



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER
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July 22, 2020

Peter Disch, General Manager
Mount Sunapee Resort
PO Box 2021
Newbury, NH 03255

RE: Mount Sunapee Resort Annual Operating Plan 2020-2021, dated July 20, 2020 (revised)

Dear Mr. Disch,

The purpose of this letter is to provide you with conditional approval of the revised Mount Sunapee Resort (MSR) Annual Operating Plan 2020-2021 (AOP), dated July 20, 2020.

The Lease and Operating Agreement of 1998 (Lease 1998) enables the Operator, d/b/a Mount Sunapee Resort (MSR), “to manage and operate the Leased Premises as a public ski area and summer recreational facility to provide year-round outdoor recreational opportunities for the general public” and “shall entitle the Operator to the right to operate a commercial recreational (*sic*) facility (including all of its support activities) on Mount Sunapee in the Towns of Newbury and Goshen” (Lease 1998, Part 4, Ski Area Operations, p. 4).

The Annual Operating Plan. Pursuant to the Lease 1998, Part 5, Annual Operating Plan, p. 4 “[o]n or before the 15th day of May during each year of this Agreement, the Operator shall submit to the [Department of Natural and Cultural Resources (DNCR) an annual operating plan, including a schedule of the proposed days and hours of operation for the ski area, and a description of the types of recreational activities available to the public. The proposed schedule of operation shall be reviewed by DNCR and either approved as proposed, or revised for resubmission. The DNCR shall notify the Operator in writing of a final schedule of operations no later than June 30th of each year.” The AOP 2020-2021 was delivered to DNCR on May 12, 2020. The DNCR distributed the AOP to the Mount Sunapee Advisory Commission (MSAC) and posted a copy on the MSAC webpage.

The Mount Sunapee Advisory Commission (MSAC). The Lease Amendment approved by the Governor and Executive Council on December 19, 2018, codified the requirement that the Operator meet with the MSAC at the call of the Commissioner. The MSAC operates under the Public Involvement and Oversight Policy for Mt. Sunapee Ski Area (PIOP), dated August 31, 1998, and revised on December 3, 2018.

The MSAC met by teleconference call on June 9, 2020, to enable the MSAC’s review of the AOP. MSR presented the AOP and comments from the MSAC and the public were taken into consideration. MSR was asked to revise the AOP to incorporate and address certain comments received from the MSAC, NH Department of Environmental Services (NHDES), the Natural Heritage Bureau (NHB), and the public. The revised AOP was due to DNCR by July 20, 2020.

Mount Sunapee Resort submitted its revised AOP on July 20, 2020. The revised AOP incorporated the revisions requested by DNCR, see letter to Mr. Disch from Commissioner Stewart, dated June 30, 2020.

Conditional approval of the AOP. We have completed our review of Mount Sunapee Resort's revised Annual Operating Plan 2020-2021 ("AOP-rev"), dated July 20, 2020. The activities in the AOP are consistent with the 1998 Lease and Lease Amendments, and the Revised Master Development Plan and Environmental Management Plan 2016-2020 (MDP) that was approved by the DNCR on March 11, 2016. Comments received from the public, the MSAC whose members include the DES and the NHB, and the DNCR staff were considered. Revisions requested by the DNCR were incorporated in the revised AOP 2020-2021. I am providing MSR with written approval of the revised AOP 2019-2020, on the following basis and subject to the conditions herein:

- 1) The proposed schedule of operations for the ski area and description of the types of recreational activities available to the public are approved as proposed. I acknowledge that MSR may not open certain areas and facilities to the general public in response to the COVID-19 pandemic. Should MSR open such areas and facilities, it shall be done in accordance with the Governor's Economic Re-opening Task Force guidance.
- 2) I will accept MSR's reporting of skier visits separate from the AOP and through the DNCR's audit of MSR's annual financial reporting as per the requirements of the Lease.
- 3) Under Section G, Emergency Operating Plan, MSR will provide the DNCR with a copy MSR's Emergency Action Plan containing updated staff contact information (AOP-rev, p. 21).
- 4) It has become standard practice by this office since 2008, to annually review Item 4, Resort Real Estate Sales, under Leases, Contracts and Agreements (AOP-rev, p. 22). This item is approved as proposed during this annual schedule of operation.
- 5) As stated in Section J, Part J, Rare Plant Resources, MSR will continue to work with the NHB on a fall mowing schedule to protect the greater fringed gentian population and the Loesel's wide-lipped orchid (AOP-rev, p. 26).
- 6) Based on the DES comments on the original AOP, dated June 24, 2020, MSR has committed to expanding its Best Management Practices to mitigate storm water runoff and reduce salt usage, including certification through the DES Green SnowPro program (AOP-rev, p. 25).
- 7) MSR has added Section J, Part P, Lake Sunapee Watershed Management Plan, to its AOP to highlight its collaborative efforts with the Lake Sunapee Protective Association (LSPA) and to provide future updates on its activities related to the new Lake Sunapee Watershed Management Plan and any grant work (AOP-rev, p. 28).
- 8) The DNCR recognizes the recent signage updates made by MSR in which the NH State Park logo was added to the summit sign and the sign at the entrance to the ski area. MSR will continue to emphasize its relationship with NH State Parks in its marketing and advertising materials, including its website, brochures and maps, as provided for in the 1998 Lease (AOP-rev, p. 32).

- 9) Planned maintenance and improvement projects (AOP-rev, p. 34) meet the Lease requirements that the “Operator shall maintain the Leased Premises in first class condition... shall undertake all maintenance of the facilities, lifts, trails, slopes, ponds, water courses, buildings, structures, roadways and other appurtenances, and housekeeping in all areas of the Leased Premises” (see 1998 Lease, Part 16 Maintenance, p. 8).
- 10) Projects previously approved by the DNCR in previous AOP’s and listed on page 36, will not be undertaken by MSR at this time.
- 11) The approval of this AOP does not supersede any conditions of the 1998 Lease, the Lease Amendments (approved by Governor and Executive Council on December 19, 2018, Items #A, #B, and #C), and/or the MDP, all of which shall prevail.

New Hampshire Parks and Recreation Director Phil Bryce will continue discussions with you regarding a collaborative solution for the use and maintenance of Mount Sunapee State Park’s Campground Road.

As required under the 1998 Lease, DNCR will conduct its annual inspection of the leased premises (Lease 1998, Part 16, Maintenance, p. 8).

Mount Sunapee Resort has invested over \$22 million in capital improvements to Mount Sunapee State Park Ski Area since the 1998 lease. As of December 2019, the State has received \$4,065,239 in cumulative base fee payments and \$6,396,889 in cumulative commission payments in accordance with the 1998 Lease, Part 3, Rent, p. 3. As provided in the 1998 Lease, Part 19, Inspection of Operator’s Records, p. 9, the State requested and audited the accounting records of Mount Sunapee Resort in 2012, 2014 and 2017, and determined that MSR complies with the terms and conditions of the Lease agreement. The State is completing its audit of MSR’s 2019 accounting records.

Thank you for the attention Mount Sunapee Resort has given to the revisions requested by the DNCR and providing the revised AOP 2020-2021, dated July 20, 2020. I look forward to our continued partnership with Mount Sunapee Resort as an important part of Mount Sunapee State Park: providing a premier year-round recreational venue to the citizens and visitors of New Hampshire.

Sincerely,



Sarah L. Stewart
Commissioner

cc: Mount Sunapee Advisory Commission

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