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Heaton of Heaton Cos. purchases The Eagle Mountain House for \$2.15 million

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The sale of one of the town's landmark resort properties was completed recently. The Eagle Mountain House, parts of which date back to 1879, was sold for \$2.15 million to Florida developer George Heaton of Heaton Companies of Palm Beach, Fl., by Eagle Mountain House Liquidating Trust, which is comprised of the former condominium owners of the expansive wooden hotel.

Heaton Cos. currently owns three hotels in Florida: the Vero Beach Hotel and Spa; the Blue Moon Hotel of South Beach, and the Winterhaven Hotel, also of South Beach. The company also owns restaurants and develops residential and commercial properties.

Heaton said his company plans to invest \$3 million in improvements over the next 36 months, with renovations to the 6,000 s/f first floor which houses the entrance, lobby, bar and dining room.

Eventually, he said, all of the hotel's 96 guest rooms will be upgraded along with the hallways.

"We're very excited. We're buying it because we think it's a great asset in a very good location. We think it is a good value to purchase at this time," said Heaton.

The Carriage House will also be renovated, Heaton said, as hosting wedding functions will be a key part of the resort's business along with corporate meetings and vacationing resort guests.

"What we hope is to focus on weddings," said Heaton, whose company does 75 weddings a year at its Vero Beach Hotel and Spa in Florida. In addition to using the Carriage House for weddings, he said the dining room will also be able to host wedding functions. "We are seeing the wedding business as a good niche for us at the Eagle as well," he said.

The hotel's fitness room and equipment is also to receive a facelift, said Heaton, who added that plans call for new outdoor hot tubs and fire pits to be built.

"They are popular winter and summer. Here at our Vero Beach hotel, people like to gather around the fire pits at night to enjoy refreshments," said Heaton.

He said the hotel's structural report has outlined "half a dozen items" that are in need of correction in the first year.

The hotel is listed on the National Trust for Historic Preservation and is a member of Historic Hotels of America

Heaton said his company has hired Hay Creek Hospitality of Westport, Conn., to manage the resort. Hay Creek, headed by Norman MacLeod, Charles Scott and Dean Andrews, also owns such New Hampshire properties as the Wolfboro Inn, the Exeter Inn and the Centennial Inn of Concord, and also owns others throughout New England and New York.

"We welcome the Eagle Mountain House to our growing collection of upscale independent inns and hotels," said MacLeod, the company's founder and CEO. "It is an ideal destination and has a very special synergy with our other New Hampshire based hotels," he said.

MacLeod said that Hay Creek Hotels is widely recognized for its expertise in the "design, renovation

and repositioning of upscale independent full-service hotels and will provide their guidance and experience" throughout the extensive renovations planned for the Eagle Mountain House.

The Eagle features Highfields Restaurant, the Eagle Landing Tavern and a 280-foot wrap-around veranda that overlooks the Wildcat River.

Employees on 90-day probation

Heaton said the resort's employees will be retained on a 90-day probation basis.

"What happens is the old company terminates all employees and settles any outstanding obligations. Then the new company rehires them on a 90-day basis during which they do an evaluation. In most cases," said Heaton, "they would be hired."

Earle Wason of Wason Associates Hospitality Real Estate Brokerage Group, Portsmouth, NH negotiated the sale, he said due to the economy and tighter restrictions placed by banks on financing, the deal has been complicated to bring to fruition, but that it would be good for Jackson in the end.

"It has been a very protracted transaction, and we probably had maybe six people with serious interest look into the property and many more who looked at it or discussed a possible purchase," said Wason.

Wason said one potential deal ended when the bank that was to finance the sale was itself purchased by another bank which opted out of hospitality sales.

Wason agreed that the property's appeal is its history and location overlooking the mountains, as well as its proximity to such nearby attractions as Story Land, seven local ski areas and ski touring, including the trails of the Jackson Ski Touring Foundation, several of which pass the Eagle.

North Conway's array of restaurants and shopping and the Mount Washington Valley's other attractions were cited by both Wason and Heaton as other factors for the resort's appeal.

"The prime appeal for someone in the hotel business is they could clearly see how this property can be better positioned and perform better. It has tremendous historic value, and it has tremendous views of the mountains," said Wason, whose firm specializes in hospitality sales. "I think that compared to such historic properties as the Balsams, or the [Omni] Mount Washington Hotel, is that the Eagle is within 15 minutes to everything, whereas the other properties I mentioned have to be destination resorts unto themselves."

The Eagle Mountain House's nine-hole, USGA-rated golf course is not included in the sale, but the lease will be transferred over to the new owners. The golf course is owned by Jim Porath and Chuck Hoyt of Jackson.