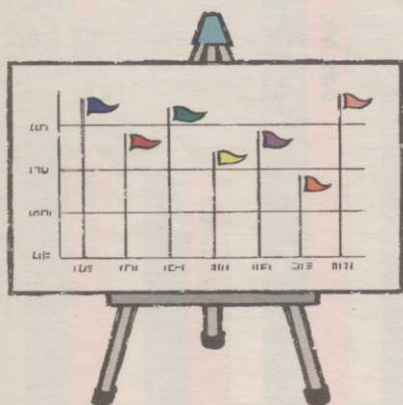


## BRIEFS



## PALMER TAKES OVER AT STARR PASS

ORLANDO, Fla. — Arnold Palmer Golf Management Company assumed management of Starr Pass Golf Course in Tucson on June 1, according to Robert Holzman, APGMC chief executive officer. The agreement was signed with Starr Pass Development Corporation. Starr Pass is an 18-hole course designed by Robert Cupp of Golfcorp.

In other news, APGMC was appointed receiver for Hidden Hills Country Club on May 1, by the Circuit Court of Duval County, Jacksonville, Fla. Hidden Hills, a private 18-hole facility located in Jacksonville, had been remodeled by APMGC's sister firm, Palmer Course Design Company of Ponte Vedra.

## J.C. RESORTS TO MANAGE MT. WOODSON

LAJOLLA, Calif. — The LaJolla-based JC Resorts company has been named by Davidson Communities of San Diego to provide management services for Davidson's Mt. Woodson Country Club in North San Diego County. With the 18-hole Mt. Woodson track and the 18-hole Twin Oaks course in San Marcos scheduled to open in December, 1992, JC Resorts will own and/or operate 108 holes of golf in Southern California, including the 45 holes at the Rancho Bernardo Inn of San Diego, and the 27 holes at the Temecula Creek Inn, Temecula. All of the above courses are daily fee.

## CUNNINGHAM JOINS DEERING BAY

MIAMI — Cindy Cunningham has been named membership director of Deering Bay Yacht and Country Club, a new residential and recreational community on Biscayne Bay. Cunningham brings to her position 11 years of experience in real estate and business development. Most recently she functioned as real estate manager of the Tribune Company in Chicago; then as manager of its Eastern Division in Fort Lauderdale. Deering Bay is located directly on Biscayne Bay and features an Arnold Palmer-designed golf course.

## IRWIN MANAGING DEER LAKE

Deer Lake Golf Club, located in Springfield, Mo., is the newest facility to be managed by Hale Irwin Golf Services, Inc. Nestled in the Ozark's rolling hills, Deer Lake features a picturesque golf course and several executive conference rooms designed for seminars and private gatherings. Hale Irwin Golf Services is an international golf course design, development and management company based in St. Louis, Mo.

## Fledgling club association wins fight against taxation

By HAL PHILLIPS

HARTFORD, Conn. — Two years ago, representatives of several Connecticut golf clubs kicked around the idea of forming a statewide organization. But for one reason or another, the time wasn't right.

In 1991, the recession-wracked state passed a six-percent sales tax on sports and recreational clubs dues. That encumbrance was levied on top of the existing 10 percent excise tax already paid by such clubs — making the effective state tax a whopping 16 percent.

Suddenly, Connecticut club owners and managers had all the incentive they needed.

The Connecticut Club Association was born early in 1992, having filed a certificate of incorporation in February. Five months later, the six percent tack-on tax was repealed.

"We really didn't get off the ground that first year," recalls CCA President Paul Mersereau, who also serves as president at Hartford Golf Club. "Then the six

Continued on page 42

## Hinckley assumes helm of newly reorganized Club Resorts

DALLAS — Things have changed at Club Resorts Inc., the hospitality division of ClubCorp that operates Pinehurst Resort and Country Club, among others.

James M. Hinckley has been named president and the company has reformulated its growth strategy to include aggressive pursuit of management contracts, international projects and development of a new membership product.

Hinckley is a 23-year veteran of Club Corporation International (ClubCorp), the parent company of Club Resorts. He has served in numerous capacities within ClubCorp, including overseeing all operations, new club development and new business development of Club Resorts' sister company, Club Corporation of America.

Hinckley is also director of overseas operations for GolfCorp — the public-golf arm of ClubCorp — and ClubCorp Realty, a real estate development subsidiary.

"Jim has solid dealmaking, hospitality and private club experience, which is the perfect mix to lead Club Resorts into its new endeavors," said Robert H. Hedman, ClubCorp chairman.

Just what are those "endeavors"? Namely, placing less emphasis on turning around poorly managed clubs.

When established in the mid-1980s, Club Resorts focused on growth through acquiring troubled properties that displayed strong turn-around potential. Yet during the past year — by building off its success in operating Palmas Del Mar Resort (Humacao, Puerto Rico) and Barton Creek (Austin, Texas) — the company has refocused its efforts to include manage-

Continued on page 43



The par-3 11th hole at Shaker Hills Golf Club in Harvard, Mass.

## Automatic tee time reservation systems a boon for club managers, not just players

By HAL PHILLIPS

When automated tee-time reservation systems burst on the scene a few years ago, many industry observers viewed the development as a convenience exclusive to players... and why not? The ease of 24-hour reservations by credit card, no more busy signals while phoning the pro shop, and prime tee times for those who plan ahead.

However, automated reservation systems are beginning to prove their worth on the management side, as well. There are drawbacks, but daily fee club managers and golf directors recognize the advantages of arranging their tee schedules by computer, by phone.

"When I first came on in April of 1991 and talked to the owner, we thought it would be a great service to the golfer — and it is," said Peter Dupuis, director of

golf at Shaker Hills Golf Club in Harvard, Mass. "But as it turns out, it's been a tremendous convenience for me and my staff."

Shaker Hills, an upscale daily-fee operation, has used Xeta Reservation Systems Inc. since the course opened in July 1991. The Tulsa-based firm currently serves 65 courses in 12 states, and Dupuis is happy with the results.

"Plain and simple, it takes the place of some staff," Dupuis explained. "There's no comparison. It frees up time for personal attention in the pro shop."

In a survey of its 39 clients nationwide, another manufacturer of automated tee-time software — Fairway Systems of Englewood, Colo. — found the computer reservation service decreased calls to the pro shop by 15 percent.

Continued on page 43

*'As it turns out, it's been a tremendous convenience for me and my staff.'*

— Peter Dupuis  
Shaker Hills GC

## AGC deals with lease problems in Oceanside

OCEANSIDE, Calif. — Residents and city officials in cash-strapped Oceanside continue to seek changes in their existing lease with American Golf Corp., which operates Oceanside Municipal Golf Course. AGC is looking to change the lease, as well.

The Oceanside City Council, which has been negotiating alterations in the lease for more than a year, is looking for fee increases and a higher percentage of revenue sent the city's way.

Under the current agreement, which expires in 2002, the city of 135,000 receives 12 percent of gross revenues from the course. AGC netted \$782,000 in 1991, while Oceanside received less than \$200,000.

Yet, AGC isn't particularly happy with the lease either. "We are looking for some fee increases," said Gail Goodrich, AGC vice president. "We haven't had any fee increases in four years."



## Byrd creates Golf Course Properties, Inc. to specialize in acquisitions and sales

CLEARWATER, Fla. — Bobby Byrd, president of Bobby Byrd Real Estate, has established a new company called Golf Properties Real Estate, Inc. to specialize in golf course acquisitions and sales in Florida and across the nation.

Byrd and his partner in the venture, Robert McGrath — president and chairman of Golf Car Systems, Inc. — have named Richard Farrell president of the new organization.

Farrell has extensive expertise in the

golf course industry. Most recently he served as senior vice president of Nicklaus/Sierra Development Corporation. He also presided over P.G.I., Inc., developers of golf properties in Florida.

On a more local level, Farrell was president of Bardmoor Properties, developer of Bardmoor Country Club in Seminole, Fla. There he was responsible for all marketing and operational aspects of the country club, in addition to the development of more than 1,800 residences.

According to Byrd, with the reduction in golf course construction over the next few years, he expects to see the market for golf course acquisitions to swell. Golf Properties Real Estate, Inc. currently represents a variety of groups interested in acquiring courses across the nation.

Golf Properties Real Estate is located at 710 Grand Central, Clearwater, Fla., 34616. For more information, call 813-447-GOLF.

## New club association wins state tax battle

Continued from page 41

percent tax was imposed, and that really got our attention.

"There were a number of issues that I'm sure we would have needed to address eventually. But we thought it was prudent to not get caught in a vulnerable position again."

Now 50 members strong, the CCA has drawn membership from all sectors of the Connecticut club community: golf clubs (private, semi-private, daily fee, municipal), yacht clubs, downtown eating clubs, the Connecticut State Golf Association, the Connecticut PGA, and the Connecticut Women's Golf Association.

These varied organizations all joined the CCA — and the tax fight — because, in Mersereau's words: "Everybody got nicked."

"This state, like many, has got a big deficit," he explained. "They're looking for money everywhere. For instance, we've never had an income tax. Now we have one, and it went down like cod liver oil."

However, the extra six percent tax — on "amusement and recreational services," as the law reads — didn't stay down long.

After a successful lobbying effort by the CCA, the tax has been repealed. After receiving favorable recommendations from the Senate and House finance committees in late May, the bill of repeal received support from the full Legislature on June 1.

With Gov. Lowell Weicker's signature in mid-June, the six percent tack-on tax ceased to be law, effective June 30, 1992.

"Everything worked out much better than expected," said Mersereau. "If everything clicked, we expected a repeal effective Jan. 1, 1993. But we got lucky."

The ill-fated levy would have augmented state coffers by approximately \$15 million annually. At Hartford Golf Club, for example, 800 members each pay \$300 in yearly dues, Mersereau said.

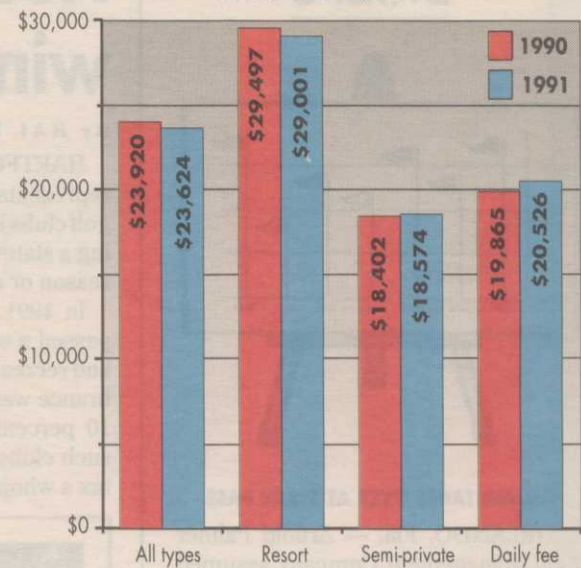
At 10 percent, the annual tax payment is \$24,000.

At 16 percent, it would have been \$38,400. That's an extra \$14,400 per club, per year — and it was levied without representation.

No more.

## Report indicates expenses are up, while rounds played down...

Average maintenance expense per hole 1990 vs. 1991



Continued from page 1

vate club industry.

"It shows that public golf is strong, but certainly not recession-proof," commented NGOCA Executive Director Michael Hughes.

"There are a lot of discounting programs and promotional activities of green fees going on out there. And owners are actively monitoring maintenance expenses with an eye toward the bottom line."

### ROUNDS PLAYED INCREASE

Interestingly, the 11.2-percent jump in rounds played at the 100 courses in the PKF survey contradicts recent National Golf Foundation figures showing a 4.6-percent drop in rounds played.

"Two things might be responsible," Hughes said. "First, NGF interviewed consumers and we interviewed course owners. Second, our survey was dominated by higher-end courses, while NGF surveyed all consumers, including those making less than \$35,000. That income group is where the biggest drop occurred."

Semi-private courses showed the biggest increase in rounds played, 26.7 percent, followed by daily-fee, 12.9 percent, and resort, 2.4 percent.

Regionally, the South Atlantic led the way with a 24.9 percent increase in rounds played. The Mid-Atlantic rose 9 percent and North Central, 5.9 percent. The Mountain/Pacific area fell 0.4 percent.

### REVENUES STEADY

Despite the double-digit increase in rounds, green fees increased just 1.9 percent, reflecting the discounting and promotions Hughes mentioned.

Semi-private courses saw the largest leap in green fees, up 7.9 percent. Daily-fee courses rose 6.7 percent and resort courses 2.3 percent.

The South Atlantic, 5.9 percent, North Central, 4 percent, and Mountain Pacific, 0.6 percent, enjoyed the biggest increases, while Mid-Atlantic green fees fell back 6.9 percent.

Mixed results prevailed in other revenue-generating areas. Overall, cart fees rose 13.2 percent and food and beverage 28.4 percent.

Retail sales fell 2.8 percent as discount stores continued to eat into pro shop profits, a trend Hughes believes daily-fee courses can reverse by joining together to make group purchases of retail items, just as individual NGOCA members in some areas save on course maintenance supplies by banding together to make

volume purchases.

### MAINTENANCE COSTS DROP

Superintendents at daily-fee courses tightened their financial belts last year, knocking 1.2 percent off their maintenance budgets down to an average \$23,264 per hole.

Compare that to private clubs, where maintenance costs climbed 9.8 percent to \$30,870 per hole, according to the "Clubs in Town & Country Report" survey of 250 country clubs.

"Private courses aren't run for profit," noted Director of PKF Counseling John Crow. "They don't have the drive to the bottom line that daily-fee courses do."

"Private courses simply meet expenses and try to set aside some money for future capital expenditures. Daily-fee courses have to make money and show a return on investment. One way to do that is cut costs."

Salaries (\$9,325 per hole) and payroll taxes/benefits (\$1,955) made up almost half the maintenance budget (47.8 percent) for all daily-fee courses, making it a logical place to look for cuts or at least hold the line in tough economic times.

Salaries overall rose just 0.7 percent and payroll taxes/benefits fell 2.2 percent in 1991. Other per-hole expense items were supplies \$3,878 (up 2.7 percent), repairs \$2,296 (down 7.6 percent), uniforms \$204 (up 0.5 percent), energy \$859 (down 4.2 percent) and other \$5,107 (down 3.6 percent).

Resort courses had the largest per-hole maintenance costs at \$29,001 (down 1.7 percent) followed by daily-fee at \$20,526 (up 3.3 percent) and semi-private at \$18,574 (up 0.9 percent).

The Mid-Atlantic had the highest regional costs at \$27,882 (up 2.8 percent). The South Atlantic was \$24,277 (down 11.6 percent), Mountain/Pacific \$22,976 (down 1.6 percent), and North Central \$21,858 (up 10.4 percent).

### PUBLICATION AVAILABLE

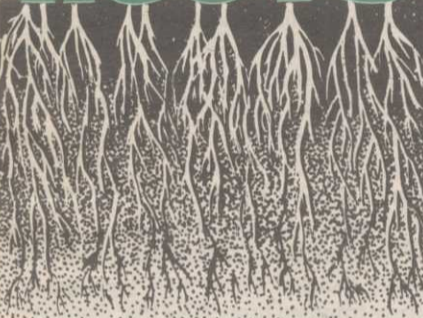
The "Trends in Resort and Daily Fee Golf" required participating course owners to share financial information, a break from their close-to-the-vest tradition, Crow said.

"We felt it was important for owners to have reliable information so they could compare their operations with others in their regions," Hughes noted.

The report costs \$50 for NGOCA members and \$75 for non-members. It is available from the NGOCA, 14 Exchange St., P.O. Box 1061, Charleston, S.C. 29402; telephone 803-577-5239.

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