CULLING

A Montana resort becomes the site for brain washing powerful financial leaders and the rich or famous throughout the world in preparation for a breeding selection process for an ancient and arcane purpose as old as the world…but the inquiry to the unexplained death of a woman working in the restaurant leads to an investigation that may open up an ancient evil keep hidden by an ultimate secret society.

Millionaires Flocking to Yellowstone Club

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By Sallie Hofmeister Times Staff Writer

BIG SKY, Mont.—There's no dry cleaner here, no carwash, nowhere to get a blow dry or a manicure. Looking for a sushi restaurant? You'll have to settle for a buffalo burger at the Corral Bar. The closest place to park your private plane is at the airport in Bozeman, an hour's drive down a two-lane road.

Big Sky is no Aspen, Colo. But the super rich are flocking here anyway.

The lure: the Yellowstone Club, a private, millionaires-only resort community whose amenities more than make up for Big Sky's lack of a traffic light or a designer boutique. Occupying 22 square miles of mostly wilderness, it's the only private club in the U.S. with its own ski mountain and world-class golf course.

News Corp. President Peter Chernin joined two years ago and, just before Christmas, he and his family stayed for the first time in their newly built house on a double lot near the top of Andesite Mountain. Next door, Steven Burke, president of Comcast Corp., is planning to break ground on a new home next spring. Bill Gates (news - web sites), co-founder of Microsoft Corp., owns the two lots next to Burke's.

"Sometimes you have to pay to play," says the Yellowstone Club's website, which explains that in exchange for an initiation fee of $250,000, a required property purchase of $1 million to $10 million and annual dues of $16,000, members enjoy a gated wonderland that offers 40 hiking and biking trails, rivers perfect for fly-fishing and an 18-hole course designed by former pro Tom Weiskopf, who is a member.

So few skiers use the 2,700 feet of vertical slopes that a blizzard can take weeks to pack down, guaranteeing so much untracked snow that the club has trademarked the slogan "Private Powder."

Perhaps as important, the resort, whose borders are discreetly patrolled by helicopter, employs a 28-year veteran of the Secret Service as its "director of privacy."

"Once you go there, you have to join," said Brad Howard, a Los Angeles real estate developer and Yellowstone Club member who is building a $6-million home, complete with an artist's studio for his wife.

But when he first applied, he admitted, "I wondered if they would like me."
That's because just being loaded does not guarantee entry. Members must also heed the personal motto of Yellowstone Club founder and timber magnate Timothy Blixseth: Check your ego at the door.

"I've given some members warnings. I've returned some checks," said Blixseth, 54, who said his ideal Yellowstone Club applicant possessed not only a minimum of $3 million in liquid assets (a membership requirement), but also impeccable manners. "Our target member is a good, down-to-earth, humble person who is thankful for his or her success…. No jerks allowed."

This marketing strategy — call it "only nice-rich people need apply" — sets the Yellowstone Club apart from other enclaves, from Malibu to Maui, where the very privileged gather.

In addition to the club's "honorary board" members, who include News Corp.'s Chernin, former Vice President Dan Quayle and former Rep. Jack Kemp, nearly 200 millionaires have joined, many of them captains of industries such as pharmaceuticals, fast food, finance, real estate and media.

Not for nothing is one of the club's 40 ski trails named "EBITDA," a Wall Street measurement of a company's financial health.

And more than a few aspiring members have been turned away.

Blixseth is too polite to name names, but his employees say one prospect was asked not to return after he chewed out the club's concierge in public because of a scheduling mix-up that was his own fault.

Another was shown the door after he treated the help "like slaves" and let his kids run wild, said one of the club's 300 employees.

Sources say Oracle Corp. founder Larry Ellison wanted to join, but was rebuffed because Blixseth didn't think he would fit in. The 10th richest person in the U.S., Ellison is known for being the kind of strutting peacock who, not long ago, redesigned a yacht he was building to ensure it would be bigger than the world's largest private vessel, owned by billionaire Paul Allen.

That kind of behavior is antithetical to Blixseth's genteel vision of his resort, where there are no cash registers or lift tickets and where cash tipping is discouraged.

"I'm not impressed by a person's money," said Blixseth, who with his wife, Edra, is beginning to turn a profit on their $200-million investment in the resort. He plans to cap membership at 864, but is in no hurry to reach capacity. "I don't want [members] here because they feel entitled or want to show off."

Already, the Yellowstone Club has created a building boom. Some 30 members have completed homes — some with elevators, wine cellars and spas. About 30 more houses are under construction, one of which features a top-floor room that rotates 360 degrees to take in magnificent views of the same rugged landscape that Robert Redford used as a backdrop for his 1992 film "A River Runs Through It."

"This place is on fire," said William Brickowski, a Montana-based contractor whose company, NW Timber Structures, is building two houses at the Yellowstone Club. "I'm importing workers so I can finish my projects."

The Yellowstone Club wouldn't exist but for two clever deals that Blixseth executed in the 1990s that together made for one of the largest government land swaps in history.

By that time, Blixseth — a high school dropout who grew up on welfare in small-town Oregon — had made a fortune in the timber business, filed for bankruptcy protection and become a millionaire all over
again. Making his primary residence in Rancho Mirage, he built Porcupine Creek, a 240-acre private golf course, in his backyard.

Then, he and his business partners made a trade with federal officials, who wanted to prevent development of 164,000 acres the businessmen owned adjacent to Yellowstone National Park. In exchange, the entrepreneurs received about 100,000 acres in the Bozeman-Big Sky area.

Of that, Blixseth's partners took the timberland, leaving Blixseth and his wife with a stretch of undeveloped land that they originally intended to turn into a family compound. The cabins and chalets they built were so popular with friends, however, that the two broadened their vision, deciding to create a country club for millionaires looking for an alternative to pricey, pretentious and overcrowded destinations such as Aspen.

The Yellowstone Club had three ski lifts and a few trails off a gravel road when Blixseth began priming the pump for membership in the late 1990s. The first 40 families, he said, "got a heck of a deal, but it was a blind leap of faith. The concept was untried and unproven."

Today, Hank Kashiwa, a former U.S. ski champion who is Yellowstone Club's vice president of marketing, says Blixseth runs the place as a "benevolent dictatorship," while his wife, a former restaurant and hotel owner and manager, serves as chief operating officer.

The influx of millionaires has caused some local tensions. Some old-timers worry that the jet-setters will destroy the small town serenity of Big Sky. The Big Sky Resort has served skiers for 31 years, but the town has remained relatively undeveloped. Yellowstone Club staffers complain that already, it's hard to find an affordable apartment.

Housing prices soared by more than 25% this year after inching up only 2% annually since the early 1990s, when purchases by CNN founder Ted Turner, now Montana's biggest landowner, brought publicity to the state. Local real estate agents attribute the increase to Yellowstone's marketing efforts. "They take out full-page ads in the Wall Street Journal around the world," said Tim Cyr, an owner of Big Sky Realty. "Big Sky has never had that kind of exposure."

Nature lovers, meanwhile, are furious about the Yellowstone Club's environmental record. This summer the Yellowstone Club paid more than $2 million to settle state and federal charges that it polluted rivers and killed fish during the construction of the golf course, roads and ski runs.

Mark Armstrong of the Greater Yellowstone Coalition, an environmental advocacy group, laments that the development is "very spread out, as opposed to having clustered development, and therefore has a much bigger impact on the wildlife."

Yellowstone Club executives counter that only 20% of its 13,400 acres are slated for development, with the rest remaining untouched. They point to a project they initiated in 2001 that irrigates the golf course with treated sewage from Big Sky that was destined to be dumped into the pristine Gallatin River. The project cost $17 million, half of which was paid for by the club.

Blixseth and other club members have also adopted Big Sky's tiny elementary school, raising nearly $400,000 through wine auctions that was used to fund teacher training. Members have raised an additional $120,000 for the school by auctioning off naming rights to some of the ski trails. A Florida beer distributor, the club's 11th member, named a trail Aletcat, pronounced Alley Cat, after his young daughters.

Blixseth estimated that this year the club put an estimated $200 million in cash into the local economy, the equivalent of $1 billion after accounting for the trickledown effect of the money.
The week before Christmas, construction crews could be seen toiling in the subzero cold, hurrying to finish the club's $30-million, 110,000-square-foot lodge. The complex, whose parking structure will be topped with an outdoor skating rink, will house a ballroom, a restaurant, a piano bar and lounge, fitness facilities and retail shops.

"Gucci, Fendi, they're all coming to Big Sky," predicted Brickowski, the contractor, noting that big developers are plotting to make the town ritzier too.

"Locals don't like it because they lose control. But it's what's happened in ski towns across the country. This is the last best place."