

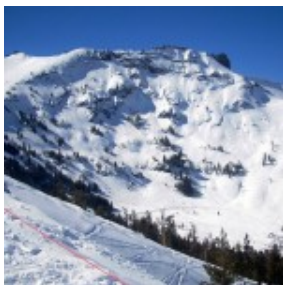
Kirkwood looking at financial, partnership options

By Kathryn Reed

“As one of the few independent resorts left at this point and time, it is clearly in our best interest to see what type of partnerships exist and to see what our best opportunities are.”

So says David Likins, CEO for Mountain Springs Kirkwood, which owns Kirkwood Mountain Resort.

Likins acknowledged a bevy of activity has been going on at the resort on Highway 88, south of Lake Tahoe. But he was adamant the resort has not sold. Nor is it in any hurry to enter any type of agreement with anyone.



Kirkwood usually gets the most snow of any Tahoe-area resort. Photo/Jessie Marchesseau

“We are in a good financial state. We have no pressing needs. We had solid years back-to-back and almost no leverage on assets. We sold more real estate in the last two months than we have in the last two years,” Likins told *Lake Tahoe News*.

“We are looking at ways of restructuring, but not along the lines of JMA buying Kirkwood.”

JMA Ventures owns Homewood Mountain Resort and until the announcement last month, all of Alpine Meadows. Squaw Valley’s owners, KSL Capital Partners, and JMA have formed a third company to operate Squaw and Alpine.

Kirkwood, Alpine and Homewood have various pass deals that link the resorts.

With the California Ski Industry Association having a meeting at Northstar on Thursday, talk of consolidation in the industry was rampant. Lake Tahoe has lost some of its market share to Colorado and Utah. It’s the Vails and Whistlers of the world that Tahoe area ski operators want to compete against – not with each other.

Likins doesn’t believe KSL and Vail Resorts are finished with acquisitions. The latter bought Northstar a year ago.

“Big, successful companies go to areas that they see are attractive and then other folks follow,” Likins said. “Resorts with real estate are even more attractive.”

Likins knows his employees saw JMA and other folks at Kirkwood on Oct. 14 – after the ski industry meeting – and that rumors are running rampant.

“I won’t deny people have been out at Kirkwood and I’ve been out at places,” Likins said. “Every discussion we’ve had is focused on how to improve strategic opportunities at Kirkwood so we can accelerate the pace of mountain and real estate development.”

Kirkwood officials have never been shy about saying real estate will fund on-mountain improvements. With the housing and financial markets tanking, this meant all upgrades were put on hold. The Expedition Lodge, five years ago touted as

the resort's showcase property of the future, was supposed to be occupied in summer 2009. It hasn't even been built.

When Kirkwood is built-out it will have about 1,400 housing units – double what it has today. Sales of that property will allow for expanding the ski area into the 1,100 acres of terrain it has a permit to use – nearly doubling the acreage that is now lift accessed.

With Chip Seamans, COO and general manager at Kirkwood, having left about six weeks ago, personnel changes are likely, according to Kirkwood insiders.

Likins doesn't deny management and financing discussions are what are taking place.

"Ultimately there are always possibilities for ownership mergers, investment and co-investments, either financial investors, or equity investors. There's lots of that out there now," Likins said.