



AN ECICOG REVOLVING LOAN SUCCESS STORY

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ECICOG
WHAT'S NEXT?

AMANA COLONIES GOLF CLUB
AMANA, IOWA

SCORING SUCCESS ON THE COURSE

Stephen Kahler had all the experience needed to make a success of the Amana Colonies Golf Club when it came on the market. He had golf in his blood from both sides of his family. Stephen grew up playing courses in his home town of Des Moines and for Kirkwood Community College. The plans to earn a degree in business administration and PGA designation led him to Arizona State University, where he could accomplish both in the shortest time. After finishing the ASU program, he worked ten years managing

courses for Troon, a worldwide golf course management company.

His goal had always been to own a course someday and buying the Amana Colonies Golf Club would put him back in Iowa, closer to family. Amana had been recognized as one of the premier courses in Iowa but had struggled financially for years. What Stephen didn't know was that a fire would consume the course's clubhouse before he could assemble the needed financing. The fire would take

most of the business's assets, including the golf carts and other equipment.

"After the fire, my wife Audrey and I flew home so we could see the facility in person for the first time in several years. We wanted to get a better idea of exactly what we may be getting into and meet with some potential investors in the course," says Stephen. "I remember sitting on the plane as we prepared for our return to Phoenix when she asked how the meeting went with the investors. I told her I didn't think



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I could work with them, and I wanted to find a new way to get the deal done. She said, 'Ok then, let's do this!'

Stephen says Audrey's confidence, support, and hard work have been essential for the Amana Colonies Golf Club's success. "We're a team. When I'm working at the course, she's often there working too. Along with everything she does here, she also cares for our two sons, Tucker, age 8, and Kingston, age 5, keeps the household running and keeps me sane. There is just no way this works without her."

Dreams aren't made only of experience, ambitious goals, and tenacity. It takes money too.

Stephen did bring in an investor, his uncle, Bob Johnson, a retired CPA from Des Moines and avid golfer. Stephen and Bob formed Kahler Golf, which took over the Amana Colonies Golf Club's ownership and operations on February 15th, 2016. Bob is another person Stephen credits with a lot of the success now enjoyed by Kahler Golf and Amana Colonies Golf Club.

"Bob has been a silent partner," says Stephen, "unless I ask for his opinions and guidance, which I often do. I really appreciate his business acumen, and his experience shines through as he shares his thoughts."

Experience, check. Ambitious goals, check. Teamwork with Audrey, check. An experienced business partner in Bob, check. Still not enough money.

"The course struggled previously for 25 years. The clubhouse was gone along with most of the equipment we needed, and there just weren't a lot of lenders eager to put money up for the project," explained Stephen. "I went to several banks, and while there were some loans available, it still wasn't enough to swing the whole project. One of those bankers suggested looking into the East Central Iowa Council of Government's (ECICOG) Revolving Loan Fund, and that is how I met Robyn."

As Robyn, the Contract Manager at ECICOG, tells the story, Stephen had all the ingredients ECICOG looks for. Stephen's experience made him well-qualified to own and operate a course. Stephen and Bob presented a solid business plan. A lot of the financing was already in place, and what Stephen needed was what ECICOG provides, the last bit of financing to push the project over the top, moving it from dream to reality.

"We don't have set-asides for certain kinds of projects," Robyn explains, "but the loan committee is sensitive to the potential a project has to impact the region. This project had the potential to rescue a great

golf club that drew golfers from a wide area, boosting tourism in the process. Our first obligation is to loan funds for projects with solid business plans, but we're also committed to supporting the entire region. The Amana Colonies Golf Club checked all the boxes."

On April 15th, 2016, at 1:00 AM, Stephen was putting the finishing touches on the newly constructed clubhouse. He and Bob had gotten possession just sixty days earlier, and it had been a non-stop whirlwind since then. The clubhouse was almost finished, new golf carts were ready, food equipment had been installed, and the course was ready for play.

"I was living in a condo on the course while Audrey was busy taking care of our boys and selling the house in Arizona," says Stephen. "I caught some quick rest after finishing the construction, then went back to the course early in the morning, opened the door, and checked in our first customer."

"Believe me, that first green fee is the sweetest one I've ever received."

The Amana Colonies Golf Club is growing in popularity with more golfers each year. Then the COVID-19 pandemic made golf an excellent way to enjoy social time while staying socially distanced and outdoors.

As Stephen explained it, the pandemic has boosted the overall popularity of golf. "Golf puts you outside in the fresh air - social distancing at its finest. Golfers get some exercise and can still socialize with friends. We've seen a huge demand for the game of golf, unlike anything we probably have experienced since the Tiger Woods effect in the late 90s."

The business plan for the Amana Colonies Golf Club is ahead of schedule. Two loans from ECICOG's RLF program, the first to get the business started and the second providing equipment for the clubhouse and new event center, have already been repaid. Stephen has also expanded his business by taking on the management of the Tournament Club of Iowa course in Polk City; the only Arnold Palmer designed course in the state.

"I'm thankful that Robyn and ECICOG had faith in me, along with Hills Bank, Bob, and especially Audrey, who has made all this possible," says Stephen. "There's been several hundred-hour work weeks, blood, sweat, and tears. And it's not been easy by any means. But no matter how good of an operator I was, I wouldn't have been able to do it without the financial resources ECICOG helped provide."

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