Platinum Golf Properties enters course management fray

By JAY FINEGAN

FOUNTAIN HILLS, Ariz. — Managers from The Golf Club at Eagle Mountain and Augusta Ranch Golf Club have formed a new course management company, Platinum Golf Properties LLC, headquartered here in suburban Phoenix.

The three principals — Jay Pennypacker, Kevin Smith and Tracy Herbst — have 40 years of combined experience in the golf industry. They start with two courses: Eagle Mountain, here in Fountain Hills, and Augusta Ranch, in Mesa, Ariz. The new partners are actively searching for daily-fee facilities to add to their portfolio.

Financial support is being provided by Communities Southwest, developers of Eagle Mountain and Augusta Ranch.

As director of golf operations and acquisitions, Pennypacker is in charge of daily operations for Platinum’s existing facilities. He also will evaluate the opportunities for adding new courses to the portfolio.

A class A member of the PGA and director of golf for Eagle Mountain and Augusta Ranch since 1999, Pennypacker was a member of the University of Arizona’s NCAA championship team in 1992. "We’re excited about expanding our portfolio, utilizing the systems and attention to detail that have proven successful at both facilities," he said.

Kevin Smith, CGCS, serves as director of agronomic services and construction. He’ll take charge of new course construction and course maintenance practices. A graduate of Michigan State’s turfgrass management program, Smith is a strong proponent of environmentally conscious management. He is currently president of the Cactus & Pine Golf Course Superintendents Association of Arizona.

As director of marketing and business development, Tracy Herbst will take charge of all marketing functions at each Platinum property. She also will explore acquisition targets. Additionally, she is responsible for developing the company’s brand identity.

A marketing graduate of the University of Oregon, Herbst logged time in advertising sales for national golf publications before joining the crew at Eagle Mountain in 1996, when the club opened. She will use her... Continued on page 29

Heritage Golf Group picking up steam

By ANDREW OVERBECK

SAN DIEGO — Bob Husband’s Heritage Golf Group, which was launched last November, is starting to pick up steam. In addition to its acquisition of Talega Golf Club in San Clemente, Calif., the company has appointed former Bank of America executive Don Rhodes to the post of executive vice president, finance.

The company also owns and operates Polo Golf and Country Club in northern Atlanta.

After a slower than expected start in 2000, the company is looking to add more courses before the end of the year. “It takes a couple of months to get your feet wet,” said Husband, who was the mastermind behind Heritage Golf Group, which he sold to Meditrust in 1998. “We have a lot of properties under contract. We will close on another soon and should have five to six courses total by the end of the year.”

The hiring of Rhodes, said Husband, will be instrumental in growing the company. “We needed someone on the finance side of the business,” he said. “His experience has been that the more money we put into the club and the more responsive we are to member desires, the more money we make.”

Polo Golf and Country Club is a private facility and the Brian Curley/Fred Couples-designed Talega Golf Club which opens in January will be a high-end daily fee course.

Going forward, Husband’s strategy will be to go after high-end golf properties. “There is less price sensitivity in the high-end markets,” he said. “My experience has been that the more... Continued on page 29

Delta Hotels signs management pact with ClubLink

By JAY FINEGAN

KING CITY, Ontario — Under a wide-ranging agreement between ClubLink Corp. and Delta Hotels, Delta will manage ClubLink’s four golf resorts in the Muskoka region north of Toronto. The two parties also have agreed for Delta Hotels to build a 250-room hotel and conference center at ClubLink’s prestigious Glen Abbey Golf Club in Oakville, Ontario.

In addition, Delta Hotels has purchased a two-year option to acquire the conference center site at ClubLink’s 54-hole Rolling Hills Golf Club in Markham, Ontario. Moreover, the arrangement includes a reciprocal marketing arrangement offering Delta Hotel guests preferred access to ClubLink’s daily-fee golf courses in Ontario and Quebec. It also provides ClubLink with additional marketing opportunities.

John Johnston, president of Delta Hotels, said it was clear from the early negotiations that “there was a synergy and a compatibility between our two companies, and it’s very clear to us that Delta’s guests are going to benefit significantly from this partnership.”

Delta, headquartered in Toronto, is the largest first-class hotel company in... Continued on next page

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the company is immediately looking to acquire more courses in southern California and Atlanta. “We are very big on owning more than one property in a particular market, because it helps with economies of scale,” Husband said.

For the most part Heritage Golf will buy developer-owned properties, but Husband does not rule out getting involved in construction projects. “We will also do some projects where we will actually build the golf course. In fact, we are talking about doing a joint venture right now,” he said. “But that will be a small part of our business.”

While going after the high-end market is Husband’s first priority, he also has an interest in owning middle- to low-end golf properties, although it would be done under a different name. “We will just do high-end golf under the Heritage name,” he said. “But the people that start at the lower-end courses are the ones that support you in the higher-end products. We want to be involved with that because it is such a huge group of golfers and they have a high participation rate.”

UNDERSERVED MARKETS

Looking to exceed the number of courses the group acquired this year, Husband will be targeting what he calls “underserved” markets. “There are a lot of courses that are being built, but not a lot are being built in areas that really need them,” he said. “For example, in Los Angeles, you could build 25 courses and never touch the demand for high-end daily tee. The North and Northeast are other good spots for golf communities because there are more people who have roots in those areas and will continue to live there because they want to stay close to family.”

However, overserved markets can still present opportunities, according to Husband. “In some golf communities in overserved markets, you can still be successful. You have a built-in market because people have chosen to live and play golf there,” he said.

While he admits that Heritage Golf is one of the few buyers in the market right now, Husband said good deals still exist. “I won’t say these are the lowest prices we have ever seen, but they are still very good. We have been thrilled with some of the properties we have been able to get,” he said.

Platinum

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Platinum plans to provide a complete slate of management services. Its pre-opening offerings include supervision of golf course construction and clubhouse construction. It also will handle lease and purchasing negotiations for maintenance equipment and golf carts, along with talent recruitment, employee training, retail operation and marketing.

“We’ll help our clubs establish a brand image,” Herbst said. As director of marketing, she also will create plans involving public relations, advertising and sales. Monthly reports on the progress of marketing programs will be provided to clients.

On the daily-services side, Platinum will provide comprehensive management of all club operations, including golf, golf course maintenance, food and beverage, marketing and retail. It will handle all hiring and training, budgeting, strategic planning and performance reviews.

The fledgling firm has set the bar high with regard to its operating standards and philosophy. It promises to present and maintain all facilities as “new every day.” It also hopes to train all staff members, from maintenance to management, using a “raving fans” standard of customer service.

It appears to be off to a solid start with The Golf Club at Eagle Mountain, a 6,755-yard, par-71 layout designed by Scott Miller.