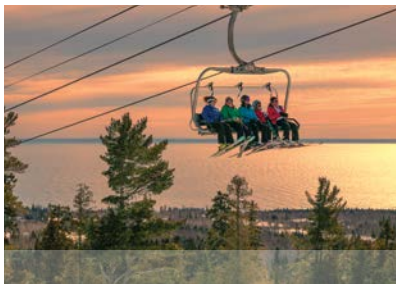


# Lutsen Mountains

## MASTER DEVELOPMENT PLAN SUMMARY





## SUMMARY

**LUTSEN MOUNTAINS IS AN ICONIC, MIDWEST DESTINATION SKI AREA** on Lake Superior's North Shore. Its legacy began in 1948, and over its 69-year history it has been owned and operated locally by two families. Today, the ski area anchors Cook County's \$159 million tourism economy.

In 1980, when Lutsen was purchased by the Skinner family, there were 60% more ski areas than there are today. 300 ski areas, mostly destination ski areas like Lutsen Mountains, have gone out of business because they were too small to keep up with modern infrastructure costs. While Lutsen Mountains has kept pace over the past thirty years, industry trends suggest that Lutsen Mountains will need to approximately double its skier visits to survive longer term.

In order to achieve the visitor growth needed to survive long term, Lutsen Mountains has completed a Master Development Plan (MDP) to expand its current operations, a long-range plan for the next 25 years of development. Lutsen has engaged Superior National Forest (SNF) land managers to ensure that the MDP does not directly conflict with any Forest Plan requirement, or other legal and regulatory requirements. To accomplish this, Lutsen Mountains will apply for a special use permit for 550 acres of adjacent National Forest System (NFS) lands administered by the SNF. The Forest Service will initiate the formal environmental review process under the National Environmental Policy Act once they receive the special use permit application.

This project will expand recreational opportunities and visitor services for families, strengthen the local economy and continue the Lutsen legacy for generations to come.



## EXPANDING OUTDOOR RECREATION OPPORTUNITIES FOR FAMILIES

The master plan nearly doubles the skiable terrain, adds variety to the mix of slopes, includes parking and skier services buildings and provides an opportunity for future generations to enjoy skiing and snowboarding at Mid-America's highest alpine resort.

- The project will add novice, intermediate, and advanced runs and facilities prized by families
- The land will enable Lutsen Mountains to expand ski runs from 180 to 320 acres, allowing the ski area to grow visits and fund future infrastructure investments necessary to ensure the ski area's long-term survival
- The expansion will allow for additional base area, skier services and parking on Eagle and Moose Mountains
- The project will add opportunities for cross-country skiing and an improved route for the Superior Hiking Trail

- The expansion will result in more families visiting from Minnesota, neighboring states and Canada
- Lutsen Mountains' drive-to location and lower costs relative to Western ski areas make it an ideal location for families to enjoy

## THE LAND

The ski area's existing private land will not support any significant increase in ski runs or base facilities. The only nearby land with potential for the needed ski runs and base area facilities is land within the Superior National Forest.

- The NFS land is designated for "Recreation Use in a Scenic Landscape" management area by the 2004 Superior National Forest Land and Resource Management Plan
- Much of the NFS land is relatively steep (25%-75% grade), and is adjacent to the existing ski runs

- The 550 acres of the proposed expansion represent approximately 0.03% of the 2 million acres of NFS lands outside of the BWCAW
- The land is outside the Poplar River Watershed
- Most U.S. destination skier visits are on NFS permitted (or other public) land

## PROJECT PROPOSAL

Lutsen will submit a Special Use Permit application for 550 acres of USFS land adjacent to existing ski runs – 434 acres on Moose Mountain and 116 acres on Eagle Mountain. The land will be used for ski runs, parking and skier services buildings, but not for lodging.

The Eagle Mountain development would include ski lifts and additional ski runs, as well as a new skier service building, parking, horse stable, sleigh ride and cross-country ski trails.

The Moose Mountain development will provide additional ski runs and terrain options, as well as a new base area, entry road, skier service buildings, parking and related utility and storm water retention facilities.

## SKI AREA'S ROLE IN COOK COUNTY ECONOMY

Lutsen is a "destination" ski area whose drive-to convenience and lower costs relative to Western destinations resonates with families. Tourism drives 80% of the Cook County economy. Alpine skiers make up the majority of winter visitors, providing an anchor in the winter that stabilizes jobs and the economy.

- Lutsen Mountains' ski area currently generates \$29 million of the \$159 million economy, with the expansion estimated to increase the ski area's economic contribution to \$60 million
- Increasing skier visits will provide Lutsen Mountains with the opportunity to lengthen the ski season, strengthening the Cook County economy during slow shoulder seasons
- The ski area currently generates up to 500 FTE jobs of the workforce of 2,000, concentrated during the winter when jobs are needed most
- The expansion is estimated to approximately double Lutsen Mountain's annual FTE job contribution
- The expansion project will generate \$30 million in construction spending, create construction jobs and spur other local development

## EXPAND TO SURVIVE

Two Western conglomerates now own 60% of the \$4.5 billion ski resort industry – Vail Resorts and a new Aspen/Hedge Fund behemoth that made a series of acquisitions in April. In 1980, there were 60% more ski areas than today. Many of the 300 ski areas that have vanished were destination ski areas like Lutsen Mountains that went out of business because they were too small.

- To survive, Midwest destination ski areas need to keep pace with the standards set by these Western conglomerates
- Keeping pace means adding ski terrain and infrastructure to increase visitation
- National trends suggest Lutsen will need to nearly double its skier visits to continue to afford costly skier infrastructure to survive long term

## STEWARDSHIP COMMITMENT

Lutsen Mountains embraces the natural resources that enable us to lay claim to the most scenic ski area in the Midwest. Our 1,000 acres on four mountains with spectacular views of Lake Superior is why our stewardship decisions are as important as our business decisions. We welcome the thorough environmental review that the U.S. Forest Service will undertake as part of the Special Use Permitting process. We are committed to modifying our proposal to avoid or mitigate significant environmental impacts discovered during the environmental review as needed.

- The expansion lies entirely outside the Poplar River Watershed
- The project will be modified as needed to avoid or mitigate wetland impacts
- State-of-the art trail design and construction will be used to minimize soil run-off
- Stormwater best management practices will be used for the protection of water quality and other land
- The adjacent Lutsen Scientific and Natural Area, which has both snowmobile and cross country ski trails that cross the SNA, will not be impacted by the proposal
- Work with the MNDNR, Division of Ecological and Water Resources to identify and minimize impacts to areas of biological significance
- Comply with all applicable permits

## SPECIAL USE PERMIT PROCESS

A majority of U.S. destination skier visits are on USFS (or other public) permitted land. Special use permits are used to provide ski areas and other businesses with access to national forests for recreational purposes. The USFS process is to issue these permits after reviewing the development plans for the proposed expansion, followed by a public review process and a full environmental review before issuing a decision on the permit.

- Public scoping process and open houses hosted by USFS
- Environmental and biological assessment and analysis
- Public comment period on environmental assessment
- Notice of decision and public review
- Issuance of permit

## DEVELOPMENT TIMING

The master plan nearly doubles the skiable terrain, adds variety to the mix of slopes, includes parking and skier services buildings, and provides an opportunity for future generations to enjoy skiing and snowboarding at Mid-America's highest alpine resort.

Full development is expected to take 7-15 years or longer, with the Eagle Mountain runs and base area and a few runs near existing runs on Moose Mountain planned for development as soon as the permit is obtained.

For more information and to participate in the public process, email: [expansion@lutsen.com](mailto:expansion@lutsen.com)

