

Member-Owned Philmont CC With Excess Land Strikes Win-Win Recapitalization Deal with Concert Golf Partners



Philmont Country Club, in Huntingdon Valley, Pennsylvania, was founded in 1906. The club has 36 holes on 295 acres, and had been trying for years to sell 60 acres to raise cash.

Huntingdon Valley, PA (March 1, 2017) – Philmont Country Club, the historic member-owned private club in the north Philadelphia suburb of Huntingdon Valley, Pennsylvania, completed its recapitalization with Concert Golf Partners, the boutique owner-operator of high-end private clubs, on February 28th. The transaction was unanimously approved by the club’s Board of Directors and overwhelmingly approved by a 95% vote of its members. Philmont CC members saw all club debt paid off at closing, their annual member dues frozen for the next 2 years, more than \$4 million of immediate capital projects launched at the club and, best of all, a permanent guarantee of no more member assessments.

Philmont Country Club was a member-owned 36-hole country club on 295 acres located in the north Philadelphia suburb of Huntingdon Valley, Pennsylvania. The club was originally founded as an all-Jewish club in 1906, and features two championship golf courses, 10 Har-Tru™ tennis courts, an Olympic-size swimming pool and a 58,000-square-foot Clubhouse with a sizeable ballroom. The Board had been in talks with the township, developers and homebuilders for the last 5 years, seeking

to sell 60 acres on its South Course for 150 new homes and get nearly \$10 million of capital for needed investments in the club facilities. In a win-win solution for the membership, President Glenn Meyer struck a recapitalization deal with Concert Golf Partners to provide the same \$10 million for his club in two stages: the first \$5 million immediately to pay off the club's debt and fund urgent capital projects this year; the second \$5 million will occur when Concert Golf completes the entitlements and sale process for the 60 acres.

"This recapitalization achieves everything we have been trying to do on our own for the last 5 years," said Mr. Meyer, the long-time club President. "We needed capital from our excess land for improvements, and we needed professional management. We have accomplished both, thanks to our partnership with Concert Golf."



Philmont CC knew it did not need all 36 holes, but the process of unlocking the real estate value was challenging – until the Board met Concert Golf Partners.

"Member-owned clubs often struggle to manage the long-term process of extracting value from their excess real estate," said Peter Nanula, Concert Golf's Chairman. "It takes capital, it takes development expertise, and it is difficult to make these decisions among 300+ voting members. We can do it all more quickly for the members with our own capital and a streamlined decision-making process."

Jordan Kendall, a Philmont board member involved in the transaction, said "This partnership with Concert Golf preserves Philmont for the long term, and ends the era of funding capital projects with member assessments." Kendall and Meyer led the club's recapitalization with Concert Golf. "We have a rich history and top-notch North Course here at Philmont, and now our club is debt-free and our future is brighter than ever," he added.

Interestingly, the discussions started when 90-year old Philmont member David Fields, a former investment banker, called Concert Golf after reading an article about other successful club recapitalizations. Fields said, "I read an article about other high-end private clubs getting a capital infusion from Concert Golf, and so I reached out to them. From there, the process was very straightforward."

Concert Golf Chairman Peter Nanula (www.concertgolfpartners.com) announced that his team would immediately undertake over \$4 million in new capital projects at Philmont CC, including extensive bunker renovations and tree removal; new swimming pool upgrades; outdoor dining; new HVAC and utilities infrastructure; and dramatically renovated men's and women's locker room facilities.

"Philmont CC is a great club with a top-rated golf course and a dedicated membership, but it had too much real estate and not enough capital," Nanula said. "All of these capital and real estate issues are now solved. No more debt – we paid off all the debt last week. No more member assessments – we will pay for and complete the Board's list of improvements much faster, at no cost to the members. And we will spend over \$1 million getting the real estate entitled and sold to free up extra capital for reinvestment back into the club facilities."

Concert Golf Partners is a boutique owner-operator of private clubs based in Newport Beach, Calif. Formed by Nanula, the founder and CEO of Arnold Palmer Golf Management (1993 to 2000), Concert Golf has amassed \$150 million of patient, long-term equity capital to invest in and upgrade large-scale private clubs located in major metro areas. Concert Golf is unique in operating as an all-cash buyer with a dedicated fund, which, Nanula said, allows it to acquire or recapitalize clubs (without incurring debt) and subsequently invest in these properties for the long term.

Concert Golf has acquired 15 such clubs nationally, including longtime member-owned clubs such as White Manor CC in nearby Malvern, PA (www.whitemanorcc.com), Blue Hill CC in Boston (www.bluehillcc.com), and Crestview CC in Wichita (www.crestviewcc.com). Philmont CC members now enjoy free reciprocal privileges at these and Concert Golf's other upscale clubs, as well as access to more than 150 TPC™ clubs and Pacific Links International clubs worldwide.

For more information about Concert Golf Partners, visit www.concertgolfpartners.com.