Pacific Golf mgmt. contributes $50 million acquisition war chest

BY PETER BLAIS

ORLANDO, Fla. — Travelers stay at a Marriott, Hilton, Hyatt or Ritz Carlton because they know what type of accommodations they can expect. Golfers show a preference for a Pete Dye, Tom Fazio, Art Hills or Jack Nicklaus layout because they know the type of course they are likely to encounter.

We'll tell those same golfers make a special effort to play a particular course because it's managed by a ClubCorp, American Golf Corp., Kemper Sports, Fairways Group or Arnold Palmer Golf Management Co.

Not yet, but that day is coming, according to Palmer President Peter Namula.

"The golf industry has been underbuilt, until recently," Namula explained. "But as soon as there is the slightest hint of an oversupply of courses, golfers will become more discriminating. Then the brand name of the management company will become important."

Namula sees that day fast approaching. Florida is largely overbuilt already, he said. If the current new course construction pace continues, other parts of the country will become oversaturated with golf facilities over the next five to 10 years, he predicted.

"The growth rate in demand for golf courses will slow," Namula said. "Instead of the 5 to 10 percent annual growth we saw in the 1980s, it will be closer to 3 to 5 percent. That's still a good, solid underlying growth figure, especially considering the population is increasing at just a 1 percent annual rate."

"But it also means the excess demand for golf will be sucked up. There will be a shakeout and some good acquisition deals will be available on golf courses." Palmer Management is poised to take advantage of those opportunities, Namula said.

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Owners group honors Dedman

DALLAS — Robert Dedman, chairman and chief executive officer of Club Corporation International (ClubCorp), will receive the Award of Merit at a banquet to be held in his honor Feb. 9, at the Four Seasons Resort here.

The Award of Merit is given annually to recognize an individual or organization who have made a significant and long-term contribution to the game of golf and who have made the game more popular. This banquet is a part of the NGCOA Annual Conference.

ClubCorp is the holding company for several highly successful golf, hospitality, and financial services companies. ClubCorp’s subsidiaries include 36-year-old Club Corporation of America, Club Resorts Inc. and GolfCorp.

In 1957, Robert Dedman, Sr. was convinced that the golf and country club business presented a great opportunity for a profit-oriented owner/operator. At that time he purchased

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Marketing Idea of the Month

Kids-play-free program at Hilton Head increases revenues

BY PETER BLAIS

It was a mystery. Summer was Port Royal Golf & Tennis Ltd.'s busiest time of the year. Hotel rooms were full, restaurants packed and the Hilton Head Island (S.C.) beaches swarming with people.

But at the facility's 81 golf holes, play was well below spring and fall levels. In fact, from 2 to 4 p.m., the Port Royal Golf & Racquet Club and Shippyard Golf Club layouts were basically empty.

"What gives?" asked Chief Operating Officer Mike Tinley.

Being a sound businessperson, Tinley decided to survey his summer customers. He asked them why they came to Port Royal and why they didn't play more golf.

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Kiawah
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1976), Turtle Point (1981) and Osprey Point (1988), he added. "The resort hasn't had much spent on it the last few years," Devadas said.

Cole listed some of the planned renovations:

• Widening the cart paths and redoing the sprinkler and tee signage at Turtle Point and Marsh Point.

• Replacing the 80-cart fleet at Turtle Point and establishing a rotation plan that will result in a new fleet at Osprey Point a year later.

• Major renovations to 16-year-old Marsh Point include installing new turf in worn areas, reshaping several holes, renovating the pro shop and cart areas, and tying the facility into the conference center.

• Building a permanent club-house at Osprey Point to replace the temporary structure that has serviced the facility since 1989.

AMF plans no new courses, although Kiawah Resorts Associates, which opened a neighboring beach club, has 300 acres it plans to eventually develop into a private course, Cole said.

AMF's decentralized management style has Cole overseeing an individual superintendent at each course — George Frye (Ocean), Matt Bunch (Marsh), Jeff Stone (Turtle) and Steve Miller (Osprey).

"We believe in each entity having someone responsible for its success," Devadas said.

Devadas became the top executive at Kiawah in October. He was managing director of the company's other hospitality property, the AAA five-diamond Jefferson Hotel in Richmond, Va. Devadas will manage both properties.

"The Jefferson Hotel was also having financial problems and was on a maintenance-only budget for many years when we took it over," Devadas said.

"We spent a significant amount of money there, much of it training staff. It is now one of only 49 properties in North America with the five-diamond rating. We don't anticipate bringing Kiawah to that level. It doesn't need it. But we'll take it to a four-diamond level. "The resort has done very well considering the lack of capital spent on it the past few years. Much of that success has come on the coattails of the Ryder Cup."

Golf course renovations will take up part, but certainly not all of the $15 million in capital improvements. Plans include new and renovated hotel rooms, a 15,000-square-foot conference center, several swimming pools and an oceanside restaurant.

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