



East West's Lake Tahoe Ritz sold in foreclosure

Luxury hotel opened in 2009, the depths of the recession

AUGUST, 10 2011

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AVON – A local development company's Lake Tahoe hotel project fell into foreclosure and put another \$900 million of Tahoe-area real estate into bankruptcy.

East West Partners developed Ritz-Carlton, built at the base of Northstar-at-Tahoe, became the latest victim of northern California's tanking tourist industry. The luxury hotel opened in 2009 amid great fanfare, but at the depths of the recession.

On March 31, 2010, Bank of America filed a notice of default in Placer County, California, involving two loans totaling \$157 million against East West Partners, which owned The Ritz-Carlton, Lake Tahoe at the time, according to the North Lake Tahoe Bonanza.

In May 2010, the lending group led by Bank of America took over ownership of the property to allow East West time to recover and reorganize.

That time period expired June 3, 2011. Bank of America auctioned the property on June 27.

“When the economy turned ... the business wasn't there to support the level of debt that was there on the hotel,” East West's Jim Telling told the Sacramento Bee.

The Ritz-Carlton was developed by a partnership of Crescent Real Estate Equities Co. and East West Partners.

The hotel will remain a Ritz, under a 25-year management contract. It employs about 300 people.

East West also put more than \$900 million worth of Northstar-at-Tahoe area real estate into bankruptcy.

Locally, East West has developed projects such as Eagle Ranch, Avon's Westin Riverfront Resort, the Manor Vail penthouses, the Park Hyatt Beaver Creek, and Market Square in Beaver Creek.

East West Partners is developing resort properties in Vail, Beaver Creek, Summit County and Denver, as well as in Lake Tahoe, Calif., and Deer Valley, Utah. Managing partner Harry Frampton remains a principal of Vail-based Slifer Smith & Frampton Real Estate.

East West isn't the only local developer distancing itself from Lake Tahoe area projects. The Chateau at Heavenly Village has been stalled for nearly four years. It was supposed to be a convention center and hotel near the base of the Heavenly ski gondola.

In 2008, Vail Resorts terminated its marketing and service agreements associated with the Chateau project.

The Chateau developer filed for Chapter 11 bankruptcy protection in 2009.

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