

GUNSTOCK AREA COMMISSION MEETING

December 4, 2021

Main Hall, Historic Lodge at Gunstock Mountain Resort

APPROVED MINUTES

Gunstock Area Commissioners Present: Brian Gallagher, Gary Kiedaisch, Rusty McLearn, Jade Wood

Absent: Peter Ness (Noted: no prior communications received on his nonattendance)

Presenters: Tom Day, Gunstock President & General Manager, Claire Humber, Director of Resort Planning for SE Group

Chair Gallagher called the meeting to order at 3:05PM.

Motion: Commissioner Kiedaisch made a motion to open the public meeting of the Gunstock Area Commission.

Second: Commissioner McLearn

Vote: All in favor.

Chair Gallagher introduced the Gunstock Area Commissioners in attendance, noting that Commissioner Ness was not present. He invited Senator Bob Giuda to lead the group in the pledge of allegiance and recognized other VIPs in attendance. He asked the public to hold their questions until after the presentation when he will open up the Public Comment portion of the meeting and welcomed their input on the matter.

New Business: Master Plan Public Presentation & Open House

Chair Gallagher asked Commissioner Kiedaisch, Vice Chair, to kick off the presentation. Commissioner Kiedaisch gave a brief history of the Belknap Recreation Area and its roots in the WPA. In 1959, the state of NH gifted the Area to Belknap County and operated continuously under the original enabling statute until recent years. In 2019, a study subcommittee made up of GAC and BCD members worked together on amendments to the statute after their unanimous agreement not to sell or lease the resort but to continue to run it as provided in the enabling act. Among the amendments passed by the NH legislature was the requirement that Gunstock pay 1.75% of total gross revenue to Belknap County at the end of each fiscal year. He noted that today's presentation captures the full potential of what the resort could be and further differentiates Gunstock from other NH resorts which is important for future sustainability. He said the plan being shared here is reasonable and appropriate for Gunstock's natural surroundings.

Tom Day, President and General Manager, commented that of Gunstock's \$5.1m annual payroll, 60% of those wages are paid to Belknap County residents. He reported that this year's performance is outpacing last year's and that, for the first time in history, management had to shut off season pass and outreach sales because of demand. He said even though the resort's performance is strong, it faces steep competition among other NH resorts that are investing in new lifts, expanded terrain, and updated lodge facilities. He said these resorts are very direct competitors of Gunstock's and if they do not keep up, they will fall behind. And once they fall behind, it is almost impossible to get skiers back to your resort after they've moved on to another. The Master Development Plan (MDP) is being presented in distinct phases, noting that an exhaustive ROI analysis will be done on each phase. He said they are conscious of their fiscal responsibility and would not move ahead without totally understanding how each phase will be

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paid for. He said these plans are proposals and the timeline is long-term but knowing the long-term plan helps tremendously with short-term planning. He said the time to act is now.

Tom introduced Claire Humber, Director of Resort Planning for SE Group, who has worked with Gunstock since 1999 on their MDP process. She presented an overview of the MDP in three phases, highlighting the comfortable carrying capacity design (CCC) standards used for each expansion phase. Potential upgrades to the existing layout include installing a detachable quad chairlift on the west side of the mountain to replace the existing Tiger and Ramrod chairlifts. Phase one focuses on the east side of the mountain and includes the construction of a second detachable quad summit chairlift, 11 new trails (70 acres) and more parking. That expansion would allow the resort to comfortably accommodate about 1,040 more skiers per day. Phase two is located on Alpine Ridge and would add another 11 ski trails serviced by a new triple chairlift at Alpine Ridge. The Penny Pitou chair would be extended and more parking added. lift, on the west side of the present Gunstock area, which would be extended. Phase three involves expansion beyond Gunstock's property lines into an area called the Backside-Weeks area on the opposite side of Gunstock Mountain from the existing ski slopes. It would include a new detachable quad chairlift, and the construction of eight ski trails with 87 acres of new terrain, as well as creating 500 new parking spaces. Skier access to those new slopes would be from the existing detachable quad or the two proposed high-speed lifts on the front of the mountain.

The land envisioned for the Backside-Weeks phase is privately owned and would require Gunstock to go through an acquisition and permitting process. The proposal has been shared with the Gilford Conservation Commission, and their response was favorable but much more work remains before this phase can begin. This expansion would require additional guest services and parking but they would not occur at the bottom of the lift since they do not want to create another portal to the mountain. That terrain would have to be accessed from the main resort. Tom explained that the lift would be a top drive to reduce noise at the base and snowmaking noise will not be a factor. He said the newer guns are much quieter and cannot be heard over 150ft away. As for lodging, the MDP proposes campground and cabin expansions, the addition of on-mountain "glamping", and a hotel partnership for a unique property on the east side with a stunning view of the lake. Clare and Tom closed the presentation by saying that the resorts that make sequential and serially disciplined capital improvements continue to gain market share; and the resorts that don't, don't grow. And when they can't make that investment, they will fail.

Public Comment - Chair Gallagher opened the meeting for public comment. He invited Heidi Preuss to open the comments. She said the reason she and Penny (Pitou) were able to make it to the Olympics was in large part because of their time spent at Gunstock. The value is not just dollars and cents it brings so much more to the residents. She said the expansion plans give more skiers better access to the resort. The proposed access road to the top appealed to her and she would have given anything to give her wheelchair-bound father a way to the top of the mountain for one more view after he could no longer ski. She said on the fiscal side if you don't grow, you fail and the proposal increases and diversifies the income that supports Gunstock and the lakes region.

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December 4, 2021

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A member of the public (unidentified) commented that parts of the plan look good but worries about impact on the wider Belknap mountain range and wildlife, especially crowding on the hiking trails. He asked how Gunstock can be a better neighbor to others on the trails. Tom said environmental impacts will be studied and they are not looking to build a mega resort. He said that he and his wife hike Gunstock and Belknaps regularly and want to keep the same feel that it has now and agrees with his concerns.

A member of the public (unidentified) asked about vehicle traffic on the proposed east side access road. Tom said in the winter it would be another ski trail, no vehicles allowed. In the summer, the vehicles allowed would be more like coach tours, not private vehicles because that would create too much traffic.

A member of the public (unidentified) asked how long the east side and alpine ridge expansion will take. Clare said the east side expansion would take a couple of years, the whole the expansion would be much longer.

John Hall, Gilford, said he lives on Area Road and that the traffic on that road is fast and loud when the gate is open. He asked what impact these plans would have on that traffic. Tom responded that they have to be mindful of the neighbors and traffic and has had several conversations with residents already. Management has made efforts to control that traffic and will continue to do so. Commissioner Kiedaisch added that the town of Gilford has always been supportive of residents' concerns for traffic and may be able to assist with a traffic study. Mr. Hall asked is the wooded area across the street is a protected wetland. Tom said it is a wetland and not buildable, but even if it were they were not interested in making that kind of disruption to the property.

A member of the public (unidentified) asked about the water supply for expanded snowmaking. Tom said their current water source will support the east side expansion.

Ray Howard, Alton, said there is an outstanding balance of over \$3m owed to the investors from last planned expansion. He asked what the plan is for paying that money back. Chair Gallagher invited him to meet at the Gunstock Mountain Resort Administrative Office in person to discuss what happened over 20 years ago and how that issue was addressed by previous Belknap County Delegation Members and GAC members to resolve the difficulty at that time.

Penny Pitou, Gilford, commented that she was in support of the expansion, especially being able to ski on Fletcher Hale again. She was also in favor of lengthening the Penny Pitou lift. She said Gunstock is still the first place she skis every winter and always she always comes back to ski Gunstock because it is her home.

A member of the public (unidentified) asked if the MDP includes any plans for cross-country improvements. Tom said he is very committed to keeping the Nordic program alive at Gunstock. There are some parts of existing trails that would be used for the new access road but they would be replaced with new trails. He said they are also planning some snowmaking expansion for the cross-country trails.

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Commissioner McLear commented that the hotel development being proposed in the MDP would generate a good deal more business for Gunstock and add a fun, exciting look to the resort if it were the right kind of hotel.

A member of the public (unidentified) asked for details on the income to the county that would be generated by the hotel. Commissioner Kiedaisch said there would be a land lease for the right to build the hotel and operate. The resort would also earn a percentage of hotel revenues and open partnership with GMR marketing.

A member of the public (unidentified) applauded the plan and suggested that they provide a tentative timeline for the full project.

Chair Gallagher thanked the public for their comments and invited them to write down any other comments or questions on the comment cards being handed out at the meeting by Kristen Lodge, Sales and Marketing Director, on their way out. He asked for a motion to adjourn.

Adjourn

ACTION

- Motion:** Commissioner Kiedaisch made a motion to adjourn the GAC meeting at 4:42PM.
Second: Commissioner McLear.
Vote: All in favor.

The meeting adjourned at 4:42PM.

Respectfully Submitted,
Rusty McLear, Secretary
Gunstock Area Commission