



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER
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June 27, 2019

Bruce Schmidt, VP & General Manager
Mount Sunapee Resort
PO Box 2021
Newbury, NH 03255

RE: Mount Sunapee Resort Annual Operating Plan 2019-2020, as revised on June 22, 2019

Dear Mr. Schmidt,

The purpose of this letter is to provide you with written approval of the Mount Sunapee Resort (MSR) Annual Operating Plan 2019-2020, revised on June 22, 2019 (AOP), subject to the conditions herein.

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. [DNCR] shall notify the Operator in writing of a final schedule of operations no later than June 30th of each year.” The AOP 2019-2020 was delivered to DNCR on May 15, 2019. 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 Dec. 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 Aug. 31, 1998, and revised on 12/3/18.

A meeting of the MSAC was convened on May 29, 2019, 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 delivered a revised AOP to DNCR on June 22, 2019, that incorporates and includes comments received from the public, NH Department of Environmental Services (NHDES), the Natural Heritage Bureau (NHB), and DNCR staff.

Approval of the AOP, subject to conditions herein. We have completed our review of Mount Sunapee Resort's revised Annual Operating Plan 2018-2019. 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 DNCR on March 11, 2016. Comments received from the public, the MSAC including the NHDES and the NHB, and the DNCR staff were considered. I am providing you 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 certain areas and facilities may be closed to the general public during private functions. This practice is similar to special events and private functions that are held throughout the NH state parks system. State parks naturally draw people as iconic places to commemorate and celebrate a special occasion.
- 2) At this time and pending further discussion, I will accept MSR's reporting of skier visits separate from the AOP and through DNCR's audit of MSR's annual financial reporting as per the requirements of the Lease.
- 3) Under Section G, Emergency Operating Plan, DNCR will be receiving an updated copy the MSR's Emergency Action Plan that will have updated contact information (AOP, p. 21).
- 4) Under Leases, Contracts and Agreements, Item 4, Resort Real Estate Sales, p. 23 of the AOP, MSR "may enter into an annual contract and lease agreement with an outside company to provide real estate marketing, sales, rentals or reservation services at Mount Sunapee Resort." As it has become standard practice by this office since 2008, Item 4 is approved as proposed during this annual schedule of operation.
- 5) Comments from the Natural Heritage Bureau (NHB) were incorporated in Part J, Rare Plant Resources. MSR will continue to work with the NHB on the fall mowing schedule to protect the greater fringed gentian population (AOP, p. 28), see also memo to Vail Resorts from the NHB, dated May 29, 2019 (attached).
- 6) NHDES conducted its annual review of the AOP and provided their comments to DNCR, dated June 12, 2019 (attached). MSR updated the AOP, based upon the comments provided. Notably:
 - a) MSR obtained its most recent Groundwater Discharge Permit on June 13, 2018, and complies with the required reporting and sampling. The wastewater lagoon/spray field system complies with DES wastewater treatment and disposal requirements and standards (p. 18).

- b) MSR will complete its testing of the underground fuel storage tanks (Tanks #21, #22A and #22B) (p. 30).
 - c) MSR will work with DES Public Information and Permitting Unit to transfer ownership of its permits systematically (p. 32).
- 7) We wish to recognize 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.
- 8) Planned maintenance and improvement projects (p. 42) 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 DNCR in previous AOP’s and listed on page 43, 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 Dec. 19, 2018, Items #A, #B, and #C), and/or the MDP, all of which shall prevail.

Director Phil Bryce to 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). This inspection has occurred in the fall of each year.

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 2018, the State has received \$3,831,877 in cumulative base fee payments and \$6,040,920 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.

Thank you for the attention you have given to the comments provided and incorporating the comments into the revised AOP 2019-2020. I anticipate that Mount Sunapee Resort, located in New Hampshire’s Mount Sunapee State Park, will continue its commitment to providing a premier year-round recreational experience to the citizens and visitors of New Hampshire.

June 27, 2019
Bruce Schmidt, Mount Sunapee Resort
Page 4 of 4

Sincerely,

A handwritten signature in black ink that reads "Sarah L. Stewart". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Sarah L. Stewart
Commissioner

Attachments: NHB Memo, dated May 29, 2019
NHDES Comments – Mt. Sunapee Resort's Annual Operating Plan (2019-2020)

cc: Mount Sunapee Advisory Commission

SLS/ttl-062719