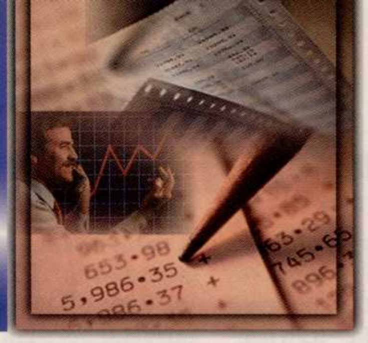

MANAGEMENT

BRIEFS

FORMER AGC PRESIDENT MOVES TO NIKE GOLF

BEAVERTON, Ore. — Less than two months after leaving American Golf Corp. (AGC), David Pillsbury has a new job as U.S. general manager for Nike Golf. Pillsbury left AGC in February, after the company was acquired by an investment group comprising GS Capital Partners 2000, Goldman Sachs Whitehall Street Real Estate Fund 2001 and Starwood Capital Group. Pillsbury is a respected golf industry insider who has been involved with many industry organizations. He currently serves on the executive steering committee for Golf 20/20, the board of directors of the American Golf Foundation, as vice chairman of the USGA's 2003 U.S. Women's Open and as vice chairman of the National Golf Foundation. He also works with the Tiger Woods Foundation, USGA, LPGA and PGA of America to operate inner-city golf programs across the country.

KEMPERSPORTS HIRES FORMER U.S. NAVY DIRECTOR OF GOLF

NEW ORLEANS, La. — KemperSports Management has hired Gordon Digby as general manager of Bayou Oaks here. Digby comes to Bayou Oaks, from the U.S. Navy, where he served as golf program director and was responsible for overseeing 39 Navy golf courses nationwide. The New Orleans City Park District recently extended its agreement with KemperSports to include full operational control of Bayou Oaks.

RAVENWOOD NAMES ROEDER GM, HEAD PROFESSIONAL

VICTOR, N.Y. — Ravenwood Golf Club has appointed Mike Roeder as general manager and head golf professional. Before joining Ravenwood, Roeder was director of golf and and head professional for seven years at Bristol Harbour Resort in the Finger Lakes region of western New York. Ravenwood will host the New York State Amateur Men's Golf Championship in July.

GMACCM enters golf lending sector with a bang

By DEREK RICE

REDBANK, N.J. — GMAC Commercial Mortgage (GMACCM) recently entered the golf lending market with a splash – by providing $650 million in financing to the investor group that purchased National Golf Properties (NGP) and American Golf Corp. (AGC), both of Santa Monica, Calif. GMACCM provided the financing to GS Capital Partners, Goldman Sachs Whitehall Street Real Estate Fund 2001 and Starwood Capital Group for the acquisition of 253 golf courses, the majority of which are located in the United States.

While this was one of the largest standalone, single-transaction financing deals in the history of the golf industry, GMACCM isn't resting there, said GMACCM executive vice president Jerry Earnest, who heads the company's specialty lending and hospitality and golf finance groups.

Pumpkin Ridge Golf Club in North Plains, Ore., was one of the 253 courses involved in the NGP transaction.

"We'd like to talk to good players. We're looking to do portfolio transactions if we can but also if it makes sense to do individual transactions as well. We have an appetite for both," he said. "We're active, we're here to stay and it's still a relatively competitive market from our perspective."

While the company is affiliated with former golf lender GMAC, Earnest said because the two are separate entities, this is more of an entry into the market than a return.

"It's really a first foray. There was a mortgage banker who worked for the company four or

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Editorial Focus: Speed of Play

Forecaddies keep the pace at Bear's Best

By DEREK RICE

DALLAS — Slow play on golf courses is not only an inconvenience for golfers, but can also be a revenue buster for golf courses. If players aren't moving around the course in a timely fashion, it affects the number of groups a course can move through on a given day.

Slow play affects players' perception of the course, and may be a leading factor in their decision not to return on another occasion. At a resort course, like Dallas-based ClubCorp's Bear's Best clubs in Atlanta and Las Vegas, where there are few regulars who know the course well, one would expect slow play to be a part of the package.

However, ClubCorp has

In addition to being a draw for golf purists, the forecaddies at ClubCorp's Bear's Best in Atlanta and Las Vegas have helped the courses speed up play.

found that an antiquated service instituted at the clubs has helped address this age-old problem. Through forecaddie programs, the courses have been able to maintain average round times that are more than a half-hour shorter than at other area clubs.

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GolfGM adds equipment financing division

By DEREK RICE

SCOTTSDALE, Ariz. — In an effort to give key decision-makers and members of the buying team more flexibility in purchases, golf business solutions provider GolfGM debuted GolfGM Finance in March.

According to GolfGM's president and CEO Elliot Lewis, industry need drove the creation of the program.

"The golf industry has sorely needed a program like GolfGM Finance," he said. "The industry's leading vendors and hundreds of PGA professionals and purchasing managers facilitated the creation of GolfGM Finance. These industry leaders envisioned a financing program that enabled vendors and courses to do more business in a more efficient manner."

Through the GolfGM Finance program, facilities will be able to finance up to $50,000 in purchases from GolfGM's participating vendors, which represent more than 40 companies.

In addition, facilities will be able to extend payment terms to up to 150 days.

Lewis said the program will help courses and other facilities from having to make difficult cuts, which are prevalent in this lagging economy.

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Editorial Focus: Speed of Play

GUEST COMMENTARY

Slow play: you don't need to suffer anymore

By BILL YATES

Course managers fight it day after day, and players hate it. Can anything really be done about slow play? The answer is yes. Working with private clubs, high-end public courses, resorts, municipal courses and even the R&A Championship Committee on the 2002 Open Championship at Muirfield, I have proven that golf course management teams can consistently improve the pace and flow of play, resulting in increased revenue, more valuable starting times throughout the day, more satisfied customers, and higher volume opportunities in their other profit centers. Now players can find the golfing experience they have been looking for, one that is relaxed and free of delays.

The good news is that every course can solve the problem of slow play. All it takes is a strong management commitment, and the ongoing cooperation of the players. The solution sounds simple, but it is buried within two age-old myths: that every round of golf should take four hours, and that players are the primary cause of slow play. Add

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GMACCM makes big entry into lending

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five years ago, who specialized in golf and was teamed up with us to try to do some of that business with us," Earnest said. "It all happened around 1998 when we had the capital markets crisis and a lot of lenders got out of the business. The timing was not the best. There is a sense that GMAC Commercial Mortgage did try to do something here several years ago, but that never really got started."

The good news behind this large deal is tempered by published reports that parent company General Motors may be looking to sell GMACCM, which also recently closed on a joint fund between one of its subsidiaries and Apollo Real Estate Advisors. Earnest did not discuss either topic.

The main reason behind GMACCM's entry into the market, Earnest said, was the company's vision for the segment's potential to be hot in coming years.

"Clearly, we thought this was an industry that had a lot of opportunity. There are only a few national lenders that are consistently in the industry," he said. "Bank of America capital and others, when they were active in the mid- to late-'90s, were very active and had a very good book of business and a good product type, so we spent some time studying it."

Earnest said the company is also looking to create relationships with industry players. The NGP financing deal came about mainly because of GMACCM's existing relationship with members of the investment group.

"We have a long-standing relationship with Whitehall, Goldman Sachs and we've done some things with Starwood as well. It was people we knew and understood," Earnest said. "That group was also an owner of Troon Golf, so they're not just novices in the industry. They brought some real expertise and some significant capital.

"It was not the easiest thing, but it was one that we were able to work through with very good, established clients," he added.

In addition to the NGP deal, GMACCM has also completed two other golf financing deals totaling nearly $50 million. However, because those deals were not yet public at press time, Earnest declined to name the principals, but did say both deals involved players new to GMACCM.

"With these other two new deals this year, we've formed two new relationships with very prominent players in the industry," he said.

Earnest said he hopes the announcement of the NGP financing deal will give a boost to the financing segment of the golf industry, which has been an area that has been going in reverse for several years.

"We may be a little early in terms of the industry's problems, but we think we may be if not at the bottom, then we're approaching it," he said. "We may be a little early in terms of capital coming back, but we do think that, opportunistically the problems of the past two or three years – the oversupply and slowdown in demand – are behind us. That's not to say this year, and potentially next year, won't be tough years, but we think we're at the trough, or very close to it."

As for industry competitors, Earnest said it is too early yet to tell where GMACCM fits in the picture.

"I don't know what they're doing. Two of our other major competitors – I don't want to mention their names – seem to be pretty busy right now," he said. "I think in six months, we'll all know better what each other have done."

For now, GMACCM is looking for more financing deals, regardless of their size, Earnest said.

"We can do larger deals, and as small as one-offs, and we've done some in-between," he said. "We'd like to talk to good players. We're looking to do portfolio transactions if we can but also if it makes sense to do individual transactions as well. We have an appetite for both." ■