May 28, 2020

Dear Forest Supervisor Cummins,

I am regretfully writing to you during an unprecedented global health and financial emergency concerning Lutsen Mountain Corporation's proposal to expand their current operations on to Forest Service managed lands. This scoping comment period should not be occurring at this moment and I call on you to do what is right and halt this process immediately until we as a nation and a society can get back to a sense of normalcy that would enable all of us to respond and participate to LMCs request fully and democratically. I also object to the overall premise of the Forest Services environmental review processes in general as being fundamentally flawed in that it exists only to police those who have objections and concerns about large scale projects and allow those with unearned privilege and wealth to plunder from the common person namely in the form of our public lands that belong to all. I also call into question the validity of LMCs proposal based on their current and on going effort to sell their operations to Vail Resorts or another similar entity. Just as the issue of purposeful obfuscation of ownership and control that Polymet is in current litigation over with their relationship with Glencore, I call on you to demand that LMC divulge any contracts, memorandums of understanding or any other pertinent information and communication about any other possible party, such as Vail Resorts, that should be a party to this permit process. Even though I consider this comment period to be legally invalid due to the current National Emergency, please allow me to comment on the scope of what the Forest Service needs to be looking at in this regard.

First I would like to introduce myself and qualify my opinions in this matter. I have been in the winter sports industry since 2006 and since 2011 I have owned and operated Lutsen Recreation, Inc., the areas only full service pro ski shop, located at 245 Ski Hill Road, that has been serving the skiing public here in Lutsen since 1994. I am an avid skier, am often on the first chairs on powder days and am on skis everyday there is snow to slide on. I also founded Superior Highland Backcountry, a 501c3 Non Profit that was created to preserve and protect backcountry skiing opportunities in Northeastern Minnesota. This organization is submitting it's own comment to cover those concerns relating to backcountry skiing access and of course I fully support SHBs proposal for a backcountry ski area on Moose Mountain. In this comment letter, I will be speaking from a more personal perspective along with my businesses perspective on this. I believe that I may have one of the most unique and possibly object ive as possible perspective on LMCs operations in general as the owner and operator of LRI. I am almost entirely dependent on there being lift served terrain at Lusten to function as a business. But I also completely independent from the hill and have been interacting with tens of thousands of LMCs customers for over 14 years now and as these are my customers also. I doubt that there is anyone in this area that intimately interacts with the customers of Lutsen on a daily basis, for as long as I have so I believe I speak with authority in this regard.

**Purpose and Need**

On the face of it, LMC has no need of permission to expand their operations as they have yet to fully utilize their property and also to exhaust the adjacent private property for their stated need to add more runs etc. There is ample room on both the south and north side of Mystery Mountain. There is the ability to seek an easement for lift access from their dirt lot up to the top of Eagle, especially since at least two of the houses at the top of eagle are owned by one of the owning families. There is also ample room to expand off the north side of Moose toward Mystery to extend the truncated runs there and provide lift access for those runs. They could relocate various buildings like Papa Charlies and Eagle Ridge out of the steep, eroding valley they are currently located in (and consequently are in the process of being washed away as evidenced by last years closure of the catwalk run), to their dirt lot area. This would open up huge amounts of new terrain they currently own and would also help alleviate their current issue with slumping and erosion which current threatens their infrastructure besides. This move would also alleviate their stated need of more accessible parking. If they were to relocated Papa Charlies and the Rental Facility then they could reopen some long unused runs that used to run all the way to the river from the top of Ullr. Also the use of shuttles to transport skiers is an industry norm found almost everywhere out West and is no grounds for the opening up of public lands for parking lot development. All of these expansion options exist currently without the use of public lands, are absolutely viable from a business perspective and given the cost estimates that they have given for their proposal, they seem to be in fine enough shape to bear the cost of moving their buildings and build more runs on their own property as I have stated if they truly need more blue cruisers in order to survive.

**Economic Folly**

As is indicated by industry trends, Alpine skiing is not a growth industry. Adjusting for inflation and population growth, we are then a shrinking industry. True growth as represented by real new dollars and participants is seen only in Backcountry skiing and to a much lesser extent, cross country skiing. Since LMCs rationale is predicated on an economic survival argument then it behooves the forest service to include a fully independent financial and economic review of their proposal and it's economic viability. This report should be done first before any other part of the application process proceeds, including the NEPA process. This would save much time and valuable resources on your part as a good hard look at the numbers will ultimately show that their expansion is quit a doomed project, business wise, and the forest service has no business in risking permanent damage to our lands, waters and coffers by being part of a business gamble so precarious as this.

It seems that LMC has not done any extensive market research in coming to the conclusion that they need an expansion to survive and I urge you to reject heir proposal now based on the lack of this data. The alpine ski industry is not declining because there isn't the right mix of terrain as LMC purports or because there are not enough dining options available near the base areas, rather alpine skiing suffers the worst recidivism rate in the outdoor industry due to it being more concerned with ancillary services that have little to do skiing. If they would address the many complaints of poor service, poor grooming, constant lift failures, ski instructors that don't know how to ski, poor ski equipment, overpriced food and crumbling infrastructure this would go a lot farther in attracting more skiers and retaining them . Instead, they are only putting money into improvements, like RFID ticket checking, Gondolas and expansion permits, that only serve to make them more attractive to a potential buyer such as Vail Resorts. An unhealthy relationship with real estate development interests drives too many decisions made at the management and ownership level of ski areas, LMC being no exception. LMC has yet to publicly acknowledge the efforts by Granite Peak to expand their operations in Wausau, WI onto Wisconsin State Park land. Since both Granite Peak and LMC have a common owner, I believe it behooves the Forest Service to contact the Wisconsin Department of Natural Resources and communicate with them in regards to these simultaneous efforts to seek public land development and it's relationship to real estate interests held in common in both these communities.

I also urge you to look at the available traffic data from the MN DOT and see for yourself whether their "improvements" have made any positive impact on winter visitation, as they state it will. I have looked at the historical traffic data from two MNDOT traffic counters just north of Two Harbors and there is no discernible effect on winter traffic following the installation of their high speed lift in 2013 anf the new gondola in 2015. It actually seems that traffic peaked in 2006. LMC has not been forthcoming in providing any data in relation to the success of these efforts at my request nor have they submitted anything publicly that backs up their claims beyond vague generalities and baseless assumptions.

**Cumulative Impact**

There is also the issue of accumulative impact on the area as a whole that needs further looking into. We already have a situation in the Lutsen area of strain on the water resources in the form of local dry wells (per personal experience and communication), numerous other private inns and businesses and the local golf course. Any expansion onto neighboring public lands would erode the wild and scenic nature of the Lutsen area already under strain from development and it is that wildness, ironically, that drives people to want to be here in the first place.

Also to consider is the ongoing issue of youth flight from our rural communities and the causative relationship that real estate development has on that phenomenon and the lack affordable housing. Since LMC left the hands of the Nelson family, one can easily track, though historical real estate transactions and valuations in Coo Country, and ever upward trajectory that has forced more and more low income families out of the area. The impact of this real estate mind set and drive has already made for a labor shortage fot these same business and interests that have profited from land speculation and development. I, myself, have been a victim of this when I moved here in 2003. There was already almost no where for me and my fledgling, working class family to rent, let alone afford anything along the shore. The preponderance of foreign H12B Visa workers that seem to be needed to run these resorts and businesses atests to this rural flight. The impact of rampant, for profit, private development on a local community needs to be scrutinized for this proposal, as it will only serve to further this divide by driving up rent and land prices. As less and less full time residents can afford to live here, LMC and other resorts will continue to increase the number of visa workers even further to fill their workforce. And as these people are not full time residents, they will have even less opportunity and leverage to have any say on how our local community operates, furthering LMCs hegemony and, overtime, eliminating our local community character and charm.

As the owner of LRI, I recognize my need for winter sports to survive but I have seen the writing on the wall for years. LMC is not taking steps that ensure my own future viability. Their efforts to date have only taken away from my own ability to thrive as a business by driving away potential customers with their overpricing, poor management and lack of vision and humility to see the trends for what the are in our industry and support efforts, like SHB's proposal, to diversify our local economy. Their proposal would only exaggerate all the existing issues I have already stated, making my ability to survive as an independent shop even more difficult. So I urge you to reject their proposal and consider SHB's Moose Mountain Backcountry Ski Area Project as submitted in 2018 instead.

The Forest Service has no business in helping to boost real estate values for a privileged few at the expense of our public lands. This is a conflict of interest that cuts to the heart of the trust that is instilled in the forest service to manage the forest in the public's interests and stead.

Rory Scoles, President

Lutsen Recreation, Inc.