Agronomic fervor is key to Troon Golf’s meteoric rise

By DAVID HUBBARD

SCOTTSDALE, Ariz. — Troon Golf is enjoying explosive growth, fueled by golf course owners and developers around the globe who rely on the firm to provide top-notch management at their facilities.

From a standing start in 1990, the Scottsdale-based firm has built a worldwide portfolio of 80 golf clubs in 16 states and eight countries. A level of play known as "the Troon Golf Experience" is so recognizable that golfers as far away as Perth, Australia, can ask for it by name.

And according to chairman and CEO Dana Garmeny, Troon Golf has big plans for growth. "Looking ahead to the next five years, we will continue to target only the finest high-end golf facilities," he said. "By 2005, we also expect to have added New Zealand, South America and continental Europe, and we anticipate over 200 golf courses worldwide under Troon Golf management."

The company's vision to serve the high-end golf market also has attracted several international firms as shareholders, including Goldman Sachs, Australia's Macquarie Bank and Greg Norman's Great White Shark Enterprises. And with corporate offices in Australia and Japan as well as Arizona, the company seems well positioned to continue its meteoric trajectory.

'PREMIUM-LEVEL' GOLF

So here's the big question: How does Troon do it? How does it provide everything required for a premium-level day of golf and still make it a profitable venture for the owners?

The answer lies partly in a full slate of management services to supervise complex and costly construction, maintenance, and ongoing operations from course development to clubhouse dining.

Founded by Garmeny with the company flagship, Troon North Golf Club, the original commitment to provide championship conditions every day of the week continues to anchor the Troon Golf culture.

Evergreen Alliance adds Missouri clubs

IRVING, Texas — Evergreen Alliance Golf Limited (EAGL) has added two golf properties in the Kansas City, Mo., metropolitan area to its management portfolio, and will add another, currently under construction, upon its completion.

Swope Memorial Golf Course and Minor Park Golf Course, both daily-fee courses which are part of the Kansas City Parks and Recreation District, were added to the EAGL portfolio of management properties. Staley Farms, a new golf course within a residential community north of Kansas City, also will be managed by EAGL.

Swope Memorial features an A. W. Tillinghast design dating back to 1924, although golf has been played on the site since 1906. The course was closed in 1989 for restoration to its original Tillinghast design, and was re-opened in 1990.

"Swope Memorial was the first public golf course in the area," said Kenneth Krakauer, historian of the Kansas City Golf Association. "A number of Kansas City Opens were played there."

Minor Park, one of the busiest golf courses in town, is popular with players of all ages who enjoy a superb "walking" layout. Featuring wide, well-groomed fairways and large bent greens, it appeals to both novices and more experienced golfers.

Staley Farms, slated to open in late summer, will be an 18-hole, daily-fee golf course. It is being built and will be owned by GolfServices Group Construction Co. of Omaha, Neb., in conjunction with a residential development.

AllGolf builds portfolio to 24 properties

Northbrook, Ill. — AllGolf, a subsidiary of KemperSports Management, has assumed management of seven additional properties, increasing the number of sites under its management to 24 in 15 states.

The seven locations include John F. Kennedy GC in Aurora, Colo.; Overland Park in Kansas City; Smith in Pembroke, Fla.; Overland Park GC in Overland Park, Kan.; Polaris in Westerville, Ohio; AllGolf at Glen Allen in Glen Allen, Va.; and Landen in Cincinnati.

All seven sites contain driving ranges as well as full-service golf courses. The Kennedy locale also offers 36 holes of golf, while Overland Park in Colorado features 18 holes, and the Overland Park club in Kansas offers 27.

"As with the initial properties that AllGolf began with, we anticipate a smooth transition," said Bob Wallace, AllGolf COO. "We have been able to retain and retain much of the existing staff."

KLAK Golf obtained the properties at a bankruptcy auction held in February to liquidate the remaining assets of Family Golf. AllGolf was formed in October 2000 to manage 17 facilities that KLAK Golf obtained from Family Golf in its initial bankruptcy proceeding. KLAK Golf is a joint venture between Lubert-Adler Real Estate Opportunity Fund of Philadelphia, Klaff Realty LP of Chicago, and KemperSports Management of Northbrook.

AllGolf features a portfolio that includes driving ranges, family fun entertainment centers, golf practice facilities, and affordable executive and regulation golf courses.

"We routinely poll guests as they leave our facilities," said Hud Hinton, Troon's president and COO. "More than half of them tell us that above all other amenities, the quality of the golf course is foremost in their minds. To continue and respond drive us to perfect our presentation."

SCIENCE-BASED AGRONOMY

The agronomic management plan from which Troon Golf developed is essentially the brainchild of Garmeny and Jeff Spangler.

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Depreciation to be studied by IRS

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and tees. With the issue included in this new pilot program, the process should be expedited, according to KPMG partner William Ellis, who has been spearheading the course owners’ campaign.

“We can expect guidance this year,” said Ellis. “The NGCOA, with the assistance of KPMG, will continue to monitor the process to ensure the most favorable results to the industry.”

REMOVING AMBIGUITY

The IRS’s new Industry Issues Resolution was created to reduce costs and burdens for both taxpayers and the IRS by eliminating uncertainty involving tax treatment.

“The goal is to move away from auditing frequently disputed industry issues on a case-by-case basis towards solutions that apply to significant numbers of business taxpayers,” said Larry Langdon, IRS commissioner for the large and mid-size business division.

“The process so far has been the most positive experience Ellis has had with the IRS in his 30-year career. “In the beginning [of the process] they were adamant in saying, ‘We can’t let you depreciate dirt!’ Now they are saying, ‘You know, we really learned something,’” he explained.

According to Ellis, the golf course depreciation issue was placed at the top of the list because the IRS wants to have early success with the pilot program. “They want to make it a poster boy for the new program,” he said.

KPMG’S CONTINGENCY FEE

The NGCOA and KPMG’s efforts, however, are far from free. KPMG has made its fee contingent on the association’s ability to raise money from its 3,300 members, a task that remains unfinished.

“We are pushing to get the money raised,” said executive director Mike Hughes, who anticipates that this inclusion by the IRS will make the job easier.

“We need to get contributions of $500 per course,” he continued. “That is a small amount given the benefit that we can convey to them when we are successful.”


Summit Golf

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as director of membership and business development. And Eric Miko, a former director of operations for CrisStar Development Group, will serve as director of club operations. Collectively, these five people will form a team characterized by extensive and diverse capabilities enabling the company to provide expertise in all areas of club operations.

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