

June 18, 2009

Mr. Charles Richmond
Forest Supervisor - Grand Mesa, Uncompahgre & Gunnison National Forests
2250 Highway 50
Delta, CO 81416

RE: 2009 Snodgrass Mountain Proposal

Dear Supervisor Richmond,

In accordance with the Terms and Conditions of our Forest Service-issued Special Use Permit (SUP), dated March 1, 2004, Crested Butte Mountain Resort (CBMR) recently submitted its 2009 Resort Master Development Plan (2009 MDP) to the Grand Mesa, Uncompahgre and Gunnison National Forests (GMUG) for review and acceptance. The 2009 MDP establishes direction and priorities for the physical improvement of National Forest System (NFS) lands within CBMR's SUP area over an approximate 10-year planning horizon. Thus, the 2009 MDP serves as a "road map" for future improvements that are designed to culminate in a balanced recreational experience across the extent of the ski area - including both public and private lands at the Main Mountain and Snodgrass Mountain.

As detailed in the upgrading plan (Chapter 6) of the 2009 MDP, CBMR is now prepared to move forward with incorporation of the Snodgrass Mountain portion of our SUP area into the resort's developed lift, trail, and infrastructural network. CBMR provides an important recreational venue on public lands, and is a significant economic driver in the Gunnison Valley. As evidenced throughout this proposal and our 2009 MDP, the development of Snodgrass Mountain addresses our identified opportunities and constraints and will enable us to compliment – and diversify – the recreational opportunities that are currently offered at the Main Mountain.

Therefore, concurrent with your review – and acceptance – of the 2009 MDP, we hereby request that the GMUG initiate a National Environmental Policy Act (NEPA) review of all projects defined in our 2009 MDP for Snodgrass Mountain. We are committed to implementing any projects on Snodgrass Mountain upon approval.

We have structured this Project Proposal Letter to be consistent with information presented in our recently-submitted 2009 MDP. Goals and objectives for the development of Snodgrass Mountain, as well as a detailed description of proposed projects, are included below.

1. GOALS AND OBJECTIVES FOR DEVELOPMENT OF SNODGRASS MOUNTAIN

Over the last decade, as national and Colorado skier visitation has increased, CBMR has seen market share decrease by approximately one third. In order to ensure future

viability in the destination ski market, and to enhance the quality of the ski area for existing guests, CBMR must strive to better meet the demands of its marketplace by attracting more destination visitors and increasing the duration of stay. CBMR believes that the development of Alpine skiing and riding on Snodgrass Mountain represents an opportunity to complement the existing Main Mountain lift and trail network by diversifying our winter recreation product.

As discussed in Chapter 1 of the 2009 MDP, we have identified three substantial constraints with the existing ski area:

1. CBMR's current developed terrain network lacks the variety of experiences and terrain diversity expected by regional and national visitors. This has dramatically affected annual visitation and the resort's ability to attract discerning destination guests.
2. CBMR lacks a sufficient amount of Intermediate terrain
3. CBMR lacks a sufficient amount of "traditional," developed¹ Expert terrain (excluding *Extreme Limits* terrain, which is not always open and is not skied by all Expert level guests)

We have summarized the information presented in Chapter 1 of the 2009 MDP to provide a more concise definition for each of these goals and objectives. The 2009 Snodgrass Mountain Proposal achieves these goals and objectives and responds to the substantial constraints that currently exist at CBMR.

Goal & Objective #1:

Increase the extent and diversity of terrain. This will improve recreational experiences at CBMR, increase annual visitation and, in turn, help bring economic stability to the Gunnison Valley.

As guests become more discerning in their requirements and expectations for destination vacations, the national and regional skier/rider market has become increasingly competitive. Thus, the overall quality of the recreational experience is critical in attracting and retaining visitation. Likewise, terrain diversity and quality are fundamentally important factors in defining the qualitative experience. Therefore, a variety of terrain is an essential prerequisite for participants in choosing a resort, particularly for regional/national destination visitors who make overnight trips. These concepts are especially true for CBMR in light of its remote location far from a major metropolitan population center and its relatively limited air service.

¹ "Traditional"/developed terrain refers to trails which are regularly groomed and maintained for use by the majority of a ski area's guests. This type of terrain excludes more aggressive "non-traditional" Expert terrain such as hike-to areas, open bowls, trees, and steeps etc.

While CBMR has programs in place for first time skiers/riders, and has developed products to convert these visitors into core participants, it continues to lack the necessary terrain variety to consistently foster repeat visitation among destination guests. CBMR’s lack of terrain variety has made it difficult for the resort to compete in the destination marketplace, which in turn has negative impacts on the Gunnison Valley economy. The roughly 276 acres of additional developed terrain at Snodgrass Mountain – across the entire spectrum of abilities – will help address issues related to terrain diversity.

Goal & Objective #2:

Provide additional Intermediate and “traditional,” developed Expert terrain at CBMR in a sufficient quantity to meet the expectations of the destination marketplace.

Compared with other regional and national destination ski resorts – such as Telluride, Copper Mountain, Park City, Beaver Creek and Durango Mountain Resort – CBMR has a shortage of Intermediate and developed Expert terrain. This shortage of “core” terrain diminishes the diversity of recreational experiences for existing guests, and impacts the ability of CBMR to attract and retain guests. A destination resort must offer a range of experiences at each skill level to entertain guests who may spend multiple days exploring the resort.

Intermediate terrain directly serves the largest ability segment of the destination market. A terrain distribution analysis, (included below) conducted in conjunction with the 2009 MDP for CBMR’s developed terrain network indicates that the amount of Intermediate terrain is insufficient compared to the national/regional market. CBMR’s combined total of 320 acres of existing Low-Intermediate and Intermediate terrain is less than half of its competitors, and among the lowest of destination resorts in Colorado.

CBMR Terrain Ability Level Distribution by Capacity: Existing Conditions

Skier/Rider Ability Level	Trail Area	Skier Capacity	CBMR Skier Distribution	National/Regional Skier Market
	(acres)	(guests)	(%)	(%)
 Beginner	4.1	121.7	2%	5%
 Novice	62.6	1,126.6	18%	15%
 Low Intermediate	154.2	2,158.8	35%	25%
 Intermediate	165.7	1,657.1	27%	35%
 Advanced	139.6	977.5	16%	15%
 Expert ^a	59.2	177.7	3%	5%
TOTAL	585.4	6,219	100%	100%

^a: does not include “Extreme Limits” terrain.

In addition, the same terrain distribution analysis revealed a deficit of “traditional,” developed Expert terrain – a fact that is often overlooked due to CBMR’s reputation for its quantity and quality of “Extreme Limits” terrain.² This is important, because during periods of low or poor snow conditions when *Extreme Limits* terrain is not open (or for guests who prefer Expert, inbounds terrain over more aggressive *Extreme Limits* terrain) it is important to have sufficient developed terrain for Expert-level guests.

Incorporating Snodgrass Mountain into CBMR’s lift-served terrain network is crucial to our need to better compete for, and retain, destination visitors. The 2009 Snodgrass Mountain Proposal includes approximately 118 acres of new Intermediate terrain, and approximately 56 acres of new “traditional,” developed Expert terrain that is necessary for the resort to satisfy the demands of the marketplace and remain a viable and significant contributor to the regional economies.

Goal & Objective #3:

Meet Forest Service objectives for providing quality recreational opportunities to the public in an outdoor, natural setting, and help promote economic stability to the local community.

One of the Forest Service’s primary missions is to provide a diversity of quality outdoor recreational opportunities on NFS lands. This mission is clearly stated on the Forest Service’s homepage:³

National forests and grasslands provide some of the greatest opportunities for outdoor recreation in the world. Recreation activities are not only fun; they create memories, provide physical challenge, provoke interest, and inspire wonder and awe of the natural world. Recreation contributes greatly to the health of individuals, bonds family and friends, and provides economic benefit to communities. Indeed, outdoor recreation is an essential part of American culture.

Regarding developed winter recreation, the Forest Service’s partnership with the ski industry is articulated in the 1996 Memorandum of Understanding Between the National Ski Areas Association and United States Department of Agriculture, Forest Service (MOU). In the MOU, it is recognized that “ski areas can help meet increased demand for recreational opportunities in a managed setting.” The MOU solidifies the Forest Service’s commitment to “evaluate four season recreation at ski areas to improve economic stability and enhance outdoor recreation opportunities during policy formation, master development planning, and project plans.”

² Extreme Limits terrain is considered a part of CBMR’s developed trail network, and is therefore not included in the Terrain Ability Level Distribution Level by Capacity table.

³ <http://www.fs.fed.us/> - “Forest Service Recreation -- Inspiring Passion for the Land”

The 1983 GMUG Forest Plan includes supporting language regarding the development of Snodgrass Mountain as a way of providing additional opportunities for developed winter recreation. In the Environmental Impact Statement that was prepared for the 1983 GMUG Forest Plan, it is stated that “all alternatives allow Crested Butte ski area expansion onto Snodgrass Mountain which is within the existing permit area.”

CBMR is committed to providing quality recreational experiences, and recognizes that this would not be possible without its partnership with the Forest Service. However, CBMR’s potential for meeting the demands of the recreating public is currently limited by a lack of terrain diversity in its developed trail network, which affects the perceived quality of the experience afforded at the resort. Furthermore, CBMR’s identified shortage of Intermediate and developed Expert terrain has made it difficult to attract and retain visitation in the national/regional destination marketplace. This, in turn, has negative impacts on the local economy.

Incorporating Snodgrass Mountain into CBMR’s developed lift and trail network would enhance and diversify the recreational opportunities on NFS lands, thereby improving the quality of the recreational experience. This would help fulfill CBMR’s mission, as well as Forest Service policy, by promoting economic stability to the local community through increased visitation.

2. PROPOSAL TO INCORPORATE SNODGRASS MOUNTAIN INTO CBMR’S DEVELOPED LIFT AND TRAIL NETWORK

The 2009 Snodgrass Mountain Proposal addresses the previously stated goals and objective of providing additional Intermediate and “traditional” Expert terrain to meet the expectations of the national/regional destination marketplace. A detailed project description is included to this proposal as Attachment 1, and Figures 1 and 2 are included to illustrate proposed projects at Snodgrass Mountain.

Incorporating Snodgrass Mountain into CBMR’s lift served terrain network is crucial to our need to better compete for, and retain, destination visitors. It will provide approximately 276 acres of additional terrain; specifically, Low Intermediate and Intermediate terrain will increase by a combined total of approximately 146 acres (45 percent) – to 466 acres resort-wide. Traditional, developed Expert terrain will increase by approximately 56 acres (94 percent) – to 114.7 acres. This will provide both the additional quantity and diversity of Intermediate and “traditional,” developed Expert terrain needed for the resort to satisfy the demands of the marketplace and remain a viable and significant contributor to the regional economies.

As described in detail in the 2009 MDP, our proposal to incorporate Snodgrass Mountain into our developed lift and trail network includes:

- Four new lifts (including two high-speed lifts, a fixed-grip lift, and a surface lift)
- An interconnect gondola providing access between the Main Mountain and Snodgrass Mountain
- Approximately 276 acres of developed, “traditional” terrain (146 acres are in the Low Intermediate/Intermediate classification, and 56 acres are in the Expert classification)
- “Non-traditional” terrain (including interconnected areas; groomable glades; open bowls; natural openings; and tree skiing)
- Two on-mountain restaurants
- A ski patrol outpost
- Snowmaking on approximately 102 acres
- A 383-acre reduction in our SUP boundary
- Provisions for the continuation of backcountry skier/rider access on the northern aspect of Snodgrass Mountain
- An increase in Comfortable Carrying Capacity of roughly 2,700

Resource Constraints and Fieldwork

Preliminary surveys have been conducted for numerous resources, including: geology, vegetation, wetlands, hydrology, and archaeology. The purpose of these preliminary surveys was to gain a basic understanding of the natural resources on Snodgrass Mountain and reflect these parameters in the lift and trail network design. We recognize that additional site-specific resource analyses will be necessary in conjunction with the ensuing NEPA process. The 2009 MDP provides information on these preliminary surveys.

The 2009 MDP acknowledges identified geotechnical and avalanche hazards on the southern and western flanks of Snodgrass Mountain. These areas are identified on the attached figures here, as well as throughout Chapter 6 of the 2009 MDP. Our mountain planning team, in conjunction with GMUG staff, designed the Snodgrass Mountain lift and trail network around identified geotechnical and avalanche hazards to the extent that we are confident that this issue has essentially been resolved through planning and avoidance. Through site-specific NEPA analysis, additional design and/or mitigation measures may be developed to further address any unresolved geotechnical issues.

Figure 3.2 of the 2009 MDP identifies areas of known geologic or avalanche hazards. In reference to Figure 3.2, you will note that our mountain planners strategically aligned the proposed interconnect gondola, as well as planned trails, around one area identified as a “Geologic Hazard Avoidance Area” on the southern flank of Snodgrass Mountain.

In conjunction with development of Snodgrass Mountain, CBMR formally proposes to reduce our SUP area by approximately 383 acres. The SUP boundary reduction is proposed partially in response to comments received regarding the possibility of changes to avalanche patterns on the north facing side of Snodgrass Mountain. However, the terrain on the north-facing slopes is also popular for backcountry skiing, and provides additional buffer to study areas for the Rocky Mountain Biological Laboratory (RMBL). CBMR concluded that protection of these resources outweighed the need for additional lift-served Expert terrain across Snodgrass Mountain – a consideration that is consistent with the goals and objectives of the resort, the community, and the GMUG.

3. COMPATIBILITY WITH THE EXISTING AND REVISED GMUG LAND AND RESOURCE MANAGEMENT PLANS

Chapter 2 of the 2009 MDP contains information on current (1983) and Proposed (withdrawn) GMUG Land and Resource Management Plans (Forest Plans).

Until a new Forest Plan is formally adopted, the 1983 Forest Plan provides current direction for management of NFS lands on the GMUG. The general objectives of the 1983 Forest Plan are to provide for multiple use and sustained yield of products, services, and goods in a way that maximizes long-term net public benefits in an environmentally sound manner. CBMR’s Snodgrass Mountain proposal is consistent with these management objectives. Although the 1983 Forest Plan provides current direction for activities and operations within CBMR’s SUP area, we realize that CBMR operations on NFS lands will ultimately need to be consistent with management direction provided in the Proposed Forest Plan, once it is formally adopted.

The 1983 Forest Plan designates the CBMR SUP area (including Snodgrass Mountain) as Management Area (MA) 1B. The management emphasis of MA 1B provides for downhill skiing on existing sites and maintains selected inventoried sites for future downhill skiing recreation opportunities. Expansion of existing ski areas is appropriate, and consistent with the concepts of multiple-use management and recreational objectives of the GMUG.⁴ The 1983 Forest Plan states that the Forest Service should meet the need and demand for additional downhill skiing opportunities at CBMR, including through expansion onto Snodgrass Mountain.⁵

The Proposed Forest Plan identifies 13 management areas to define desired conditions/suitability groupings which are applied geographically to Forest landscapes.

⁴ 1983 Forest Plan at II-22, II-75, IV-118, IV-120

⁵ Ibid. at III-3

Management area desired conditions relate primarily to management intensity, desired levels of naturalness, and desired levels of development.

At less than one percent, MA 8.1 – Ski Areas – comprises a very small portion of the GMUG. MA 8.1 includes the SUPs of three ski resorts on the GMUG – CBMR, Telluride and Powderhorn. The Proposed Forest Plan acknowledges that ecological conditions are likely to be permanently changed by human activities to the degree that landscape appearance and ecological processes are substantially altered. These areas are small in scale. Ecological values are provided to the extent possible while protecting the public and meeting primary use objectives. The intensive uses of these small areas produce “relatively large socioeconomic effects.” Recreation Opportunity Spectrum (ROS) settings within this MA are generally Roded Natural – Non-Motorized (RN-NM) or RN. Scenic Integrity Objective is generally Moderate.⁶

Generally suitable activities and uses within this MA are:

- Other Timber Harvest
- Forest Road Construction
- Temporary Road Construction
- Summer Motor-free Recreation
- Winter Motor-free Recreation
- Mechanized Recreation
- Utility Corridors
- Water Development

Based on our review of the Proposed Forest Plan, which is subject to change, we are confident that the 2009 Snodgrass Mountain Proposal is consistent with direction contained therein.

A preliminary review of the 2009 Snodgrass Mountain in relation to the Proposed Forest Plan indicates that it is consistent with management direction contained therein. We can assume that, upon its formal adoption, the Forest-wide and MA 8.1 direction will be either identical, or similar, to direction found in the Proposed Forest Plan. However, we anticipate that your resource specialists will review this proposal in conjunction with Forest-wide and MA 1B direction from the 1983 Forest Plan.

⁶ March 2007 Proposed Forest Plan, page 160

Figure 2 identifies the Gothic Mountain Inventoried Roadless Area in relation to Snodgrass Mountain. We note that the 2001 Roadless Rule does not apply to Snodgrass Mountain because it has been within the CBMR SUP area since 1982, and is therefore grandfathered under the 2001 Roadless Rule.⁷

4. PUBLIC OUTREACH

The proposal to develop Snodgrass Mountain is backed by considerable support in the community. CBMR recognizes that opposition to this project exists. We have worked to explain to stakeholders throughout the Gunnison Valley why this development is needed – why it is critical to the future of CBMR, as well as to the community. Support for developed skiing and riding on Snodgrass Mountain is substantial and widespread. We urge the Forest Service to move forward with acceptance of this proposal and site-specific NEPA analysis.

Development of Snodgrass Mountain is supported by local municipalities and interested parties. Each of these entities has formally announced its support for moving this proposal into NEPA:

- The Town of Mt. Crested Butte.
- The City of Gunnison.
- The Crested Butte South Property Owners Association.
- The Meridian Lakes Meadows Home Owners Association.

With the release of the conceptual development plan for Snodgrass Mountain in spring 2008, and through CBMR's public outreach campaign, growing public support has become apparent as demonstrated by polls, surveys, and public comment:

- In early April 2008, over 1,000 votes (the most ever) were cast on the MyGunnisonValley.com poll. Over 85 percent of the respondents supported CBMR moving forward with plans to expand lift-served skiing on Snodgrass Mountain. In mid-June 2008, over 350 respondents cast votes on the MyGunnisonValley.com poll. Eighty-eight percent of the votes supported sending a letter from the Gunnison City Council to the GMUG urging them to begin the NEPA process on development of Snodgrass Mountain for lift-served skiing.
- Roughly 585 people have signed a letter of support for the development of lift serviced Alpine skiing on Snodgrass Mountain that appeared in the April 11, 2008 issue of the Crested Butte News and which was also sent to the Crested Butte Town Council.

⁷ 36 C.F.R. § 294.4(a) (2001)

- In April 2008 the Crested Butte/Mt Crested Butte Chamber of Commerce conducted a survey of its members. 134 businesses responded with 60 percent voting in support of lift served skiing on Snodgrass, 31 percent were opposed and 9 percent were undecided.
- The Meridian Lake Meadows Home Owners Association, which lies immediately south of Snodgrass Mountain and borders Forest Service lands on Snodgrass Mountain, surveyed its 56 property owners. Approximately 70 percent of the owners responded; 80 percent of those voted in favor of the proposal to provide lift accessed skiing on Snodgrass Mountain, 15 percent opposed, and 5 percent were undecided.
- Since CBMR's "SnodgrassFacts.com" link was added to the CBMR website in June 2008, there have been 323 submissions sent to the GMUG Supervisor's office, of which 320 have been in support of lift serviced skiing on Snodgrass Mountain.
- During the development of the Mt Crested Butte 2007 Community Plan, the town conducted a survey which asked the question "Are you in favor of CBMR's ski terrain expansion on Snodgrass Mountain?" The survey had a 32 percent response rate with 601 returned surveys. 68 percent of the respondents voted in support of lift served skiing on Snodgrass; 18 percent were opposed, and 14 percent were undecided.

Over the past several years, CBMR has, on a continuing basis, hosted informational meetings with town councils, clubs, associations and the public at large regarding the proposal to develop lift served skiing terrain on Snodgrass Mountain. In preparation for release of the 2009 MDP, CBMR initiated an extensive public outreach program. In May 2008, CBMR initiated a public outreach program to inform and educate the public about concepts for developing Snodgrass Mountain with lifts, trails and infrastructure, and the need for the proposal. Highlights of CBMR's public outreach campaign included the following presentations:

- Joint meeting of the Mt. Crested Butte and Crested Butte Town Councils
- Gunnison City Council
- Crested Butte South Property Owners Association
- The Valley's municipal and county planners and managers
- The Gunnison Contractor's Association
- The Crested Butte Rotary
- Gunnison Rotary

- CBMR employees
- Second homeowners

CBMR will continue to meet with interested parties throughout the NEPA process for Snodgrass Mountain.

As demonstrated here, support for developing Snodgrass Mountain is widespread, considerable and continues to grow. For your reference, we have attached copies of representative letters received in support of developing Snodgrass Mountain in Attachment 2.

CBMR provides an important venue for recreation on public lands. Moreover, in both a direct and indirect context, we are a significant driver in the Gunnison Valley economy. As evidenced here, and throughout our 2009 MDP, the additional 276 acres of developed terrain proposed for Snodgrass Mountain will address our identified opportunities and constraints. Specifically, the 2009 Snodgrass Mountain Proposal will increase our offering of Low Intermediate and Intermediate terrain by approximately 146 acres (45 percent) – to a combined 466 acres. Traditional, developed Expert terrain will increase by approximately 56 acres (94 percent) – to 114.7 acres.

CBMR's resort-wide terrain ability distribution by capacity is depicted in the following table. This includes the existing terrain network at the Main Mountain combined with the proposed Snodgrass Mountain terrain network. (Note that this does not include previously-approved, unimplemented or planned projects at the Main Mountain that are discussed in the 2009 MDP.) As indicated, incorporating Snodgrass Mountain into our developed terrain network moves us much closer to the skier market in terms of terrain distribution.

**CBMR Terrain Ability Level Distribution by Capacity
2009 Snodgrass Mountain Proposal with Main Mountain**

Skier/Rider Ability Level	Existing Trail Area	Proposed Trail Area	Existing Skier Cap.	Prop. Skier Capacity	Existing Skier Dist.	Proposed Skier Dist.	Skier Market
	(acres)	(acres)	(guests)	(guests)	(%)	(%)	(%)
 Beginner	4.1	5.5	122	165	2%	2%	5%
 Novice	62.6	92.8	1,127	1,670	18%	19%	15%
 Low Intermediate	154.2	182.6	2,159	2,557	35%	29%	25%
 Intermediate	165.7	283.2	1,657	2,832	27%	32%	35%
 Advanced	139.6	182.9	977	1,280	16%	14%	15%
 Expert	59.2	114.8	178	344	3%	4%	5%
TOTAL	585.4	861.8	6,219	8,849	100%	100%	100%

In short, developing Snodgrass Mountain is a critical element to diversifying and complimenting the recreational opportunities that are currently offered at the Main Mountain. This will ensure our future viability in the national and regional destination ski market by attracting and retaining visitation.

Our 2009 Snodgrass Mountain Proposal is consistent with a letter from you to Tim Mueller (dated October 13, 2006) regarding the Forest Service's Snodgrass Mountain Geologic Hazards and Assessment of Potential Effects of Ski Area Development on Slope Stability. In that letter, you stated: "You have presented to us a convincing argument supporting a need for more intermediate skiing terrain at Crested Butte. I concur with that need and am willing to entertain a proposal for the development of this terrain on Snodgrass Mountain, subject to the constraints and limitations presented in this report, and those that preceded it."

As a steward of the natural environment, CBMR takes pride in providing a premier opportunity to experience America's public lands resources. Millions of Americans enjoy their public lands through developed recreational activities at resorts like CBMR. The development at Snodgrass Mountain will ensure that CBMR remains a viable and vibrant resort that offers a premier recreational opportunity to the public in a natural setting.

We request that, in anticipation of this proposal, the GMUG begins taking the preliminary steps of assembling an Interdisciplinary Team to direct the ensuing NEPA analysis. With that being said, your timely acceptance of this proposal would be most appreciated, as we would very much like to discuss the steps and strategies necessary for initiation of the NEPA review. As we are now into summer, it is our sincere hope that resource surveys be initiated in the 2009 field season, as postponing them until 2010 would dramatically affect the timeline for the NEPA process.

Sincerely,

Michael Kraatz
V.P. Planning & Development
Crested Butte Mountain Resort

Enclosures:

Attachment 1 – 2009 Snodgrass Mountain Proposal
Attachment 2 – Letters of Support
Figure 1
Figure 2

cc: Acting Gunnison District Ranger