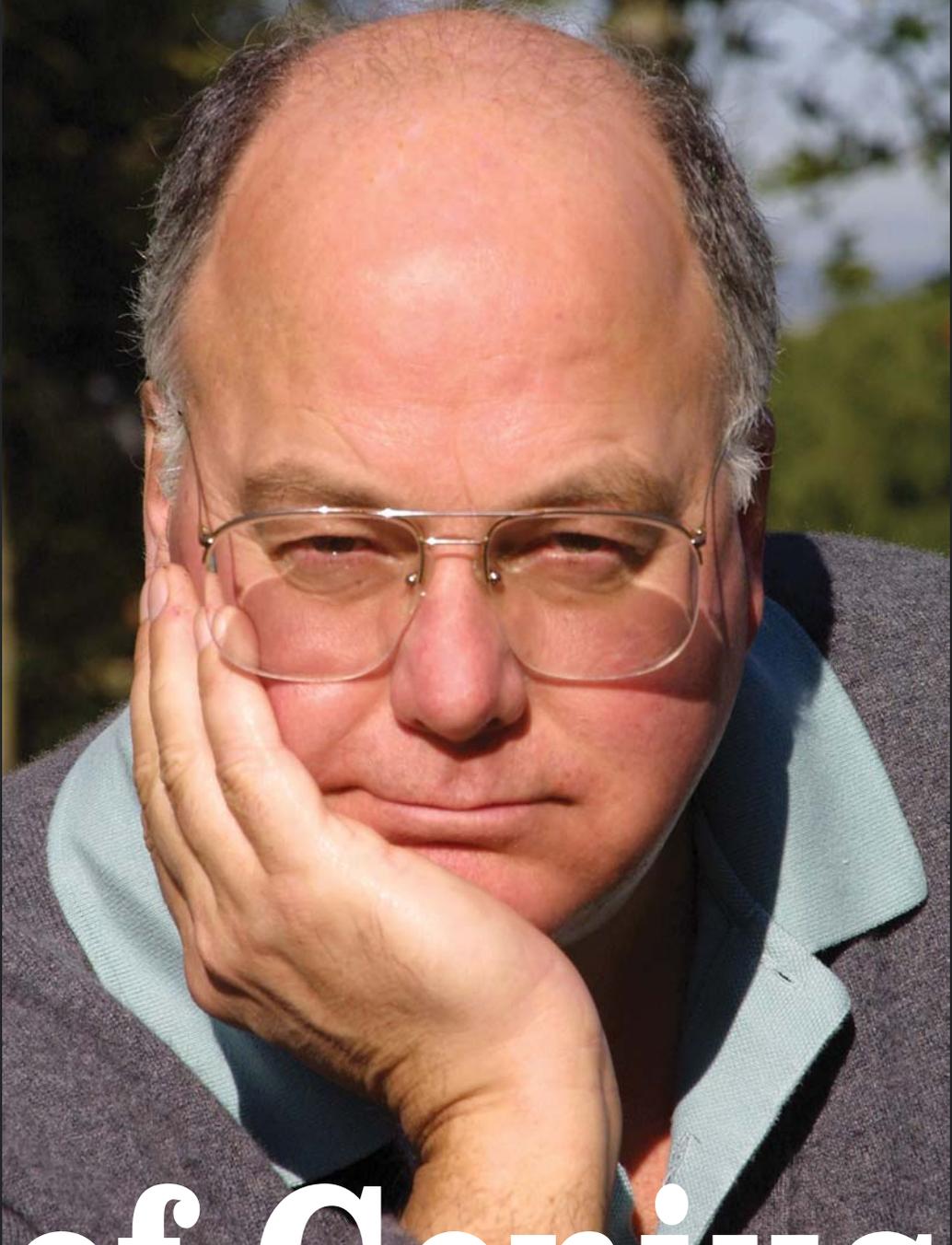


A Stroke



of Genius

Tom Isaak's Petaluma-based company scores hole-in-one with both golfers and environmentalists

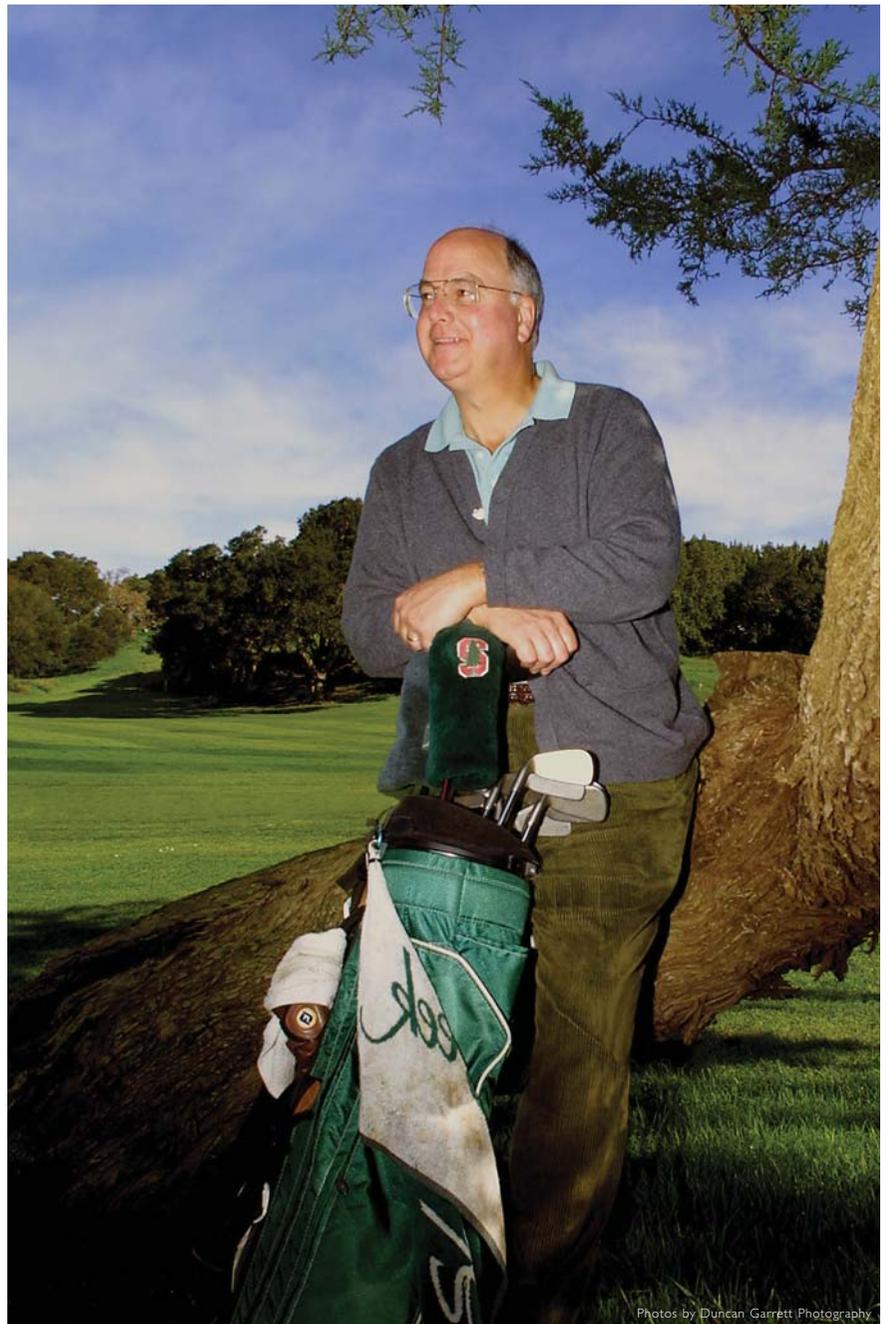
By Michael Miller

Environmental groups such as the Sierra Club and the Peninsula Conservation Council normally take a dim view of golf courses. Both groups, however, are unlikely proponents of Tom Isaak and his Petaluma-based golf course management firm, CourseCo. So much so, in fact, that one of CourseCo's courses, Crystal Springs in Burlingame, California, became the first course in the world to be certified by the Wildlife Habitat Council and only the seventh course in the state to be fully certified as an Audubon Cooperative Sanctuary. Isaak is proud that CourseCo has twice received *Golf Digest's* "Environmental Leaders in Golf" award as well as the Environmental Stewards Award from the Golf Course Superintendents' Association of America. "I don't know of a firm that comes close to the number of environmental decorations we have received."

As the largest golf development and management company in Northern California, CourseCo is an economic as well as an environmental success story. Isaak started CourseCo in 1989 with 40 employees. Today the company employs over 600. CourseCo has never had a contract cancelled or a client who failed to renew. Isaak's courses typically produce 75-80,000 rounds of golf per year, generating \$10-50 per head depending on the course. The firm, as a whole, generates \$22 million a year in gross revenues and has a healthy profit margin.

A latecomer to the game

Isaak, a latecomer to the golf industry, made a decision at age 40 to meld his careers as an environmentalist, business manager, political activist and real estate agent with his love of golf. Today, Isaak and CourseCo manage 13 active properties throughout Northern California, including the 18-hole Napa Golf Course at Kennedy Park and an 18-hole golf course in Sonoma County, Foxtail Golf Club in Rohnert Park. Isaak attributes his company's success to its unique philosophy of corporate growth—a philosophy that views growth as a by-product of



Photos by Duncan Garrett Photography

Tom Isaak, president of CourseCo, Inc.

success and not a goal in itself—and the firm's commitment to environmental sustainability.

CourseCo both develops new golf courses and manages existing ones. "Our company can step in at a number of stages in the life of a property," Isaak says. "We have developed golf courses from scratch, which means we organize the development team of engineers and architects. We provide the financing, secure the permits and entitlements, construct the golf course, then grow it in and operate it," says Isaak. "Or, we'll come in and take over a distressed property that is in need of capital or operating reform. We will take over the management, invest in it to make improvements in order to turn the property around. At other times, we have been hired to operate reasonably healthy properties, make modest improvements and upgrade the quality of management and services to produce a higher net revenue for our clients."

Golf can be a profitable business, but unlike many start-up businesses, golf

“I had been at Sonoma State ... no more than six months when I got a call from Leo McCarthy saying that Art had been shot twice in the chest at point blank range by the Zebra killer.”

courses require a massive investment up front. “If all things were ideal, development costs of all facets of a golf course would be seven to eight million dollars; however, all things are rarely ideal—access to the property, the nature of the soils and development of water can add very significantly to construction costs.

“It’s important to know in golf economics that fixed costs are very high,” adds Isaak. “It costs about \$2 million to take care of the first customer but very little to take care of the next 60,000.”

From here to there: a tale of two careers

Isaak’s interest in the environment began over 50 years ago when his father moved the family to Petaluma and started raising chickens. In the ’60s, at Petaluma High School, Isaak helped publish an alternative student magazine called “Bar None” in an attempt to raise the consciousness about environmental and political issues. He later studied political science and environmental planning and management at Stanford and Sonoma State University. He even had a stint as a bartender at the world-renowned Elaine’s in New York.

“There were only two of us tending bar there,” says Isaak, “and it was fascinating because coming through the door every day were all the famous people I’d read about or seen on TV and movies over my lifetime—Ted Kennedy, Oliver Reed, Raquel Welch, Tom Wicker.” Isaak smiles fondly at the memory. “For a 22-year-old kid from Petaluma it was a fascinating place to be for a year. I came back to California and got into political campaigns at that point, which is what I did for my first career.”

Isaak worked on the political campaigns of Nancy Pelosi, Art Agnos



Top: Tom Isaak with Art Agnos in 1978.
 Center (left to right): Nancy Pelosi, Carol Isaak, Tom Isaak, Barbara Boxer, Paul Pelosi, Stuart Boxer, in 1990.
 Bottom: Tom Isaak with Nancy Pelosi, current Minority Leader of the U.S. House of Representatives.

Photos courtesy of Tom Isaak

and Leo McCarthy in the 1970s and 1980s. He also worked as assistant to the president of Sonoma State University, Tom McGrath.

“Art Agnos brought me into politics,” Isaak says. “ He was chief aide to Leo McCarthy when Leo was just an assemblyman. Leo went on to become Speaker for a long time and then Lieutenant Governor. When Leo was seeking the Speakership, I had been at Sonoma State as Tom McGrath’s assistant no more than six months when I got a call from Leo McCarthy saying that Art had been shot twice in the chest at point blank range by the Zebra killer. Art was a totally random victim, and Leo says, ‘We’re six months away from the Speakership vote, and Art obviously can’t be running the campaign, so can you help?’

“I couldn’t say no,” Isaak continues, “so I went to Tom McGrath, and I said, ‘I owe these guys.’ McGrath said, ‘You know Leo’s not going to win the Speakership. Willie Brown has a lock.’ I agreed Leo didn’t have much of a chance, but that’s beside the point. It’s something I felt I must do.”

McGrath told Isaak to go with his blessing, “And when you lose, come on back. Your job will still be here.’ It was one of the grandest things anyone ever did for me,” Isaak reflects. “So I went and helped Leo with the campaign through the spring, and he won! At that point the president of SSU said, ‘You’re crazy not to go with these guys.’ So I went to work for Leo in Sacramento working on campaigns. I still to this day am appreciative and moved by Tom’s generosity and support.”

Isaak’s political roots go deep. He has also had a lifelong working relationship with Nancy Pelosi, the current House Democratic Minority Leader. “Nancy and I are personal friends going back almost 30 years,” Isaak says. “I ran her campaign for Chairman of the State Democratic Party in 1976. She and her husband Paul and I have been political collaborators and friends for many years.”

A change of game

With such an eclectic and diverse background, how did Isaak make the transition to golf?

“I was a little burned out on politics,” says Isaak, “and in 1977 I accepted the job as the first General Manager of Bodega Harbor. It is a wonderful golf course and residential community along the Sonoma coast, but it was a very controversial development because it was approved right when the Coastal Protection Initiative was passed, and there was a lot of confusion about regulation of this and other developments. Still, I was intrigued. I had begun to play golf and was interested in the job.”

Isaak opened the facilities at Bodega Harbor, established the operating systems and managed the financial controls along with the environmental and architectural reviews. Though it was a new venture, Isaak was still restless. “There was a political component to running Bodega Harbor in that the development was in the coastal zone, but it got to be custodial and I left after three years.”

From that point Isaak dabbled in real estate and a second go-around in politics when Art Agnos asked Isaak to raise the funds for his campaign in his bid for mayor of San Francisco in 1987. “I remember thinking that I better say yes because if I don’t and he loses, he’ll remember it for 1,000 years; and if he wins, it won’t matter,” Isaak laughs at the memory. “So I took a year off and donated it to the campaign, raising money for his successful mayoralty. I subsequently looked after his political finances throughout his tenure as mayor and then raised the money for his re-election campaign.” Agnos and Isaak still play golf together a couple of times a month and are constantly in touch.

“When that tenure ended,” Isaak says, “I was looking for the best portal back into the golf business. I learned that the Riverside Golf Course was available. We prevailed over several significant entities to secure that lease in 1988. That was really the beginning of CourseCo.” Since then, Isaak and his partner John Telischak, a real estate investor and developer, have built CourseCo into the largest golf course management company in Northern California.

CourseCo’s philosophy of improving (not just operating) each course it manages is central to its success. “I think we understand the dynamics of each deal better



Photo by Julie Colt

Students in CourseCo’s Oakland Turfgrass Education Initiative learn irrigation control from golf course superintendent Gary Ingram.

than the bigger firms,” says Isaak. “Not only to what extent you are willing to finance improvements but also picking up a feel for what the golfers and the communities need; each city is very happy with our stewardship of their property. Our courses have a beautiful harmony to them, and they are perpetually improved by our reinvestments.”

Environment: a top priority

Isaak has made environmental sustainability a keystone of his management policy. “There are three critical components that differentiate us from the larger firms,” Isaak continues. “It’s how we manage water, the amount of habitat we attempt to restore or add back to golf courses and a sparing approach to using chemicals. Sensitivity to the environment has always been an important management principle to me and the other people who have joined the company since.”

The success of this approach is a major reason that CourseCo was recently awarded two grants totalling \$160,000 to begin a multi-year project that will naturalize the creek, enhance plant and wildlife habitat, and minimize siltation at the oft-flooded and environmentally sensitive Eureka Golf Course on California’s north coast. This project provides public access, resource restoration and flood protection for the course and county roads. Planners hope this first round of financing will generate more money to improve the 4,200-acre watershed and become a national model for similar public and private environmental partnerships.

Michael Bowen, Coastal Conservancy Project Manager, wrote the staff report that supported the \$100,000 grant his agency provided. “They (CourseCo) have pulled multiple interests with numerous objectives together in a complementary fashion,” he says.

Michael Zoppo, property manager for the city of Eureka, echoes these sentiments. “We’ve come up with a nice project to help everyone out in the watershed and help the golf course. CourseCo has been a very good company to work with. We’ve turned our course over to them to manage. They have been very good managers, have a lot of innovative ideas and deserve a lot of credit for getting it moving.”

Optimistic about golf’s future

In addition to changing golf’s environmental reputation, Isaak is also out to challenge golf’s reputation as an elitist sport. In an attempt to reach some of



CourseCo works together with high school and junior college curricula to bring turfgrass education and job preparation to inner city youth."

Oakland's inner-city youth, CourseCo is introducing Castlemont High School students to golf maintenance and other green-industry management careers through its partnership with the City of Oakland at Metropolitan Golf Links, a new facility that CourseCo is developing. This new course, with views of San Francisco and the bay, will open in May of 2003. CourseCo is trying to plant the idea in the minds of inner-city kids that they can have jobs in places they never considered possible before.

"Children of color in the inner city are being afforded the opportunity to explore interest in golf and turf management," says Eric Edgerly, an environmental horticulture teacher who is overseeing the Castlemont program. "CourseCo is putting its money where its mouth is and is very serious about getting children into this program. We have about 80 students who are taking course work at the moment."

Thinking about the last deal and the bottom line

Through it all, Isaak remains optimistic about the future of golf in California. "What a lot of people don't realize about

this business is that, notwithstanding the Tiger Woods phenomenon, golf play in this country has been just about flat for the past several years," says Isaak. "In that time many new golf courses have been constructed; as a result, some markets are overbuilt and a lot of golf properties are struggling."

For Isaak, however, it is a simple matter of staying focused—and keeping his eye on the ball, you might say. "Thirteen years ago we identified a niche in the business for a highly professional and financially stable firm that enjoys a deeper understanding of its markets and communities than is possible for the bigger firms that dominate the industry. We can provide more comprehensive and efficient management than is possible for the typical sole proprietorship or municipal manager.

"Many companies in businesses like ours get preoccupied with growth and forget to execute and meet their commitments. We've consciously maintained a flattish organization because we didn't want a lot of middle management between us and our clients," Isaak says. "We don't think about our next deal," he adds. "We think about our last deal because, if you get it right each time, the next deal will take care of itself."

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