

Entrepreneurial spirit needs to resurface to save Tahoe

By Garry Bowen

Back in the day, when Harveys was the Wagon Wheel with Food, Fun & Fortune as a slogan, we locals used to kid each other that Tahoe's business climate was conducted in only one of two ways, depending on the time of year: fast or half-fast.

In the time since, we seem to have sacrificed the former and settled for a constant pattern of the latter.

It may now be useful to offer a particular vantage point of what our joking actually meant to the South Shore. As the original Harveys was "one-stop" (a cold beer, a hand of blackjack, a period of time at a one-armed bandit, a sandwich, or a tank of gas) when it started in 1944, it had few employees – and they all had to wear several hats throughout their workday. At the time, everyone was able to pour you a beer, deal you a hand of cards, be a croupier, or run outside and pump the gas necessary to go back down to California. The only real remnant of that day and age is the Sage Room, as that area remains in pretty much the same place as then, even after the rebuilding (the '80 bomb blast), the remodeling, the additions, and the changes in ownership.



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Later in the '50s, as Stateline grew, Shehadi's was across the

street to be bought by Harrah's and George's Gateway Club was on the corner of Stateline Avenue. That became Harrah's Lake Club after Bill Harrah bought both, and the interior of the Lake Club harbored the original South Shore Room, ostensibly while the location we now know was being built, being opened in 1959. Sen. George Cannon of Reno's Cannon Airport fame was the Gateway Club's original proprietor, with the Cal-Va-Rado coffee shop across the street in California from the Lake Club coffee shop. Two '50s-style sit-down coffee shops, imagine that.

About the same period of time, the "originals" of Heavenly (Valley), Rudy Gersich, Curly Musso, Chris Kuraisa, later Hugh Killebrew (as their attorney) brought in Dave Gay (Gay Propane) to develop the tramway, which opened in 1962. This was the era of Koflach leather ski boots, secured to skis with long-thong leather bindings, and long, skinny skis seemingly made out of barrel staves, soon to see drastic changes in ski technology. For example, with the introduction in 1965 of the Lange poured-plastic aluminum-buckled ski boot, "space-age" in its day, the skiing industry came into its own.

Setting that stage, it is important to note that the South Shore Room, heralding the big entertainer era, was actually opened before the Squaw Valley Olympics (1960), meaning that both the tramway and the South Shore Room were strong evidence of vision, decisiveness, and a level of entrepreneurial skill we really haven't seen since. Even the Lake Tahoe Airport was an exercise in entrepreneurial courage.

After Squaw Valley, with its first globally-televised entrée of the Lake Tahoe region into the national and international psyche, was crowned a success, and the South Shore was picking up steam. Bill Harrah was intrigued by the international exposure, and being the man that he was, began looking at how to tap into the now worldwide exposure that only Olympic events can secure. His answer was to think about extending the runway at the airport to accommodate planes large enough, and

with enough range, to entice an international clientele. This would require large commercial jets, and soon the Harrah's Starliner was born – with the familiar and graceful “swoop” underneath the Harrah's logo that exists to this day, he instead used a number of stars following the same gentle arc on the side of the Starliner. With both the airport and the proper sized plane in place, he embarked upon the now-obscure junkets direct from our now-moribund airport to Mexico City, where folks from Caracas, Buenos Aires, and elsewhere, joined those already assembled in Mexico City to fly directly into the Lake Tahoe Airport.

From a gaming perspective, this added a particularly elegant spin to the Tahoe South Shore experience, coinciding as it did with the introduction of baccarat, a simple and cosmopolitan game of high dollar fame. It appears that its introduction was thought to be more of an attraction to the sophisticated upper-end clientele of European descent, and as a baccarat dealer had to speak at least three languages (ala Europe and South America), they were also dressed elegantly: black tie, cummerbund, and dinner jacket.

As baccarat is traditionally played only with cash (no chips), and is played relatively fast – it is only you against either the player or the dealer, with a high count of 9 (face cards are counted as zero), their floor-to-ceiling glass enclosures were a sight to behold, as real money changed hands, sometimes in amazing amounts.

This in turn compounded the “dinner show” experience, also similarly (but not quite) dressed up, as baccarat enclosures were alongside the entrance to the South Shore Room – creating a special Tahoe cachet. This, combined with the more egalitarian “nickel player” and Oriental keno players, assured that all the “sales per square foot” aspects were covered across the entire casino floor, with food and beverage to match.

Ironically, after Bill Harrah died, and the Harrah's enterprise changed hands, the focus was lost, as it changed to more of a bottom-line emphasis, as the business model success that Harrah achieved with his comprehensive innovations became a convenient source for corporate bean counters to cut.

One glaring example concerned the now-successful Embassy Suites next door – it replaced a large valet parking lot that spanned the space between Harrah's and the now-gone 600 room Tahoe Inn. As Harrah's was purchased by Holiday Inn, the hotel mentality took over, as the large prominent space looked pretty inviting to develop. Only problem was the existing valet parking lot was generating more cash flow for Harrah's than could any hotel/motel property due to the fact that, in a location like Tahoe, reliant as it is on Highway 50 and '50s era car travel (still), cars were pulling into Harrah's even before they were even in Nevada, and the parking lot spaces could be filled with new customers on an ongoing basis, around the clock. The 500-car valet parking lot was turned over five or six times in 24 hours versus a 400-room Embassy Suites having each room turn over but once – regardless of full occupancy. That parking lot also did not have a capital expense of over \$100 million, while at the same time diluting Harrah's traffic flow, thereby its revenue stream. Harrah's lost significant ground – literally.

A valet parking lot may not seem to be an important business element, but "Attendant" parking was a stand-alone department for Bill Harrah, but was soon subsumed into just another hotel function for a hotelier – a mere channel into a room check-in. The difference in emphasis is profound, as the efficiency of that department resulted in yet another synergistic compounding of the business innovations already mentioned for Harrah, and resulted in their ongoing Stateline prominence over Harvey's, Sierra Tahoe, and Caesars.

In this milieu, the weather was also a business consideration, which is easiest described as "make hay while the sun shines".

As provincial as that now seems (almost quaint), it was nevertheless a serious factor.

Coming out of the '40s and '50s, the highways openings and closings were not as reliable, in that Highway 50 was closed a lot more during winter. This created an atmosphere that cultivated the idea of doing as much business as you could during the emerging spring, as much as possible during summer, and the nurture of another market descending into fall. Winter would then take care of itself, with one exception: if your business employed people with families, rent and mortgages to pay, food and clothing to buy, then you had better have some customers whether it was day, swing or graveyard. The answer was to have, only in late fall into emerging spring, a "leave-the-driving-to-us" (thanks Greyhound) marketing campaign to bus-in supplemental clientele, shoring up what Bill Cosby, Glen Campbell, Sammy Davis Jr. and Ann-Margret drew in the ever-busy summers. Current corporate management's only emphasis is to insist that the "shoulder season" should be as lucrative as summer, even though they were chipping away at their own "making hay" by canceling big entertainment, and not fully understanding what they had in the first place. Flattening out your revenue streams is obviously not the answer, and will not ever be.

Slow-forward to now (emblematic of a serious decline) and realize that such business models are no more, now combined as they are with the "picture-postcard mentality" inherent to a second/third home real estate emphasis, and the need for a serious reinvention of South Shore economy is much easier to perceive.

Couple this with a serious lack of negotiating skills (for insight, the word business in Spanish is negotio) it becomes much clearer why progress is seriously undermined with our now-infamous "Ta-hole", our transit system going bankrupt with an over \$2 million deficit (in spite of having a dozen-member board), and now the ridiculous contractual discussions

shutting down our gateway project at El Dorado Beach.

This long look-back is timed with the “au courant” popularity of the soon-to be-done Prosperity Plan, as Tahoe will need to extend its perspective with a foundation of understanding what Tahoe has been to its constituents (whether they live or just visit). It has the deep “carriage-trade” roots of other eras, a history of profound entrepreneurial innovation, and magnificent natural beauty, all very transferable into new sustainable economic development, but not if it thinks in continued terms of ‘half-fast’.

To restore our confidence in ourselves requires a nostalgic appreciation way beyond such environmental symbiotic relationships like those of the TRPA and “Keep Tahoe Blue”. We don’t need to be “fast” and certainly not “half-fast”. We need to “get real” real fast.

Garry Bowen has a 50-year connection to the South Shore, with an immediate past devoted to global sustainability, on most of its current fronts: green building, energy and water efficiencies, and public health. He’s also in the process of planning with his classmates their 50-year South Tahoe High reunion. He may be reached at tahoefuture@gmail.com or (775) 690.6900.