



Balsam House Resort Redevelopment Package
477 Atateka Drive , Chestertown ,New York 12817

Introduction

This investment package has been prepared by DiGuiseppe LLC and is authorized by the owner, Frank P. Ellis, to offer the property as is for sale for \$7,000,000.00 /or to identify a financially qualified equity development partner for the redevelopment of The Balsam House into a full-service resort centered on Wellness. The Ownership commissioned Anthony J DiGuiseppe AIA RIBA, to develop a master plan for the resort . HVS International to conduct a feasibility study based on this master plan , along with an appraisal of the existing property and buildings, both of which are contained in this development package with links to a ShareFile. HVS Study :

<https://diguiseppephotos.sharefile.com/public/share/web-s4e26fad6600d4be1981eb640e9d9dfee> and the Appraisal:
<https://diguiseppephotos.sharefile.com/public/share/web-s9571df5b972d491aac3d052bc907063d>

The property is fully entitled as a commercial zone by right and has permits to build the mirrored addition on the left side, which were issued by the Town of Chestertown, New York.

The Existing Hotel

Located in the Adirondack Mountains on the south end of Friends Lake, a private pristine lake, 15 miles from the New York Thruway exit 25 and 4 hours from New York City and Boston, 140 miles from Montreal, just north west of lake George and The Sagamore Hotel. this hotel is the last remaining “Grand Dame” hotels on the Lake. The structure was originally built in 1851 by the Valentine family and converted to a 28-room hotel in 1891. The structure is being looked at by the New York State Historic Preservation Office to be designated as an historical landmark being one of the last “Grand Dame” resorts in the Adirondack region. In the 1980’s, after being purchased by the present owner, which the Owner named The Balsam House was nicknamed the “Lady on the Hill” and the “Little Sagamore”. The Balsam House was listed in the travel book Recommended Country Inns Mid-Atlantic and Chesapeake Region fifth edition, by Brenda Boelts Chapin. Ms. Chapin stated “The Owner has put heart and beauty back into a nineteenth century Inn.” The hotel has provided attractive amenities as well as all season activities for guests on this 19.7-acre site. The property has been owned and operated by the present Ownership since the early 80’s and has always provided exclusive private indoor and outdoor activities that created memorable experiences for its guests. Under the Ownerships’ proprietorship had garnered five Wine Spectator Awards of Excellence for its extensive wine cellar and culinary accolades utilizing European chefs.

The existing hotel is shaped like a “T”, in the 1990’s additions that were done to add a one-story structure to house the existing main dining room, as well as two façade additions on either side of the original Valentine House. One of the façade additions was completed on the right side

and the foundation completed on the left side. The old porch areas on the front façade were “closed in” and a basement space was added for a future spa/ salon and other amenities.

The Hotel closed in 1994 due to a gas explosion, since that time there have been a few attempts to rebuild utilizing radiant floors. Recently in 2024 a comprehensive plan has been developed utilizing geothermal energy and sustainable building techniques to rebuild and expand the footprint, adding rooms and amenities to bring the property to a full-service resort that has wellness at its core. The Ownership has also acquired a contiguous 53.6 acres, which has a renovated stone house, garage and boathouse which could be added to the resort parcel for glamping as an offering for an outdoor experience, but that larger parcel is not part of this development package for the time being.

The interior of the hotel needs to be built out, which were removed and the windows and patio doors are over 20 years old and would be replaced. There are drilled wells on both sides of Atateka Drive which would have to be increased, and the septic fields increased due to the increased room count. The tubing for the radiant floors is about 1/3 completed. A new sprinkler system is about 50% complete and the reserve water was to be provided by the water in the new pool. When the construction stopped in 1998, there was a significant amount of building materials left on site which includes, sprinkler components, radiant floor tubing, electrical equipment, wiring, lighting, fire alarm panels, and siding. We estimate that there is about \$250,000 worth of construction materials plus furniture on site.

The Hotel property, in 2023, completed a \$275,000 exterior renovation of siding, painting, trim and water tightness. The main hotel building has a permit in place to build one 5000 sf addition, the spa/ salon/ fitness, the dining venues and kitchen and three floors of guestrooms. See the photos after the 2023 exterior renovation,

<https://diguiseppphotos.sharefile.com/public/share/web-s174c94c3ac0d44e383e84b7eda923813>





Balsam House circa 1992, prior to additions to the front building
Aerial view of the Balsam House property, circa 1992

Concept

The concept of the redevelopment of the Balsam House is based on the property being a Wellness resort, “a Luxury Sanctuary in the Wilderness”, a four-star experience in the Adirondack Mountains of New York State.

The Balsam House Resort : A Luxury Sanctuary in the Adirondacks

Nestled deep within the emerald embrace of the Adirondack Mountains, The Balsam House Resort is more than a wellness resort—it's a return to self.

Here, beneath towering evergreens and beside mirror-like lakes, the pace of life slows. Guests arrive not to escape the world, but to rediscover their place in it.

From sunrise yoga on dew-kissed meadows to guided forest bathing through ancient pines, every experience is designed to reconnect body, mind, and spirit. Our wellness philosophy is rooted in nature's rhythm—seasonal therapies, locally-sourced botanical cuisine, and elemental spa treatments inspired by earth, air, fire, and water.

The retreat's architecture, crafted from reclaimed timber and natural stone, blends seamlessly with its surroundings. Accommodations offer mountain views, wood-burning fireplaces, and silence so profound it becomes its own kind of music.

Whether you seek solitude, healing, or inspiration, The Balsam House Resort offers a personalized journey. Meditative hikes, artisan workshops, cold plunge rituals, and herbal apothecary sessions—all await those who feel the call of the mountains.

This is not just a place. It is a practice. A living rhythm of stillness and strength. The Balsam House Resort invites you to retreat... and to return renewed.

The redevelopment of this “grand lady on the hill” is being transformed into a property that will provide amenities immersed in the principles of well-being to its guests, but will operate to eliminate the carbon footprint that plagues most resorts. This will be achieved thru the use of geothermal energy, sustainable materials, radiant floors, conservation of forestry, the procurement and use of local products for healthy food, indigenous plants and adaptable reuse of buildings and resources.

The Gastronomical experience will be a key factor to bring local patronage as well as to the guests. In the past, the hotel acquired several laurels from the Wine Spectator Magazine utilizing Austrian and French chefs as fine dining and healthy local meals prepared by our European trained chefs, under tutelage of the same owner.

The Balsam House Resort will have two dining experiences, in a formal an informal dining area, as well as on outdoor decks at hotel as well at the informal lakeside pavilion, and an Adirondack

styled bar. The size of the dining facilities will lend itself to promote weddings, conferences and local meeting.

The guests at the Balsam House Resort will be able experience outdoor activities thru in-house instruction for Japanese styled forest bathing, hiking, fishing, canoeing, paddleboards, sailing, lake as well as saline pool swimming in addition to cross country skiing on site, downhill and snowboarding at Gore Mountain, ice fishing and ice skating on Friends Lake, horseback riding at Circle Branch, and an 18-hole golf course at Cronin's', playing along the Hudson River.

Innovative spa treatments by Naturopathica, developed by skin care innovator, Barbara Close, that bases its products and treatments on natural and indigenous herbs and plants. In order to compliment the spa, a top-of-the-line Italian Based fitness company, Technogym will be utilized. The guest immersion into healthy living will be promoted thru the use of Infra- red and salt saunas, steam rooms, cold plunges, snow room and indoor hot tubs.

In order to alleviate the problem of employee retention, a shared facility for employees shall be provided. The housing will be developed thru the adaptive reuse of two existing connected barns directly across from the hotel.



Proposed Development and Amenities

We predict the construction schedule of the new portions of the resort as well as renovation of the existing facility to be 20 months to renovate the property, from time of acquiring an equity partner and financing. The Resort will offer a diverse combination of 48 internal hotel rooms from 750 sf suites to 300 sf rooms, 10 family style 2-bedroom cabins with fireplaces and hot tubs 10 (to start) accommodations with four-star furnishings, firepits and hot tubs. A new 5000 sf multi-functional conference/ event center for corporations, local business meetings and weddings. There will be a 5000-sf full service, internationally branded (initial interest from Naturopathica) spa/ salon and an Italian designed Technogym fitness center will be the only facility in this area. The spa / salon will offer the most innovative techniques, massages, manicure, pedicure, and hair styling along with hot and cold all natural products. The lodging will be complimented by a large lap swim pool including and hot tub with a café and outdoor bar, to accommodate outdoor cocktail parties associated with the events space. A beach front Lake House facility that will be renovated into a beach café with Yoga and meditation platform on the roof. The lake house area will provide boating and fishing in Friends Lake known for being one of the most pristine private lakes in the region. The resort will renovate an existing barn into an employee housing facility with shared kitchen and bath facilities. The Resort will be extensively landscaped utilizing indigenous plantings and walkways as well as a formal garden outside the conference center for outdoor events and in the circular drive entry. The schematic design/ masterplan was developed by DiGuiseppe LLC and can be viewed at the following ShareFile link: <https://diguiseppephotos.sharefile.com/public/share/web-s15ab8f28f982401dbf70df75f2a4bfa1>

The following amenities will be part of the New Balsam House Resort:

- 19.5 Acre Scenic lakefront Location
- 4 Star Dining, Bar and Bistro, open to the public
- 48 luxuries, Adirondack styled rooms, many with private decks
- 10 -2-bedroom luxury cabins with living space, fireplaces. hot tub and private deck
- 5,000 sf multi-functional and able to be subdivided Event and Conference Center
- 5,000 sf Spa/ Salon and Fitness center (also open to the public)
- Large 7500 sf Pool Deck including Lap Swim Pool, Plunge Pool, hot tub with private cabanas and outdoor bar/cafe
- Decking around the Bistro level connecting to the outdoor Pool Deck
- Swimming, Boating, Kayaking, Fishing and Canoeing at the Balsam Friends Lake beach, private

- Horse Back Riding at the Circle B Ranch (located 2 minutes from Balsam House Resort)
- Hay Rides at the Circle B Ranch (located 2 minutes from Balsam House Resort)
- 18 Hole, 6600-yard scenic golf course at Cronin's (7 min from the property) along the Hudson River
- Ice Skating on Friends Lake
- Snow Skiing at Gore Mountain (23 minutes from Balsam House Resort)
- Summer outdoor activities at Gore Mountain for mountain biking
- Full Front Porch and Circular Drop Off Area
- Converted barn for employee housing 4200 sf on two levels
- Lake house on the beach for Yoga, café and swimming
- Geothermal heating and air conditioning with heat pumps and radiant floors for all areas (about 1/3 of the radiant has been completed)

Additional permits would be required to build the following:

- 7500 sf pool and deck
- 5000 sf conference/ event center
- Parking on permeable pavers
- 10 -luxury 2-bedroom cabins (are allowed by right on the commercial portion of the site, 19.7 acres)
- 4200 sf conversion of and existing 19th century barn for employee housing

Development Cost

The development cost based on the amenities and the schematic design developed by DiGuiseppe is estimated at \$22,000,000.00, which would include hard and soft costs. The breakdown can be viewed at the following link:

<https://diguiseppephotos.sharefile.com/public/share/web-saa58e6079d2546f496a47035dd3f83b3>

Financial Analysis of the existing facility

The properties, which the ownership has, have no mortgages and are debt free. The parcel is owned by the present Ownership. The parcels consist of a commercially zoned The property 136.2-1-8 on both sides of Atateka Drive, #'s 477 and 478 Atateka Drive, which is 19.7 acres, with riparian rights to Friends Lake with beachfront; and a contiguous medium density residential parcel 136.-1-4 which is 51.65 acres.

The building is historical and was converted to a hotel in 1891, there are possible historical tax credits (NYS and Federal 20% of renovation costs). The Warren County Industrial Development Agency has determined there are property, sales and occupancy taxes that can be exempted for 10 years (a proforma prepared by the IDA is included in this document; There are also Revitalization grants that can be applied for as well for Warren County which could be as much as 4 million dollars (as was received by The Lodge at Schroon Lake in 2023).

The appraised value study was completed by David Fontana of Armstrong Appraisals in the fall of 2024 (see the ShareFile link: <https://diguiseppphotos.sharefile.com/public/share/web-s9571df5b972d491aac3d052bc907063d>) giving an as is value of the 19.1 acres with the existing buildings of \$5.77 million dollars.

A financial feasibility study was commissioned by HVS International, (see the ShareFile: <https://diguiseppphotos.sharefile.com/public/share/web-s4e26fad6600d4be1981eb640e9d9dfee>), which predicts a stabilization at 3 years with a return of approx. 23%.

Market

Wellness has become a 5 trillion-dollar industry, according to the Global Wellness Institute in Miami, which was reported at the Global Wellness Summit in Miami on November 6th 2023. The tipping point of Wellness has manifested itself in peoples' lives globally, making it one of the fastest growing context for health, living, working and playing. Resorts have made this a focal point of their marketing and amenities from "forest bathing" to spa and culinary experiences. The need for people to have life experiences has grown over the past five years exponentially, and has affected and influenced people's decisions for all generations from the baby boomers to gen-x...We all have multiple choices as to where we vacation and have business conferences but when the mix includes resorts that promote health and wellbeing, it becomes clearer and the choices are narrowed. The "Call of the Wild" and having a closer connection to nature has become a major factor in our choices of experiential places that bring us to higher state of consciousness. The success of such global brands such as Six Senses, now an Intercontinental brand points the way and defines the need and want of people to experience wellness as part of their leisure and business lifestyle.

With the advent of security and difficulty in airports with delays, cancellations and overcrowding, this has fostered people to make decisions to experience closer to home destinations. The Adirondacks are four hours from New York City and the metropolitan area; Canada and particularly Montreal is only 140 miles away, 2.5 hours. For those from out of state, Albany International Airport is 1 hour from The Balsam House Resort. It has been documented from Travel and Leisure magazine that the Adirondacks is a place that historically draws guests

from a 300–400-mile radius. This distance captures a clientele from some of the largest cities in the Northeast.

The Adirondacks named as one of 24 places to go by Conde Nast Traveler Magazine, November 28th, 2023:

“About three hours away by car, the [Adirondacks](#)' towering peaks replace the Hudson River valleys. Its majestic forests, farmlands, mountains, and meadows make up a fifth of the state, and the region will be in the path of totality of April's solar eclipse. Go stargazing at the [Adirondack Sky Center](#), or use the website of the [Regional Office of Sustainable Tourism](#) for self-guided viewing. You can also walk, bike, snowshoe, or snowmobile along the 34-mile [Adirondack Rail Trail](#), which will be completed over the course of 2025. And on Whiteface Mountain, one of the five Adirondack High Peaks, a detachable quad lift launching just in time for ski season allows you to access more slopes than ever before. For a peaceful getaway, stay at the [Lodge at Schroon Lake](#), which reopened in June 2023 after an extensive \$21 million renovation, or [New Vida Preserve](#), a new members club meets traveler's oasis on 2,000 acres with 360-degree mountaintop views. “
—[Robin Catalano](#)

The proposed event and conference will offer an opportunity for corporations' local businesses and weddings / events to have an intimate experience and foster brotherhood and wellness for its participants, while offering a relaxing and meaningful break to recharge and refocus one's lives.

The Balsam House Resort will capture the hearts and minds those who want to experience nature, culinary excellence, innovative physical activity, in the wilderness as a luxury, four-star, full-service resort that is open 356 days a year. New York State and the Adirondack Park Agency has promoted a new program called Adirondack 365, which promotes resorts, hotel and dining to offer services all year round. The Balsam House Resort will become an integral part of that program.

Feasibility and Market Study

HVS International was commissioned to conduct a written third-party feasibility and market study, which incorporates the development cost summary. The study attached is at the following ShareFile link: We a new property survey done, as well as an appraisal of the existing properties and buildings, the value the property at minimum of \$ 5.8 million at this point. We have the subcontractors lined up and are ready to have begun work on the permitted areas upon funding. Schematic design of the main building and master site plan is complete, and we have provided herein the schematic design.

Conclusion

We are looking for a majority investment partner assist in developing the Resort into Wellness infused facility, as well as a management company. There is no debt nor any liens on the properties. The present owner is contributing the buildings and the property which is valued at a minimum of 5.77million. The owner just invested another \$275.000 on the exterior, and is prepared to invest additional cash as a partner in a structured deal to develop the property or sell the property "as is" for a cost of \$700,000.00. The Owner is open to having you participate as a participating majority equity partner, plus possibly supply debt as well from another avenue of your debt sources. The final feasibility study has been completed by HVS. HVS has taken into account the additional income for food and beverage as well as spa services that will be accessible to the non-guest parties, which can be as much as \$300,000 per annum. We have not identified a management company but are open to suggestions. We feel that the spa/salon/fitness should be branded with and management company to maximize the income and bring a world class and recognizable identity to the resort. The development budget has been calculated as being \$22 million dollars, and copy of that budget is attached here at the following link:

There is overwhelming support from the community, the Historical Society of Chestertown, The Local IDA, the Planning and Zoning department of Chestertown and the Adirondack Planning Agency , and we have attached supporting correspondence herein.

<https://diguisepphotos.sharefile.com/public/share/web-saf50750a2d36478b9e36f19a7dd57b08>

The resort will be branded as a wellness resort that weaves healthy living, outdoor living and a back to nature mentality that has become the forefront of peoples thinking and lifestyle experience. The combination of various guest experiences inside and out from Spa to outdoor sports and epicurean excellence on a 365-day basis will make this property unique and sought after.

All Inquiries are to contact John Glenn DiGuiseppe (818 429 2188) jgdiguiseppe@gmail.com