

Royal Gorge ski area, Rainbow Lodge for sale

By Tim Hauserman

Royal Gorge Cross Country Ski Area, including more than 3,000 acres on Donner Summit and the Rainbow Lodge along the Yuba River, is being put up for sale this month by a court appointed receiver.

The receiver, Douglas Wilson, took possession of the property after the owners of Royal Gorge defaulted on a \$16.7 million loan on the property. It is the end of a short, tumultuous chapter in the history of what is known as the largest cross country ski resort in North America, a centerpiece of the Donner Summit community.

How did this happen?



Royal Gorge plans to operate this winter, but it is for sale.

In 2005, developers Kirk Syme and two brothers, Mark and Todd Foster, purchased Royal Gorge from its long-time owner and original developer, John Slouber. They paid a reported \$35 million and set out to get approval for a cross country ski area based development that would include 900 residential

units, several small lakes, retail and restaurant establishments and several new lifts.

Things didn't work out like they had planned. They had difficulty finding enough water and sewage capacity. Public officials said they would need to build a second access road to the development because the current two-lane road that goes over a busy railroad track would be insufficient in an emergency.

Then there were those "Save Donner Summit" bumper stickers which popped up everywhere as folks on the summit railed loudly against the development.

But the nail in the coffin was the real estate bust. With a built up inventory of luxury golf course homes in nearby Truckee it is hard to picture someone beginning a 900 unit residential and commercial development at this point in the economic cycle.

What happens to the ski area?

Douglas Wilson's managing director for Brokerage Services, Tom Olson, says the receiver will keep Royal Gorge Cross Country operating and will maintain the level of service. Royal Gorge General Manager David Achey agrees, stating that the receiver has been supportive of the ski area.

"We got guys painting, doing maintenance, summer trail work, looking into signage, maintaining grooming fleet. We are putting out a great product," Achey told *Lake Tahoe News*.

This year Royal Gorge will allow dogs on several trails for the first time. The Wells-Fargo and Emigrant trails will form a dog friendly loop on Mondays, Tuesdays and Thursdays.

Olson says the property is being put up for sale for \$24 million and is being marketed extensively internationally. The receiver is contacting cross country and downhill ski resorts,

as well as individuals who in the past have purchased large parcels for conservation purposes. In addition to the 3,000 acres of Royal Gorge, which includes the Summit Station building and a number of huts along the trail, the sale also includes Rainbow Lodge with its 114 acres along the Yuba River and about 300 acres of land in Negro Canyon above Donner Lake.

One party that has already expressed interest in the property is the Truckee Donner Land Trust. Trust Executive Director Perry Norris said his group has been interested in the Royal Gorge property for more than 20 years, especially the environmentally sensitive Van Norden meadow. Norris says the trust sees the best use of the land is for conservation, not development, and to keep the cross country center operating.

He doesn't believe the value for the property is \$24 million, however.

"We are banking that at the end of the day the bank that is foreclosing on the property will see us as the best and strongest buyer. They had a very competent developer who tried to develop the property for six years and he didn't move it one inch closer to the goal line," Norris said.