If there's a takeaway from the industry-shaking news of Aspen Skiing Co.'s partnership with private equity firm KSL Capital in the $1.5 billion takeover of Intrawest's six mountain resorts, it's that the details are scant, but big investments in Steamboat and Winter Park are coming.

“There is no more passionate customer base than skiers in any business we have ever come across,” said Eric Resnick, the chief of Denver-based KSL Capital, which has raised more than $7.5 billion for 30 hotel and resort investments since 2005.

“We have earmarked a lot of capital for improvements to be able to continue to reinvest significantly in the communities and the mountains,” Resnick said. “What's exciting is being able to bring new opportunities with these communities and with these mountains to those customers who are already so passionate.”
Participants line up for the start ...

Participants line up for the start of the three legged ski race on Lincoln Avenue in Steamboat Springs.

Aspen Skiing chief Mike Kaplan said “it's too early to say” whether his four Roaring Fork Valley resorts will unite with Intrawest's Winter Park, Steamboat, Stratton, Mont Tremblant, Snowshoe and Blue Mountain as well as KSL's Squaw Valley-Alpine Meadows under a ski pass to combat Vail Resorts’ wildly popular Epic Pass.

Season pass programs for Aspen Skiing and Intrawest's Winter Park and Steamboat ski areas will remain unchanged for the 2017-18 season.

Intrawest's $629 M.A.X. Pass — which offers five days each at 44 resorts, including Winter Park, Copper Mountain, Crested Butte and Eldora — will not change for 2017-18. Same for the $529 Rocky Mountain Super Pass Plus, which delivers unlimited skiing at Winter Park, Copper Mountain and Eldora plus six days at Steamboat. The $399 Mountain Collective Pass, good for two days each at 16 independent resorts, including Aspen Snowmass and Telluride, will not change.
But it’s hard to imagine the new operators not offering a combined pass product for 2018-19. With Copper and Eldora owned by Powdr Corp., however, it’s unclear whether those hills will be included in future season pass programs with Winter Park and Steamboat.

“We welcome conversations about additional pass deals that would continue to provide our visitors with amazing mountain experiences,” Powdr spokeswoman Jenn Rudolph said, noting that Copper and Eldora, with deep racing roots and the state’s only Woodward Action Sports camps and programs, “are valuable additions to multi-resort pass products.”

Kaplan did say he expects the new team will pursue collaborations, tapping the e-commerce technology, employees and marketing efforts across the diverse network of Intrawest resorts in Colorado, Vermont, West Virginia, and Quebec and Ontario, Canada.

“We will be looking at all these things,” he said, “but it’s too early to see what form that will actually take.”

Aspen Skiing’s four Roaring Fork Valley areas — Aspen Mountain, Aspen Highlands, Buttermilk and Snowmass — will not be part of the new partnership and will remain independent under the Aspen Snowmass banner. KSL’s Squaw Valley-Alpine Meadows resort will join the new partnership group but will continue to operate under the existing management of chief Andy Wirth, Steamboat’s former marketing chief.

Chris Diamond captained Steamboat ski area for 17 years, watching ownership groups such as American Skiing and Intrawest lean heavily on his resort to cover burdensome debt payments. He called the Aspen Skiing-KSL ownership “strategic” and good for Steamboat Springs.

“It will be nice to have stable ownership and owners who are in the for the long haul,” Diamond said. “These guys are not the scale of Vail yet, but they are getting close. If you speculate about pass products, eventually it’s a pretty compelling alternative to the Epic Pass. Put those three collections of resorts together and it’s pretty powerful.”

Kaplan said, again, it’s “too early to tell” how the new partnership might divide up mountain operations with the development of about 1,100 acres of prime slopeside land Intrawest has ready for resort development.
Aspen Skiing and KSL last fall joined forces — along with East West Partners — in the development of the base village at Snowmass Village, a project that has languished in the planning stages for more than a decade.

“We are gelling well as a team and as an organization, and we are excited about pushing forward, and we think there is some opportunity to do some great things for these Intrawest resorts and those communities and those mountains and the overall guest experience,” Kaplan said.

Even without the specifics, the news of the Aspen Skiing-KSL partnership sent ripples throughout the increasingly consolidated ski resort industry, where recent big announcements have revolved around the behemoth Vail Resorts buying Canada’s Whistler Blackcomb and Vermont’s Stowe in the last year.

Resnick, an avid skier, said his company has tried to mirror the work of Aspen Skiing at its Squaw Valley-Alpine Meadows resort in California, where KSL is planning a $1 billion base-area redevelopment.

“We both firmly believe that each resort and the community in which it operates has its own vibrancy and its own unique feel and its own unique customer demographic and profile and we think, on the one hand, there is wonderful idea sharing across the portfolio of resorts that would be together here, but on the other hand, whenever you are doing that you need to do so in a way that really preserves the things that make each resort unique,” said Resnick, heralding Steamboat’s “welcomeness and authenticity” and calling Mont Tremblant the “most vibrant village on the continent.”

The new partnership will soon begin meetings with community members and stakeholders.

That includes a likely presentation to Denver’s Winter Park Recreational Association, which forged a 76-year deal with Intrawest for the operation and development of the city-owned Winter Park ski area in 2002. That deal required Intrawest to inject at least $50 million into ski area improvements and pay yearly rent in exchange for the right to develop and sell village-centered condos at the base of the hill.

The association first heard about the deal on Sunday. The five-member board will study the proposed ownership change, and the city’s bank and lawyers will review the proposal, association spokeswoman Liz Orr said.
The association has been down this path before. When New York hedge fund Fortress Investment Group acquired Intrawest in 2006, the association met with representatives and analyzed the deal. With the Aspen Skiing-KSL deal not set to conclude until later this year, the association has time to review the plan for Winter Park, Orr said.

Fortress recently sold to Japanese telecommunications and energy giant SoftBank Group for $3.3 billion, marking the end of a rough run for the fund that paid $2.8 billion for Intrawest in 2006. Fortress suffered in the recession, shedding Intrawest resorts including Copper Mountain and Whistler Blackcomb to help pay its debt.

The Aspen Skiing-KSL deal marks the end of Intrawest as well. It’s not likely the name will linger. The company was founded in 1976 by an apartment-building visionary who grew the company to the largest resort operator in North America with almost $2 billion in real estate in 2006.

The company, which moved its headquarters to Denver from British Columbia in 2011, made its initial public offering in 2014, raising about $188 million. It sold its timeshare property — with 22,000 members spread across nine resorts — in 2015. The company’s stock was trading around $17 in mid-January, when news emerged that Fortress was exploring a sale. Aspen Skiing, which is owned by the Crown family of Chicago, is paying $23.75 a share for Intrawest. Shares closed at $23.60 Monday.

KSL Capital was formed as KSL Recreation Corp. in the early 1990s by former Vail Associates chief Mike Shannon and New York investment giant Kohlberg, Kravis Roberts & Co. The firm, which joined with the Vail Valley’s East West Partners in 2011 to pursue real estate development projects, owns a host of luxury hotels and resorts.

Diamond, who has spent more than four decades in the resort industry, said the new operators will home in on business opportunities. (An insider said another deal is cooking, but KSL and Aspen Skiing representatives declined to discuss future expansion plans.)

“I’m not sure they know where the partnership will go, but you will think they will be more entrepreneurial than anyone else out there,” Diamond said. “You can bet there will be more news coming.”
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(Denver) Traditional gutters often become congested with falling debris, sometimes in the form of leaves, pollen, and branches,...