

Squaw Valley at a distinct crossroads

By Julie Brown, Powder

I am the product of a Squaw Valley romance. In 1974, my dad moved there to join the ski patrol, a job he had been dreaming of since he was a high school misfit growing up in Sacramento. Six years later, he met my mom, a Chico State college student who spent her winter semester loading chairs. They fell in love over deep Sierra snow and lived happily as newlyweds in a shack on Squaw Valley Road that was so cold the water would freeze in the dog bowl every night. They taught me how to ski at Squaw, and as a result, I've pursued a life in the mountains. But the home I know is on the precipice of a radical change.

Ten miles north of Lake Tahoe, the second deepest lake in the U.S., Squaw Valley Ski Resort sits at the far end of a U-shaped valley. A vibrant meadow and a bitterly cold creek run up to the foot of a towering granite wall, the masthead to the five peaks that collectively make up the ski resort. Each mountain stacks up behind the other, higher and higher up the valley, a staircase that rises 3,000 vertical feet until the top of 9,050-foot Granite Chief. In the best of years, storms pound on Squaw's mountains from November to May and can drop several feet of snow in a day. And after the storm retreats, the sky is the clearest of blues. Meanwhile, chairlifts climb to the tops of all the summits a skier can see, granting them the best access to the steepest terrain around. Gnarled rock is etched into the mountains' embankments, forming features with names like the Fingers, the Chimney, and China Wall, cliffs that generations of skiers have approached to prove their worth.

At the bottom of the mountain, vast parking lots stretch to

the east and to the north. That's where Squaw Valley's development plan, now going through the approval process, would increase the size of the base area sevenfold. The proposal most recently submitted to Placer County outlines a completely revamped village with buildings that could reach seven stories, 1,757 additional bedrooms, and a 90,000-square-foot water-based recreation center that Squaw management said would attract 300,000 annual visitors. In short, Squaw Valley is on the verge of its biggest overhaul since the 1960 Winter Olympics came to town.



Resort owners want to completely transform Squaw Valley's village area.
Photo/Kathryn Reed

On Dec. 6, 2010, Nancy Cushing, the widow of Squaw Valley founder Alex Cushing, sold Squaw Valley Ski Corp for an undisclosed amount to KSL Capital Partners, one of Denver's largest private equity firms. Eric Resnick, KSL's managing director and a former executive at Vail Resorts, told the *Denver Post* that his company had found a "crown jewel." Along with the ski area's iconic mountains, the company saw a blank canvas primed for building a resort destination.

"Squaw Valley is the birthplace of the modern mountain resort in the United States, with a heritage, history, amenities, and perhaps most of all, extraordinary terrain that can never be

replicated,” Resnick said at the time.

The acquisition added Squaw Valley to a list of well-known hotels, spas, golf courses, and elite clubs that KSL has owned across the globe, including places like the Grand Wailea Resort Hotel & Spa in Maui, the historic Hotel del Coronado in San Diego, and ClubCorp, the largest owner of golf and country clubs in the country. KSL outlines its investment philosophy on its website—they acquire assets in the travel and leisure sector, assign an independent team to manage that asset, pour money into growing the business, and “generate attractive rates of return for its investors,” which include public state and corporate pension funds, private and university endowments, and wealthy individuals, among other sources. In the months leading up to the transaction, KSL named Andy Wirth as the new CEO. Wirth had previously led similar ventures for Intrawest at Steamboat Springs, Colo.

“This mountain, this organization needed new ownership,” says Wirth. “It’s an incredibly soulful mountain, a remarkable mountain. The company itself—the facilities were undercapitalized, poorly marketed, and not very effectively managed. And frankly, virtually everybody in the ski industry knew this.”

In three years, Wirth cleaned house at Squaw. Management focused on customer service and the lifties said hello more often. Starbucks moved in with a ski-in/ski-out coffee stand. Wirth said the resort reduced its environmental footprint by 15 percent. And in September 2011, KSL bought neighboring Alpine Meadows, unifying two of the best ski areas in Tahoe. But the biggest change didn’t roll out until the following December. In an effort to globally compete as a resort destination, Squaw Valley submitted an application to the Placer County Planning Department to build a new village.

The latest draft of their proposal calls for more condos, hotels, and cabins, plazas and courtyards, shops and

restaurants. It includes pedestrian-friendly walkways and a world-class training facility called the Mountain Adventure Center, complete with pools, waterslides, zip lines, and a lazy river, according to the latest renderings. Attempting to be a good valley neighbor, Squaw is planning to mitigate its environmental impact. The development plans include restoration of Squaw Creek, which has been listed by the Environmental Protection Agency as an impaired waterway since 2002, and nearly all of the project is infill development, so the structures will be built on property that has already been disturbed, like parking lots. Additionally, Squaw would commit \$1 million annually to fund environmental projects. According to the resort, the development would double the resort's employment capacity, bring in some \$20 million in additional tax revenue, and diversify the ski resort's business so it can be successful year-round, with or without snow, an aspect of the business that's become glaringly relevant as Tahoe goes through its third drought year in a row.

"We sure as hell have the mountains," says Wirth. As he sees it, it's not the skiing that's holding Squaw Valley back. It's the lack of places for people to stay. According to Wirth, Squaw Valley has the capacity to move 58,000 skiers an hour on the hill, which is slightly less than Whistler/Blackcomb, but the resort has just 15 percent as many hotel rooms.

"Aesthetically, the parking lots are acres of parking lots," says Wirth. "I haven't found a single person, opponent or proponent, to stand with me in the parking lot and do a 360 and tell me there's a whole lot of soul in these parking lots. They're parking lots and we think they could be something better."

Inside Wirth's office, a large black and white photo of the late Shane McConkey dominates the wall behind his desk. McConkey, a longtime Squaw local who became one of the most influential skiers in history, is skiing Eagle's Nest, a short but sheer pitch next to the KT-22 chairlift. The photo

captured an intense moment when McConkey paused to peer down the steep flutes, a shower of slough spilling out from under his skis. Wirth is no stranger to crucial moments of decision like the one portrayed in the photograph. The day I met with him was one of his first days back in the office after a skydiving accident almost ripped out his right arm and nearly killed him. His quick survival instincts saved his life. Ever the optimist, reflecting back on that incident, Wirth told me life has since been outstanding. "I look at it and say a whole bunch of great things came out of that day," he says.

Wirth talks fast, but he still takes the time to choose his words. It's easy to understand his vision: the economy needs stimulus, Squaw Valley is undercapitalized, change is needed. But as is the case in most ski towns, the ski area CEO is controversial. People trust Wirth or they don't. When he moved to town, he immediately got involved with the community, supporting popular causes and nonprofits like Disabled Sports USA Far West and the High Fives Foundation, both of which recently recognized Wirth with awards for his community service and partnership. Despite that show of civic-mindedness, opponents of the Squaw Valley development tend to see him as the wolf in sheep's clothing for a corporation that had a plan to execute.

"He seems like a puppet," says Jamie Schectman, co-founder of the Mountain Riders Alliance, a group dedicated to "creating sustainable mountain playgrounds." "These guys are so competitive and so driven, they'll do anything."

Wirth met the executives at KSL while he was at Steamboat Mountain Resort in Colorado, where he had been working for 20 years, starting as an unpaid intern and leaving as the resort's top executive. While at Steamboat, Wirth helped bring in more nonstop flights from large metropolitan areas and played a role in building the Steamboat Grand, a large luxury hotel at the base of the ski area. But, as he likes to point out, he wasn't always the ski resort executive. Wirth worked

as a backcountry ranger in Rocky Mountain National Park and fought wildfires on a hotshot crew in northern New Mexico. Wirth now lives in one of Truckee's wealthiest neighborhoods, but when he was working as an intern at Steamboat, he ate ramen and worked the nighttime audit shift at a local hotel.

"We're mountain people at the core," says Wirth. "We're of that cloth. We think we can create opportunity for employment, to create jobs. We think it can be soulful and be appropriate to the Squaw Valley brand."

Wirth admits the level of development, growth, and change he intends to bring to Squaw Valley is significant.

"This is not a little bit of change. Not a bucket of change," he says. "This is a 50-gallon barrel of change. And I think people were caught off guard."

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