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Florida Developers Head West With $1 Billion Ski-Town Project

Four Seasons hotel and condo resort is planned for Telluride, Colo.

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A rendering of the Telluride, Colo., resort planned by Fort Partners and Merrimac Ventures. PHOTO: VERO

Two of Florida's most prominent real-estate developers are escaping the crowded beaches for a corner of the Rocky Mountains, where they are launching a nearly $1 billion hotel and residential project.

Fort Partners, which has opened four Four Seasons hotels in Florida including the Surf Club, and Merrimac Ventures are building a Four Seasons hotel and condo property in Telluride, Colo., by the foot of the mountain where the ski gondolas begin their ascent.

The project will feature 52 guest rooms, where the owners expect to charge an average rate of more than $1,000 a night. Prices are still being worked out for the 68 residences, but Merrimac said the partners plan to list one-bedrooms starting at more than $2 million. They expect to break ground late next year and open the property two to three years after that. The developers have also started financing discussions with a number of lenders.

It will be the first domestic project outside the Sunshine State for either firm. Both say they are far from giving up on South Florida, where they remain active. But the Florida coast has become so overrun with real-estate developers that the partners are traveling thousands of feet above sea level to find a less-congested opportunity, in a niche ski town that hasn't seen a new luxury hotel in more than a decade.

Rendering of the view from the planned luxury property. PHOTO: HAYES DAVIDSON

"The idea is to create a Surf Club style property, only a mountain version," said Dev Motwani, a co-managing partner with his brother Nitin Motwani of Merrimac.

The Fort Lauderdale-based firm is developing the $4 billion Miami Worldcenter, the 27-acre mixed-use development in Downtown Miami near the city's Brightline train station. Merrimac also developed the Four Seasons in Fort Lauderdale with Nadim Ashi, Fort Partners' chief executive officer, at the site where the Motwani family used to run a motel geared toward spring breakers in the 1980s and the 1990s.

Dev Motwani said he has never been much of a skier, but on a trip to New York City he met a businessman from Telluride who convinced the Florida developer that the mountain town was ripe for a new luxury development. After researching the area, he approached Ashi to see if he would be interested in teaming up. Turns out that Ashi, a serious skier, had been spending part of his winters for the past 30 years on the slopes at Telluride.

"I told him I was spending time there and his eyes lit up," Motwani said.

An interior rendering. The developers expect to break ground late next year and open the property two to three years after that. PHOTO: HAYES DAVIDSON

High-end Colorado ski resorts have performed well in recent years. Average daily room rates for Vail and Aspen luxury resorts were about $696 over the first 10 months of this year, compared with about $467 for that period in 2019, according to real-estate data and analytic firm CoStar. Revenue per available room for the first 10 months this year stands at nearly $384—a 44% increase from the period in 2019, CoStar said.

Despite limited competition for the high-end traveler, opening a luxury property in Telluride isn't without challenges. The former mining town, best known for its annual film festival over Labor Day weekend, is more remote and less crowded than Vail or Aspen. Direct flights remain limited.

Mountain resorts are also highly weather-dependent. A lack of snow can squash impromptu trips and even discourage bookings for the next year, said Jan Freitag, CoStar's national director for hospitality analytics.

Snowfall becomes an even bigger issue as these venues might have to contend with more extreme changes in weather conditions due to climate change, he added.

On the other hand, Colorado resorts have actively tried to make their destinations more year-round. Summer activities such as mountain biking and food and wine festivals have expanded the tourism base beyond seasonal ski bums.

Average daily rates for Vail and Aspen in July were about $613, up from about $430 for the month in 2019, a sign that the resorts are now "able to attract the high-end guests in the summer as well," Freitag said, even though those rates are still well below peak ski season levels.

Ashi said that he is in discussions with European spa companies to make Telluride a year-round destination for wellness cleansing. The area is drawing summer guests for musical festivals, mountain biking and hiking trails.

While this is his first ski resort project, Ashi said much of the sales process will be familiar after developing the Surf Club residences in Miami Beach. "It's the same buyers," he said.

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