

Vail Resorts CEO talks about expansion, off season offerings

By Danny King, Travel Weekly

Like many ski resort operators around the U.S., Vail Resorts CEO Rob Katz had a relatively happy new year, as the 2012-13 winter season has been an improvement over last season's warm, dry winter. This year Vail, whose resorts include Heavenly Mountain Resort in addition to its eponymous Colorado resort, expanded its reach by acquiring Lake Tahoe's Kirkwood Mountain Resort, Minnesota's Afton Alps and Michigan's Mount Brighton. Katz has served as Vail's CEO since 2006.

Q: How's business this season?

A: Lake Tahoe's got a massive amount of snow. Kirkwood's got a base of about 10 feet, which is well ahead of last year. The early part of the season was tough for Colorado, but conditions got much, much better just in time for Christmas.

Q: Vail already has a large presence at Lake Tahoe with its ownership of Heavenly and Northstar. Why buy Kirkwood, and what are your plans?

A: Kirkwood gave us a very unique ski experience that was very different from Heavenly and Northstar. It's more undeveloped, and it gets one of the largest snowfalls of any resort in the U.S. It's really beloved particularly by Bay Area skiers. We'll look at food services, lift operations, providing more parking, making the base area better. But our goal is not to make Kirkwood like Northstar or Heavenly. Part of its charm is that it's high-alpine terrain.

Q: Hotel industry analysts talk about how more people than

ever are booking last-minute trips. Are you finding the same trend with ski resorts?

A: Well, there are two types of people. There's the day skier, who often makes his decision based on weather conditions. And there are plenty of those both in Colorado and the Bay Area. But we've moved a lot of our skiers and snowboard riders to season passes, so we've locked in that revenue. About 40 percent of our lift ticket sales are from season passes, which we stop selling at Thanksgiving. That number was probably under 20 percent a decade ago.

Q: Why the acquisition of the Michigan and Minnesota resorts?

A: Both are much smaller [than the Colorado and California resorts], but they're within fairly close proximity of about 450,000 skiers. ... So we can reach out and get close to our guests, get them to buy a pass for a local resort and possibly buy a pass out here. Also, we can improve the experience at the smaller resorts. Things like terrain parks and half-pipes, those don't really need 5,000 acres of space. They can be done in a small area.

Q: You added three days of skiing at Switzerland's Verbier resort to your Epic Season Pass. How'd that come about?

A: Our Epic Season pass-holders are a fairly elite group, and other resorts such as the folks at Verbier want to get access to them. So it's a win-win all the way around. Ultimately, how many people from the U.S. will take advantage [of the Verbier inclusion] is unclear, but what helps is that people know they could go, and sometimes, that's as important as whether they do go.

Q: How important is the off-season to your annual performance, and how has that changed?

A: We've spent the past five to six years working with Congress to allow for a greater range of activities [on the

U.S. Forest Service-owned land where the ski resorts are located]. The goal is to put new activities on the mountain, things like ziplines, ropes courses, horseback riding, bungee jumping, rock climbing. ... We do lose money [in the off-season]. So the goal is to take a big chunk out of those losses, in addition to helping provide year-round employment in the resort towns.