

Bill as Introduced

HB 74 - AS INTRODUCED

2011 SESSION

11-0152
04/01

HOUSE BILL **74**

AN ACT relative to the ticketing and season passes at Cannon Mountain.

SPONSORS: Rep. Taylor, Graf 2; Rep. Russell, Belk 6; Rep. C. Christensen, Hills 19

COMMITTEE: Resources, Recreation and Development

ANALYSIS

This bill makes changes to the age requirements for season passes at Cannon Mountain aerial tramway and ski area.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struckthrough.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to the ticketing and season passes at Cannon Mountain.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Resident Ski Rates; Reduced Rates. Amend RSA 227:14 to read as follows:
- 2 227:14 Reduced Rates. Season ~~(tickets)~~ **passes** shall be made available to any resident of this
- 3 state. For the purposes of this section "resident of this state" means a person whose domicile is in
- 4 this state. A discount of 25 percent shall be given by the division to state residents, when proof of
- 5 residency is provided, on all season ~~(tickets and coupon books)~~ **passes** sold prior to December 15 of
- 6 each year for winter facilities at Cannon Mountain ~~(state)~~ **aerial tramway and** ski area. For
- 7 purposes of this section, proof of residency shall include a state issued driver's license; a state issued
- 8 I.D. card with a photograph, or information including name, sex, date of birth, height, weight and
- 9 color of eyes; United States passport, or an affidavit from the town clerk **in the purchaser's town of**
- 10 **residence** certifying residency. ~~[Any person who is a full-time secondary school student and who~~
- 11 ~~has not attained the age of 19 by May 1 of the year following any winter season shall be eligible for a~~
- 12 ~~junior season ticket, and all minors who have not attained the age of 15 years by May 1 of the year~~
- 13 ~~following any winter season shall be eligible for a child's season ticket.] Any person who is between~~
- 14 **13 and 17 years of age on December 15th in the year in which the pass would become**
- 15 **effective shall be eligible for a teen season pass. Any person who is between 6 and 12 years**
- 16 **of age on December 15 in the year in which the pass would become effective shall be eligible**
- 17 **for a junior season pass.** The commissioner of the department of resources and economic
- 18 development shall make quarterly reports on season ~~(tickets)~~ **passes** issued under this section to the
- 19 fiscal committee, the senate president, the speaker of the house **of representatives**, and governor
- 20 and council.
- 21 2 Effective Date. This act shall take effect 60 days after its passage.

HB 74 - AS AMENDED BY THE HOUSE

09 Feb 2011... 0058h

2011 SESSION

11-0152
04/01

HOUSE BILL **74**

AN ACT relative to the ticketing and season passes at Cannon Mountain.

SPONSORS: Rep. Taylor, Graf 2; Rep. Russell, Belk 6; Rep. C. Christensen, Hills 19

COMMITTEE: Resources, Recreation and Development

AMENDED ANALYSIS

This bill makes changes to the requirements for reduced rate season passes at Cannon Mountain aerial tramway and ski area.

.....

Explanation: Matter added to current law appears in *bold italics*.
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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to the ticketing and season passes at Cannon Mountain.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 1 Resident Ski Rates; Reduced Rates. RSA 227:14 is repealed and reenacted to read as follows:
2 227:14 Reduced Rates. All season passes, including those for different age groups or military
3 service, established by the department for the specific use of the winter facilities at Cannon
4 Mountain aerial tramway and ski area shall be made available to any resident of this state at a 25
5 percent discount. For the purposes of this section, "resident of this state" means a person whose
6 domicile is in this state. To qualify for the discount, a resident shall provide proof of residency and
7 purchase the pass prior to December 15 of the year in which the pass becomes effective. Proof of
8 residency shall include a state issued driver's license; a state issued I.D. card with a photograph or
9 information including name, sex, date of birth, height, weight and color of eyes; a United States
10 passport; an affidavit certifying residency from the municipal clerk of the purchasers' town or city of
11 residence; or, for a person less than 18 years of age, proof of a parent's or guardian's residency
12 provided by the resident parent or guardian. The commissioner of the department of resources and
13 economic development shall make quarterly reports on season passes issued under this section to the
14 fiscal committee of the general court, the senate president, the speaker of the house of
15 representatives, and the governor and council.
16 2 Effective Date. This act shall take effect upon its passage.

CHAPTER 188
HB 74 - FINAL VERSION

09 Feb 2011... 0058h

2011 SESSION

11-0152
04/01

HOUSE BILL

74

AN ACT relative to the ticketing and season passes at Cannon Mountain.

SPONSORS: Rep. Taylor, Graf 2; Rep. Russell, Belk 6; Rep. C. Christensen, Hills 19

COMMITTEE: Resources, Recreation and Development

AMENDED ANALYSIS

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 188
HB 74 – FINAL VERSION

09 Feb 2011... 0058h

11-0152
04/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to the ticketing and season passes at Cannon Mountain.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 188:1 Resident Ski Rates; Reduced Rates. RSA 227:14 is repealed and reenacted to read as
2 follows:

3 227:14 Reduced Rates. All season passes, including those for different age groups or military
4 service, established by the department for the specific use of the winter facilities at Cannon
5 Mountain aerial tramway and ski area shall be made available to any resident of this state at a 25
6 percent discount. For the purposes of this section, "resident of this state" means a person whose
7 domicile is in this state. To qualify for the discount, a resident shall provide proof of residency and
8 purchase the pass prior to December 15 of the year in which the pass becomes effective. Proof of
9 residency shall include a state issued driver's license; a state issued I.D. card with a photograph or
10 information including name, sex, date of birth, height, weight and color of eyes; a United States
11 passport; an affidavit certifying residency from the municipal clerk of the purchasers' town or city of
12 residence; or, for a person less than 18 years of age, proof of a parent's or guardian's residency
13 provided by the resident parent or guardian. The commissioner of the department of resources and
14 economic development shall make quarterly reports on season passes issued under this section to the
15 fiscal committee of the general court, the senate president, the speaker of the house of
16 representatives, and the governor and council.

17 188:2 Effective Date. This act shall take effect upon its passage.

18 Approved: June 14, 2011

19 Effective Date: June 14, 2011

Amendments

Amendment to HB 74

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to ticketing and season passes at Cannon Mountain and relative to the
4 Cannon Mountain Ski area.

5

6 Amend the bill by replacing all after section 1 with the following:

7

8 2 Cannon Mountain; Request for Proposals.

9 I. Notwithstanding any other provision of law, the commissioner of the department of
10 resources and economic development shall, in consultation with the committee established in section
11 3 of this act, develop and issue a request for proposals to include, but not be limited to, a lease,
12 concession agreement, or management contract for the Cannon Mountain ski area operations.

13 II. The request for proposals shall include, but not be limited to, the following terms,
14 conditions, and provisions:

15 (a) Length of the agreement.

16 (b) Assets to be included.

17 (c) Outline of master plan.

18 (d) Environmental regulation and controls, including:

19 (1) Soils.

20 (2) Water quality.

21 (3) Wetlands.

22 (4) Wildlife habitat.

23 (5) Scenic and aesthetic qualities.

24 (6) Multi-seasonal recreational opportunities.

25 (7) Forestry issues.

26 (e) Expansion limitations.

27 (f) State and local regulatory authority.

28 (g) Operational responsibilities remaining with the state.

29 (h) Requirement of performance bonds.

30 (i) Past practices and agreements.

31 (j) Repurchase.

32 (k) Federal agency requirements, conditions, and regulations.

1 (l) Consideration of state employees.

2 III. All responses to a request for proposals developed under this act shall be reviewed by
3 the committee established in section 3 of this act in cooperation with the commissioner of resources
4 and economic development.

5 3 Committee Established.

6 I. There is established a committee for the purpose of advising the commissioner of resources
7 and economic development, pursuant to section 2 of this act, on the creation of a request for
8 proposals and the review of any responses to a request for proposals and the review of any responses
9 to a request for proposals. The committee shall consist of the following members:

10 (a) Nine members of the house of representatives, appointed by the speaker of the house
11 of representatives, at least 4 of whom shall be members of the minority party, and 3 of whom shall
12 be members of the resources, recreation, and development committee, 3 of whom shall be members of
13 the public works and highways committee, and 3 of whom shall be members of the finance
14 committee.

15 (b) Three members of the senate, at least one of whom shall be a member of the minority
16 party, appointed by the president of the senate.

17 II. The members of the committee shall elect a chairperson from among its members.
18 Members shall receive mileage at the legislative rate when attending to the duties of the committee.

19 4 Review by Capital Budget Overview Committee; Public Comments. Any agreement or
20 contract recommended pursuant to this act shall be submitted to the capital budget overview
21 committee established in RSA 17-J for review and approval. No agreement or contract shall take
22 effect until such approval is obtained. The capital budget overview committee shall receive written
23 public comments submitted prior to the time the committee votes on a recommended agreement or
24 contract.

25 5 New Section; Expansion of State Park System; State Park Capital Improvement Fund; Amend
26 RSA 216-A by inserting after section 3-k the following new section:

27 216-A:3-1 State Park Capital Improvement Fund.

28 I. There is established a nonlapsing fund in the department of resources and economic
29 development to be known as the state park capital improvement fund. This shall be a revolving fund
30 and shall be continually appropriated to the department of resources and economic development for
31 the purposes of capital improvements to state park facilities. The commissioner of the department of
32 resources and economic development shall collect and deposit all income derived from the public-
33 private partnership of the state ski areas at Mount Sunapee and Cannon Mountain into the fund.
34 Such moneys shall be used as provided in this section, and shall not be diverted for any other
35 purpose.

36 II. The commissioner of the department of resources and economic development shall
37 annually submit a report detailing the activities of the fund to the governor and council and the

Amendment to HB 74

- Page 3 -



1 fiscal committee of the general court within 60 days of the close of each fiscal year.

2 6 Report on Future Status of Ski Area Employees. The commissioner of the department of
3 resources and economic development shall provide along with any agreement or contract submitted
4 under section 4 of this act, a report on the disposition of employees of the ski areas at Cannon
5 Mountain and any appropriate statutory changes to RSA 216-A as a result of the lease agreement.
6 An employee of Cannon Mountain on the effective date of this act shall be offered an appropriate
7 position within the state park system.

8 7 Cannon Mountain Capital Improvement Fund; Transfer of Funds. All funds in the Cannon
9 Mountain capital improvement fund, established under RSA 12-A:29-c, as of the effective date of this
10 act shall be transferred to the state park capital improvement fund established in RSA 216-A:3-l.

11 8 Application of Receipts. Amend RSA 6:12, I(b)(104) to read as follows:

12 (104) Moneys deposited in the [~~Cannon Mountain~~] *state park* capital improvement
13 fund under RSA [~~12-A:29-e~~] *216-A:3-l*.

14 9 Cannon Mountain Advisory Committee. Amend RSA 12-A:29-b, V to read as follows:

15 V. The commission shall make recommendations for capital improvements for the ski area
16 and related state park facilities at Cannon Mountain to the commissioner of resources and economic
17 development. The commission shall review the servicing of debt obligations relating to the [~~Cannon~~
18 ~~Mountain~~] *state park* capital improvement fund prior to making any such recommendations.
19 Recommendations approved by the commissioner shall be submitted by the commissioner to the
20 capital budget overview committee. Recommendations approved by the capital budget overview
21 committee shall be submitted to the governor and council for final approval. Notwithstanding any
22 other provision of law, recommendations may be implemented upon final approval, pursuant to
23 solicited requests for proposals. Funding for capital improvements shall be from the [~~Cannon~~
24 ~~Mountain~~] *state park* capital improvement fund established by RSA [~~12-A:29-e~~] *216-A:3-l*.

25 10 Repeal. RSA 12-A:29-c, relative to the Cannon Mountain capital improvement fund, is
26 repealed.

27 11 Effective Date.

28 I. Sections 2-10 of this act shall take effect 60 days after its passage.

29 II. The remainder of this act shall take effect upon its passage.

2011-1556s

AMENDED ANALYSIS

This bill:

I. Makes changes to the requirements for reduced rate season passes at Cannon Mountain aerial tramway and ski area.

II. Requires the commissioner of the department of resources and economic development to solicit lease proposals for the Cannon Mountain ski area.

III. Establishes a legislative committee to develop the proposal and review responses and requires the capital budget overview committee to approve any lease agreement.

IV. Creates the state park capital improvement fund and repeals the Cannon Mountain capital improvement fund.

Amendment to HB 74

1 Amend the title of the bill by replacing it with the following:

2

3 AN ACT relative to ticketing and season passes at Cannon Mountain and relative to the
4 Cannon Mountain ski area.
5

6 Amend the bill by replacing all after section 1 with the following:

7

8 2 Cannon Mountain; Request for Proposals.

9 I. Notwithstanding any other provision of law, the commissioner of the department of
10 resources and economic development shall, in consultation with the committee established in section
11 3 of this act, develop and issue a request for proposals to include, but not be limited to, a lease,
12 concession agreement, or management contract for the Cannon Mountain ski area operations.

13 II. The request for proposals shall include, but not be limited to, the following terms,
14 conditions, and provisions:

15 (a) Length of the agreement.

16 (b) Assets to be included.

17 (c) Outline of master plan.

18 (d) Environmental regulation and controls, including:

19 (1) Soils.

20 (2) Water quality.

21 (3) Wetlands.

22 (4) Wildlife habitat.

23 (5) Scenic and aesthetic qualities.

24 (6) Multi-seasonal recreational opportunities.

25 (7) Forestry issues.

26 (e) Expansion limitations.

27 (f) State and local regulatory authority.

28 (g) Operational responsibilities remaining with the state.

29 (h) Requirement of performance bonds.

30 (i) Past practices and agreements.

31 (j) Repurchase.

32 (k) Federal agency requirements, conditions, and regulations.

Amendment to HB 74

- Page 2 -

1 (l) Consideration of state employees.

2 III. All responses to a request for proposals developed under this act shall be reviewed by
3 the committee established in section 3 of this act in cooperation with the commissioner of resources
4 and economic development.

5 IV. The commissioner of the department of resources and economic development shall secure
6 an agreement or contract for the lease of Cannon Mountain no later than July 1, 2012.

7 3 Committee Established.

8 I. There is established a committee for the purpose of advising the commissioner of resources
9 and economic development, pursuant to section 2 of this act, on the creation of a request for
10 proposals and the review of any responses to requests for proposals. The committee shall consist of
11 the following members:

12 (a) Four members of the house of representatives appointed by the speaker of the house
13 of representatives.

14 (b) Three members of the senate appointed by the president of the senate.

15 II. The members of the committee shall elect a chairperson from among its members.
16 Members shall receive mileage at the legislative rate when attending to the duties of the committee.

17 III. The committee shall submit a report no later than November 1, 2011 to the speaker of
18 the house of representatives and the president of the senate detailing its findings relative to requests
19 for proposals.

20 4 Review by Capital Budget Overview Committee; Public Comments. Any agreement or
21 contract recommended pursuant to this act shall be submitted to the capital budget overview
22 committee established in RSA 17-J for review and approval. No agreement or contract shall take
23 effect until such approval is obtained. The capital budget overview committee shall receive written
24 public comments submitted prior to the time the committee votes on a recommended agreement or
25 contract.

26 5 New Section; State Park Capital Improvement Fund; Effective July 1, 2013. Amend RSA 216-
27 A by inserting after section 3-m the following new section:

28 216-A:3-n State Park Capital Improvement Fund.

29 I. There is established a nonlapsing fund in the department of resources and economic
30 development to be known as the state park capital improvement fund. This shall be a revolving fund
31 and shall be continually appropriated to the department of resources and economic development for
32 the purposes of capital improvements to state park facilities. The commissioner of the department of
33 resources and economic development shall collect and deposit all income derived from the public-
34 private partnership of the state ski area at Cannon Mountain into the fund. Such moneys shall be
35 used as provided in this section, and shall not be diverted for any other purpose.

36 II. The commissioner of the department of resources and economic development shall
37 annually submit a report detailing the activities of the fund to the governor and council and the



1 fiscal committee of the general court within 60 days of the close of each fiscal year.

2 6 New Subparagraph; Application of Receipts; State Park Capital Improvement Fund. Amend
3 RSA 6:12, I(b) by inserting after subparagraph (304) the following new subparagraph:

4 (305) Moneys deposited in the state park capital improvement fund established in
5 RSA 216-A:3-n.

6 7 Report on Future Status of Ski Area Employees. The commissioner of the department of
7 resources and economic development shall provide along with any agreement or contract submitted
8 under section 4 of this act, a report on the disposition of employees of the ski areas at Cannon
9 Mountain and any appropriate statutory changes to RSA 216-A as a result of the lease agreement.

10 8 Cannon Mountain Advisory Committee; Version Effective July 1, 2013. Amend RSA 12-A:29-
11 b, V to read as follows:

12 V. The commission shall make recommendations for capital improvements for the ski area
13 and related state park facilities at Cannon Mountain to the commissioner of resources and economic
14 development. The commission shall review the servicing of debt obligations relating to the Cannon
15 Mountain capital improvement fund *established in RSA 12-A:29-c and the state park capital*
16 *improvement fund established in RSA 216-A:3-n* prior to making any such recommendations.
17 Recommendations approved by the commissioner shall be submitted by the commissioner to the
18 capital budget overview committee. Recommendations approved by the capital budget overview
19 committee shall be submitted to the governor and council for final approval. Notwithstanding any
20 other provision of law, recommendations may be implemented upon final approval, pursuant to
21 solicited requests for proposals. Funding for capital improvements shall be from the Cannon
22 Mountain capital improvement fund established [by] *in RSA 12-A:29-c and the state park capital*
23 *improvement fund established in RSA 216-A:3-n.*

24 9 Applicability.

25 I. For the biennium ending June 30, 2013, all profits derived by the department of resources
26 and economic development from fees, services, accommodations, rentals, revenue from lift and
27 tramway operations, retail sales, and concession operations in excess of budgeted expenses for
28 Cannon Mountain shall be deposited into the general fund and shall be applied to the negative
29 balance contained in the state park fund established in RSA 216-A:3-i.

30 II. All proceeds from the Cannon Mountain lease agreement collected on or after July 1,
31 2012 shall be deposited in the general fund and shall be applied to the negative balance contained in
32 the state park fund established in RSA 216-A:3-i.

33 10 Effective Date.

34 I. Sections 2-4 and section 7 of this act shall take effect 60 days after its passage.

35 II. Sections 5, 6, and 8 of this act shall take effect July 1, 2013.

36 III. The remainder of this act shall take effect upon its passage.

2011-1657s

AMENDED ANALYSIS

This bill:

I. Makes changes to the requirements for reduced rate season passes at Cannon Mountain aerial tramway and ski area.

II. Requires the commissioner of the department of resources and economic development to solicit lease proposals for the Cannon Mountain ski area and requires that a lease be secured no later than July 1, 2012.

III. Establishes a legislative committee to develop the proposal and review responses and requires the capital budget overview committee to approve any lease agreement.

IV. Creates the state park capital improvement fund.

V. For the biennium ending June 30, 2013, requires all moneys in excess of budgeted amounts derived from the operations of Cannon Mountain to be deposited into the general fund and applied to the negative balance in the state park fund.

Committee Minutes

**SENATE CALENDAR NOTICE
ENERGY AND NATURAL RESOURCES**

✓ Senator Bob Odell Chairman
 Senator John Gallus V Chairman
 ✓ Senator Jeb Bradley
 ✓ Senator Gary Lambert
 ✓ Senator Amanda Merrill

For Use by Senate Clerk's Office ONLY	
<input type="checkbox"/> Bill Status	
<input type="checkbox"/> Docket	
<input type="checkbox"/> Calendar	
Proof: <input type="checkbox"/> Calendar	<input type="checkbox"/> Bill Status

Date: March 24, 2011

HEARINGS

Thursday

3/31/2011

ENERGY AND NATURAL RESOURCES

LOB 102

9:00 AM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

9:00 AM	HB206-FN	establishing an apprentice hunting license.
9:10 AM	HB439-FN-L	relative to claiming an invasive species as a habitat.
9:20 AM	HB571-FN	relative to lobster and crab licenses issued by the fish and game department.
9:30 AM	HB33	(New Title) relative to the care of memorials in Franconia Notch state park.
9:40 AM	HB46	relative to the membership of the current use advisory board.
9:50 AM	HB63	extending the instream pilot program for one year.
✓ 10:00 AM	HB74	relative to the ticketing and season passes at Cannon Mountain.
10:10 AM	HB570	relative to licensure of guides by the fish and game department.

Sponsors:

HB206-FN Rep. Dennis Reed	Rep. David Palfrey		
HB439-FN-L Rep. Richard Drisko	Rep. D.L. Chris Christensen	Rep. David Russell	
HB571-FN Rep. David Watters	Rep. Dennis Reed	Sen. Nancy Stiles	Sen. Amanda Merrill
HB33 Rep. Elaine Swinford	Rep. Alfred Baldasaro	Rep. Kris Roberts	
HB46 Rep. Derek Owen			
HB63 Rep. Lawrence Kappler	Rep. Lucien Vita	Rep. Carol Vita	Rep. Judith Spang
HB74 Rep. Kathleen Taylor	Rep. David Russell	Rep. D.L. Chris Christensen	
HB570 Rep. David Watters	Rep. Dennis Reed	Sen. Nancy Stiles	

Richard Parsons 271-3076

START: 10:15am
 END: 10:31am

Sen. Bob Odell
 Chairman

Energy and Natural Resources Committee

Hearing Report

TO: Members of the Senate

FROM: Richard Parsons, Legislative Aide

RE: Hearing report on HB 74 – **relative to the ticketing and season passes at Cannon Mountain.**

HEARING DATE: 3/31/2011

MEMBERS OF THE COMMITTEE PRESENT: Senators Odell, Bradley, Lambert, Merrill

MEMBERS OF THE COMMITTEE ABSENT: Senator Gallus

Sponsor(s): Rep. Taylor, Graf 2; Rep. Russell, Belk 6; Rep. C. Christensen, Hills 19

What the bill does: This bill makes changes to the requirements for reduced rate season passes at Cannon Mountain aerial tramway and ski area.

Who supports the bill: Rep. Chris Christensen, Hills 19; John DeVivo, Cannon Mountain; Rep. Baldasaro, Rock 3; Rep. Kathleen Taylor, Graf 2; Rep. Gary Wheaton, Rock 14;

Who opposes the bill: No one.

Neutral position: Rep. Dan Tamburello, Rock 3;

Summary of testimony received:

- Hearing opened at 10:15am
 - Makes it easier for people who home school to get a pass because a lot of children don't go to school so don't have a school ID.
 - No fiscal impact.
- Rep. Dan Tamburello, Rock 3
- Ski very often at Cannon.
 - Made use of the military discount.
 - When reviewing this bill became concerned with lines 2-5 which describes that military discounts should be at 25%.

- Right now, military discount is on top of the 25%.
- Another concern is that when it says resident of the state, some people may not have a state ID,
 - Would like someone to be able to submit a state tax statement to get the discount.

Rep. Baldasaro, Rock 3

- Had some concerns because a lot of veterans go there.
- Would just like some clarification.
- It is important that we allow all military in the state to take advantage of the good discount.
- Question from Senator Odell: You are saying military regardless of domicile?
 - Yes, it can be used as a recruiting tool.
- Question from Senator Merrill: This needs clarification about the current military discount that is given?
 - It does.
- Question from Senator Lambert: Isn't there just a military not veterans discount?
 - Correct, just current military service.

Rep. Gary Wheaton, Rock 14

- Would like to add that from a legal perspective the word military being in there brings confusion.
- Any military whether veteran or current can get the discount, not just current.
- There is a strong military history at the mountain.

John DeVivo, General Manager of Cannon Mountain

- In support.
- The military discount started out as national guard only and three years ago went to the legislature and asked for all state's and branches that have served in the military get a 50% discount on their rates on top of the 25%.
- The reason military is put into here is because members do typically fall into two age categories of military.
 - A resident military member have the 25% applied to their regular priced pass which in this case would be 50% discount as a military member already.
- Would not be in support of letting a tax document get the discount because second home owners are a large part of revenue.
- This bill would:
 - Eliminate the need for secondary school enrollment proof while still requiring proof of age (with home schooling being so prevalent)
 - Align season pass and day ticket age brackets (they're currently different).
 - Change terminology of the season passes to reflect the new age brackets ("Child" becomes "Junior"/ "Junior" becomes "Teen").

- Change “age as of” requirement to December 15th to align with the current NH Resident discount deadline of December 15th.
- Eliminate the term “coupon book” from NH Resident discount consideration (10-pack is already heavily discounted).
- In short, the re-write meets our objectives, streamlines our process, and eliminates annual (and ample) confusion for us and our guests.
- Over the long haul, we shouldn’t gain or lose any significant revenue, as some will end up in different categories as a matter of course.
- The need to streamline our process and consolidate our products and presentation is significant.
- From a service perspective, it makes little sense to have different age brackets and different burdens of proof depending on which product a guest is looking to purchase.
- Additionally, the “coupon book” consideration would levy the burden of an additional 25% discount on Cannon (for a NH Resident) off of a 10-pack product that’s already discounted nearly 15%.
- Question from Senator Odell: The language that we have now is satisfactory and the issues raised by the representative are dealt with?
 - Yes.
- Question from Senator Bradley: This language allows a 25% discount and the fiscal agreement allows for a 50% on top of the 25%?
 - There is no lack of certainty that that discount would not be eliminated.

Hearing closed at 10:31 am.

Funding: *Not applicable.*

Future Action: *Pending*

RMP

[file: HB 0074 report]

Date: 4/11/11

**SENATE CALENDAR NOTICE
FINANCE**

Senator Chuck Morse Chairman
 Senator Bob Odell V Chairman
 Senator John Barnes, Jr.
 Senator Peter Bragdon
 Senator Lou D'Allesandro
 Senator Jeanie Forrester
 Senator John Gallus

For Use by Senate Clerk's Office ONLY	
<input type="checkbox"/>	Bill Status
<input type="checkbox"/>	Docket
<input type="checkbox"/>	Calendar
Proof: <input type="checkbox"/>	Calendar <input type="checkbox"/> Bill Status

Date: April 20, 2011

HEARINGS

Thursday

4/28/2011

FINANCE

SH 103

1:00 PM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

1:00 PM	HB337-FN-L	relative to the calculation and distribution of adequate education grants.
1:30 PM	HB438-FN-A	(New Title) relative to funding of the Claremont, Colebrook, Milford, Keene, and Plaistow District Courts.
2:00 PM	HB635-FN-A	requiring the governor to consolidate certain agency functions and making an appropriation therefor.
2:30 PM	HB74	relative to the ticketing and season passes at Cannon Mountain.

Sponsors:

HB337-FN-L

Rep. David Hess
 Rep. David Bettencourt

Rep. Jack Flanagan
 Rep. Shawn Jasper

Rep. Rick Ladd

Rep. Neal Kurk

HB438-FN-A

Rep. William Belvin
 Rep. John Tholl

Sen. Peter Bragdon
 Rep. Laurence Rappaport

Rep. Gary Daniels
 Sen. Bob Odell

Rep. Joe Osgood

HB635-FN-A

Rep. Neal Kurk
 Sen. Peter Bragdon

Rep. Kenneth Weyler
 Rep. Kenneth Hawkins

Rep. William Belvin
 Sen. Chuck Morse

Rep. Candace Bouchard

HB74

Rep. Kathleen Taylor

Rep. David Russell

Rep. D.L. Chris Christensen

Finance Committee

Hearing Report

TO: Members of the Senate

FROM: Shannon Whitehead, Legislative Aide

RE: Hearing report on HB 74 – relative to the ticketing and season passes at Cannon Mountain.

HEARING DATE: April 28, 2011

MEMBERS OF THE COMMITTEE PRESENT: Senators Morse, Odell Bragdon, Forrester, D'Allesandro, Barnes and Gallus.

MEMBERS OF THE COMMITTEE ABSENT: No one

Sponsor(s): Rep. Taylor, Graf 2; Rep. Russell, Belk 6; Rep. C. Christensen, Hills 19

What the bill does: This bill makes changes to the requirements for reduced rate season passes at Cannon Mountain aerial tramway and ski area.

Who supports the bill: No one appeared in support of the bill

Who opposes the bill:

Against amendment- Karen Irwin,

Against amendment- Rep. Bulis

Against amendment- Will Abbot (Society Protection on N.H. Forests)

Against amendment - John DeVivo (GM of Cannon)

For bill, against amendment- Brain Hawkins (State Employee Association)

For bill, against amendment- Tom Martin (DRED Business Manager)

For bill, against amendment- Bill Cahill

For bill, against amendment- Rep Kathy Taylor

Neutral: Rep. Al Baldassaro

Summary of testimony received:

Senator Morse opened the hearing at 2:37pm.

Rep. Kathy Taylor: As introduced would make it easier for home schooled children to prove their residency for reduced rates. It would also allow the department to establish the age requirements to streamline the process. The

original bill was no longer needed as it is now being proposed to privatize Cannon.

I have spent my entire legislative fighting the privatize Cannon. Since July 2007 Cannon has wiped out its \$1.494 Million operating deficit and will finish with nearly \$1 million in profit in FY 2011. Since July 2007 fewer than 10 major NE ski areas have changed hands so which private companies that can't manage its own assets should manage this one? Since June 2008 Cannon has spent well over 8 million on capital and maintenance improvements, with dramatic positive results. Revenues, net profit and most importantly market place momentum, have taken a dramatic upturn and the area business community has reaped the benefits.

Cannon is self funded. LBA has stated that leasing Cannon will have zero net impact upon the general fund. Cannon represents over 35% of the annual revenue of the Division of Parks and Rec. and covers an estimated \$250K in annual costs not charged to FNSP. Logic and sheer business sense dictate that the success be recognized and that Cannon Mt. be allowed the opportunity to continue moving forward.

Cannon Mtn. has been rebuilt into a profitable company and has returned to the forefront of NH skiing. Cannon Mtn. is the home for the Veterans Memorial Park. Attempts to privatize this area is a gross violation of the intent of the legislation for this memorial park and a description of a monument to those who have served.

Rep. Al Baldasaro. Chair of the Veterans Affairs committee. Had concern on the memorial on top of Cannon Mountain. The mountain was purchased for these memorial services and that it stay protected.

Rep. Bulis: Cannon was running in the red. The marketing was terrible and skiing was declining. But within the last two years the revenue is up and the skiing is great.

Senator Barnes: Why wouldn't it be good for the state to privatize? What is the harm to the citizens? Response: The revenue stream can be an investment and the portion to keep open. Ticket prices are attractive. We should leave well enough a lone.

Karen Irwin: If you lease you will lose potential. Sales have been huge and eradicated its debt. One thing we do well is running Cannon Mtn. Cannon is a valuable resource, much more than just the financial part of it. This would be derailing the system. \$1.2 million in season parks which paid for full time lines.

Will Abbot: One of the many landscapes the forest Society has had a direct hand in protecting Franconia Notch State Park. We opposed for three reasons. 1) Franconia Notch State

Park is the crown jewel of the NH State Park System. The Forest Society has consistently opposed the leasing of Cannon Mountain Ski Area for over 30 years. Such proposals have been proffered because we have never heard a compelling reason why any of the stones of the crown jewel should be leased to the highest bidder.

The work of Commissioner Bald and the team of professionals has recruited to successfully operate Cannon Mountain Ski Area over the past four years argues for just the opposite. 2) A Legislation decision at this time to lease Cannon Mountain Ski area is premature: Any decision to lease any part of Franconia Notch State park including Cannon Mtn. Ski Area should be predicated on a master plan with the history and the public uses of the park as a whole.

3) The lesson for leasing Sunapee. We believe the state made a commitment when it leased Mount Sunapee ski area to assure that the net income from the Sunapee lease would be used to fund the capital improvement necessary to sustain Cannon as a state operated ski area within the bounds of Franconia Notch.

John DeVivo:

Improvement:

Improve upon its marketing, Change perceptions about Cannon in the marketplace, Improve upon its current (and create new) public/private partnerships , Eliminate its operating debt and become profitable, Put Cannon back on the map and at the forefront of New Hampshire skiing

Financials:

Cannon will have wiped out its \$1.494 million operating deficit by the close of FY11, and will use an expected net profit of nearly \$1 Million (after paying off its deficit) to pay off the \$534,000 deficit on the Cannon Mountain Capital Improvement Fund and pay into NH Parks & Rec. debt.

Cannon is self-funded and profitable, receives no subsidies from the State, does not lose money, and does not cost the taxpayers money.

A question from Mr. DeVivo was left to the committee. Should a lease fail, will the burden of managing the leased property be passed back to the State or absorbed by the lessee?

Senator Odell: In regards to Mount Sunapee; how important is it- with real estate? Response: It doesn't fit in to the state park. We outperform the payment of Sunapee.

There is only one half of one project at Cannon that's been generally funded within recent memory; less than \$1.5 Million was bonded for the Mittersill Double Chair project (the other half was absorbed by the CMCIF); Cannon's terrain grew by 50%, and the project was seen as a great economic stimulus and a great 30-year investment by the Legislature.

Cannon finished FY07 with a net loss of \$495K, and then posted positive net totals of \$438K in FY08, \$423K in FY09, and \$377K in FY10, and should finish FY11 with nearly \$1 Million in net profit

Cannon represents approx. 35% - 38% of the annual NH Division of Parks & Rec. revenue

Cannon should exceed \$500K net profit annually at this point – even with well over \$100K per year in ops funds spent on improvements – and should be able to both fund its capital projects internally and pay the difference on the Cannon Mountain Capital Improvement Fund debt service annually

Take Cannon and its support of FNSP away? It'll create a negative annual difference of approximately \$250K (labor, cost efficiency, revenue programs, materials, supplies).

Cannon has spent well over \$8 million in capital & maintenance enhancements since 2008 – with dramatic positive results

Cannon surpassed the \$1 million mark in season pass sales in both FY10 & FY11... Increased season pass sales lead to increased local revenues via home sales and rentals and supplemental income being spent in the north country

Cannon's primary profit centers (summer tramway, winter ski ops, season passes, day tickets, ski school, retail, rental & repair, EL Beach, RV Park, F&B commissions)

Operations

There is no apples-to-apples comparison between the Cannon/FNSP and Sunapee models; Cannon is the operations, management, and financial center of FNSP

Cannon & FNSP are so tightly integrated that to separate the two business entities would devastate FNSP and have a dramatic negative impact on the NH Division of Parks & Rec. Cannon-based allocations (labor, supplies, promotions and products/revenues) that would then become the responsibility of FNSP.

The benefit of shared assets & would be eliminated

personnel between Cannon & FNNSP

The benefit of shared fleet and vehicle maintenance & inspection facility between Cannon & FNNSP would be eliminated

Managers at Flume Gorge and Lafayette Campground sit on the Cannon/FNNSP year-round management team. The Cannon/FNNSP senior management team is based 80% at Cannon

Challenges for a prospective lessee:

Since July, 2007 Cannon has enjoyed a four-year run of growth and prosperity, while since 2006, twelve major New England ski areas have changed hands:

NH: Attitash, Bretton Woods, Cranmore, Loon, Mount Sunapee, Waterville Valley, Wildcat

ME: Saddleback, Sugarloaf, Sunday River

VT: Killington, Mount Snow

Some of these ski areas have changed hands multiple times in the last 15 years, and there's instability out there... private ownership and management is not a guarantee of success (examples – American Skiing Company / Intrawest)

A \$500K - \$1 Million annual net profit is Cannon's short-term target, while still providing \$500K in philanthropy and offering the East's best value...

- Real estate development (difficult within the 'Notch, and potentially damaging to the character of FNNSP)
- Price increases (change in culture and character = dramatic change in public perception of Cannon)
- Staffing & payroll structure changes (detrimental to character and morale of the company)
- Major capital expansion (drives revenue, but to pay for it... the strategies listed above are necessary)

Senator D'Allesandro: the amenities are complete. The mountain has made dramatic pluses in attraction and the facilities have been cleaned up. What else has to be done on a cost basis 5-10 yrs. Response: Careful, balanced capital growth. The character and integrity and culture. This is a family ski area 2/3 beginners/ intermediate. Approaching each cycle with ramification. The cycle is on an annual basis, slow calculated measure which fuels marketing and revenue and capital gains.

Cannon's momentum in the marketplace has grown dramatically, and our efforts toward our product and our service have changed perceptions locally and regionally

Cannon's Mission Statement:

- Stimulate tourism and drive the local economy in New Hampshire's North Country
- Act as a primary revenue driver for NH/DRED
- Act as a community partner to the citizens and organizations of the State of New Hampshire
- Balance prosperity with the protection of the character and integrity of Franconia Notch State Park
- Provide the best work and play experience in the state for its guests and team members

Senator D'Allesandro: asked about other attractions: Response: We have entered into bike rentals and return. We have a 9 mile recreation area to do that There are wedding positions, concerts and profile field events, and the summer tramway of Echo Lake.

Tom Martin. The service at Cannon is very impressive giving you a great experience at the Mountain. Cannon Mountain's team has worked hard to pull the operation in the black.

Also Submitted a letter from Commissioner George Bald of Department of Resources and Economic Development.

Bill Cahill. Franconia Notch State Park generates 40% of State Park Revenue each year. Cannon Mountain and FNSP generate nearly 80% of that revenue through its year round operations. As a skier, Cannon is a great experience. Not just for skiers, there are participants to the park, providing 12 months of the year. They are not just ski employees. Cannon is making money and has more potential. Should NH be in the ski business? We are beating the competition.

Hearing was closed 3:28pm.

Future Action: pending

SGW

[file: HB 74 report]
Date: 4-28-11

Speakers

Testimony

NH Senate Hearing – Energy & Natural Resources Committee March 31, 2011 // LOB Room 102

HB-74: Relative to winter ticketing and season passes at Cannon Mountain

Submitted by: John M. DeVivo, General Manager
Cannon Mountain Aerial Tramway & Ski Area
Franconia Notch State Park

Cannon seeks to accomplish the following via the re-write of the RSA:

- Eliminate the need for secondary school enrollment proof while still requiring proof of age (with home schooling being so prevalent)
- Align season pass and day ticket age brackets (they're currently different)
- Change terminology of the season passes to reflect the new age brackets ("Child" becomes "Junior" // "Junior" becomes "Teen")
- Change "age as of" requirement (re: season passes) to December 15th to align with the current NH Resident discount deadline of December 15th
- Eliminate the term "coupon book" from NH Resident discount consideration (10-Pack is already heavily discounted)

In short, the re-write meets our objectives, streamlines our process, and eliminates annual (and ample) confusion for us and our guests.

Over the long haul, we shouldn't gain or lose any significant revenue, as some will end up in different categories as a matter of course.

The need to streamline our process and consolidate our products and presentation is significant.

From a service perspective, it makes little sense to have different age brackets and different burdens of proof depending on which product a guest is looking to purchase.

Additionally, the "coupon book" consideration would levy the burden of an additional 25% discount on Cannon (for a NH Resident) off of a 10-Pack product that's already discounted nearly 15%.



STATE OF NEW HAMPSHIRE
 DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
 OFFICE of the COMMISSIONER
 172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

GEORGE M. BALD
 Commissioner

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April 27, 2011

Senator Chuck Morse, Chair
 Senate Finance Committee
 State House ~ Room 105
 Concord, New Hampshire 03301

*Submitted
 by:
 John
 DeVivo
 General
 Manager
 of
 Cannon*

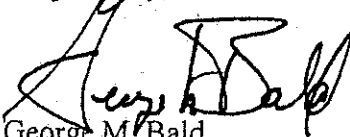
Dear Senator Morse:

It has come to my attention that an amendment will be offered to HB 74 that will be related to leasing Cannon Mountain Ski Area, which is an integral part of Franconia Notch State Park. I would like to offer specific comments on the amendment, but I have not been afforded the opportunity to see the amendment. I have a long standing commitment to meet with a company in the North Country, so I will be unable to join you today.

I would like to say that Cannon Mountain has been operating in the black for the past 4 years. Also, Cannon Mountain cannot be easily separated from Franconia Notch State Park, such as was done at Sunapee. The Cannon Mountain team has worked hard to pull the operation in the black, give customers a top notch product, and create opportunities for businesses in the Franconia area.

I hope that I will have an opportunity to further provide facts that would lead you to realize that leasing is not in the best interest of Parks, or the State of New Hampshire.

Respectfully,


 George M. Bald
 Commissioner

For the record I am Kathy Taylor representing Grafton #2 the towns of Bethlehem and Franconia and the beautiful home of Franconia Notch State Park.

My bill as introduced would make it easier for home-schooled children prove their residency for reduced rates. It also allows the department to establish the age requirements to streamline the process.

I was told that my original bill was no longer needed as this amendment about to be proposed would privatize Cannon. I guess there would be no need for a process to reduce rates for NH home schooled children.

I have spent my entire legislative fighting the privatization of Cannon Mountain and find it quite ironic that my bill is being used as the vehicle for something I so vehemently oppose. I was not even given the courtesy of being personally notified about these changes and I haven't even seen a copy of the amendment to my bill.

I could go through a list of points against leasing. I have put them in my written testimony and will not read them.

- ◦ ◦ **Since July '07, Cannon has wiped out its \$1.494 Million operating deficit, and will finish with nearly \$1 Million in profit in FY11**
- ◦ ◦ Since July '07, no fewer than ten (10) major NE ski areas have changed hands... so which private company that can't manage its own assets should manage this one?
- ◦ ◦ Since June '08, Cannon has spent well over \$8 Million on capital and maintenance improvements, with dramatic positive results
- ◦ ◦ Revenues, net profit, and most importantly marketplace momentum, have taken a dramatic upturn, and the area business community has reaped the benefits
- ◦ ◦ **Cannon is a self-funded entity, and as the NH Legislative Budget Assistant Office has testified**

repeatedly... leasing Cannon will have zero net impact upon the general fund (so will not be available to fund health and human service programs

- ◦ • Cannon represents over 35% of the annual revenue of the Division of Parks & Rec, and covers an estimated \$250K in annual costs not charged to FNSP
- ◦ • The leasing of Cannon is a bad idea. Logic and sheer business sense dictate that the success be recognized, and that Cannon Mt be allowed the opportunity to continue moving forward.
- ◦ • Cannon Mt has been rebuilt into a fantastic, profitable company, and has returned to the forefront of NH skiing
- ◦ • So when Senator Morse asks whether the State (the people) should be in the business of running a ski area, proudly point to the razor-sharp 4-year turnaround and say, "Yes, we certainly should and we do a darn good job."
- ◦ • Cannon Mt is the home of the Veterans Memorial Park. Attempts to privatize this area are a gross violation of the intent of the legislation for this Memorial Park and a desecration of a monument to those who have served.

Thank you for listening and I will try to answer any questions. Others have more detail and will follow with their testimony.

Dear Senators

Re: Senator Morse's proposed amendment to HB74 to privatize Cannon Mt.

Please vote ITL on the proposed amendment to HB74 to privatize Cannon Mt in Franconia Notch State Park. As the former State Representative of the Town of Franconia, I have fought against this perennial attempt to remove Cannon Mt from the public's oversight and place it in private hands. The park was purchased by the people of New Hampshire to protect this special place from the private sector after it was almost destroyed by over logging. It is the home of the Veterans Memorial Park and privatizing it would be a gross violation of the intent of the legislation that established the Memorial.

Those of on the Cannon Mt Advisory Committee have worked hard to ensure that Cannon has had the resources and investment to make it a world class ski area. Most recently we were able to re-open the Mittersill Ski Area to skiers. This past winter we enjoyed a lot of snow and we were able to ski the terrain with no need for snowmaking. I grew up learning to ski at Mittersill so I have a real appreciation for the area and for the terrain. I have learned to ski the trees and glades on Mittersill and it is a special place. Since July '07, Cannon has wiped out its \$1.494 Million operating deficit, and will finish with nearly \$1 Million in profit in FY11. We have done everything and more that has been asked of us and would appreciate if you would now let us enjoy the recreation and fun of the sport without having to constantly justify the existence of a public recreation area. Please give it a break and let the people of NH enjoy their mountain and let the businesses and employees have some consistency in operations. It feels like a constant harassment of our community and our loyal customers to bring this up again and again.

Revenues, net profit, and most importantly marketplace momentum, have taken a dramatic upturn, and the area business community has reaped the benefits. Leasing Cannon will have zero net impact upon the general fund (so will not be available to fund health and human service programs) so what is the point? Cannon represents more than a third of the annual revenue of the Division of Parks & Rec-what will leasing do to the stability of the State Parks?

Cannon Mt has been rebuilt into a fantastic, profitable company, and has returned to the forefront of NH skiing. We can proudly say that we the people of NH do a darn good job running Cannon Mt. Leave it be and leave our community and our customers to enjoy the wonderful resource we have in this State.

I respectfully request you not submit an amendment to HB74 to privatize Cannon Mt.

Martha McLeod, Former State Representative for Franconia

Friends of Franconia Notch State Park

Kathleen Taylor

From: Robert O'Connor <Robert@KDXfilms.com>
Sent: Wednesday, April 27, 2011 4:45 PM
To: kathy taylor
Cc: brett/celine presby; 'Bradford Whipple'
Subject: Cannon mt

Kathy, I could not send this to the list that Brad sent to me, the e-mail addresses of the senators could not be recognized by my outlook express, either you or Brad will have to forward this to Chuck Morse, Bob Odell, Jack Barnes, Peter Bradgon, Lou D'Allesandro, Jeanie Forrester, and John Gallus: Mickey O'Connor

To All:

I testified at the hearing a number of years ago about the change in management at Cannon Mountain and the proposed land swap for Mittersill. Although myself and my family and business partners are residents of Rhode Island, we own an active company in New Hampshire with properties and land in Sugar Hill and Lyman (Dodge Pond). We also have 45 year years of experience with both my children, and grandchildren skiing at Cannon and attending and graduating from the University of New Hampshire and Pat's Peak Academy. I understand the finances and how they work with the bond currently in use. There is absolutely no financial sense for any private company to operate a ski area in this day and age without development possibilities. Any pretense to development in the actual park is just plain fantasy. Someone would have to show me a financial model and business plan how the state would be better off just leasing the operation. The growth in Cannon Mountains skiers and riders over the last 5 years is the direct result of hiring an outside source who has done one of most remarkable jobs in promoting and improving a state run operation I have ever seen. Before John Vivo came on the scene I was one of the biggest supporters of privatizing Cannon Mountain. I have changed my mind and I can honestly say that no one I know of all the skiers or riders at Cannon Mountain are supporters of privatizing. You have to prove it to me that there is financial gain, not some pie in the sky plan or dream. Although most of our family are registered republicans, we are supporters of Kathy Taylor and her continuing efforts to make Cannon Mountain the jewel of the Northeast ski areas. As taxpayers and property owners, we oppose the effort of privatizing Cannon Mountain.

Siucra Cnoc Development LLC
6 Moose Run, Lyman, New Hampshire
Bickford/Birches Road, Sugar Hill, New Hampshire

R.Mickey O'Connor

Robert O'Connor
Kangdexin America LLC
999 Pontiac Ave
1-877-539-3311
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Robert@KDXFilms.com

I am 11 and live in NH. I ski Cannon every weekend with my family, and we hike there in the summertime. **I think you should not lease Cannon to a private company.** I've gone to other mountains, and they are all built up with condos and not like Cannon with the nature all around. I think the state protects the environment of the notch. Once it is gone, we will never get it back, like the oil spill in the Gulf of Mexico. Also, Cannon is more affordable for our family because we live in NH so it costs less for us. The other mountains are too expensive. Skiing is our state sport, and Cannon is one place that kids like me can afford to go with our family.

I want to keep Cannon for the people of NH for me, my children, and my grandchildren, not sell it off like Killington or Loon or Bretton Woods which are expensive to ski at and have all built up like a city at the bottom of the mountains. I learned that the town changed its name to Killington but really it was Sherburne Vt but the mountain took over the town. Cannon has kept the old nature and the history of the ski slopes like they were.

Also, the Franconia Notch is a Veteran's Memorial that the people of NH bought a long time ago for our soldiers and that is bad that you want to sell that off. It was meant for me and for all my friends who live in NH and it's not your right to sell it off.

Cannon has been really busy the last few years and I think it makes money this year. Check the reports.

Whatever you do is going to affect me for a long time. in a few years I get to vote on if you get retirement or health care or a nursing home you can afford.

Joa Segal
Lee

p.s.

my mom is doing a bcc to all my friends so they can write to you too. And she put in your phone numbers so they can call you

	Actual														
	Fiscal Year											2010	2011	2012	2013
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009				
Beginning Balance	\$0.00	\$150,000.00	\$169,875.77	\$267,950.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.47)	(\$495,207.25)	(\$503,981.82)	(\$549,487.47)	(\$556,398.94)	(\$521,880.38)
Revenue															
Base Payment (Inflation Adjusted)	150,000.00	153,150.00	158,357.00	162,791.00	168,210.00	170,864.00	177,084.00	183,210.00	189,805.00	194,702.00	200,056.31	205,557.85	211,210.69	217,018.99	222,987.01
Variable Payment (% of Sales)	0.00	118,831.52	192,790.80	269,312.00	264,308.00	313,143.00	272,391.00	303,701.00	278,372.00	284,242.00	371,856.00	390,448.80	409,971.24	430,469.89	451,993.29
Interest	0.00	17,010.91	12,037.21	3,556.46	495.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Items	0.00	0.00	3,806.00	2,982.00	0.00	1,232.00	4,444.00	10,017.00	2,434.00	2,288.00	0.00	2,000.00	2,000.00	2,000.00	2,000.00
Total Revenues	150,000.00	288,792.43	366,991.01	458,641.46	431,013.20	485,239.00	453,919.00	496,928.00	470,611.00	481,232.00	571,912.31	598,006.65	623,181.93	649,488.79	676,980.30
Expenditure															
Original Borrowing															
Principal Payment	0.00	0.00	0.00	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	335,498.99	335,126.79
Interest Payment	0.00	268,916.66	268,916.66	261,418.66	247,250.00	233,918.67	220,583.33	207,250.00	180,626.04	177,790.71	162,999.05	149,040.72	134,622.41	120,202.93	105,120.16
Indirect Costs						9,439.00	13,585.00								
FY 2005 Borrowing															
Principal Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Interest Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,384.53	18,253.92	17,287.68	16,321.43	15,355.19	14,388.95	13,382.45	12,255.17
Approved FY 2009 Borrowing															
Principal Payment											0.00	43,000.00	45,000.00	48,000.00	50,000.00
Interest Payment											35,825.00	70,575.00	68,375.00	66,050.00	63,600.00
Total Expenditures	0.00	268,916.66	268,916.66	594,749.99	580,583.33	576,689.00	567,601.66	586,175.92	564,421.35	560,619.78	580,686.87	643,512.30	630,093.41	614,970.23	598,392.95
Ending Balance	\$150,000.00	\$169,875.77	\$267,950.12	\$131,841.59	(\$17,728.54)	(\$109,178.54)	(\$222,761.20)	(\$322,009.12)	(\$415,819.47)	(\$495,207.25)	(\$503,981.82)	(\$549,487.47)	(\$556,398.94)	(\$521,880.38)	(\$443,293.02)
Forecasted Growth Rate in Variable Payment															5.00%
Bond Payment Shortfall				(136,108.53)	(149,570.13)	(91,450.00)	(113,582.66)	(99,247.92)	(93,810.35)	(79,387.78)	(8,774.57)				
Forecasted Growth Rate in Minimum Payment															2.75%
Revolving Fund Borrowing Limit															
Beginning Principal	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$6,000,000.00	\$5,666,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,926.29	\$4,472,384.90	\$4,106,843.51	\$5,174,302.12	\$4,765,760.73	\$4,353,053.68	\$3,937,718.83
Principal Paid (Original)	0.00	0.00	0.00	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	335,498.99	335,126.79	335,209.56
Principal Paid (2005)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06	32,208.06
Principal Paid (2009)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,000.00	45,000.00	48,000.00	50,000.00
Principal Borrowed	0.00	0.00	0.00	0.00	0.00	0.00	536,801.00	0.00	0.00	0.00	1,433,000.00	0.00	0.00	0.00	0.00
Ending Balance	\$9,000,000.00	\$8,000,000.00	\$6,000,000.00	\$5,666,666.67	\$5,333,333.34	\$5,000,000.01	\$5,203,467.68	\$4,837,926.29	\$4,472,384.90	\$4,106,843.51	\$5,174,302.12	\$4,765,760.73	\$4,353,053.68	\$3,937,718.83	\$3,520,301.21
Available to Borrow	\$0.00	\$0.00	\$0.00	\$333,333.33	\$666,666.66	\$999,999.99	\$796,532.32	\$1,162,073.71	\$1,527,615.10	\$1,893,156.49	\$825,697.88	\$1,234,239.27	\$1,646,946.32	\$2,062,281.17	\$2,479,898.79

Forecast																
Fiscal Year																
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
(\$443,293.02)	(\$319,938.28)	(\$148,978.64)	\$81,515.01	\$362,739.87	\$696,337.02	\$1,083,842.80	\$1,850,839.23	\$2,658,733.98	\$3,508,296.07	\$4,401,604.52	\$5,340,854.39	\$6,328,323.61	\$7,386,879.88	\$8,497,626.37	\$9,662,158.81	
229,119.15	235,419.93	241,893.98	248,546.06	255,381.08	262,404.06	269,620.17	277,034.73	284,653.18	292,461.14	300,524.37	308,788.79	317,280.49	326,005.70	334,970.86	344,182.55	
474,592.96	498,322.60	523,238.73	549,400.67	576,870.71	605,714.24	635,999.95	667,799.95	701,189.95	736,249.44	773,061.92	811,715.01	852,300.76	894,915.80	939,661.59	986,644.67	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	
705,712.11	735,742.53	767,132.71	799,946.73	834,251.78	870,118.30	907,620.12	946,834.68	987,843.13	1,030,730.59	1,075,586.29	1,122,503.81	1,171,581.25	1,222,921.50	1,276,632.45	1,332,827.23	
336,046.53	336,603.68	336,785.89	336,741.99	336,098.91	334,698.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
88,849.89	72,726.07	58,158.86	39,129.44	22,889.17	7,381.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	
11,127.88	9,920.08	8,712.28	7,853.40	6,994.52	6,135.64	5,276.76	4,417.88	3,559.00	2,700.10	1,814.38	912.54	0.00	0.00	0.00	0.00	
53,000.00	55,000.00	58,000.00	61,000.00	64,000.00	67,000.00	71,000.00	74,000.00	78,000.00	82,000.00	86,000.00	90,000.00	95,000.00	99,000.00	104,000.00	110,000.00	
61,025.00	58,325.00	55,500.00	52,525.00	49,400.00	46,125.00	42,675.00	39,050.00	35,250.00	31,250.00	27,050.00	22,650.00	18,025.00	13,175.00	8,100.00	2,750.00	
582,357.38	564,782.89	536,639.07	518,721.87	500,654.64	482,812.42	440,423.80	399,939.92	338,281.04	237,422.14	136,336.42	135,034.58	113,025.00	112,175.00	112,100.00	112,750.00	
(\$319,938.28)	(\$148,978.64)	\$81,515.01	\$362,739.87	\$696,337.02	\$1,083,842.80	\$1,850,839.23	\$2,658,733.98	\$3,508,296.07	\$4,401,604.52	\$5,340,854.39	\$6,328,323.61	\$7,386,879.88	\$8,497,626.37	\$9,662,158.81	\$10,882,238.04	
\$3,520,301.21	\$3,099,046.62	\$2,675,234.88	\$2,258,966.95	\$1,839,752.92	\$1,418,181.97	\$995,011.66	\$902,539.62	\$807,067.58	\$707,595.54	\$604,123.50	\$496,651.46	\$385,179.42	\$290,179.42	\$191,179.42	\$87,179.42	
336,046.53	336,603.68	336,785.89	336,741.99	336,098.91	334,698.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
32,208.06	32,208.06	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	21,472.04	0.00	0.00	0.00	
53,000.00	55,000.00	58,000.00	61,000.00	64,000.00	67,000.00	71,000.00	74,000.00	78,000.00	82,000.00	86,000.00	90,000.00	95,000.00	99,000.00	104,000.00	110,000.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
\$3,099,046.62	\$2,675,234.88	\$2,258,966.95	\$1,839,752.92	\$1,418,181.97	\$995,011.66	\$902,539.62	\$807,067.58	\$707,595.54	\$604,123.50	\$496,651.46	\$385,179.42	\$290,179.42	\$191,179.42	\$87,179.42		
\$2,900,953.38	\$3,324,765.12	\$3,741,033.05	\$4,160,247.08	\$4,581,818.03	\$5,004,988.34	\$5,097,460.38	\$5,192,932.42	\$5,292,404.46	\$5,395,876.50	\$5,503,348.54	\$5,614,820.58	\$5,709,820.58	\$5,808,820.58	\$5,912,820.58	\$6,000,000.00	

State of New Hampshire
General Obligation Bonds
Debt Service Schedule

	Coupon	Principal	Interest	Debt Service	Annual Interest
4/1/1999				-	-
10/1/1999			134,458.33	134,458.33	
4/1/2000			134,458.33	134,458.33	268,916.67
10/1/2000			134,458.33	134,458.33	
4/1/2001			134,458.33	134,458.33	268,916.67
10/1/2001	4.50%	333,333.33	134,458.33	467,791.66	
4/1/2002			126,958.33	126,958.33	261,416.67
10/1/2002	4.00%	333,333.33	126,958.33	460,291.66	
4/1/2003			120,291.67	120,291.67	247,250.00
10/1/2003	4.00%	333,333.33	120,291.67	453,625.00	
4/1/2004			113,625.00	113,625.00	233,916.67
10/1/2004	4.00%	333,333.33	113,625.00	446,958.33	
4/1/2005			106,958.33	106,958.33	220,583.33
10/1/2005	4.00%	333,333.33	106,958.33	440,291.66	
4/1/2006			100,291.67	100,291.67	207,250.00
10/1/2006	4.00%	333,333.33	100,291.67	433,625.00	
4/1/2007			93,625.00	93,625.00	193,916.67
10/1/2007	4.75%	333,333.33	93,625.00	426,958.33	
4/1/2008			85,708.33	85,708.33	179,333.33
10/1/2008	4.13%	333,333.33	85,708.33	419,041.66	
4/1/2009			78,833.33	78,833.33	164,541.67
10/1/2009	4.25%	333,333.33	78,833.33	412,166.66	
4/1/2010			71,750.00	71,750.00	150,583.33
10/1/2010	4.38%	333,333.33	71,750.00	405,083.33	
4/1/2011			64,458.33	64,458.33	136,208.33
10/1/2011	4.50%	333,333.33	64,458.33	397,791.66	
4/1/2012			56,958.33	56,958.33	121,416.67
10/1/2012	4.50%	333,333.33	56,958.33	390,291.66	
4/1/2013			49,458.33	49,458.33	106,416.67
10/1/2013	4.70%	333,333.34	49,458.33	382,791.67	
4/1/2014			41,625.00	41,625.00	91,083.34
10/1/2014	4.70%	333,333.34	41,625.00	374,958.34	
4/1/2015			33,791.67	33,791.67	75,416.67
10/1/2015	5.13%	333,333.34	33,791.67	367,125.01	
4/1/2016			25,250.00	25,250.00	59,041.67
10/1/2016	5.13%	333,333.34	25,250.00	358,583.34	
4/1/2017			16,708.33	16,708.33	41,958.33
10/1/2017	5.13%	333,333.34	16,708.33	350,041.67	
4/1/2018			8,166.67	8,166.67	24,875.00
10/1/2018	4.90%	333,333.34	8,166.67	341,500.01	
			-	-	8,166.67
			-	-	
			-	-	
		6,000,000.00	3,061,208.35	9,061,208.35	3,061,208.35

ESTIMATE ONLY

State of New Hampshire
General Obligation Bonds
Debt Service Schedule

	Principal	Coupon	Interest	Debt Service	Annual DS
4/1/2009			35,825.00	35,825.00	35,825.00
10/1/2009	43,000	5.00%	35,825.00	78,825.00	
4/1/2010			34,750.00	34,750.00	113,575.00
10/1/2010	45,000	5.00%	34,750.00	79,750.00	
4/1/2011			33,625.00	33,625.00	113,375.00
10/1/2011	48,000	5.00%	33,625.00	81,625.00	
4/1/2012			32,425.00	32,425.00	114,050.00
10/1/2012	50,000	5.00%	32,425.00	82,425.00	
4/1/2013			31,175.00	31,175.00	113,600.00
10/1/2013	53,000	5.00%	31,175.00	84,175.00	
4/1/2014			29,850.00	29,850.00	114,025.00
10/1/2014	56,000	5.00%	29,850.00	84,850.00	
4/1/2015			28,475.00	28,475.00	113,325.00
10/1/2015	58,000	5.00%	28,475.00	86,475.00	
4/1/2016			27,025.00	27,025.00	113,500.00
10/1/2016	61,000	5.00%	27,025.00	86,025.00	
4/1/2017			25,500.00	25,500.00	113,525.00
10/1/2017	64,000	5.00%	25,500.00	89,500.00	
4/1/2018			23,900.00	23,900.00	113,400.00
10/1/2018	67,000	5.00%	23,900.00	90,900.00	
4/1/2019			22,225.00	22,225.00	113,125.00
10/1/2019	71,000	5.00%	22,225.00	93,225.00	
4/1/2020			20,450.00	20,450.00	113,675.00
10/1/2020	74,000	5.00%	20,450.00	94,450.00	
4/1/2021			18,600.00	18,600.00	113,050.00
10/1/2021	78,000	5.00%	18,600.00	96,600.00	
4/1/2022			16,650.00	16,650.00	113,250.00
10/1/2022	82,000	5.00%	16,650.00	98,650.00	
4/1/2023			14,600.00	14,600.00	113,250.00
10/1/2023	86,000	5.00%	14,600.00	100,600.00	
4/1/2024			12,450.00	12,450.00	113,050.00
10/1/2024	90,000	5.00%	12,450.00	102,450.00	
4/1/2025			10,200.00	10,200.00	112,650.00
10/1/2025	95,000	5.00%	10,200.00	105,200.00	
4/1/2026			7,825.00	7,825.00	113,025.00
10/1/2026	99,000	5.00%	7,825.00	106,825.00	
4/1/2027			5,350.00	5,350.00	112,175.00
10/1/2027	104,000	5.00%	5,350.00	109,350.00	
4/1/2028			2,750.00	2,750.00	112,100.00
10/1/2028	110,000	5.00%	2,750.00	112,750.00	112,750.00
\$ 1,433,000.00			\$ 867,300.00	\$ 2,300,300.00	\$ 2,300,300.00

Sources:

Par Amount 1,433,000.00 115,500.00 Target DS

Cannon Mountain Aerial Tramway & Ski Area Anti-Leasing Testimony

**Submitted April 28, 2011 by John M. DeVivo, General Manager
Cannon Mountain Ski Area & Franconia Notch State Park**

Financials:

Cannon will have wiped out its \$1.494 Million operating deficit by the close of FY11, and will carry forward a net profit of nearly \$1 Million into FY12 after wiping out its debt

Cannon finished FY07 with a net loss of \$495K, and then posted positive net totals of \$438K in FY08, \$423K in FY09, and \$377K in FY10, and should finish FY11 with nearly \$1 Million in net profit

Chris Shea (LBA Audit Division) recently testified that the leasing of Cannon Mountain Aerial Tramway & Ski Area (a self-funded agency) would have zero impact on the general fund, as Cannon's operation does not operate within the confines of the general fund

Cannon represents approx. 35% - 38% of the annual NH Division of Parks & Rec revenue

Cannon should exceed \$500K net profit annually at this point – even with well over \$100K per year in ops funds spent on improvements – and should be able to both fund its capital projects internally and pay the difference on the Cannon Mountain Capital Improvement Fund debt service annually

Cannon also provides some \$500K/yr in philanthropy, primarily toward NH residents & org's; some is RSA mandated

Take Cannon and its support of FNSP away? It'll create a negative annual difference of approximately \$250K (labor, cost efficiency, revenue programs, materials, supplies) on the FNSP bottom line

Cannon has spent well over \$8 Million in capital & maintenance enhancements since '08 – with dramatic positive results

Cannon surpassed the \$1 Million mark in season pass sales in both FY10 & FY11... Increased season pass sales lead to increased local revenues via home sales and rentals and supplemental income being spent in the north country

Cannon's primary profit centers (summer tramway, winter ski ops, season passes, day tickets, ski school, retail, rental & repair, EL Beach, RV Park, F&B commissions) all regularly finish net positive at this point

Operations:

Cannon & FNSP are so tightly integrated that to separate the two business entities would devastate FNSP and have a dramatic negative impact on the NH Division of Parks & Rec

Cannon-based allocations (labor, supplies, promotions and products/revenues) that would then become the responsibility of FNSP would account for a six-figure negative impact on the FNSP bottom line

Lease the Ski Area (winter ops) only? Very difficult to draw clear delineation with lessee, and very difficult to operate as a dual-identity venue

Lease the Ski Area, the summer Tram ops, the RV Park, and the beach operations in their entirety? Devastate the park and fracture Cannon/FNSP to a degree impossible to overcome operationally

The benefit of shared assets & shared personnel between Cannon & FNSP would be eliminated

The benefit of shared fleet and shared vehicle maintenance & inspection facility between Cannon & FNSP would be eliminated

Managers at Flume Gorge and Lafayette Campground sit on the Cannon/FNSP year-round management team. The Cannon/FNSP senior management team is based 80% at Cannon, yet splits time & effort 60/40.

Centerplate (both entities), FSC (Cannon) and ASPNC (both entities) contracts & agreements - who manages them under a new leasing agreement?

Challenges for a prospective lessee:

Since July, 2007 Cannon has enjoyed a four-year run of growth and prosperity; since 2006, twelve (12) major New England ski areas have changed hands:

NH: Attitash, Bretton Woods, Cranmore, Loon, Mount Sunapee, Waterville Valley, Wildcat
ME: Saddleback, Sugarloaf, Sunday River
VT: Killington, Mount Snow

The parent companies of these private entities have had a difficult time in successfully managing their own assets recently... so which one would do a better job of managing Cannon than its current management team has done?

There are several reasons that nobody appears to be lined up to sign a leasing agreement with the State of New Hampshire regarding Cannon Mountain Aerial Tramway and Ski Area:

State vs Okemo Corp. – nobody wants to engage in a second battle like this one, stimulated after a lessee has had some success at Sunapee and wants to change the game

A positive \$500K+ annual net total is Cannon's short-term target, while still providing \$500K in philanthropy and offering the East's best value... How can a lessee come in and pay the State its \$500K... and still make its own \$500K?

- Real estate development (difficult to imagine, and detrimental to the character of FNISP)
- Price increases (change in culture and character = a dramatic change in public perception of Cannon)
- Staffing & payroll structure changes (detrimental to character and morale of the company)
- Major capital expansion (leads to a need for all of the above, and changes the character of FNISP)

For an extra \$50 - \$100K in annual revenue and the prospect of added taxes payable to the Town of Franconia, the State would give up the management of Cannon and negatively impact FNISP for an estimated 10 – 40 years via a leasing agreement

Marketplace & Momentum:

Start with Mittersill – why create so much momentum behind a 50% terrain increase and a new lift that adds a completely new product to Cannon (lift-accessed backcountry) and give that away to a lessee?

Cannon's momentum in the marketplace has grown dramatically, and our efforts toward our product and our service have changed perceptions locally and regionally

Cannon continues to receive defecting individuals and families from other NH ski areas, most notably Loon, Waterville, Bretton Woods, Attitash, and Sunapee

Cannon's innovation, products & programs continue to grow and attract new business to the area, most recently the partnerships with Adaptive Sports Partners of the North Country and Littleton Chevrolet, and the expansion of our US Military discount programs

Cannon has scored over two dozen Top 10 eastern rankings in SKI Magazine, SnowEast Magazine, Yankee Magazine, The Boston Globe, and other publications since '07... including #1 Value in the East in SKI Magazine / 2007 - 2009

History:

Cannon is the crown jewel of NH's flagship State Park

The Cannon Mountain Aerial Tramway was the first in North America, and one of two in New England

Cannon Mountain Aerial Tramway and Ski Area was founded in 1938... after the founding of (and as a direct result of the efforts of) Ski Club Hochebörge and Ski Club Franconia, America's two most historic ski clubs

Franconia Notch State Park was dedicated as a lasting monument to Veterans

Partnerships:

Active Sports Partners of the North Country, / Appalachian Mountain Club / Cannon Mountain Advisory Commission / Centerplate, Inc. / Franconia Ski Club / Friends of Franconia Notch State Park / Holderness School / Lafayette Elementary School / NH Audubon Society / Profile High School / Society for the Protection of NH Forests / White Mountain National Forest / White Mountain School

Cannon's Mission Statement:

- Stimulate tourism and drive the local economy in New Hampshire's North Country
- Act as a primary revenue driver for NH/DRED
- Act as a community partner to the citizens and organizations of the State of New Hampshire
- Balance prosperity with the protection of the character and integrity of Franconia Notch State Park
- Provide the best work and play experience in the state for its guests and team members

None of these points within the mission statement includes (or would be enhanced by) the leasing of Cannon Mountain Aerial Tramway & Ski Area to private interests.

Dartmouth / Tuck School / Call to Action (2007):

Many of the following challenges were not only identified in 2007 in the "Tuck Report" quoted frequently by leasing advocates, they were identified by Cannon's new General Manager after one week on the job in July '07. Cannon has met every challenge and established a proven track record of success:

- Improve upon its infrastructure
- Improve upon its on-hill product & guest service
- Improve upon its cash handling
- Improve upon its marketing
- Change perceptions about Cannon in the marketplace
- Improve upon its current (and create new) public/private partnerships
- Eliminate its operating debt and become profitable
- Put Cannon back on the map and at the forefront of New Hampshire skiing
- Improve its management team and cut payroll & benefit costs
- Do everything better AND cheaper
- Create efficiencies and huge savings to pay for unanticipated projects & problems



Will Abbot
HB 74

Testimony Presented to
New Hampshire State Senate
Committee on Finance
Chuck Morse, Chairman
Thursday, April 28, 2011

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Chairman Morse and Members of the Committee:

My name is Will Abbott, and I reside in Holderness. I am here today representing the Society for the Protection of NH Forests. The Society is a non profit membership organization founded in 1901 to protect the state's most important landscapes and to promote wise use of its renewable natural resources.

One of the many landscapes the Forest Society has had a direct hand in protecting is Franconia Notch State Park. Back in the 1920's the Old Man was drawing 100,000 visitors a year. Called "little Yosemite" at the time, the land was privately owned and placed on the market by its then owner, Frank H. Abbott --- no relation --- for \$400,000. Then Governor John Winant agreed to support a state appropriation for half the purchase price, challenging the Forest Society to coordinate a campaign to raise the other half from private sources. The Forest Society, in collaboration with the State Federation of Women's Clubs, raised the match from 15,000 contributors, each of whom contributed to not only save the land but to permanently dedicate the park in honor of those from New Hampshire who served the nation in times of war. Franconia Notch State Park was officially dedicated on September 15, 1928 as New Hampshire's war memorial.

On behalf of the Forest Society's 10,000 member families I appear today to oppose the proposed amendment to House Bill 74. We oppose this legislation for three reasons.

1. Franconia Notch State Park is the crown jewel of the New Hampshire State Park system

The Forest Society has consistently opposed the leasing of Cannon Mountain Ski Area over the thirty years such proposals have been proffered because we have never heard a compelling reason why any of the stones of the crown jewel should be leased to the highest bidder. We remain opposed to the leasing of Cannon today because we have still not heard a compelling argument. In fact, the work of Commissioner Bald and the team of professionals he has recruited to successfully operate Cannon Mountain Ski Area over the past four years argues for just the opposite --- keeping the ski area as a state run facility.

2. A Legislative decision at this time to lease Cannon Mountain Ski Area is premature

Any decision to lease any part of Franconia Notch State Park --- including the Cannon Mountain ski facility --- should be predicated on a master plan for the Park which assures that such leasing will be done in a manner that is consistent with the

history and the public uses of the Park as a whole. No such master plan exists today. The proper way for DRED to complete such a master plan is to fully engage the public and all interested stakeholders, much as the State Parks Division did with its recently completed state parks master plan.

Until such a public planning effort fully explores all options for the future of FNSP, it is premature to consider any leasing of any part of the Park.

3. The Lessons from Leasing Sunapee

We believe the state made a commitment when it leased the Mount Sunapee ski area to assure that the net income from the Sunapee lease would be used to fund the capital improvements necessary to sustain Cannon as a state operated ski area within the bounds of Franconia Notch State Park.

The Forest Society purchased 638 acres of land on Mount Sunapee in 1912, and over the next three decades grew its ownership to a total of nearly 1000 acres. After the legislature created the state park system in 1945, the Society conveyed its 1000 acres on Mount Sunapee to the State for park purposes in 1948. At that time the Society believed a compelling argument was made for the establishment of a new permanent state park and ski area to benefit public enjoyment and recreation on its Mount Sunapee land.

The Forest Society agreed not to oppose the leasing of the Mount Sunapee Ski Area in 1998 because we concluded that then DRED Commissioner Robb Thomson made a compelling argument that the leasing of Sunapee would provide a revenue stream to support the needed capital improvements at Cannon. The idea was that both ski areas would be improved by leasing one. We believe that the current lease holders at Sunapee have done a good job managing and developing the ski program at Sunapee, and we also believe that the Sunapee lease has delivered a significant revenue stream for the purpose of continuing to operate Cannon as a state run facility, as originally anticipated by Commissioner Thomson.

In proposing the lease at Sunapee for the specific purpose of improving both ski areas, it is important to remember Commissioner Thomson's words on April 29, 1998 when he announced this decision:

"Cannon is an integral part of Franconia Notch State Park and Franconia Notch State Park is the crown jewel of the park system. Cannon cannot be separated [from Franconia Notch State Park] without causing major disruption within the park system and within DRED."

For these reasons the Forest Society believes that it would be inappropriate for the State of New Hampshire to consider leasing the Cannon Mountain Ski Area. We encourage the Committee to cease further consideration of any leasing scheme at this time.

April 28, 2011

TESTIMONY OF WILLIAM P. CAHILL BEFORE N.H. SENATE FINANCE COMMITTEE
RELATIVE TO HB-74

Good afternoon, Mr. Chairman and members of the Committee. My name is Bill Cahill and I am a resident of Piermont, NH. I am here today to respectfully express my opinion relative to HB-74 and a proposed amendment to allow for the "privatization" of operations at Cannon Mountain in Franconia Notch State Park.

Members of my family have been season ticket holders at Cannon for more than 20 years. I am proud to say that my wife Wendy and I were recently made Lifetime Members of the Franconia Ski Club (FSC), a decades-old organization that provides a wholesome and enjoyable ski racing experience for young athletes and their families. The Club, which has developed a unique partnership with Cannon, is the envy of ski racing organizations throughout New England. It is one of a number of partner organizations and enterprises that call Cannon Mountain "home". We love Franconia Notch and all it has to offer for affordable recreation and outdoor activities. We have enjoyed Echo Lake, have fished in Profile Lake, camped in the Lafayette Campground, visited the Flume and the Basin, and hiked the many trails in the Notch, including the trail from the summit of Cannon to Lonesome Lake.

That brings me to my first point. The language of this "privatization" amendment is specific to the Cannon Mountain ski operations. I would ask you to think about the concept of "connectivity". Cannon Mountain is more than just a ski area. It is part of a spectacular, pristine and undeveloped NH State Park which some have called the "jewel" of the State Park System. It generates revenue 12 months of the year through the operation of the spectacular tram which shuttles visitors to the summit all through the summer and fall. Cannon Mountain employees and management work hard to provide, what I think, is one of the finest skiing experiences in the Northeast, but they also work hard in the summer months to protect and maintain the other resources of the park. They are not simply "ski area" employees. They are dedicated parks employees, 12 months of the year. When the snow melts, they prepare for the wonderful summer and fall seasons. When the leaves fall off the trees, they prepare the snowmaking, grooming, lift operation and customer service functions. A certain number of economies exist in this type of enterprise. The Park is a seamless operation. Franconia Notch State Park is the sum of its parts, including the ski area. They are all "connected". To carve out one specific part for private interest(s) seems to me to be a potentially huge mistake.

The residents of New Hampshire are the owners of Franconia Notch State Park. The NH State Legislature, the Society for the Protection of NH Forests and many residents of NH contributed to the purchase of the park in 1927 for the sole purpose of providing a special resource for all to use AND to protect.

You will hear today about the potential for infrastructure improvements and services for the area surrounding the Park if a private interest were to manage and develop the ski area. Frankly, improvements, capital and otherwise, including personnel, training, systems, continuous

improvement, quality service and other activities have been ongoing for a number of years under the current management team. Cannon is making money, and the potential is enormous. I will not address the financials. I will leave that to the capable general manager who is here today. The list of their accomplishments is extensive. I will not address the NH Park System in general and its challenges, though I have studied the recent 10 Year Strategic Development Plan and the 2008 LBS systems audit. Frankly, that is a discussion for another day. But to contend that somehow leasing the operations will generate additional revenues for the benefit of the capital needs of the System is a faulty assumption. Cannon turns a profit, is a successful enterprise, and represents nearly 40% of the revenues for the entire NH Division of Parks and Recreation. Can some other entity do a better job? I think not. But, again, I contend that we would be moving into uncharted waters if we attempt to carve out the ski area operations as a separate entity.

Two years ago, SB101 would have threatened the transfer of land between the State of NH and the US Forest Service necessary to re-open the Mittersill ski area and incorporate it into the Cannon ski operations. This transfer of land near the summit of Mittersill and part of the Sentinel Forest along the Appalachian Trail on the border of Wentworth and Piermont was an effort that had been ongoing for a number of years. I worked as a volunteer on that effort. The land transfer was a win-win situation, as it resulted in the protection of beautiful and fragile resources in both areas, as well as providing additional areas for recreation, skiing, potentially a world-class racing and training area for downhill skiers from throughout the country, and additional opportunities for hiking in the Notch and on parts of the Appalachian Trail which traditionally has been maintained by the Dartmouth Outing Club. This was a cooperative effort among many agencies and private individuals, both inside and outside of government. There was plenty of momentum and creative effort resulting in new terrain and a new lift. Now, after, 10 years, we're thinking of leasing that away?

I would ask you to think long and hard about another indisputable fact. Franconia Notch State Park generates 40% of State Park revenue each year. Cannon Mountain and FNNSP generate nearly 80% of that revenue through its year-round operations. Again, I ask you to think about the "connectivity" of Cannon to the rest of the State Park system. Separating it out would be simply counterproductive and bad public policy. Are solutions at any cost "creative solutions"?

Should we continue to question whether NH should be in the "ski business"? Well, we are, and are doing quite well at it, thank you. We are beating the competition at their own game. We should be proud and supportive of what has happened at Cannon. Don't "throw the baby out with the bathwater". As Yogi Berra once said, this is "like déjà-vu all over again". He also said, "If you look around a little bit, you might observe a few things...." Let's look around at what we have, support success, and move on to a bright future.

Finally, the operations of the ski area are improving year by year. Some will try to contend that the "leasing model" would be a good thing based on some past experience here in NH. I would contend that this argument is comparing "apples with oranges". It has no relevance to the discussion at hand. Talk to the folks who actually regularly spend time in the Notch, enjoying its scenic beauty and its incredible outdoor opportunities. See if they think that additional development in the Park and leasing our assets would be a good idea. I think you already know what they would say.

Ronald Reagan once said, "Facts are stubborn things". There are people here in this room today who can give you the facts. They have not been consulted about this move.

I am here today as a private citizen, but also as a former legislator and Executive Councilor. I have voted on budgets and contracts for the Parks. I do not envy your position as we approach the budget deadline in June. This is hard work. I am also a businessman. Let's make solid, reasoned decisions based on current reality, not conjecture, opinion and old fables and legends.

Cannon Mountain AND Franconia Notch State Park are a state treasure. Let's not try to fix what is not broken.

Thank you for your time and consideration. I would be happy to entertain any questions you may have.

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: April 14, 2011

THE COMMITTEE ON Energy and Natural Resources
to which was referred House Bill 74

AN ACT relative to the ticketing and season passes at Cannon
Mountain.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS

BY A VOTE OF: 5-0

AMENDMENT # s

Senator Gary E. Lambert
For the Committee

Richard Parsons 271-3076

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: May 19, 2011

THE COMMITTEE ON Finance

to which was referred House Bill 74

AN ACT relative to the ticketing and season passes at Cannon
Mountain.

Having considered the same, the committee recommends that the Bill:

OUGHT TO PASS

BY A VOTE OF: 7-0

AMENDMENT # s

Senator John S. Barnes, Jr.
For the Committee

Shannon Whitehead 271-4980

New Hampshire General Court - Bill Status System

Docket of HB74

Docket Abbreviations

Bill Title: relative to the ticketing and season passes at Cannon Mountain.*Official Docket of HB74:*

Date	Body	Description
12/30/2010	H	Introduced 1/5/2011 and Referred to Resources, Recreation and Development; HJ 8 , PG.129
1/5/2011	H	Public Hearing: 1/20/2011 11:00 AM LOB 305 ==Executive Session to Follow==
1/26/2011	H	Committee Report: Ought to Pass with Amendment #0058h for Feb 9 (Vote 15-0; CC); HC 10 , PG.147
1/26/2011	H	Proposed Committee Amendment #2011-0058h ; HC 10 , PG.164
2/9/2011	H	Amendment #0058h Adopted, VV; HJ 16 , PG.315
2/9/2011	H	Ought to Pass with Amendment #0058h: MA VV; HJ 16 , PG.315
3/16/2011	S	Introduced and Referred to Energy and Natural Resources; SJ 10 , Pg.169
3/24/2011	S	Hearing: 3/31/11, Room 102, LOB, 10:00 a.m.; SC17
4/14/2011	S	Committee Report: Ought to Pass, 4/20/11; SC20
4/20/2011	S	Ought to Pass, MA, VV; Refer to Finance Rule 4-3; SJ 13 , Pg.264
4/20/2011	S	Hearing: 4/28/11, Room 103, State House, 2:30 p.m.; SC21
5/19/2011	S	Committee Report: Ought to Pass, 5/25/11; SC25
5/25/2011	S	Ought to Pass, MA, VV; OT3rdg; SJ 18
5/25/2011	S	Passed by Third Reading Resolution
6/8/2011	S	Enrolled
6/8/2011	H	Enrolled; HJ 51 , PG.1724
6/15/2011	H	Signed By Governor 06/14/2011; Effective 06/14/2011; Chapter 0188

NH House

NH Senate

New Hampshire General Court - Bill Status System

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NH House

NH Senate

Other Referrals

COMMITTEE REPORT FILE INVENTORY

HB0074 ORIGINAL REFERRAL _____ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

- DOCKET (Submit only the latest docket found in Bill Status)
- COMMITTEE REPORT
- CALENDAR NOTICE
- HEARING REPORT
- _____ HANDOUTS FROM THE PUBLIC HEARING
- PREPARED TESTIMONY AND OTHER SUBMISSIONS
- SIGN-UP SHEET(S)

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

_____ - AMENDMENT # _____ _____ - AMENDMENT # _____
_____ - AMENDMENT # _____ _____ - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

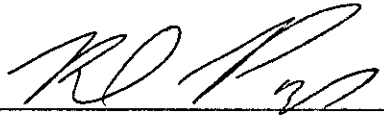
AS INTRODUCED AS AMENDED BY THE HOUSE
_____ FINAL VERSION _____ AS AMENDED BY THE SENATE

_____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes): _____

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK

7/22/11



BY COMMITTEE AIDE

HB 74

COMMITTEE REPORT FILE INVENTORY

_____ ORIGINAL REFERRAL

_____ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
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COMMITTEE REPORT

CALENDAR NOTICE

HEARING REPORT

_____ HANDOUTS FROM THE PUBLIC HEARING

_____ PREPARED TESTIMONY AND OTHER SUBMISSIONS

SIGN-UP SHEET(S)

energy
to
Finance

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

_____ - AMENDMENT # 1657 _____ - AMENDMENT # 1556
 _____ - AMENDMENT # _____ _____ - AMENDMENT # _____

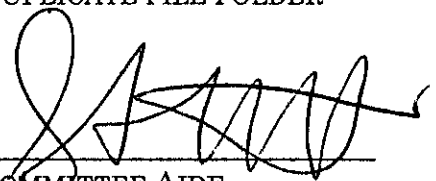
ALL AVAILABLE VERSIONS OF THE BILL:

AS INTRODUCED AS AMENDED BY THE HOUSE
 FINAL VERSION _____ AS AMENDED BY THE SENATE

_____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes): _____

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK 7-22-11



 BY COMMITTEE AIDE