Del Webb to add more new courses to REIT

By ANDREW OVERBECK

PHOENIX, Ariz. — After more than four decades of developing “active adult” communities and building golf courses, Del Webb Corp. has taken a new direction with its golf operations. While the company manages the 16 courses that it has built over the years, it has also established a real estate investment trust (REIT) as an entity to hold some of its golf course assets.

“The company builds terrific golf assets and then gives them away to home owners,” said Henry DeLozier, vice president of golf operations. “Two years ago, Del Webb determined to make a transition from giving away courses to transferring ownership into a closely held REIT and turning golf operations into a profit center.”

Of Del Webb’s 16 courses, six are under the REIT and 10 are dedicated to the homeowners’ associations. The courses in the REIT all opened in the last two years. However, in the next three to four years, Del Webb will be adding 14 more courses to its existing communities.

“Of the 14 new courses, eight will be under the REIT, four are promised to homeowners and two are still up in the air,” said DeLozier.

The Orchards GC unveils clubhouse, membership deal

By HAL PHILLIPS

SOUTH HADLEY, Mass. — The elegant Donald Ross design here at The Orchards Golf Club can now boast a clubhouse of comparable quality, following a renovation and upgrade directed by Arnold Palmer Golf Management. The unveiling took place Aug. 1.

The Orchards GC was the brainchild of one Joseph Skinner, who commissioned Ross to design the course for his daughter in the 1920s. In 1941, Skinner donated the 18-hole course to Mount Holyoke College, which still owns the club. Palmer manages the facility on the school’s behalf.

“The clubhouse is an old carriage house which was moved from the Skinner property to the course in the early 1940s,” said Orchards general manager Glenn Zito. The

ClubLink sells Piedmont GC to ClubCorp for $9.5 million

By Bruce Simmonds

KING CITY, Ontario — ClubLink Corp. has sold Piedmont Golf Club in Haymarket, Va. to ClubCorp, Inc. for net proceeds of $9.5 million. ClubCorp, based in Dallas, currently owns 26 percent of ClubLink’s common shares. ClubLink acquired Piedmont Golf Club in March from developer GolfSouth Holdings LLC as part of an option agreement held by ClubLink U.S., a wholly owned subsidiary of ClubLink. Piedmont Golf Club, which is located near Washington, D.C., is a private golf course under construction.

“Because of ClubCorp’s already strong presence in the Washington, D.C. market and its substantial ownership position in ClubLink, it made sense for ClubCorp to own and operate Piedmont Golf Club,” said Bruce Simmonds, ClubLink president and chief executive officer.

In addition to the $9.5 million payoff, ClubLink has received a perpetual 20-percent profit and liquidation participation, payable from cash flow generated by Piedmont after a fixed return on ClubCorp’s invested capital and its repayment.

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clubhouse is a fitting complement to the course, which is perhaps one of the best-preserved examples of Ross' architectural genius, Zito added. In fact, Massachusetts Golf Association (MGA) members recently recognized The Orchards GC as the state's preeminent "hidden gem" and will hold the 2001 State Amateur here.

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affordable rates for residents. While the growth in the number of golfers has been stagnant, DeLozier is more concerned with other economic indicators, directing his attention instead to the housing market.

"People who buy homes from us are in most cases selling a place before they move," he said. "So it is the person who qualifies to buy their old place that we are the most concerned about."

ZOOMERS
As the market for its resort-style communities has grown, more active baby boomers are now becoming residents, thus changing Del Webb's course design strategy.

"We call them 'zoomers,'" said DeLozier. "These are people who expect high quality golf. So we are giving them courses that are longer and more challenging.

For instance, at Sun City Hilton Head, the first course, Okatie Creek, was built in the traditional Del Webb model of resort golf—a nice and easy course that is relatively flat and has few obstacles. "On the second course, Hidden Cypress, we asked Mark McCumber [the designer] to turn up the heat a little bit," said DeLozier. "The course is 7,100 yards and is all the challenge you can want." That course opened in May.

GOING FORWARD
While Del Webb will be adding courses to its existing communities over the next three to four years, the company is also looking at other markets. Currently, there are no details on where these developments may be built, but Del Webb's most recent venture in Illinois may be an indication of future plans.

In June, the first Sun City community outside of the Sun Belt opened in Huntley, Ill. Sun City Huntley includes Whisper Creek Golf Course, which was designed by Greg Nash and Billy Casper.

"Many of our buyers in the Sun Belt come to us from the Midwest," said DeLozier. "Our polling told us that there is an audience that will always consider themselves Chicagoans and they don't want to get too far away from family and business activities."