Fledgling club association wins fight against taxation

By HAL PHILLIPS

HARTFORD, Conn. — Two years ago, representatives of several Connecticut golf clubs kicked around the idea of forming a statewide organization. But for one reason or another, the time wasn’t right.

In 1991, the recession-wracked state passed a six-percent sales tax on sports and recreational club dues. That encumbrance was levied on top of the existing 10 percent excise tax already paid by such clubs — making the effective state tax a whopping 15 percent.

Suddenly, Connecticut club owners and managers had all the incentive they needed.

The Connecticut Club Association was born early in 1992, having filed a certificate of incorporation in February. Five months later, the six percent tack-on tax was repealed.

“We really didn’t get off the ground that first year,” recalls CCA President Paul Mercereau, who also serves as president at Hartford Golf Club. “Then the six percent excise tax was repealed.”

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Windfall... by phone

By HAL PHILLIPS

Shaker Hills GC

When automated tee-time reservation systems burst on the scene a few years ago, many industry observers viewed the development as a convenience exclusive to players... and why not? The ease of 24-hour reservations by credit card, no more busy sign-up times for those who plan ahead.

However, automated reservation systems are beginning to prove their worth on the management side, as well. There are drawbacks, but daily fee club managers and golf directors recognize the advantages of arranging their tee schedules by computer, by phone.

“As it turns out, it’s been a tremendous convenience for me and my staff.”

— Peter Dupuis
Shaker Hills GC

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AGC deals with lease problems in Oceanside

By HAL PHILLIPS

OCEANSIDE, Calif. — Residents and city officials in cash-strapped Oceanside continue to seek changes in their existing lease with American Golf Corp., which operates Oceanside Municipal Golf Course. AGC is looking to change the lease, as well.

The Oceanside City Council, which has been negotiating alterations in the lease for more than a year, is looking for fee increases and a higher percentage of revenue sharing.

Under the current agreement, which expires in 2002, the city of 135,000 receives 12 percent of gross revenues from the course. AGC netted $782,000 in 1991, while Oceanside received less than $200,000.

Yet, AGC isn’t particularly happy with the lease either. “We are looking for some fee increases,” said Gail Goodrich, AGC vice president. “We haven’t had any fee increases in four years.”

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Hinckley assumes helm of newly reorganized Club Resorts

By HAL PHILLIPS

DALLAS — Things have changed at Club Resorts Inc., the hospitality division of ClubCorp that operates Pinehurst Resort and Country Club, among others.

James M. Hinckley has been named president and the company has reorganized its growth strategy to include aggressive pursuit of management contracts, international projects and development of a new membership product.

Hinckley is a 23-year veteran of Club Corporation International (ClubCorp), the parent company of Club Resorts. He has served in numerous capacities with ClubCorp, including overseeing all operations, new club development and new business development of Club Resorts’ sister company, Club Corporation of America.

Hinckley is also director of overseas operations for GolfCorp — the public-golf arm of ClubCorp — and ClubCorp Realty, a real estate development subsidiary.

“Jim has solid dealmaking, hospitality and private club experience, which is the perfect mix to lead Club Resorts into its new endeavors,” said Robert H. Hedman, ClubCorp chairman.

Just what are those “endeavors”? Namely, placing less emphasis on turning around poorly managed clubs.

When established in the mid-1980s, Club Resorts focused on growth through acquisitions, buying troubled properties that displayed strong turn-around potential. Yet during the past year — by building off its success in operating Palmas Del Mar Resort (Humacao, Puerto Rico) and Barton Creek (Austin, Texas) — the company has refocused its efforts to include management contracts for existing properties.
New NGCOA chapter in Florida

The Central Florida Chapter of the National Golf Course Owners Association was formed May 18 by owners and operators of golf courses in and around the Orlando area.

Bill Sime, the owner and operator of Kissimmee Bay Golf Course, was elected president.

Stine said the chapter’s mission is “to organize the owners into an industrial force in the central Florida area. We want to work towards solving mutual problems and promoting the game of golf in our state.” He said the chapter is looking forward to a close relationship with the national association in which all could benefit from the knowledge and expertise of owners from across the nation.

Hinckley to run Club Resorts

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Hinckley to run Club Resorts

Club Resorts is uniquely positioned in the marketplace,” said Hinckley, “because we are the only hospitality company that offers proven experience in all the companies — hotel, recreation, real estate and club operations — needed to effectively manage a resort.

“In fact, the demand is so high for quality resort management that in just the past few months, our focused efforts have produced numerous opportunities for us.”

Club Resorts is also targeting international expansion by dovetailing off ClubCorp’s decade of involvement and recent joint ventures in Europe and Asia.

Further, according to Hinckley, Club Resorts is only months away from unveiling its newest product: a hybrid of club membership and second-home options.

Tee times

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“The rush of calls we had when we opened the tee time window, if you will, has dropped off considerably,” said Reed Pryor, golf administrator for the 12 courses operated by the Indianapolis Department of Parks and Recreation. “Overall, the staff has more time to concentrate on sales in the pro shop, or what have you. The system is working very, very well.”

Handling tee times by phone does require an adjustment, and the process is not without its potentially negative developments. For example, Pryor said some of his pros felt the new system meant a certain loss of control — particularly with regard to twilight leagues.

Furthermore, Fairway System clients — Pryor among them — reported a six percent drop in food & beverage sales. This makes sense: Players with reserved tee times don’t put their names on a list and sit in the bar for 90 minutes.

“Nobody can deny the potential for that is there,” said Pryor. “But I think so many people are conscious of their time nowadays, milling about the pro shop and having a few hot dogs isn’t what they want to do.”

To compensate for no-shows, most courses with computer reservation systems require golfers to arrive 30 to 40 minutes in advance. In theory, this leaves time for a quick morsel and libation. Besides, Dupuis believes, “food & beverage sales are more a function of atmosphere than hanging around waiting for a tee time.”

On the other hand, two Xeta customers have found the system has cleaned out the clubhouse, which has bolstered F&B business. “People used to see big crowds at the turn, and they wouldn’t go in the clubhouse,” said Xeta’s Gary Crews.

For the golf course owner, the question of automated reservation systems is more black and white: Computerized tee times appear to be money-makers.

The Fairway Systems survey reported net income increases of $12,500 at its 39 member courses. Xeta reports similar numbers.

Both firms indicated that nearly all client courses issue a reservation card with an annual fee of $10 to $50 or they charge a reservation fee of $.50 to $4 per golfer per tee time. Multiply that by the number of rounds handled by computer and you’ve created significant new income:

Shaker Hills, for one, does not charge a fee, while the 12 Indianapolis courses on Pryor’s watch have incorporated a reservation charge into greens fees.

“We’re all new at this, and so are the golfers,” explained Pryor. “So we’re all learning and changing things as we go along. But from what I’ve seen, the pros outweigh the cons.”

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