ITT acquires Flowtronex PSI

**By Andrew Overbeck**

**WHITE PLAINS, N.Y. — Global conglomerate ITT Industries acquired privately held Flowtronex PSI Aug. 19 as part of its plan to expand into the golf course and turf irrigation markets. Terms of the deal were not disclosed.**

With Goulds Pumps under its corporate umbrella, ITT already has an experienced pump manufacturer. The company expects that its acquisition of Flowtronex will allow it to become a leading provider of pump station and irrigation products to the golf and turf industries.

"ITT recognized that Flowtronex has a leadership position in the golf course and landscape irrigation markets," said ITT's Water Technologies Group president Doug Bingler. "Flowtronex is a leader in technology and product development and has excellent manufacturing facilities and processes that will fit well into the ITT organization."

Bingler said ITT is focused on providing a "total solution" for customers.

"ITT has strategic focus on growing the businesses in water supply market segments adjacent to those now served by Flowtronex. From the bottom of a well or reservoir to the point of application, opportunities exist for us to provide all of our services," said Bingler.

The acquisition will add Flowtronex's product lines to ITT's existing offerings in the irrigation and water supply market segments, and allow the company to expand its presence in the golf and landscape irrigation markets.

Environmental Golf changes name, looks to grow

**By Andrew Overbeck**

**CALABASAS, Calif. — In a move to consolidate branding and marketing, Environmental Industries has changed its name to ValleyCrest Companies. The company's golf maintenance division, Environmental Golf, is now ValleyCrest Golf Course Maintenance.**

Environmental Industries grew out of ValleyCrest Landscape Nurseries, which was founded in 1949. The company returned to its roots to reflect its comprehensive portfolio of landscape services. The change was made effective Oct. 1.

In addition to ValleyCrest Golf Maintenance, the company is involved in the nursery, tree, landscape and construction management business. The ValleyCrest Companies have more than 7,000 employees and have posted revenues in excess of $600 million.

"Consolidating under one name shows that we are capable of performing any type of horticultural service within one company," said ValleyCrest Golf Maintenance business development director Terry McGuire. "There is no operational change as far as we are concerned."
NGP acquisition
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are also involved with Scottsdale, Ariz.-based Troon Golf. According to Dana Garmany, Troon's chairman and CEO, Troon's involvement with the transaction has been minimal.

"We really can't comment on what we think the Goldman/Starwood guys are doing," Garmany said. "Since those guys are shareholders and sit on our board, we've given them some advice and helped them a little bit with underwriting, but we haven't done anything more than that and don't plan to.

"All we've really done is tried to show them how to look at certain assets and how to look at certain markets," he added. "Beyond that, we wish them well because we don't do what they do, so I don't think there's any conflict if Goldman has that and has a part of us as well."

An anonymous source quoted in the L.A. Business Journal indicated the deal was likely to occur before the end of September. If completed, the subsequent stock buyback would allow Goldman to take the publicly traded NGP private, which would enable the company's proposed merger with AGC to be completed without opposition.

In April, NGP announced it would merge with AGC and then seek equity investment in the combined company. Large shareholders, including Los Angeles-based Cliffwood Partners LLC and San Francisco-based Farallon Capital Management, have opposed the deal, saying that AGC's debt load would cripple the combined company.

The timing of the deal is crucial for NGP and AGC founder David Price, who in July pledged 3.0 million NGP shares as collateral for AGC's loans. Price also pledged a second deed of trust on his Mountaintop Country Club as collateral. Under the deal, the shares must be replaced with cash by Oct. 15. At press time, the deed of trust was to have been replaced with cash by Sept. 30.

Financing options
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factors combined with several others have caused industry borrowers and most regional and local banks to cut way back on what they're willing to loan on a project.

While Marderosian said he thinks the industry will eventually right itself, for now, borrowers and lenders have to be cautious and creative.

"Our primary focus is to serve developers and borrowers, so it is incumbent upon companies like ours to come up with creative options and to source new, fresh additional capital in order to fund good projects," he said. "The lack of capital today will really slow down development in all but the stronger markets. And that's not a bad thing."

When seeking financing, Marderosian said, borrowers are most often better served by a company that knows the golf business than by a traditional lender.

"We look under the rocks a whole lot more closely because that's our expertise," he said.

One of Clubhouse Capital's strengths, Marderosian said, is turning troubled assets around, which, unfortunately, could become a larger part of the company's business in the near future.

There's going to be more troubled courses in the next 12 to 18 months," he said. The company recently foreclosed on a Florida course that was in default.

Trump's new course
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Trump will have to petition the California Coastal Commission. According to Ocean Trails manager Ewa Hytek, the commission requires the property, which also includes a park and nature trails, to be open to the public from dawn to dusk.

Terms of the deal, which should be finalized later this month, were not disclosed. Trump also owns two high-end private clubs, Trump International Golf Club in Palm Beach, Fla., and Trump National Club in Westchester County, N.Y.

Also not made public was the amount Trump plans to spend to bring Ocean Trails back to its original 18-hole layout. As a measuring stick, according to Reuters, Trump spent $40 million and $30 million improving his Florida and New York courses, respectively.