



rooms. That gives the buyers a way to offset part of their mortgage payment.

Condos at Harbor Cove, for example, have list prices ranging from \$69,900 to \$139,900. Condo owners will receive 65% of the hotel room rental income, with 35% going to the company hired to manage Harbor Cove, Peterson said.

Peterson said he got the idea of developing condo resorts from people who had purchased vacation condos at his first Wisconsin development: the 28-unit Blue Water Condominium Development on Lake Delton.

Some Blue Water owners wanted to rent out their units after finding they weren't using the condos as much as they had expected, Peterson said.

So Peterson, in 1988, developed Lighthouse Cove Condominium Development, one of the first condo resorts in the Wisconsin Dells area. Its investors included Thomas Diehl, chief executive officer of Tommy Bartlett, Inc. and co-owner of Wisconsin Dells Greyhound Park.

### Skeptical at First

Diehl was skeptical when Peterson first proposed the idea. The summer rental rates at Lighthouse Cove for a two-bedroom unit range from \$165 to \$225 a night.

"I said it wouldn't work because no one would come to Wisconsin Dells and spend that kind of money," Diehl said. "What I didn't understand was that the reason those people weren't coming is because the Dells didn't have the facilities."

Lighthouse Cove sold all of its 101 units by 1990. Peterson then developed Sunset Cove Condominium Development, a Dells condo resort that sold its 38 units by 1991.

In 1993, Peterson and his partner developed the Copa Cabana, a 170-room hotel resort adjacent to Tommy Bartlett's Thrill Show and Robot World. A HOULIHAN'S Restaurant & Bar opened in May 1995, next to the Copa.

### Attended UW

Peterson, a native of Rockford, Ill., was a University of Wisconsin-

Madison student operating a boat rental business in the Dells when he first met Diehl.

"He's a tremendous developer," Diehl said of Peterson. "Everything he says he's going to do, he does. He has lots of energy."

Peterson flew by private plane from Chicago to Lake Geneva Thursday to show off The Cove and Harbor Cove to visitors. Despite his polo shirt, shorts and tennis shoes, Peterson was all business as he explained the work that's gone into both projects.

"I try to stay on top of things," Peterson said as he wound his way past busy construction workers. That attention to details, he said, helps assure a project's success.

Of course, interest rates could soar – killing the demand for vacation condos, Peterson said. If that happens, he said, "I suddenly don't look so great anymore."

Barring that development, the Lake Geneva area is filled with possibilities for other projects aimed at the Chicago market, Peterson said.

"I'm always looking," he said.