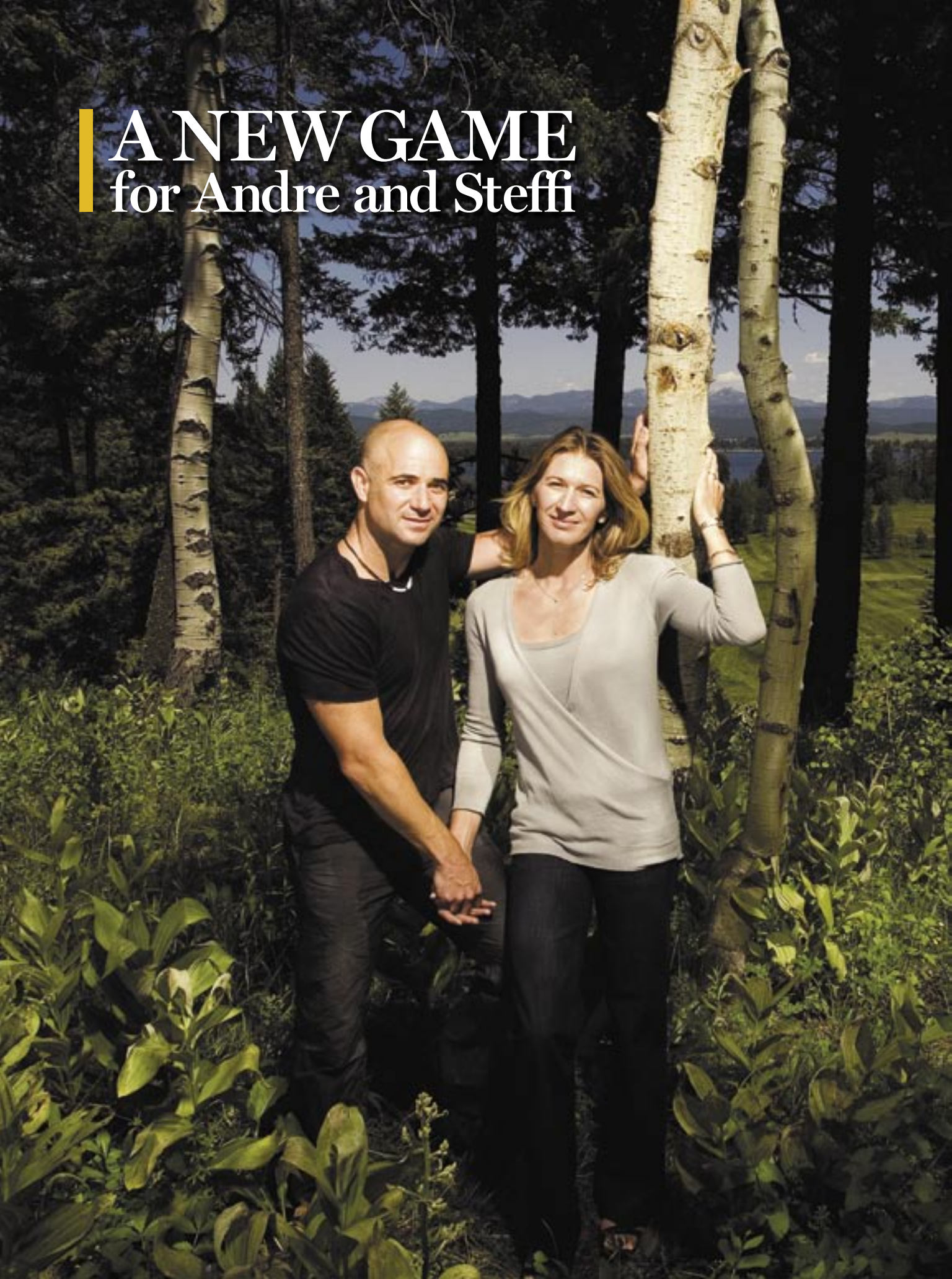


# A NEW GAME for Andre and Steffi







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*The first couple of tennis have launched a second career in hotels, spas and real estate. Their latest venture: a \$600 million getaway in Idaho.*

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By Anthony Effinger

◆ When Andre Agassi played professional tennis, he didn't dare do anything that might get him injured. "I wasn't allowed to go off a diving board," he says.

Since retiring in 2006, Agassi, 37, has become a risk taker: He snowboards. He wears a helmet but refuses forearm guards, which are de rigueur in a sport notorious for broken wrists. "He got bitten hard," his wife, Steffi Graf, 38, says of Agassi's obsession. Graf, who won 22 Grand Slam singles championships, prefers skiing. They play almost no tennis.

Agassi and Graf are taking even bigger chances with their money. A few years ago, they visited western Idaho, a hinterland of cattle and sagebrush, looking

*Agassi and Graf earned more than \$50 million on the court. Now, they're investing their winnings.*



Masters of the court: **Agassi** is one of only five men to have won all four Grand Slam tournaments. **Graf** won them all several times.

for a place to spend time with their son, Jaden, 5, and daughter, Jaz, 3.

The couple, whose career tennis winnings alone exceeded \$50 million, not counting lucrative endorsements, bought a house at a new ski resort called Tamarack in Long Valley. For decades, it was a secluded playground for the gentry in Boise, 100 miles (161 kilometers) downriver. Idahoans came to fish and boat on Big Payette Lake, below mountain ridges that hold snow long into summer.

Now, Agassi and Graf plan to build a Fairmont hotel there. If all goes as planned, it'll be the first Fairmont in the world with a rock-climbing wall and a machine that simulates kayaking. There will be a bowling alley, too.

The place will be a condominium hotel, meaning that people will buy the rooms, use them when they want and let the hotel rent them when they're not. Selling the 224 rooms and 69 penthouses—plus 50 private homes on the mountain—will bring in \$600 million for Agassi Graf Development LLC and its partner, Bayview Financial LP in Coral Gables, Florida.

The Fairmont Tamarack is part of a hyperactive second career in real estate and hospitality for Agassi and Graf. Among their other projects: a luxury vacation development in Costa Rica with Exclusive Resorts LLC, a string of restaurants with San Francisco chef Michael Mina and a joint venture with high-end furniture maker Kreiss Enterprises.

In their spare time, Agassi and Graf both run foundations. Agassi's opened a kindergarten–12th grade public charter school in 2001 in a rough part of Las Vegas, where Agassi grew up. Singer Elton John is on the board. Graf's provides psychological help to children who've been the victims of war and exile.

To hear Agassi and Graf tell it, all their business ventures came about by chance. They liked Idaho and decided to build. Agassi and Steve Case, co-founder of America Online Inc. and owner of Exclusive Resorts, had too much in common *not* to do something together. Agassi and Graf always liked Kreiss furniture and often asked for tweaks to pieces they bought, so they did their own line. "It's been a pretty organic process," Agassi says.

The couple say they're doing more than just putting their very recognizable names on things. Many advertisements for the Fairmont don't mention them. Agassi and Graf are deep into the details. Furniture maker Mike Kreiss, a former U.S. Open tennis player himself, says Agassi and Graf pored over fabrics and designs before



coming out with their line of chairs and couches, all chocolate brown and cream colored, called the Agassi Graf Collection. Her taste runs toward clean, symmetrical lines. He likes things a little cushier and textured. "They're excited, disciplined and specific," Kreiss says.

Agassi has been to Costa Rica at least twice to help plan a resort with Case's Exclusive Resorts. "I'm 15 years removed from sticking my name to stuff," Agassi says. "I want to be a partner, not a spokesperson."

**A**gassi and Graf run their companies out of an office on Howard Hughes Parkway in Las Vegas. Graf, born in Mannheim, in Germany's wooded south, moved there reluctantly. Her mother and brother came along, making the place feel more like home. "Living in Vegas speaks volumes of her love for me," says Agassi, sitting on the deck at the lodge at Tamarack on a sunny June day. "It was culture shock."

If Agassi and Graf are half as successful in real estate as they were in tennis, they'll make a fortune. Agassi, who kept opponents running by hitting shots early off the bounce, is one of only five men in history to win all four Grand Slam tournaments: the opens in Australia, France and the U.S., and Wimbledon in the U.K. He won a gold medal in the Olympics, too, in 1996.

Agassi quit the sport in 2006 after disks around misaligned vertebrae in his lower back succumbed to years of pounding and began to bulge, impinging nerves. He needed a cortisone shot in his spine to recover from a four-hour victory over Marcos Baghdatis in the second round of the U.S. Open last September, his farewell tournament.

He limped into the next round and drew standing ovations for returning shots that a player with his injuries had no business returning. He lost and then exited tennis with a tribute to the crowd that Winston Churchill would have admired. "You have pulled for me on the court and also in life," Agassi said from the middle of the stadium. "You have given me your shoulders to stand on to reach for my dreams, dreams I could never have reached without you."

Where Agassi excelled, Graf, who now goes by the first name Stefanie, dominated. With a crushing forehand and a 112-mile-per-hour serve, she won all the majors—and added an Olympic gold—in a single year in 1988. She was No. 1 for a record 377 weeks. She retired at 30—without speeches and at the top of her game—in 1999.

Her exit shocked the tennis world. She had just rebounded from injuries to make the finals at Wimbledon and win her sixth French Open, against top-ranked Martina Hingis. "I'm not having any fun anymore," Graf said at a press conference in Germany that August. "It was almost too easy to catch up to the top players again. I have nothing left to prove."

Agassi had a crush on Graf for years before they finally got together. He asked her out—through her manager—during the French Open in 1992. She said no.

He married actress Brooke Shields in 1997 and broke up with her in 1999. Shortly after, he spotted Graf at a tournament in Florida and sent flowers to her hotel room. She had a boyfriend at the time. Agassi and Graf finally dated later that year and hit it off. They married on Oct. 22, 2001, and had Jaden four days later.

Tennis was good to Agassi and Graf. In addition to prize money, they raked in millions in endorsements from Adidas AG, American Express Co., Canon Inc., Deutsche Telekom AG, Genworth Financial Inc., Nike Inc. and Wilson Sporting Goods Co.

Agassi says he doesn't miss tennis at all. Professional tennis is a grind, he says. It takes a cruel

## Ace!

Andre Agassi and Steffi Graf have each won all four major tennis tournaments. Graf once did that in a single year.

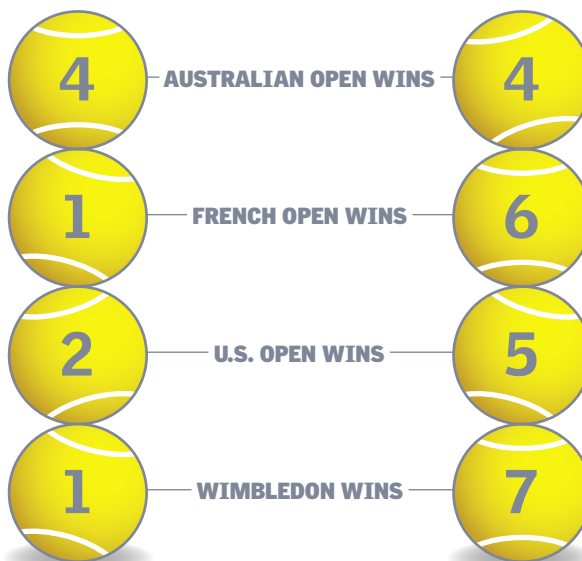
### AGASSI

Career: 1986–2006  
Prize money: \$31 million



### GRAF

Career: 1982–99  
Prize money: \$22 million



Singles tennis. Sources: Agassi, Association of Tennis Professionals, Graf, WTA Tour

calculus to win: You often show up with 80 percent of your game because of injuries, illness or just plain fatigue. To stay on top, you have to constantly give 100 percent of your 80 percent. That's what's hard, he says.

Tennis took a lasting toll on Agassi. "If I go to Disneyland and walk around, it's as bad as playing a five-set match," he says.

He's more muscular than he was on the tour because he has more time to lift weights. With a shaved head, dark eyebrows and arms bulging beneath a black T-shirt, he looks like a postmodern hit man or a Moscow bouncer. Get closer, and you see that the black choker around his neck is lined with white beads that spell "Daddy Rocks."

The tough guy image diminishes more when he conscientiously rubs sunscreen onto his balding head before going out from under an umbrella and into the Idaho sun.

Graf, by contrast, is even trimmer than she was in her tennis days. Despite old injuries to

her knees and calves, she runs often, sometimes for 90 minutes or more. She breaks into an easy smile while reminiscing about her childhood days rambling around the forests of Germany. Idaho's wildness convinced her to invest in Tamarack. "You don't find this anymore," she says, looking across the empty Long Valley under a dome of blue sky.

**T**hough they have enough money to kick back, Agassi and Graf aren't the retiring types. He's a serial obsessive, getting into things wholehog or not at all. When his career faltered in 1997 and he fell to 141st in world tennis, he took up golf. His handicap dropped to 1. "I got into it intensely, like I do most things," Agassi says.

Chef Mina confirms that. In 2000, Agassi bought a mansion in Tiburon, California, for \$23 million from John E. McCaw, brother of mobile phone entrepreneur Craig McCaw. Agassi needed to live at sea level to train. In Las Vegas, at 2,000 feet (610 meters), a tennis ball bounces more, causing players to shorten their swings. If Agassi hit anything at less than 100 percent to perennial foe Pete Sampras, he'd be dead.

Agassi came into Mina's San Francisco restaurant, Aqua, one night in 2001, and they got to talking. Mina offered to cater Agassi's New Year's party, and soon after, they became friends. Then Mina split from his old business partner and needed money for a new string of eateries. He called Agassi. Soon, they were in business together.

One day, Graf asked Mina to give Agassi a cooking lesson. Agassi said he wanted to learn just a couple of things that he could use all the time. Graf loves soups made with puréed vegetables, so Mina taught Agassi how to make a stock to which he could add whatever was in season. Agassi fretted over the details, asking Mina how many seconds he should blend the soup. "He's a fanatic," Mina, 39, says. "He cooks on Thanksgiving. I usually get a few phone calls." Their venture, Mina Group, has eight restaurants.

These days, Agassi is fanatical about snowboarding. Last year, he hit Telluride, Colorado; Sun Valley, Idaho; and Mammoth Mountain and Squaw Valley in California. His advice to newbies: "You gotta take lessons, and you have to tough it out for three or four days."

Such focus served Agassi well in tennis. He kept his interest even though his father, who was an Olympic boxer for Iran before coming to the U.S., made him hit thousands of balls each

Tamarack is nestled in Long Valley, in western Idaho.







Selling Tamarack's 224 rooms, 69 penthouses and 50 homes will bring in \$600 million. An artist's impression, left, shows the design of the completed hotel.

Management Group, now IMG Worldwide, were charging him too much. Rogers, then a second-year student at the University of Arizona law school, had just won the American Bar Association's negotiating competition for the western region. He was prepping for nationals. "Andre said, 'You won that negotiation contest, can you talk to them for me?'" Rogers recalls.

Rogers got IMG's fees cut, and Agassi asked whether he'd be his manager, phasing out the agents. They set up Agassi Enterprises Inc. to handle endorsements and a foundation to give money to disadvantaged kids. Rogers put Agassi on a budget, doling out \$150,000 a year and investing the rest. Agassi got a raise to \$250,000 after winning the U.S. Open in 1994 and the Australian Open in 1995.

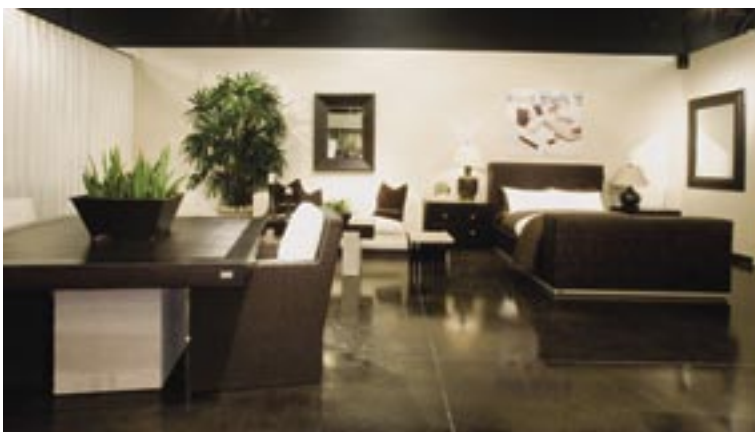
Agassi has always been good about tending his network of friends, former coach Nick Bollettieri says. After winning Wimbledon, Agassi and Bollettieri sent out 100 pictures of the two of them, signed and framed. "He was always pretty astute," Bollettieri says.

Agassi was one of the quirkiest pupils Bollettieri ever had. Once, at the French Open, Agassi

day as a kid. Agassi started playing tennis for money in 1986, at age 16, and won Wimbledon six years later. He rebelled in other ways, eschewing staid whites in favor of Day-Glo gear and big hair. Sponsors loved it, and paid him millions for endorsements.

Agassi splurged, buying cars for friends and family. When his friend Perry Rogers graduated from Georgetown University in 1991, Agassi bought him a BMW convertible. The two go way back. Rogers liked Agassi's sister Tami and tried to get to her by befriending Andre, then an 11-year-old with a bowl haircut in Rogers's tennis league. (Rogers and Tami Agassi never did end up dating.)

Agassi turned to Rogers after winning Wimbledon. Agassi thought his agents at International



Agassi and Graf design furniture for Kreiss.

insisted on jacking up the air conditioning to make his hotel room frigid. Then he wrapped himself in a blanket, ate food from McDonald's and watched horror movies. "He was unusual," Bollettieri says.

Graf was more removed from the business side of being a tennis great, leaving that to her father, Peter. He went to jail in 1997 after a German court convicted him of evading taxes on Graf's income from 1989 to '93. The judge said Steffi had no part in the scheme. Graf declines to discuss the episode or comment on her father.

Agassi and Graf live frugally, for millionaires. They drive a minivan and Toyota Prius hybrids, fly commercial airlines overseas and use NetJets Inc.'s private plane service in the U.S. They still rely on Rogers, too. He runs Agassi Enterprises, sits on the board of the Andre Agassi Charitable Foundation and runs a sports management business that counts basketball big man Shaquille O'Neal,

comedian George Lopez and racecar driver Helio Castroneves among its clients.

Agassi and Rogers say they've often been more lucky than good. If business is like a carnival game in which you have to hit a balloon with a dart to win a prize, says Rogers, then Vegas is a wall full of balloons. "All you have to do is throw a dart," Rogers, 38, says.

Case in point: Shortly after Agassi and Rogers had started dabbling in venture investing, they paid \$1 million for a 10 percent stake in Nevada First Bank in 1999. They got about \$11 million back when competitor Western Alliance Bancorp bought Nevada First last year.

Being connected in Vegas has also helped. In June 2003, Agassi and Rogers teamed up with pals Timothy Poster and Thomas Breitling to buy two Golden Nugget casinos, one in downtown Vegas and the other in Laughlin, Nevada, from MGM Mirage for \$215 million. They put up \$50 million in cash—\$7.5 million from Agassi and Rogers—and sold the casinos in September 2005 to Landry's Restaurants Inc. of Houston for \$163 million in cash and \$182 million in assumed debt. Agassi and Rogers reaped \$24 million.

One deal in particular blows Rogers's mind. As kids, he and Agassi had always talked about living on the same street—Pinto Lane, where Rogers's family lived—when they grew up. They did it, buying houses a few doors apart. Then someone hopped the back fence and filmed Agassi and Graf washing their dishes. Days later, the tape was on German TV.

Agassi and Graf moved. The man who next moved into the Pinto Lane home, Robert Frey, came by Rogers's house and asked whether his kids could use Rogers's trampoline. Sure, Rogers said. They got to talking, and Frey said he was developing a nightclub at Caesars Palace. Agassi, Graf and Rogers invested a total of \$3 million. The club, called Pure, opened on Dec. 31, 2004. "The place absolutely prints money," Rogers says.

Not all of Agassi's investments have been winners. Agassi invested alongside ice hockey's

*Agassi and Graf's business empire is growing. 'It's been a pretty organic process,' Agassi says.*

## *Graf looks across Idaho's Long Valley under a dome of blue sky.*

*'You don't find this anymore,' she says.*

leading scorer Wayne Gretzky and former football quarterback Joe Montana, winner of four Super Bowls, in a chain of sports bars called Official All Star Café, opened in 1995 by Planet Hollywood creator Robert Earl. The chain went bankrupt in 1999.

Lately, Agassi and Graf are taking a more deliberate approach. Their projects are getting bigger, so they hired another old friend of Agassi's, Gun Ruder, to take over real estate development.

Ruder, 37, knows about complex investments. He spent six years in Tokyo at Nippon Steel Corp.'s trading arm, where he helped cash-strapped oil drillers and coal miners worldwide finance new equipment by using their output to back loans. Then he came home, earned a master's of business administration degree at Stanford University in 1999 and went to work at McKinsey & Co. as a consultant.

When Agassi called, Ruder was working at MBNA Corp. in Wilmington, Delaware, trying to help the credit card issuer diversify into home loans and small business finance. He lived in nearby Wayne, Pennsylvania, a town too small and insular to suit his Japanese wife. From Wayne, Vegas looked like Paris.

Ruder joined in 2005, becoming head of Agassi Graf Development. Now, the rambling Agassi-Graf empire fits into three silos: talent management; real estate and hospitality; and philanthropy.

Agassi and Graf say they're spending most of their time on real estate and hospitality: restaurants, hotels and spas. They have an affinity for the fields because they love entertaining. Go out to dinner with them and they'll memorize what you order, then serve it the next time you're at their house, Rogers says. Agassi has mastered the perfect grilled steak, after years of trial and error. "I've eaten purple meat at Andre's that he marinated in what must've been antifreeze," Rogers says.

After a combined 37 years of pro tennis, Graf and Agassi know what they like, and don't like, in hotels. "We've seen the best and the worst of everywhere," Agassi says. He hates it when someone folds the first tissue in the box into a fancy shape, rendering it unclean. "That goes in your nose," he says, grimacing. She abhors glass tables

with sharp corners. "You crawl out of bed and injure yourself," she says.

Selling hotel rooms, as Agassi and Graf plan to do, became popular in Florida a few years ago. It's since spread, partly because hotel financing is the one part of the real estate market that hasn't recovered from a 1998 slump, says Jim Butler, a real estate lawyer at Jeffer, Mangels, Butler & Marmaro LLP in Los Angeles. With the condo-hotel model, developers get cash up front.

The financial structure is tricky. The hotel operator and the room owners must negotiate their percentages of rental income, and owners must be willing to give up rights to redecorate or make any other changes. Often, the deals are set up so that buyers own only the airspace in the rooms. That prevents remodeling, Butler says. "These beasts are complex," he says.

**A**gassi and Graf are hoping to lure buyers with their taste. They'll decorate and furnish all of the rooms, and they've built a model one-bedroom suite at Tamarack to show off their decor. The couch is made of woven leather. Fabrics and carpets run to muted greens and grays. Chocolate-brown trim lines the doors and ceilings. Countertops are gray concrete. It's a far cry from the barn wood and cowboy prints that clutter so many ski condos. Graf says the model approximates how the rooms will appear, except the drapes and the artwork. "That's temporary," she says.

Picking Tamarack for their first development is a risk for Agassi and Graf. The 3½-year-old resort is north of Boise on a two-lane road that can be treacherous in winter. The airport in nearby McCall can take private jets but has no commercial service. Plans are under way to expand the airport.

Nonetheless, Tamarack is aiming for the affluent. It may be the only place in North America where you can buy a \$148 bottle of 1998 Dom Perignon and a \$24 cigar out of a tent. Many of the buildings at Tamarack are "contemporary domes"—Tamarackese for temporary structures made of aluminum poles and



high-tech canvas. One houses the ski school, another the gourmet deli.

The resort made headlines in Boise in June when it said it planned to slow spending on a \$91 million condominium project at the base village while it reviewed expenses. Around the same time, Tamarack said it had fired 11 workers out of about 375, fueling rumors of a cash crunch. The *Idaho Statesman* ran a story on the front page on June 22 headlined “Tamarack Denies Money Woes.”

Spokesman Scott Turlington says Tamarack has plenty of cash. “The rumor mill got completely out of control,” he says. Construction had been going six days a week, sometimes seven. “We thought we should slow down a bit and make sure we’re within our budget.”

As a new resort, Tamarack operates at a loss, sustaining operations with real estate sales. It posted revenue from golf, skiing, lodging and its restaurants of \$13.5 million in the year ended on April 30 compared with property sales of \$76.3 million. To survive after the real estate is gone, Tamarack must make money from operations. That could be tough, because this year it limited the number of skiers to 2,000 per day and plans only modest increases in the future.

In exchange for building a five-star hotel in the middle of nowhere, Agassi and Graf got dibs on

what may be the best piece of property in the whole resort—a hillock on the golf course with views of Lake Cascade to the east and the ski slopes to the west. If the artist’s renditions are any guide, the eight-story Fairmont will tower over the rest of Tamarack like a cruise ship over a fishing village.


So far, it looks like Agassi and Graf may have hit another winner. They sold their first batch of units in March. Buyers snapped up all 125 in seven hours, stumping up a total of \$140 million. Among them: Matt Leinart, quarterback for the Arizona Cardinals football franchise, and José Cruz Jr. of the San Diego Padres baseball team.

One thing Agassi and Graf say they love about Tamarack is that the slopes are uncrowded. Sometimes, Agassi snowboards all the way to the bottom of a hill and no one passes him. “In Europe, the danger is other people,” Graf says.

As they near middle age, Agassi and Graf are more willing to take chances—with their money and their limbs. If they wanted to play it safe, they could stay in tennis as coaches or commentators. Tamarack, site of their biggest post-tennis project, has yet to build a single court. ▶

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**Graf and Agassi** first came to Idaho to spend time with their son, Jaden, and daughter, Jaz.