Honours Golf picks up ‘flagship’ properties

BIRMINGHAM, Ala. — Honours Golf has acquired two high-profile championship courses, both located at World Golf Village in St. Augustine, Fla. Scratch Golf Company, based in Hilton Head Island, S.C., has sold The Slammer & Squire and The King & The Bear to Honours for an undisclosed amount. “Our overall goal is to provide golfers with a superior golf experience, including excellent customer service and course conditioning,” said Bob Barrett, CEO of Honours Golf, headquarter here. These two unique courses fit perfectly into our growth plans and will undoubtedly serve as the new flagships of our portfolio.” The Slammer & Squire is an 18-hole, par-72 resort layout designed by Bobby Weed, measuring 6,939 yards from the tips. Course design consultants were “Slamming Sammy” Snead and continued on page 29

AllGolf takes over 20 Family Golf facilities

BY A. OVERBECK

NORTHBROOK, Ill. — KLAK Golf has acquired 20 properties from Family Golf Centers for $16.15 million. KLAK Golf is a joint venture between Lubert-Adler Real Estate Opportunity Fund, Klaff Realty and Kemper Sports Management. The group has formed AllGolf, a new subsidiary of KemperSports, to handle the operation of the mid-market driving ranges, golf practice facilities and regulation, executive and nine-hole golf courses.

Of the 24 locations on the auction block, AllGolf hand picked the best 20 properties, said Zach Fink, director of operations. “Some of these properties have leases attached to them that where so bad that there was no way that you could make any money, regardless of the revenue stream,” he said. Despite the admittedly thin margins in the driving range business, KemperSports CEO Steve Lesnik is optimistic about the long-term opportunities. “We wanted to continue to expand our presence in golf and golf management, and that includes operating golf courses, driving ranges, and practice centers,” he said. “If we operate these properties well, we will be able to provide a return to our investors.” Lesnik did not rule out the acquisition of more driving range and practice facilities.

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ClubLink sells surplus real estate for $10.5 million

KING CITY, Ontario — ClubLink Corporation has entered into agreements of purchase and sale totaling $10.5 million with Canadian Country Club Communities Ltd. of Toronto to transfer parcels of surplus residential land at four of its Greater Toronto Area golf courses.

These agreements will close upon receipt of regulatory approvals and severance of the respective parcels. In addition to the sale proceeds, ClubLink is entitled to 25 percent of the net profits from King Valley sales. Moreover, in connection with the sale of ClubLink’s 50 percent interest in the Emerald Hills residential land, ClubLink receives 500,000 warrants to purchase Country Club common shares at $1.50 per share. These warrants expire at the earlier of 12 months after the common shares are listed on a stock exchange or 18 months after closing of the Emerald Hills deal.

EIGHT ACRES AT GLEN ABBEY

Included in the purchase and sale agreements are 22 acres at King Valley Golf Club in the Township of King, eight acres at Glen Abbey Golf Club in Oakville, 20 acres at Emerald Hills Golf Club in Whitchurch-Stouffville, and 112 acres at Georgetown Golf Club.

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American Golf to grow Nike Golf Learning Centers concept

BY ANDREW OVERBECK
SANTA MONICA, Calif. — In response to the success of its Nike Golf Learning Centers, American Golf Corp., is set to open 25 new ones this year. The company already has 40 centers in operation, and has introduced more than 7,000 new players to the game of golf this year.

"We are outperforming the expectations of our business plan," said Mike O'Donnell, director of operations. "We expected to convert 30 percent of our students into 'new golfers' — that is people who play 10 rounds of golf each year. Right now we are doubling that."

Most of the learning centers are located in the western United States, but that will soon change. "Our overall strategy was to move from west to east," said O'Donnell. "Right now we are assessing our courses to determine if they have the facilities necessary to run the program and whether they have a need for the program. Our regional directors in New York and Minnesota are very interested in the program. It is in high internal demand."

Nike Golf Learning Centers will expand eastward this year and facilities will be created in Charlotte, N.C., Atlanta, Orlando, Fla., and Chicago. Additional centers will come on stream in southern California and Texas. The company plans to expand into the Northeast in 2002.

SAFE HAVEN FOR NEW GOLFERS
The point of the learning centers, said O'Donnell, is to build play and create a demand for tee times at American Golf facilities.

"We are going by the numbers that you look at, there are 40 million people that are interested in playing golf and want to take lessons and there are 21 million people that watch golf on television but don't play," he said. "That's eight to 15 percent of the population that is ready to play. But they need a place where they can go and learn and not be intimidated. We aim to be a safe haven for new golfers."

The instruction program consists of six hours of group lessons that take place over a period of four weeks. If at the end of the program a golfer is not ready to play on course they can repeat the program free of charge.

"The program content is focused on teaching transition-to-play components," said O'Donnell. "We include time on the course and practice swing mechanics, but 50 percent of our time is spent on teaching students how to book a tee time, how to drive a golf car and what to do on the course. Our focus is on bringing technically good students opposed to technically good golfers."

Following the initial lessons, there are programs at the centers designed to keep the new players coming back.

"We have Play Days where they get a free 30- to 45-minute topical clinic and then go out and play on the course with the golf pro," he said. "We also have new golfer scrambles, and one of our courses just did a night 'glow golf' tournament. We try to make it fun and break down the stereotypical stodgy image of golf."

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ClubLink
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"These agreements with Canadian Country Club Communities allow ClubLink to realize the value of its surplus residential land at four of its Greater Toronto Area golf courses," said Bruce S. Simmonds, ClubLink president and CEO. "These transactions transfer the cost and risk of land development to Canadian Country Club Communities while ClubLink remains focused on its core golf business."

Canadian Country Club Communities is a private company that has associations with leading developers and house builders, including The Kaitlin Real Estate Group of Toronto, one of the Greater Toronto Area's most distinguished developers and homebuilders.