

Commissioner Jeff Rose
DRAFT MOUNT SUNAPEE MDP/EMP 2015-2019 STATEMENT
April 16, 2015

Mount Sunapee is a special place. It is one of the jewels of our state park system and provides a variety of recreational experiences for its guests. It has been gratifying to see the level of comments received from the public regarding the 2015-2019 Master Development Plan (MDP)/Environment Management Plan (EMP) for the leased portion of the state park. Clearly, the passion, engagement, stewardship, and vision for Mount Sunapee State Park trigger an emotion with people as wide and diverse as the park itself. It has been hard work, but inspiring, to review the public comments with my team, talk with the resort operator, and to bring a thorough and balanced approach to the MDP/EMP process.

In making a decision, there are a lot of elements that need to be taken into consideration. First and foremost, I look for guidance from the Department of Resources and Economic Development's (DRED) enabling statutes as established by the Legislature. What is the mission of the agency? What is the authority of the agency? What factors should we be considering when evaluating projects? How do we balance between the recreational, environmental, economical, ecological, and promotional elements that not only define us as an agency, but define us as a state?

I also seek guidance from the public process. During the public comment period, the agency received comments from over 300 people. These comments have been captured and catalogued, and a summary of them is posted on our website. The agency, with the support of the Upper Valley Regional Planning Commission, hosted a well-attended public hearing for people to express their thoughts on the MDP/EMP proposal. I appreciated the comments I've received from all interested parties, including members of the Mount Sunapee Advisory Committee, various friends' groups, and the towns of Newbury, Sunapee, and Goshen.

Finally, I've looked to the past to bring perspective on shaping the future. The history of Mount Sunapee State Park is well documented – from the important efforts of the Society for Protection of New Hampshire Forests (SPNHF), to the commitment of the State (both the legislative and executive branches of government). From the thoughtful and deliberate efforts of previous commissioners, to the conscientious consideration from state and federal agencies – historical information has proven to be a useful reference to help frame where we might go from here.

The management of public lands needs to be an open, transparent, and holistic. The benefit of any one project needs to be evaluated from the perspective of how it serves the overall public good. It is with this backdrop that I provide you my draft decision on the Mount Sunapee Resort MDP/EMP for 2015-2019.

Statement outlining my draft decision:

After carefully considering DRED's statutes, evaluating the public comments, considering the history of the park, and having extensive discussions with my team and the operator, it is my recommendation that the MDP/EMP submitted by the Mount Sunapee Resort be amended and approved, based on a series of conditions.

West Bowl ski area land - The MDP/EMP submitted by the Mount Sunapee Resort proposed both public and private ownership of the lands in the West Bowl based upon a common model of ski area operations on state and federal lands. Examples of this model can be found in New Hampshire's White Mountain National Forest, Vermont, and other public lands in the United States. However, I do not feel that this is the best model for Mount Sunapee State Park. I propose that all the lands directly associated with the recreational facilities constructed in the West Bowl area be transferred to the State, at no cost to the State, and become part of the state park by the end of the first 10-year option within the current Lease (on or before 2028). This would result in approximately a 150 acres of ski terrain added to the Park.

The boundaries of the land to be transferred to the State would incorporate all the facilities necessary to operate the ski area (including, but not limited to, the ski trails, parking lot, base lodge functions such as ticketing, restaurant, retail and rental shop, ski school, and all other activities that would be directly associated with the ski area operations) and the agreements will include all additional rights necessary to support access to and the operation of the ski area (such as road rights of way, waste-water disposal, etc.). The West Bowl recreation area will become public lands and public facilities. There will be no private real estate development within the West Bowl area that is transferred to the State.

Natural Heritage Bureau findings - In evaluating the proposed expansion, I asked the Natural Heritage Bureau (NHB) within the Division of Forests and Lands (F&Ls) to revisit its 2004 report on the conditions of the forest within the West Bowl, particularly in its relation to the forest within the East Bowl. In addition, the NHB, at the invitation of the Mount Sunapee Resort, gathered information on the Resort's land adjacent to the state park. The proposed ski area expansion would impact portions of this land as well.

The NHB report concluded that there is no old growth forest in the West Bowl, including within Polygon D. It was confirmed as a mature forest with some older trees, but it is not old growth forest, such as that contained within the East Bowl. However, it was identified that these sections of mature trees are part of the larger forest mosaic of Mount Sunapee and part of the overall exemplary natural community of the Sunapee Highlands Corridor.

As a result of being a part of this overall exemplary natural community (particularly within Polygon D), I require the realignment of two proposed ski trails and narrowing the width of the West Bowl Express Quad chairlift corridor. Trail WB6 will now be located outside of Polygon D, and the chairlift (Lift M) and

the associated WB4 trail would be narrowed significantly. These measures will reduce the impacts within Polygon D from approximately 4.2 acres, as initially proposed in the MDP/EMP, to 1.6 acres.

However, since there are impacts to the natural exemplary community, I propose to mitigate these impacts directly through the donation of land currently owned by the Mount Sunapee Resort of approximately 52 acres to the State for conservation purposes. Based on the NHB 2014 addendum, approximately 10 acres of this private parcel may be worthy of inclusion within the exemplary natural community.

Furthermore, in an effort to document and monitor the disturbance impacts from the chairlift corridor, I propose that Mount Sunapee Resort fund the installation and annual monitoring of permanent research plots within Polygon D. These research plots stand to provide valuable data and research as we continue to evaluate best practices in the management of State lands and exemplary natural communities.

Additional environmental protections - Beyond the donation of 52 acres of private land and the funding of research plots within Polygon D, the State seeks additional environmental protections and ways to enhance the public benefit in addition to alpine skiing.

In an effort to further recognize and protect the high value of old growth forest contained within the East Bowl, I propose that the Lease be amended whereby Mount Sunapee Resort agrees not to request any further ski area development within the East Bowl. Other than the projects approved in previous MDPs, there will be no further disturbance to Polygon 23 and Polygon 20. This would codify the protection of these areas and provide a higher level of protection than under the current arrangement.

Also, former DRED Commissioner George Bald's February 27, 2002 MDP response to the Mount Sunapee Resort called for the expansion of at least 100 acres of land to be added to the Mount Sunapee/Pillsbury Greenway. To meet this request, the Resort purchased a 208 acre parcel, which through this conditional approval, will be donated to the State at the time the West Bowl expansion begins. This will further protect the ridgeline of the Greenway and a total of 260 acres of land will be donated to the State and protected.

Development within the West Bowl and on privately-owned abutting lands- Private and residential development will not occur on the West Bowl land being transferred to the State.

There are conservation easements on some of the private land abutting the state park; however, questions were raised regarding the private lands retained by the Mount Sunapee Resort. It is important to note these lands are located in Goshen and within the Town's Mount Sunapee Recreation District. In the recreation district, zoning ordinances do not allow for commercial or residential real estate development. If development within the district were to ever occur, it would be a local decision left to the Town of Goshen and its residents. However, if a landowner within the recreation district (in this case the Mount Sunapee Resort) were to apply and receive a variance from the zoning board for commercial or residential development, the project would need to comply with local building code

setbacks from abutting property. With respect to the West Bowl area, the requirements in Goshen call for setbacks of 50 – 75 feet from abutting property boundaries, including from the state park boundary.

In addition, I shall require that any trails built within the West Bowl have a setback of at least 20-feet from the state park boundary. This will further ensure that any abutter to the state park is not granted rights or access to the recreational facilities that are not also enjoyed by the general public.

DRED does not prohibit abutters to its properties from walking onto state park lands provided that they pay any day use fees and comply with other rules and policies associated with the use of the park. Skiers from abutting lands would be permitted to walk onto ski trails, but would be prohibited from constructing trails to access the public ski area.

Summit Hiking Trails- Mount Sunapee Resort provided DRED with an updated map to accurately reflect the current location of hiking trails. I propose that all recreational facilities developed in the West Bowl area be done to reasonably accommodate the current recreational use of the land. Mount Sunapee Resort, in consultation with the Sunapee-Ragged-Kearsarge-Greenway Coalition (SRKGC), has agreed to re-route the Summit Hiking Trail. Also, Mount Sunapee Resort has agreed to conduct spring clean-up maintenance of the Summit Hiking Trail and the Lake Solitude Trail to the Summit Trail in support of the Sunapee-Ragged-Kearsarge-Greenway Coalition and the Sunapee-Pillsbury Greenway Coalition.

Mountain Coaster- While the exact details will need to be reviewed and approved through the Annual Operating Plan (AOP) for Mount Sunapee Resort, I give my conditional approval for the mountain coaster within the 2015-2019 MDP/EMP. This is consistent with the Lease RFP objective of seeking expansion of summertime activities within the state park. Mount Sunapee Resort shall design the coaster to best fit into the landscape and the natural environment. The expanded summer recreational offerings have contributed toward increased visitation at Mount Sunapee State Park's beach, and increased economic activity in the region.

In reviewing the mountain coaster proposal, I consulted with DRED's NHB to ensure it would not adversely impact the sensitive ecological values within Polygon 32. Based on the current plans, the mountain coaster would be located below the area within the Polygon 32 where old timber is located. However, the Mount Sunapee Resort will need to continue to work with the Natural Heritage Bureau during the site plan and review stages of the project.

Economic benefits of the proposed West Bowl expansion - One of the defining characteristics of the Department of Resources and Economic Development is the coordinated and balanced approach between economic development, protection and responsible management of natural resources, public enjoyment of DRED lands, and the promotion of travel and tourism. The expansion of the West Bowl project respects this balance, and factored in the consideration of the project, is the anticipated economic benefits of the proposed expansion.

At my request, Mount Sunapee Resort updated its economic analysis, through RKG Associates, for the West Bowl expansion proposal. The State would receive financial benefit in the same way it does from

all tourism businesses including, but not limited to, rooms and meals tax. The Towns of Goshen and Newbury would receive property tax revenue.

According to the updated economic report, at build out, the Town of Goshen would see an increase in property tax revenue of around \$90,000. The Town of Newbury would see an increase in property tax revenue of nearly \$11,000.

The State of New Hampshire would see an estimated increase in rooms and meals taxes of over \$100,000 plus an increase in business taxes of approximately \$50,000.

The Department of Resources and Economic Development anticipates an increase in the Lease payment of nearly \$150,000, and an increase of approximately 260 acres in conservation lands to Mount Sunapee State Park.

The West Bowl expansion project is also anticipated to bring an increase in employment, both in the summer and winter months, which will be anticipated to add over \$1 million in wages.

Other conditions- As is the case in all development projects, the Mount Sunapee Resort is required to go through the local and state permitting process before moving forward with the West Bowl expansion. This would include working with the Department of Environment Services (DES) for potential impacts such as wetlands, alteration of terrain, water, and wastewater issues, New Hampshire Fish and Game (NH F&G) for evaluation of potential wildlife and habitat impacts, and New Hampshire Department of Transportation (NH DOT) for consideration of traffic related matters.

As part of the local site plan review and permitting process, Mount Sunapee Resort will need to update its traffic analysis in conjunction with the project design and site plans for the West Bowl area. I propose that the updated traffic analysis be included as an addendum to the MDP/EMP, when the analysis becomes available. I also encourage the Mount Sunapee Resort to continue to work proactively and collaboratively with the Town of Goshen, the Town of Newbury, and the NH DOT District Maintenance Office on traffic and roadway issues and concerns.

Lease success and review - The partnership between the Mount Sunapee Resort and the State has been successful in many ways. The skier experience on the mountain has been significantly improved as a result of the Lease. This can be validated in many ways, but one measure is that Mount Sunapee ski area has more than doubled the number of skiers since it was last run by the State.

The revenue to the State, through DRED, has also satisfied the objectives outlined in the initial lease premise. The proceeds from the Mount Sunapee Lease have enabled the extensive capital upgrades at Cannon Mountain. With the support of these upgrades, Cannon has increased its skier visits, enhanced its financial position, and provided critical revenues to help support the overall financial health of the state parks system.

However, the Mount Sunapee partnership hasn't been without its challenges; most notably, the near decade that the operator and State have been in court to address boundary and expansion issues.

While this legal dispute has been resolved through the judicial system, the State and Mount Sunapee Resort have lost a decade of opportunity to enhance the park, improve the skiing experience, and increase the economic opportunity for the region. As such, I propose adding an additional 10-year option to the current Lease Agreement with the Mount Sunapee Resort. Of course this, as well as the expansion, land donation, and other changes to the Lease provisions, will need to be approved by the Governor and Executive Council. I am confident that after the Governor and Council do their review of DRED's approval of the 2015-2019 MDP/EMP and the additional conditions, they will determine that the partnership is strong and that an additional 10-year option to the Lease is beneficial to all.

Closing Summary- Mount Sunapee State Park offers a wide variety of recreational opportunities, of which alpine skiing has historically been a major part. The concept of expanding Mount Sunapee ski area is well established, from the New Hampshire Legislature approving funding for construction of a lift in 1945, to the requirements for expansion of the ski area outlined within the Request for Proposal (RFP) in 1998. Mount Sunapee State Park has evolved as a competitive ski area providing public recreation, enhancing travel and tourism in New Hampshire, and being an economic stimulus for the region.

I believe this amended MDP/EMP represents a balanced and responsible project that respects the natural resources, enhances the recreational experiences for the public, brings strong economic benefits to the region and State, and further solidifies the strength of the State's parks system. New Hampshire's ability to bring recreation, conservation, and economic promotion is one of our State's defining attributes.

I am pleased to bring this proposal forward and embrace the continuing engagement on the 2015-2019 MDP/EMP. A lot has changed since MDP/EMP was first released last summer, and this is not a final document. Beginning today, DRED will open a 50-day public comment period for citizens to provide their comments, ideas, and suggestions to the proposal and conditions. I have also called for a public hearing on May 5th at 6 pm at Mount Sunapee State Park. As I stated earlier, the management of public lands needs to be open, transparent, and holistic. The benefit of any one project needs to be evaluated from the perspective of how it serves the public good. I am confident that the deliberate and inclusive process we have followed has allowed for a strong proposal to be brought forward today. I believe the amended MDP/EMP as outlined will bring benefit to the greater Sunapee region, and the State of New Hampshire.