Palmer Management plans major expansion

PACIFIC GOLF MGMT. CONtributes $50 MILLION ACQUISITION WAR CHEST

By PETER BLAIS

ORLANDO, Fla. — Travelers stay at a Marriott, Hilton, Hyatt or Biltmore 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.

But will 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 Nanula.

"The golf industry has been underbuilt, until recently," Nanula 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."

Nanula 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," Nanula 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, Nanula said.

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New Kiawah Island management to undertake extensive renovations

By PETER BLAIS

KIWAH ISLAND, S.C. — Pete Dye, Tom Fazio, Jack Nicklaus and Gary Player will all return to Kiawah Island over the next few years to help renovate their creations as part of the $15 million facelift planned by the Charleston-area resort's new owners.

"We want to make Kiawah the very best resort it can be," said Prem Devadas, the new managing director of Kiawah Island Resort.

AMF Inc. took control of the former Landmark Land Co. property in late October. Subsidiary Kiawah Island Inn Co. will manage the resort's amenities, including the Inn and Conference Center, two tennis centers, restaurants, food and beverage services, resort rental management and three AMF-owned courses — Osprey Point (Fazio), Turtle Point (Nicklaus) and Marsh Point (Player).

AMF entered a joint ownership agreement with the Audubon Society of New York for The Ocean Course (Dye).

"Dye was here recently [mid-November]. He's going to help us take the Ocean Course to a higher level of maintenance," said Chris Cole, project director for golf and tennis. He will oversee the changes to the three courses.

The Ocean Course is the newest and best known Kiawah layout. It opened in 1991 and hosted that year's Ryder Cup. Cole plans to clean out some vegetation to make the course more playable. A walking policy at the currently-carts-only course, along with a first-class caddy program, should be in place by March, he added.

Being the newest of the four layouts, The Ocean Course is in the least need of updating, Cole said. The effects of financially strapped Landmark's final years are more visible at Marsh Point opened in 1985 and has won awards from the Desert Beautification Society for the past two years.

PGA TO BUY VALHALLA

PALM SPRINGS, Calif. — National Golf Properties, Inc. has acquired Mesquite Golf & Country Club here. The property was acquired from Morry Cali-property was acquired from Morry California, Inc. for approximately $8,200,000 and marks National Golf Properties' third acquisition since its initial public offering last August. Located in the heart of Palm Springs, Mesquite is a daily-fee course with easy access to the airport, convention center and numerous local hotels. It opened in 1985 and has won awards from the Desert Beautification Society for the past two years.

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 professionally oriented owner/operator. At that time he purchased Owners group honors Dedman

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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 were swelling 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 Shipyard Golf Club layouts were basically empty.

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

Being a sound business person, Tinkey 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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Deerfield Beach, Fla. — South Florida golfers and visitors alike will have the chance to play a new course on an old site. The Deer Creek Golf Club, host of the LPGA's Mazda Classic season opener in past years, reopened late in 1993 after a $3 million face-lift by designer Arthur Hills.

One of Hills' jobs was to design new greens to USGA specifications and redesign all approaches and bunkers surrounding the greens. The new greens average 5,800 square feet, providing about 500 to 1,000 additional square feet per green. The new course includes the addition of "gold" championship tees, offering more than 7,000 yards of play and four sets of tees.

In a related move, Boca Raton Resort and Club, winner of the AAA Five Diamond and Mobile Travel Guide Five Star hospitality awards, is joining forces with Franklin Golf Properties, Inc. which owns and operates Deer Creek.

Under a lease agreement signed in August, the Boca Raton Resort and Club will operate the clubhouse facilities and all food and beverage operations at both golf clubs, including the restaurants, lounges, outdoor cafes and meeting and banquet facilities.

Franklin Golf Properties will continue to use its own team of professionals to run the golf courses, driving ranges, South Florida Golf Academy and golf shops. All facilities will remain open to the public.

Port Royal counts on families during slow summer months

The problems he found and the solutions he implemented led to a 50 percent increase in afternoon rounds played as well as added pro shop and snack bar sales over the past three years.

What jumped off the survey forms right away was the fact that most of Port Royal's summer clientele consisted of families, Tinkey said. "We quickly learned," he said, "that the first reason they came to Port Royal was for Dad to spend some time with the children. The second thing was that Mom insisted everyone know about Reason 1. She didn't come all the way down here to provide child care while Dad played golf."

Port Royal offered child care. But many parents were concerned about leaving their children with strangers. So, why not bring the kids on the course? "Cost was the main reason. The perception was that golf was just too expensive for parents to take kids out on a lark," Tinkey said.

"We recognized that if we were going to get more customers on the course during the summer, we needed to create a more friendly environment for fathers, mothers and children to play together. And after all, child golfers grow into adult golfers."

So, three years ago, Port Royal instituted "The Family Special" program, allowing kids aged 7 to 17 to play free when accompanied by a parent or grandparent.

"For a typical family with two kids, that cut greens fees in half, from $200 down to $100," Tinkey said. "The Family Special" helped dispel the notion that golf was too expensive. But would the kids be truly welcome on the golf course? What about non-parents? How would they feel about paying $90 to play behind a foursome that included a pair of rug rats?

Tinkey dealt with this by limiting the program to selected afternoons. Prime tee times were reserved for childless golfers. "Actually, we found in many cases that families played faster than all-adult foursomes," Tinkey said. "It's like women golfers. The perception is they play slower than men. But they don't want to be branded with that reputation and often play faster than men."

Families are the same, Tinkey explained. Parents rarely let their children waste too much time searching for lost balls. Often just parents hit off the tee. The kids hit three or four shots in the fairway and then pick up their balls while the parents putt out.

"Most of the kids are just happy to be with Dad and get to sit on his lap and drive the golf cart," Tinkey said.

Members account for 20 percent of Port Royal's play. Many are grandparents. Tinkey extended the same "kids play free" offer to them during a membership meeting.

"I've never seen so many tears of gratitude," Tinkey said. "Most of them said they never got to spend more than an hour of quality time with their grandchildren. They loved the idea of spending 4-1/2 hours, one-on-one with their kids in a golf cart. And grandparents are so patient, they make great instructors."

As for the kids, "They loved it," said Tinkey, noting that golf courses typically do little to make children feel welcome. "You know how kids are. You tell them they can't have something and they want it all the more. Golf is good for them, they enjoy being outside and we're building a client base for the future."

Any lost greens fees are partially offset by ancillary sales, Tinkey said. When children play, parents usually rent a second golf cart and two sets of clubs. Children eat at the snack bar and buy merchandise at the pro shop. Junior clinic participants have increased.

"We managed to keep the program a secret for two years. But this spring, two or three other courses copied it," Tinkey said. "The program has provided a friendly environment for families, increased the number of juniors introduced to the game, increased revenue for the golf courses and created lasting vacation memories."