

TELLURIDE DAILY PLANET

NEWS

Texas developers purchase Cortina

Eastern Partners to jump-start stalled MV project along Sundance ski run

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In the past three years, it's become one of Mountain Village's iconic developments, though not for its amenities or luxurious finishing. Rather, it's the white shrink-wrap that has ensconced The Villas at Cortina project that has been so notable.

The Villas at Cortina, which sits off of San Joaquin Road and the Sundance ski run, was stopped mid-construction three years ago, when the recession hit the region hardest, and has stood about 65 percent complete ever since.

Last week, Eastern Partners, a real estate investment and development company based out of Dallas, acquired the project for roughly \$3.75 million, according to county records. The new owners plan to restart construction on the project when weather permits and hope to have a certificate of occupancy on its first round of units by the 2012-2013 ski season.

"We are eager to rip the wrapping off and get started, but we don't want to be too hasty to ensure that we have all of our ducks in a row," said Eastern Partner's head of investment, Roger Johnson, in a press release.

The project's original developers were foreclosed upon last December and in April of this year, Eastern went under contract to purchase the property and began negotiations with the Town of Mountain Village to reinstate the project.

Chris Hawkins, Mountain Village's director of community development, said the town and Eastern Partners reached a development agreement earlier this month, and the sale was recorded with San Miguel County last week.

"We're really excited that they want to move forward and finish the project," Hawkins said. "There are a lot of improvements to be done up there. It will help the overall feel of having a blighted building on the hillside."

Reiner Brasch, a partner with Eastern, said that this is the company's first project in Colorado.

"Despite how bad the economy has been, there still have been a lot of sales in Mountain Village the last year," he said. "The best stuff is what's going to sell first. Of all the new developments, ours will be the only one that is really ski-in and ski-out."

In the press release announcing the acquisition, Brasch said the development company "acquired property, improvements, building materials and two deed-restricted condos, where nearly \$30 million was invested before the downturn, buying it for a fraction of that amount."

According to the San Miguel County Clerk's Office, on Dec. 20, Eastern Cortina Partners, LLC purchased four units of the Cortina Land Condominiums from Special Services Asset Management, a company that helps banks sell foreclosed assets, for \$3 million. On the same day Eastern also purchased another Cortina Land Condominiums unit for \$737,500 from Stonegate San Joaquin Partners LLC.



The shrink-wrapped Villas at Cortina project is seen on San Joaquin Road in Mountain Village on Tuesday. Eastern Partners, a Dallas development company, acquired the project last week and plans to jump-start construction, which has been stalled for the past three years, when weather permits. [Photo by Kevin Ludwig]

Brasch estimates that the project is about 65 percent complete. He said much of the exterior and structure work was complete, and they'll work mostly on finish work when they begin to tackle the project.

In 2004, Mountain Village developer Randy Edwards bought a parcel of land off of San Joaquin Road with the vision of building the ultimate ski-in and ski-out development.

The parcel offered sweeping views of the San Sophia Ridge, Gold Hill, Palmyra, the Wilsons and out to Utah's La Sal Mountains.

"Mountain Village brokers were shocked when we purchased it, they thought it was a piece of open space," Edwards said.

He envisioned The Villas at Cortina project with almost two-dozen condominiums, a pool and spa and other amenities and sold the project to developers. After the Bank of America foreclosed on the development, Edwards reached out to Eastern Partners to take it over.

Hawkins said the Town of Mountain Village allowed it to be wrapped with weather resistant material in the meantime to preserve the value of the asset.

Edward helped Eastern Partners work with the town to hammer out a developer's agreement because he is well versed in working with Mountain Village officials and the town's design review board.

"We're just trying to see how much we can actually get started on in the near term," he said. "If things had gone as we had hoped they would, we would have started working on it prior to the snow flying."

Once construction begins, the estimated time frame from the project's builder, Finbro Construction, is 12-18 months, Edwards said.

"As a testament to its quality, location and amenities, Ritz Carlton previously planned to use Cortina for its entry into the Telluride market and had contracted to purchase six condos prior to the foreclosure," Brasch said in a release. "To us, that said a lot about the vision, the location, the views and the amenities that are the Villas at Cortina. We are very excited to kick off the New Year by jump-starting Mountain Village's most visible stalled project."

Michael Ward, a broker with Peaks Real Estate Sotheby's International Realty, was the listing agent for the Bank of America and will most likely be the project's listing broker when Cortina hits the market.

He said the developers will first focus on 12 condominiums and two deed-restricted units that were close to completion before the project was halted. Then builders will focus on the remaining condominiums and owners' clubhouse and the rest of Cortina's amenities.

"This winter we'll be working from the inside out," Ward said.

When all is said and done, it'll be well worth the wait.

"It'll have more amenities than anything else has in town," he said. "It's true ski-in and ski-out."

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