

Vail Resorts buys second Tahoe resort – Northstar

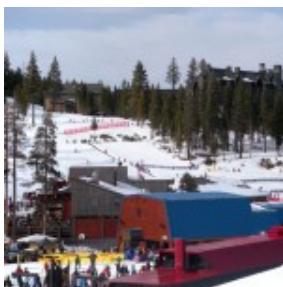
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By Kathryn Reed

Vail Resorts has expanded its footprint on the greater Lake Tahoe area with the announcement Oct. 25 of its acquisition of Northstar-at-Tahoe.

The Colorado-based company acquired the stock of the companies that operate Northstar-at-Tahoe from Booth Creek Resort Properties LLC and other sellers for \$63 million. The Truckee ski area is on land owned by CNL Lifestyle Properties Inc. Vail now has a long-term lease, the details of which have not be disclosed, with CNL.

Sierra-at-Tahoe is not affected by the transaction. It is still owned by Booth Creek.



Northstar-at-Tahoe is now owned by Vail Resorts.

Photo/Kathryn Reed

“We truly see this as a positive thing,” Sierra spokeswoman Kirstin Cattell told *Lake Tahoe News*. No changes are being

made to Sierra's management team.

George Gillett, chief executive officer, Chris Ryman, president and chief operating officer, and Betsy Cole, executive vice president and chief financial officer of Booth Creek, will no longer have management positions at Northstar. Julie Maurer, vice president of marketing and sales at Booth Creek, is now vice president of marketing with Vail Resorts, overseeing the marketing and sales of Heavenly and Northstar.

John Wagon will remain as vice president of marketing at Heavenly.

A general manager, who still needs to be hired, will oversee Northstar much like Pete Sonntag was brought in this summer to run Heavenly.

Kelly Ladyga, spokeswoman for Vail Resorts, told *Lake Tahoe News*, "We have been watching Northstar. It has been one of the fastest growing resorts in North America for the past few years. It has substantial and diverse terrain, and a new and modern base village."

Northstar, under the ownership of Booth Creek, had a renaissance in the last several years with terrain being added, along with lifts. The mid-mountain lodge was rebuilt after arsonists caused significant damage several years ago.

East West Partners, a company that is now in bankruptcy, developed the LEED-certified village.

A Ritz-Carlton opened mid-mountain last December with mixed results during the recession.

"There are no immediate plans for capital improvements (at the resort)," Ladyga said.

She would not comment if other acquisitions are in the works or being talked about. This is normal for the publicly traded company. However, it's possible news could be forthcoming

after the Dec. 3 annual stockholders meeting in Colorado.

Vail earlier this month bought Accommodation Station to be able to offer Heavenly skiers a lodging package.

Vail is used to having its properties being associated with high-end lodging. Beaver Creek has a Ritz and its other Colorado resorts have lodging that caters to a crowd with money.

Heavenly is Vail Resorts' only ski area to not be associated with a lodging component. Vail bought Heavenly Mountain Resort in 2000 from American Ski Company. It has pumped millions of dollars into the California-Nevada resort, with the latest infusion of cash going to a mid-mountain lodge that will open in February.

Vail was going to be the hotel owner at the now bankrupt convention center, but both sides ended that partnership before Randy Lane filed for bankruptcy a year ago. Rumors are still rampant Vail Resorts would like to run a hotel operation across from the Heavenly gondola in South Lake Tahoe.

Season passholders at Northstar, Heavenly and Sierra have a chance to ski all three areas this year. People who bought the Double Whammy pass will still be able to ski Northstar.

Ladyga said people with the \$799 unlimited Double Whammy may exchange it for the \$629 Epic pass, get a refund, and ski at all the Colorado resorts Vail owns in addition to retaining the right to ski at Sierra.

People who buy Heavenly's \$349 season pass will be able to ski there, Northstar and Sierra this winter, Ladyga said.

The EpicMix, which Vail is introducing this season, will be available at Northstar in 2011-12.