

**Wisconsin Department of Natural Resources
Natural Resources Board Agenda Item**

SUBJECT: Request for department approval to undertake a master plan amendment process at Rib Mountain State Park for the purpose of expanding the Granite Peak Ski Area.

FOR: February 2015 Board meeting

TO BE PRESENTED BY: Dan Schuller, Director, Bureau of Parks and Recreation

SUMMARY:

Rib Mountain State Park located in Marathon County has provided alpine skiing since the 1930's. In the year 2000, the department entered into a 30 year lease and concession agreement with Charles Skinner, who is the owner and operator of Granite Peak Ski Area located within the boundaries of Rib Mountain State Park. The Granite Peak Ski Area under this lease agreement utilizes 385 acres of state park land for the ski area operations that includes 74 ski runs, eight chairlifts and a base facility that provides food, beverage and ski rentals.

Recently, Granite Peak has submitted a request to the department to increase the lease area by an additional 150 acres. The 150 acres are adjacent to the existing leased area and would be used to build youth friendly ski runs, chairlifts and a day use area. This expansion is projected to grow skier visits from 110,000 annually to 200,000.

Approval of this request would open the process for a master plan amendment. Rib Mountain State Park does have a current NR 44 master plan. The department would undertake a thorough review of the expansion request that will include public input. After the department's evaluation, the expansion request will be brought back to the Board with a recommended action that may include recommendations for no change to the lease area, changes that would reduce the proposed lease expansion or accept the proposal as requested.

RECOMMENDATION: Approval of request to undertake a master plan amendment process at Rib Mountain State Park for the purpose of expanding the Granite Peak Ski Area.

LIST OF ATTACHED MATERIALS (check all that are applicable):

- Background memo
- Rib Mountain State Park Maps A & B
- Type name of attachment if applicable
- Type name of attachment if applicable

Approved by	Signature	Date
Dan Schuller, Bureau Director		2/11/15
Kurt Thiede, Land Division Administrator		2/12/15
Cathy Stepp, Secretary		2/12/15

DATE: February 12, 2015

TO: Wisconsin Natural Resources Board

FROM: Cathy Stepp, Secretary

SUBJECT: Request to undertake a master plan amendment process at Rib Mountain State Park

This memo is intended to provide background and process information from which the Natural Resources Board can render an informed decision on a request to amend the Rib Mountain State Park Master Plan.

Background: Rib Mountain State Park, located in Marathon County, is one of the highest points in Wisconsin that has significant wooded acres, rock outcroppings and major vistas. The park provides an observation tower, day use settings for events and a major trail system serving hiking, snowshoeing and ungroomed cross-country skiing. In addition to these park facilities, the Granite Peak Ski Area leases 385 acres on the north aspect of the park for alpine skiing and snowboarding activities.

A master plan for Rib Mountain State Park was completed in 2005. The plan identifies the park as a major recreation area for trail users with connections to the local community. The master plan recognized the leased area, but public use and management issues are controlled by a separate lease agreement that was enacted in the year 2000. This 30 year lease sets the terms for operations, development, recreation uses and fee schedules.

In the last 15 years of lease operation, Granite Peak has invested over \$26 million of improvements into the ski area that service over a 100,000 skiers / snowboarders a year. This investment generates \$30 million / year of economic impacts and 200 full time jobs in the region.

In 2014, the Department received a written request from the Granite Peak Ski Area to expand the current lease area within Rib Mountain State Park. This request was to expand the current 385 acre lease by 150 acres, for a new total of 535 acres. This expansion request is based upon the competitive ski market in which larger companies are purchasing local ski areas, bundle them together, and selling access to their network at a deep discount. This vertical integration has put the smaller independent operators at risk.

Granite Peak has positioned itself as an overnight Midwest destination market, and only four other resorts with similar height between the Appalachians and Rockies remain that have sufficient customers likely to survive for another generation. These four areas have 50-100% more customer visits and skiable area than Granite Peak. The expansion of the lease area would allow Granite Peak to be competitive with similar resorts.

After department staff review of the request, it was determined that a master plan amendment will be required.

Master Plan Amendment Process: Section NR 44.04(2) of the Wisconsin Administrative Code requires NRB notification and authorization before the Department may initiate a master plan amendment.

".....a plan amendment or revision may be proposed at any time by the department or any person, and an amendment or revision request shall be filed in writing with the secretary of the department. The



secretary shall inform the board of requests as filed under this section, and the department shall notify the person or persons making the request of the board's decision"

The relevant information that will allow you to make a decision about the appropriateness and the general feasibility of this amendment request are contained herein.

Description of the Proposed Change: The request by the Granite Peak Ski Area is to expand the current lease area from 385 acres to 535 acres, a 150 acre increase. The request, as presented, is to provide for increased skiable acreage, an increased number of ski runs, and the development of a base area for skier services.

Reason or Need for the Proposed Change as Articulated by the Requestor: Granite Peak Ski Area represents that an expansion of the lease is needed to be at a large enough scale to compete with Midwest overnight destination ski resorts. According to Granite Park, this 150 acre lease expansion and related developments will provide enough scalability to double skier visits and gain market share to be profitable into the future.

Preliminary Evaluation of Feasibility of Requested Changes: The department has completed an initial review of the request as to several key provisions necessary to advance this request. Please note that the department has not begun a detailed analysis of this request.

- Legal Issues: It does not appear that there are legal issues that would prevent this request from moving forward for review. This would include deed or grant restrictions, or statutory or code limitations. If the leased acreage is changed, a lease revision will be required to reflect the new acreage totals and development.
- Anticipated Compatibility with Existing Uses and Management of the Property: allowing for a lease expansion at Rib Mountain State Park would require removing designation of current park master planned lands. This reduction of classified park lands within the master plan surpasses the threshold of a plan variance, and requires an amendment. During its initial review of this request, department staff further determined that an existing embedded state natural area may also require a boundary modification as this lease proposal expands slightly into this natural area.
- Preliminary Determinations regarding Environmental Sustainability of the Proposal: The department has determined that environmental type assessments will be done as part of the lease expansion area and developments. Additional ecological and culture inventory will be conducted within the proposed expansion area. The department believes an environmentally sustainable design is likely possible after its initial review.
- Known Level of Public Interest or Controversy at this Time: The department understands that there is significant public interest in this proposal from both the local community and users of Granite Peak. Initial discussions have taken place with local community leaders about the expanded ski area developments. The leadership of the Rib Mountain State Park Friends Group has been silent to the department about the expanded lease area and developments. In addition, there are a number of community questions about the other associated developments on Granite Peak owned lands that will need to be considered as part of this request.
- Timing Considerations: Since the Rib Mountain State Park master plan is only 10 years old, the department does not have a scheduled update for the foreseeable future. The amendment process would be the only procedural route to consider this request at this

time. The department anticipates the review, public involvement, and development of alternatives for the amendment request to take 6-8 months.

- Priority by the Department: The department currently has a number of full master plan reviews as well as other amendment requests in the queue for 2015. The department believes it can handle this request within its current workload.

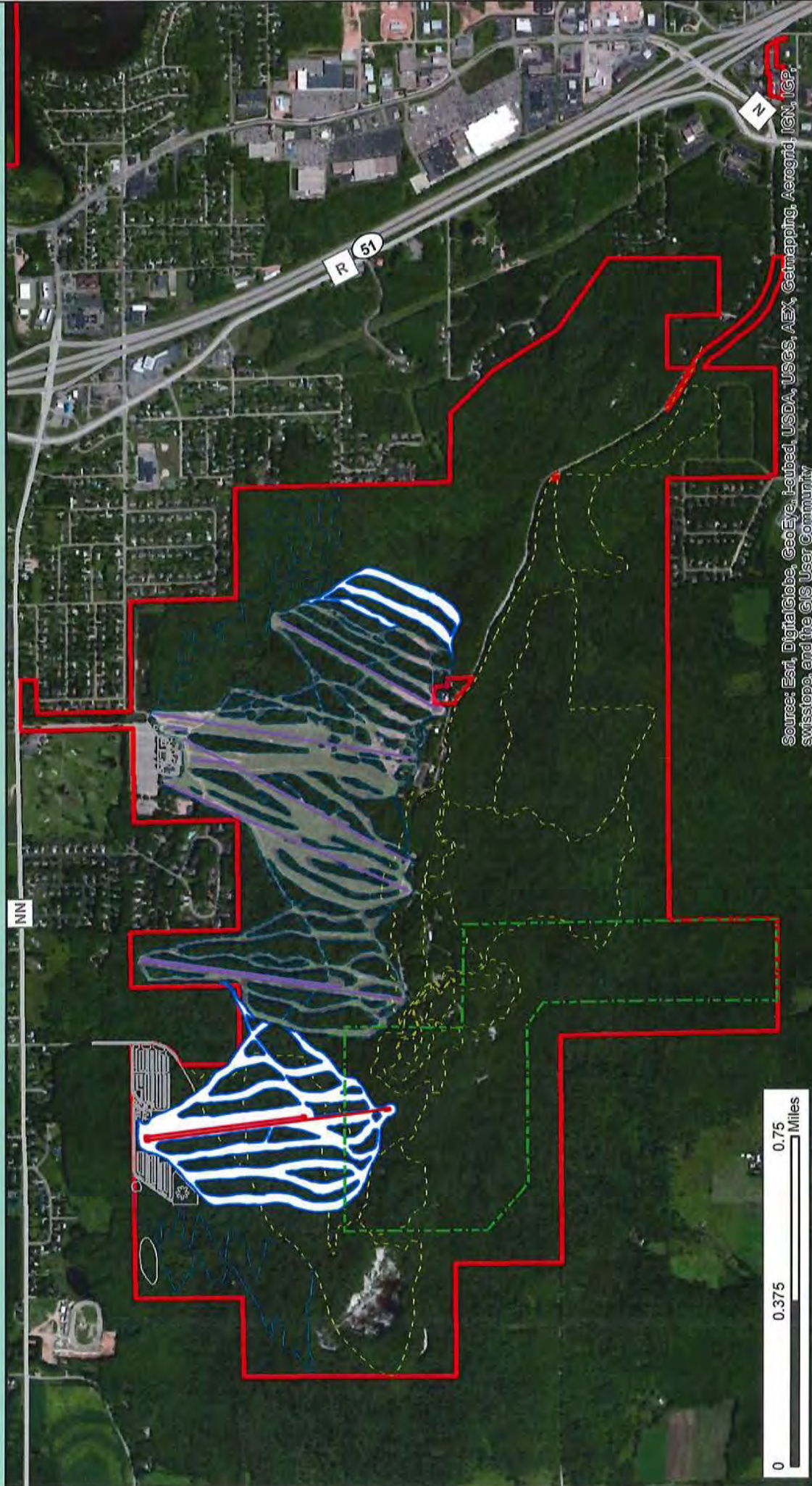
Secretary Recommendation: After considering the Granite Peak Ski Area request, reviewing the legal issues, understanding the department staff initial review, and following the rule provisions of NR 44, the Secretary's office recommends that this amendment request be approved to move into a planning process whereby a full department review and extensive public input will occur.

Request to Natural Resources Board: Request for department approval to undertake a master plan amendment process at Rib Mountain State Park for the purpose of expanding the Granite Peak Ski Area.

Please let me know if there is additional information we can provide. Thank you.

Rib Mountain State Park

PROPOSED EXPANSION - GRANITE PEAK



Sources: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

- Existing Ski Runs
- Proposed Ski Runs
- State Natural Area Boundary
- DNR Ownership
- Proposed Lift
- Current Lift
- Existing Trails
- Proposed Snowshoe Trails

Wisconsin Department of Natural Resources

Bureau of Parks and Recreation
Date: 02/11/2015
PR-RMSP-2015-A deb

MAP A

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Rib Mountain State Park

PROPOSED EXPANSION - GRANITE PEAK



- Existing Lease Boundary
- Existing Ski Runs
- Proposed Additional Lease
- Proposed Ski Runs
- State Natural Area Boundary
- Proposed Lift
- Existing Lift
- Existing Trails
- Proposed Snowshoe Trails
- Existing Stormwater/Snowmaking Pond
- Proposed Stormwater/Snowmaking Pond

Wisconsin Department of Natural Resources

Bureau of Parks and Recreation
Date: 02/1/2015
PK-RMSP-2015-B-006

MAP B

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