Many groups lining up bids on Landmark properties

The Ocean Course at Kiawah Island is among the former Landmark Land Co. properties that will be on the RTC auction block in mid-July. Membership groups, large corporations and wealthy individuals are all expected to make bids on the legendary golf course properties.

By PETER BLAIS

Membership groups, management companies, financial businesses, Wall Street investment banking firms, wealthy individuals and many others are supposedly interested in the upcoming auction of former Landmark Land Companies' properties being conducted by The Resolution Trust Corp. July 14 in Dallas.

"From what I hear, it sounds like everybody in the world will be bidding," said Randy Williams, Club Corporation of America's executive vice president of new business. "The RTC has supposedly received over 1,000 inquiries."

The six properties have a book value of $740 million and include some of the world's premier championship golf courses and resorts. They are Mission Hills Country Club, PGA West, LaQuinta Hotel Golf & Tennis Club and Carmel Valley Ranch, all in California; Palm Beach Polo & Country Club in Florida; and Kiawah Island Resort in South Carolina.

RTC will auction off the resorts individually and in groups to try to provide a competitive investment opportunity for both individual and institutional buyers.

Several membership groups at the private clubs are planning strong bids in the hopes of walking away from the auction block with those properties.

"They are the logical purchasers of the private clubs," said Laurenc Hirsh, president of the Society of Golf Course Appraisers.

> *'From what I hear, it sounds like everybody in the world will be bidding.'*
>
> **— Club Corp. of America Vice President Randy Williams**

"They have the most to lose in terms of lifestyle and property values of their adjacent property if a company buys their course. Economically, there may be 400 members to spread the risk and they aren't interested in the course making money. A company would be interested in the course showing a profit, which will affect its bid."

Tom Hill is president of the members' group developing a package for Palm Beach Polo & Country Club. The 45-hole course, polo club and equestrian center, with a total book value of $54 million, has

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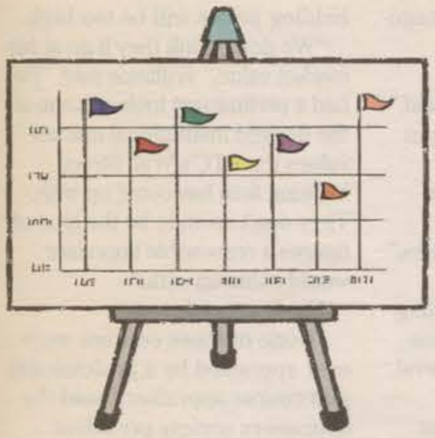
BRIEFS



AGC ADDS KEY WEST RESORT

SANTA MONICA, Calif. — American Golf Corp. has acquired Key West (Fla.) Resort Golf Resort. The Key West course is located between the Gulf of Mexico and the Atlantic Ocean at the southernmost tip of the United States. The course was constructed in 1923-24. The course was re-designed in the 1980s by Rees Jones.

HILTON TAKES OVER INNISBROOK

TARPON SPRINGS, Fla. — Hilton Hotels Corp. has announced a new management agreement with Innisbrook, one of the country's premier golf and meeting resorts. Effective April 1, Hilton began managing all operations at the Innisbrook Hilton Resort. Stan Wadsworth, president of Golf Host Resorts, will remain owner of the property.

NEW MANAGER SET TO REOPEN EMERSON

EMERSON, N.J. — Emerson Golf Club will reopen in early May as a daily-fee public golf course. C.O.P.M./Links Management Corp. will manage the course. C.O.P.M./Links Management Corp. is a public golf course and club management company, owned jointly by North American Golf, Inc. and Club Operations and Property Management.Emerson Golf Club occupies 127 acres in Emerson and Oradell, in Bergen County, N.J. The Emerson facility operated for two years as Bird Hills Golf Club. Rivervale Realty was awarded possession and operation of the course earlier this year in a foreclosure proceeding.

ARIZ. GOLF MARKETING FIRM FORMED

PHOENIX, Ariz. — Two Phoenix-area marketing executives have formed Communication Links to provide a wide range of marketing communications services to the golf industry. "We think the timing is ideal to start a marketing company specializing solely on the promotion of the golf industry," said David Gilbertson, formerly general manager of Evans Public Relations in Phoenix. Michael Petty is president of Communication Links and former marketing director at Stonecreek Golf Club in Phoenix and Karsten Golf Course at ASU in Tempe, Ariz.

LAGOON GOLF & RACKET HONORED

Nikkei Trendy, the Japanese magazine, has named Hawaii's Lagoon Golf and Racket Club the No. 1 resort in North and South America, Asia and Japan. Japanese-owned Sanctuary Cove Pines in Australia was No. 2. The courses were ranked in terms of a challenging layout, price of golf and the standard of hotels, restaurant and clubhouse.

Marketing Idea of the Month

Accurate practice range translates into additional course revenues

By PETER BLAIS

It's a Thursday night and the serious golfer stops by the practice range on the way home from work. He grabs a 7-iron and takes aim at the flag marked 150 yards. Experience tells him he should drop the ball right on top of the flagstick. Instead it falls 10 yards short. Maybe he mishit it. He swings again and the same thing happens. Several balls later frustration starts to build as he begins changing his swing to accommodate the posted distances, whose accuracy he has started to question. The same thing happens as he changes clubs and targets. By the time he reaches the bottom of his ball bucket he realizes his blood pressure has risen more than the quality of his game. He storms back to his car, slams the door and vows never to return to a facility that can't accurately measure the distance from Point A to Point B.

Robert Guenther believes similar scenarios play themselves out fairly often at practice ranges around the country, costing centers customers and profits.

But it is a fairly simple and inexpensive matter to correct, according to the Hale Irwin Golf Services vice president.

Guenther presented a "cost-effective" means his company now offers for letting golfers know actual distances from tee station to target green. Guenther discussed the company's new service during Idear Nite at February's National Golf Course Owners Association annual meeting in Orlando, Fla.

The system is being used at the Hale Irwin Golf Learning Center in St. Louis and "has gotten a lot of positive feedback from golfers."

The company first designed a *Yardage*

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NCA: Dues deduction repeal to hurt clubs

WASHINGTON, D.C. — Gerard F. Hurley, executive vice president of the National Club Association, testified before the House Ways & Means Committee in late March on the Administration's proposal to repeal club dues deductibility and reduce the deduction for business meals.

"While clubs are willing to pay their fair share to help revive the economy and reduce the deficit, we believe the club and hospitality industries and their many employees have been unfairly targeted," Hurley told the committee. "We believe in a strong economy and in investing for the future. The private club community is a part of that future.

"If the deduction for club dues is repealed and business-meals and entertaining deductibility is reduced to 50 percent, the financial impact on club employees, mid-level executives, small business, club members and the economy will be just the opposite. Not only would the economic viability of club employers be threatened, such action could cost jobs."

NCA estimates that 68,000 full-time positions would be threatened in the club community if the changes to deductibility are passed. The loss in payroll taxes would be approximately $140 million per year. This does not consider the tens of thousands of part-time jobs and related payroll taxes

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American mgt. companies see Asian market in different light

By PETER BLAIS

The two giants among American golf course management companies view the Asian market in totally different lights.

"From our perspective we have a very lucrative market here [North America], so why defuse our focus," said Joe Guerra of American Golf Corp.

"There are a number of Asian companies that are doing a good job there already."

Club Corporation of America has an opposing outlook.

"We think Asia represents a big potential market for our services," said Jerry Dickenson, chairman of Club Corporation of America's Club Resorts Group.

"There is an emerging interest for golf in Asia. We see a lot of opportunity in China, especially along the South Coast and Hong Kong. The area has billions of dollars of office buildings and hotels, just the type of market we are looking for."

The fact that most Asian facilities are private may help explain why the companies view the region so differently. AGC has made its stake primarily in the public course sector. CCA, while it is the nation's second largest manager of public facilities through its GolfCorp. subsidiary, is primarily known as a private club operator.

CCA made some inroads in the

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Club Corporation of America active in Asian market

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Pacific Rim during the 1980s working with Asian partner Club Corp. of Asia. The Asian firm was plrimarily interested in city clubs while American-based CCA wanted to get more involved with golf , Dickenson said.

The two dissolved their 10-year relationship in 1991. Club Corp. of Asia was renamed Private Clubs International to avoid any confusion.

CCA signed on with a new firm, White Saison Group, operators of Inter-Continental Hotels. The partners opened a Tokyo office in January 1992 and a Singapore branch last June.

The partners have inked several contracts in the past year, Dickenson said, including:

• A management agreement for a Tokyo city club called the Uraku Club along with a consulting agreement with the Uraku Golf Club at Gotemba, a private, 18-hole facility on the slopes of Mt. Fuji.

A consulting pact involves establishing practices and procedures for receiving international guests and entitles members to the reciprocal arrangements offered through other Club Corp. facilities.

• A management agreement for the 36-hole Burapha Golf Club outside Bangkok, Thailand. The first 18 David Graham-designed holes are scheduled to open by this fall.

• A managemenmt contract with the Zhaoping Golf & Country Club, a 54-hole complex under construction at the Star Lake Resort north of Canton. The first 18 holes should open in about two years.

"We'll move slowly in Asia. But we see the demand continuing for professional management companies," Dickenson said.

The experiences of businessmen and tourists while visiting foreign courses operated by management companies is fueling that demand.

While Asian companies may own and operate several courses, management companies that run facilities for the owners are almost unheard of in Asia, Dickenson said.

"Getting them to understand the management company role is our biggest challenge," the CCA executive explained.

"When they travel to someplace like Pinehurst, they realize they aren't getting the same quality back home. They have paid for extremely expensive facilities that aren't being maintained well."

LAACO adds golf course mgt. subsidiary

LOS ANGELES — LAACO, Ltd., one of the club industry's oldest companies, has announced the formation of Club and Resort Management, a new unit that will provide management services to country clubs, golf courses and resorts, yacht clubs, city clubsand athletic clubs.

LAACO has more than 90 years of club management experience, having been formed at the turn of the century to acquire and operate The Los Angeles Athletic Club (whose initials gave the company its name). Today LAACO owns and operates the Los Angeles Athletic Club, the California Yacht Club and a number of real estate holdings. It owned and operated the Riviera Country Club (home of The Los Angeles Open) and the Riviera Tennis Club until 1988, when the two clubs were sold for $108 million. LAACO jointly operated the clubs with the new owners for an additional year.

W. Gary Collins has been named vice president of LAACO and will oversee Club and Resort Management.

One of the senior LAACO executives who will be working closely with Club and Resort Management is Steven K. Hathaway, senior vice president of operations at LAACO.

Dues deduction

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lost.

Also impacted will be suppliers and vendors who serve the club community, such as food and beverage vendors, tabletop equipment and specialized equipment manufacturers supporting the golf industry.

Hurley noted, "Many small businesses choose to invest in business-development entertaining as a more effective means of generating business than other options, such as high-cost advertising.

"Expense and dues deductions are merely a reflection of that investment incurred in an effort to conduct business and generate taxable net income."