

Triple Crown Corp. adds golf course to its real estate mix

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Triple Crown Corp. is taking over Colonial Country Club in Lower Paxton Township, Dauphin County, after buying the mortgage on the property from M&T Bank. Triple Crown, also based in Lower Paxton Township, is a builder, developer and manager of

commercial and residential real estate. The company's president, John DiSanto, recently spoke to the Business Journal about his plans for the country club and the overall outlook for real estate.



DiSanto

Q: Why did you buy Colonial Country Club?

A: We have extensive and varied interests in real estate, and we saw it as two opportunities for us. You know, the country club model as it (existed) in the old days just isn't working anywhere in the country anymore ... a lot of clubs are going upside down. But you know, when you bring business principles

to running a club it can be profitable. We're also going to make it a semi-private club, (meaning) there also will be public play on the course. But it will be a club-like experience, unlike the other public courses. So we see it as a business opportunity. ... And then conversely, you know, we also have

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600 homes approved in the (nearby) Stray Winds Farm development ... so it's a defensive strategy for us, too (to avoid letting another developer buy the country club land).

Isn't golf a tough business these days?

Golf has been struggling. (But) I go to a lot of golf courses when I'm traveling on business, (and) there are a lot of public golf courses that are run completely different and they're nicer than any of the courses in Harrisburg, and they're public. ... But you need a different business mindset. ... We brought Troon Golf (of Scottsdale, Ariz.) in to manage this for us. These guys manage close to 500 courses across the country and they just think it's a great facility, and they see a lot of opportunity in the food-and-beverage end of the business.

You said the country club model was problematic. Why?

I just think in today's harried environment on every level, you know, people just don't have the time to spend the weekend at the club like they used to 50 years ago. There aren't enough members of a country club to make it financially viable.

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Have you spoken with the members of Colonial?

We had a meeting with them a couple of weeks ago and introduced what we were doing, and they seemed very receptive. They understand there's a reason the mortgage was being sold ... you know, they were under water, sinking, and they knew it. And they're just glad the club was taken control (of) by somebody who has the financial resources to stabilize it.

Are you moving forward with Stray Winds?

No, we're not doing anything there right now due to the economy. We're thinking we might start there this fall because, you know, (it) seems like the market's bottoming out on the housing end.

How is the commercial sector doing?

It is much better than housing, but it's not great either. You know, we're re-upping people in leases and ... everybody's just kind of cautious. Outside of

the retail construction it's been steady ... retail's just been massacred. You know, nobody's doing anything at all. If they say they are, they're lying.

What do you make of the argument that debt tied to commercial real estate might sour on a large scale?

That's a real concern, you know, because you know all these properties that were financed five years ago ... may not meet the debt parameters that the financing institutions are going to lay out (for refinancing). The concern is with the people that are highly leveraged. For people that have cash and dry powder — we're kind of looking at it (as) an opportunity. Look at GM, and they jettisoned Saturn and what happened? (Businessman) Roger Penske came in and bought it and is going to turn that thing around and make a pile of money. So I think for the people that have managed their businesses astutely and have cash, this is going to be another huge opportunity coming. ■