

Sierra, Northstar among resorts up for sale

By David Sharp, AP

PORTLAND, Maine – A real estate investment trust that's selling more than a dozen ski resorts from Maine to California won't meet its deadline of completing the transaction by year's end.

CNL Lifestyle Properties, which is based in Orlando, Fla., has sold its senior housing portfolio, a dozen marinas, four attractions, and the Mount Washington Hotel and Bretton Woods ski area in New Hampshire.

But it continues to seek buyers for 15 additional ski resorts – including Northstar and Sierra-at-Tahoe, remaining attractions and marinas, and says it will update shareholders in the first quarter of the new year.

The real estate investment trust “continues to evaluate strategic options for the remainder of its ski and mountain properties as it seeks to provide liquidity to its shareholders,” CNL Financial Group senior managing director Steve Rice said in a statement.

REITs are an investment vehicle for a variety of properties including hotels, office buildings and malls. The trust owns the property and makes money from leases and rent.

CNL Lifestyle Properties is trying to sell ski resorts including Sunday River and Sugarloaf in Maine, Loon Mountain and Mount Sunapee in New Hampshire, Okemo Mountain in Vermont, Crested Butte in Colorado, and Brighton in Utah.

Skiers won't see a big impact from the sale. Long-term leases will remain in place, so mountain operators will remain

unchanged once the property changes owners.

“CNL has had the profile for sale for a while, Booth Creek Report Properties owns the management contract with them. I work for Booth Creek and nothing will change for Sierra when and if the REIT sells. Northstar is owned by CNL as well, and Vail holds the management contract,” John Rice, general manager of Sierra, told *Lake Tahoe News*. “Each ski property in their profile has continued to operate under their management contracts as they did prior to CNL purchasing the ownership. It is correct nothing will change with resorts like Sierra who are under long-term management contracts.”

CNL Lifestyle Properties was valued at as much as \$3 billion in 2012 with ownership of more than 100 water parks, ski resorts, marinas and senior housing developments. But the value has dropped in the aftermath of a real estate downturn.

The drought in the West hasn't helped. CNL told shareholders that its ski holdings last season were “negatively impacted by adverse conditions,” particularly in California, which saw its third straight season of record-breaking drought.

The improving weather out west – which has seen snow this month – may set investors and potential buyers at ease, said Michael Krongel from Mirus Resort Capital in Burlington, Mass., who's been involved in buying, selling and developing ski resorts for 45 years.

But investors don't tend to get overly worried about a short-term trend, said Michael Berry of the National Ski Areas Association. “The industry has a pretty strong financial performance history when looked at over a 10-year period,” he said.

If CNL sells the remaining ski resorts as a package, then it would be the largest single ski resort transaction in the history of the sport. But it appears that CNL is willing to entertain breaking them apart, since Bretton Woods was sold

separately.

Lake Tahoe News contributed to this report.