

Former Idaho mining town finds new life as swanky ski resort

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KELLOGG, Idaho --

It may seem an unlikely candidate for the Pacific Northwest's latest vacation hot spot, but this former mining town has survived decades of decline to boom once more.

The once-heavily-polluted mining community -- a massive Superfund site -- seems to have been transformed virtually overnight into a swanky ski resort, Silver Mountain, with newcomers flocking to buy condos and open businesses.

"It was a definite surprise it took off the way it did," said Mayor Mac Pooler, a lifelong resident. "We were hoping something would do that."

In a place where homes were selling for \$30,000 five years ago, brand-new condos costing more than \$800,000 are selling as fast as they go on the market. A huge indoor water park is under construction in the ski village. A destination golf course is being built on the edge of the town.

New businesses are sprouting all over the town of 2,000 located in northern Idaho, about an hour east of Spokane, Wash.

Catalyst for much of the growth is Jeld-Wen Communities, the real estate arm of the Jeld-Wen wood products company of Klamath Falls, Ore. The company purchased the Silver Mountain ski resort in 1996 and began making plans to expand.

A key event occurred in 2004, when its first 68 condos were placed on the market and sold out immediately, some for as low as \$100,000 as developers were unsure if there would be any demand. A second offering of 110 condos sold out in one day in 2005. The third and final phase of 99 condos sold out in one day late last year.

The latest batch of condos are quite posh, built on a mining theme with lots of stone, exposed beams and light fixtures that reproduce historical photos on the shades. Some cost more than \$800,000.

A mile from the ski village, Jeld-Wen is building the 18-hole Galena Ridge golf course that will eventually contain hundreds of residences.

Silver Mountain gets more than 300 inches of snow a year, and while units at the resort's Morning Star Lodge are individually owned as condominiums, many can be rented by visitors for overnight accommodations.

There is nothing unusual about a depleted western mining town turning into a ski resort. Telluride is a good example. But few places seemed less promising than Kellogg.

The site was initially founded in 1885 by prospector Noah Kellogg, whose donkey kicked over a shiny rock and thus triggered a massive silver boom that spread out to cover an entire region that became known as the Silver Valley.

For decades, thousands of underground miners brought home good wages and raised their families in Kellogg and surrounding communities. The mines produced vital materials for World Wars I and II, and Kellogg had more than 3,400 residents.

But the environmental costs were high, with mine tailings polluting water and smokestack emissions decimating surrounding vegetation.

Human costs were also high. In May 1972, fire broke out deep in the Sunshine mine, near Kellogg, trapping 93 miners below the surface. Only two survived.

The next year, a fire at the Bunker Hill smelter damaged the system that removed toxic lead from the smokestack emissions. Gulf Resources, the Texas company that operated the smelter, kept it running anyway, spewing lead into the air.

When health officials began testing the blood of local children in 1974, they found some of the highest lead poisoning levels in the world.

In 1981, the plunging price of silver prompted Bunker Hill to shut down, putting more than 2,000 people out of work and sending the region into a tailspin from which it is only now emerging.

Shoshone County's population fell from 20,000 in 1975 to around 14,000 today. The unemployment rate rose well into double digits.

In 1983, the Environmental Protection Agency declared the town and its immediate surroundings a Superfund site. The stigma hurt, but it triggered tens of millions of dollars for clean up.

Hillsides that had been denuded of trees by poison chemicals were replanted and now are lush again. The ground and water were cleaned up, and land was made safe for human activity.

After Bunker Hill closed, city officials decided that tourism was their best hope for a strong economy, and focused on pumping up business at the modest local ski area, originally called Jackass Ski Bowl, after Kellogg's donkey.

They built a 3.1 mile gondola, billed as the longest in the world, to carry skiers from parking lots near Interstate 90 straight up to the slopes, avoiding a treacherous mountain drive. But the ski area, renamed Silver Mountain, proved too difficult for the city to run and it was sold to Jeld-Wen in 1996.

As a private company, Jeld-Wen does not publicly disclose its finances. Stephen Lane, director of sales for Silver Mountain, said the company's investment in the area is considerable.

That's obvious on a tour.

The 42,000-square foot indoor water park, the only one at a western ski resort, is under construction in the ski village, and is set to open this spring. It will have a surfing machine, a lazy river and slides.

The golf course sprawls across a hillside that used to be covered with toxic mining wastes. It will open with nine holes next year and 18 holes in 2010.

One big selling point in Kellogg is that, relative to the likes of Sun Valley or Vail, condos are still a bargain. And nearby Spokane's good air connections throughout the West make it a relatively short trip for people in Southern California and other places to fly in and then drive an hour to the ski area. Real estate manager Neal Scholey said condo owners hail from 15 states.

The area is also drawing a big boost from the construction of numerous paved biking trails that run for dozens of miles into the scenic mountains, drawing riders from around the world.

Instead of Superfund, the emphasis now is on "superfun," Lane said.

GOING TO KELLOGG

• **Kellogg, Idaho:** www.cityofkellogg.com/. Located an hour east of Spokane, Wash., and a half-hour from Coeur d'Alene.

• **Silver Mountain Resort:** <http://silvermt.com/> or 877-230-2193. Lift tickets are \$46 for adults, \$31 for children. Skiing, snowboarding, snow tubing, spa. (Mountain biking, golf course and fly-fishing other times of year.) Morning Star Lodge condominiums are individually owned but many can be rented on an overnight basis.