

EXPLANATION OF SNOW BOWL REDEVELOPMENT PROJECT AND FINANCIAL STATUS

The Ragged Mountain Redevelopment Committee and the Ragged Mountain Recreation Area Foundation presented this summary of the financial outlook for the Snow Bowl project to the Select Board on Monday, along with a verbal explanation. It is part of a renewed effort to better communicate with the Board and community and to keep all stakeholders informed about where we stand and how we will reach our shared goal of a four-season recreation area that serves our community and the region.

The actual cost of improving the ski hill, snowmaking, and lifts is significantly higher than the original plan envisioned. For the most part, the increased project costs correlated with requirements that were not foreseen by the original plan, or with decisions to make long-term investments in Snow Bowl infrastructure that our community will enjoy for decades. Many of these investments will save money over the long term, especially in the areas of snowmaking and grooming.

The current phase of the project is financially sound. We have sufficient funds to complete this phase of the redevelopment, including the completion of the double chairlift and additional stormwater and erosion control measures which we are committed to do this year.

We do not have sufficient funds to proceed with construction of the lodge this summer. The Ragged Mountain Recreation Area Foundation will need your help in following through on its commitment to raising private funds to complete the lodge.

FINANCIAL STATUS AND OUTLOOK

The current phase of the project redeveloping the mountain is fiscally sound because while we have spent \$5.5 million on this phase — \$1.2 million over budget — we have raised a total of \$6.8 million. So we have \$1.3 million in reserve.

Preliminary estimates from Ledgewood Construction project the cost of the lodge, associated site work, and fees at \$2.9 million. With \$1.3 million in reserve, the Ragged Mountain Recreation Area Foundation said they are committed to raise the additional \$1.6 million to complete the lodge.

The lodge construction and site work will not have the types of site challenges that resulted in many of the increased costs during the mountain improvement phase of the redevelopment project. The Town hired Ledgewood Construction as the construction manager for the lodge. The construction manager will provide a guaranteed maximum price for the work.

The storm-water management improvements, erosion control measures, and similar planned site work improvements will be done this construction season. It is essential to address long-standing sedimentation issues and complete the planned improvements to protect the Hosmer Pond watershed.

EXPLANATION OF INCREASED PROJECT COSTS AND COST OVERRUNS

The initial plan simply did not contain all of the practical, on-the-ground costs that occur during a project of this complexity and size. Those additional costs were necessary and mostly unavoidable. Some of them are:

Safety and Code Issues

Ski lift safety standards have changed since the original plan was created. For example, the new standards require that that haul rope be replaced on the double chair.

The state will also adopt new standards this year. We added several new control features to the mechanical and electrical lift drive systems in anticipation of those new standards.

A section of uphill electrical line was replaced and 32 new light poles and bases were installed to meet code and safety requirements.

Lifting frames and ladders were added to all towers. This is generally accepted practice for worker safety and efficiency

Trail and Mountain Improvements

Many areas of original trails were reworked to blend into new terrain or smoothed out to decrease snowmaking needs.

Some terrain was added to deal with the future tubing hill location.

Skiable terrain was added at the top to increase vertical drop to enable us to run sanctioned ski races.

Islands were removed on several trails to facilitate snowmaking and grooming.

We added a road to the top of the new chairlift, providing long-term uphill access for maintenance, emergency response, and mountain biking. We installed dozens of new water bars and drainage ditches on existing terrain to reduce long-term erosion problems and maintenance.

Decisions to Make Operations More Efficient and Create Long-term Cost-Savings

We installed new primary electrical transformers to meet new Central Maine Power requirements.

The primary drive system for triple chair was replaced to reduce horsepower and extend operating life.

All chairs were galvanized, eliminating the need and expense of regular repainting.

The purchase of energy efficient LED trail lights will reduce future energy costs and address neighborhood concerns.

Islands were removed on several trails to facilitate snowmaking and grooming.

We moved the drive of the double lift to the top. This will improve efficiency by 30 percent and will result in silent, uncluttered loading for teachers and beginners.

Failure of the logging contractor to follow appropriate management practices, combined with weather-related delays, contributed to cost overruns

Due to the damage to the terrain, incurred significant costs to repair and re-grade existing trails, ditches and culverts.

Emergency storm-water control improvements.

Additional weeks of labor beyond the original estimate for both rain events and the extension of work into winter conditions.

Significant erosion control measures completed on a time-and-materials basis by the trail contractor (additional work not in the trail contract).

Summary

Since the project began, professionals including George Krueger of Ski Lifts Unlimited, Tom Wells of Royal Trail Works, Ross Stevens of Stevens Engineering, and Will Gartley of Gartley & Dorsky have guided us through the construction program. These professionals, along with our dedicated staff at the Snow Bowl, have worked very hard to bring the project to this milestone.

Despite the increased costs and overruns during the mountain improvement phase of the project, the majority of the redevelopment decisions have consistently been based on choices to create long-term efficiencies and benefits. They often had a higher initial cost but were aimed at reducing future operating and maintenance costs.

The redevelopment project is financially sound and remains on track to accomplish the goals of the redevelopment plan, to build improved and updated facilities that create operating efficiencies, add capacity to attract and handle more skiers and year-round recreational users, and make the operations

more financially stable and sustainable. Together, these changes will help Camden realize the vision of creating a four-season recreation area that will benefit not only this community but also the region for decades to come.