” being the obligation to pay tax on the unrelated business income. Note, however that this income tax only arises and is only imposed on income that is considered as being *unrelated to the charity’s core charitable mission*.

Section 513(a) of the Internal Revenue Code provides that the term “unrelated trade or business” means any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 501, except that such term does not include any trade or business: (1) in which substantially all the work in carrying on such trade or business is performed by the organization without compensation; or (2) which is carried on, in the case of an organization described in section 501(c)(3), by the organization primarily for the convenience of its members, students, patients, officers, or employees; or (3) which is the selling of merchandize, substantially all of which has been received by the organization as gifts or contributions.

Exhibit “A” to this Proposal summarizes four published IRS Revenue Rulings that involved charitable museum organizations that derived some revenue from the operation of gift shops, food sales, and the occasional rental of meeting facilities. In all four instances the IRS concluded that the activities that contributed a modest portion of the charity’s annual revenue were in support of the entity’s charitable mission and thus did not constitute unrelated or substantial business activities. Most, if not all, readers of this Project Description have visited museums and religious facilities that have a gift shop or an area where visitors can sit and enjoy a snack and a beverage and no one would seriously contend that those revenue producing areas of the charity’s facility somehow transform the organization into a commercial, profit making endeavor.

EXHIBIT “A”
SUMMARY OF PERTINENT REVENUE RULINGS
ADDRESSING WHAT CONSTITUTES AN
UNRELATED TRADE OR BUSINESS THAT COULD
JEOPARDIZE A CHARITABLE ORGANIZATION’S
TAX EXEMPT STATUS

IRS Revenue Ruling 73-104, 1973-1 C.B. 263, describes an organization that operates an art museum. The museum offers for sale to the general public greeting cards that display printed reproductions of selected works from the museum's collection and from other art collections. The organization sells the cards in the shop it operates in the museum. It also publishes a catalogue in which it solicits mail orders for the greeting cards. In addition, the shop sells the cards at quantity discounts to retail stores. The ruling states that the sale of greeting cards displaying printed reproductions of art works contributes importantly to the achievement of the museum's exempt purposes by stimulating and enhancing public awareness, interest, and appreciation of art. Moreover, a broader segment of the public may be encouraged to visit the museum itself to share in its educational functions and programs as a result of seeing the cards. The fact that the cards are promoted and sold in a clearly commercial manner at a profit and in competition with commercial greeting card publishers does not alter the fact of the activity's relatedness to the museum's exempt purpose. Accordingly, it is held that these sales activities do not constitute unrelated trade or business under section 513 of the Code.

IRS Revenue Ruling 73-105, 1973-1 C.B. 264, describes an organization that operates an art museum devoted to the exhibition of American folk art. It operates in a shop in the museum that offers for sale to the general public reproductions of works in the museum's own collection and reproductions of artistic works from the collections of other art museums, and instructional literature concerning the history and development of art and, in particular, of American folk art. Also sold in the shop are scientific books and various souvenir items relating to the Charity in which the museum is located. The ruling states that the sale of reproductions of works from the museum's own collections and reproductions of artistic works not owned by the museum contribute importantly to the achievement of the museum's exempt educational purpose by making works of art familiar to a broader segment of the public, thereby enhancing the public's understanding and appreciation of art. The same is true with respect to literature relating to art. Accordingly, it is held that these sales activities do not constitute unrelated trade or business under section 513 of the Code. On the other hand, scientific books and souvenir items relating to the city where the museum is located have no causal relationship to art or to artistic endeavor and, therefore, the sale of these items does not contribute importantly to the accomplishments of the organization's exempt educational purpose. The fact that some of the items could, in a different context, be held related to the exempt educational purpose of some other exempt educational organization does not change the conclusion that in this context they do not contribute to the accomplishment of this organization's exempt educational purpose. Additionally, the sales of such items does not lose identity as a trade or business merely because the museum also sells articles which do contribute importantly to the accomplishment of its exempt function. Accordingly, it is held that the sale of those articles having no relationship to

American folk art or to art generally constitute unrelated trade or business under section 513 of the Code.

IRS Revenue Ruling 74-399, 1974-2 C.B. 172, describes an organization that operates an art museum. The museum's facilities include a dining room, cafeteria, and snack bar. The eating facilities are open to the museum staff, employees, and members of the public visiting the museum and are of a size commensurate with accommodation of these special groups of patrons. The facilities are accessible from the museum's galleries but not directly accessible from the street. The patronage of the eating facilities by the general public is not directly or indirectly solicited nor are the facilities contemplated or designed to serve as a public restaurant but merely to serve the exempt purposes of the museum. Profits, if any, are dedicated to the furtherance of the purposes for which the museum is organized and operated. The ruling states that the operation of the eating facilities within the museum premises helps to attract visitors to the museum exhibits. Because there are places of refreshment in the museum, visitors are able to devote a greater portion of their time and attention to the museum's collection, exhibits, and other educational facilities than would be the case if they had to interrupt or terminate their tours of the museum to seek outside eating facilities at mealtime. The eating facilities also enhance the efficient operation of the entire museum by enabling the museum staff and employees to remain on its premises throughout the workday. Thus, the museum's operation of the eating facilities is a service that contributes importantly to the accomplishment of its exempt purposes. Accordingly, the operation of the eating facilities by the museum under the particular circumstances is substantially related to the museum's exempt purposes and consequently is not unrelated trade or business within the meaning of section 513 of the Code.

IRS Revenue Ruling 69-178, 1969-1 C.B. 158, describes an organization exempt from Federal income tax under section 501(a) of the Code, but subject to the tax imposed by section 511, that permits its members and outside individuals and groups to use its hall for a fee. The individuals or groups normally use the facilities for a single afternoon or evening, but at the most for periods of two or three days. The agreement to use the facilities is usually verbal. Only utilities and janitorial services are provided. The ruling states that, since the charges are made for the use and occupancy of space in real property and only utilities and janitorial services are provided, the receipts constitute rental income. The fact that the use is only for short periods of time does not destroy the character of the receipts. Accordingly, it is held that the income received constitutes rent from real property within the meaning of section 512(b)(3) of the Code and thus is excluded in determining unrelated business taxable income.