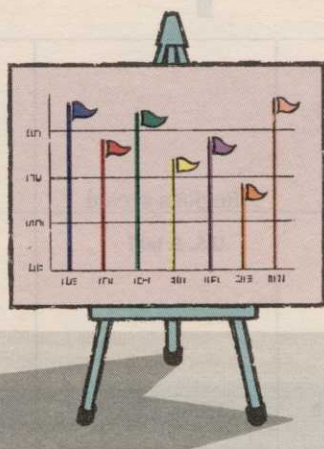


Briefs



KEMPER, MIAMISBURG INK DEAL

MIAMISBURG, Ohio — Kemper Sports Management of Northbrook, Ill., has signed a long-term agreement with the city of Miamisburg to manage and operate its two municipal golf courses, one of which will be an upscale daily-fee course when it opens next May.

Kemper Sports began managing and operating Mound Golf Course on June 1. Mound is a nine-hole course built in the 1930s.

Miamisburg also has retained Kemper Sports to "grow-in" PipeStone, an 18-hole course designed by Arthur Hills that capitalizes on the Miami Valley's rolling terrain and the property's thousands of mature trees.

"These are two excellent municipal facilities that are exactly what we had in mind when we broadened our territory last year to include Ohio," said Kemper Sports Vice President Tom Lenz.

Mound was built as part of the WPA, the Depression-era public works program. Measuring 2,826 yards, it was designed by pioneering golf course architect Hipper Campbell.

PipeStone is on schedule to open with upscale playing conditions next May.

"We're thrilled to have been selected to manage these courses, and approach this opportunity with the same philosophy we use at Kemper Lakes, which hosted the 1989 PGA Championship: to offer the best daily fee courses in the area," Lenz said.

REICH PROMOTED

PHOENIX, Ariz. — Resort Management of America has promoted Jeff Reich to director of golf for the Karsten Golf Course at Arizona State University.

Reich, head professional for the course, was chosen after Director of Golf Duff Lawrence was selected as the new head professional for Paradise Valley Country Club. Prior to joining the Karsten Golf Course two years ago, Lawrence was the head professional for Desert Highlands.

The transition took effect July 1. Reich will draw on more than a year of service at the Karsten Golf Course as well as his experience as head professional at TPC Starpass in Tucson to oversee every aspect of the course.

FISHER ISLAND NAMES GOLF DIRECTOR

FISHER ISLAND, Fla. — Fisher Island has named Ted Antonopoulos director of golf/golf professional.

A class A member of PGA of America, Antonopoulos is responsible for developing the golf program at the nine-hole P.B. Dye-designed golf course.

Antonopoulos brings to Fisher Island 10 years experience.

Management companies gaining popularity with owners, developers

By Peter Blais

"They (American Golf Corp.) operate and maintain the course better than we would have." — Dan Gray, managing general partner of River Oaks Golf Plantation, Myrtle Beach, S.C.

There, in a nut shell, is the primary reason golf course management companies are taking over an ever-increasing number of facilities across the country.

Gray is a member of the limited partner-

See management chart, pages 42-43.

ship formed in the mid-1980s that built River Oaks. The group intended to operate the daily-fee course itself. But Gray's group received an offer it couldn't refuse from AGC, which had just acquired Carolina Shores Golf Club across the North Carolina border in Calabash and wanted to enter the Myrtle Beach market.

"We felt our interests were better served if we weren't involved with the management and were just landlords," Gray said. "It's worked very well."

Management companies come in all sizes and shapes. The 28 responding to this month's survey operate anywhere from one to 140 courses. They own, lease or operate municipal, daily-fee, private and resort facilities in all parts of the country. And they provide services ranging from simply keeping the books to building and managing an entire operation.

An individual, group or municipality considering hiring a management company has to ask, "Why can they do a better job than I can?" said Earl Collings, publications editor for the National Golf Foundation

"Any golf course that goes to a manage-

ment company has to be feeling economic pressure from its current practices."

Sometimes that means the golf course is losing money or not making as much as the owner thinks it should, Collings said.

Or developers, 50 percent of whom have never operated a golf course, may not want to be involved in the day-to-day operation, he added.

THE SELECTION

How does someone select a management company?

Cost is naturally a big consideration. Fee structures are as numerous as management companies. Flat fees as well as a percentage of net profits, gross profits, total revenues, golf car rentals, greens fees, food and beverage profits, golf shop sales, and others are all used.

"The average fee is probably somewhere between 15 and 20 percent of gross revenues," Collings said.

Tom Lenz, Southeast regional manager for Kemper Sports Management, listed a number of questions golf course owners frequently ask when interviewing management companies, including:

- What facilities do you operate that are similar to mine?
- What is the fee structure?
- What services do you provide?
- What is the financial stability of the company?

Management is really a philosophy and philosophy changes from time to time, place to place'

— Thomas Bennison,
Club Development Interests.



• What is your management philosophy?
• Why does this facility interest you?
• Who would oversee the operation at the corporate level?

• Why are you interested in this area?
• Will employees work for the management company or golf course owner?
• What is the payroll procedure?
• What types of insurance coverage does the company have?

But the final decision, Lenz said, is largely a personal one.

"You're dealing in intangibles when hiring management companies," he said. "Owners basically hire management people because they like them. They feel a certain comfort level with them."

"Management is really a philosophy and philosophy changes from time to time, place to place," agreed Thomas Bennison of Club Development Interests.

THE DIFFERENCE

Some companies are much larger and more national in scope than others. Large companies like AGC (140 courses) and Club Corporation International (130 courses) may have advantages in overall experience, staff size and volume purchase savings. But is bigger necessarily better when it comes to management companies?

"Running golf courses is all we do," said Jerry Owens, Southeast regional superintendent

Continued on page 44

Golf course owner associations join forces

The Grand Strand Golf Executives Association has affiliated with the National Golf Course Owners Association.

The Strand group is made up of owners of 60 public-access golf courses located within 40 miles of Myrtle Beach, S.C. The organization was formed in 1977 to promote golf in the area. The golf package plans developed by members have been successful.

The GSEGA also serves as a means for the owners to network and share solutions to common problems. It is operated by a six-

person board of directors and is managed by an executive director.

George Hilliard, executive director of the GSEGA, said: "We joined the National Golf Course Owners Association because we want to work on the national level to help protect the interests of golf course owners. We also think we have something to contribute to the organization because our association has a great deal of experience in dealing with the public and the traveling golfer."

Mike Hughes, executive director of the

Charleston, S.C.-based NGCOA, said: "We are pleased to have all 60 courses of the Grand Strand Executive Golf Association as members. They represent a large group of innovative, progressive and forward-thinking owners. They realize the increasing need to act in concert on matters of mutual concern, especially in times of increasing regulatory pressure on golf course operations.

"Their success in working together speaks for itself and should serve as a model for other owners around the country."

Marriott Golf takes over 3 courses

WASHINGTON, D.C. — Chardonay Club, a 36-hole championship golf facility in the Napa Valley wine country of California, is among three golf facilities to be managed by Marriott Golf under a recently-signed contract with Cooke & Andrews Investments Inc., the U.S. development unit of Japan's Systems and Engineering Corporation based in Tokyo.

Facilities in the agreement in Virginia and Georgia are expected to open within two years.

Chardonay Club is a meticulously-manicured facility noted for its free-form greens, beautiful vistas, elevated tees and the famous Chardonay grape vineyards that weave their way through the layout. Opened in 1987, it has been named among the best 20 courses in northern California by Golf Today.

Roger Billings, most recently director of golf at Marriott's Tan-Tar-A Resort and Golf Club in Missouri, has been named director of operations at Chardonay Club. A 10-year veteran of Marriott Golf, Billings earlier served on the golf management team at Marriott's Rancho Las Palmas Resort in southern California. He twice was named "Golf Merchandiser of the Year" by the Gateway Section of the PGA.

Marriott Golf, founded in 1990, now manages 17 facilities in the U.S. and Bermuda, with three under construction at Florida, Georgia and Virginia. Marriott Golf earlier signed an agreement with Golden Bear International to manage 15 public access facilities to be developed by Golden Bear in the U.S. over the next several years.

Financing seminar scheduled for August

IRVING, Texas — Crittenden Research Institute will host an executive briefing here Aug. 19-20 for presidents, chief executive officers and senior real-estate executives.

The briefing will be held at the Marriott Dallas/Fort Worth Airport, 8440 Freeport Parkway.

Key issues to be discussed include how to acquire, negotiate and hold under-performing real estate; who's lending and how much money you can actually get; negotiation tactics that keep you in control of your investment; financing structures that close the equity gap; and how to attract equity investors.

Market opportunities will also be discussed. Reservations may be made by contacting Crittenden.