

BRIEFS



KSL ACQUIRES INDIGO LAKES

DAYTONABEACH, Fla. — KSL Fairways has acquired Indigo Lakes Golf Club. Redesigned by Lloyd Clifton, the 18-hole course measures 7,168 yards from the back tees. KSL Fairways now operates 17 courses at 15 sites, including PGA West and LaQuinta Hotel and Golf Resorts near Palm Springs, Calif.; and Doral Resort & Spa in Miami.

HYATT TO MANAGE TIERRA DEL SOL

ARUBA — Hyatt Resorts Caribbean will manage Tierra del Sol, the island's first 18-hole golf course. The Robert Trent Jones II-designed layout will open in December. Divisional Vice President Victor Lopez will direct the operation from his Miami office. Tierra del Sol is a joint venture with Sun Development Co., a leading developer of timeshare units on Aruba.

PALMER TO OPEN EAGLES LANDING

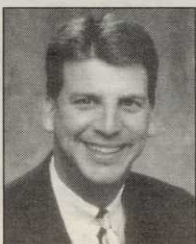
SEVIERVILLE, Tenn. — Arnold Palmer Golf Management Co. recently opened Eagles Landing Golf Club. The municipal layout's grand opening is scheduled for Sept. 21. Views of Great Smoky Mountain National Park are afforded from the facility's practice range, clubhouse, restaurant and pro shop.

SCRATCH GOLF PURCHASES TIMACUA

LAKE MARY, Fla. — Scratch Golf Co. of Hilton Head Island, S.C., has purchased Timacua Golf Club here. Head pro David Moore will retain that title and also become general manager of the Ron Garl-designed layout. Gary Alex, formerly of Forest Lakes Country Club in Ocoee, has been named superintendent. Scratch Golf now operates five golf facilities.

GRAYHAWK TAPS DIRECTOR OF GOLF

SCOTTSDALE, Ariz. — Grayhawk Golf Club has named Joe Shershovich as its first director of golf. Shershovich is a 10-year Marriott Golf veteran, who most recently served as that company's director of golf operations at nearby Camelback Golf Club. Grayhawk is a master-planned community. The Gary Panks/David Graham-designed *Talon* course will open in December. A second 18-hole layout, *Raptor*, is being designed by Tom Fazio and breaks ground later this year.



Joe Shershovich

Public sale allows Golf Enterprises to think big

By PETER BLAIS

DALLAS — Golf Enterprises, Inc. intends to acquire or lease 30 to 50 courses over the next five years, using the \$30 million it raised by selling 2.35 million shares of public stock.

Added to the 28 courses located primarily in Southern and Western states GEI already operates, that would place the Dallas-based firm among the three largest management companies in the country.

The stock offering also helped the company retire much of the debt incurred when GEI purchased most of the equity interest in Jim Colbert Golf, Inc. in 1991.

Interest charges on that original recapitalization of Colbert Golf, along with additional course acquisitions (six in 1993), were largely responsible for the almost \$8.5 million in net losses the company incurred over the past three years, according to company literature.

The company's debt stood at \$19.5 million as of March 31.

GEI believes its management team, headed by President and Chief Executive Officer Robert Williams, is the key to its success.

Before joining GEI in 1991, Williams, 50, was president of American Golf Corp. for eight years. During his tenure, AGC grew



Mission Hills South in Palm Springs, Calif., is one of 28 courses in the Golf Enterprises portfolio

from 20 to 120 courses. From 1971-83, he was controller and treasurer of Club Corp. of America.

"Bob learned how to grow a company with both AGC and CCA," said GEI Chief Financial Officer Steve Reynolds. "He witnessed the lack of management expertise at small operations and it amazed him. That's why he believes there is such a huge opportunity for an experienced firm like ours."

In addition to Reynolds, who was with Colbert and CCA prior to joining GEI, other key executives include Chairman of the Board Bryan C. Cressy, Senior Vice President of Operations Stephen D. Lambert, and Vice President of Acquisitions Kim Kochsiek. Collectively, the management team has more than 50 years experience in the golf industry.

"It's our experience in all areas of golf

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Course as doorprize? Bob O'Link Golf Club, located in Lawrenceburg, Ky., is there for the taking. The 145-yard, par-3 8th spans the small pond at right.

MARKETING IDEA OF THE MONTH

Not your average doorprize: Closest to the pin walks away with the whole course

By PETER BLAIS

LAWRENCEBURG, Ky. — One shot for \$1 million, or better yet, for the deed to the golf course.

It's a golfer's dream that Jack Ridge is turning into reality, while turning a buck along the way.

Ridge is the owner of Bob-O-Link Golf Club here. Beginning Oct. 3, as many as 3,000 golfers will plunk down \$2,000 apiece for a single shot at putting their ball closest to the pin on Bob-O-Link's 145-yard, 8th hole.

The 24 most accurate shooters will advance to a final round where each gets four shots at the 8th flag. The closest will receive either \$1 million or, if he or she prefers (and a minimum 850 golfers sign up by the Sept. 1 deadline) the title to the 126-acre course.

"I've gotten calls from Australia, Japan and Alaska from people interested in signing up for the tournament," Ridge said. "There's been more interest than I ever could have imagined."

Ridge, a PGA head pro, has owned the suburban Louisville layout for 18 years. He owns a second course and a part interest in a third.

A 2-handicap golfer who just turned 50, Ridge is considering a run at the Senior PGA Tour. That would take more time than the demands of operating three courses leaves him.

That's one of the reasons he considered putting Bob-O-Link, which is valued at \$1.6 million, on the line.

"It wasn't the main reason, though. This is primarily a golf event. We're planning on spectators, hospitality tents and a media center just like a PGA tournament. I brought the course into the picture just so we could make this the richest tournament in the world," said Ridge, noting that the Sun City Challenge in Bophuthatswana, South Africa awards a \$1 million first prize.

Ridge dreamed up the event during last winter's snow-induced hibernation. He selected the 8th hole figuring the 145-yard distance was within just about every golfer's range.

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AGC acquires Port Royal resort

HILTON HEAD ISLAND, S.C. — American Golf Corporation (AGC) will take over management of Port Royal Golf & Racquet Club and Shipyard Golf Club here, according to Joe Guerra, executive vice president of Acquisitions for Acquisitions for AGC.

AGC will lease both clubs from National Golf Properties, Inc. (NYSE:TEE), which has acquired a majority interest in the partnership which owns the two properties.

"This is an important lease acquisition for American Golf, representing two prestigious additions to our portfolio," said Guerra. "We will reinforce Port Royal's and Shipyard's long-standing commitment to quality by providing the golfing community with superior facilities, unparalleled service and special programs."

Port Royal boasts three 18-hole courses — Planter's Row, Barony, and Robber's Row. The club caters to private country club members with one course reserved for members only at all times. Resort play is available at the remaining two courses on a daily fee basis.

Golf Enterprises, Inc. operates 28 courses in 13 states. Following is a list of its facilities.

Daily fee and resort: Bayou Barriere Golf Club, New Orleans; Briarwood Golf Club, Baton Rouge, La.; Desert Rose Golf Club, Las Vegas; Emerald River Golf Club, Laughlin, Nev.;

Forrest Crossing Golf Club, Nashville, Tenn.; Jess Ranch Golf Club, Apple Valley, Calif.; The Links at Stone Ferry, Charleston, S.C.; Paradise Knolls Golf Club, Riverside, Calif.; Pawtucket Golf Club, Charlotte, N.C.

San Dimas Canyon Golf Club, San Dimas, Calif.; Shandin Hills Golf Club, San Bernadino,

Calif.; Simi Hills Golf Club, Simi Valley, Calif.; Summerfield Crossing Golf Club, Tampa, Fla.; Williams Golf Club, Mesa, Ariz.; Mission Hills North Golf Club — The Gary Player Course, Palm Springs, Calif.; Tustin Ranch Golf Club, Tustin, Calif.; Westin Mission Hills Resort Golf Club, Palm Springs, Calif.; Crystal Lakes Golf Course, Minneapolis.

Private country clubs: Crescent Oaks Country Club (CC), Clearwater, Fla.; Highlands Golf and Supper Club, Hutchinson, Kansas; Meadowbrook CC, Tulsa, Okla.; North Hills CC, Sherwood, Ark.; The Plantation Golf Club, Boise, Idaho; Shenandoah CC, New Orleans; Tallgrass CC, Wichita, Kansas; The Trails, Norman, Okla.

Golf Enterprises

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management that differentiates us from other management companies," Reynolds said.

GEI is banking on golf's growing popularity to continue outstripping the industry's ability to build new courses. For instance, National Golf Foundation figures show that between 1987-92, the number of U.S. golfers and rounds played both increased about 17 percent. But the number of golf courses increased just 7 percent over the past five years.

An aging population, baby-

boomers with more disposable income and the growing number of women taking up the game should continue to increase the demand for rounds.

Meanwhile, the lack of available financing and stricter environmental laws will make it increasingly difficult to build new golf courses.

"The company believes existing, well-located courses will become more valuable over time as increased demand may enable these courses to increase throughput (i.e. rounds per year) and fees," according to the stock prospectus.

"It's nice to have the financing that will allow us to grow," said Reynolds in reference to the stock offering.

Nineteen of GEI's 28 courses are daily-fee or resort facilities. The company plans to concentrate future acquisitions in the daily-fee market.

"There is a lot of opportunity in the public market," Reynolds said. "We can have our biggest impact there. But, we won't shy away from good private-club opportunities."

GEI is also looking outside the South and West to increase its national presence, having most recently entered a lease agreement with Crystal Lakes Golf Course in Minneapolis.

GEI estimates only 5 percent of U.S. courses are operated by management companies, meaning individuals and companies not versed in course operations oversee the vast majority. That 5-percent figure will grow, the company predicts, as existing owners experience financial and operating problems and sell or lease their facilities to management companies.

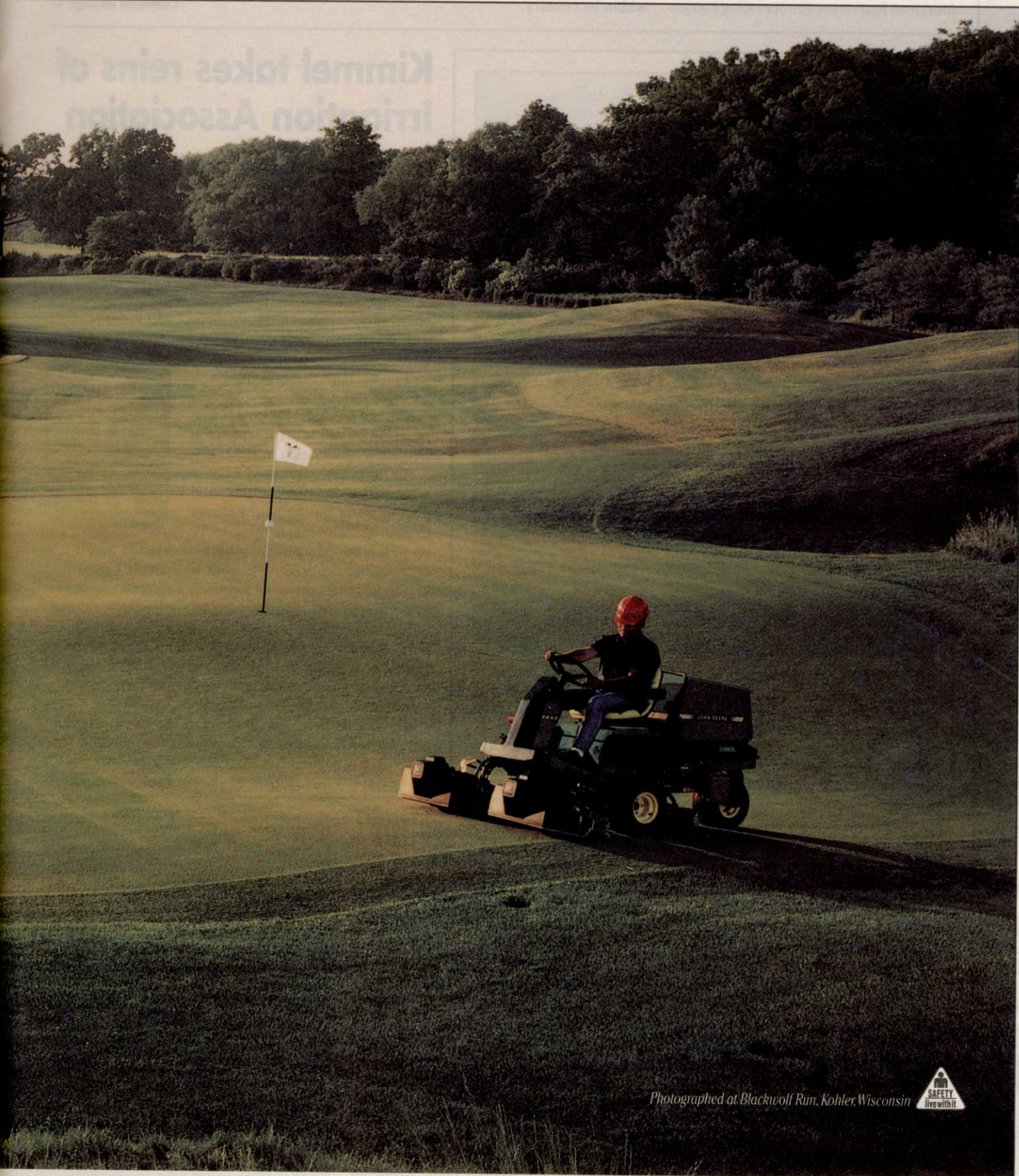
After taking over a course, GEI installs centralized cash management and management information systems as well as a general manager/superintendent team. Regional managers, general managers and superintendents are provided incentives to achieve revenue and operating goals. Bonuses can amount to as much as half of base salary.

Superintendents answer directly to the general manager. The company recruits college graduates with previous golf course experience for superintendent openings.

Initial course improvements are made where they have the most impact on customers — general course grooming, improving turf quality through a turf seeding/landscaping plan, repairing cart paths and other structures, and refurbishing clubhouses.

Agronomy Director Joel Barber, who has a doctorate degree from Oklahoma State University, oversees turf maintenance at all GEI facilities.

"The company believes that excellent customer service is second in importance only to the quality of the golf course in ensuring repeat customers," the company literature states.



Photographed at Blackwolf Run, Kohler, Wisconsin



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