AGC's Arizona holdings reach double digits with Superstition Springs purchase

PHOENIX, Ariz. — American Golf Corp. acquired Superstition Springs Golf Club in Mesa in October, the third Phoenix-area acquisition for the California-based golf course management firm in as many weeks.

AGC bought Tatum Ranch Golf Club in Cave Creek and The Legend Golf Resort in Glendale in separate transactions, bringing the total number of courses owned in Arizona to 10.

According to Kevin Roberts, American Golf's senior vice president of operations for the West Coast, AGC has been monitoring the progress of the three Arizona resort courses for several years.

"It has always been our intention to expand our presence in the high-end, resort-type golf courses," said Roberts from the company's Phoenix office at Tatum Ranch.

Superstition Springs is an 18-hole resort course. According to General Manager Jeff Lessig, the purchase included the par-72, 7,000-yard golf course, clubhouse and practice facilities from Phoenix-based DBM Associates.

The Tatum Ranch purchase includes the par-72, 6,790-yard resort course, clubhouse and existing practice facilities. It will be one of the key Arizona operations centers of AGC and headed by Gary Klein, regional director for Arizona and Nevada. Klein, a 25-year veteran of the golf industry who has been with American Golf since 1975, comes to Phoenix from the Sahara Country Club in Las Vegas.

The Legend Golf Resort is located in the master-planned community of Arrowhead Ranch in Glendale.
The Harbor Club finds its way to the RTC auction block

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with Rapoca Energy Co., a diversified coal and energy company with operations in Virginia, Kentucky and West Virginia. NRC also coordinated the auction earlier this year of Hope Plantation, the first RTC-held golf course to be auctioned off.

"As a result of our two sales this year, we have been contacted by other institutions that have foreclosed on these types of properties," explained Evan Gladstone, executive vice president of NRC Auctions, who has an interesting cross-regional perspective on the real-estate bust of the 1980s. "There was a lot of money being thrown into these properties during the 80s," he said. "But the economics of these developments were predicated on the buyers coming from the Northeast. When the recession hit the Northeast, it really killed the real estate aspect of many projects down South."

The plight of bankrupt golf course resort communities has received added publicity since RTC moved in on Landmark last September. According to Gladstone, NRC bid on the right to organize the auction of Landmark properties, but lost out to Kidder, Peabody & Co. Anne Freeman, an RTC spokesperson, indicated Kidder, Peabody is expected to submit a marketing plan for Landmark in mid-January. In November 1992, RTC filed a bankruptcy plan with the federal district court in Charleston, S.C. Sometime on or around March 15, the court is expected to approve the plan, thus clearing the way for RTC to receive bids, Freeman explained.

Gladstone said RTC held 17 golf course properties before the fall of Oak Tree, Kiawah, PGA West and other former Landmark venues. And the lengthy delays in readying bankrupt properties for auction is par for the course, he said.

"There seems to be a standard response for properties of this sort," Gladstone said. "By the time it gets into the lender's hands, or RTC's, the projects tend to have substantial real estate, environmental, legal and zoning problems. Getting them ready for sale is a tough process — it can take months."

For example, the Harbor Club filed for Chapter 7 liquidation and the bankruptcy court subsequently ordered the public auction. However, it was not offered for public bid in a timely fashion because, as Gladstone noted, it took four months to iron out the details.

"There were a number of problems at the Harbor Club. For instance, there was a cart path that ran right through a lot that had been sold. We couldn't move the cart path because of the lake. We finally had to trade two unsold lots for the cart path lot."

Chip Barker, vice president of Pioneer Group, said the firm planned to operate the Harbor Club property as it was originally envisioned: A golf course/resort area that becomes a golf destination.

The club opened in mid-1989 on 1,000 acres of land with six miles of shoreline fronting Lake Oconee, a 19,000-acre man-made lake. Barker said an emphasis will be placed on the course — designed by Tom Weiskopf and Jay Morrish — and various uses will be explored at the equestrian center.

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