



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

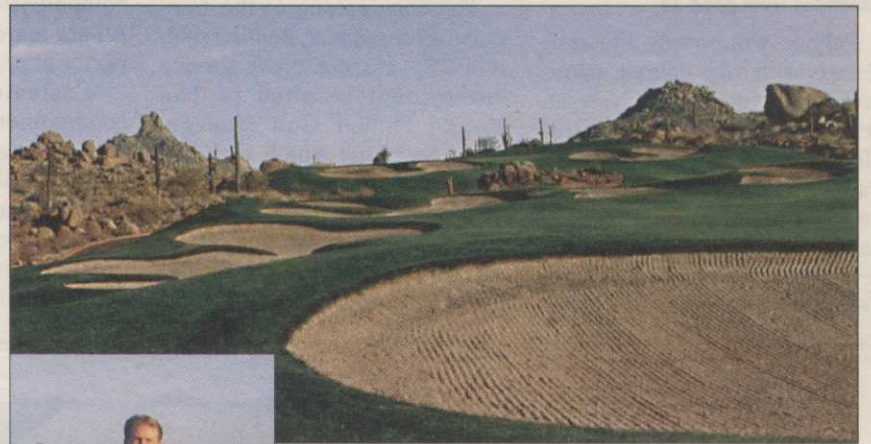
In exchange for an undisclosed annual franchise fee plus a percentage of course revenues, courses that pass a selective screening process can become part of a Palmer Management network that currently includes 20 courses nationwide.

Continued on page 34

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GCN JANUARY

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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

Continued on page 38

\$ 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.”

Continued on page 37

\$ 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-

Continued on page 37

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

Continued on page 35

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,

Continued on page 38



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



Continued on page 36

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

Continued on page 36

American Skiing

Continued from page 33

Richardson.

"Golf has been very important at Sugarloaf [USA]," noted Peter Webber, the Carrabassett Valley, Maine, resort's golf director and a member of the committee that coordinates ASC's four golf course operations. "The additional cash flow helps us through the summer. It lets us employ some of our best people on a year-round basis. It keeps the hotel rooms occupied and pulls in other summer business."

American Skiing operates eight ski areas — Sunday River and Sugarloaf/USA in Maine; Attitash Bear Peak in New Hampshire; and Killington, Mount Snow, Sugarbush, Haystack and Pico Mountain in Vermont. Sugarloaf, Mount Snow, Killington and Sugarbush have golf courses. Sunday River hopes to begin construction of a Robert Trent Jones Jr.-designed course this summer and ASC is considering building a golf facility at Attitash.

Golf wasn't a major part of ASC President Les Otten's plans back in 1972 when he first became Sunday River's general manager. Eight years later he purchased the Western Maine resort. Under Otten's leadership, Sunday River expanded its trails and lodging facilities and grew into one of the major ski areas in the country.

Sunday River's success paved the way for Otten's headlong assault on the New England ski/golf industry over the past three years.

First, he purchased Attitash in the summer of 1994. That fall he signed a lease to operate Sugarbush and bought the facility in May 1995. A month later he acquired Cranmore. In June 1996, Otten doubled his ski holdings and became a major player in the Northern New England golf market, with the purchase of S.K.I. Ltd., owners of Sugarloaf, Killington, Mount Snow, Haystack and Waterville Valley. In December 1996 he acquired Pico. Cranmore and Waterville Valley have been sold.

"It [ASC's acquisitions] reflect the consolidation taking place in the ski and golf industries," Richardson said. "Having many properties creates operating synergies and can create some interesting opportunities for customers."

The golf committee — which includes superintendents, pros, managers and marketing employees of the various courses — has already begun to explore group purchasing discounts on course maintenance supplies, Webber said.

ASC plans more cooperative marketing ventures among the

courses. "When Sunday River opens and if we build a course at Attitash, we could do week-long vacation packages that would allow golfers to play a different course every day," said Peter Johnson, ASC's marketing director for golf.

ASC currently offers stay-and-play packages at all its courses ranging from \$79 to \$119 per person per night, Johnson said.

Richardson expected American Skiing to finalize an agreement by late January with RTJ II to design and build a Sunday River course that could be ready for play by 1999.

"It will be a first-class facility, just like Sugarloaf," Webber said "Sunday River will probably be a little more golfer friendly, with wider fairways, but still very much a wilderness golf experience."

Webber has walked the proposed site for the Attitash course, a river valley that would be well suited to a parkland or linksland course, he said.

Richardson said the company has also discussed upgrading the irrigation and drainage at Sugarbush; doing some "tweaking" of the Killington course; and adding another nine at Mount Snow. The possibility of another

nine or 18 holes at Sugarloaf is also under consideration, Webber added.

ASC has chosen to manage the golf facilities itself, rather than turn them over to a management company. "We don't concession out any part of our operations," Richardson said. "We'd rather do it ourselves, control our own destiny and cash flow."

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