Palmer Mgt. moves toward franchising

BY PETER BLAIS

ORLANDO, Fla. — Arnold Palmer Golf Management Co. has unveiled a franchise program that allows course owners to use the Palmer name and proprietary operating systems, but permits course owners to continue operating their golf facilities themselves.

"No one has provided management services to people who want to continue running their own courses, until now," said Palmer Chief Marketing Officer Joseph Redling. "We created this system specifically for them."

In exchange for an undisclosed annual franchise fee plus a percentage of course revenues, courses that pass a selective screening process can become part of a Palmer Management network that currently includes 20 courses nationwide.

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Ski firms become major players

American Skiing Co.

BY PETER BLAIS

Skiing provides the monetary speed, but golf helps smooth out the financial bumps for American Skiing Company, a major Northern New England ski operator that is fast becoming one of the region's major golf course owners and operators.

Although it represents just 10 percent of ASC's total revenues, golf helps even out the company's cash flow throughout the year, according to ASC Chief Financial Officer Tom Joseph Redling. "We take more than for-profit management credentials. It also takes deep pockets."

The 18th hole at Troon North's Pinnacle Course. Inset: Troon Chairman Dana Garmany

Above: The 18th hole at Troon North's Pinnacle Course. Inset: Troon Chairman Dana Garmany

Golf Trust of America to raise $300 million

BY PETER BLAIS

Golf Trust of America — a real estate investment trust established by the founders of The Legends Group in Myrtle Beach, S.C. — will raise $300 million over the next three years allowing it acquire at least 30 courses by the end of the decade, according to the investment banking firm that helped develop Golf Trust's original February stock offering.

"Golf Trust owns 10 courses at this time," said Christopher Haley, senior research analyst with Wheat First Butcher Singer. "It expects to acquire another $55 million in 1997, $110 million in 1998 and $140 million in 1999. That should allow the REIT to more than triple the size of its portfolio."

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Golf Ventures, USGC tie the merger knot

BY PETER BLAIS

ORLANDO, Fla. — Course operators Golf Ventures Inc. of Salt Lake City and U.S. Golf Communities of Orlando, Fla., have signed an agreement

Golf Ventures operates three courses in Utah and Golf Ventures six golf properties and related
Troon Golf
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also established the Starwood Real Estate Investment Trust, a major hotel investment vehicle. Troon will manage all new Westin golf properties and consult on Westin's existing golf properties as needed, Garmany said. "The partnership will allow us to develop a property in-house rather than have to look outside for investors, if that's what we choose to do," Garmany said. "Starwood is a great source of capital and expertise for us."

Troon Golf has developed and/or managed many high-end Southwestern U.S. layouts, including Troon North and Legends Trail golf clubs here, The Golf Club at Vistoso in Tucson, Castle Pines North in Denver, Primm Valley Golf Club near Las Vegas and Scottsdale's Talking Stick, which is under construction. It has helped develop Cabo Real Campo de Golf in Los Cabos, Mexico, and The Falls at Palm Mountain in Palm Springs, Calif., as well as performing golf operations consulting at Las Brisas Golf Club in Santiago, Chile; La Cantera Golf Club in San Antonio, Texas; Troon Golf & Country Club in Scottsdale; and Woodward Country Club in Birmingham, Ala.

Troon Golf is primarily a turnkey operation. "We do everything from the feasibility study through daily management of the course," Garmany said. "We have some management-only contracts. But we prefer to develop a course from the ground up." That's what the firm did at its first course, Troon North. Since opening in 1990, the Jay Morrish/Tom Weiskopf Monument Course has been voted the top course in Arizona by some publications and among the top 100 in the country by others. "We started with a core group of about six principals in the company," Garmany recalled, "and did everything ourselves. We felt if we were going to put our money into it, the best way was to control everything ourselves right from the start."

Not wishing to rush into a development without the resources to do the job properly, Troon Golf moved slowly through the first half of the 1990s, opening a new course every year or two. However, Primm Valley opened in December, and the company has two courses scheduled to open within the year: Castle Pines North this spring and Talking Stick in the fall. Construction of La Paloma also began in December.

"We've expanded to the point where we can do more than one course at a time," said Garmany. "We won't open a course early, though. Nine out of 10 courses open too early. But you get one chance to make a first impression and we don't want to mess it up."

Although the company has cut back on its fee work in favor of developing its own projects, it still provides consulting services. Troon Golf did the development work for the owner — the Salt River Pima-Maricopa Indian Community — at Bill Coore/Ben Crenshaw-designed Talking Stick. "We worked on a fee basis as a third-party consultant, hiring the architect, builder and subcontractors," Garmany said.

Intrawest
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Canada, brings the number of Intrawest golf properties to five.

The British Columbia-based "mountain resort company" as it likes to be called, plans to open a Doug Carrick-designed 18 at Panorama ski resort in British Columbia and a Cal Olsen layout at Mammoth Mountain, California, by July 1998. "Golf will likely be a part of each resort and real-estate project we undertake," said Mr. Vice President of Marketing for Resort Operations Michael Davis, who oversees the company's golf operations. "Intrawest is committed to golf. We're looking to acquire more resorts. If there isn't a course already there when we acquire a property, then we'll build one if it's possible."

Intrawest entered the golf business in 1995 with its purchase of West Virginia's Snowshoe ski resort and its Hawthorn Valley Golf Course. Last year Intrawest purchased Stratton Mountain in Vermont and opened Le Geant at Mt. Tremblant near Montreal. Stratton has a 27-hole, Geoffrey Cornish-designed course. Le Geant has a Tom McBride 18 that placed second among Golf Digest's best new Canadian courses in 1996, Davis said.

"Golf helps with the seasonality of the mountain resort environment," Davis said. "We like to think we're in the mountain resort business, not the ski business. Golf is an important amenity for the summer resort and real estate developments."

Golf accounts for five to 10 percent of Intrawest's total revenues, Davis said. But it also helps fill resort rooms that would otherwise go empty in summer; increases spending in ancillary businesses like restaurants and shops; and helps provide year-round employment for the company's key employees.

Intrawest manages all its courses. "Operating a number of courses definitely gives us some operational flexibility," he said.

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