Family Golf Centers top half-century mark in course properties

MELVILLE, N.Y.—Family Golf Centers, Inc. has acquired Leisure Complexes, Inc. for approximately $46 million in cash, stock and assumption of existing indebtedness. In the transaction, Family Golf Centers acquired the Ponds Golf Center, and Sports Plus, a family entertainment complex, both located in Lake Grove, Long Island, N.Y., as well as Leisure Complexes' bowling division.

Dominic Chang, president and chief executive officer of Family Golf Centers, said: “While we continue to be the leader in the consolidation of stand-alone golf centers, we have reviewed numerous opportunities to enhance our golf centers by including additional family-oriented recreational activities. We are very excited about this acquisition, because Leisure Complexes' indoor family recreation concept has outstanding growth potential, in major demographic areas. Our businesses are complementary, and will enable us to counter the seasonality of the golf business.”

Bill Reitzig, president of Leisure Complexes, Inc., said: “We are equally enthusiastic about joining forces with Family Golf Centers. We have been searching for a business partner to help us achieve our ambitious growth plans, and decided that Family Golf Centers' impressive growth, experience in consolidating the golf driving range industry and financial strength made them the ideal partner for us.”

Mr. Reitzig will remain with Family Golf Centers as president of its Lake Grove subsidiary, created to acquire Leisure Complexes, Inc.

The Ponds at Lake Grove Golf Center, located in Lake Grove, N.Y., consists of an 18-hole executive course, lighted driving range and pro shop. Leisure Complexes' family entertainment complex, a new 170,000 square-foot state-of-the-art... Continued on page 42

Canadian manager, developer ink deal

By VINCE ALFONSO

Canadian Golf Corp. (AGC) recently relocated its Northeast Regional offices from Toledo, Ohio, to Virginia Beach, Va.

The new American Golf Northeast Regional offices are located in Virginia Beach on First Colonial Road in the Great Neck area.

Since opening the offices in Toledo seven years ago, the Northeast Region has taken on greater territory and more responsibility. AGC now manages golf courses in 16 different cities on the East Coast. The Northeast is one of American Golf's six regional operations spread throughout the country.

"Because of the tremendous growth in the number of properties operated by American Golf through acquisitions over the past few years, Toledo is no longer a central location," stated AGC Regional Vice President Rich Hohman.

"Norfolk has a bigger and better airport which will help greatly with our transportation needs. Our East Coast properties are now more accessible, allowing us to be at the prop... Continued on page 44

PERSONNEL CORNER

Patience a virtue when dealing with people

By VINCE ALFONSO Jr.

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olomon I'm not. You remember Solomon? You know, the King of Israel who was the wisest man who ever lived, except for Jesus, of course. Solomon, the King who held up the baby in question and said to the two women claiming to be his mother, "Since both of you claim to be equally mother of this child, I will cut him in half and present half to each of you." The woman who begged King Solomon not to do such a thing was awarded the whole child. She was obviously the real mother.

Now, as wise as King Solomon was, I doubt very much if he had rehearsed or had been trained in the specific area of how to deal with two mothers each claiming to be a child's mother and... Continued on page 43

AGC explains East Coast headquarters move

By PETER BLAISE

VIRGINIA BEACH, Va.—In a strategic move to operate in closer proximity to its East Coast golf properties, American Golf Corp. (AGC) recently relocated its Northeast Region headquarters from Toledo, Ohio, to Virginia Beach, Va.

The new American Golf Northeast Regional offices are located in Virginia Beach on First Colonial Road in the Great Neck area.

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The relocation involves the move of eight American Golf executives and their families to Tidewater. In addition to Hohman's family, the families of Dean Wochaski, Northeast regional director of maintenance; Mark Tansey, regional sales and marketing director; Paul Ballam, Northeast regional project manager; and Kelly Reyner, administrative assistant are all relocating from Toledo. Ken Guerra, sales director for all AGC public courses east of the Rockies, is relocating from San Francisco. Additionally, within the next few months, a regional food and beverage director and a director of revenue and service integration will be transferred to the new Virginia Beach office.

“Our move to Virginia and the mid-Atlantic area puts us close to exceptional golf courses and terrific golf markets,” Hohman said. “This region has several communities committed to golf’s growth and we are committed to partnering in that growth. We are excited about the growth opportunities on the East Coast, especially in the mid-Atlantic area.”

“The revenue and service integration manager will deal with everything from pace of play to how we answer phones, those connections between driving revenues and related service issues. We may also see an acquisition specialist working out of this office.”

AGC/NGP

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In related news, National Golf Properties Inc. reported funds from operations (FFO) of $12.4 million in the quarter ended June 30, a 20-percent increase from $10.3 million in the quarter ended June 30, 1996. On a per share basis, NGP reported a 9-percent increase in FFO to 59 cents per share in the quarter ended June 30, from 54 cents per share a year earlier. The difference in growth rates between aggregate FFO and FFO per share is primarily attributable to the issuance of 1,577,820 shares of NGP common stock during the third quarter of 1996 as partial consideration for the purchase of 20 golf courses.

Rent revenues increased 34 percent to $18.5 million in the quarter ended June 30, from $13.8 million a year earlier. The increase in rent revenues was due to same store rent growth of 5.1 percent and rent received from 35 courses acquired since June 30, 1996. NGP declared a distribution to stockholders of 42 cents per share for the quarter ended June 30, 1997, and reduced its payout ratio to 71 percent of FFO from approximately 76 percent a year earlier.

In April, NGP obtained a five-year, unsecured, $100 million revolving credit facility from a group of four commercial banks. Borrowings under the facility carry a maximum floating interest rate of LIBOR plus 1.125 percent. The interest rate spread will be reduced upon NGP's receipt of specified credit ratings.

During the second quarter, NGP acquired Baymeadows Golf Course, a daily-fee facility in Jacksonville, Fla., and The Golf Club at Bradshaw Farm, a daily-fee course in Atlanta, for $11.1 million.

ClubLink

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pricing for ClubLink's ongoing course and infrastructure construction by Bruce S. Evans Limited and Fowler Construction Company Limited.

Evans will continue to be closely involved with the operation of Grandview Inn. In addition, Grandview will assist in the management and operation of ClubLink's Resort and Conference Centre at The Lake Joseph Club.

ClubLink intends to develop an 18-hole course on the 550-acre property with future potential of additional golf and related recreational facilities, resort villas and residences. Grandview Inn has further agreed to purchase a significant portion of the new course's shoulder season and non-peak time capacity to provide additional amenities for its growing corporate conference business.

ClubLink owns nine golf clubs in southern Ontario and is developing additional courses and residential accommodations at several of its properties.