AGC plans to expand upscale daily-fee golf course holdings

By PETER BLAIS

SANTA MONICA, Calif. — American Golf Corp. hopes to shed its image as an operator of only municipal and low-end daily-fee courses by adding more upscale properties to its portfolio over the next few years, according to the company's head of acquisitions.

"It's important for us to establish credibility by acquiring high-quality properties," said Executive Vice President Joe Guerra.

"We've been viewed as an operator of affordable golf courses. The reality is that we operate in every segment — municipal, affordable daily-fee, high-end daily-fee, private entry-level and trade-up courses. We're similar to Marriott hotels in a way. They have several product lines among their hotels, everything from Fairfield Inns to their JW facilities. We have several product lines of golf courses."

Numerically, AGC is the largest operator of U.S. golf courses with more than 200 properties and 9,000 employees. Still, management companies in general operate less than 5 percent of all U.S. courses.

Guerra sees that percentage growing. At the same time, he foresees the number of management companies declining, with bigger operators getting bigger and smaller operators selling off their holdings as they realize the enormous returns they'd anticipated simply aren't available.

"The golf industry needs professional management services," the AGC executive said. "Between 1992-94 we saw many developers building courses. They liked the idea of building, but not necessarily the everyday operation of the course."

"AGC is not an owner of golf courses. We're a lessee and operator. We want to make a reasonable and fair profit. Our ratio of employees to customers is fairly high. You throw in uncertain weather and chemical costs, operational problems and a ton of other potential setbacks, and"

Continued on page 59

Partnering with hotels can increase course profits

By PETER BLAIS

ORLANDO, Fla. — By working with local hotels, a public course can add dozens of people and thousands of dollars to its marketing efforts at very little cost, according to Elaine Fitzgerald, president of Fitzgerald Productions Inc., one of the featured speakers at Golf Course Expo held here.

"The golf industry as a whole is behind in marketing and public relations," the president of Fitzgerald Productions Inc. told a group of course owners and operators attending the Golf Course News-sponsored event. "That's largely because a stand-alone golf course has so few employees. A course usually has one person in a marketing position or the owner does it himself."

To overcome that situation, Fitzgerald developed a partnership between 25 area hotels and two upscale Broadway County courses, Deer Creek Golf Club in Deerfield Breach and the Carolina Club in nearby Margate. The hotels have large sales teams with combined marketing budgets totaling millions of dollars. They promote the golf program in corporate mailings, at national and international trade shows for travel agents, and on sales missions to associations and other groups.

They advertise the course in magazines and newspapers. The result for the courses is increased play by vacation

Continued on page 60
Pebble Beach water reclamation project wins state recognition

CARMEL, Calif. — The wastewater reclamation project financed by and serving the irrigation needs of Pebble Beach Co. and its courses received the 1994 "Project of the Year" award from The WaterReuse Association of California.

The project was chosen from nominees throughout California for developing and implementing a public benefit reclamation project utilizing a public-private partnership. The partnership includes Pebble Beach Co. plus three special district public agencies — the Carmel Area Waste-water District, Pebble Beach Community Services District and Monterey Peninsula Water Management District.

The wastewater project provides tertiary-treated reclaimed water for irrigation of golf courses and other recreational open space areas in Pebble Beach, replacing 800 acre feet of potable water previously used for these areas. The freed potable water will be split between Monterey Peninsula communities, two Pebble Beach subdivisions and the Pebble Beach Co.'s proposed new golf course and subdivision.

No taxpayer dollars were used for financing the $33.9 million project. Bond financing came from Certificates of Participation (COPs) issued by MPWMD. Revenues from the sale of reclaimed water will repay the bonds. Pebble Beach Co., guaranteed repayment of the COPs and any shortfall, if operating expenses of the reclamation project exceed revenue generated from the sale of reclaimed water.

The reclaimed water is transported through pipelines from the CAWD plant south of Carmel to as far north as Spanish Bay. Distribution is provided to Monterey Peninsula CC, Cypress Point GC, Poppy Hills GC, Spyglass Hill, Pebble Beach Golf Links, Peter Hay GC. The Links at Spanish Bay, athletic fields at Robert Louis Stevenson School, Pebble Beach Practice Range and Collins Field Equestrian Center.

Development Opportunity in the Berkshires

To receive the Request for Development Proposals, please contact:
Stephen D. Brown, Project Manager
Commonwealth of Massachusetts
Department of Environmental Management
100 Cambridge St., Room 614
Boston, MA 02202, (617) 727-3160 Ext. 521
Proposals must be received by June 1, 1995

TR-224 AND TR-130 TURF ROLLERS

TR-224
The TR-224 is an exceptionally maneuverable roller, which shifts effortlessly from forward to reverse by pulling a single lever. Powered by a 5.5 h.p. Honda engine, 24"-wide rounded edge rollers.

TR-130
Compact and easy to operate, the 130 roller is powered by a 5.5 h.p. engine and features a hydrostatic transmission for smooth, easy control. 30"-wide rounded edge rollers.

BROUWER TURF EQUIPMENT LIMITED

TR-224
209 N. KURZEN ROAD • PO. BOX 504 • DALTON, OH 44618-0504 • 216-828-0200 • FAX 216-828-1008