London-based Clubhaus widens European reach

Management firms gain popularity, increase service expectations among European golfers

By Peter Blais

LONDON — Clubhaus PLC has kicked off its second year in business with the purchase of three more courses, an indication of the increasing influence of course management companies throughout Europe.

"Management companies will inevitably grow here," predicted Colin Hegarty, director of London-based Golf Research Group, a golf industry research firm. "They may grow slower than some people think in terms of the numbers of courses they operate. But the effect they have will be far greater than just numbers. They will redefine customer expectations in terms of the quality golfers expect."

Management firms are gaining strength throughout Europe, but particularly in the United Kingdom, Hegarty said. Clubhaus’ three recent acquisitions gives it 10 golf facilities scattered throughout Europe, with 8.5 18-hole equivalents in the United Kingdom alone. According to Hegarty’s figures, Clubhaus is the third-ranked management firm in the United Kingdom in terms of total courses (measured in 18-hole equivalents) behind

BRIEFS

COURSECO SIGNS LONG-TERM DEAL

CourseCo Inc., a Northern California-based golf course management and development firm, will operate the Crystal Springs Golf Course here for the next 20 years under terms of a lease agreement with San Francisco officials. In connection with the agreement, the first phase of a $2.5 million upgrade has begun.

NEW OWNERS FOR NH, VT TRACKS

A pair of Northern New England courses have new owners. Pete and Grace McGowan of Gillette, N.J., along with Joe and Mary King of Sand Point, N.Y., purchased nine-hole White River Golf Course in Rochester, Vt., for $690,000. Herb and Gail Braman were the sellers. Franklin Resource Group, headed by President John Maiorino, acquired nine-hole Nippo Lake Golf Course in Barrington, N.H., for $850,000 from seller Lloyd Jensen. J.A. Caufield & Co. Brokers of Glen, N.H., represented the sellers at both facilities.

LIVINGOOD NEW GM AT VA. LAYOUT

VIENNA, Va. — Billy Casper Golf Management has named Joseph Livingood general manager at Somerset Golf Club near Fredericksburg. Jerry Slack-designed Somerset is an 18-hole, public facility scheduled to open in by early June. Livingood has extensive management experience, most recently serving as general manager of Crystal Lake Golf Club in the Minneapolis suburb of Lakeville.

FAMILY GOLF REPORTS FINANCIALS

MELVILLE, N.Y. — Family Golf Centers reported first-quarter net income rose to $562,000, or 5 cents per share, up from $699,000, or 1 cent per share, for the same three months in 1996. Revenues increased 168 percent to $9,015 million for the first quarter of 1997 compared to $3,362 million in last year’s first quarter. “We continue to pursue our ambitious expansion strategy and have added nine centers since the beginning of the year,” said company President Dominick Chang.

GATX course portfolio still up for grabs

By Peter Blais

NationsCredit has ended its efforts to buy GATX Capital Corp.’s golf course loan portfolio, according to a NationsCredit spokesman. "We just couldn’t agree on a price," said Don Rhodes, vice president of Atlantic-based NationsCredit. "We made an offer we thought was high, but they apparently thought it was too low. In the end, they wouldn’t adjust their asking price." Asked about the negotiations, GATX spokeswoman Sandra Parker offered, "No comment."

Saying the increased willingness of traditional lenders, like banks, to make golf course loans meant too-low rates of return for a financing company [See November GCNJ, GATX Vice President Roy Powell announced last fall that the firm would no longer make golf loans and would sell its existing $75 million loan portfolio.

Among GATX’s clients were several major golf course operators including Golf Enterprises (now part of National Golf Properties), The Fairways Group, LinksCorp and National Fairways Inc.

“The whole package included 22 courses,” Rhodes said. “They cut out the LinksCorp courses early and a few others, leaving somewhere between seven and nine courses we were discussing. We talked, but kept coming up about $200,000 apart.”

Rhodes said he was unaware if GATX was negotiating with other potential buyers for its course portfolio. "They indicated they might just keep the loans," he added. "If the properties do as well as they believe, keeping them may be the best return they will get. It was hard for us as a lender to pay for an upside that may be five to seven years in the future.”

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MOVIN’ ON UP

Risk-taker Evans takes advantage of opportunity

By Peter Blais

BELGRADE LAKES, Maine — Years of preparation and a causal conversation set Kyle Evans on the road from superintendent to course owner. Evans, 39, then head superintendent at Waterville (Maine) Country Club, was working on the course one August day in 1995 when Maine legend Harold Alfond happened along. Alfond, the millionaire founder of Dexter Shoe and part owner of baseball’s Boston Red Sox, is a Waterville CC member.

The two struck up a conversation. Evans mentioned he was looking at some nearby land where he hoped to build a nine-hole executive course. Alfond listened and then invited Evans over to his home that afternoon to meet some friends. The friends were developers who wanted to build a first-class, championship course on 250 acres overlooking the scenic Belgrade Lakes. They wanted Evans, the only one in the group with golf industry experience, to lead the development team as part owner and company president.

"You can’t hit unless you step to the plate," Evans said. "I didn’t hesitate for a moment."

Flash ahead to May 1997, almost two years after his initial conversation with Alfond, and Evans is hoping to open the first nine holes of his Clive Clark-designed course later this summer. He’s been involved with the project through land acquisition negotiations, the permitting process, architect and builder selection and course construction.

"All the experiences I had along the way were important in getting me to this position," Evans said.

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