

BRIEFS



ARIZ RESORT NAMES KRAUSE DIRECTOR

LAVEEN, Ariz.—Mountain View Golf Club has named Kurt Krause its new Director of Golf Operations for the 36-hole golf facility located west of downtown Phoenix in Laveen, Ariz. As director of golf operations, Krause will oversee all activities at the course including golf, food and beverage, retail and course maintenance.



Kurt Krause

MOZER JOINS FMAC

LOS ANGELES—FMAC has fired Peter Mozer as executive vice president and chief credit officer. Mozer plans to reorganize the FMAC credit department by integrating the credit, compliance and workout disciplines. Mozer will be responsible for overseeing the credit function for all FMAC product areas including the restaurant, energy, golf, funeral and equipment finance groups.

DUNEDIN SELECTS IGM

LAKELAND, Fla.—International Golf Maintenance (IGM) has been selected by Dunedin Country Club to oversee its golf course maintenance operations. Under the three-year agreement, IGM provides all aspects of golf course maintenance for this Donald Ross-designed, 18-hole layout. The 6900-yard course has been in operation since 1927. The city of Dunedin took ownership in 1962.



WILSON ADDS MINN. PROPERTY

The Wilson Golf Group, a White Bear Lake, Minn.-based golf course ownership and operations company, has named Greg Stand director of acquisitions. Stand also is the general manager of one of the Wilson Golf Group's golf course properties, Oak Glen, a 27-hole public facility in Stillwater, Minn. The Wilson Golf Group owns and operates six golf facilities including four in Minnesota and two in Colorado. The group is actively seeking to acquire additional golf facilities in the upper Midwest region of the country. For further information, call 612-439-6981.

DPC definitely Major League Mgt. firm uses pro athletes to market facilities

By PETER BLAIS

ORLANDO, Fla.—Diamond Players Club (DPC), a new golf management company headed by St. Louis Cardinals pitcher Todd Stottlemyre with the assistance of numerous professional athletes, will build a course at the Levitt Corp.'s Skytop Development at Clermont, Fla.

Construction of the course, Diamond Players Club at Orlando, will begin this summer. The facility is expected to open in the fall of 1999. The club will be semiprivate, with about 180 members, and be open to public play.

DPC will own the new Orlando course, which will be designed by golf architect Terill LaGree, modifying an original plan of Lloyd Clifton. LaGree is vice president of Barbaron Inc., which will perform the construction.

The 175-acre course has elevation changes of as much as 200 feet. A practice complex, three-acre putting course and golf academy are also planned. The entire 500-acre Skytop site will also contain an 800-home development.

The project brings together one of the leading names in home building and one of the newest companies in golf management.

Levitt Corp. was founded in 1929 by the late Abraham Levitt. Diamond Players Club — which also manages Donald Ross-designed Belleview Biltmore Golf Club in Belleair, and has several other construction, lease and management projects under development — was founded in 1997 by Stottlemyre and Greg Gagliardi, twice voted the West Central Florida Chapter PGA Professional of the Year and longtime general manager of Lansbrook Golf Club in Palm Harbor. Stottlemyre is chief executive officer and Gagliardi is chief operating officer.



Gregg Gagliardi (right), Todd Stottlemyre (center) and Rob Ducey

DPC won the management contract for Belleview Biltmore in mid-1997. Stottlemyre solicited a number of professional athletes who were "easy to get along with, very people-oriented." The players agreed to make themselves available for corporate outings and allow the use of their name for marketing purposes. Among them are Seattle Mariners pitcher Rob Ducey, Tampa Bay Buccaneers running back Mike Alstott, Arizona Diamondbacks pitcher Andy Benes, Boston Red Sox pitcher

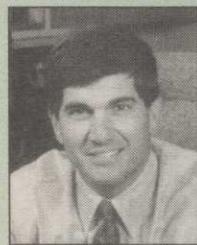
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GUEST COMMENTARY

Golf property tax assessments: Your firm's plan of action

By LARRY HIRSH

With local governments increasingly squeezed for operating revenues, real-estate owners are asked to bear a larger burden. Golf courses are an easy target. Why not? Only 12 percent of the population play golf and golfers are perceived by non-golfers as "rich people in bright clothes chasing a little white ball." Moreover, when schools, police and fire protection are at risk, golf courses are politically acceptable targets.



Larry Hirsh

Recently, many jurisdictions' tax reassessments have been particularly hard on golf course properties. For example, Montgomery County Pa. (an area with a number of upscale, daily-fee and private clubs) experienced double-digit reassessment and in Beaufort County, S.C. (the Hilton Head Island resort area) a reassessment resulted in in-

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Larry Hirsh is president of Golf Property Analysts, a Harrisburg, Pa.-based golf course appraisal firm.

Meditrust, Cobblestone complete merger

NEEDHAM HEIGHTS, Mass.— The Meditrust Companies announced that it has completed its acquisition of Cobblestone Holdings, Inc., the parent of Cobblestone Golf Group, Inc. and will exchange all of the outstanding preferred and common stock of Cobblestone for Meditrust shares.

Meditrust also assumed and refinanced approximately \$154 million of Cobblestone debt. After the previously announced golf course acquisitions are closed, Cobblestone will have a portfolio of 45 facilities with 49 courses in major golf markets and will be one of the leading owners and operators of golf courses in the United States.

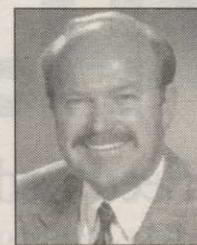
Abraham D. Gosman, Chairman of the Board of The Meditrust Companies, stated, "The acquisition of Cobblestone establishes Meditrust as a leader in the growing golf industry. Golf has attracted over 26 million participants in 1997, an increase of 13 percent from 1996. With [Cobblestone Presi-

dent] Bob Husband and his organization, Meditrust gains an excellent management team to speed the rapid consolidation of this sector. We envision Cobblestone at the core of a number of golf-related acquisitions that we have planned in this extremely fragmented industry."

Husband will continue to serve as president and CEO of Cobblestone, now a subsidiary of The Meditrust Companies. Cobblestone's headquarters will remain in Del Mar, Calif.

"We are very excited about the combination of Meditrust and Cobblestone," Husband said. "Working together, we believe that Meditrust will continue to increase its presence in the golf industry and maintain a dominant position."

In other news, Cobblestone announced John Williams will add responsibilities as regional Director for the company's California facilities. Williams will continue to oversee Cobblestone's operations in Arizona.



Bob Husband

United Golf acquires Sarasota, Fla. layout

NEW YORK—United Golf Group, a private golf course owner, has acquired the Serenoa Golf Club, an 18-hole semi-private course in Sarasota, Fla., for \$7.1 million. The course, designed by David Alden and completed in 1990, is located in a residential development.

United Golf CEO Mark Mashburn said: "The Serenoa course fits in well with our long-term goal of acquiring a portfolio of quality courses throughout the country. The course is located in the strong Sarasota market and enjoys the support of visitors as well as year-round residents. We plan to continue operating the course

as an upscale facility that will be an asset to the area."

United Golf is based in New York. Formed in early 1998, United Golf is actively acquiring public and private courses throughout the country. United Golf's management includes personnel with a combined 50 years of experience with course acquisition and management as well as individuals with extensive experience in the capital markets. United Golf plans to use this platform to make further acquisitions this year. For more information on the company, please contact the company at 212-317-0300.

Hirsh

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creases for golf properties of between 300 percent and 900 percent. What should course owners do? The following article provides a checklist to make course owners better prepared for the potential challenges of a reassessment.

Quick Action

Any new assessment notice will have a date on it by which any appeal or objection must be filed. If such objection is not filed in a timely manner, any

right to appeal can be forfeited.

Evaluation

It is critical to evaluate your case objectively. While large assessment increases are often shocking and unjustified, in some cases they represent nothing more than fair updates of valuation. Pursuing an appeal with no foundation can be costly and you risk your assessment being increased. The best way to evaluate your case is to engage the services of a qualified appraiser to perform a preliminary assessment analysis and valuation. In

most cases, there is no need to have an appraisal completed right away and most appraisers will work on a phased basis to control "up-front" costs. It is important to ensure that the appraiser you hire is experienced, credible and can perform competently as an expert witness.

Cooperation with Assessing Authorities

Taxing authorities often calculate how far they can negotiate based on the potential cost of litigation to the taxpayer. Knowing this can often help

In any assessment case, the property owner has to be prepared to "go the distance." This is the best way to avoid costly litigation.

avoid costly and uncertain litigation. Especially in jurisdictions where reassessments have occurred, the caseload is often quite burdensome and taxing authorities may be prepared to adjust assessments for those taxpayers who have prepared accordingly and provide ample support for their case — this can be you.

Sharing of Information

A constant conflict between course owners and tax assessors is the confidentiality with which owners treat their income and expense statements and other operating information. While it is certainly understandable to maintain the privacy of financial records, golf courses are typically appraised based primarily on the income approach and historical income is often the best data available. Assessors, often unfamiliar with the valuation of golf properties, utilize data that sometimes does not represent a true picture of a property's operation and do not understand that a facility's published rates can often be substantially different than its actual achieved averages.

While I do not advocate owners "publishing" their operating information, it would seem that certain issues, such as accurate round counts (adjusted for 18-hole equivalents), average green fees, per-round estimates of pro-shop and food and beverage sales, and market information of operating expense ratios or certain line items can be shared with an independent consultant in order to formulate market averages and trend without jeopardizing confidentiality. This could help encourage accurate assessments on the front end or certainly shorten the appeal process through amicable settlements.

Preparation

In any assessment case, the property owner has to be prepared to "go the distance." This is the best way to avoid costly litigation. Hire counsel who is experienced and respected, be prepared to have your appraiser prepare a complete appraisal report on the property and be ready to litigate, if necessary.

As the battle in many local jurisdictions continues to increase revenue dollars, tax assessors are contemplating the reassessment of all golf course properties. In some areas, taxing districts are engaging experienced golf property consultants to assist in achieving fair assessments, while in other jurisdictions, golf property owners are mobilizing in groups to respond to the reassessments by engaging legal counsel and consultants. Whatever the strategy or situation, preparation, cooperation and straightforwardness may go a long way in achieving just assessments for all parties concerned.

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