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STATE OF NEW HAMPSHIRE  
DEPARTMENT of NATURAL and CULTURAL RESOURCES  
DIVISION of PARKS and RECREATION  
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June 1, 2023

The Honorable Ken Weyler, 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 Natural and Cultural Resources, Division of Parks and Recreation requests approval of the attached fee package for the marquee winter 2023/24 season pass products at Cannon Mountain Aerial Tramway & Ski Area.

**EXPLANATION**

In accordance with RSA 216-A:3-g "*Fees for the use of campgrounds and ski lifts shall be comparable with the fees for use of similar privately owned facilities.*" And, "*The operation of all enterprise functions within the park system, including ski lifts, food service, retail facilities, campgrounds, and other concession activities, shall be as profitable as possible, within the purposes of the park system.*"

The Franconia Notch State Park (FNSP) // Cannon Mountain (Cannon) management and marketing 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 as well as its summer rates with those of its competitors, all while maintaining and balancing its position as a value leader in New England and supporting both the mission and the financial stability of the NH State Park System.

Market Review // Cost Coverage

While balancing our market strategy relative to pricing and gauging what the market will bear for the high level of service and excellent on-hill product that we provide, equally important is our need to consistently offset both foreseen and unforeseen costs while supporting the rest of the State Park System. Our largest ski area cost drivers are utility consumption (electric / heat / water / fuel), current expense, labor, insurance, and repair and maintenance contracts. Costs in each of these areas have increased significantly, necessitating an increase in rates in support of the entirety of the State Park System. Our winter season pass rates have historically been among the very best single-ski area rates in New Hampshire, and as is shown in the comparative matrix provided, this year will be no exception while still providing necessary revenue increases to aid in our cost coverage needs.

### Fee package: Value / Revenue

FNSP/Cannon will of course, still be very well-positioned in northern New England from a value perspective. Please see the attachment for a fiscal impact calculation and a competitive comparison. Though our ski area offerings set the standard for excellence within New Hampshire, our prices are well-known to very often be at or below the average market rates. Please note that the requested fee amounts are maximums and may be adjusted downward to address market conditions. Additionally, Cannon's other winter revenues derived from its hundreds of other products that stem from the sale of these marquee items are expected to increase and provide added revenue. Promotional items may also be added to our product menu later during the winter or summer season if market conditions continue to improve markedly, or when other unforeseen opportunities arise.

When reviewing the attached comparative matrix, please note that there are nominal proposed rate increases across all categories with the exception of those four (4) related to the Military. There are two (2) categories with higher percentage increases, though the dollar figure involved is quite nominal, and in each case it would be the first-ever rate increase on the processing fee.

Cannon's Winter 2023/24 day ticket products will be brought forth to the Fiscal Committee for review and approval in the Fall after further market review and analysis of expected operating costs between November 1, 2023 and June 30, 2024.

### Fall 2023 Review and Approval Request

This Fall we'll bring forth the following for review and consideration (as standard practice):

- Winter 2023/24 (marquee) day ticket items;
- Summer 2024 (marquee) day ticket items;
- 2023/24 Cannon Mountain Winter Special Use Policy

### Further Explanation

- The season pass price increase takes effect on July 1<sup>st</sup> pending Fiscal Committee approval.
  - Fiscal Committee approval is required in order to exceed last year's max rates;
  - July 1<sup>st</sup> is our planned launch date for new rates, having extended beyond June 1<sup>st</sup>
- We usually bring ALL of our rate increases to Fiscal Committee as one package to include winter passes, winter tickets and summer tickets.
  - This year we've added a payment plan and we're looking to bump our rates on season passes into a higher tier to see revenue earlier.
  - We have very real costs that we're trying to off-set and we certainly don't wish to just defer to last year's previous maximum.
  - We'll bring our winter 23/24 ticket rates and our summer '24 ticket rates to the Fiscal Committee this fall after researching others' rates and looking at expected costs.

- There are bumps in all seasons pass categories that are non-military.
  - We have very real costs that we're trying to offset and we don't wish to just defer to last year's previous max approved rates;
  - Anything that is viewed as unreasonable may be discussed and removed as a line item.
- The season pass bump is expected to add roughly \$77,000 in revenue.
- The winter ticket increases generally yield another 3-4 times that amount in added revenue.
- The summer ticket increases generally yield another 1-2 times that amount in revenue.
- Our assertion that "everyone else's rates are going up" is very sound.
  - Every ski area bumps its season pass rates between April 1<sup>st</sup> and July 1<sup>st</sup>, and that's advertised directly on their websites.

In summary:

We request approval on the attached rate increases on our Winter Season Pass products, so that we may enact them on July 1<sup>st</sup> in keeping with industry and our own standards and strategies. There are several notes included with the comparative matrix to add ample clarity. Our rates still offer both NH Residents and out-of-state visitors many of the very best values in New Hampshire and New England.

We'll return this Fall to request approval of our Winter 2023/24 and Summer 2024 marquee item rates and our Cannon Winter Special Use Policy, as has been standard practice.

Many thanks for your continued service and guidance, and for your consideration of these requests.

Respectfully submitted,

Concurred,



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Brian J. Wilson, Director  
New Hampshire Parks and Recreation



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Sarah L. Stewart, Commissioner  
New Hampshire Natural and Cultural Resources

**State of New Hampshire // Department of Natural & Cultural Resources // State Park System**

**Cannon Mountain Aerial Tramway & Ski Area - Marquee Season Pass Products**

**Proposed Pricing and Comparative Data Submitted for Fiscal Committee review (Matrix drafted May 24, 2023)**

**Cannon Mtn Winter Season Pass Products (last year's max approved rates and current pre-buy rates listed)**

**Competitive Comparison (all rates will increase in June)**

	Current Pre-Buy Price 23/24 Season	Sea Pass Unit Max Price Was 22/23 Season	Proposed Max Price 23/24 season	Difference Versus Pre- Buy Price 23/24 Season	\$\$ Difference Versus Max Price 22/23 Season	% Difference Versus Max Price 22/23 Season	5-year Avg Unit Volume Sold by Category	5-year Avg Vol Versus Increase on 22/23 Max Price	Attitash	B-Woods	Loon Mtn	Sunapee	Waterville
Under 6 / Processing Fee	\$39	\$39	\$44	\$5	\$5	12%	300	\$1,500	N/A	\$30	N/A	N/A	\$25
NH Sr Mdwk / Processing Fee	\$39	\$39	\$44	\$5	\$5	12%	900	\$4,500	N/A	N/A	N/A	N/A	N/A
Adult Non-NH Resident	\$789	\$859	\$899	\$110	\$40	5%	650	\$26,000	\$909	\$995	\$1,419	\$909	\$1,204
Adult NH Resident (pre Dec 15)	\$591	\$644	\$674	\$83	\$30	5%	950	\$28,500	\$909	\$995	\$1,419	\$909	\$1,204
Adult Military Non-NH Resident	\$399	\$399	\$399	N/A	N/A	N/A	100	N/A	\$519	\$559	\$729	\$519	\$533
Adult Military NH (pre Dec 15)	\$299	\$299	\$299	N/A	N/A	N/A	150	N/A	\$519	\$559	\$729	\$519	\$533
Teen Non-NH Resident	\$469	\$559	\$569	\$100	\$10	2%	50	\$500	\$909	\$339	\$729	\$909	\$724
Teen NH Resident (pre Dec 15)	\$351	\$419	\$426	\$75	\$7	2%	300	\$2,100	\$909	\$339	\$729	\$909	\$724
Sr Non-NH Resident	\$469	\$559	\$569	\$100	\$10	2%	100	\$1,000	\$555	\$729	\$729	\$555	\$758
Sr NH Resident (pre Dec 15)	\$351	\$419	\$426	\$75	\$7	2%	100	\$700	\$555	\$729	\$729	\$555	\$758
Sr Military Non-NH Resident	\$235	\$235	\$235	N/A	N/A	N/A	30	N/A	\$519	\$559	\$1,419	\$519	\$533
Sr Military NH Res (pre Dec 15)	\$176	\$176	\$176	N/A	N/A	N/A	50	N/A	\$519	\$559	\$1,419	\$519	\$533
Jr Non-NH Resident	\$389	\$479	\$489	\$100	\$10	3%	300	\$3,000	\$463	\$199	\$729	\$463	\$586
Jr NH Resident (pre Dec 15)	\$291	\$359	\$366	\$75	\$7	2%	300	\$2,100	\$463	\$199	\$729	\$463	\$586
Young Adult Non-NH Resident	\$525	\$589	\$615	\$80	\$26	5%	160	\$4,160	\$909	\$465	\$729	\$909	\$724
Young Adult NH Res (pre Dec 15)	\$393	\$441	\$461	\$68	\$20	5%	160	\$3,200	\$909	\$465	\$729	\$909	\$724

**Expected Revenue Increase based solely on marquee items listed**

**\$77,260**

**Notes Regarding Matrix:**

Nominal rate (and percentage) increases proposed in all categories with the exception of the four (4) Military categories;  
 Proposed nominal \$5 rate increase on Child Under 6 and NH Senior Mdwk Processing Fee is first-ever rate increase in 5+ years of product existence;  
 Expected revenue increase is calculated solely against the previously approved max rate, not versus the current pre-buy rate;  
 All season pass buyers are encouraged to both buy early and use Cannon's NEW no-interest payment plan;  
 All non-NH Resident season pass buyers who buy after July 1st will see a nominal bump versus previous max rate and a larger bump versus current pre-buy;  
 All NH Residents are eligible for the 25% discount on the Non-Resident rate until 11:59 PM on December 14th per RSA 227:14;  
 All comparisons are based upon Cannon's full access passes versus other resorts' currently listed rates for full access with no blackout dates;  
 All comparative ski areas are advertising that their rates will increase in June (and thus will be higher than seen in this matrix created on May 24th).