

INTRODUCTION

Thank you for the invitation to be here today to talk about Mount Washington Alpine Resort.

I'll start this presentation by talking about the general economic impact the Resort has in terms of revenues and employment.

I'll end with our vision for the future, plus a few words on our freehold conversion program and the Regional Growth Strategy (or RGS).

ECONOMIC IMPACT

First of all, to give you all an idea of economic impact our Resort has on the Comox Valley and Island, I'll share with you some numbers.

From opening on December 3rd to the end of the school holiday on January 3rd, we received 90,000 visits. Over the rest of the season, we expect another 250,000 visits. That combined total will make us the third most visited mountain resort in BC.

In terms of economic impact, assuming each visitor spends \$125.00 over and above money spent at the Resort, the total impact on the Island economy is approximately \$42,000,000. The \$125.00 spend factor I mention here is very conservative, considering automobile-related sales such as gas, tires, etc; snow sport equipment and clothing; accommodation and food outlets.

Factoring a 2.5x spin off, the overall winter impact on Vancouver Island is huge. Our yearly payroll is \$8.1 million. Most of our supply purchases come from the Island. We generate over 1500 winter room nights in the Valley.

EMPLOYMENT

In terms of employment, we are the largest private sector employer in the Comox Valley. We currently have 762 active employees. Most are from Vancouver Island, with 11% are from other countries like Australia, Chile, Czech Republic, Germany, Netherlands, Ireland, New Zealand, Peru, Scotland, Switzerland, Sweden, England, USA and Wales. Instead of focusing on on-site employee housing, we have developed a comprehensive

free staff transportation system with flexible scheduling and pick up points. The result is that these staff are paying rent somewhere in the region, either at hostels or in private residences.

One more word on our team. We are not age-ist: Eight of our staff are between the ages of 70 and 80. For some employees there is a definite life long career path that includes highly skilled professional and trade certifications.

MARKETING/ SOCIAL MEDIA

Over the last two years, we have taken advantage of the social networking phenomenon and are trying to get as many people as possible to our web site. In December, we had 413,691 hits compared to 270,951 last year. We have 7,390 Facebook fans and 13,355 email subscribers who we contact daily.

On December 27th, in the dramatic aftermath of flooding in the Comox Valley, Mount Washington ended up with the deepest snow pack in the world. On this day, we received 28,000 hits. Two days over the busy holiday period we exceeded 7,000 visitors on our slopes.

Last winter as part of the Olympic training site strategy, we saw athletes who trained on site win over 20 medals, including 8 gold. This part of Vancouver Island received world wide publicity, thanks to the recruitment of international teams by both MWAR and the Comox Valley Economic Development Society.

VISION

So, with the Olympics now almost a year behind us, where do we go from here?

Realistically, the development of a village core is still in the conceptual stages until real estate makes a full recovery. An upgrade of the Sunrise chair, and the purchase of additional lands to the east of the existing lift line, is also some time off.

However, we do have a plan for the short term. Our vision has evolved from the basic replacement of our beginner Green Chair to the development of a marketing concept called the Green Zone. This is based on introducing new customers to playing in the snow in a fun, safe and affordable way.

Our current snow tube park or O Zone is limited. It's hidden from sight from the Alpine Lodge, has only three lanes, and has limited lift capacity. On a busy day, 30-minute line-ups are not uncommon.

We are proposing that we move the O Zone next to the Alpine Lodge and make it more visible and accessible. We are also looking at the viability of installing two zip lines above the O Zone.

Situated between the new O Zone and expanded beginner terrain will be a unique uphill conveyance called a magic carpet. It is a surface conveyor belt—imagine a people mover or moving sidewalk in an airport, capable of carrying pedestrians, skiers and boarders all at the same time.

What makes this lift so unique, and a first in Canada, will be the fact that it will be covered with a dome of clear Plexiglas. The actual belt will be elevated on lock blocks above the snow pack. We plan on installing two to three more of these magic carpets parallel to the existing Green Chair lift line. These user-friendly lifts, along with a new tobogganing and children's area, are part of our overall long-term strategy.

It's vital that we remain competitive in the future as an alpine destination. Economic viability is key to our long-term success, and by extension, our effect on the larger economy of the North Island.

GROWTH

Economically, socially and culturally, we are an important player in the region. Simply put, our impact on North Island communities is huge. In the interest of sustainability, any policies or actions which could potentially encumber our ability to grow must be examined with great care and deliberation. In this light, we have first examined and acted upon what is within our direct control as a private company.

FREEHOLD

Part of our vision for the future includes taking better advantage of real estate development on the mountain. There's a sizable portion of both newcomers to the Island and people who live elsewhere on the Island who see snow sports as a reason to re-locate

here. The alpine recreation lifestyle is yet one more competitive advantage the Comox Valley and Campbell River enjoy over other Island communities.

Real estate development on the mountain in the past has been stymied by the lack of ownership options available to prospective buyers. Until very recently, one could only buy a long-term sub-lease for mountain properties. This was due to the original owner of MWAR lands being a timber company, who didn't want to take too many chances with an upstart ski resort operation back in 1978.

However, we recognize that we've outgrown this leasing model--or rather, that this model had become redundant in a province blessed with so many great ski resorts. A viable future for the mountain—and everyone who has invested in us—requires fee simple or freehold ownership of mountain property.

We began getting the word out about our freehold purchase program in October of last year. In early December, we offered registration of expression of interest at introductory terms. Not knowing what to expect, we set our registration target at 100 units or one year, whichever occurred first.

Well, we received 100 in four days! We doubled our target number to 200 units, but still had to close the offer on Dec 23rd. Obviously, there was a pent-up demand. There has never been a voluntary conversion of this scale undertaken by any resort in the province, but so far we are very pleased with the results.

Please note that our freehold sales consultant Anya Macleod is the person to talk to about this (not me!). And yes, there will be a second phase offered later this year if you missed the first one.

RGS

Fee simple ownership is just part of the equation, however. More needs to be done at the regional level to ensure our long-term viability as a commercial operation.

As you know, over the past year or so the Comox Valley has been going through a process called the Regional Growth Strategy.

Throughout this process, we have made three requests. Firstly, we have asked for recognition of our master plan. This calls for significant expansion of our existing

boundaries for additional terrain and lifts, plus some zoning changes in terms of development areas already in the Local Area Plan or LAP. The existing mapping in our LAP is the map of record, and it looks like this will be the map submitted with the RGS.

We have also asked that the lands at the Anderson Lake area, a lake stocked with trout located half way up Strathcona Parkway, be recognized as a site for a hostel style lodge and activity area for canoe and kayak rentals. This will allow us to further develop as a year-round destination, with year-round economic benefits for both the Resort and the region as a whole.

Finally, we have requested that a site be recognized at the base of Strathcona Parkway to be developed as a transportation hub. It looks like the hub is to be part of the RGS submission, but we are still trying to determine the actual footprint, as it has to be of significant size. Existing parking is already at a max and additional facilities will be needed to service vehicles and customers.

Significantly, with the considerable acreage at the foot of Strathcona Parkway claimed by the Komox First Nation adjacent to this site, there is great potential for a partnership with the KFN in developing this transportation hub.

While our first two requests have yet to be met, we are encouraged that the wording in the RGS states that any changes to existing zoning on Timberwest lands will only require a minor amendment.

In order to accomplish this, our Local Area Plan or LAP will have to be re-opened this year.

When this process starts, we will need all your support at the public meetings, followed by letters endorsing our ability to grow. We absolutely need your vocal support. It will take public and political vision to realize our true potential.

Thank you so much for listening to me this evening. Thank you for understanding how vitally important it is that our Resort prosper. In the years to come, we hope to continue to be a significant driver of the Island economy while promoting a healthy, active lifestyle for all ages and abilities.

Thank you.