

California investors buy a stake in Telluride Ski Resort

A six month search for an investment partner for the Telluride Ski & Golf Company and its related properties has ended with the announcement of a new financial partnership between current owner Joe Morita and the Horning Family of Newport Beach, Calif.

Morita has chosen Chuck and

Chad Horning, a father-son team, as joint venture partners believing they will be an appropriate partner who will respect Telluride's unique character and nature.

According to the *Denver Post*, the father-son team owns Newport Federal Financial, an Anaheim based investment firm, and has

recently purchased \$90 million in office buildings in Southern California. According to Telksi the duo is actively involved in conservation and land restoration, as well as various real estate investments primarily located in California and Hawaii. This is their first financial interest in a ski resort.

According to Telksi, the joint venture will have no noticeable impacts on the resort this season, and they are negotiating with Telksi's current management group, Booth Creek Holdings, for continued involvement.

Complete financial details of the transaction have not been released.

September sales record largest volume since June 2000

September was the busiest month, in terms of total dollar volume of real estate sold, since June of 2000 with 103 closings totaling \$64,107,783. The next highest month this year was October with 82 closings totaling \$46,496,723. While July and August were about average, with 55 closings totaling \$23,132,266 and 52 closings totaling \$19,354,250 respectively, September and October showed what a busy summer real estate season the Telluride region experienced. In addition, year to date total dollar volume numbers show the market is ahead of 2002 by 17% and 2001 by 9%.

Jan.-Oct. 2003	\$303,934,641
Jan.-Oct. 2002	\$250,921,446
Jan.-Oct. 2001	\$274,998,357

September details

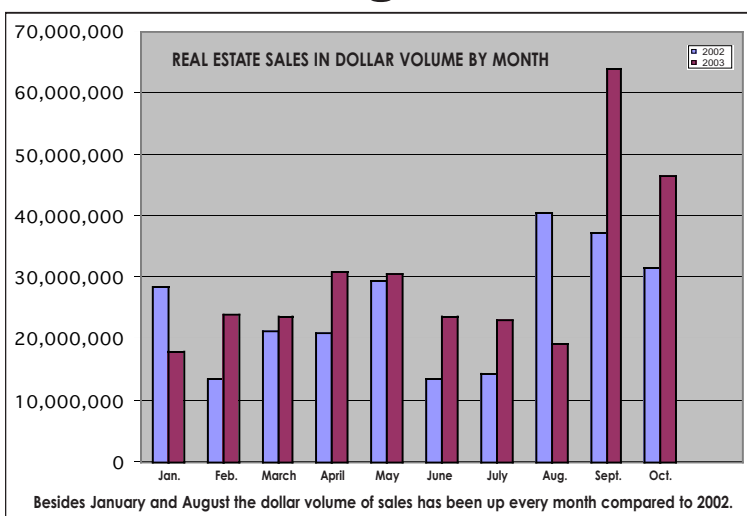
Residential single family homes showed the largest total dollar volume in a single month this year with \$29,751,000 accounting for 46% of the total dollar volume in September. Five homes in Mountain Village priced from \$2.3 to \$5.5 million, and totaling \$17,795,000, account for 61% of those single family home sales. Homes in the town of Telluride and the Ski Ranches ranging from \$699,000 to \$1.5 million account for another 30% of single family home sales while homes in Lawson Hill, Ridgway, Ouray, Hastings

Mesa and the West End ranging in price from \$65,000 to \$415,000 make up the remaining 9%.

Condominium sales also showed the largest dollar volume so far this year with \$18,252,742. In addition, they were 44% higher than the highest month of 2002 which was May with \$10,104,000. Accounting for 43% of these sales was Bear Creek Lodge in Mountain Village with 13 sales averaging \$594,784 and totaling \$7,732,200. The Lodge was converted from fractional ownership to whole ownership condos this summer and since then 34 of the 38 units have either sold or been placed under contract.

In the Town of Telluride, 14 condos totaling \$6,383,542 for an average price of \$455,967 were sold accounting for 31% of condo

sales. The Plaza in Mountain Village also had 2 sales in September, at \$1,350,000 and \$2,150,000. The average price of a condo rose to \$570,398 from



September of 2002 when the average price was \$440,259.

Land also showed the largest total dollar volume so far this year with \$13,273,541 from 38 sales. The largest sale was \$3,510,500 for a 70+ acre subdividable parcel in Ridgway. In the \$325,000 to \$900,000 range there were 8 parcels sold on the mesas surrounding the Telluride region, 5 sales in Mountain Village and 1 in the Town of Telluride for a total of \$7,554,225. The remaining \$2,208,817 came from 23 lot sales, located mostly in the Ridgway area, ranging in price from \$31,000 to \$185,000.

October details

October was the second strongest month to date this year, with residential sales totaling \$46,496,723. *See SALES page 2*

Asking Price vs. Actual Selling Price

It is important to note there were several price reductions in sales that occurred during this time period. In July, land sold for 13.6% less than the actual asking prices. The sale of a Mountain Village lot for 43% less than the asking price of \$530,000 accounted for most of this loss. In August, land sales showed an 11.6% price reduction. The largest price reduction was a 70+ acre parcel in Norwood which sold for 39% less than the asking price of \$2.5 million. In September, land sales were reduced 15% and home sales 8%. The two largest sales of the month were greatly reduced; a large vacant parcel in Ridgway sold for 31% less than the asking price of \$5.1 million, and a Mountain Village home sold for 21% less than the asking price of \$6.95 million. In October, homes were sold for 12% less than the asking prices and the 5 largest home sales of the month were reduced between 12% and 16%.

Town of Telluride set to file Valley Floor condemnation in district court

The Town of Telluride's offer of \$19.5 million for 570 abutting acres of the Valley Floor was rejected by the owner, San Miguel Valley Corp., on November 17. The offer matched what the Town of Telluride's appraiser recently assessed the property at, but fell short by nearly \$30 million of the landowner's own approximate value. This summer SMVC appraised the land south of the highway spur at \$48.2 million, and SMVC officials said they intend to put up a fight to honor that value.

The offer to purchase the land and the rejection that followed clear the way legally for the town to file a condemnation suit in district court for eminent domain in hopes of preserving the Valley Floor as open space.

Town officials say there is still room for future negotiations with SMVC and filing the suit in court doesn't preclude the town from continuing those negotiations. When the condemnation suit is filed by the town, it is expected that SMVC's initial

move will likely be to challenge the legitimacy of the town's claim of eminent domain over the Valley Floor and therefore it's right to condemn it.

Last year voters went to the polls twice on the Valley Floor issue. The first, in June 2002, gave the OK for acquisition of the land through condemnation if needed. The second vote that year gave the Town of Telluride the OK to borrow finances for the purchase of the land, strictly for preservation of open space.

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tial single family homes remaining on top at \$24,615,680 and accounting for 53% of October's \$46,496,723 in total dollar volume. The largest sales this month were a Mountain Village

home for \$5,700,000, followed by a Preserve home for \$3,500,000, a Town of Telluride home for \$2,750,000 and a second Mountain Village home for \$2,100,000. There were 3 homes sales in Ski Ranches totaling \$4,450,000. Four homes ranging from \$755,000 to \$945,000 were sold in

the Town of Telluride.

Condominiums also remained strong with 27 units totaling \$13,77,543 in sales. Bear Creek Lodge units continued to close with 13 units totaling \$6,897,460. The remainder of condos sold include 3 Eider Creek units totaling \$657,500; 10 units in the Town of Telluride totaling \$4,935,583 and 2 units in Mountain Village totaling \$1,280,000.

The number of land sales increased to 34 from 21 while the dollar volume dropped 26% from October of 2002. Sales totaled \$7,701,500 and averaged \$226,514. Of the 34 sales, 29 occurred in Ridgway, Ouray and the surrounding mesas as well as Norwood and the West End and ranged in price from \$40,000 to \$295,000. Rounding out the category were three Mountain Village lots priced at \$265,000, \$980,000 and \$1,875,000, a Ski Ranches lot at \$450,000 and a multi-family Log Hill Mesa lot at \$532,500.

Regional Airport Update

TELLURIDE REGIONAL AIRPORT IMPROVEMENT PLANS

In an effort to attract more small regional jets, as well as improve safety, the Telluride Regional Airport Authority has embarked on a multi-year improvements project. The project's 600-foot runway expansion is currently under review by the Board of County Commissioners with the next meeting set for March 2004. In addition, TRAA has completed a \$4.6 million deal that increases the airport's land by nearly 250 acres allowing for future growth including a new terminal building, additional hangars, fuel storage space and parking. Of the 250 acres, 200 acres will be designated as open space to provide the airport with a buffer zone from surrounding development. The FAA will pay for 90% of the cost of the land with TRAA paying for the remainder privately.

VOTERS APPROVE AIR ORGANIZATION SUBSIDY TAX

On the November ballot voters agreed create a permanent fund for the airline guarantee program through taxation. The program keeps flights coming into regional airports on schedule regardless of how many seats are sold. The measure asked for a 2% lodging tax and 2% restaurant tax increase to be earmarked for the program. The first day of 2004 is the tentative starting date for the collection of the two taxes. The total tax will now be 12.4% for lodging and 10.4% for restaurants.

REALTORS COMMIT TO AIRLINE GUARANTEE PROGRAM

A majority of realtors in the region, including the largest real estate companies, have committed to funding the Airline Guarantee Program through real estate closings. One half of one percent of commission on real estate sales will now go directly to the Airline Guarantee Program.

Carrier	From	To	Size	Frequency
Amer. Airlines	Dallas/Ft. Worth	Montrose	129 seats	Daily
Amer. Airlines	Chicago O'Hare	Montrose	129 seats	Saturday
Amer. West Express	Phoenix	Telluride	37 seats	Daily
Cont. Airlines	Houston	Montrose	124 seats	Daily
Cont. Airlines	Newark	Montrose	155 seats	Saturday
Great Lakes Airlines	Denver	Telluride	120 seats	5 Flights Daily
United	Denver	Montrose	120 seats	Saturday/Sunday
United	Denver	Montrose	32 seats	5 Flight Daily

www.tellurideairport.com (Telluride) • www.airport.co.montrose.co.us (Montrose)

Ritz Carlton given sketch approval

Developers sat down before the Mountain Village Design and Review Board for a fourth time requesting sketch approval for a 350,000 square foot hotel project to be built in the Village Core. DRB gave the nod with 70-plus conditions to be met before final plans go before the board. After taking in the conditions set by the board, developers will return with a final plan. DRB gave the OK basing their approval on the economic boost the hotel would bring to the Village Core as an intended Ritz Carlton hotel.

Town of Telluride Election Results

Mayor: John Pryor; Telluride Town Council: Mark Buchsieb, Andrea Benda, Roberta Peterson; Moderator: Yogi Kirst; Question A: Yes (see story at left); Question B: No.