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D.R.E.D.

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State of New Hampshire

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May 15, 2015

Philip A. Bryce, Director
Department of Resources and Economic Development
Division of Parks and Recreation
172 Pembroke Road
Concord, New Hampshire 03301

Dear Director Bryce,

The Fiscal Committee, pursuant to the provisions of RSA 216-A:3-g, on May 15, 2015, approved the request of the Department of Resources and Economic Development, Division of Parks and Recreation, of the rate changes to the primary summer 2015 and winter 2015/16 products at Cannon Mountain Aerial Tramway and Ski Area in Franconia Notch State Park (Cannon/FNSP), and the 2015/16 Cannon Mountain Winter Special Use Policy, as specified in your letter dated April 15, 2015.

Sincerely,

Jeffrey A. Pattison
Legislative Budget Assistant

JAP/pe
Attachment

Cc: Jeffrey J. Rose, Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
 OFFICE of the COMMISSIONER

FIS 15 085

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April 15, 2015

The Honorable Neal M. Kurk, Chairman
 Fiscal Committee of the General Court
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 216-A:3-g, the Department of Resources and Economic Development requests approval of the attached rate changes to the primary summer 2015 and winter 2015/16 products at Cannon Mountain Aerial Tramway & Ski Area in Franconia Notch State Park (Cannon/FNSP). The department also requests the approval of the 2015/16 Cannon Mountain Winter Special Use Policy.

EXPLANATION

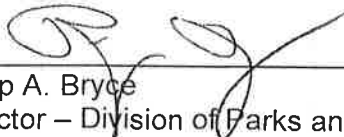
RSA 216-A:3-g requires that fees for use of park areas be designed to cover a reasonable portion of operating costs, and that these fees shall be comparable with fees for use of similar privately owned facilities. Due to ever-increasing operating, healthcare, liability, fuel, electric and labor costs, and as a part of its overall market strategy, the requested rate structure is necessary. The Cannon/FNSP team conducts an extensive market review when setting rates on both its marquee products and its hundreds of other products, seeking to better align its winter day ticket and season pass prices with those of its competitors, while maintaining its position as a value leader in New England.

The rate changes are estimated to increase Cannon winter revenue by a minimum of \$238,893, based solely upon the marquee products under review, and the one-year sales volume from March 15, 2014 – March 14, 2015. Summer rates at the Flume Gorge were last increased in 2012, and remained flat in 2013 and 2014; we believe that a slight increase is appropriate. Please see the attachments for the fiscal impact calculation, a competitive comparison of ticket and season pass rates, and an excerpt from Cannon's Winter Operations Business Plan regarding pricing structure and strategy. Please note that the requested fees are maximums, and may be adjusted to address market conditions, and that Cannon's revenues derived from the hundreds of other products that stem from these marquee items will also increase.

Regarding its Winter Special Use policy, the team at Cannon/FNSP has taken a far more active approach in utilizing the policy as a marketing and merchandising tool, and heavily targets the specific audiences receiving benefits as a result of its use. The policy is adapted and adjusted (and better marketed) with each passing year to meet snowsports industry standards, specific needs, requests, and directives as identified by the team at Cannon/FNSP, its clientele, and its governing bodies.

Respectfully submitted,

Concurred,


 Philip A. Bryce
 Director – Division of Parks and Recreation


 Jeffrey J. Rose
 Commissioner

State of New Hampshire // Department of Resources and Economic Development
 Cannon Mountain Aerial Tramway & Ski Area // Franconia Notch State Park - Marquee Products
 Proposed Pricing and Comparative Data Submitted for Fiscal Committee review (Spring 2015)

Description	Actual 2014/15	Proposed 2015/16	Change	PROJECTED REVENUE		COMPARATIVE PRICING							Cannon vs. Avg
				Volume 2014/15	Increased Revenue	CURRENTLY listed season pass & day ticket prices (expected to increase)							
						Attitash	B-Woods	Loon	Sunapee	Waterville	Avg		
Cannon Winter Products													
Lift Ticket													
Adult 1-Day	\$74	\$75	1	12,933	12,933	\$75	\$85	\$83	\$82	\$75	\$80	(5)	
Teen/College 1-Day	\$61	\$62	1	4,573	4,573	\$60	\$65	\$73	\$66/\$59	\$65	\$66	(4)	
Military 1-Day	\$55	\$55	-	430	430	\$50	\$64	\$73	\$67	\$65	\$64	(11)	
Jr/Sr 1-Day	\$52	\$53	1	2,410	2,410	\$50	\$49/\$85	\$63	\$56/\$66	\$55	\$59	(6)	
Tuckerbrook Area Ticket	\$42	\$43	1	809	809	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Tues/Thurs/Superbowl (2-for-1 Adult)	\$74	\$75	1	5,457	5,457	\$39 Superbowl	2/\$75 Wed	N/A	N/A	N/A	N/A	N/A	
Tues/Thurs/Superbowl Single	\$48	\$49	1	342	342	\$39 Superbowl	N/A	N/A	N/A	N/A	N/A	N/A	
NH Resident Wed Ticket	\$25	\$25	-	4,122	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Season Pass													
Adult Non-NH Res	\$829	\$859	30	465	13,950	\$859	\$999	\$999	\$969	\$779	\$921	(62)	
Adult NH Res	\$621	\$644	23	694	15,962	\$859	\$999	\$999	\$969	\$779	\$921	(277)	
Adult Military Non-NH Res	\$385	\$385	-	30	-	\$569	N/A	N/A	N/A	N/A	\$569	(184)	
Adult Military NH Res	\$289	\$289	-	96	-	\$569	N/A	N/A	N/A	N/A	\$569	(280)	
Teen/Sr Non-NH Res	\$499	\$529	30	221	6,630	\$529/\$779	\$549/\$739	\$799/\$679	\$499/\$499	\$449/\$499	\$602	(73)	
Teen/Sr NH Res	\$374	\$396	22	222	4,884	\$529/\$779	\$549/\$739	\$799/\$679	\$499/\$499	\$449/\$499	\$602	(206)	
Senior Military Non-NH Res	\$235	\$235	-	20	-	\$569	N/A	N/A	N/A	N/A	\$569	(334)	
Senior Military NH Res	\$176	\$176	-	36	-	\$569	N/A	N/A	N/A	N/A	\$569	(393)	
Junior Non-NH Res	\$479	\$509	30	214	6,420	\$529	\$489	\$679	\$399	\$399	\$499	10	
Junior NH Res	\$357	\$381	24	215	5,160	\$529	\$489	\$679	\$399	\$399	\$499	(118)	
Other													
Adult Single Day Rental Package	\$43	\$44	1	1,609	1,609	\$36	\$45	\$42	\$41	\$44	\$42	2	
Adult Group Snowsports Clinic	\$40	\$42	2	293	586	\$35	\$45	\$112	\$59	\$44	\$59	(17)	
Cannon Kids/Min Explorer Full Day	\$108	\$110	2	316	632	\$85	\$130	\$119	\$135	\$149	\$124	(14)	
Adult Tramway Round Trip	\$18	\$19	1	1,309	1,309	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Junior Tramway Round Trip	\$15	\$16	1	151	151	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
				<i>Minimum Est Rev Inc</i>									
				\$84,247									
FNSP Summer Products													
Adult Discovery Pass (Tram/Flume Gorge)	\$29	\$29	0	26,315	\$0	N/A	N/A	N/A	\$32 Gond/Zip	N/A	N/A	(3)	
Junior Discovery Pass (Tram/Flume Gorge)	\$23	\$23	0	3,846	\$0	N/A	N/A	N/A	\$26 Gond/Zip	N/A	N/A	(3)	
Adult Flume Gorge	\$15	\$16	1	99,669	\$99,669	\$17	\$18	N/A	N/A	N/A	18	(2)	
Junior Flume Gorge	\$12	\$13	1	13,720	\$13,720	\$12	\$14	N/A	N/A	N/A	13	N/A	
Adult Tramway Round Trip	\$16	\$17	1	36,651	\$36,651	N/A	N/A	\$28/car	\$15	\$16	20	(3)	
Junior Tramway Round Trip	\$13	\$14	1	4,505	\$4,505	N/A	N/A	\$6	\$10	\$11	9	5	
				<i>Minimum Est Rev Inc</i>									
				\$154,646									
				\$238,893									
Comments													
Winter													
Difference calculated solely on current volume on these primary products, from which all other products stem during May - September pricing meetings (upon Fiscal Committee approval in these categories). Volume increases are expected. Cannon's pricing structure and excellent on-hill product allows for excellent brand positioning as the "Value Leader" in New England. \$29 NH Wednesday aimed at value for NH residents and continued improvement in Wednesday visitation. Military rates - minimal proposed increases, as all Military rates remained frozen from 2010/11 - 2013/14 (4 years) and were very slightly bumped in 14/15.													
Summer													
Discovery Passes (both venues / combined ticket) are sold at both the Aerial Tramway and Flume Gorge and perform very well, with no comparable product in New England. Summer retail rates remain among the best value among the White Mountains Attractions Association member venues. Increased and better targeted marketing and improved relationships with lodging properties have driven (and will continue to drive) individual venue and Discovery Pass usage. Summer volume expected to bump 5% - 15% with fuel price decrease from 2014 and fair weather... and we expect State Park to see a solid boost in volume and revenue.													

Cannon Mountain – excerpt from Winter Ops Business Plan

Pricing Structure – annual review; Fiscal Committee of the General Court
Related to annual request for Spring approval on marquee Summer and Winter season items

From pages 9 & 10 of Winter Ops Business Plan:

E. Pricing Structure / Revenue Management

Pricing Structure

- Subject to annual Fiscal Committee review (primary winter/summer products)

- Adult, Teen, College, Military, Junior, Senior one-day ticket rates
- Tuckerbrook Family Area one-day ticket rate
- Tuesday/Thursday/Superbowl Value Day one-day ticket rates
- NH Resident (Wednesday) one-day ticket rate
- Adult, Teen, College, Military, Junior, Senior, Child regular season pass rates
- Adult, Teen, College, Military, Junior, Senior, Child (NH Resident) season pass rates
- Adult single day rental package / Adult group Snowsports clinic rate
- Adult and Junior winter round trip Tramway rates
- Adult and Junior summer round trip Tramway rates
- Cannon Mountain Winter Special Use Policy

A comprehensive annual review of all individual and group ticket and/or season pass pricing shall be undertaken (after annual Fiscal Committee review and approval of primary winter products in April / May) by the General Manager, Sales Manager, and Cannon/FNSP Director of Sales and Marketing. The criteria for setting such pricing shall be other NH area comparison, operating cost increases, market segment utilization, and RSA requirements, in addition to Cannon's commitment to providing the best overall value in New Hampshire at every price point. Said pricing shall be submitted to the DRED Business Office for review and approval prior to being released, to ensure that RSA's are followed, and that there is neither an assured loss due to undervaluing the area's products, or an undue burden placed upon its guests with dramatic price increases.

- Subject to annual DRED Business Office review (in addition to rates above)

- Multi-day ticket rates
- Promotional and partnership ticket and season pass rates
- Snowsports School (including nursery facility) daily and seasonal program rates
- Rental and Repair daily and seasonal program rates
- Retail Operations and self-owned and operated food & beverage rates
- Cannon Mountain Winter Special Use Policy

A comprehensive review of multi-day ticket rates, promotional and partnership ticket and season pass rates, and SnowSports School, and/or Rental/Repair, and/or Retail and F&B pricing shall be undertaken annually (after annual Fiscal Committee review and approval of primary winter products in May) by the General Manager, Sales Manager, and Cannon/FNSP Director of Sales and Marketing. In addition, the Snowsports School Director, Rental/Repair Manager, and Retail Manager shall be consulted. The criteria for setting such pricing shall be other NH area comparison, operating cost increases, market segment utilization, and RSA requirements, in addition to Cannon's commitment to providing the best overall value in New Hampshire at every applicable price point. Said pricing shall be submitted to the DRED Business Office for review and approval prior to being released, to ensure that RSA's are followed, and that there is neither an assured loss due to undervaluing the area's products, or an undue burden placed upon its guests with dramatic price increases.

- Special Use Policy / Fiscal Committee Review / Flexibility in Market Experimentation

The Cannon Mountain Winter Special Use Policy, which applies to special use by its staff members and/or their families, ski and snowboard industry representatives, Legislative and Executive Branch users, local and regional schools and charitable organizations, and various other individuals and organizations, shall be re-assessed, amended, and/or re-written by the General Manager annually and submitted to the DRED Business Office and Fiscal Committee for review and approval prior to being released. The company benefits internally and externally by following industry standards related to special use by its own team and industry related individuals and organizations. The company shall follow RSA protocols when utilizing the Winter Special Use Policy to benefit local and regional schools and charitable organizations, as well as various other individuals and organizations.

Annual spring review in (typically April / May)

- Cannon Mountain's marquee product pricing structure shall be reviewed by the Fiscal Committee
- The Cannon Mountain Winter Special Use Policy shall be reviewed by DRED and the Fiscal Committee
- Cannon/FNSP General Manager shall follow RSA's and maintain the authority to adjust any necessary pricing in the event of:
 - * Severe weather challenges
 - * Adverse or positive market conditions / opportunities
 - * Market experimentation or partnership opportunities
 - * Other promotional opportunities which present themselves throughout the season and/or fiscal year



Cannon Mountain Winter Special Use Policy 2015/16 Winter Season

Cannon Mountain Team Members and Dependents

Season Passes

To qualify for a season pass for himself/herself and his/her dependent(s), each Cannon, Centerplate, or FSC paid employee, or Cannon or ASPNC volunteer must abide by the requirements established by the "Employee Handbook" and/or "Snowsports School Contract." Employee/volunteer passes and/or family passes may be revoked at any time, for any reason, by the Commissioner, Director of Parks and Recreation, General Manager (GM), or the employee's or volunteer's department head. If an employee's (or volunteer's) season pass privileges are revoked, the revocation will apply to his/her dependents' privileges, as well. All team members must show a valid day ticket or season pass to load a lift, and must show a season pass as an ID when applicable for discounts.

For the purposes of this policy, DEPENDENTS are those individuals who may legally be claimed as dependents in accordance with Federal and State I.R.S. regulations. **Violation of this policy may lead to termination and / or prosecution.**

Season passes will only be issued after the employee or volunteer has completed a season pass application and eligibility form, **and attended the Cannon University orientation program**, and the general manager has signed the appropriate forms. Only the general manager may waive any part of this requirement. A processing fee will be charged for all passes. **Season passes are not transferable and may not be sold.** Passes are valid during employment (or while a team member is in good standing), and through the end of the ski season if the employee or volunteer is released in good standing and by agreement of the GM.

Class 10 and Class 59 employees, and FTYR Centerplate, FSC, and ASPNC employees:

- * Employee pass for \$10 processing fee
- * Each legal dependent pass for \$10 processing fee

Full-Time Seasonal Cannon, Centerplate, FSC, and ASPNC employees (regularly scheduled 5 days/week):

- * Employee pass for \$10 processing fee
- * Each legal dependent pass for \$25 processing fee

Part-Time Seasonal Cannon, Centerplate & FSC employees (minimum 15 days/season):

- * Employee pass for \$10 processing fee
- * First legal dependent pass for \$25 processing fee
- * Other dependent passes at 50% discount

Cannon Mountain Volunteers and Adaptive Sports Partners of the North Country Volunteers (all such team members must meet minimum requirements set by supervisor):

- * Volunteer pass for \$10 processing fee
- * Adult legal dependent pass for \$25 processing fee
- * Minor dependent passes at 50% discount

Employee & Volunteer Complimentary Vouchers

All Cannon paid employees / Cannon volunteers / Centerplate paid employees / FSC paid employees / ASPNC paid employees / ASPNC "full time" volunteers (all current and in good standing):

Shall be eligible for **three (3) 50% day ticket vouchers** per month worked to stimulate revenue generation and allow for discounted skiing/riding for any friend and / or family member. These vouchers are earned in December, January, February, and March... and are available after the first day in January, February, March, and April... and will **expire on December 31, 2016**.

These vouchers / privileges may not be sold, and their sale may result in that team member's immediate termination. These privileges may be revoked at any time by the General Manager, Commissioner, Director of Parks and Recreation, or the team member's department head.

NOTES:

Each month, each department head will verify the eligibility of his / her team members. Vouchers will only be issued to **current team members in good standing.**

The vouchers will not be issued by managers. Team members must check in for them at the Guest Services Desk at Notchview Lodge, and must sign for them.

Vouchers earned in March MUST be picked up in April. They are valid until December 31, 2016, but we will not roll over voucher stock until the following season.

Rental Shop

All Cannon paid employees / Cannon volunteers / Centerplate paid employees / FSC paid employees / ASPNC paid employees (all current and in good standing):

May use basic rental equipment from the Cannon rental shop at no charge during non-peak periods. The Rental/Repair Manager must be contacted in advance to authorize equipment use.

The dependents of Cannon paid employees and Cannon volunteers may present their employee dependent season pass to be eligible for a basic ski/snowboard package for \$15.00 during non-peak periods.

Non-peak periods are defined as:

Midweek/noni-holiday (anytime), and/or weekends and holidays after 12:00 Noon.

Repair Shop

All Cannon paid employees / Cannon volunteers / Centerplate paid employees / FSC paid employees / ASPNC paid employees (all current and in good standing):

- Shall be eligible for one (1) voucher per month, valid for a \$20 *Wintersteiger* basic tune-up rate.
MIDWEEK, non-holiday eligibility (work completed Mon – Fri, non-holiday periods)

Retail Shops

The Cannon Mountain Sports Shop (Notchview) and the Old Man Country Store (Tramway) shall extend a 25% discount on various non-sale items to Cannon paid employees and Cannon volunteers only. In addition, the shop manager may announce special discount days on specific items. Said employees and volunteers must present their season pass to be eligible for these discounts. Pre-packaged food and beverage items at Cannon retail outlets may not be discounted.

The Cannon Mountain Sports Shop at Notchview shall continue its "On-Snow Professionals Program," through which specified (departmentally) on-snow team members may receive up to a 40% discount on specified items and quantities. The program shall be rolled out in late November, and shall be managed between the Retail Manager and the respective department heads. Each team member's item checklist shall remain at the shop after the first use, and referenced during subsequent purchases through the program.

Retail shop discount privileges do not extend to family members or friends.

Food Service (including Centerplate, Inc. venues)

All Cannon paid employees and Cannon volunteers, all paid FSC employees, and all paid ASPNC employees (in good standing):

Shall be eligible for a 50% discount on regular retail rate food items (not specialty items or off-retail items such as outdoor deck BBQ's, etc.), excluding pre-packaged food and drinks and alcoholic beverages. Please inform the cashier that you are a team member before items are rung on the register; your employee or volunteer pass MUST be presented in order to be eligible for the discount. *Said discount does not apply to peak periods at the Cannonball Pub, or during specialty / after-hours functions.*

Food & beverage discount privileges do not extend to family members or friends.

Snowsports and nursery programs for employees and dependents

Cannon Mountain paid employees and Cannon volunteers (not family members or friends) may participate at no charge in regularly scheduled group lessons during midweek, non-holiday periods. Such uses, however, must be requested at the desk in advance, and are subject to availability in any given scheduled group.

Other privileges for Cannon Mountain paid employees and Cannon volunteers:

- Cannon Kids, Junior Development, and seasonal nursery programs - 50% discount (anytime)
- Childcare (nursery) - 50% discount during midweek/non-holiday periods
- Nursery season pass - 50% discount (depending upon availability)
- Programs other than group lessons, as determined by Snowsports Director - 50% off

There shall be no discounts on private lessons.

General Court

The complimentary ticket program for NH General Court members was eliminated under the advisement of the Legislative Ethics Committee (January 2012).

DRED Advisory Commission, Executive Council, and Cannon Mtn Advisory Commission

The Commissioner or Director may issue members of the DRED Advisory Commission, Executive Council, and Cannon Mountain Advisory Commission up to five (5) complimentary day tickets per individual, per season, for use at their discretion. These tickets may not be sold. Any exceptions to this policy will be made in writing by the Commissioner and/or Division Director, and the General Manager will be informed of the exception. Legislators who are members of said bodies are advised that complimentary ticket programs for NH General Court members were deemed inappropriate by the Legislative Ethics Committee (December 2011 / January 2012).

Adaptive Skiers

In order to receive discounted day tickets, an adaptive (handicapped) skier/rider must present his/her Golden Access Passport (available for blind or permanently disabled individuals through the federal government) or a letter from a doctor on that doctor's letterhead. Upon presentation of the Golden Access Passport or the aforementioned letter, an adaptive skier/rider and one assistant (if required) may purchase an all-day ticket at half price. Day tickets may be purchased at Guest Services at Notchview. Adaptive skiers/riders may opt to purchase a season pass at a 50% discount by using their Golden Access Passport. Said season pass discount is available to the adaptive guest; it is not available to an assistant.

Military Discounts

Pending Fiscal Committee approval, all active, retired, veteran and reserve United States Military personnel may purchase day tickets and season passes at the applicable / approved 2015/16 day ticket and season pass rates with proper Military ID or discharge ID/paperwork. **Note:** the NH resident discount deadline of December 14th (prior to the 15th) still applies. The discounted rates are for the service person only, and do not apply to family members or friends.

Visiting Ski Area Personnel

Ski NH member areas:

Full time employees may ski free Sunday – Friday during non-holiday periods
Part time employees may ski for \$25 Sunday – Friday during non-holiday periods

Non-Ski NH member areas:

Full-time employees may ski for \$25 Sunday – Friday during non-holiday periods
Part-time employees may ski at half price Sunday – Friday during non-holiday periods

C. ia:

Visitor's home ski area is operating that day

B. The individual must present a letter of introduction that meets the following criteria:

- 1) Original letterhead (no desk-top letterhead, no copies)
- 2) Original signature by manager or personnel director.
- 3) Letter must be dated (current), and must specify the date of skiing
- 4) Employee and his/her job must be named in letter
- 5) Letter must state that employee is a full-time employee
- 6) Specify that the home ski area is open
- 7) Must be accompanied by a current payroll stub that substantiates the employee's FT status.
- 8) Must be accompanied by photo ID.
- 9) One letter per person per visit; no more than 2 visits per person per week.

The General Manager and Director of Sales & Marketing may establish other reciprocal policies with other areas or organizations on a limited case-by-case basis.

Discounted tickets on this program may be purchased at Guest Services at Notchview.

PSPA, PSIA, NSPA

Members of the Professional Ski Patrol Association (PSPA), Professional Ski Instructor's Association (PSIA) and the National Ski Patrol Association (NSPA) may ski for \$25 on any day with proper identification. The member must present a current PSPA, PSIA or NSPA card at the Guest Services desk at Notchview.

Rescue Services

Members of the following services may ski for \$25 on any day:

Androscoggin Valley Search & Rescue, Pemi Valley Search & Rescue, Mountain Rescue Service, New England K-9, Upper Valley Wilderness Rescue Team

Criteria:

Member service must provide a list of its members prior to tickets being issued
Visiting member must provide a valid ID card from the member service
Privilege extends only to the service member, not to friends or family members.

Visiting Ski & Snowboard Shop Employees

The employee must present a dated letter of introduction on shop letterhead (no copies, no desk-top letterhead) signed by the shop owner/manager, a photo ID, and current paycheck stub. No privileges will be extended without a letter.

The employee's name must appear on a list of approved employees submitted by the ski shop to Cannon prior to December 15th of the current season.

The employee may exchange the letter for the appropriately priced lift ticket at Guest Services at Notchview, where the letter will be retained and kept on file. Shops that participate in Cannon marketing programs and/or are full members of Franconia Notch Chamber of Commerce, Lincoln Woodstock Chamber of Commerce, Littleton Chamber of Commerce, Twin Mountain Chamber of Commerce, Pemi Valley Chamber of Commerce, or the Mt. Washington Valley Chamber of

Commerce will have the following privileges:

Shop Owners and Managers:

Maximum of 2 owners per organization, w/1 store manager per location:

Free skiing/riding on any day, with the following exceptions:

Christmas Week 2015, New Year's Weekend 2016, MLK Weekend 2016, and Presidents' Week 2016

Full-time and part-time employees:

Free skiing/riding Sunday through Friday non-holiday

\$25 Saturdays and holidays

All other shops (not on Cannon co-op programs or affiliated with the local Chambers of Commerce):

Owners, managers, full-time and part-time employees:

\$25 Sunday through Friday non-holiday

\$25 Saturdays and holidays

The General Manager and Director of Sales & Marketing may establish reciprocal policies with other shops or organizations on a limited case-by-case basis.

Ski & Snowboard Industry representatives

Recognized New England ski & snowboard company "**Sales Reps**" and "**Technical Reps**," as defined in the New England Winter Ski Representatives (NEWSR) Guide Book (ex. Blizzard, Salomon, Burton) will have the following privileges:

Complimentary skiing & riding on any day, as arranged by the Director of Sales & Marketing. Said tickets are to be procured at the Guest Services Desk at Notchview. Said privileges extend only to the company sales or tech rep, and do not apply to friends or family members.

Special programs for NH youths: Teams, Special Needs, School/Recreation Groups

Qualifying organizations wishing to participate in these programs must request a specific group permit in writing prior to the first ski date. All lift tickets will be issued at Guest Services at Notchview. Misuse of a special group permit may result in revocation of all privileges for users of that permit. All requests must be submitted on the organization's letterhead. E-mailed requests will not be accepted.

Cannon Mountain Ski Area

Franconia Notch State Park

Franconia, NH 03580

PH : (603) 823-8800 / FAX: 603-823-8088

New Hampshire School Teams:

Competitive ski teams from all secondary schools, and collegiate teams representing the University of New Hampshire and the New Hampshire Technical Institute/Colleges, consisting of a minimum of four (4) and a maximum of twelve (12) members under supervision, will be permitted to ski for ten (10) midweek/non-holiday days at an annual \$150 registration fee rate. One permit is

allowed for each men and women's team. Weekend/holiday tickets will be sold at regular group rates by pre-arrangement with the mountain's Sales Manager. ***On-hill gate training must be pre-arranged with the Franconia Ski Club.***

The ski area will log the team's days of skiing, team members and serial numbers of tickets issue. After the permitted number of days/tickets have been used, the team may utilize the rate structure outlined in the section titled "*New Hampshire School and Recreation Youth Groups.*"

Special Needs Children's Groups:

Special needs children's groups from New Hampshire not associated with a public school system (e.g. *disabled, orphaned, emotionally disturbed, abused and underprivileged*) may ski/snowboard mid-week/non-holiday through prior arrangement with the Sales Manager (reservations required). Organizations wishing to participate in the program must present a copy of their license from the State of New Hampshire upon their first visit. Groups may not exceed 50 youths per visit. No minimum number of people to qualify for rates; five (5) visits per organization per season. **Fees are as follows:** \$12 per youth (age 6 – 17) // \$12 per chaperone (1 per 6-10 youths) // Current adult group rate for additional chaperones. Snowsports School Group Lessons @ \$15 per person // Basic Rental Package @ \$15 per person // Helmet rental @ \$5 per person // Damage waiver @ \$1 per person.

New Hampshire School and Recreation Youth Groups:

Any and all NH elementary or secondary students engaged in a school or community field trip may ski/snowboard during non-holiday periods through prior arrangement with the Sales Manager (reservations required). Groups may not exceed 100 youths per visit and must have at least 12 people per visit to qualify for rates. Maximum of five (5) visits per organization per season. **Fees are as follows:** Midweek Youth (age 6 – 17) \$18 // Weekend – Holiday Youth \$24 // Midweek Chaperone \$18 (1 per 6-10 youths) // Weekend – Holiday Chaperone \$24 // Added Chaperones @ adult group rate. Snowsports School Group Lessons: \$15 midweek / \$18 weekend – holiday // Basic Rental Package: \$15 midweek / \$20 weekend – holiday // Helmet Rental \$5 // Damage Waiver \$1.

School Release Programs:

Schools that wish to commit to bring students to Cannon one day per week (midweek/non-holiday) for 4 - 6 consecutive weeks may pay a one-time (per child) flat rate for day tickets, Snowsports School lessons and rentals that will be determined by the Snowsports School Director and Rental Shop Manager, and approved by the General Manager.

Members of the Media

Writers and other journalists may receive complimentary day tickets by arrangement with the Director of Sales and Marketing, or in his/her absence the General Manager. These day tickets will be issued at the Guest Services Desk at Notchview Lodge.

Commissioner, Director, GM, and DSM Discretion

At the discretion of the Commissioner, Director of Parks & Recreation, General Manager, or Director of Sales & Marketing, complimentary day tickets (or use at a reduced cost) may be issued in exchange for volunteer ski patrol, courtesy patrol, photography, promotional, medical or other services of operational or marketing benefit to Cannon Mountain or the Division of Parks and Recreation. Complimentary lift privileges shall not be exchanged for goods / product.

Volunteers

The General Manager or applicable department head must approve persons interested in participating in Cannon's various volunteer programs in writing. All volunteer programs shall have clear and concise written job duties, which will be approved by General Manager. Volunteers must sign a written agreement stating job duties, time commitments and performance expectations, as well as a volunteer liability release form.

Cannon Volunteers must commit to the minimum number of days specified by that particular program leader. The department head will determine the required number of hours per workday, and volunteers will be required to log specific tasks and hours per workday.

Volunteers will receive an employee season pass for themselves for the \$10 processing fee. Volunteer dependent passes can be purchased for the applicable discounts outlined in section I.

Any volunteer not fulfilling his/her commitment will not be allowed to return as a volunteer the following season, and may have his/her season pass privileges (and those of any dependent) revoked if not meeting standards / protocols during the current season.

NH Seniors aged 65 and older

Pursuant to RSA #218:5-c, NH residents aged 65 and older **effective December 14th, 2015** are eligible for complimentary lift tickets **for personal use** during midweek periods (defined as Monday – Friday). Proper identification, such as a NH Driver's License or non-driver NH ID card, is required. A NH Senior Midweek Pass, valid Monday - Friday (no excluded vacation week dates), is available for a processing fee. Transactions may be made at the Guest Services desk at Notchview.

Children under the age of 6

Children who are **under the age of 6 on that day** may ski/snowboard for free (with a day ticket) when a ticketed (or season pass holding) adult accompanies them. A season pass (no restrictions) is available for children who will be **under the age of 6 effective December 14th, 2015** for a processing fee. Transactions may be made at the Guest Services desk at Notchview.

Holiday Definition

Christmas Holiday Period, 2015: December 26, 2015 – January 3, 2016

- a. Holiday rates every day
- b. No Tuesday/Thursday Value Day pricing, no NH Resident Wednesday pricing
- c. NH Seniors may ski free Monday - Friday
No free/discounted tickets for: groups covered in Section VI (Visiting Ski Area Personnel) and Section IX (Special Programs for NH Youths)
- d. Ski Shop Employees, Owners and Managers (per Section VIII) pay \$25/day

Martin Luther King Jr. Weekend: January 16 – 18, 2016

- a. Holiday rates every day
- b. NH Seniors may ski free on that Monday
- c. No free/discounted tickets for groups covered in Section VI (Visiting Ski Area Personnel) and Section IX (Special Programs for NH Youths)
- d. Ski Shop Employees, Owners and Managers (per Section VIII) pay \$25/day

Presidents' Week Holiday Period: February 15 – 21, 2016

- a. Weekend/Holiday rate every day.

- b. No Tuesday/Thursday Value Day pricing; NH Resident Wednesday pricing applies
- c. NH Seniors may ski free Monday - Friday
No free/discounted tickets for: groups covered in Section VI (Visiting Ski Area Personnel) and Section IX (Special Programs for NH Youths)
- d. Ski Shop Employees, Owners and Managers (per Section VIII) pay \$25/day

Franconia Notch State Park Cannon Mountain Aerial Tramway & Ski Area

To: The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court

From: John M. DeVivo, General Manager / Cannon & FNSP

Re: **Summer 2015 & Winter 2015/16 Marquee Pricing Package Submission**

Date: April 15, 2015

Pursuant to RSA 216-A:3-g, the Department of Resources and Economic Development requests approval of the attached rate changes to the marquee summer 2015 and winter 2015/16 products at Cannon Mountain Aerial Tramway & Ski Area. The department also requests the approval of the 2015/16 Cannon Mountain Winter Special Use Policy. RSA 216-A:3-g requires that fees for use of park areas be designed to recover a reasonable portion of operating costs, and that these fees shall be comparable with fees for use of similar privately owned facilities.

- This pricing package is very carefully crafted each spring by the Cannon/FNSP team
- This pricing package has an added comparison against the average NH-based pricing for similar experiences
- This pricing package is designed to both maximize consumer value and cover costs
- This pricing package shows the potential for an added \$238,893 in revenue (on just the marquee summer and winter items shown), while requesting very minor rate increases
- The overall pricing strategy is aimed at a surplus of revenue over expense
- Of the 23 winter products & prices before you for consideration:
 - 15 offer a better price than the average major NH ski area price;
 - 6 have no comparison at all amongst major NH ski areas; and
 - 2 slightly exceed the average major NH ski area price
- Of the 6 summer products & prices before you for informational purposes:
 - 4 offer a better price than average White Mountain Attractions pricing;
 - 1 product runs even with average White Mountain Attractions pricing; and
 - 1 slightly exceeds average White Mountain Attractions pricing
- Cannon's Winter Special Use Policy is also included for consideration:
 - This policy meets RSA's, policies, and ski industry standards; and
 - This policy is designed to maximize upon usage by fringe user groups
- This packet includes:
 - Request letter;
 - Summary memo;
 - Pricing comparison spreadsheet;
 - Cannon Mountain Winter Business Plan excerpt; and
 - Cannon Mountain 2015/16 Winter Special Use Policy