



File Code: 2720

Date: January 29, 2009

TIMOTHY MUELLER
PRESIDENT
CRESTED BUTTE LLC
PO BOX 5700
CRESTED BUTTE, CO 81225

Dear Tim:

This letter addresses two issues we have discussed which will bear on my decision to accept, or not, your unsolicited proposal for ski area development of Snodgrass Mountain. I am providing guidance to you in this letter that may be of assistance as you develop your proposal for development of the mountain for downhill skiing.

With regard to first issue, which is public support, I am of the belief that a consensus for expansion does not exist within the communities surrounding Gunnison and in the Upper East River Valley. I have received numerous letters and cards expressing strong opinion on both sides of the issue. The Town of Mt. Crested Butte clearly supports expansion onto Snodgrass, yet the Town of Crested Butte has stated that there isn't enough community support to consider an expansion. Crested Butte South and Gunnison have expressed support for the Forest Service beginning the NEPA analysis. High Country Citizens' Alliance and Friends of Snodgrass oppose expansion.

It is not uncommon for significant decisions about the use of National Forest, such as this, to be controversial, and to provoke strong opinion on all sides. We cannot please all parties. It is our job to ascertain that such use of the National Forest System is in the public interest. While I would prefer broader support for what you have presented to the community, I do not find cause at this point to deny a proposal, presuming little changes by the time you submit it.

Please ensure the community and local municipalities, especially Gunnison County, receive ample opportunity to review your master development plan (MDP) prior to submitting it to me for my acceptance.

With regard to the second issue, which is geologic hazard, in early January I provided you with the USGS review of recent geologic studies on Snodgrass Mountain. I directed an interdisciplinary review of that report and also the Burke and McCalpin reports (all of which considered and incorporated the previous geology studies).

Based on our careful consideration of these reports and the previous studies, I have identified two areas (see enclosed maps) as not suitable for ski area development (the maps are based on Plate 1 of McCalpin's report). Ski area development is defined as including any of the following activities: clearing, grading, road construction, trenching, installation of lift terminals, and snowmaking. Lift towers would be allowed and grooming and skiing are permissible if natural snow conditions permit. Incidental tree removal could be allowed on a case-by-case basis.

The two areas have been studied to a different extent in several geologic studies dating back to 1976 and have been identified as geologically unstable. The geologic hazards in these two areas



exceed my tolerance for risk. These two areas are deemed not suitable for ski area development because of the level of risk and uncertainty of impacts to natural resources, the level of risk to property and life, the uncertainty of the success of mitigation measures, and the incongruity of the scale of the mitigation measures with the natural setting.

The rationale to allow lift towers in the above-mentioned areas is taken, in part, from the Burke report page 36:

“Generally, the construction of properly designed structures such as lifeline towers, terminals and buildings do not contribute to slope instability. However, their construction (roads to these sites, cuts, fills, foundation excavations) can. These aspects were previously discussed with other activities such as grading and slope shaping, clearing, and roads. Although slope movement can damage structures, mitigation to reduce loss of structures is an issue for the ski area, not a fundamental concern for preserving slope stability. Measures designed to protect structures should be incorporated into the overall plan for mitigating slope movement for the other ski area activities.”

While I have identified these two areas as having significant geologic concerns, it doesn't mean that the other areas have no geologic concerns. They may well be suitable for ski area development with specific mitigation measures in place, as may be derived from existing studies or future ones.

Should you wish to submit a proposal consistent with the information provided in this letter, please also ensure your MDP reflects the same. As mentioned to you previously, we are willing to consider your MDP and a Snodgrass proposal concurrently.

If your proposal is accepted as an application and we proceed into NEPA, I will have high expectations and requirements for public involvement.

Please contact District Ranger Jim Dawson or Corey Wong with any questions.

Sincerely,

/s/ Charles S. Richmond
CHARLES S. RICHMOND
Forest Supervisor

Enclosures: 2 maps

cc: Tammie Quinlan
CNL Income Crested Butte LLC
James R Dawson