



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

February 9, 2012

The Honorable Bob Odell, Chairman
and Members of the Energy and Natural Resources Committee
NH State House, Room 102
Concord, NH 03301

Re: SB 217-FN relative to management of Cannon Mountain by the department of resources and economic development.

Dear Chairman Odell and Members of the Committee,

Thank you for the opportunity to speak on SB217 relative to the management of Cannon Mountain. I will be brief and leave more extensive comments to Commissioner Bald and John DeVivo, Franconia Notch State Park General Manager.

First, I would like to thank the prime sponsor of the legislation, Senator Bradley, for taking the time to meet with the Commissioner Bald, JD and me. It was very helpful to be able to discuss his concerns and ideas first-hand and confirm how much we agreed.

Secondly, I am fully committed to working with JD and the Cannon Mountain Team to address the erosion and debris issues that have been brought to our attention and to work to establish more access for hikers at Cannon Mountain.

The State Park System Advisory Council held their meeting at Cannon Mountain this past Monday and toured the Cannon and Mittersill ski areas. I was very impressed with what I saw and know others on the Council were as well. I am concerned that the uncertainty around the future of Cannon Mountain distracts our employees from focusing on continually improving on the extraordinary experience visitors receive at Franconia Notch State Park. I am also concerned about the degree to which Cannon Mountain and Franconia Notch State Park, including the employees and state investments, are linked operationally and the effect of this legislation on the larger State Park System.

Therefore, while I can support the other elements of the bill (deferring to the wishes of veterans) and while I respect those who think we should lease Cannon Mountain, I do not support those provisions of the bill which address the leasing of Cannon Mountain.

Thank you for the opportunity to comment on this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip A. Bryce".

Philip A. Bryce
Director

PAB/ttl 020812

C: George M. Bald, Commissioner

Cannon Mountain Aerial Tramway & Ski Area
Winter Ski Ops: Absolute Positive Direction & Company Re-Build
July, 2007 – February, 2012

Provided by

John DeVivo

Management / Operations / Performance / Infrastructure
Perceptions / Marketing / Momentum / Financials

Management Team Changes:

General Manager (new)
Operations & Risk Manager (promotion)
Director of Sales & Marketing (new)
Financial/Admin Officer (new)
Sales Manager (new)
Marketing & Events Coordinator (new)
Retail Manager (new)
Patrol Director (promotion)
Vehicle Maintenance Supervisor (promotion)
Accounting Technician (promotion)

Financials:

Operating deficit of \$1.494M (July '07) wiped out within 4 Fiscal Years
Posted surplus in FY08 (\$438K), FY09 (\$377K), FY10 (\$423K), FY11 (\$1.2 M)
Philanthropy toward NH residents and org's has also grown (ex. \$900K in FY11)
Positive net total in all profit centers annually
New electricity contract savings funded several major capital maintenance projects
Exceeded \$1M in season pass sales for 09/10, 10/11, 11/12 seasons
Cannon provided over 35% of NH Division of Parks & Rec annual revenue

Marketing:

Complete (family) shift in marketing focus & campaigns
New website, new radio campaigns, new Facebook presence
New video focus, vastly improved media relations
New marketing partnerships (EarthTec / Blizzard / Littleton Chervy)
Full integration into LinWood & Franconia Chambers of Commerce

Mountain Operations:

Daily snow plan meeting established re: on-hill quality
Over \$500K in snowmaking improvements (\$500K more in Summer '12)
1st & 2nd \$350K WinchCats – completely changed Cannon's grooming strategy
4-year rotation on each grooming vehicle (new one each year)
Over \$500K in Aerial Tramway improvements
Over \$150K in Electrical infrastructure improvements
Well over \$250K in other lift maintenance/infrastructure improvements
\$2.7 Million Mittersill Double Chair removal & new installation / terrain project

Base Facilities:

New rental & repair shop @ Peabody
Two new family seating areas @ Peabody
New Cannonball Pub @ Peabody
New 4,000 s.f. outdoor deck @ Peabody
New Welcome Center @ Notchview
Expanded retail shop @ Notchview
Expanded Brookside Learning Center
New outdoor seating area @ Aerial Tramway
Renovated Mountain Station Café @ Aerial Tramway
Expanded Old Man Country Store @ Aerial Tramway

Additional Terrain:

Added 86 acres of backcountry terrain @ Mittersill
Added and/or improved over 50 trail acres @ Cannon Mountain
Added over a dozen new trails & glades
Added 3 new terrain parks and a small park ops team

Snowsports:

Seasonal programs have doubled in 5 years' time
Brookside Learning Center expansion by 100%
Added new seasonal programs & seasonal nursery offerings
Entirely new children's rental fleet
Added new women's program
Added new backcountry tours
Steady annual revenue growth

Rental/Repair:

New 3,000 s.f. rental & repair facility
Computerized, paperless system established
Entirely new rental & demo fleets
Steady annual revenue growth

Retail:

Retail shop expansion
New merchandising campaign, 5 new sub-brands
New Siriusware system integration
Improving winter product selection
Improving annual revenue growth

Evening Activities:

Added Saturday Family Nights 8 x season
Added torchlight parades & fireworks 3 x season
Added several Cannonball Pub evening events
Added 2 – 3 new Aerial Tramway evening events (2011/12)

Food & Beverage Partnership:

New Cannonball Pub (\$650K) built in partnership w/Centerplate
Renovated Notchview Café
Renovated Mountain Station Café
Extended contract with Centerplate to 2014
Increased annual F&B commission revenues

Adaptive Program:

New adaptive program partnership (2009)
Adaptive Sports Partners of the North Country
Tremendously successful in all 3 seasons

Immediate Future (2 – 3 years):

FY13 new compressor for snowmaking (adds 20% capacity)
FY13-14 new Mittersill snowmaking project (FSC capital fundraising effort)
FY14-15 other snowmaking projects will dominate capital planning & requests
Old Man Legacy Fund memorial plaza (completion planned)
New England Ski Museum (expansion proposed)
Adaptive program (expansion proposed)