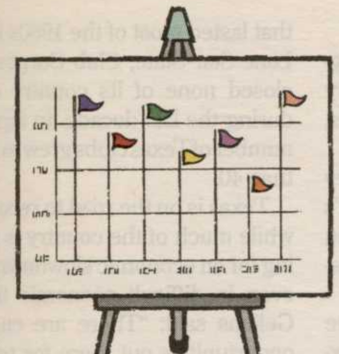
Briefs



ARVIDA HIRES DEVELOPMENT HEAD

SAN CLEMENTE, Calif. — Glen Allen, hired as vice president of Arvida's California commercial development division, will oversee a planned community project here anchored by 36 holes of golf designed by Arnold Palmer.

A 150-acre town center and business park are planned as part of a 3,500-acre community called Talega.

BILTMORE OVERSEEING PROJECT

SCOTTSDALE, Ariz. — A $150-million facility featuring a Tom Weiskopf/Jay Morrish 18-hole championship golf course soon will be constructed in the north end of the city.

California-based Biltmore Hotel Co. will oversee all club operations for Estancia Corp. These include a tennis facility directed by former Davis Cup star Marty Reissen, health club and spa, swimming center and private accommodations for members.

ASSOCIATION CHANGES NAME

CHARLESTON, S.C. — The National Golf Course Owners Association is the new name of the Golf Course Association.

Explaining the reason for the name change, Executive Director Mike Hughes said, "The association is truly national in scope and solely interested in assisting owners and operators of profit-oriented golf courses."

In the last six months, member courses have doubled to more than 600.

The association has incorporated all members of the Pennsylvania Golf Course Owners as affiliate members, and Golf Properties Association has merged into the Golf Course Association.

ZMISTOWSKI DESIGN CITED

BOULDER, Colo. — Golf clubhouse architectural firm William Zmistowski Associates received a 1990 Merit Award from the Colorado section of the American Institute of Architects for The Golf Club of Oklahoma's clubhouse in Tulsa, Okla.

Zmistowski previously received an AIA Western Mountain Region Award of Honor for design excellence for Desert Highlands Golf Club in Scottsdale, Ariz., and an Award of Design Excellence from the Arizona Society of the Institute of Architects for Desert Highlands GC clubhouse interiors.

The Golf Club of Oklahoma has a 27,000-square-foot native stone and shingle clubhouse to complement its Tom Fazio-designed golf course.

STONECREEK MAKES MOVES

PHOENIX — Stonecreek, The Golf Club, has named Rick Williams head golf professional and Catherine Curry director of sales.

Williams, previously head professional at Arizona Country Club here, was chosen to oversee golf operations and services because of his extensive knowledge and experience in the Arizona golf industry.

Recession presents opportunities

Private clubs should not be afraid, says Club Corp. America vice president

By Peter Blais

A recession like the one most of the country is experiencing can be a time of opportunity for private golf clubs if managers listen and respond to their members.

"Don't run scared," advised Jerry Gelinas, vice president of marketing with Club Corporation of America, which operates 200 private clubs nationwide.

"Opportunities are out there. If you take advantage of them, you will have a better club. In good times, clubs tend to relax. In a recession, you have to be targeted."

At the center of the target is the club member. Private clubs have a big advantage over public facilities when it comes to membership. Most private club members are financially secure. They are better able to weather an economic downturn and keep their memberships than are their public club counterparts, Gelinas said.

"You're not dealing with a member who can't afford your club, even in tough times," he added.

But you are dealing with a member who has priorities. If a club is not meeting his needs, he'll go elsewhere.

"The question is 'How do you make your club more valuable so he'll give your club a higher priority?'" Gelinas said. More on that later.

Recessions are generally not broad-based. Some people will be hurt during an economic slowdown, while others will be unaffected, or even prosper.

"For a manager to understand how economic conditions in his area will affect his club, he must know certain things, like what

Continued on page 58

Japanese continue U.S. buying spree

Continued from page 1

primarily courses that have already been built. Ninety-three were complete, 14 under construction and 15 in planning stages at the end of 1990.

Christopher Mead, who has been tracking the transactions, said there are probably many more Japanese-owned courses in the United States, "some of them bought under U.S. corporate names and others purchased under Japanese names but not known to Mead Ventures or the executives and industry experts we consulted."

In a 180-page report released in mid-January, Mead said Japanese companies own less than 2 percent of the country's 14,000 courses. But, he said, because they own such "trophy courses" as Pebble Beach in California and Grand Cypress Resort in Florida, the market value of Japanese-owned courses may comprise as much as four or five percent. Cosmo World paid around $800 million for the Pebble Beach complex alone.

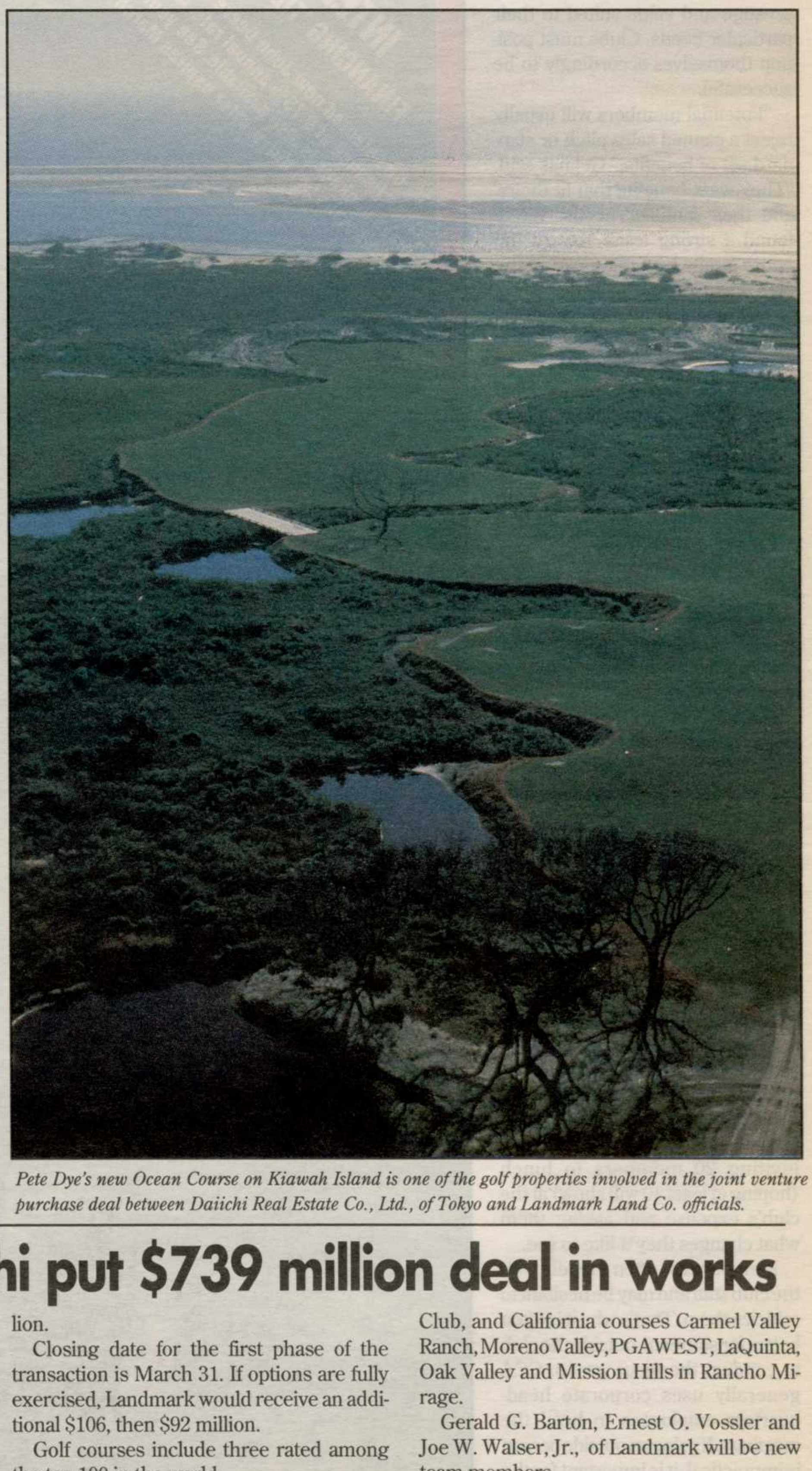
Mead predicted Japanese firms would own between 500 and 1,000 U.S. courses by the year 2000. He added that although that is still a small percentage of total U.S. ownership, it is "a major portion of the newer and trophy courses and of those not only in Hawaii but also in California, Oregon, Washington, Arizona and certain other states."

Japanese firms own nearly all Hawaii's non-public courses — 37 or 38 in all. "With no more courses left to buy (in Hawaii), Japanese have been forced to build, and they appear to be doing so with surprising speed," Mead reports.

He said in his report that most of the 40 or more courses planned or under construction on the Big Island of Hawaii, Oahu and Maui, are being built with Japanese funds or with the expectation of a sale to Japanese buyers.

Meanwhile, Mead said Japanese own at least 32 courses in California, eight in Texas, seven in Oregon, six in both Arizona and Georgia, five in New York, four in Florida, three each in Nevada, North Carolina and

Continued on page 58



Pete Dye's new Ocean Course on Kiawah Island is one of the golf properties involved in the joint venture purchase deal between Daiichi Real Estate Co., Ltd., of Tokyo and Landmark Land Co. officials.

Landmark, Daiichi put $739 million deal in works

CARMEL, Calif. — Daiichi Real Estate Co., Ltd. of Tokyo, Japan, in joint venture with senior management personnel of locally-based Landmark Land Company, Inc., and international Pacific Rim and European investors have plunged heavily into the United States golf course market.

Golf course and resort areas on both coasts, plus Oak Tree Golf and Country Club, Edmond, Okla., will be bought for $739 million.

Closing date for the first phase of the transaction is March 31. If options are fully exercised, Landmark would receive an additional $106, then $92 million.

Golf courses include three rated among the top 100 in the world.

Properttes are spread among such Landmark developments as Kiawah Island, South Carolina; Palm Beach, Fla., Polo & Country Club, and California courses Carmel Valley Ranch, Moreno Valley, PGA WEST, La Quinta, Oak Valley and Mission Hills in Rancho Mirage.

Gerald G. Barton, Ernest O. Vossler and Joe W. Walser, Jr., of Landmark will be new team members.

The transaction is subject to approval by shareholders and the Office of Thrift Supervision.

CCA official: Recession 'beatable' for private clubs

Continued from page 57

his members do for a living and how often they visit his club," Gelinas said.

Even private clubs in a relatively depressed area are in potentially good shape. As the 1990s unfold, the oldest of the massive Baby Boom generation are heading into their late 40s and early 50s, the age when most people join clubs. The 45-to-54 age group is expected to add 11.7 million people during the decade.

"That's a pretty big market," Gelinas said. "The demographics should overshadow any cyclical economic problems."

Finally, private club members are value conscious and media sophisticated. They demand clubs offering prestige and value suited to their particular needs. Clubs must position themselves accordingly to be successful.

"Potential members will usually reject a canned sales pitch or standard set of benefits," Gelinas said. "They want benefits that fit theirs' and their families' needs. We've found a strong trend toward the entire family becoming part of the club environment."

Families present a significant opportunity and a more stable membership, the CCA executive said.

"It's easier to resign from a club if there's just one person involved, say a golfer. But if the wife is in the tennis league, the son in the junior golf program and the daughter on the swim team, it's less likely the club will lose a member," he explained.

Whatever a member's involvement, it must be meaningful. In some cases, a member may want relaxation. For others, it may be self-improvement. Still others may want competition.

"Tennis clubs, because of the different skill levels in the game, have been hurt among those wanting relaxation. Relaxation is a little easier in golf, although some clubs are competition driven," Gelinas said.

Once a club figures out what members want, it can position itself to fill those needs. Positioning involves listing what the club has to offer, figuring out what the market is and determining what members want.

Focus groups are one of the best ways to discover what members desire from their club. While the term "focus group" may sound technical, it can be as simple as inviting 20 members to lunch (hoping at least 10 will show) at the club's expense and asking them what changes they'd like to see.

Members are often friendly with the club staff and may be hesitant to criticize them. That's why it is often better for someone outside the club to conduct the focus group. CCA generally uses corporate headquarters employees to head the meetings. If using an outside person is impractical, it is important for the club staff member running the group to emphasize that members should hold nothing back because they might hurt the staff's feelings.

Focus groups give a sense of what members want. They should be followed up with written questionnaires for specific recommendations.

Another source of information is local real estate brokers and developers. They are the ones bringing residents, and thus potential members, within distance of the club.

"The whole point is to listen," Gelinas said. "And then respond."

One of the responses at some CCA facilities has been to provide an atmosphere in which members can conduct business. That could mean building a private meeting facility with audio-visual equipment or simply making business guests feel welcome by giving a free sleeve of balls to a guest playing with a member.

The dining area can fill another need. CCA has traditionally priced its a la carte menu at or below neighboring restaurants.

"Clubs can subsidize the a la carte menu with their private party business. The parties are the real moneymaker," Gelinas said.

If a club does its homework, aggressive advertising is unnecessary to keep and recruit members, Gelinas said.

"It will happen naturally. The key is to develop the product first. If it's good, word will get out. And you can't beat word-of-mouth advertising," he added.

CCA's experience in its corporate home state of Texas is a good example of what private clubs can accomplish during lean economic times. Despite an economic slump that lasted most of the 1980s in the Lone Star State, Club Corporation closed none of its country clubs during the last decade. In fact, the number of Texas clubs grew to more than 40.

Texas is on the road to recovery, while much of the country is gearing for an economic slowdown. But even in difficult economic times, Gelinas said: "There are enough opportunities out there for private clubs. They should have positive plans that count on revenue generation rather than cost cutting."