AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Teocalli Drainage/Ski Area Expansion

Action Requested: Motion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
CBMR would like to review the 2013 Resort Master Plan with the BOCC and request a statement of support for the Teocalli Drainage Ski Area Expansion. A Resolution is provided by staff for consideration if the BOCC would like to provide a statement of support.

Fiscal Impact:

Submitted by: Russell Forrest **Submitter's Email Address:** rforrest@gunnisoncounty.org

Finance Review: ○ Required ● Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ● Required ○ Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 11/13/2014 Certificate of Insurance Required Yes ○ No ●

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 11/14/2014

○ Consent Agenda ● Regular Agenda ○ Worksession Time Allotted: 30 minutes

Agenda Date: 11/18/2014 Follow Up Agenda Date:

Revised April 2013

To: Gunnison County Board of County Commissioners

From: Russell Forrest

Date: November 18, 2014

Subject: Teocalli Drainage/Ski Area Expansion

Crested Butte Mountain Resort (CBMR) would like to present both summer and winter amenities proposed in the 2013 Resort Master Development Plan and they are requesting a statement of support from the Board of County Commissioners (BOCC) for moving forward with plans to create a mountain expansion referred to as Teocalli Drainage. Teocalli Drainage is also a concept in the 2013 Resort master Development Plan which can be reviewed at:

https://drive.google.com/file/d/0B5HoYlaLSX9SN1QyQ2VMTEk3NVU/edit?pli=1.

An executive summary of the Plan is included in Attachment A. Materials submitted by Crested Butte Mountain Resort are included in Attachment B.

An application has not been submitted for Teocalli Drainage to Gunnison County. Rather the Company is asking for a statement of support for the concept of this mountain expansion as outlined in the 2013 Master Development Plan. Staff working with the County Attorney's office prepared a Resolution in the event the Board would like to provide a statement of support for the project (Attachment C). The attached Resolution is intended to express support for the concept of Teocalli Drainage and does not pre-judge a specific application, particularly since there the County has not received an application for the project. It should be noted that the upper portion of Teocalli Two Bowl is in the permitted ski area and there has been a public announcement that this will be open, as conditions permit, for the 2014/2015 season. However, a significant portion of Teocalli Drainage is not in the permitted area of the resort and would require review under the National Environmental Policy Act (NEPA) and other US

Forest Service regulations. A statement of support for the concept of Teocalli Drainage is being requested by CBMR to assist in the NEPA process. Again, a specific application has not been made to Gunnison County for this project and if the BOCC chooses to approve the attached Resolution it would not be prejudging a potential future application.

Attachment A: Executive Summary of 2013 Master Development Plan

Attachment B: PowerPoint from CBMR

Attachment C: Resolution of Support

Attachment A: Executive Summary of 2013 Master Development Plan

CRESTED BUTTE

MOUNTAIN RESORT

2013 RESORT MASTER DEVELOPMENT PLAN

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

A. OVERVIEW

This Resort Master Development Plan (MDP) provides a vision for the future of Crested Butte Mountain Resort (CBMR), as reflected in its management philosophies, which are further defined in Chapter 1. It incorporates previous approvals at the Main Mountain along with adjacent private land development projects, new concepts including the Teo Park, Teo Drainage expansion area and Snodgrass Mountain, culminating in a comprehensive plan for a balanced, cohesive resort. The ultimate goal is to create a year-round recreational experience that is appealing to guests of all ability levels, thereby attracting and retaining destination visitors for longer durations.

Prepared in compliance with the terms of CBMR's Forest Service-issued Special Use Permit (SUP), this Resort MDP provides five main functions:

1. Provide a thorough assessment of existing operations and facilities (including constraints and opportunities) at the Main Mountain.
2. Summarize previously approved projects at the Main Mountain.
3. Plan for future terrain expansion concepts in the Teo Drainage area and low-impact activities on Snodgrass Mountain.
4. Continue to plan and develop summer mountain biking and hiking programs as well as other outdoor activities for increased use and enjoyment as a summer tourist destination.
5. Comprehensively plan the year-round operational and recreational functionality of CBMR, accounting for all existing previously approved upgrading projects on the Main Mountain.

B. GOALS & OBJECTIVES OF THE RESORT MDP

In identifying the Goals and Objectives of the MDP, CBMR and mountain planners carefully considered the attributes that make Crested Butte a unique mountain resort (i.e., strengths) and what opportunities exist within and adjacent to CBMR's SUP area? Also considered, were the constraints that impede CBMR from reaching its potential in the regional and national destination market. This exercise allowed CBMR and mountain planners to focus on determining what the critical issues are to revitalize its position as a regional/national destination resort.

As a result, three key issues emerged that define the Goals and Objectives of CBMR's MDP:

1. Create additional terrain variety/diversity. Increase the total amount of developed/ undeveloped terrain and ski pods, with an emphasis on Intermediate skiers to increase the length of stay of destination guests so that CBMR can remain competitive as a destination resort.
2. Provide an expanded offering of additional recreational activities for year-round utilization of the facilities, with a focus on summer activities.
3. Continue to increase the quality of the facilities to meet the ever-increasing expectations of the local, regional and destination skier markets.

The North American ski industry has entered a new stage in its development. While overall growth in the ski industry has slowed, many ski areas and resorts are focusing on improving the quality of the "experience" to maintain loyal customers, as well as offering a wider variety of year-round

activities and amenities to appeal to a broader range of visitors. The increasing competition in the ski/snowboard market means that today's mountain resort must be technologically modern and efficient in terms of its operating equipment and plant, while at the same time providing a high quality experience for its guests.

In short, due to its reputation as an "Experts Only" mountain, its deficiency of developed terrain as a premier destination ski area and its remote location; CBMR has had an increasingly difficult time attracting and retaining destination guests.

The CBMR upgrading plan (detailed in Chapter 6) focuses on offering year-round recreational opportunities for all individuals to enjoy public lands through CBMR's branded experience of a "true, meaningful and distinctive mountain experience offered by few North American mountain resorts." In an effort to enhance and diversify the skiing experience on the Main Mountain and to establish the long-term viability of the mountain resort, CBMR believes that the development of additional lift-served terrain in the Teo Park and Drainage areas along with upgrades to existing trails and lifts represents an opportunity to enhance and balance its winter ski product.

In addition, the potential for year-round low-impact activities such as backcountry or powder cat skiing and summer trails on Snodgrass Mountain offers additional alternative recreation opportunities. As one of the fastest growing markets in the winter sports business, Snodgrass can provide an unmatched backcountry product for Beginner and Intermediate ability levels entering into this activity.

Since 2005 CBMR has seen a huge increase in summer business and visitation to the resort and the proposed improvements will provide needed amenities as demand continues to grow. Summer activities such as lift-served mountain biking and hiking trails, zip lines and other "adventure" activities are proposed to improve and expand guest experiences on the Main Mountain as well as other summer trails on Snodgrass.

1. Terrain Diversity & Variety

In terms of a resort's ability to retain guests, both for longer durations of visitation and for repeat business, one of the more important factors has proven to be variation in terrain. This means having developed runs of all ability levels, some groomed on a regular basis and some not, as well as mogul runs, bowl skiing, tree skiing, in-bounds backcountry-style (hike-to) skiing, and terrain parks and pipes.

Crested Butte Mountain Resort is well known for its off-piste, "Extreme Limits" terrain, and therefore, it is easy to discount the importance of its developed (i.e., maintained) trail network. These runs represent the baseline of the terrain at any resort, as they are where the majority of guests ski, and they are usually the only place to ski during the early season, periods of poor or undesirable snow conditions, avalanche closures, and certain weather conditions. Typically, Advanced and Expert level skiers use terrain outside of the developed network predominantly during periods when snow is most desirable (e.g., fresh powder, spring corn, etc.). As such, the developed terrain network represents a true reflection of acreage used by the average skier on a consistent basis, as well as the terrain used by virtually all skiers during the aforementioned conditions. Therefore, the total acreage of the developed terrain network and the ability level breakdown must be sufficient to accommodate the full skier capacity of the resort.

A terrain distribution analysis conducted for CBMR's developed terrain reveals that it has a significant abundance of Novice and Low Intermediate terrain, relatively balanced and Advanced terrain, a deficit of Beginner, and a notable deficit of Intermediate terrain. Additionally, there is a deficit of developed Expert terrain—a fact that is often overlooked due to the quantity and quality of CBMR's "Extreme Limits" terrain; however, during periods of low snow or poor snow conditions, it is important to have sufficient developed terrain for the Expert guests.

As a destination resort, CBMR suffers from a severe disadvantage in total developed terrain acreage when compared to other Colorado destination ski areas. With a little more than 600 acres of developed ski terrain, CBMR competes directly with Steamboat (1,400 acres) and Telluride (1,200 acres) and is easily the smallest of the Colorado's destination resorts.

Analysis of the existing conditions at CBMR identified a shortage of quality developed Intermediate ski terrain in diverse settings when compared to its competitors. This detracts from the guest experience, and puts CBMR at a competitive disadvantage. Estimates show that 60 percent of North American skiers are Intermediates. Providing a more diverse selection and quantity of terrain, with an emphasis on Intermediate terrain, is critical to CBMR's ability to address effectively the needs of its core customers, reverse the severe erosion in its visitation and competitive position, and strengthen its long-term ability to compete and survive in the destination market.

The United States average visitation per ski area in 1978/79 was 60,990. In 1993/94, the average visitation per area increased to 105,886 and grew steadily at 2 percent per year for the next nine years. The average skier visitation per ski area for the 2010/11 season was approximately 125,836. There are a couple factors to account for this; the total quantity of US ski areas has decreased yet the ski industry continues to grow at a steady rate of 1 percent; there are winners and losers in attracting and retaining guests. Statistics show that resorts that have expanded and improved typically have seen growth, whereas those that have not expanded have seen a steady erosion of total skier visits (see Chart 1-1).

2. Expanded Summer Activities

In the summer, the towns of Mt. Crested Butte, Crested Butte and region of the Upper Gunnison Valley provide for a large variety of activities. The number of activities, combined with the scenery, atmosphere and altitude (with cooler temperatures) draw a large number of visitors during the summer months; however, guests are always looking for expanded and improved activities when choosing a destination. As in winter, only a portion of the activities take place on the mountain, however the majority of lodging accommodations are based at the mountain which presents a excellent opportunity to provide convenient access to expanded recreation on private and public lands adjacent to the resort.

CBMR currently operates a wide-range of activities such as; scenic lift rides to the top of the Silver Queen lift, over 5 miles of hiking trails, 20-plus miles of mountain biking trails, disc golf, weddings and other special events, a weekly music concert series, the Adventure Park at the Base Area as well as hosting other types of races and special events. CBMR has included in Chapter 6 – Upgrading Plan a list of potential activities that will meet the future summer demand for more recreation and cultural activities on and off the mountain.

3. Upgraded Facilities

This MDP addresses many upgrades to lifts, trails and facilities to improve the level of service and products offered at CBMR. The continued focus on improvements and investment in the existing infrastructure and facilities is a continued on-going process and reflects the commitment of the current ownership for a partnership with the U.S. Forest Service and surrounding communities.

C. Upgrading Plan

A number of enhancements have been previously approved or proposed for the developed trail network. On the Main Mountain, previously approved trail widening/grading and several new runs will help with circulation and provide additional terrain. In addition, several glading projects will increase the quantity of available tree skiing and improve terrain variety. The upgrading plan includes new lifts and trails in the Teo Park and Drainage with an SUP expansion of approximately 440 acres, additionally the Teocalli replacement lift will extend approximately 2,000 feet and includes three new trails within the pod. CBMR's total developed terrain network will increase by 118 acres—from 638 to 756 acres—or an increase of approximately 19 percent.

Fundamental to meeting CBMR's operational goal is upgrading the resort lift network. New chairlifts will improve skier comfort and enhance service to terrain and overall skier circulation. Both new and upgraded lifts will improve access to terrain of all ability levels. Several lift realignments will improve mountain circulation. These additions and improvements will increase uphill capacity, distribute skiers more evenly throughout the ski area, and increase the overall capacity of the area.

Upon completion of all the upgrading projects, CBMR's Comfortable Carrying Capacity (CCC) will increase from 5,940 skiers to 8,440—an increase of 2,500 skiers (a 42 percent increase).

The upgrading plan is designed to increase utilization while enhancing the quality of the guest's experience. The mountain master planning process emphasizes the importance of balancing recreational facility development; skier service functions are designed in accordance with the CCC of the mountain.

A summary of the upgrading plan includes:

- Two new lifts in the Teo Park and Drainage area;
- A 440-acre SUP increase in the Teo Drainage area;
- Replacement of existing North Face surface lift;
- Approximately 118 acres of developed terrain, and 200 acres of undeveloped trails and gladed skiing terrain;
- A warming house located at the top of the North Face lift;
- A ski patrol outpost located at the top of the North Face lift;
- Additional summer hiking and biking trails and other recreational activities; and
- Upgrades and realignments of existing lifts.

Chapter 6 includes a detailed discussion of the upgrading plan for the Teo Park and Drainage area and summer recreational activities.

Attachment B: PowerPoint from CBMR

CBMR 2013 Master Development Plan

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Master Development Plans (MDP)

- Required by Ski Area's Special Use Permits
- Prepared by the permit holder
- Encompasses the entire winter/summer sports resort envisioned for development and authorized by the permit
- Upon acceptance by the Forest Service Authorized Officer, the MDP becomes part of the permit

Master Plan Functions

- Conceptual blueprint for the resort design and operations
- An instrument for documenting and recording potential (accepted) and existing (authorized) improvements at permitted resorts

Balancing Capacity of Improvements

- Ski Trails – skiers/acre by ability level
- Summer biking and hiking trails, roads
- Tramways – skiers per hour
- Snowmaking and grooming
- Base lodging; restaurants; restrooms; rental shops; lift ticket sales; ski school
- Water supply and utilities
- Ski patrol facilities
- Parking lots and transit facilities
- Off-site impacts – Real Estate, RMBL, Municipalities, County

Main Functions of CBMR's MDP

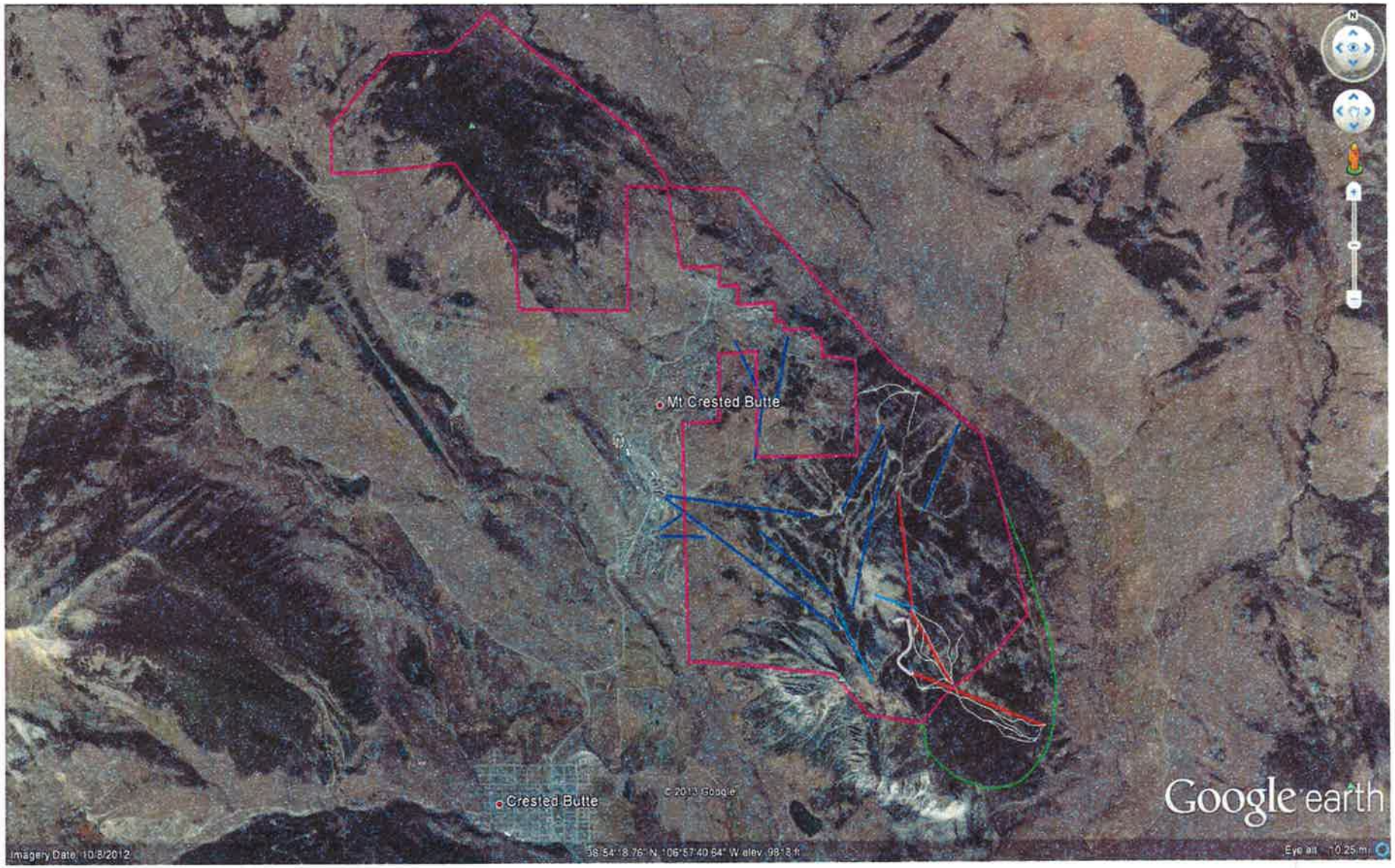
- Provide a thorough assessment of existing operations and facilities
- Summarize previously approved projects
- Plan for future terrain expansion concepts in the Teo Drainage and other low-impact activities on Snodgrass Mountain
- Plan and develop summer mountain biking and hiking programs as well as other outdoor recreational opportunities for increased use and enjoyment as a summer tourist destination.
- Comprehensively plan the year-round operational and recreational functionality of CBMR.

Goals & Objectives of the CBMR MDP

- Create additional terrain variety/diversity, with an emphasis on Intermediate skiers/riders to increase the length of stay of destination guests so CBMR can remain competitive as a destination resort.
- Provide an expanded offering of additional recreational activities for year-round utilization of facilities and mountain.
- Continue to increase the quality of the facilities to meet the ever-increasing expectations of the local, regional and destination mountain resort markets.

Summary of Upgrading Plan

- Two new lifts in the Teo Park and Teo Drainage area
- Expand the existing permit boundary by 440 acres in the Teo Drainage
- Replacement and upgrade of the existing North Face T-Bar surface lift
- Add approximately 118 acres of new "developed" terrain and another 200 acres of "undeveloped" or gladed skiing terrain
- Create more summer recreational opportunities such as: Mountain biking and hiking trails, zip lines, a via ferrata route to the peak, rope courses, mountain coaster, wedding venues and more
- Upgrades and realignments of existing lifts
- Warming house/ski patrol outpost at the top of North Face lift
- Low impacts activities; backcountry skiing, powder cat skiing, mountain biking trails on Snodgrass Mountain.



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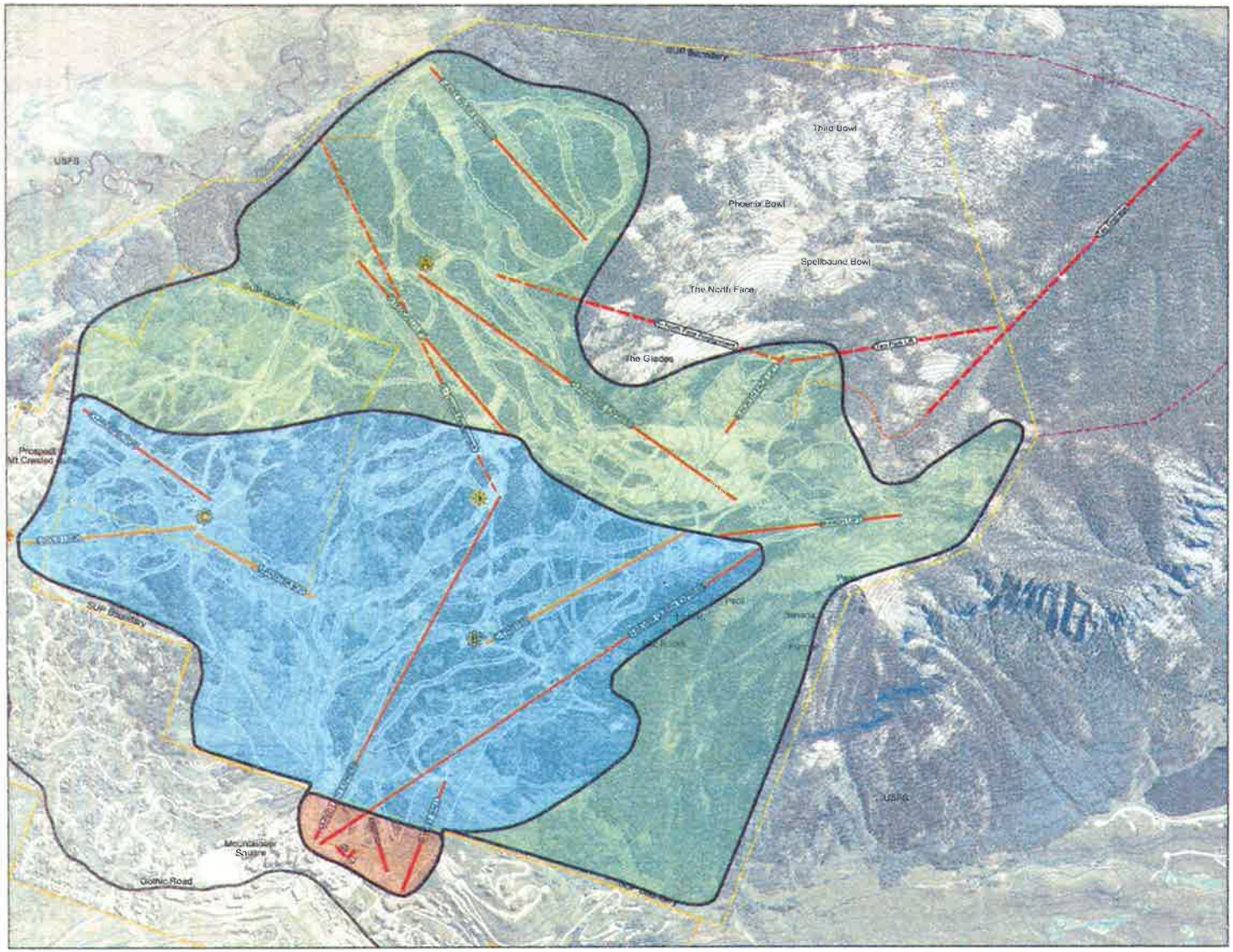
MOUNTAIN RESORT



CRESTED BUTTE
MOUNTAIN RESORT

MASTER DEVELOPMENT PLAN
FIGURE 6.2B
Planned Alternate Winter and Summer Use Impact Zones

LEGEND

- USFS Special Use Permit
- Property Boundary
- Existing Major Roads
- Existing Lifts
- Approved Lifts
- Planned Road
- Planned Lifts
- Planned SUP Expansion
- High Impact Area
- Intermediate Impact Area
- Low Impact Area

GUEST SEVICES

- Existing Paradise Warming House
- Existing Ice Bar at Uley's Cabin
- Existing Ten Peaks Coffee House/ Planned Ten Peaks Lodge
- Approved Red Lady Restaurant
- Planned Prospect Junction

DATE: MARCH 2013

0 650 1,300 2,600 FT

PRODUCED BY: SE GROUP

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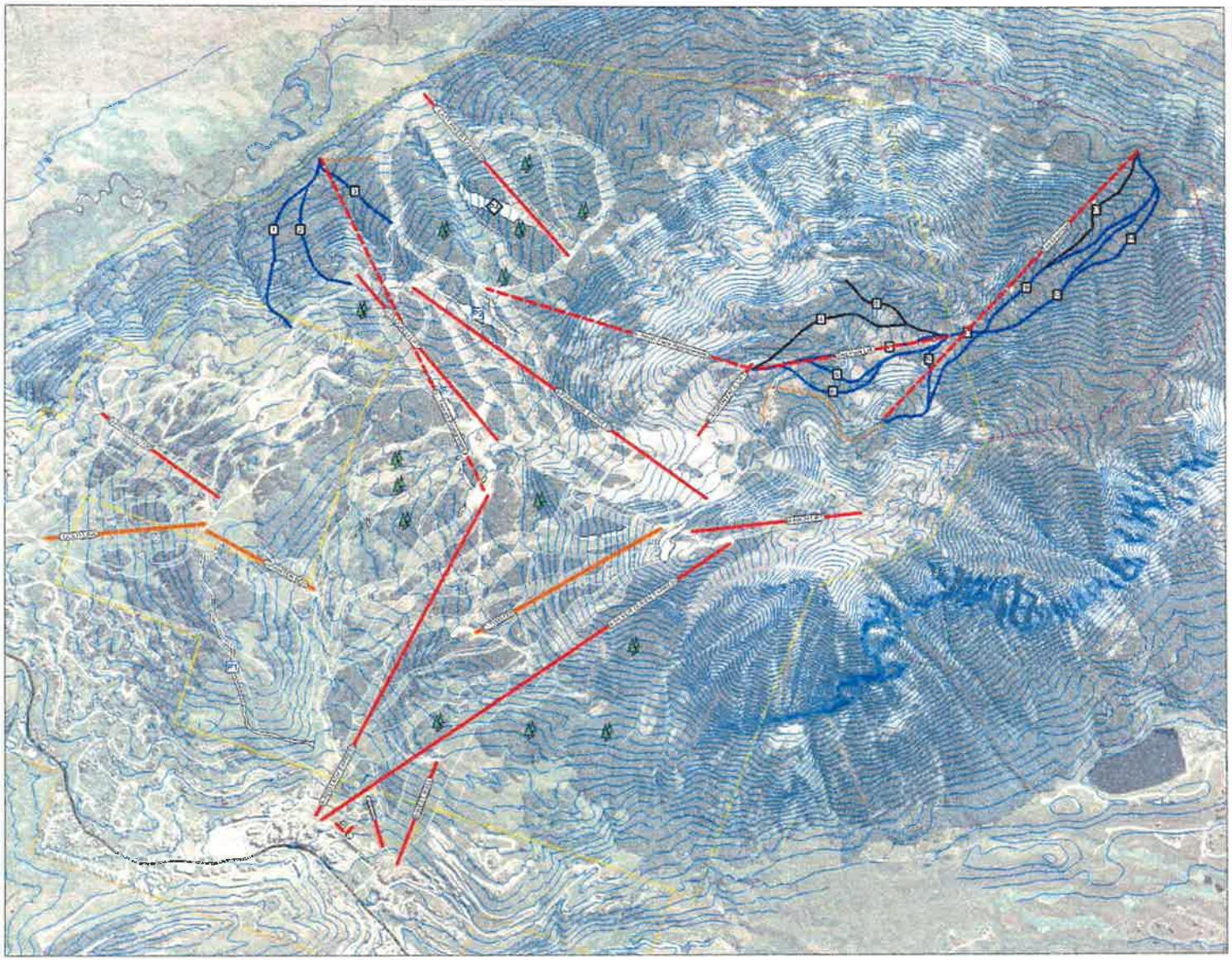
MOUNTAIN RESORT



CRESTED BUTTE
MOUNTAIN RESORT

MASTER DEVELOPMENT PLAN
FIGURE 6.0
Upgrade Plan

LEGEND

- USFS Special Use Permit
- Property Boundary
- Tree Skiing
- Existing Major Roads
- Existing Lifts
- Existing Beginner Trail Centerlines
- Existing Intermediate Trail Centerlines
- Existing Advanced Trail Centerlines
- Existing Expert Trail Centerlines
- Approved Intermediate Centerlines
- Approved Expert Centerlines
- Approved Trail Projects
- Approved Lifts
- Planned Intermediate Trail Centerlines
- Planned Expert Trail Centerlines
- Planned Road
- Planned SUP Expansion
- Planned Lifts

GUEST SEVICES

- Existing Paradise Warming House
- Existing Ice Bar at Uley's Cabin
- Existing Ten Peaks Coffee House/ Planned Ten Peaks Lodge
- Approved Red Lady Restaurant
- Planned Prospect Junction

DATE: JUNE 2012

0 700 1,400 2,800 FT

Scale: 1 Inch = 1,200 Feet
Contour Interval: 50 Feet

PRODUCED BY: SE GROUP

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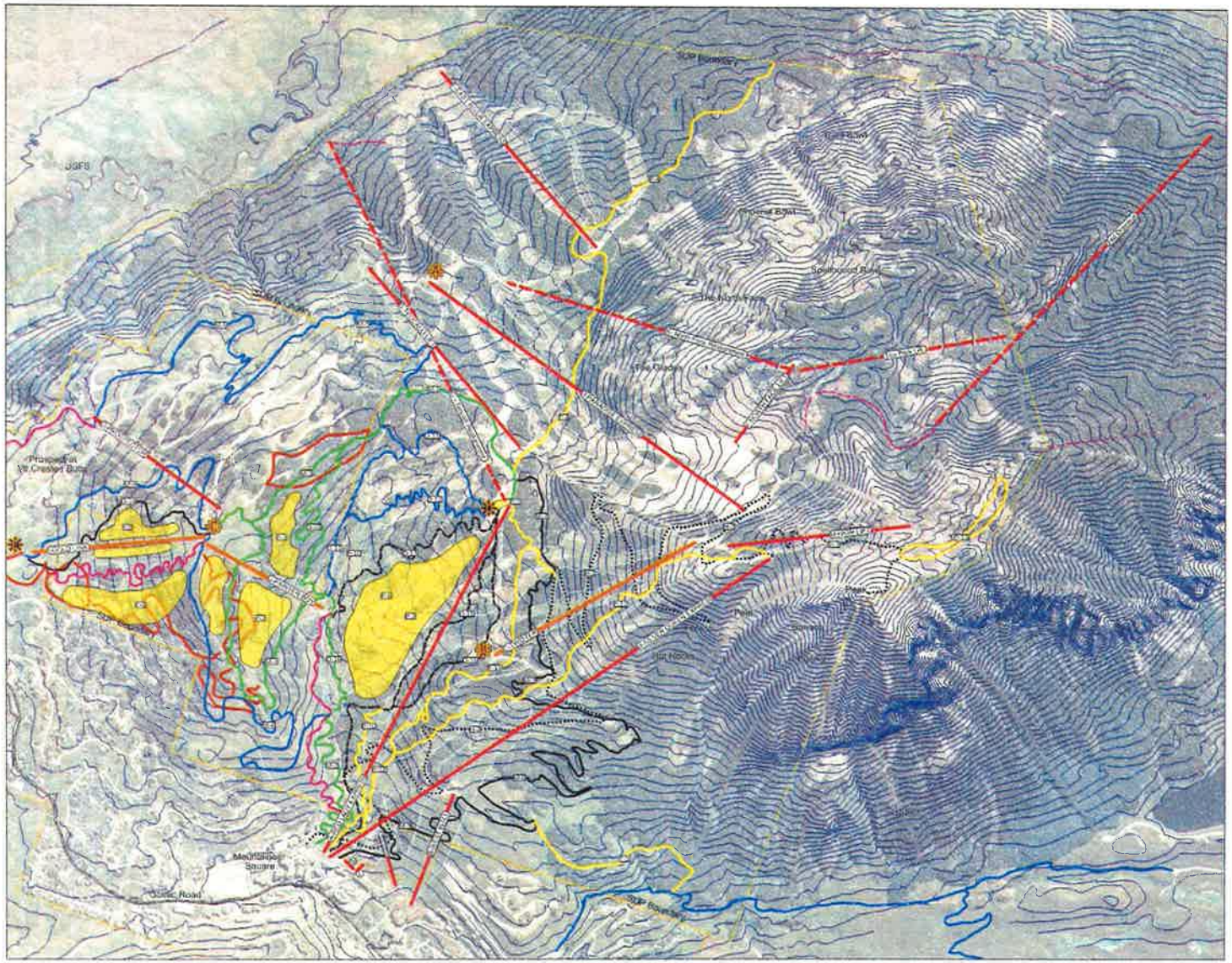
MOUNTAIN RESORT



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MASTER DEVELOPMENT PLAN
FIGURE 6.2 A
Proposed Alternate Winter and Summer Activities

LEGEND

- USFS Special Use Permit
- Property Boundary
- Existing Major Roads
- Existing Lifts
- Existing Downhill Bike Trails
- Existing Multi-Use Trails
- Existing Hiking Only Trail
- Approved Nordic Trails
- Approved Lifts
- Planned Road
- Planned Lifts
- Planned SUP Expansion
- Proposed Trail Alignments 2012
- Proposed Trail Alignments
- Future Areas for Trail Development

NOTE: TRAILS ARE COLORED ACCORDING TO DIFFICULTY LEVEL:
GREEN = BEGINNER
BLUE = INTERMEDIATE
BLACK = EXPERT

GUEST SEVICES

- Existing Paradise Warming House
- Existing Ice Bar at Uley's Cabin
- Existing Ten Peaks Coffee House/ Planned Ten Peaks Lodge
- Approved Red Lady Restaurant
- Planned Prospect Junction

DATE: DECEMBER 2012

0 650 1,300 2,600 FT

PRODUCED BY: SE GROUP

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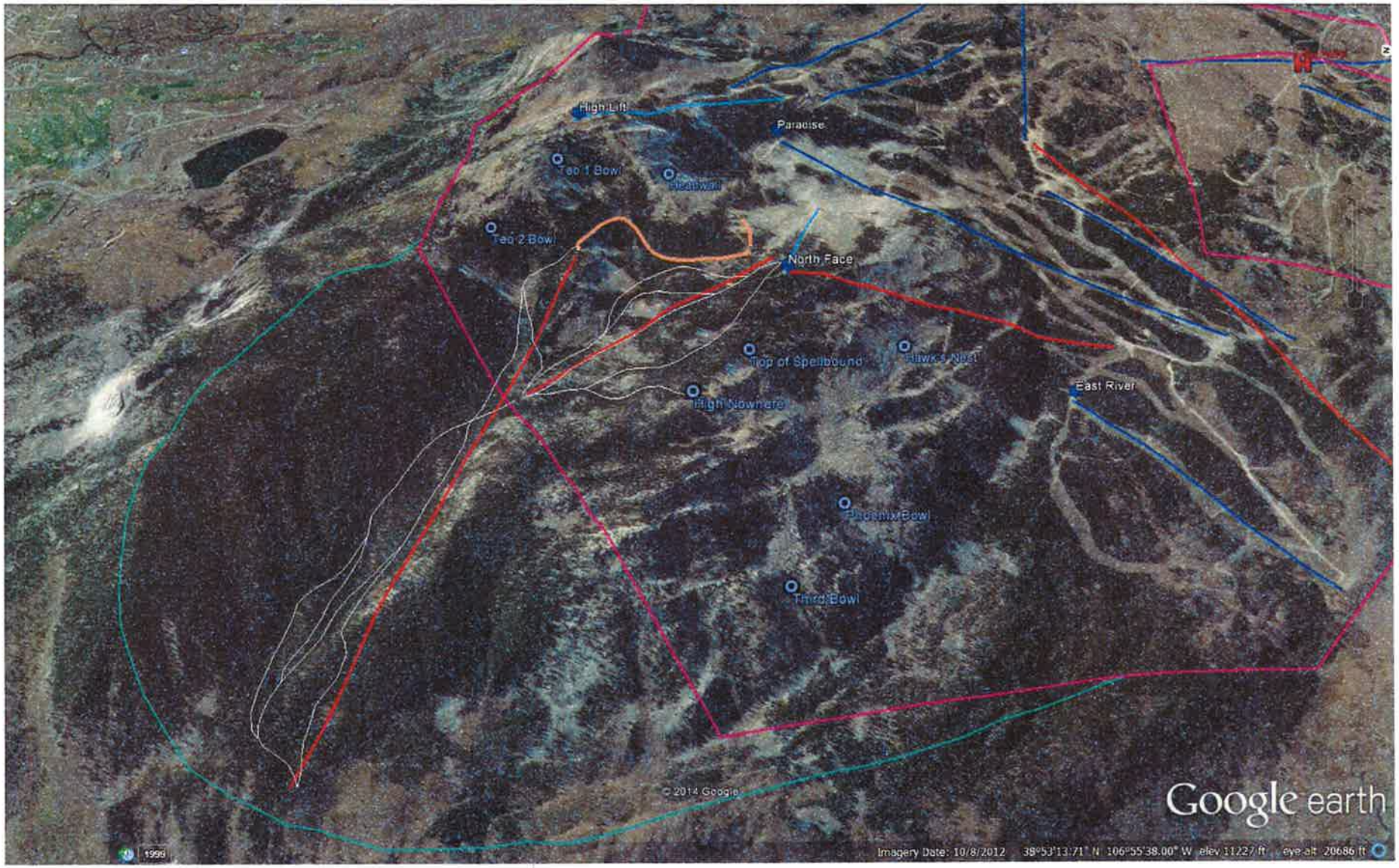

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Attachment C: Resolution of Support

BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GUNNISON, COLORADO
RESOLUTION NO. 2014-___

A RESOLUTION EXPRESSING SUPPORT FOR CRESTED BUTTE MOUNTAIN RESORT TO PURSUE APPROVAL FOR A MOUNTAIN EXPANSION REFERRED TO AS TEOCALLI DRAINAGE.

WHEREAS, Crested Butte Mountain Resort provides valuable recreational and tourism amenities for Gunnison County at the Crested Butte Ski Area;

WHEREAS, Crested Butte Mountain Resort is a major employer in Gunnison County;

WHEREAS, the Ski Industry is highly competitive within the State of Colorado and the United States and skier day numbers at Crested Butte Mountain Resort have declined since 2000 as other competitors have expanded terrain and/or created new mountain and base area amenities;

WHEREAS, the 2013 Resort Master Development Plan submitted to the USDA Forest Service provides a plan to enhance both summer and winter amenities at the Crested Butte Ski Area;

WHEREAS, the Teocalli Drainage expansion and associated improvements are proposed in the 2013 Resort Master Development Plan;

WHEREAS, it appears additional intermediate ski terrain at Crested Butte Mountain will be helpful in regaining market share in Colorado and improve the Resort's competitive position in the marketplace;

WHEREAS, Gunnison County has not received a specific application for a ski area expansion and reserves its right, pursuant to the Gunnison Land Use Resolution, to review, comment, conduct public hearings, and appropriately apply County regulations to any future application.

WHEREAS, Gunnison County looks forward to appropriate application(s) coming forward with an adequate analysis of impacts and opportunities for the Teocalli Drainage Expansion at Crested Butte Mountain Resort.

WHEREAS, Gunnison County encourages appropriate Federal Agencies to appropriately evaluate the Teocalli 2 expansion under the National Environmental Policy Act and other applicable Federal laws and policies.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of the County of Gunnison, that it states its support for the Teocalli Drainage concept and that a formal application be submitted so that specific impacts and opportunities of a proposed mountain expansion can be identified and appropriately evaluated by both the Federal Government and Gunnison County.

INTRODUCED by Commissioner _____, seconded by Commissioner _____ and adopted on this 18th day of November, 2014.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

_____	_____	_____
Paula Swenson, Chairperson	Phil Chamberland, Vice Chairperson,	Jonathan Houck, Chairperson

ATTEST:

_____
Deputy County Clerk