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The Yellowstone Club

Big Sky, MONTANA

BIG SKY 3.0

By Lee Roberts



The community of Big Sky, Montana, once the ski-centric dream of iconic newsman and Montana native Chet Huntley has a new interpretation. Huntley's plan to draw those seeking the respite of a mountain adventure has been quietly realized for decades. The new architect of Huntley's plan, CrossHarbor Capital's Sam Byrne, wants to raise the volume and increase the audience for this Montana story.

An ad from the early 1970s advises:

You're too busy running to catch planes, running to catch cabs and trying to stop running long enough to catch lunch. Well, it's time you realized this isn't a dress rehearsal. This is your life. It's time you were introduced to Chet Huntley's Big Sky: Over 10,000 acres of the most beautiful country in this world.

While Huntley set out to evangelize for Montana and Big Sky, Byrne offers a modern, global version of that passion when he discusses the Big Sky area and his nearby Yellowstone Club. Spread over the dramatic Gallatin Range of Southeastern Montana, the Yellowstone Club, one of the world's most exclusive winter sport-real estate ventures, will tally nearly half a billion dollars in real estate sales in 2013, its biggest year yet. With half its 864 membership openings left, scarcity seems bound to add to the club's appeal. Once all 864 properties sell and memberships are pledged, the club will belong to its owners. Byrne says the limited membership at the Yellowstone Club means lots of available powder and corduroy for a small number of skiers. "Our annual [numbers] are the same as one Saturday" at big Colorado resorts, he adds.

Fortunately, Byrne, the Yellowstone Club's impresario, besides being a member, also has other ventures in the Gallatins sure to keep him near these places where he engages in perhaps his favorite pastime, skiing. Though details remain private, a merger designed in part to relieve Lehman Brothers Holdings, Inc. of its distressed assets, Byrne's CrossHarbor and ski magnate Boyne Resorts have purchased two additional ski areas, Big Sky Resort and the adjacent Moonlight Basin, as well as a real estate development known as Spanish Peaks. Made public in late August when participants filed court papers, according to Byrne, details will emerge in the next several weeks.

When Byrne purchased the Yellowstone Club four years ago, the club required financial support and a unique sort of re-branding. Though Bloomberg.com dubbed him the Buyout Baron, Byrne and his team seem to have taken a simpler, less baron-esque approach. Though, as the nickname implies, Byrne appears to surmount all obstacles, from the fiscal to the logistical. Problem: newly purchased elegant, exclusive ski club suffers a dinged reputation around town due to a couple years of restructuring and drama. Solution: hand deliver checks to local unsecured creditors who might otherwise have been stung by the bankruptcy. Problem: big city customs complicate international visitors' holidays. Solution: fund a local customs office at Gallatin Airport in Bozeman, about an hour away. Problem: local schools in trouble. Solution: make them bigger, better, fund scholarships and professional development. With the help of three community foundations, Yellowstone Club Community Foundation, Spanish Peaks Community Foundation and Moonlight Community Foundation, residents can see and feel the upsides of living in such a singular place.

From scholarships to improvements in the school lunch program, Byrne describes the Yellowstone Club Community Foundation as integral to the community's growth and success. "[Big Sky is] the fastest growing school district in the state," says Byrne. State of Montana numbers confirm that Gallatin County has beaten the other 55 counties in growth for several years. Big Sky School District Superintendent Jerry House says his district has grown 27 percent in the last two years and waxes enthusiastic about recent foundation contributions. "[Yellowstone Club] members have a consistent record of direct funding such projects as our football/track complex, new gym, Warren Miller Performing Arts Center, and supporting the remodeling of the K-8 building into a K-12 structure. Indirectly, several donations have allowed the district to add curriculum and books, supplies, tools, and allowing us to integrate technology throughout all curricular subjects."

Though Big Sky's population runs around 2,300 according to the 2010 US Census, housing numbers tell the story of a seasonal community of more than twice that. Of Big Sky's more than 3,000 units, the Census Bureau calls two-thirds of those homes "seasonal housing." Making it easier for people to get to these communities and stay remains one of Byrne's goals.

Local real estate agents sound optimistic about both the continued addition of solid investors like Byrne's CrossHarbor Capital and Boyne to the regional mix. This merger will more formally unite Moonlight Basin and Big Sky under one corporate umbrella, potentially creating the most skiable territory available with a single pass in the country. Contractors and sales agents point to CrossHarbor's sharp eye for distressed property

and its ability to stabilize the local economy. Specialty contracting company Stoa Management's Austin Rector says, "The kinetic energy of Sam Byrne and his team is exactly what Southwest Montana's economy needs. Big Sky is attracting international interest and our firm is feeling the positive effects of this activity."

A combination of supportive investors, their long term commitment, and good ideas bode well for the whole area. With 2013's half-billion dollar year for the Yellowstone Club and Byrne's economist-trained vision for all of the affected communities, business owners plan for continued good news.

For those not in the market for the most exclusive club in the world, skiing at Big Sky and Moonlight Basin means access to some 23 chairlifts and 4,350 vertical feet of trails. Skiers already can buy combination ski passes allowing them to ski both sides of Lone Mountain and Byrne assures locals and seasonal visitors that the current ski pass structure will continue for at least this year. "the experience is not going to change," he says, reassuring those who might worry about the loss of Moonlight Basin's famously relaxed culture.

Listening to Byrne describe the area's current offerings and untapped potential, the future for Big Sky 3.0 simply means improved access to the best skiing in the country. In Byrne's 21st century version of Huntley's vision, everything else will follow. ★

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