Many groups lining up bids on landmark properties

By PETER BLAIS

Membership groups, management companies, financial businesses, Wall Street investment banking firms, wealthy individuals and many others are supposedly interested in the upcoming auction of former Landmark Land Companies' properties being conducted by The Resolution Trust Corp., July 14 in Dallas.

"From what I hear, it sounds like everybody in the world will be bidding," said Randy Williams, Club Corporation of America's executive vice president of new business. "The RTC has supposedly received over 1,000 inquiries."

The six properties have a book value of $740 million and include some of the world's most prestigious golf and meeting courses and resorts. They are Mission Hills Country Club, PGA West, LaQuinta Hotel Golf & Tennis Club and Carmel Valley Ranch, all in California, Palm Beach Polo & Country Club in Florida and Kiawah Island Resort in South Carolina.

RTC will auction off the resorts individually and in groups to try to provide a competitive investment opportunity for both individual and institutional buyers.

Several membership groups at the private clubs are planning strong bids in the hopes of walking away from the auction block with those properties. "They are the logical purchasers of the private clubs," said Laurene Hirsh, president of the Society of Golf Course Appraisers.

They have the most to lose in terms of lifestyle and property values of their adjacent property if a company buys their course. Economically, there may be 400 members to spread the risk and they aren't interested in the course making money. A company would be interested in the course showing a profit, which will affect its bid," Tom Hill is president of the members' group developing a package for Palm Beach Polo & Country Club. The 45-hole course, polo club and equestrian center, with a total book value of $54 million, has been re-designed in the 1980s by Rees Jones.

Continued on page 40

American mgt. companies see Asian market in different light

By PETER BLAIS

The two giants among American golf course management companies view the Asian market in totally different lights.

"From our perspective we have a very lucrative market here [North America], so why defuse our focus," said Joe Guerra of American Golf Corp., parent of American Golf Course Management, the world's largest golf course management company.

But it is a fairly simple and inexpensive matter to correct, according to the Hale Irwin Golf Services vice president. Guenther presented a "cost-effective" means his company now offers for letting golfers know actual distances from tee station to target green. Guenther discussed the company's new service during Idea Nite at February's National Golf Course Owners Association annual meeting in Orlando, Fla.

The system is being used at the Hale Irwin Golf Learning Center in St. Louis and "has gotten a lot of positive feedback from golfers."

"The company first designed a Yardage Book," Guenther said, "but it is an inexpensive, easy to use, printed and distributed, "yardage book" for each hole on the course. It was designed for the pro to use as a networking tool, and to use with a small group of members in an informal setting."

Continued on page 42

accurate practice range translates into additional course revenues

By PETER BLAIS

It's a Thursday night and the serious golfer stops by the practice range on the way home from work. He grabs a 7-iron and takes aim at the flag marked 150 yards. Experience tells him he should drop the ball right on top of the flagstick. Instead it falls 10 yards short. Maybe he mishit it. He swings again and the same thing happens. Several balls later frustration starts to build as he begins changing his swing to accommodate the poor accuracy his bonehead blood pressure has risen more than the quality of his game. He storms back to his car, slams the door and vows never to return to a facility that can't accurately measure the distance from Point A to Point B.

Robert Guenther believes similar scenarios play themselves out fairly often at practice ranges around the country, costing centers customers and profits.

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"We think Asia represents a big potential market for our services," said Jerry Dickinson, chairman of Club Corporation of America's Club Resorts Group.

"There are a number of Asian companies that are doing a good job already," he said.

Continued on page 41
Landmark properties set to be auctioned off in mid-July

Continued on page 39

870 members. Hill hopes to raise $20 million to $25 million through a solicitation offer costing each member between $10,000 and $50,000, depending on the type of membership chosen.

"It's hard to imagine a course with an annual $2.5 million deficit selling for anywhere near $34 million," Hill said.

Hill said members anticipate having to spend additional millions on capital improvements since Landmark spent very little on such projects the past four years.

"Fortunately, we have a good superintendent in Brian Broyles. He's done a terrific job keeping the course up," Hill said.

Whether member groups are successful depends on how the RTC evaluates bids, Hill said.

Palm Beach members will make a straight cash offer. Others may offer more, but will likely seek seller financing and ask RTC to finance part of the deal, Hill said.

"We won't know how things will go until the auction, we see who the other bidders are and how the RTC evaluates bids," Hill said. "We think a cash purchase eliminating the need for financing should help."

Hill said his group has approached developers who may be interested in building on the property's 300 acres of undeveloped land. And he has also talked with management companies about operating the facility if the members are successful. Club Corporation of America is one of those management firms.

"We've talked to all the member groups," Williams said. "We're working with some to put together bids and develop management agreements. We think the members are the biggest asset at those properties."

While Club Corp. has not given up on the idea of bidding on some Landmark properties itself, Williams said the general feeling at the Dallas-based management company is that bidding prices will be too high.

"We don't think they'll go at fair market value," Williams said. "I've had a preliminary look at some of the derived institutional market values the RTC's Wall Street banking firm has come up with. They don't seem to be the type of figures a reasonable appraiser would come up with."

Hill got his way.

"None of these courses were ever appraised by a professional golf course appraiser," said the appraisers society president. "Whoever appraised these properties may not be in the same position to do the job as an independent appraiser."

"If you want someone to do your taxes, you hire an accountant. If you want someone to appraise your course, you hire a golf course appraiser," he said. "I just made it a rule."

Still, there are likely to be many bidders. Who walks away with these legendary properties is anybody's guess.

"There are some big, big players out there who could come in and swallow up the whole thing or bite off some big chunks," Williams said. "I've heard that some Wall Street firms are raising money to take down all or some of them. They'd be well-positioned to do so. There are supposedly some investment banking firms considering getting involved and some wealthy, private individuals who are interested."

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SunDevil, New From Medalist America.

VIENNA, Va. — Billy Casper Golf Management, Inc. has been retained to provide complete management services at The Country Club at St. Lucie West, according to F. Thomas Marty, BCGM senior vice president of operations.

St. Lucie West represents BCGM's first acceptance of a management arrangement in Florida. "We've looked at the Florida market the past few years and now we have found it viable from our management standpoint. By 1994, we look to have three contracts in Florida," said Marty.

For St. Lucie West, BCGM will perform services in the areas of daily club operations, financial management, maintenance, club relations, and turf management. BCGM's major roles will be the development and marketing of an innovative equity membership plan.

The Country Club at St. Lucie West boasts an 18-hole, 6,980-yard championship golf course designed by Jim Fazio. It is known for its many water hazards, towering pines and striking beauty. The facility also has five lighted clay tennis courts, a swimming pool and a clubhouse, with a spa nearby.

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