Crown sits well atop this leader

Midwest management company will open two courses this spring

By Peter Blais

LENVIEW, Ill. — This spring’s grand openings of River Valley Ranch Golf Course near Aspen, Colo., and South Mountain Golf Course in Draper, Utah, will expand Crown Golf Properties portfolio of managed, leased and owned properties to better than two dozen nationwide.

“From the operations side of the business we approach them all the same,” said Crown Executive Vice President of Golf Operations Scott Flynn. “As a company, there is still a strong interest in owning and developing. I think we’ve done more developing than most other management companies. We’re fortunate that we’re part of a larger company that has the financial wherewithal to also develop golf courses.”

Steven Crown is the company’s president.

South Mountain GC in Draper, Utah, is a new Crown Golf property coming on line this spring.

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Meditrust to accelerate Cobblestone’s plans for course acquisitions

NEEDHAM, Mass. — The Boards of Directors of The Meditrust Companies have signed a definitive merger agreement with Cobblestone Holdings, Inc., parent of Cobblestone Golf Group, Inc., under which Meditrust will acquire all of the outstanding preferred and common stock of Cobblestone for Meditrust stock valued at approximately $241 million.

In addition, $154 million of Cobblestone debt and associated costs will be either refinanced or assumed as a condition of closing.

The transaction will position Meditrust as a leading consolidator in the golf industry. With the acquisitions of Cobblestone and La Quinta Inns, Inc., Meditrust will have a total market capitalization of approximately $8 billion.

Based in Del Mar, Calif., Cobblestone is a privately held company and one of the leading owners and operators of golf courses in the United States. Cobblestone has a portfolio of 25 facilities with 29 courses in major golf markets in Arizona, California, Florida, Georgia, Texas and Virginia. The portfolio includes 11 private country clubs, six semi-private clubs and eight daily-fee courses. The company has achieved significant growth in revenues and EBITDA since its formation in 1992.

Following the transaction, James “Bob” Husband, president and chief executive officer of Cobblestone, will continue to serve in his current capacity as president and CEO of Cobblestone. Cobblestone’s headquarters will remain in Del Mar and its properties will continue to be operated by Cobblestone management.

Abraham Gossman, chairman of the boards of directors of The Meditrust Companies, said, “This transaction with Cobblestone adds leisure to the lodging platform that Meditrust established with the announcement of the La

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Family Golf buys MetroGolf Inc.

MEVILLE, N.Y. — Family Golf Centers Inc. has submitted a cash tender offer for all of the outstanding common shares of MetroGolf Inc. at a price of $1.50 per share.

MetroGolf’s board of directors unanimously approved the agreement and recommended that shareholders tender their shares.

MetroGolf operates eight golf facilities in major metropolitan locations. Family Golf owns, operates or is constructing 57 golf-related facilities in 18 states.

In other news, Family Golf will be title sponsor of the 2-year-old International Junior Golf Tour (IJGT), a not-for-profit organization based in Hilton Head, S.C., that enables junior golfers to showcase their competitive skills.

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and chief executive officer and a general partner in the family-owned firm, Henry Crown and Company, which includes diversified manufacturing operations and real-estate ventures. The Crown family organization has been in the hospitality business for more than 40 years, planning, developing and building a number of high-end resorts and real-estate developments. In 1994, the firm began doing third-party management contracts for other development firms and golf course owners. Its first contracts were a pair of West Coast courses followed in early 1995 by the purchase of GreenVisions, an existing Midwest management company then headed by Tim Miles. Miles has remained with the suburban Chicago firm as executive vice president of construction and development.

The company went on to win management contracts with major developers such as Sanyo Foods, owners of Tustin (Calif.) Ranch; Pacific Life, owners of Tijeras Creek in Rancho Santa Margarita, Calif.; Boeing Co., owners of Longbow Golf Club in Mesa, Ariz.; Northeast Phoenix Partners, owners of Wildfire Golf Club in Phoenix; and General Dynamics, developers of Empire Lakes Golf Course in Rancho Cucamonga, Calif.

“Our business has grown dramatically in California, Arizona, Colorado and Utah, and in order to receive the time and attention desired, we decided to add a new region,” Flynn said.

The firm now has four regions with a vice president of operations in each — East, Central, Pacific and the recently added Mountain region. Rob Kohlhaas, most recently general manager at Wildfire, heads up the new Mountain region. Buck Page oversees the newly named Pacific region.

Asked what differentiated Crown from other management firms, Flynn said: “We think it comes down to the people you have in place. There aren’t a lot of secrets in the golf industry, so it’s working with the best people you can find.

“The organization has a long history in the hospitality business. Early on it brought the same type of approach to service delivery and quality standards that were more prevalent in the hotel business.

A lot of us in the organization worked in those properties. “We’re also fortunate the owners of our company are long-term players. They see our future way down the road. I’ve talked with people in other organizations and they struggle a bit with venture-capital money and the demand for short-term returns. There is some uncertainty out there with some of those companies.”

Developers have approached Crown about international projects in China and Europe, but the company hasn’t found the right opportunity, so far. “We still think there are opportunities here [U.S.],” Flynn said.

The company has no numerical goals in terms of adding courses. “We’re at a numerical stage now where the management structure makes sense. I’ve talked to a lot of companies that are going through that 6-, 8-, 12-course level where it becomes a real challenge to add facilities. If we could add a handful of high-quality facilities each year, we’d be thrilled. Obviously prices are climbing in the acquisitions market, but we still bump into good deals here and there.”

Flynn sees the percentage of courses run by professional management companies — currently estimated at somewhere between 5 to 8 percent of the U.S. course supply — growing steadily into the foreseeable future.

“We’re seeing more and more real-estate and resort developers who have been through it [running a course]...
Granite Golf assigns managers to new positions

PHOENIX, Ariz. — Granite Golf Group, Inc. has realigned several key staff positions based on the company’s rapid growth in recent months.

MG Orender becomes senior vice president of acquisitions and golf operations for Granite Golf Group, Inc.; Brian Jackson becomes chief operating officer for Granite Golf Management, Inc.; and S. Adele Jones is now senior vice president of business development for Granite Golf Management, Inc.

Granite operates more than 30 courses throughout North America and is also responsible for three courses in various stages of development. The firm recently signed an agreement to lease Whispering Woods Golf Club, a semi-private golf course. The par-70 layout, designed by Ellis Maples, is located in Whispering Pines, N.C. Granite will lease and operate the course under an arrangement with South Course Limited Partnership that provides for an initial term of 10 years, with two 5-year options.

AGC to operate Long Island track

RIVERHEAD, N.Y. — American Golf Corp. (AGC) has been awarded the contract to manage the new Long Island National Golf Course here. The 18-hole course is scheduled to open next spring.

The challenge of transforming a sod farm into a premier daily-fee golf course fell to designer Robert Trent Jones Jr. Jones’ par-71, 6,800-yard layout features dramatic elevation changes, two double greens and a double fairway, and some 40 sand and grass bunkers.

“Long Island National will have the feel of the great private clubs in Southampton such as Shinnecock Hills and National Golf Links, but the great news is that everyone will be able to enjoy this top golf experience,” said AGC Regional Marketing and Sales Director Mark Tansy.

A host of amenities include a clubhouse with a wrap-around porch overlooking the 18th green, driving range and pro shop.

Crown Golf

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Welch named CMAA education director

ALEXANDRIA, Va. — The Club Managers Association of America (CMAA) named Gordon Welch its Director of Education and Lifetime Development. Welch has been a club manager since 1987 and active in CMAA since 1988. In his new post, he will work closely with the Club Managers Institute to further develop CMAA's lifetime professional development program. He will also spearhead all World Conference education programs and help maintain standards for the Certified Club Manager and Master Club Manager designations.