

AUGUST

## Walters strikes gold in St. Louis golf market

By PETER BLAIS

Dennis Walters is bullish on the St. Louis marketplace. "Twelve years ago it was probably on the endangered species list, according to the National Golf Foundation," said Walters, president of St. Louis-based Walters Golf Management. "Since then we've opened a number of new facilities. It's become a very competitive market."



Missouri Bluffs GC

Walters entered the golf business in 1962 when his father bought Bogey Hills Golf & Country Club, a Wayne Clark-designed layout in St. Charles, Mo. The course had laid dormant for 25 years. Walters, who was in high school at the time, did some redesign work with his dad (an optometrist), and the course reopened as a nine-hole layout later

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NOVEMBER



Chestatee GC

## Signet extending Southern reach

By PETER BLAIS

SALISBURY, N.C. — Signet Golf Associates has signed a management contract with Crescent Golf Club here, giving the Pinehurst, N.C.-based firm five properties in its growing portfolio. Signet will operate the John LaFoy-designed layout for owner Bill Kubly, president of Landscapes Unlimited, a major golf course construction firm.

"We hope we can do a good job for him," said Signet principal Peter Dejak, noting that Kubly has an ownership interest in a dozen courses nationwide. "It could mean some future business."

Dejak and partner Barry Emblar founded Pinehurst, N.C.-based Signet in March 1996. The two had worked for Legacy Golf Management, an Atlanta development firm previously located in

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## ClubCorp, AGC team for Cobblestone purchase

MARCH

By PETER BLAIS

DEL MAR, Calif. — Two major players in the golf course management industry — American Golf Corporation and ClubCorp Inc. — have joined together to acquire Del Mar-based Cobblestone Golf Group from the Meditrust Companies for \$393 million.

The new partnership, Golf Acquisitions LLC, closed on the 45-course acquisition last spring and divided the facilities between them.

Meditrust, a Massachusetts-based real estate investment trust (REIT), bought Cobblestone in late 1997 for \$241 million. Cobblestone nearly doubled in size under the Meditrust banner. But the REIT experienced some financial problems and decided to seek a buyer for the Cobblestone golf properties last fall. A half-dozen groups were reportedly interested in acquiring Cobblestone.

"It was such a large transaction, it made sense for the two largest firms in the industry to get together and purchase it jointly," said ClubCorp President and Chief Executive Officer

Robert Dedman Jr.

"We basically split the assets 50-50. There are probably 95 percent of the assets we'd both love to own. But there were some assets that fit better with their strategic plan and some that fit better with ours, based on our existing markets and the ability to cluster some of the Cobblestone assets with our existing properties."

Having AGC and ClubCorp team up on the purchase "just seemed common sensical," Dedman said. "It allowed us to be as competitive as we could from a price perspective. It was in both of our best interests to acquire these assets. From American Golf's perspective, it made as much sense for them as it did for us."

Santa Monica, Calif.-based American Golf took over 23 of the properties, including eight in Texas, six in California, four in Arizona, three in Virginia and two in Georgia. American Golf is negotiating to transfer substantially all these courses to its publicly traded affiliate.

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ACQUISITIONS



MANAGEMENT NEWS IN 1999

The consolidation beat goes on in the golf course management industry. Management companies, individually and sometimes in unison, continued to buy up individual courses and/or other management firms in 1999. A prime example was the joint effort by American Golf Corp. (AGC) and ClubCorp to purchase the 45-course portfolio of Cobblestone Golf Group. AGC and ClubCorp put up \$393 million and then split the courses between them.

ClubCorp's name appeared numerous times in *GCN's* 1999 management pages as the Dallas-based firm launched joint efforts with other major management/development companies. Early this year, ClubCorp announced the development of its first course (located an hour north of Atlanta) in conjunction with Jack Nicklaus' Golden Bear International. It purchased a portion of the stock in ClubLink, a major Canadian course operator that acquired highly regarded Glen Abbey Golf Club in Toronto from the Royal Canadian Golf Association and later expanded its Montreal cluster by purchasing 50 percent of Quatre Domaines Golf Club. The United States Golf Association handed over responsibility for managing everything outside the ropes at its most prestigious tournament, the 1999 U.S. Open at Pinehurst, to a ClubCorp subsidiary, Pinehurst Championship Management.

While big players were making news, small- to mid-sized course management firms continued to do well. Among them, Wilson Golf Group of White Bear Lake, Minn.; Sports & Fitness Management of Missouri; Walters Golf Management of St. Louis; and Signet Golf Associates of Pinehurst, N.C.

## USGA turns over U.S. Open mgt. reins to ClubCorp subsidiary

MAY



Corporate village at Pinehurst

GOLF COURSE NEWS

By PETER BLAIS

PINEHURST, N.C. — The United States Golf Association (USGA) has handed over responsibility for managing June's U.S. Open at Pinehurst No. 2 to an outside party—Pinehurst Championship Management (PCM).

PCM is the sports marketing division of ClubCorp, the Dallas-based firm that owns and operates Pinehurst. PCM will be responsible for everything from handling transportation issues to developing corporate partners.

The USGA will retain control over what occurs "inside the ropes," according to the USGA's Tim Moraghan, who oversees course preparation for Open events for the USGA Rules and Competition Committee.

"Outside the ropes," said PCM head Jon Wagner, "everything with regard to marketing, corporate hospitality sales,

operations, presentation, and volunteer coordination will be done by PCM. Inside the ropes, we will receive guidance from the USGA and do as they tell us."

Pinehurst is one of golf's shrines. It was famed architect Donald Ross' long-time home and has hosted many prestigious championships including the North and South Open (the nation's longest continuous-running golf championship), the 1936 PGA Championship, 1951 Ryder Cup and 1982 U.S. Amateur.

Pinehurst suffered from neglect in the late 1970s, but was restored to prominence by ClubCorp, which purchased the complex in 1984. ClubCorp restored Course No. 2 to its original condition and hosted the 1989 USGA's Women's Ama-

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## Sports & Fitness Management expanding its portfolio

JULY

By PETER BLAIS

MANCHESTER, Mo. — It's going to be a busy summer for Sports & Fitness Management, the Missouri-based golf and health club management firm.

Sports & Fitness will open Fred Couples/Gene Bates-designed StoneBridge Golf Club in Bossier City, La., later this summer and recently agreed to purchase Garden Valley Golf Resort in Tyler, Texas. The firm is also about to break ground on a Gary Kern-designed course near St. Louis called Aberdeen and is negotiating a three-course

purchase with a management firm operating facilities in Louisiana and Texas, according to Vice President J. Christopher Kerckhoff.

In addition to StoneBridge, Garden Valley and Aberdeen, the firm operates Briarwood Golf Club in Tyler; Crystal Highlands Golf Club in Festus/Crystal City, Mo.; Golf Club of Incline Village in Foristell, Mo.; Innsbruck Resort & Golf Club in Helen, Ga.; Golf Club of Macon (Ga.); and The Country Club at the Legends in Eureka, Mo. The five new courses added this year put it ahead of its acquisition goal of two properties per year.

## Signet

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Pinehurst. Dejak's background is in agronomy and construction, while Embler's is in finance and operations.

"We had a lot of in-the-trenches experience and saw a need for a company where the principals were actually doing the work," Dejak said. "Many companies hire professionals to handle different divisions. What makes us unique is that we handle everything."

"We have superintendents, golf professionals and food and beverage people. But we handle day-to-day operations and construction ourselves. That's where we thought we could be different. We're not only the guys who sell the management contract to clients, but also meet with the clients on a daily basis."

Rocky River Golf Club at Concord (N.C.) was the company's first development/management contract. Signet built and manages the 18-hole, Dan Maples-designed municipal course that opened in September 1997.

Signet began overseeing the grow-in of Chestatee Golf Club in Dawsonville, Ga., last November and assumed management when the Denis Griffiths-designed course opened this June. Signet became construction manager at Bear Creek Golf Club in Douglasville, Ga., last June and will assume the operational reins when the Integrated Golf Services-designed layout opens in April. The firm also has a seasonal management contract with Bayonet at Puppy Creek in Raeford, N.C.

Signet believes its strength lies in combining development and management. "We can develop and open a golf course," Dejak said. "Many owners don't understand how complicated opening a golf course is. The gray area between construction and opening is an intensive transition period that can make or break you during that first couple years."

Signet also does feasibility studies, consulting and renovation work. The firm recently completed a driving range and tee renovation at Cabarrus Country Club in Concord, N.C. and a drainage renovation project at Whispering Pines Country Club in Pinehurst.

Dejak said the firm would like to add a couple courses annually to its management portfolio while maintaining a hands-on approach to daily operations. "We're targeting the Charlotte, N.C., Pinehurst and Atlanta markets primarily as far as new management contracts."

So far, Signet has concentrated on management contracts. But the company is also looking into acquiring facilities, Dejak said

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