Disclosure Document for Castle Mountain Resort Future Development

September 2018

1. Introduction

Castle Mountain Resort Inc. (CMR) has completed a Master Development Plan that proposes to expand the existing resort facilities within the current License of Occupancy and fee simple lands. This expansion includes the lift accessed ski terrain and base area facilities and incorporates year-round activities. This disclosure document is prepared and submitted to Alberta Environment and Parks to initiate the application and approval process.

2. Project History

- CMR has a long history extending back 52 years as a winter ski and snowboard facility. Initially it was built and operated by a group of local shareholders in 1966.
- In 1978 the Town of Pincher Creek and the Municipal District of Pincher Creek No.9 took over ownership and operation of the Resort.
- In 1985 the Westcastle Development Authority took over management of the Resort.
- In 1991 the Vacation Alberta Corporation (VAC) prepared a project Master Plan and completed an Environmental Impact Assessment for an all-season ski and summer resort. The project included expansion of the ski area terrain with additional lifts and runs, mostly on the Haig Ridge area. The VAC also contemplated two 18-hole golf courses in the West Castle River valley.
- In 1993 an application was presented to the Natural Resources Conservation Board and a decision to approve the development with conditions was presented. One of these conditions was that the Government of Alberta would establish a special area for wildland recreation purposes. This was recently completed, naming the Castle Provincial and Castle Wildland Parks. Vacation Alberta Corporation did not move ahead with development and the NRCB decision was rescinded.
- In 1996, Castle Mountain Resort Inc, purchased the resort and assets. This local group has developed the resort into what it is today. This ownership group consists of 204 shareholders and many are also homeowners within the residential area of the resort.
- In 2017 Castle Mountain Resort Inc. has completed a new Master Development Plan to expand and diversify the winter and summer recreational activities, support the wilderness adventure in the Castle Wildland and Provincial Parks and develop into an all-season regional destination in Southwest Alberta. The proposed expansion has a much smaller footprint than the VAC proposal, does not have golf courses and is contained to the west side of the Westcastle River valley.

3. General Information

Location: CMR is located in the Municipal District of Pincher Creek No.9, in the West Castle River Valley in Southwest Alberta approximately 145 km SW of Lethbridge, Alberta. The Legal address for CMR is N.E. 24-04-04-W5. CMR is bordered by the West Castle river to the East, and the West Castle Wetland Ecological Reserve to the North East and Gravenstafel and Haig Mountains to the West and Castle Wildland and Provincial Parks to the North and South. CMR is accessed via Provincial Highway 774.
Fig 1: Regional Map
The base area and community are presently developed to include services to support the existing ski facility as well as residential and commercial accommodation that supports a total of 131 accommodation units. This proposal will increase the number of accommodation units to 224 as per the existing 2002 Area Structure Plan with the MD of Pincher Creek No 9. The Proposed 2017 Master Development Plan could support up to 406 accommodation units. Prior to planning for this increase to 406, an amendment to the Area Structure Plan would be required along with new engineering details for the utilities and infrastructure.

The existing comfortable carrying capacity of the ski and snowboard facilities is 1,710 users. This proposal with expansion of terrain and lifts would increase this at buildout to a maximum Comfortable Carrying Capacity of 3,952 users.

This planned development would be phased over time and the pace of implementation will be driven by the resort marketplace, economic conditions and available financing options.

Short term implementation strategies will include:

- Construction of Snowmaking system
- Design and construction of runs for the Haig Lifts
- Continue to make incremental improvements to the resort aligned with the plan described in the 2017 Master Development Plan.
- Addition of summer activities including hiking and biking trails
4. **Regulatory Requirements**

There are many policies and regulations that affect this development and all regulatory requirements must be met. Authorizations through Alberta Environment and Parks and the Municipal District of Pincher Creek No 9 would be key to the success of the project.

All development on the private land is controlled and monitored through the MD Pincher Creek Land Use document (Land Use Bylaw No. 1140-08) and the Area Structure Plan for Castle Mountain Resort.

5. **Project Description**

The current facilities at Castle Mountain Resort are shown on Figure 3. These include 6 ski lifts servicing 84 trails contained within a Department License of Occupancy (DLO) on 1,295 hectares. This tenure area also contains a cat skiing operation, which is a backcountry mechanized skiing experience within the resort. The Castle Mountain Resort also has existing base area facilities (see Figure #4) that include food and beverage options, day care, snow school, guest services and washrooms. There is existing residential and commercial accommodation that currently support 89 single family units, 40 multi family units, a hotel with 11 rooms and a hostel with 58 beds. The existing day use parking areas support 1,940 visitors / day.

The existing facilities at CMR are reaching their carrying capacity. CMR is proposing to expand and diversify its winter and summer recreational activities and improve the overall experience for visitors to the resort and support the wilderness adventure in the Castle Wildland and Provincial Parks. Through this expansion the resort will develop into an all-season regional destination in Southwest Alberta that is environmentally and economically sustainable.

The Castle Mountain Resort Master Development Plan describes the proposed development that will transform the existing regional ski area into a regional destination winter and summer resort. The detailed Master Development Plan can be viewed here: [http://www.skicastle.ca/wp-content/uploads/2017/07/CMRMasterDevelopmentPlanFinal_June232017.pdf](http://www.skicastle.ca/wp-content/uploads/2017/07/CMRMasterDevelopmentPlanFinal_June232017.pdf)
5.1 **The development goals as they relate to winter facilities are to:**
- Optimize the development of advanced and expert terrain reinforcing CMR’s reputation of offering iconic steep powder ski terrain
- Maximize the development of beginner, novice, low intermediate and intermediate terrain that will improve the balance of the offering at CMR
- Provide beginner terrain to the greatest extent possible in close proximity to the Village
- Develop new beginner and novice terrain along with a new satellite base area and parking
- Continue to offer terrain that reinforces the diverse needs of families and provides something for everyone
- Continue to upgrade the ski lift system to cater to a low-density, powder skiing experience.
- Develop a comprehensive snowmaking system, to ensure a reliable snowpack especially at the lower elevations
- Develop on-mountain facilities that will cater to the diverse needs and expectation of skiers and snowboarders in each area of the mountain

5.2 **The development goals as they relate to summer facilities are to:**
- Develop a Downhill Mountain Bike park that is lift serviced, complemented with skills park and supporting facilities
- Develop a Cross-country Mountain Bike trail system that is lift serviced or self-directed utilizing uphill tracks
- Create a back country oriented cross-country mountain trail network staging from Castle Mountain Resort onto the trail systems within the Castle Wildland and Castle Provincial Parks
- Via Ferrata (guided cable mountain climbing trail system)
- Aerial adventure park and zip lines, designed to be unique to CMR
- Enhance and expand on the trails that cater to hiking, trail running, horseback riding, backpacking and alpine trail experiences
- Develop educational interpretative trails
- Continue to explore the opportunities to develop additional summer attractions, facilities and celebrations based in the Resort Village.

5.3 **Winter Ski and Snowboard Expansion Areas**
After a detailed analysis of the DLO, the skiing potential was identified with a number of development areas. This is illustrated in Figure 5. There are 2 lifts that are identified as potential future lifts as they are currently outside of our existing DLO. At buildout the resort will consist of 12 lifts servicing 155 formal trails within the existing DLO.
5.4 **Summer Attractions**

As seen in Figure 6, the existing Huckleberry Chair will serve as the lift for the downhill and mountain bike park and offer access to a cross-country mountain bike trail network in the Haig Valley. The Chair will also offer lift access to the Via Ferrata trail network and alpine hiking trails.

Additional summer facilities include the aerial adventure park with ziplines at the base of Haig Mountain and trail development accessing backcountry trails, facilitating hiking and backcountry mountain bike touring.

As base area village facilities develop, CMR will actively engage in summer use programming to accommodate retreats, festivals and weddings.

**Figure 6: Potential Summer Plan**
5.5 Annual Visitation
With a season length of 120 days and 30% utilization, CMR could expect 156,000 winter visits, this includes the alpine skiing facilities, Nordic skiing, snowshoeing backcountry skiing and passive visitors. Utilizing a buildout summer maximum daily capacity of approximately 1,000 and applying a season length of 100 days and 30% utilization, CMR could expect 30,000 summer visits, this equates to an annual visitation total of approximately 186,000 visitors.

5.6 Base Area Facilities
The proposed improvements and expansion of the base area development at CMR have been designed to complement the mountain’s attributes and planned facilities. These developments will be gradually taken on in balance with the establishment of additional skiing and associated mountain resort attractions. See Figure 7.

Figure 7: Village Area Concept

5.7 The Primary development goals for the base area facilities are to:
- Develop the base areas at Castle Mountain Resort in a comprehensive all season and well integrated fashion that caters to day use and regional destination visitors, second homeowners and the permanent resident population
- Incorporate direct linkages to and from the base area facilities and ski lifts such that the existing and proposed resort residential areas are ski to/ski from development
- Have a pedestrian friendly base area character
- Establish all of the base area facilities and residential development in balance with the capacities of the resort attractions, recognizing that there are absolute limits to growth
- Phase the base area development in an incremental fashion aligned with the proposed development of the mountain facilities
- Incorporate a variety of resort residential accommodation initially limited to the allowable development cap of the Castle Mountain Area Structure Plan developed with the Municipal District of Pincher Creek No 9
- Provide enough parking to satisfy the requirements of the day use and destination visitors
- Ensure that all development is completed in a proactive, environmentally sensitive fashion that complements the surrounding Castle Wildland and Castle Provincial Parks
5.8 **Overnight Accommodation**

Overnight Accommodation is defined by the number of accommodation units that can be physically developed at CMR. The current Area Structure Plan allows for 225 accommodation units equating to 788 beds. The ASP associates this accommodation capacity to 2,400 peak day visitors. The buildout Balanced Resort Capacity is 4,332 per day. Using the same ratio, the at buildout accommodation units should be 406. This increase would be incorporated into an updated ASP and included in a detailed buildout planning process for the Village to go beyond the current cap of 225 accommodation units.

**Figure 8: Master Development Plan**

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6. **Water and Waste Water**

Water is required for domestic use within the village for residents and day use visitors. The MD Pincher Creek No. 9 will be providing treated potable water to the area via a regional water supply pipeline that will continue from the community of Beaver Mines to CMR. This water supply is currently under construction and is anticipated to be completed by fall of 2019. This water source will supply all the domestic water needs of the CMR community and ski hill facilities as per the development plan.

CMR has received a preliminary certificate with conditions, to divert 35,922 cubic metres of water annually from the Haig Creek for the purpose of snowmaking. This water or a portion of it will be stored in a reservoir that is currently
under construction. Snowmaking infrastructure including underground piping and a pumphouse is planned for construction in 2019 for operation in the 2019/2020 ski season.

Sewage from CMR is currently treated using wastewater lagoons. The lagoons have the capacity to accommodate the committed and planned development at CMR to the buildout of the current Area Structure Plan. From the wastewater lagoons the treated effluent is disposed of using an irrigation system. This system will need to be evaluated and upgraded accordingly to align with any amendments to the ASP.

7. Environmental Setting

CMR is located within the Rocky Mountain Natural Regions and contains terrain in the Alpine, Subalpine and Montane Natural Subregions. At the lower elevations, the area is populated by complex forests habitats with stands of Lodgepole Pine, Douglas Fir or Aspen. As elevations increase the landscape transitions to alpine meadows inhabited by open stands of Engelman Spruce or Subalpine Fir. At the highest elevations harsher climate dominate and vegetation gives way to exposed rock.

7.1 Fish and Wildlife

The CMR and Castle region has been recognized for its high level of biodiversity, this region is home to over 200 rare or at-risk species and the Barnaby ridge and area east of the West Castle River is an important wildlife corridor. This area offers habitat to several large and small mammals. Preserving the wildlife corridors will be critical in insuring that the movements of wildlife and ungulates in particular are not blocked. Public education, proper garbage handling procedures and restricting areas of access are some of the mitigation measures that would be implemented. The Westcastle river supports a number of fish species including Bull and West slope Cutthroat Trout. Both of these species are on the endangered species list. Reduction in surface water levels and sediments entering the water streams are both areas of concern. Mitigation measures will be in place, such as use of silt fence and respecting all conditions within our DLO. Our water program discussed in the water usage paragraph will also mitigate impacts on fisheries.

Environmental studies that have been completed to date include Aquatic Habitat Study, Grizzly Bear and Birds of Prey Study and Rare Plant survey. These studies help us to understand the areas of concern and enable us to provide mitigation measures when required.

8. Community

Presentations of the CMR Master Development Plan have been made to the Beaver Mines community, the MD of Pincher Creek No.9 (council and administration) and the Municipality of Pincher Creek (EDC). Ongoing presentations will continue within the region. Beaver Mines is the closest community to CMR and is located approx. 25 km to the north. We will continue to review the project with other groups, municipalities and First Nations communities.

The Government of Alberta is in the process of paving the last 11km of HWY 774 to the Castle Mountain Resort, the Castle Provincial and Wildland parks and the Castle Mountain Community, insuring that there is a safe paved highway access from Provincial Hwy 3 to Hwy 774.
9. **Development Summary**

The key points of the Castle Mountain Resort Master Plan are summarized in the following table.

<table>
<thead>
<tr>
<th>Castle Mountain Resort Master Development Plan Summary May 2017</th>
<th>Existing Conditions</th>
<th>Proposed Development</th>
<th>Total Development at Buildout</th>
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<tr>
<td><strong>Total (# of visitors)</strong></td>
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</tbody>
</table>

10. **Contact Information**

This disclosure document provides a basic introduction to the CMR development plans for all season use. Any questions or comments should be directed to Brad Brush, General Manager, Castle Mountain Resort.  [Brad.brush@skycastle.ca](mailto:Brad.brush@skycastle.ca)

Respectfully,

Brad Brush
General Manager Castle Mountain Resort Inc