Arizona management company poised for changes

By PETER BLAIR
SCOTTSDALE, Ariz. — A new name and a new mission.

The Masters Group, a Scottsdale-based course management firm, has changed its name to MorningStar Golf International. MorningStar currently operates Great Eagle Golf Club in Surprise and Prescott Golf & Country Club in Prescott. The company hopes to add five courses to its portfolio in the next 12 months, according to Vice President Robert Berkman.

“We’re positioning the company to expand and acquire new properties, and we’re in the process of doing an equity raise,” said MGI President Doug Remy, who predicted rapid and strong growth for the 5-year-old firm.

The new equity will allow MorningStar to focus its expansion efforts on underperforming, mid-tier courses, i.e. green fees between $25 to $60.

“We want to provide good, consistent service at the mid-tier,” Berkman said. “Figuring out how to do it with the right economics is where we think there is some opportunity. You need to buy the courses at the right price with the right demographics around it. The service component, if done correctly, can really change and maximize the economics of the golf course.”

In addition to Great Eagle and Prescott, MGI also managed the Mountain View Golf Club for Arthur Anderson & Co. as court-appointed trustee, and provided consulting services for the San Marcos Golf & Country Club.

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Private club launched in Mich. resort area

By PETER BLAIR
OSCOMON, Mich. — Developers of a private country club community centered around a Tom Weiskopf-designed 18-hole course opening this summer are hoping to attract Detroit-area executives and professionals interested in purchasing second homes at the gateway to Northern Michigan’s recreational playground.

Tom Barrett, Jerry Petersen and Payne Palmer have developed second-home, master-planned communities in Scottsdale, Ariz. (Desert Highlands and Troon Golf & Country Club), Payson, Ariz. (Chaparral Pines and The Rim), Seattle (McCormick Woods) and Scotland (Loch Lomond).

Forest Dunes represents their first effort in a Snow Belt area.

“You really have to think about developing amenities like ice skating, and being able to change over the pro shop to cross-country skiing and snowshoeing,” Barrett said of the new venue. “We’ll have buses bringing kids skating at Boyne Mountain on Saturdays and Sundays. We need to promote other forms of recreation at a four-season resort.

“Golf runs from May through mid-October. We’re so far north and west in the time zone that most of the summer you can tee off at 5:30 p.m. and still get in 18 holes.”

The lot sale program, which is similar to ones the developers have used else-

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Kemper Sports to operate California’s Black Gold course

NORTHBROOK, Ill. — Kemper Sports Management has signed a long-term agreement with the city of Yorba Linda, Calif., to manage Black Gold Golf Club, an 18-hole daily-fee course scheduled to open in November 2000. Kemper will act as development consultant during the construction phase and assume management upon opening.

Located 10 miles northwest of Disneyland in Orange County, Black Gold Golf Club will feature a lighted driving range, putting green and 12,000-square-foot clubhouse.

Architect Arthur Hills designed Black Gold on 225 acres of a former oil field that has been in production for Shell Oil Company since the 1930s. Hills paid special attention to the environment in his design as has planned to restore and integrate more than 60 acres of habitat for the native threatened bird, the gnatcatcher. Several active oil pumps will remain on the property.

Black Gold Golf Club is part of the city of Yorba Linda’s Vista del Verde, a master-planned community that will convert 1,100 acres of the former oil field into a high-end residential development that will include 2,100 single-family homes, an elementary school, 10 miles of pedestrian and equestrian trails and two five-acre parks.
CALIF. FIRM BROKERS SEVERAL DEALS

SAN DIEGO — The Golf & Resort Properties Group division of CB Richard Ellis recently brokered several transactions totaling more than $30 million. The division, headed by Jeffrey Woolson, represented State Street Bank & Trust Co. of California in selling Sycamore Canyon Golf Course in Arvin for $1.6 million to Golf Course Management Representing U.S. Golf Inc. (ClubCorp), Woolson also brokered the sale of six municipal courses and one sports center in Philadelphia to Meadowbrook Golf. Woolson also arranged the sale of The International Golf Club in Boston for $25 million and land at PGA West in La Quinta, Calif.

MorningStar

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According to Golf Course News figures, there are at least 71 Arizona courses operated by management companies and other multi-course operators. "There are still courses to be acquired," Berkman said. "There is a lot of competition, but this is still a great market."

Berkman described Great Eagle and Prescott as "fixer-uppers" when the firm bought them five years ago. "If you have a good business sense, you can turn projects like that around and get a cash flow to cover operational expenses," he said. "They really were neglected assets without short- or long-term capital plans in place. We've done all that and been able to turn around the economics of those two assets."

MorningStar is looking beyond Phoenix at expansion plans that include acquisitions, leases and third-party management contracts.

"We're going to be a lot more opportunistic and less strategic with where we are going initially," Berkman said. "We're looking at deals across the country and even outside the country... We're putting together an equity raise, sort of a real-estate fund. The success of that will help."

"As you look at historical perspectives, we're due for a bit of a real-estate downturn and we want to be in a position to capitalize on that."

Two of MorningStar's principals, Remy (Wyndham Hotels & Resorts) and Berkman (Marriott and Carefree Resorts) come from hospitality backgrounds.

"Much of the golf business is 40 years behind the hospitality industry in terms of customer service," Berkman said.

The other two principals are

Forest Dunes

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Crawford County made the project attractive to county residents and officials. The developers also affiliated themselves with Audubon International. Audubon has made several presentations on Forest Dunes' behalf.

The only environmental red flag was the development's location, a quarter mile from the south branch of the Au Sable River, home to some of the best trout fishing in the country. Trout Unlimited and The Sierra Club had some concerns about what effect a 1,000-home community with two golf courses might have on the aquifer, Barrett said.

Extensive hydrology studies helped ease those fears. Lakes are manmade and filled with well water.

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