

Strantz, Agronomic Systems sand cap Monterey fairways

Maverick Golf Design and Agronomic Systems Design Group are teaming up on an innovative sand capping solution to chronic fairway drainage problems at the **Monterey Peninsula Country Club Shores** course in Pebble Beach, Calif. Sand capping is typically associated with greens construction or isolated fairways, but the Monterey job uses the process throughout the course.

Maverick Principal **Mike Strantz** is in the midst of a nearly complete remodel of the course, and recommended Agronomic Systems to the club after working with the Columbia, S.C.-based firm on previous occasions. The club asked **Chris Starin**, Agronomic's executive vice president, if it might be possible to sand cap the fairways in a way that would last. After extensive soil studies, Starin suggested that the company's Permo:Pore — a porous ceramic soil amendment — could provide both the needed drainage and a nutrient-rich, moisture-retaining shallow root base for continued good turf growth.

Starin said they were able to achieve the desired results using an application only five inches deep in the rough areas and two- to two-and-one-half inches deep in the fairways. The process is time consuming and can be expensive, due in part to extensive drainage pipe — the project features 42 miles of underground piping — but Starin said the actual Permo2Pore cost was "in the ballpark of what a normal 8-inch sand cap would be."

Brooke Fezler, Maverick Design's marketing director, said three or four holes are totally grassed and playable now.

Big portfolios purged by motivated sellers

Remember when portfolios of courses traded in the 1990s? Well, those days may be back, except this time the once big buyers are now the sellers. The tables have turned, as many of the former consolidators are now shopping — or losing possession of — big chunks of their portfolios.

The breakup of the nation's largest ownership groups has been going on for several years, but in most cases companies have sold off one or two courses at a time. Now, as more companies buckle under the burden of sagging revenues, more multi-course packages are on the market.

Chris Charnas, director of **Cushman & Wakefield's** golf group, said the trend was inevitable. "It's a function of the management companies recognizing that some of their purchases in the late 1990s aren't going to work out in the long run and they have to find an exit somehow," he said.

Evergreen Alliance Golf Ltd. is among the latest to shed courses, handing back 10 properties to its lender, **Bank of America**, in June. Three former **Gotham Golf** courses, taken back by **ORIX Capital Markets** in the spring, are also being shopped right now.

Other companies are simply looking to quickly shed assets. **Fore Star Golf** sold its six-course portfolio to **Premier Golf Group** in July. Meanwhile, even the cautious **KemperSports Management** put its two South Carolina courses up for auction in July.

The trend is a break from the standard strategy among the big sellers in recent years. Companies such as **National Golf Properties**, **ClubCorp** and **Golf Trust of America** have looked to local buyers to gain higher returns.

However, some sellers don't have a choice these days, said **Steve Sparks**, an appraiser from Reno, Nev. Often a seller has to get out quickly, especially in the case of a lender. The expense of marketing and selling courses individually also can rack up over time.

And the results are apparent. Premier Golf Group purchased Fore Star Golf's six courses at a multiple of six times 12 months of trailing net operating income. Meanwhile, big sellers like American Golf have managed to often reap multiples closer to 10 times NOI.

With all these packages out there, the looming concern is whether there are buyers out there who can scoop them up. Bank of America is taking a cautious approach with the former EAGL properties. Although the company would entertain offers on the entire package, it has broken up the portfolio geographically and has a variety of brokers shopping them.

Roger Garrett, first vice president with **CB Richard Ellis' Golf Properties Group**, is shopping two of the former EAGL courses in Tampa, Fla. Garrett said it's a sound strategy because there is a higher likelihood of finding local players to buy a couple of courses than to find big buyers.

Bob Williams, president and chief executive officer of Premier Golf Group, said that lack of buyers leaves him in a good position. His company is backed by **Thoma Cressey Equity Partners**, and is part of its \$554 million fund. Although he said it's smart to break up a portfolio to reap better prices, not everyone has that option. "When you need to do something in a hurry, that's when you come to someone like me," Williams said.

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