

MORE BALSAMS FROM LES OTTEN

With checkmarks on most of the boxes, will Les Otten finally realize his ambitious plans to revive a historic New Hampshire resort? **BY BOB CURLEY**

Skepticism about the prospects of Les Otten's \$310 million plan to transform the historic Balsams resort in New Hampshire's Dixville Notch into a sprawling destination—featuring, among many other things, the largest ski area in New England—is not unfounded. The project was announced in 2015 but has yet to break ground. Still, most agree the potential is there.

Needless to say, it's an open question whether the Balsams reaches its enormous potential, or if the whole thing just fizzles down the home stretch. It could become the former Red Sox minority owner's greatest achievement since playing a role in Beantown's first World Series win since 1918 in 2004, or devolve into just another "has been" in an industry already too full of shuttered and forgotten ski hills, their former glories all but lost to changing times and leisure habits.

To be fair, even Otten himself isn't ready to say which way it will go. Although, at age 74, he retains much of the audacity it took to grab the reins as general manager of Sunday River, Maine, when he was just 24—"taking a never-was ski area in the wilderness and creating the model of what's there today," recalls his long-time friend and business partner Mike Krongel.

"I wouldn't be doing this if I didn't think it would come to pass," says Otten of the Balsams plans. "I'm guardedly optimistic that we'll have everything in place in the near future to start. A lot of the financing is in place. There are check marks on most of the boxes."

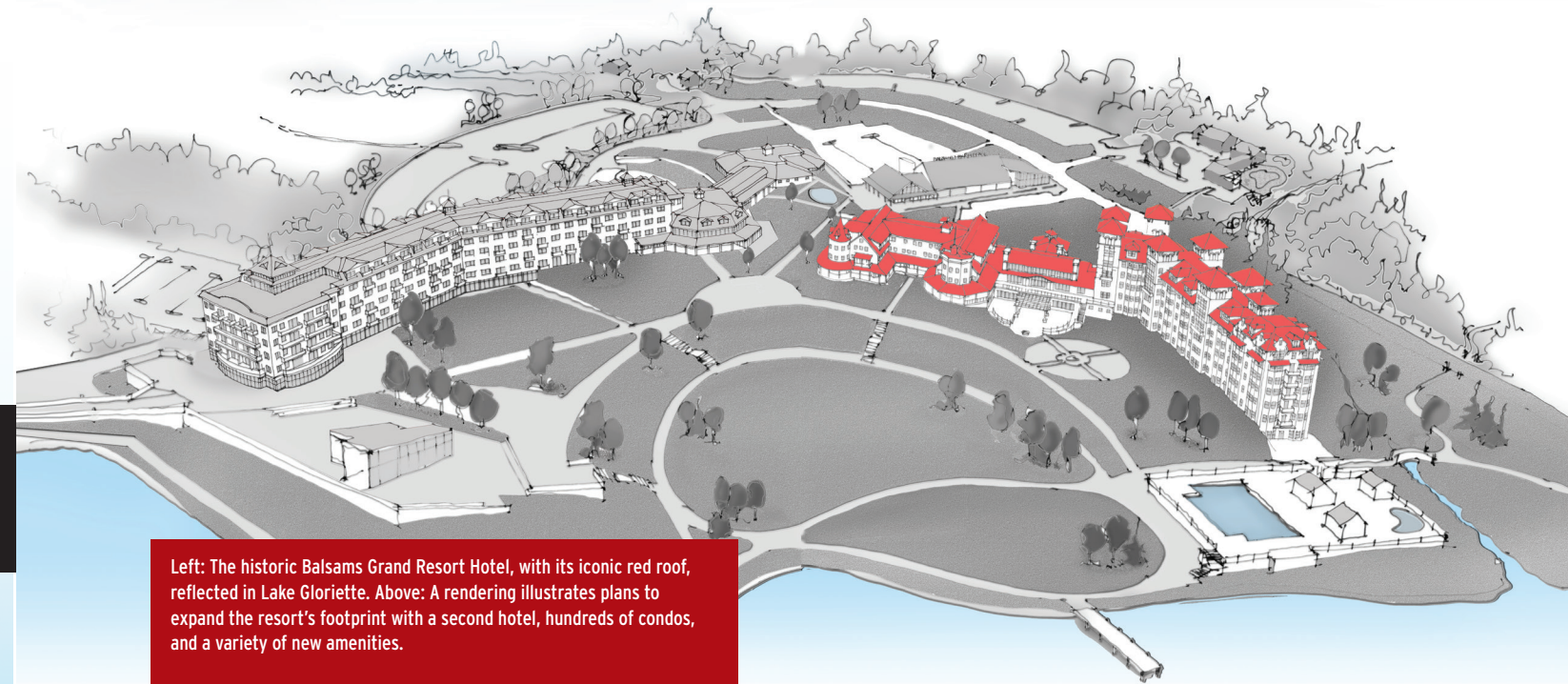
THE OPPORTUNITY

Nobody would make the mistake of calling The Balsams Grand Resort Hotel a "never-was." It's been around, in one form or another, since 1895, and its fame was

sealed when the hotel became known as the polling station where the first votes were cast in each U.S. presidential primary and general election. For half a century, late resort owner Neil Tillotson had the honor of casting the very first ballot in every election.

The resort developed a reputation for fine dining and attentive service, growing into a year-round destination with the famous Panorama golf course, designed by Donald Ross in 1912, and the addition of alpine skiing as an amenity for the exclusive use of hotel guests in the 1960s. The glamor faded, however, and the Balsams was losing millions of dollars annually by the time the resort shut its doors in 2011.

Otten got involved in the project in 2014, eventually unveiling a plan to quadruple the size of the resort's ski area, open two hotels, and add hundreds of condominium units and a dizzying array



Left: The historic Balsams Grand Resort Hotel, with its iconic red roof, reflected in Lake Gloriette. Above: A rendering illustrates plans to expand the resort's footprint with a second hotel, hundreds of condos, and a variety of new amenities.

of amenities, including zip lines and an aerial adventure park, snowmobile and off-road vehicle trails, and a spa to complement a refurbished golf course and the resort's existing network of hiking trails.

"It will be larger than the original Balsams resort, but everything is relative," says Krongel, who has consulted with Otten on the real-estate side of the Balsams project and others. "What the Balsams was in its heyday, this is the 2020s version of that vacation experience."

"The Balsams is truly a year-round opportunity," says Otten. "In the past, you got up at 6 a.m. and skied 'til 4, and that was all that mattered. Families are a lot more democratic now. All the components need to be good enough to keep the whole family entertained. That's why I'm excited about the Balsams."

Seven years later, however, construction on the new resort has yet to begin. Pressed to name a potential groundbreaking date or resort opening date, Otten demurs. "A lot of the pieces are in place, but until the last pieces are there, I'm going to be a little evasive," he says.

THE HURDLES

If Otten seems a little gun shy, it's perhaps understandable from a guy who critics once accused of being too Pollyanna about the prospects for success of past projects, notably American Skiing Co. Otten grew ASC into the largest chain of ski resorts in the U.S., only to depart the company in 2001 as it struggled under a mountain of debt and

watch the new owners slowly sell off its assets, resort by resort.

He's forthright, however, about the ongoing struggle to make his Balsams vision a reality.

"The permitting process has been horrendous," he says. "We lost three years to the pandemic, and the financial markets are not kind to new resort development," he adds, admitting, "If I knew I'd spend the last eight years working at this level, I wouldn't have done it."

"WE LOST THREE YEARS TO THE PANDEMIC, AND THE FINANCIAL MARKETS ARE NOT KIND TO NEW RESORT DEVELOPMENT," SAYS OTTEN.

With permitting now largely in place, securing adequate financing to simultaneously build out the resort's hotel rooms, condo units, and expansive amenities is Otten's biggest remaining challenge. Otten and his partners are looking to fund the project via a wide variety of sources, ranging from their own equity contributions to real estate construction loans underwritten by the Service Credit Union of New Hampshire, a tax assessment bond issue being shepherded by Goldman Sachs, and the deposits put down on condo units from prospective owners, who currently

number around 150.

"We have a reasonable expectation that the funding can come together later this summer or early fall," says Otten. "Half of the money is totally locked down, and the rest is in negotiation from a number of different sources."

"We've done everything we can and are optimistic that Les is moving in the right direction," says Coos County Commissioner Raymond Gorman, whose district includes Colebrook, the town where the Balsams is located, and who sits on the county planning board. "He's further along now than he's ever been."

REASONS TO BE OPTIMISTIC

People who know Otten—and after his half century in the business, that includes most people who are involved in the New England ski industry—aren't surprised that he's stuck with the Balsams project rather than transitioning into retirement like most other 70-somethings.

"Les is a bit of a pit bull when he gets an idea," says Krongel, who roomed with Otten at Ithaca College (N.Y.) and joined him at Killington's (Vt.) resort and hospitality management program after graduation.

For his part, Otten is quick to remind you that he remains, at heart, a ski guy. He gets excited talking about some of the unique amenities being planned for the Balsams resort, particularly the snowmobiling trails connected to the state's extensive trail network ("It's a half hour ride to Canada, and you can be in a village across the border for lunch," he



says.). But he gets most stoked when he talks about plans for the resort’s snow-making operation, scrounging around on his desk for a prized possession—a handheld magnifying glass he’s used for decades to assess snow crystals.

The Balsams is comfortably north of the rain/snow line that, thanks to climate change, has increasingly bedeviled other ski areas in recent years. “Because of our location, elevation, and natural snow, we can produce snow equal to Western skiing,” says Otten. “We’re going to invest in a level of tech that we think will give us an advantage.

“It’s like the first time I rode shaped skis and realized that if I ski better, I enjoy it more,” Otten adds. “If the snow quality is better, I’m going to ski better and enjoy it more.”

“My gut feeling when I hear the name Les Otten is experience,” says Tim Smith, general manager at New Hampshire’s Waterville Valley Resort. “He knows boom and bust. It’s great to have a guy like that putting his time and effort into New Hampshire skiing ... I’m excited for him, and hopefully this round goes better.”

THE MARKET

Smith sees the potential positive impact of the Balsams outweighing any concerns about competition with his own hill.

“I’m a ‘rising tide lifts all boats’ guy, and adding a new ski area to the New Hampshire brand is never a bad thing,” he says. “He’s (Otten) going to have to differentiate Balsams from the rest of

the product to get people to drive past all these other ski resorts to go there.” The Balsams is nearly four hours north of Boston, with the most direct route taking travelers past a plethora of New Hampshire resorts, including Sunapee, Loon, Waterville, and Cannon, and roughly two and half hours south of Montreal, with Vermont’s Jay Peak sitting about 45 minutes closer to the Quebec metropolis.

“MY GUT FEELING WHEN I HEAR THE NAME LES OTTEN IS EXPERIENCE,” SAYS TIM SMITH, GM AT NEW HAMPSHIRE’S WATERVILLE VALLEY RESORT. “HE KNOWS BOOM AND BUST.”

“We all have our own target markets to differentiate ourselves,” says Smith. “You really have to be strategic in New England, and Les knows that. He knows what he’s doing. Balsams is not the only destination resort in New England, but the way that he is designing it does lend it to being primarily a destination resort. It would be amazing for New Hampshire to get on the map for that; we don’t have a big destination like Killington or Sunday River.”

Perhaps no other ski resort in New Hampshire reaps the benefit of proximity



Left to right: a rendering of phase one of development highlights plans for new year-round amenities; the ski area will quadruple in size to 2,200 skiable acres; a bathhouse and Nordic spa, rendered here, will be one of the resort’s many new structures.

more than Loon Mountain, which offers big mountain skiing well under three hours’ drive from Boston and sits a handful of minutes off an I-93 exit ramp. Yet Loon GM Brian Norton sees a strong road-map to success at the Balsams, as well.

“It’s more equivalent to Sugarloaf (Maine) in that you’ve got to commit to a day or two,” he says, adding, “Jay Peak (an equally long drive from Boston and other East Coast cities) is number one on Indy Pass, so [Balsams] could be successful. It will be unique when it’s complete—but to be successful, it needs to be complete.”

Otten boasts a list of 83,000 former Balsams guests as part of his target marketing for the new resort, and Norton agrees that history and nostalgia could be draws for the property. “It definitely has that appeal of, ‘I remember skiing up there and would love to go back and check it out,’” he says. “There’s a little connection there from a historical standpoint, but is it enough to become a homeowner or a season pass holder?”

That’s a question Otten, too, would like to have answered. “I need 100,000 summer guests and 100,000 winter guests, with 65,000 buying ski tickets, to ensure the cash flow to pay the bills and expand and grow,” he says.

THE PLAN

One way the Balsams is looking to fill rooms is by utilizing an innovative condominium ownership structure, offering for sale three 100-day deeds and one 65-day deed for each condo unit, along-

side an option for whole-unit ownership.

“We have six major holidays every year, so quarter shares don’t work,” says Otten. “Prices for 100 days start at about \$130,000 and move up from there, depending on unit size,” potentially putting partial ownership in range for mid-market as well as upscale buyers. “If the owner uses their property 20 days or less per year, turning the remaining days back to the company, ownership dues and operating costs including taxes are paid by us,” says Otten. “The owner can of course choose to use all 100 days and pay the costs.”

All owners will be entitled to special perks, like tee times at the golf course and early gondola passes for first tracks.

“People are saying, ‘Give me something I can own and stay in for 20 nights a year and be catered to,’” Otten says. “The owner most likely follows a pattern of wanting luxury with a young family, or has multiple vacation destinations. Three weeks of vacationing fits most households. Most of our buyers are either summer and sun, or winter and snow.”

STAFFING UP

Of course, guests aren’t the only people the Balsams needs to be successful: the resort will also need thousands of seasonal and year-round workers to spin the lifts, clean rooms, serve food, maintain trails, and lead guests on guided experiences.

“New Hampshire is still hugely affected by labor shortages,” points out Norton (the state is tied for the lowest unemployment rate in the U.S., just 1.7 percent in July 2023). “For an operation that large, it’s concerning. There’s only so many ski

area folks around, so it’s going to be a real challenge to fill the ship with employees.”

On the other hand, says Norton, “Les starting from scratch has some opportunities that other places don’t have, because he can build housing for workers.”

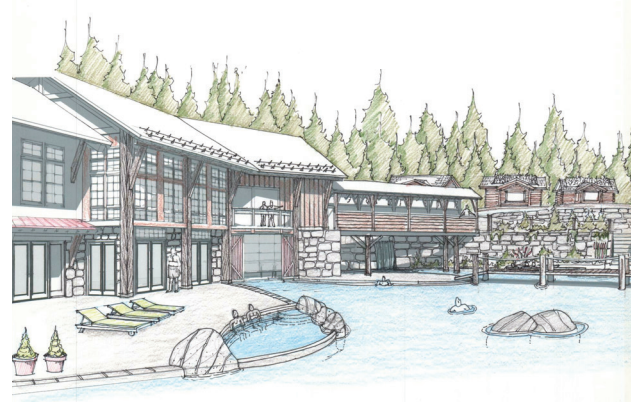
Coos County, with a population of just 35,000 people, has lost thousands of jobs over the past decade with the closure of the Balsams along with the departure of employers like Wausau Paper and Ethan Allen furniture.

“It’s been tough,” says Gorman, who worked for 32 years at the Balsams as head of service and security. “The job opportunities that used to be at the Balsams were very significant to Colebrook and the county and state. A very small percentage of our high-school grads stay. The [new] Balsams would offer the opportunity for some very good jobs.”

Both Gorman and Otten say, bureaucracy aside, the project has generally received support from the community. “My perception is that the vast majority appreciate that we’ve hung in there,” says Otten. The project has also won favor with lawmakers in Concord. In 2019, for example, New Hampshire Governor Chris Sununu signed into law a “Balsams bill” clearing the way for Coos County to create a special tax district around the resort that allows the resort owners to sell up to \$28 million in bonds to help finance the project.

THE VISIONARY

More than two decades after walking away from the company he founded, Otten still has regrets about how things



ended with American Skiing Co. As the first big conglomerate in the ski industry, the company presaged the arrival of Vail Resorts and Alterra Mountain Company, while its “All for One” pass arguably telegraphed Epic and Ikon. Former American Skiing Co. resorts that were sold off at bargain prices as the company declined, like Heavenly, are worth a fortune today.

“It was good I left the industry,” says Otten. “My long-term plan was to get into baseball,” which he did almost immediately after departing American Skiing Co. After leaving the Red Sox ownership group, he would mount an unsuccessful run for governor in Maine and invest in a renewable energy company before a proposal to buy Balsams literally landed on his front porch.

“It sat for two months on my dining room table before I looked at a topographic map of the property and saw the huge potential for expansion of the ski area and said maybe there’s something here,” recalls Otten.

“I thought I’d be done with skiing by 2020,” he says, but the more he looked at the Balsams, the more he saw parallels with Fenway Park, which the previous owners wanted to tear down and replace but Otten saw as team’s most valuable asset. The history, the views of the Notch, the historic golf course and hotel buildings “inherently give Balsams an advantage,” says Otten. “We associate value with things that have history.”

“In a lot of ways, it’s a great time to be rejoining the ski industry,” says Loon’s Norton, but Otten says, “To me, it doesn’t seem like a comeback. It seems like a new adventure in hospitality.”

“What would Bethel, Maine, be without Sunday River?” he asks. “Recreation is a noble profession. This will be the most important thing to happen to the North Country when it happens. The Balsams is an excellent piece of property that just requires patience, and that’s what I have.” ■