

MR. COEUR D'ALENE MAVERICK MILLIONAIRE IS PUTTING HIS TOWN ON THE MAP

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Duane Hagadone is proud of his idea of a golf green that floats. Other resorts have golf greens on little islands, reachable by footbridges. Hagadone plans a golf green on a grass- and dirt-covered barge, reachable by boat.

He thought of the idea, he says, when he was sitting by a sawmill he had just bought, looking out at a log raft in Coeur d'Alene Lake. He was planning to tear down the old mill and replace it with a golf course that would draw visitors from all over North America.

The land had cost him \$4.4 million. It included a mile and a half of shoreline of one of the most beautiful lakes in the Pacific Northwest. But it was like the steak with no sizzle: People would love it, if they could be enticed to try it. To entice people to Idaho, he says, "You've got to have that sizzle."

The "sizzle" is the floating golf green, which will change positions seven times a day.

"That's going to be one of the most photographed and talked-about things in Idaho," he says. "It's going to bring millions of dollars in publicity."

The floating green is pure Hagadone, an idea others would dismiss as preposterous.

His resort and conference center, The Coeur d'Alene, A Resort on the Lake, struck many that way when it opened in 1986. Here in a depressed timber and mining town of 25,000, Hagadone had sunk \$60 million into an 18-story hotel that dominates the whole town.

"I don't think Marriott would have gone in there, or Hilton or Sheraton, and done that big a project in Coeur d'Alene," says Paul Jinneman, the Seattle hotel consultant who prepared Hagadone's feasibility study.

Hagadone did it in impressive detail, from the homey touches in guest rooms like doorbells and fireplaces to the quality of the furniture and carpets. "I'm a perfectionist," Hagadone says. "Look at our grounds. They're impeccably maintained."

Upstairs was the fantasy-land penthouse, the Hagadone Suite. Few can afford its \$2,000-a-night price, but it's another thing to talk about: the Jacuzzi suspended on the side of the building 200 feet from the ground, and the glass ceiling in one room that serves as the bottom of the suite's private swimming pool.

Like the floating golf green, Hagadone's resort got talked about. Forbes magazine sent out a reporter - a New Yorker who didn't even own a car, Hagadone says. The reporter described The Coeur d'Alene as "a study in excess" and wondered whether Hagadone had let his ego get in the way of his admittedly astute business judgment.

The Forbes article annoyed him at first. Hagadone considers himself a man who does his homework, not one who flies blind. But then, he says, he noticed the Forbes piece was attracting new customers.

Hagadone, 56 ((age)), is the Idaho panhandle's most prominent businessman. He doesn't discuss his net worth, which Forbes estimated in 1986 at "pushing \$100 million."

Wealth allows him to visit his holdings in his personal Lear jet, and to have all his surroundings, his tools of work, be first-class. "I believe in that," he says.

But relaxing on a golf course, taking lake cruises and loafing around a pool are for his customers. Hagadone spends 6 1/2 days a week at work.

He is a hands-on manager. He keeps track of some 50 "profit centers" from an office overlooking the resort on Coeur d'Alene Lake. There, in the center of a U-shaped desk of black granite, he can reach all his files, including a special fire-proof file and a compartment with about 30 rolled-up architect and surveyor plans.

"If I'm in here Sunday morning at 8 o'clock I can just pull open a drawer and get what I need," he says.

Hagadone stretches his business day across five time zones, talking in the morning with people on the East Coast and in the evening to Hawaii. "On 50 percent of the days I'm here from 7 a.m. to 7 at night, and never leave this floor," he says. Besides the offices for himself and a secretary, the top floor of the small Hagadone Corp. building contains a kitchen for a cook to make lunch.

He says he spends about 40 percent of his working time on the telephone. "I'm the type of guy who's in constant contact," he says. "I don't think there is any thing mobile I have without a telephone."

Hagadone built his empire with small-town newspapers. He was born in Coeur d'Alene and grew up in a waterfront home that he can point out from his office. His father, Burl Hagadone, was the publisher of the town paper, the Coeur d'Alene Press.

"I had always been one of these guys who spent weekends and holidays hanging around the press," he says. He enrolled at the University of Idaho, but did not stay to graduate. He went to work in the circulation department of the family newspaper.

When he was 26, his father died. He took over the paper and bought out other family interests.

Hagadone found what others had, that a well-run newspaper is a font of cash that can be used to buy other assets. Today, Hagadone owns most of the papers in North Idaho, plus publishing ventures from Wisconsin to Hawaii to Moses Lake, Wash. (the Columbia Basin Herald.)

He owns hotels, apartments, marinas and a share in the new greyhound racing track along Interstate 90 at the Washington border.

The step that thrust him into the limelight was when he bought the old Northshore Hotel, tore it down, and built The Coeur d'Alene.

"I'm a dreamer and a goal setter," he says. "I had always looked at that site. I'd always thought that this city and that site deserved a world- class hotel."

He declines to disclose occupancy rates, but says the 358-room Coeur d'Alene has worked out better than planned. It has had an especially good restaurant business and repeat bookings by conventions.

"Of our first 400 conventions, 54 percent rebooked," he says. "The national average is 4 to 6 percent. People love it here. Our problem is getting 'em here the first time."

The slow time for The Coeur d'Alene is midweek in winter, despite the drop in room rates (a range of \$69.50 to \$134.50 last winter, compared with summer rates of \$89.50 to \$169.50).

To remedy that, Hagadone is looking forward to the expansion of the Silverthorn Ski Area at Kellogg, 30 miles east.

Kellogg, an old silver mining town that has suffered from high unemployment, snagged a \$6.4 million federal grant to help pay for a 3-mile- long gondola. Work on the gondola began last month; also planned are four new chairlifts.

By the winter of 1990-91, there should be a much-expanded ski resort, owned by the city of Kellogg but managed by a Hagadone subsidiary.

Hagadone plans a shuttle bus every half-hour from The Coeur d'Alene to the ski area. "We'll give you a paper, a roll, coffee and juice on the bus," he says. "On the way back, we'll serve you a drink, and you can watch a little TV."

There will be hotels built in Kellogg, too, but probably mid-price hotels built by somebody else. "We're in more the high end," Hagadone says. "Everything we do is first-class."

Earlier this year, Hagadone announced a major expansion of The Coeur d'Alene. It begins with the golf course, which is to be built next year and opened in the spring of 1991.

"You need golf," says Hagadone, citing the chief executive officer of a major hotel chain, who reportedly will not consider building a resort hotel without a golf course.

The golf course is about 18 blocks away from the hotel. Guests will be ferried to the course by "water taxi," Hagadone says.

After that, he plans to build an executive conference center and at least a 200-room addition to the hotel, probably at the golf course site; a 400-slip marina at the golf course, in three or four stages; plus 150 condominiums in two buildings at the golf course. He already has built 84 condos in town, of which 74 have been sold.

Hagadone also owns the JCPenney block in downtown Coeur d'Alene. He plans a 70,000-square-foot enclosed mall with a skybridge to the hotel.

When all these projects are finished, the total investment in The Coeur d'Alene and adjacent projects will be \$125 million, he says.

"These are the largest investments made in the State of Idaho by a privately held company. I'm very proud of it. I'm damn proud of what we've done for the little village of Coeur d'Alene."