



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

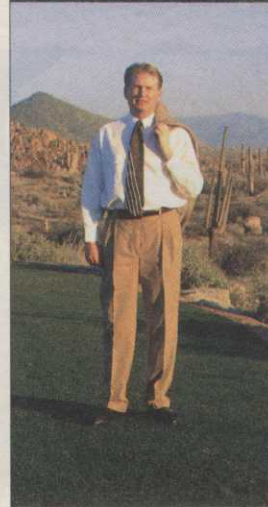
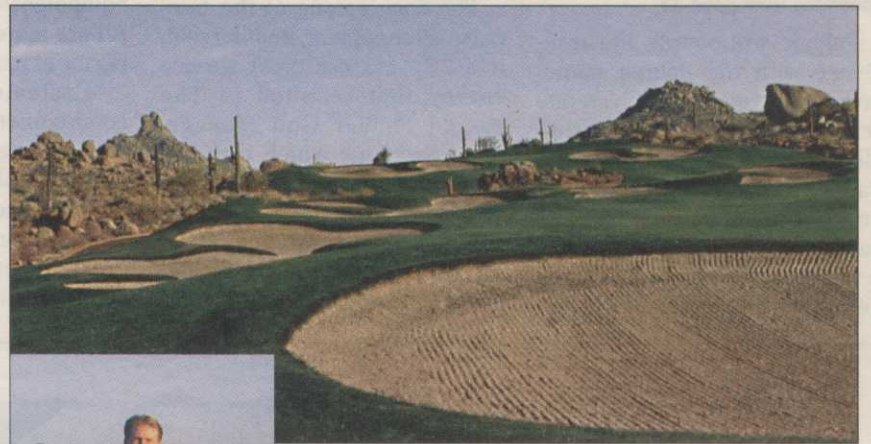
In exchange for an undisclosed annual franchise fee plus a percentage of course revenues, courses that pass a selective screening process can become part of a Palmer Management network that currently includes 20 courses nationwide.

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GCN JANUARY

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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

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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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ClubLink/GolfSouth

Continued from page 33

owned golf course company, ClubLink. ClubLink and the founders of GolfSouth — N. Barton Tuck, Jr. and Derrell E. Hunter — have agreed the Toronto-based firm will initially fund certain capital for GolfSouth through loans. The pact also gives ClubLink an option to acquire the shares held by Tuck and Hunter

in exchange for ClubLink shares.

For ClubLink, which operates six private clubs in Ontario, the alliance means a toehold in the U.S. market. For GolfSouth, it means the ability to compete with the increasing number of management companies which boast built-in funding sources. Among those firms hell-bent on acquisition are Santa Monica, Calif.-based American Golf Corp.

(AGC), capitalized through its REIT and sister company, National Golf Properties; Scottsdale, Ariz.-based Troon Golf Management, backed by the Starwood Capital Group, LLC of Greenwich, Conn.; and Orlando-based Palmer Golf Management, funded by Olympus Real Estate Corp. of Dallas.

"ClubLink was looking for a platform and an existing portfolio and management team," explained

Hunter, the president and chief operating officer at GolfSouth. "We were looking for deeper, more reliable funding sources.

"We feel like this relationship gives us an advantage, quite frankly, because ClubLink is a funding source that understands the golf business a lot better. They're in the business in Canada, which makes our affiliation a little different. Ultimately we may

evolve into a full-fledged merger."

Justin Connidis, vice president of corporate development for ClubLink, also expects the two companies to grow more interdependent.

"ClubLink and GolfSouth are jointly reviewing GolfSouth's capital and expansion plans," Connidis said. "It is the intention of ClubLink and Golf South to work together to establish and implement a business plan for GolfSouth which will both enhance its position as a leading U.S. golf course company and facilitate its ultimate merger with ClubLink."

Through its wholly owned subsidiaries — GolfSouth Management, Inc., GolfSouth Capital, Inc. and GolfSouth Clubs LLC — Greenville-based GolfSouth controls or manages 23 golf course projects: eight which remain in development, 13 existing operations in which the company has an ownership stake, and two it manages for outside ownership.

USGC

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real estate scattered throughout the United States.

Under the pact, Golf Ventures will issue 26.6 million authorized, but unissued, shares of common stock representing 81 percent of the post-transaction shares outstanding. The assets of USGC will be merged with Golf Ventures.

"We're ready to go public and should close within the next 75 days," said USGC President Warren Stanchina in mid-September. "This will give us better access to more capital. We have an engagement letter from Oppenheimer [& Co. Inc.] to do our secondary offer."

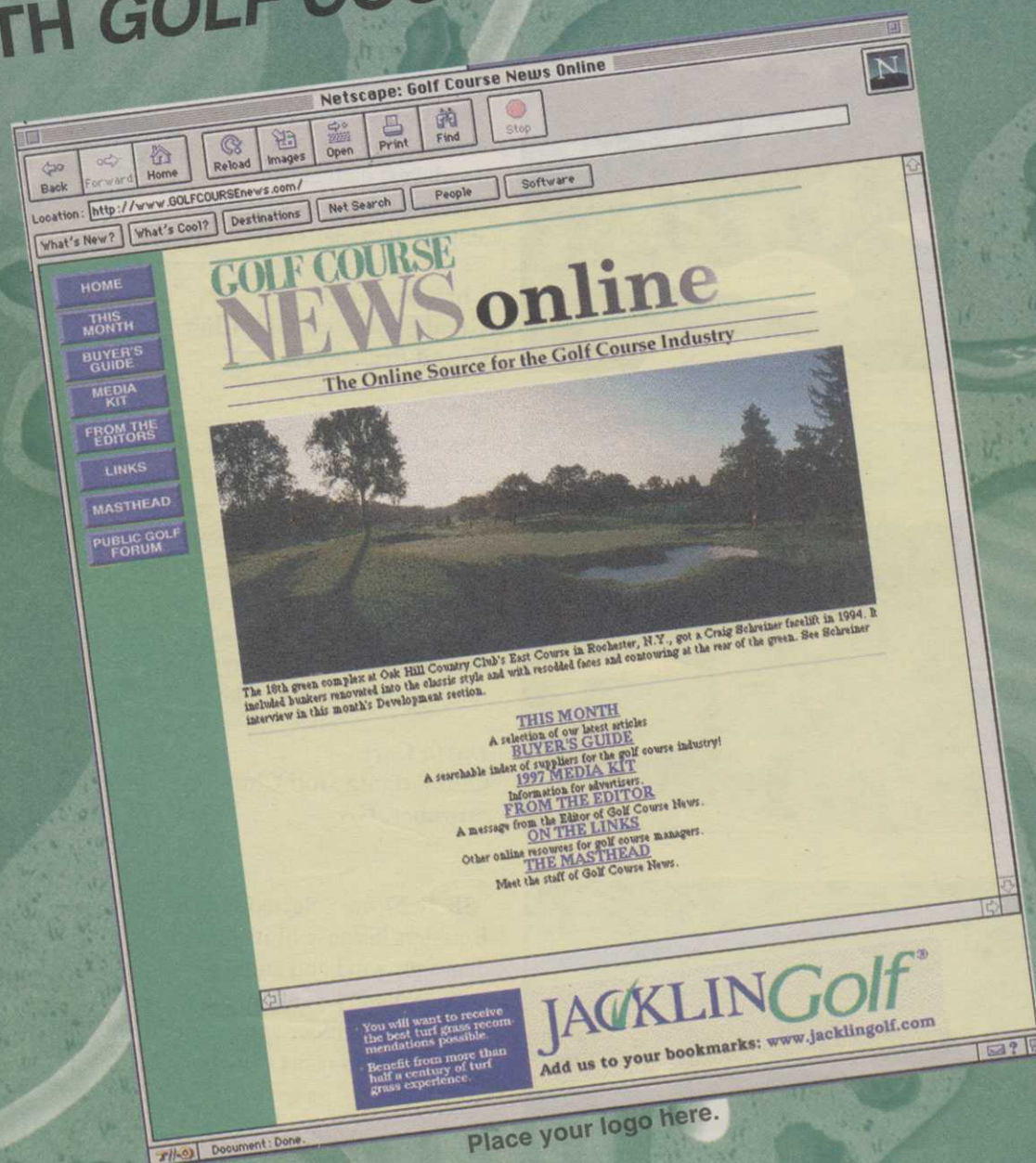
The stock issue should raise \$50 million over the next nine months, Stanchina said, allowing USGC to pay off the remainder of its debt and look at acquiring additional golf course facilities and real estate.

USGC's six projects are located in central and south Florida, North Carolina and Texas. They include such properties as Pinehurst Plantation (Pinehurst, N.C.) and Cutter Sound Golf and Yacht Club (Stuart, Fla.). Golf Ventures projects include Red Hawk International Golf & Country Club, Cotton Manor and Cotton Acres, all located in St. George, Utah.

Stanchina has 25 years experience in golf course community development, acquisition and management, and will become chairman of the board, president and chief executive officer (CEO).

Duane Marchant, Golf Ventures chairman, president and CEO, will remain a member of the board of directors and assume responsibilities as vice president/Western region. At closing, Golf Ventures will change its name to Golf Communities of America Inc.

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