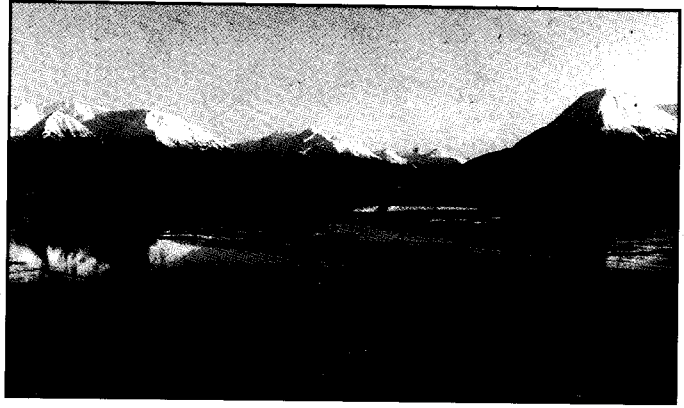


Chapter 2
Location and History



MOST OF THE FOREST LAND IN GIRWOOD VALLEY WAS CUT DURING THE EARLY PART OF THIS CENTURY TO SUPPORT MINING ACTIVITY AND CONSTRUCTION OF THE ALASKA RAILROAD. THIS WAS ONE OF THE GIRWOOD SAWMILLS THAT PROVIDED TIES DURING EARLY RAILROAD CONSTRUCTION.



Turnagain Arm.

*L*ocation

The Girdwood valley is located near the head of Turnagain Arm, about 42 miles southeast of Anchorage and 11 miles northwest of Portage. The community of Girdwood extends from the junction of the Seward and Alyeska Highways up the lower portion of the valley for 2.9 miles to the Alyeska Resort.

Before the mid-1960's, development at Girdwood was concentrated in the old townsite area near Turnagain Arm. However, much of the community became uninhabitable because of subsidence resulting from the 1964 earthquake, and settlement began to move up-valley shortly thereafter. This trend accelerated with the improvement of ski amenities at Alyeska Resort.

Today, development in Girdwood is most concentrated near the Resort, although this is also where most part-time occupancy units are located. Smaller nodes of settlement center around the new townsite area near Glacier Creek, west of the Alyeska Highway near the U.S. Forest Service's Glacier Ranger District headquarters, and in the old townsite between the Seward Highway and the Railroad. Other development is strung out along the Alyeska Highway and some isolated, scattered settlement has also taken place along Crow Creek Road.

Locational factors play a major part in the character and growth of a community. Although Girdwood was founded as a mining settlement, the community's present character derives more from its modern function as a ski resort and tourist center. This promises to continue. Alyeska Resort completed construction of a new 307-room luxury hotel in 1994. Additional expansion of Girdwood's ski amenities into areas further up the valley is likely to take place during the next 20 years.

The U.S. Census counted a total of 1,221 persons living in Girdwood in 1990. According to municipal estimates, resident population had increased to 1,450 people in 1994. However, on winter weekends when ski conditions are good, the community's population swells to more than twice that number.

History

Girdwood was founded just before the turn of the century as a supply and transport center for placer and lode gold mines in the area. Placer gold was discovered on California Creek in 1895 and on Crow Creek in 1896, while lode gold deposits on upper Crow Creek were discovered in 1909. Glacier Creek itself was not a significant source of placer gold, but nearby California Creek and Winner Creek and, especially, Crow Creek were important gold streams.

Girdwood's original location at the mouth of Glacier Creek (between what are now the Seward Highway and Alaska Railroad rights-of-way) made it a convenient place for small boats plying Turnagain Arm to bring in crews of miners and a season's supplies. The settlement began as a collection of tents and small cabins along a single rutted street. A post office was established in 1907.

First called Glacier City, the town was later named after "Colonel" James E. Girdwood who arrived in the area in 1896. By 1905, the Colonel's Crow Creek Alaska Hydraulic Gold Mining Company was operating high in the Crow Creek Valley. Cabins were built and mining equipment was brought in to move giant boulders from the stream beds. However, mining efforts were soon halted as a result of a lawsuit brought by a company located downstream to stop the dumping of tailings into the creek.

Some of the other mines in the Girdwood area proved to be more durable. The Crow Creek Consolidated Mining Company began operating below Girdwood's claims in 1897 and was sold in 1906 to Nutter-Dawson Company. At that time, there were about fifteen buildings at the mine, including a two-story messhouse, a log cabin, a commissary, a manager's house, bunkhouses, a machine shop, a blacksmith shop, a sawmill, a stable and a bathhouse. A giant flume carried water from Crow Creek to jet away overburden and recover the gold.

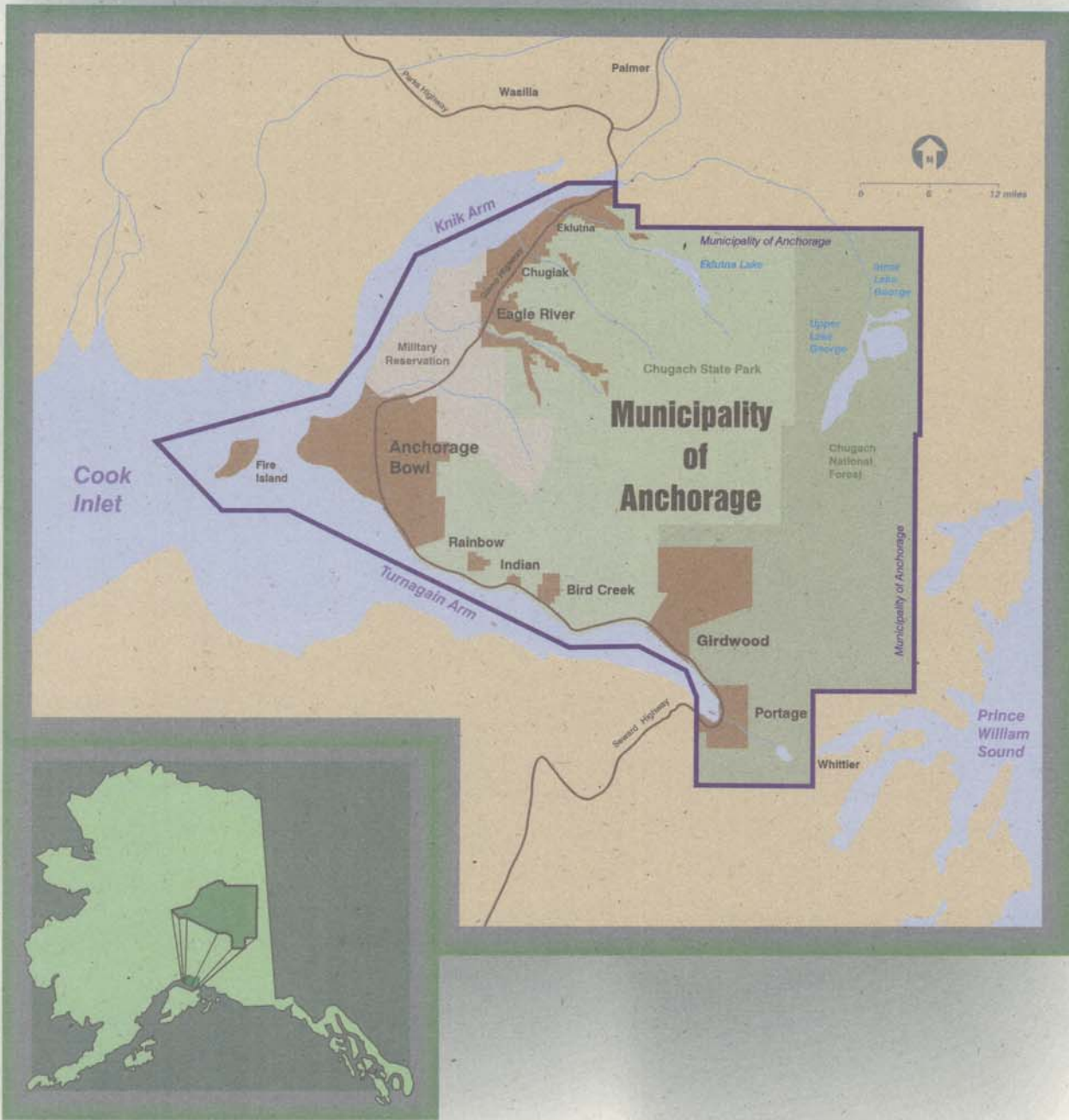
Lode gold mines in the area were much less successful. The Monarch mine in the upper Crow Creek Valley was reportedly the largest lode mine in the Turnagain Arm area. The vein deposits were discovered in 1909, and the mine operated intermittently under a series of different owners until the beginning of World War II. Other local lode properties included the Hottentot, Jewel and Brenner mines.

By 1910, the Alaska Northern Railway reached Kern Creek, four miles southeast of Girdwood. The community was linked to the railhead by boat and a trail. It was also connected to Anchorage via the Iditarod Trail, which originated in Seward and ran along the shores of Turnagain Arm to Girdwood where it branched. One route followed a steep, sometimes treacherous route along Glacier and Crow Creeks and over Crow Pass to the Eagle River valley. This route was used during the early years of the century as a winter route and mail trail to Knik. A second route, which continued along Turnagain Arm to Indian Creek and over the Indian Creek Pass and beyond to the headwaters of Ship Creek, was completed in 1908.

Despite subsequent improvements to the Crow Pass trail, the route through Indian Creek Pass was longer but less steep and came to be more heavily used.

In 1916, the Alaska Engineering Commission laid out the Girdwood townsite prior to construction of the railroad through the community. However, only one street, Main Street, was

Vicinity Map



ever built. Mining became a steady but seasonal occupation for many Girdwood residents. Some had cabins near their claims and also at or near Girdwood. Others stayed in town during mid-winter when daylight was minimal and working conditions, even for lode miners, were difficult.

Although it continued to function as a mining town, Girdwood boomed shortly before the twenties due to construction of the Alaska Railroad. A sawmill was set up on California Creek to provide railroad ties and, by 1918, a second sawmill was built on Glacier Creek to help fill the demand for lumber. In 1917, Girdwood reportedly had about 60 permanent residents, but on weekends the town's population swelled to as much as 300 with visitors from Anchorage and "gandy dancers" from the railroad camps at Bird Point, Mile 76, Kern Point, McHugh Creek and Indian. At the time, Girdwood's main street had about 16 buildings, 4 or 5 of which were saloons.

Despite its increased accessibility, Girdwood retained the flavor of a frontier settlement. This is believed to have been a factor in the town's selection as a movie location in 1924 for the silent screen frontier saga, "Cheechakos," produced by Austin "Cap" Lathrop.

The Crow Creek Highway, constructed in 1923 a distance of eight miles to the old Girdwood mining camp, provided an improved transportation route for the miners and their equipment. The Crow Creek Consolidated Mining Company property, later known as the Erickson mine and now as the Crow Creek mine, continued to operate until 1938 when it closed. Other mines in the Girdwood area also closed down in the late 1930's either because of lawsuits or presidential order and the community almost became a ghost town. Mining activities did not resume after World War II, although the Erickson mine reopened in 1950, primarily as a tourist attraction.

In 1949, new life was breathed into the Girdwood area with construction of the Seward Highway along Turnagain Arm. The 1950 Census counted a total of 79 local residents. Ribbon cutting for the new highway was held at the intersection of Main Street in Girdwood on October 19, 1951. However, following completion of this project, the town again lost population. Reportedly, one child had to be "imported" to justify the continued operation of the local one-room school.

In the mid-1950's, the Girdwood Valley began to attract the interest of local ski enthusiasts. A small ski slope on Mount Alyeska was developed with a rope tow in 1956 and the Alyeska Ski Corporation was formed in 1957-58. The first chairlift and a day lodge were constructed in 1960. Through the 1960's, the fledgling operation operated in the red but was subsidized by Francoise de Gunzburg, a Frenchman and the Resort's first benefactor. In 1962, the Alyeska Ski Corporation acquired 233 acres of land at the base of the mountain under a state permit and the Alyeska Subdivision was developed with roads and water service.

The 1960 Census counted 63 local residents, officially a decline from 1950. However, the area was seeing increased seasonal and weekend use because of the developing ski attractions. A municipal incorporation plan filed in July, 1961, stated that the community had 52 permanent residents (including 33 adults) and 266 property owners. Local voters unanimously approved Girdwood's incorporation as a third class city in September, 1961.

Girdwood changed forever in a few seconds on March 27, 1964. The earthquake caused five feet of regional subsidence and an additional three feet of local subsidence. This was enough to put lower lying areas of town, including the airport, under water at high tide. Water was reportedly as much as three feet deep in some of the buildings and it was obvious that the town would have to be moved. An earthquake-related chimney fire destroyed the Little Dipper Inn. In addition, the Seward Highway leading to and from Girdwood was severely damaged, as were all bridges.

The reconstruction of Girdwood was swift. Most of the town's approximately 60 residents were relocated about 2.5 miles further up the valley. A new townsite was established and an airstrip was built halfway between the new townsite and the Alyeska Resort. Several structures, including Crow Creek Mercantile and the old school/library, were moved from the old townsite. In addition, many chalets were constructed by individuals. Soon, the area along the road from Girdwood to Mount Alyeska was spotted with cabins and permanent homes.

Meanwhile, expansion of Alyeska ski amenities continued. In 1967, the Alyeska Ski Corporation entered into a three-year management contract with Alaska Airlines, with an option to purchase. Included in the management contract was a requirement for a hotel to be built. Since the airline was prohibited from subsidizing such a development, a private developer, Bruce Ficke, agreed to build a 75-room hotel. Construction of the first 32 rooms and the center core began in 1968, with a grand opening in February, 1969. In April of the same year, the new facility was almost wiped out by an avalanche. Plans for an additional 43 rooms scheduled for construction during the summer of 1969 were scrapped and condominium units were built instead and sold to individual investors.

The 1960's saw Girdwood begin its transformation to a recreational/resort community. In addition to the relocation of the townsite closer to the expanding ski resort, two new residential subdivisions were also created nearby. The two subdivisions, Alyeska and Alyeska Basin, were developed with a mix of primary and secondary homes. A third subdivision created in the 1960's, Raven Mountain Estates, was in a much more remote location at the end of Crow Creek Road, and was much slower to develop. Resident population growth more than doubled during the decade, increasing from a 1960 census count of 63 to 144 by 1970.

The decade of the 1970's witnessed the continued consolidation of Girdwood's function as a recreational/resort community. During this period of time, Anchorage enjoyed increased population growth and prosperity which was spurred by the trans-Alaska oil pipeline construction boom. A share of the growth and prosperity was felt in Girdwood. Between 1972 and 1979, four new chair lifts were added to Mount Alyeska, the Skyride Restaurant at the upper end of Chair 1 was expanded, and lighting was added to the upper mountain area. These improvements provided more skiable terrain and added to the hours of skiing pleasure for the growing number of recreationists.

In 1975, Girdwood's city government was dissolved with the establishment of a new unified home rule municipality. The new Municipality of Anchorage inherited the former borough and city land selections from the State in Girdwood valley, as well as the responsibility for providing basic public facilities and services.

Shortly after unification, the Girdwood Valley Service Area was established as a means of continuing the provision of services formerly provided by the City of Girdwood. A five-member

Board of Supervisors made up of local residents was established to advise the Municipality as to the level of service provided. Services included street construction and maintenance, solid waste collection and disposal (disposal was later consolidated into areawide service), fire protection and parks and recreation.

The new land use patterns, which initially started in the mid-sixties, expanded with new additions to Alyeska and Alyeska Basin Subdivisions. With this growth came the need for new and better public facilities. In 1978, Girdwood obtained a new fire station, which was centrally located in the valley in the new townsite area. A site located just north of the new townsite area was selected for construction of a new elementary school to serve kindergarten through eighth grade. Also included in the facility would be the local public library.

Also during the 1970's, a sewage treatment plant was constructed to handle the increased amount of wastewater that had become more and more of a public health hazard, not to mention odoriferous nuisance. The treatment plant was located a short distance above the old townsite area along the west bank of Glacier Creek. The initial sewage collection system was extended up valley to the new townsite and resort area where the need for wastewater disposal was greatest.

By the end of the decade, Girdwood's population had more than tripled, increasing from 144 to 577 permanent residents. With the continued oil-fed prosperity in the first half of the 1980's, Girdwood continued to grow, both in the number of secondary recreational homes as well as primary homes for new residents.

In 1980, Alyeska Ski Resort was acquired by Seibu Alaska, Inc., a subsidiary of the Seibu Group of Japan. The Seibu Group is a major international hotel and recreational facilities developer and operator with 37 ski properties in Japan. It also owns the Prince Hotel chain with approximately 80 deluxe hotels in Japan, Southeast Asia, Australia, Hawaii and Canada.

In 1983, the Anchorage Assembly placed approximately 5,200 acres of municipal land located in the Girdwood area into the Heritage Land Bank. The Heritage Land Bank had been established to manage lands acquired from the State through the Municipal Entitlement Program. The Heritage Land Bank was to manage municipal land that was uncommitted to specific public use by a municipal agency, and to manage and/or dispose of land determined to be surplus to the Municipality's needs.

A few years later, in an agreement between the State and the Municipality that was intended to settle all outstanding claims and obligations that had arisen over the municipal land entitlement program, Anchorage was allowed to select 1,000 acres from the State's National Forest Land Grant. The area of selection was limited to a portion of the State's selection area in the upper valley of Glacier Creek above Girdwood.

Before lands could be conveyed from the federal government to the State, and in turn, made available to the Municipality, the status of several different mining claims in the Glacier-Winner Creek area had to be resolved. In 1991, the Municipality bought out the interests of the claimants, thus freeing the land for transfer.

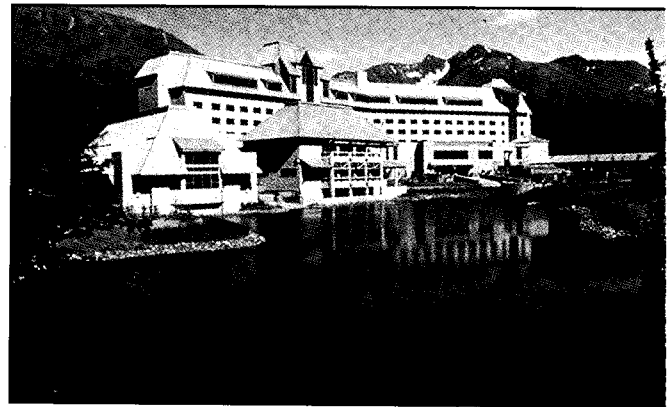
Since then, more than 7,000 acres have been transferred to the State. The Municipality has made a preliminary selection of its entitlement; however, no final selection or land transfer has yet been made.

In 1985, Seibu initiated a master plan for resort expansion at Alyeska. This led to a formal application by Seibu to acquire approximately 107 acres of land from the Heritage Land Bank. A sales agreement was approved a year later that resulted in approximately 80 acres in four separate parcels being sold to Seibu, and a fifth parcel of approximately 32 acres being leased to the company. Sale conditions included a requirement for the development and approval of a master plan prior to any construction on the newly acquired land. Municipal approval of Seibu's resort master plan was obtained in 1987.

The master plan was divided into two phases. The first phase called for construction of a 307-room deluxe hotel and parking lot, along with a tramway and new chairlift system to connect to the existing ski area. The second phase called for an additional 500- to 700-room hotel, and 250-350 resort bedroom units located on two separate parcels.

Construction of the first phase was completed in August 1994 with the opening of the new Alyeska Prince Hotel. By then, the remaining Phase I projects were already completed and in operation. (Seibu had also made several other significant improvements before the recently completed Phase I expansion. These included a new day lodge, a detachable quad lift, new parking lots, and upgrading of the grounds and ski trails.)

The cumulative effect of these major improvements under Seibu's ownership is to move Alyeska Resort toward becoming a world-class destination resort. Girdwood is evolving into a resort community that will likely continue to grow in response to resort-related activity, as well as from its close proximity to Anchorage.



Alyeska Prince Hotel.