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STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF PARKS AND RECREATION

172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3556 Fax: (603) 271-3553 E-Mail: nhparks@dred.nh.gov
Web: www.nhstateparks.org

November 10, 2015

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Resources and Economic Development, Division of Parks and Recreation, Cannon Mountain Ski Area to enter into memberships with the companies shown below for a total amount of \$40,654.28 for the 2015/16 ski season upon Governor and Executive Council approval through June 30, 2016. 100% Ski Area Fund

| Company Name | Vendor Code | Amount |
|--|---------------|-------------|
| The New Hampshire Ski Group of Lincoln, NH | 155470 | \$19,494.00 |
| National Ski Areas Association of Lakewood, CO | 164099 | \$3,803.36 |
| SnoCountry of Lebanon, NH | 177219 | \$11,856.92 |
| Ski NH of North Woodstock, NH | 157688 | \$5,500.00 |
| | <i>Total:</i> | \$40,654.28 |

Funding is available as follows:

| | <u>FY 2016</u> |
|---|-----------------------|
| 03-35-35-351510-37030000 Cannon Mountain | \$31,454.28 |
| 026-500251 Organizational Dues | |
| 03-35-35-351510-37030000 Cannon Mountain | \$9,200.00 |
| 069-500567 Promotional / Marketing Expenses | |

EXPLANATION

The New Hampshire Ski Group (NHSG) is a partnership of six major ski resorts and 21 quality lodging properties in the White Mountains region. Membership provides cooperative international advertising and marketing for Cannon Mountain well beyond what we could achieve on an individual basis. NHSG markets its member internationally through brochures, travel shows, media placements and direct mail.

The National Ski Areas Association (NSAA) promotes growth in the sport of skiing and snowboarding and ensures the overall health of the industry. NSAA's website is one of our most valuable tools for ordering catalog materials and registration for upcoming events. As a member of NSAA we have access to information and materials that help with training of our employees and staying abreast of the industry issues and statistics.

SnoCountry is responsible for gathering and publishing daily ski condition reports in major newspapers and wire services throughout the northeast. SnoCountry dues are a prerequisite for participating in radio ski reports which are broadcast on key radio stations and the Weather Channel in several markets. The

markets targeted for Cannon Mountain are Boston, Providence, and the North Central New England areas. Each daily report reaches a minimum of 12 million listeners. Cannon has been a long time member of SnoCountry as their services are an important part of our overall marketing strategy.

Ski NH is an organization which combined two former organizations, i.e. Ski the White Mountains and The NH Ski Areas Association. Through Ski NH's cooperative marketing efforts with sixteen ski areas, we are able to reach distant markets not normally marketed by individual ski areas. This membership includes advertisement on Ski NH's websites, Ski NH magazine, mobile marketing, social media, email marketing, digital advertising, learn to ski and snowboard program promotions, and other youth programs. In addition, Cannon staff is able to access all of Ski NH's research programs and results thus allowing Cannon to operate and market more efficiently and effectively. Ski NH also works cooperatively with its members on many issues that directly affect the operation of New Hampshire's ski areas.

Following are completed questionnaires developed for organizational dues and membership requests for each company. Copies of invoices are also attached.

The New Hampshire Ski Group (NHSG)

1. How long has this organization been in existence and how long has this agency been a member of this organization? **The NHSG was established in July 2006 and Cannon has been a member from the inception.**
2. Is there any other organization which provides the same or similar benefits which your agency belongs to? **No.**
3. How many other state's belonging to this organization and is your agency the sole New Hampshire state agency that is a member? **NHSG is exclusive to NH so no other states are involved; Cannon Mountain is the only state agency involved (other partners are private enterprises and are other ski resorts and local lodging properties).**
4. How is the dues structure established? (Standard fee for all states, based on population, based on other criteria, etc.). **Fees are based by the percentage of skier visits of each area compared to the sum of all international skier visits of the participating resorts. That percentage is assigned to the budget to determine the rate.**
5. What benefit does the state receive from participating in this membership? **All members are actively promoted as a winter sports destination on the international travel market, with particular emphasis in the UK and Republic of Ireland. As a direct result of Cannon Mountain's membership, the resort receives significant revenue from international student groups who come for multi-day ski trips every winter, purchasing lift tickets, equipment rental and ski lessons and consuming food and beverage in the base lodge. Adult "Free Independent Travelers" (FIT) also visit Cannon Mountain to ski as a direct result of the marketing efforts of the NHSG.**
6. Are training or educational/ research materials included in the membership? If so, is the cost included? Explain in detail. **The cost of membership includes inclusion in an annual promotional printed brochure distributed in the UK and Ireland, on the group's web-site which is actively promoted in all marketing activity, in regular E-newsletters, and on a blog. The group also exhibits at major consumer ski shows in the UK and an annual travel show in Ireland, and is represented at international business to business (B2B) travel shows in the UK, Europe and North America. The group also develops and maintains relationships with Tour Operators in both the school travel and FIT markets, encouraging equal exposure of all it ski resorts members in tour operating programs. Cannon Mountain is also included in Tour operator familiarization (FAM) and Press Trips which are regularly organized by the group. Only group members are included in such trips.**

7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain. **No.**
8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips. **No.**
9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization. **Sales Manager Julianne Ireland, Marketing Director Greg Keeler, and General Manager John DeVivo.**
10. Explain in detail any negative impact to the State if the Agency did not belong to this organization. **Cannon Mountain would no longer receive pro-active exposure, marketing and promotion on the international market to the level it currently enjoys – it would no longer feature in printed and online marketing material, direct promotion to tour operators would cease and the ultimate end result would be that school travel groups and FIT traveler numbers would fall away, with those revenue streams disappearing.**

National Ski Areas Association (NSAA)

1. How long has this organization been in existence and how long has this agency been a member of this organization? **NSAA was established in 1962 and Cannon Mountain has been a member since 1971.**
2. Is there any other organization which provides the same or similar benefits which your agency belongs to? **No, NSAA provides the only national information for ski resorts. There are regional associations but we are the only national organization.**
3. How many other states belonging to this organization and is your agency the sole New Hampshire state agency that is a member? **NSAA has members in 39 states; though membership is established by individual resorts rather than individual states.**
4. How is the dues structure established? (Standard fee for all states, based on population, based on other criteria, etc.) **The following formula is used to compute our dues payment: the total gross winter lift receipts (GWLR), including season pass sales, for the previous season (if below \$175,000, minimum dues are \$200); multiply .114% (.00114) x GWLR up to \$5,000,000 plus .057% (.00057) x GWLR in excess of \$5,000,000 equals membership dues as calculated.**
5. What benefit does the state receive from participating in this membership? **NSAA provides safety information, training modules and industry statics to resorts, including but not limited to, OSHA regulation information, water rights info, resort employee education, public safety initiatives (helmet campaigns, lift safety, terrain park education), etc.**
6. Are training or educational/ research materials included in the membership? If so, is the cost included? Explain in detail. **Training and education materials can be an added cost depending on what each resort is looking for. NSAA does send out a complimentary packet of safety information to every member resort for January's National Safety Awareness week. All other materials for purchase can be found at our online store by logging into the NSAA website.**
7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain. **No.**
8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips. **No.**
9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization. **General**

Manager John DeVivo, Marketing Director Greg Keeler, and Operations Manager George Lemerise.

10. Explain in detail any negative impact to the State if the Agency did not belong to this organization. **Cannon Mountain would not receive any of the benefits as explained in questions 5 and 6 above which we feel are a necessary part of operating as an active and informed ski industry member.**

SnoCountry

1. How long has this organization been in existence and how long has this agency been a member of this organization? **SnoCountry has been in existence since 1968 and Cannon Mountain has been a member every year.**
2. Is there any other organization which provides the same or similar benefits which your agency belongs to? **No.**
3. How many other state's belonging to this organization and is your agency the sole New Hampshire state agency that is a member? **New York has State-owned ski areas that are members.**
4. How is the dues structure established? (Standard fee for all states, based on population, based on other criteria, etc.) **Dues are determined by linear lift-line length of all ski area lifts. Ski areas pay the membership dues and can then purchase additional promotional services such as radio and TV advertising.**
5. What benefit does the state receive from participating in this membership? **Cannon Mountain receives radio, TV, newspaper, news wire, and internet coverage, with thousands of media outlets as part of this organization.**
6. Are training or educational/ research materials included in the membership? If so, is the cost included? Explain in detail. **No.**
7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain. **No.**
8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips. **No.**
9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization. **Marketing Director Greg Keeler is the main contact for SnoCountry. Cannon itself is the member so Greg Keeler is not a voting/committee member or an officer of the organization.**
10. Explain in detail any negative impact to the State if the Agency did not belong to this organization. **If Cannon did not belong to this organization, the mountain would not receive all the marketing and promotional benefits that every other ski area in New England receives by being part of SnoCountry.**

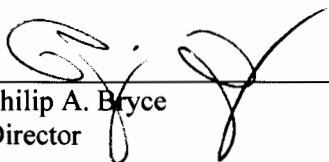
Ski NH

1. How long has this organization been in existence and how long has this agency been a member of this organization? **Ski NH began operating in 1977 as Ski the White Mountains and changed its name in 1993 to Ski New Hampshire. Cannon has been a member since 1977.**
2. Is there any other organization which provides the same or similar benefits which your agency belongs to? **No.**

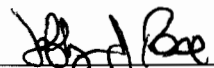
3. How many other states belonging to this organization and is your agency the sole New Hampshire state agency that is a member? **Membership in Ski NH is limited to New Hampshire based ski areas only.**
4. How is the dues structure established? (Standard fee for all states, based on population, based on other criteria, etc). **Cash dues are based on the ski area's chairlift infrastructure, i.e. vertical drop of a lift, times the manufacturer's rated skiers capacity per hour, divided by 100, add the total of all lifts and multiply by .04 for the VTF dues total. Ticket (a/k/a trade) dues are based on the ski area's business levels, i.e. annual skier visits (winter visitors only).**
5. What benefit does the state receive from participating in this membership? **Integration into all of Ski NH's marketing and promotional programs, targeting the Boston and Providence markets, including but not limited to, Ski NH's websites, Ski NH magazine, mobile marketing, social media, email marketing, digital advertising, learn to ski and snowboard program promotion, and youth programs; access to all of Ski NH's research programs/results; access to Ski NH's member website with industry information and links to many useful resources; and ability to take advantage of member training and development programs.**
6. Are training or educational/ research materials included in the membership? If so, is the cost included? Explain in detail. **Yes, see answer to question 5 above.**
7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain. **No.**
8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips. **No.**
9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization. **Marketing Director Greg Keeler and General Manager John DeVivo (also a Board Member).**
10. Explain in detail any negative impact to the State if the Agency did not belong to this organization. **Cannon Mountain would not receive any of the marketing or promotional benefits detailed in the answer to question 5 above.**

Respectfully submitted,

Concurred,



Philip A. Bryce
Director



Jeffrey J. Rose
Commissioner

The New Hampshire Ski Group
60 Loon Mountain Road
Lincoln NH, 03251

INVOICE

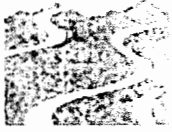
NHSG -
Partner Cannon Mountain

DATE:11.18.15

| QTY | DESCRIPTION | UNIT PRICE | TOTAL |
|-----|--------------------------------|-------------|-----------|
| 1 | NHSG Membership Dues 2015-2016 | \$19,494.00 | 19,494.00 |
| | | \$ | - |
| | | \$ | - |
| | | \$ | - |
| | | \$ | - |
| | | \$ | - |
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| | | \$ | - |
| | | \$ | - |
| | | \$ | - |
| | | TOTAL | 19,494.00 |
| | | Amount | |
| | | Received | - |
| | | Amount Due | 19,494.00 |

Please remit payment to:
The New Hampshire Ski Group
Attn: Adam Davidoff
60 Loon Mountain Road
Lincoln, NH 03251

603.745.6281 x5536



N S A A

Domestic Ski Area Dues Invoice

| | | | | | |
|----------------|-------------------|-------|----|----------|-------|
| Company Name | Cannon Mountain | | | | |
| Street Address | 260 Tramway Drive | | | | |
| City | Franconia | State | NH | Zip Code | 03580 |
| Phone number | 603-823-8800 | | | | |
| Email Address | | | | | |
| Contact Person | Greg Keeler | | | | |

Ski Area Membership dues for the 2015 - 2016 season.
Please use the following formula to compute your dues payment.

| | |
|---|--------------------------|
| Total gross winter lift receipts (GWLR), including season pass sales, for the 2014/2015 season (if below \$175,000, minimum dues are \$200) | \$ <u>333,628.31</u> |
| .114% (.00114) x GWLR up to \$5,000,000 | \$ <u>3803.36</u> |
| Plus, .057% (.00057) x GWLR in excess of \$5,000,000 | _____ |
| Membership dues as calculated | \$ <u><u>3803.36</u></u> |

NSAA accepts CHECKS and CREDIT CARDS for dues payments. However, for any dues payment over \$10,000, please submit via CHECK.

| |
|--|
| To pay by check; Remit dues in U.S. Funds to: |
| National Ski Areas Association 133 South Van Gordon Street, Suite 300 Lakewood, CO 80228 (303) 987-1111 Fax (303) 986-2345 |

| | | |
|--|--|--|
| To pay by credit card; (Visa, MC, or Amex), complete below: | | |
| Credit Card Number | | |
| Card Expiration Date | | CCV: <input style="width: 20px;" type="text"/> |
| Full Name on Card | | |
| Signature of Card holder | | |
| Date | | |

NSAA's Tax ID. # 13-1973926. Contributions or gifts to the National Ski Areas Association (NSAA) are not tax deductible as charitable contributions for income tax purposes. However, they may be tax deductible as ordinary and necessary business expenses subject to restriction imposed as a result of association lobbying activities. The NSAA estimates that the non-deductible portion of your fiscal year 2015/2016 dues allocable to lobbying is 3.19%. Annual membership dues include \$25 for each 1-year subscription to the *NSAA Journal* sent to your company.

SnoCountry

Invoice

PO Box 505
Lebanon, NH 03766
Phone: 603-443-8801
E-mail: billing@snocountry.org

Invoice no: 5561
Invoice date: 11/18/2015
Due date: 12/18/2015

To:
Cannon Mountain
Franconia Notch State Park
Franconia, NH 03580-5159

| | | | |
|----------------------|--------------|----------------------|-------------|
| Sales Person | Rob Chandler | Contact name | Greg Keeler |
| Delivery date | | Payment terms | |

| Qty. | Item | Description | Unit Price | Discount | Line Total |
|------|-------------------------------------|-------------------------------------|------------|----------|------------|
| 1 | SnoCountry Membership - New England | Membership for the 2015-2016 Season | \$2,656.92 | | \$2,656.92 |

Subtotal \$2,656.92
Sales tax \$0.00
Total \$2,656.92

SnoCountry

Invoice

PO Box 505
Lebanon, NH 03766
Phone: 603-443-8801
E-mail: billing@snocountry.org

Invoice no: 5562
Invoice date: 11/18/2015
Due date: 12/18/2015

To:
Cannon Mountain
Franconia Notch State Park
Franconia, NH 03580-5159

| | | | |
|----------------------|--------------|----------------------|-------------|
| Sales Person | Rob Chandler | Contact name | Greg Keeler |
| Delivery date | | Payment terms | |

| Qty. | Item | Description | Unit Price | Discount | Line Total |
|------|--------------------------------|--|------------|----------|------------|
| 1 | SnoCountry Radio - New England | Radio Broadcasted Snow Reports for 2015-2016 | \$8,225.00 | | \$8,225.00 |
| 1 | SnoCountry Snapshot | The SnoCountry Snapshot | \$975.00 | | \$975.00 |

Subtotal \$9,200.00
Sales tax \$0.00
Total \$9,200.00

Ski NH

PO Box 528
North Woodstock, NH 03262

Invoice

| | |
|------------|-----------|
| Date | Invoice # |
| 11/18/2015 | 1966 |

| |
|--|
| Bill To |
| Cannon Mountain Attn: John DeVivo 260 Tramway Dr Franconia NH 03580 |

| | | |
|----------|---------|---------|
| P.O. No. | Terms | Project |
| | 30 days | |

| Quantity | Description | Rate | Amount |
|----------|----------------------------|----------|----------|
| | Base Dues (2015/16 season) | 1,000.00 | 1,000.00 |

Payment of this dues invoice confirms your ski area's membership in Ski NH for the 2015/16 season and participation in all government relations, member services & marketing programs.

Please note that, per Internal Revenue Code section 6033(e), 4.8% of your membership dues are not deductible as business expenses because they relate to Ski NH's lobbying and political expenditures.

| | |
|-------------------------|------------|
| Total | \$1,000.00 |
| Payments/Credits | \$0.00 |
| Balance Due | \$1,000.00 |

Natti, Nicole

From: Keeler, Gregory
Sent: Thursday, October 08, 2015 10:52 AM
To: Natti, Nicole
Subject: FW: Dues
Attachments: Cannon Ski Show .pdf; Cannon Base Dues 9.14.15.pdf

Ski NH dues.

Greg Keeler
Director of Marketing & Sales
Cannon Mountain

-----Original Message-----

From: Kim [kim@skinh.com]
Sent: Thursday, October 08, 2015 10:47 AM Eastern Standard Time
To: Keeler, Gregory
Cc: 'Jessyca Keeler'
Subject: RE: Dues

Hi Greg-
The base dues invoice went out mid September and the final vtf dues to Ski NH will be invoiced in January.
Last year your vtf invoice was \$4,426.62. The number will change if you've made any changes to your lifts for this season.

I've also attached a copies of the base dues invoice and the ski show invoice.
The ski show invoice will need to be paid prior to show opening.
Let me know if you have any other questions.
Kim

From: Keeler, Gregory [mailto:Gregory.Keeler@dred.nh.gov]
Sent: Wednesday, October 07, 2015 10:18 AM
To: Kim
Cc: Jessyca Keeler
Subject: Dues

Hi Kim -

Do you know when you will be sending around dues?
We're trying to line up all of our G&C items...

Thanks!
Greg

Gregory Keeler
Director of Marketing & Sales
Cannon Mountain

Estimated @
\$4,500 for
purposes of
LTC Approval
(FY16)