

Steamboat is ready for a recharge

In the home of Champagne Powder, business owners are bubbling over the future with new owner Intrawest

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Many Steamboat Springs businesspeople are celebrating the imminent arrival of resort developer Intrawest, which agreed last month to purchase Steamboat Ski Resort for \$265 million.

That's after nearly a decade with the current owner, the financially troubled American Skiing Co. The company has been dogged by complaints that it didn't put enough cash back into the resort.

"The town is excited to have Intrawest here because they have a great reputation of really putting in the capital needed," said Pam Vanatta of Prudential Steamboat. "Steamboat needs some updating. I think Intrawest will spend the money needed to put it back on the map."

Vancouver, B.C.-based Intrawest is staying quiet about its plans for the ski area until the deal closes, which is expected by the end of March.

Routt County's real-estate sales have been strong, topping \$1 billion for the first time last year, up from \$637 million in 2004. And several local brokers said they're seeing a short-term boost from the Intrawest announcement.

"The resort real-estate market has been extremely healthy here, in lieu of the fact that we had a lame-duck owner and everyone knew it was just a matter of time until they were gone," said Ken Gold of ReMax Steamboat. "All of a sudden, people are looking at us as a ground-floor opportunity to jump in with the new owner."

The biggest speculation centers on a group of properties for sale in Steamboat's base village that would give Intrawest the opportunity for a large-scale redevelopment.

The properties include the 351-room Sheraton Steamboat Resort & Conference Center and the run-down Ski Time Square commercial buildings. A sale is expected early next month.

"Ski Time Square has the potential for several hundred very high-end, ski-in, ski-out properties," said Gold. "With the investment they're preparing to make into the ski area, it only makes sense that it's Intrawest."

Intrawest has declined to comment on its interest in the properties, but it is flush with cash thanks to its new owner, New York-based Fortress Investment Group. The

private company, which has \$26 billion worth of assets, bought Intrawest in October for \$2.8 billion.

Intrawest's imprint can be seen at several other Colorado ski resorts.

The company bought Copper Mountain in 1996 and launched a \$500 million revamp of the base village there. It also helped develop the \$700 million River Run Village at Keystone.

Currently, Intrawest is building a new base village at Winter Park Resort. The company signed a 50-year deal in 2002 to operate the ski resort, which is owned by the city and county of Denver.

But before moving ahead with its development plans, Intrawest surveyed Winter Park residents and businesses and held several public meetings, according to general manager and vice president Gary DeFrange.

"Intrawest didn't immediately come in with preconceived notions," said DeFrange, who was chief executive of the ski resort before Intrawest. "They spent a lot of time learning who we are. They know from their experiences at other resorts that every resort has its own culture."

The deal with Denver requires Intrawest to spend at least \$50 million on skier services and on-mountain improvements in the first 10 years. About \$25 million has been spent to date, said DeFrange.

"There was a lot of concern when they came about what was going to happen to the small businesses, that we would become a big corporate ski town," said Lance Guttersohn, president of the Winter Park/Fraser Valley Chamber of Commerce. "But most of those fears were unfounded. They have done great things for our valley. Certainly we're better off than we were without them."

More than 1 million skiers come to Steamboat every year, with roughly 70 percent from out of state. Intrawest sees the potential to boost those numbers, said David Barry, executive vice president of Intrawest Colorado.

"Our goal is to work with the ski-company team and the community to help best position the resort for the long term," he said.