

East West Partners regroups, ready to build at Northstar

By Kathryn Reed

East West Partners is surviving life after bankruptcy.

The Avon, Colo.-based company is ready to break ground on 16 townhomes along the ski run at Northstar-at-Tahoe that leads to the village.

The Truckee segment of the company filed for bankruptcy in February 2010, emerging from the proceedings last summer.



Harry Frampton of East West Partners entered the Colorado Ski and Snowboard Hall of Fame in Vail in 2010.

Photo/Kathryn Reed

“It had no impact on what our company does elsewhere,” Harry Frampton, managing partner with East West told *Lake Tahoe News* of the bankruptcy filing in California.

East West developed the Village at Northstar and the Ritz-Carlton at mid-mountain. The hotel did not face bankruptcy based on the ownership structure.

However, Frampton admits the December 2009 opening of the high-end hotel, "Was probably the worst time to open a hotel in the last 50 years."

The combination of the collapse of the real estate market as East West was bringing properties online and its financial partner (which at the time was a unit of Morgan Stanley) withdrawing support led to the bankruptcy.

"We have a new investor who is investing \$40 million to allow us to continue developing for the next 10-plus years," Frampton said. "East West Partners has the development rights to a little over 1,000 units, all ski-in, ski-out." And all are at Northstar.

The units being built this construction season are slated to sell for between \$1.4 million and \$1.8 million. They are about 2,000 square feet and are mostly three bedrooms.

The project is called Home Run, after the run at the resort.

Much of East West's development has been in Colorado ski towns. Frampton said it costs between 20 and 25 percent more to build in California compared to Colorado – for the same unit – even when its Vail and Beaver Creek – and even when the Tahoe Regional Planning Agency isn't involved. TRPA's reach does not extend to Truckee.

Frampton said part of the expense has to deal with more substantive snowloads in the Sierra, while other costs like building fees are more, and the process takes longer, which adds to overall costs.