



**THE WORLD OF MANAGEMENT IN '97**

Franchising, consolidation and money were the key words on the 1997 management front.

Arnold Palmer Golf Management led the way by franchising the Palmer name and operating systems to course owners who want to continue operating their own facilities.

U.S. Golf Communities and Golf Ventures Inc. were among several management firms that merged in 1997, while ski industry operations like American Skiing Co. and Intrawest expanded their holdings to include more golf courses to help provide year-round cash flow.

And many companies like Troon Golf Management, GolfTrust, O.B. Sports and others dove into the public and private capital markets in search of capital to finance their expansions.

— Peter Blais

**GCN MARCH**

**Palmer Mgt. moves toward franchising**

By PETER BLAIS

ORLANDO, Fla. — Arnold Palmer Golf Management Co. has unveiled a franchise program that allows course owners to use the Palmer name and proprietary operating systems, but permits course owners to continue operating their golf facilities themselves.

“No one has provided management services to people who want to continue running their own courses, until now,” said Palmer Chief Marketing Officer Joseph Redling. “We created this system specifically for them.”



Arnold Palmer

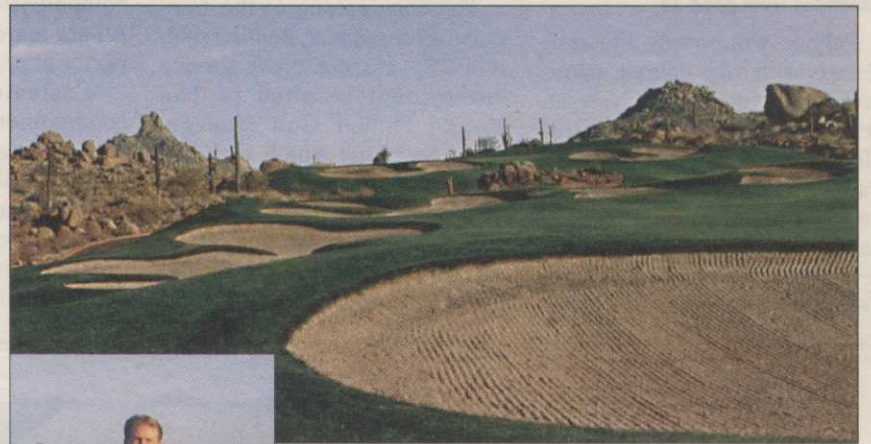
In exchange for an undisclosed annual franchise fee plus a percentage of course revenues, courses that pass a selective screening process can become part of a Palmer Management network that currently includes 20 courses nationwide.

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**GCN JANUARY**

**\$ \$ \$**



Above: The 18th hole at Troon North's Pinnacle Course. Inset: Troon Chairman Dana Garmany

**Newly capitalized Troon**

By PETER BLAIS

SCOTTSDALE, Ariz. — Formation of a new partnership between Scottsdale-based Troon Golf Management and Starwood Capital Group LLC of Greenwich, Conn., should help Troon expand its golf course management portfolio and acquire additional properties.

“We’re looking at the East and Midwest,” said Troon Golf President and Chief Executive Officer Dana Garmany. “We’ll probably double our size to about 20 properties in the next 12 months.”

Troon Golf’s new partner, Starwood, is a 50-50 partner with Goldman Sachs in Westin Hotels. It

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**\$ GCN MAY \$**

**Golf Trust of America to raise \$300 million**

By PETER BLAIS

Golf Trust of America — a real estate investment trust established by the founders of The Legends Group in Myrtle Beach, S.C. — will raise \$300 million over the next three years allowing it acquire at least 30 courses by the end of the decade, according to the investment banking firm that helped develop Golf Trust’s original

February stock offering.

“Golf Trust owns 10 courses at this time,” said Christopher Haley, senior research analyst with Wheat First Butcher Singer. “It expects to acquire another \$55 million in 1997, \$110 million in 1998 and \$140 million in 1999. That should allow the REIT to more than triple the size of its portfolio.”

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**\$ GCN NOVEMBER \$**

**OB Sports secures \$59 million, looks ahead**

PORTLAND, Ore. — OB Sports has secured \$59.5 million of financing to solidify its financial position and pursue additional projects to add to its current six-course portfolio.

The Portland-based firm’s goal is to develop a series of upscale, resort-style projects in each of the major metropolitan markets on the West

Coast, according to an OB Sports release. The courses will be referred to collectively as the OB Sports Golf Trail.

The financial package includes \$43.5 million in senior notes obtained from Pacific Life Insurance Co. along with \$16 million of growth capital ob-

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**Ski firms become major players**

**GCN FEBRUARY**

**American Skiing Co.**

By PETER BLAIS

Skiing provides the monetary speed, but golf helps smooth out the financial bumps for American Skiing Company, a major Northern New England ski operator that is fast becoming one of the region’s major golf course owners and operators.

Although it represents just 10 percent of ASC’s total revenues, golf helps even out the company’s cash flow throughout the year, according to ASC Chief Financial Officer Tom

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**GCN APRIL**

**Intrawest**

By PETER BLAIS

COPPER MOUNTAIN, Colo. — The folks at Intrawest have reached the literal pinnacle of North American golf with the recent purchase of Copper Creek Golf Club, reputed to be the highest golf course on the continent.

The Pete Dye-designed layout at the Copper Mountain ski resort plus January’s acquisition of the Tom McBroom-crafted Mont Ste. Marie ski resort and golf course near Ottawa,

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Killington Golf Course is part of American Skiing Co.’s growing stable of courses.

**GCN APRIL**

**GolfSouth finds new partner in ClubLink**

By HAL PHILLIPS

GREENVILLE, S.C. — To compete for today’s course operations contracts, it takes more than for-profit management credentials. It also takes deep pockets.

The pockets at GolfSouth LLC just got deeper following its alliance with Canada’s only publicly



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**GCN OCTOBER**

**Golf Ventures, USGC tie the merger knot**

By PETER BLAIS

ORLANDO, Fla. — Course operators Golf Ventures Inc. of Salt Lake City and U.S. Golf Communities of Orlando, Fla., have signed an agreement amounting to a reverse merger.

Golf Ventures operates three courses in Utah and Golf Ventures six golf properties and related

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## Golf Trust

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Golf Trust of America's goal is to use the estimated \$49.9 million raised through its initial Feb. 7 stock offering and a line of credit to acquire high-quality, daily-fee and private courses and lease them back to independent lessees, usually the prior owners. The lessees pay a fixed base rent and participating rent based on revenue

growth at the courses.

According to company literature, Golf Trust believes it will profit from keeping the management teams in place that made the courses successful in the first place, while the sellers enjoy tax and incentive benefits through participating lease arrangements that include a lessee performance option designed to encourage revenue growth.

"Golf Trust will accelerate the consolidation of golf course ownership in the United States, while allowing course owners to remain at their courses," Haley said.

Golf Trust, and National Golf Properties are the only two publicly traded REITs in the United States focused on owning and acquiring golf courses, Haley said. The 10 courses Golf Trust controls are the Legends Resort courses

(Heathland, Moorland, and Parkland), Heritage Golf Club and Oyster Bay, all resort courses located in Myrtle Beach; The Woodlands, a resort course in Gulf Shores, Ala.; Stonehouse Golf Club and Royal New Kent, a pair of upscale, daily-fee courses in Williamsburg, Va.; Olde Atlanta (Ga.) Golf Club, a daily-fee track in the Georgia capital; and Northgate Country Club, a private facility in Houston.

The company hopes to acquire upscale daily-fee and private courses with proven track records. The Legends Group's golf experience and the ability of existing owners to remain involved with their facilities through the independent lessee structure could make courses available for purchase that otherwise may never be put on the market, according to company literature.

## OB Sports

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tained from Rice, Sangalis, Toole & Wilson (RSTW), a Houston-based private investment firm. Piper Jaffray Inc. was the investment banking company which assisted OB Sports in this financial transaction.

"It's encouraging that both of these groups (Pacific Life and RSTW) took the time necessary to understand the unique qualities and philosophies of our company," said Jamie Cook, chief financial officer for OB Sports. "This will greatly enhance our ongoing relations; plus, they have each expressed a long-term intention to expand the investment relationship."

"We've analyzed several golf investments over the past year," said Jim Wilson, managing partner of RSTW, "and we believe the OB Sports Management team is one of the most experienced and innovative groups in the industry. The OB Sports 'turnkey' operation with design, construction and management capability provide the company with a competitive advantage. We believe OB Sports has targeted attractive markets and is poised for significant growth."

OB Sports President Orrin Vincent founded the firm in 1972 and has developed numerous golf projects in the Western United States. "I have always had a dream for OB Sports to grow to a point where we have at least one facility in each of the major metropolitan markets on the West Coast...the OB Sports Golf Trail," Vincent said. "I want a customer who enjoys the unique nature of our courses to know how he or she can locate an OB Sports facility in the next town they are traveling to, or better yet, in their own hometown."

Added OB Director of Business Development C.A. Roberts: "We're trying to be very selective about the projects we take on, basically upscale, resort-style facilities. We want people to have the feeling they are at a 4- or 5-star resort."

Current plans for more OB Sports Trail courses include two projects in Seattle (The University Club and Trophy Lake), one in Tucson (The Gallery), and one in Las Vegas. All are scheduled to open in late 1998 or early 1999. Each will be an upscale, resort-style property built upon a unique theme.

GOLF COURSE NEWS

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