

Top sales of 2014: Year of the mega-deal

# Golf Inc.™

MARCH/APRIL 2015

**Membership marketing  
meets high tech**

**Course makeovers  
on a budget**

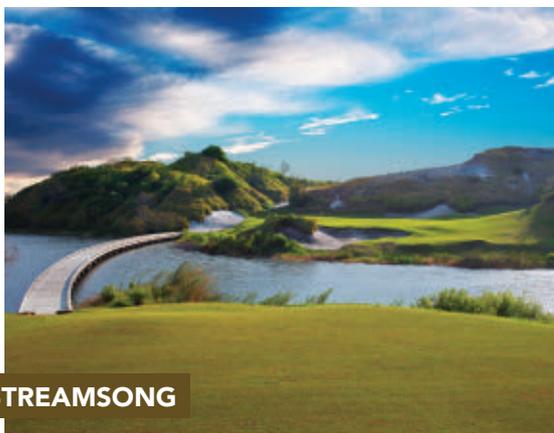
## MOST ADMIRABLE golf developments

**Bandon Dunes, Streamsong Resort, and  
Creighton Farms lead a list of admired  
developments from the last 15 years.  
Find out their secrets to success.**

# The MOST ADMIRABLE golf developments



**BANDON DUNES**



**STREAMSONG**



**CHAMBERS BAY**

Golf development in the U.S. has been a risky business as of late. But some have found great success. We profile the ten most admired.

**BY ROBERT J. VASILAK AND LAIRA MARTIN**

Golf is a hard game. It might be a harder business.

What does it take to make a golf course thrive, particularly in these times? Sure, looks count. But that's only one part of the equation. What other elements are required for the course to have economic might — either realized or the vast potential for it.

We asked golf course operators, developers and industry experts to share their thoughts on which recent golf course developments they admire the most from a business standpoint. Which ones work magic, both for players and investors?

After getting input, we researched the nominees and narrowed the list down to 10. Interestingly, we found big winners everywhere, at both public and private venues, and at every price point.

Some are destination courses, like the world-renowned links at Bandon Dunes. Some are celebrity-designed courses at exclusive clubs, like the ones you'll find at Martis Camp in California's High Sierras or at Creighton Farms in Virginia's hunt country. Some courses are known for their charming settings, like the tranquil desert layouts at We-Ko-Pa Golf Club in Arizona. We even identified three municipal tracks.

Notwithstanding the differences, these 10 golf properties have set themselves apart by offering something that their customers simply can't live without. It didn't come easy for any of them. To establish their reputations, they had to promote themselves effectively, build trust among doubters, establish reliable sources of income and, above all, maintain a quality product.

Today, these properties are the envy of their competitors.

MOST ADMIRED  
**Resort courses**



“Sand dunes on the ocean, with great architects willing to design in the classical manner.” —MIKE KEISER

**BANDON DUNES,  
BANDON, OREGON**

For those who value a pure golf experience above all else, Bandon Dunes stands alone. Golf Digest ranks all four of the resort’s 18-hole courses among the 74 greatest tracks on the planet. No other golf venue even comes close.

Mike Keiser, the developer of the still-unfinished resort, has capitalized on a fundamental truth about the golf industry: Our biggest spenders yearn to play impeccable courses and will travel almost anywhere to do so. His links layouts, though located in a coastal village far from major population centers, ring up 120,000 rounds annually.

Keiser boils his formula for success down to a simple sugar: “Sand dunes on the ocean, with great architects willing to design in the classical manner.”

If it were so easy, however, everyone would do it. Bandon Dunes advertises constantly, in a broad range of publications, with high-quality photography that puts the resort’s assets in their finest light.

“Advertising was especially valuable to us early on, and it continues to be,” Keiser believes. “I’ve got to remind people constantly how much they’re looking forward to seeing our pretty pictures in person.”

Bandon Dunes’ revenues are generated equally by receipts from greens fees (\$240 in the high season, \$75 in the low), 186

overnight accommodations, and food, beverage and merchandise sales. The average visitor, 89 percent of them men, stays 2.8 nights and plays three or four rounds.

What’s more, Bandon Dunes’ less celebrated attractions also contribute to the balance sheet. The Preserve course, a 13-hole, par-3 layout whose profits benefit a local charity, attracted 20,000 rounds last year, at \$100 per. And the resort’s putting course, where people play for free, counts 50 to 100 rounds a day, some of them from people who wouldn’t normally set foot on a golf course.

“Not everyone can play golf,” Keiser notes, “But anyone can putt.”

MOST ADMIRABLE

# Resort courses



## STREAMSONG RESORT — RED COURSE AND BLUE COURSE

BOWLING GREEN, FLA.

Golf and Florida are nearly synonymous, but golf and central Florida, not so much — until now.

“People come with the expectation that it is another Florida golf course,” Streamsong Resort’s General Manager Richard Mogensen said. “People are really taken aback by the quality of the golf experience. It is so unique and way beyond expectations.”

After the resort opened in late 2012 both the Red Course, designed by Bill Coore & Ben Crenshaw, and the Blue Course, designed by Tom Doak of Renaissance Golf Design, debuted Golf Magazine’s “Top 100 Courses in the U.S.” at spots No. 52 and No. 62, respectively. It was the first to do so. Hopefully there is room on the list (and your bucket list) for Streamsong Black, the third course designed by Gil Hanse is set to open in August 2017.

The two enviable 18-hole designs that sit on the site of a former phosphate mine, owned by the Mosaic Company for more

than 50 years, are as visually dramatic as they are enticing to golfers.

“The designers saw what was leftover from the mining operations and said ‘wow we can really do something with this,’” Mogensen said. “There are no palm trees, no condos, no real estate. This is a pure golf experience untainted by anything else around. You don’t get that with city or beach courses.”

Its practically middle of nowhere location (the closest big city, Tampa, is 60 miles away) has been a double-edged sword. On one hand, if you want to play the two courses, a two-day stay at its new 228-room lodge, which opened January 2014, practically inevitable. Mogensen expects hotel lodging to increase by 35 percent this year and beyond that once the third course debuts. But it is not without its tests.

“You have to embrace the uniqueness of the location and the challenges that go with it,” Mogensen said. “You have to be continually vigilant when you look at competing nationally with the Pinehursts and Pebble Beaches of the world. There is a big commitment with a legacy that potentially comes with a property like Streamsong.”

## THE CONSERVATORY COURSE, HAMMOCK BEACH RESORT

HAMMOCK BEACH, FLA.

Some golf architects take on as many projects as they can. Tom Watson is not one of them. With only one or two designs under his belt each year, Watson gives his undivided attention to the project at hand, which in 2006 was The Conservatory course, a \$20 million project at the Hammock Beach Golf & Spa Resort.

“He made 17 site visits which is kind of unheard of for an architect,” said Brad Hauer, director of golf.

The Watson design and name is what draws many visitors, but Hauer said a shift in marketing has also led to a quantifiable improvement. Three years ago, the resort struggled with the way it was marketed. With two courses (the second is Jack Nicklaus’s Ocean Course) and a \$6 million pool complex, they had to choose between promoting it as either a golf resort or a family resort.

“There was definitely a shift in our overall company philosophy in how we marketed Hammock Beach,” Hauer said. “It just made all the sense in the world to promote us as a golf resort”

The payoff is evident. In 2011, The Conservatory course was only yielding 12,000 rounds. Rounds increased by about 4,000 each year for the next three years until it hit 24,000 last year.



MOST ADMIRED

# Daily fee course



them,” Barr said. “They’re an important factor for people deciding where to play.”

Barr believes that We-Ko-Pa has begun to reap benefits it earned during the Great Recession, when, unlike most of the area’s golf properties, it held firm on its greens fees. It lost some play as a result, but its long-term financial picture has brightened.

“We’ve been able to increase our greens fees, while other courses in the area are struggling to regain the prices they once charged,” he said. “The guys who slashed their rates can’t recoup what they’ve lost.”

In addition, We-Ko-Pa also has a major financial advantage over its competitors: A plentiful supply of cheap water, thanks to a river that flows through the reservation. While some of its competitors pay as much as \$1 million annually, We-Ko-Pa pays closer to \$200,000.

## WE-KO-PA GOLF CLUB,

## FORT MCDOWELL, ARIZONA

While some golf travelers are lured by top-100 courses, others gravitate to one-of-a-kind settings.

Like Bandon Dunes, We-Ko-Pa Golf Club targets mostly wealthy itinerant golfers — they constitute 90 percent of its customers — but it sells them on inimitable terrain and mountain views that are unobstructed by commercial development. The landscape exemplifies what Arizona golf is all about, and it helped to attract 70,000 rounds last year, with greens fees upwards of \$200.

“The overwhelming majority of our customers want a premier desert golf experience,” said Matt Barr, the club’s general manager, “and that’s what we give them.”

We-Ko-Pa is located on the Fort McDowell Yavapai Nation’s reservation, a short drive northeast of Phoenix, and it complements a resort with a casino, a 246-room hotel and a conference center. The club features a pair of 18-hole layouts, the Saguaro and Cholla tracks, which are currently ranked No. 1 and No. 4 in Arizona by Golfweek.

The rankings are vital to We-Ko-Pa’s

marketing efforts.

“We’re always fielding questions about

**Winter Problems?**  
Get the **IMPERMEABLE** barrier!

Featuring the **NEW** Air Flow System!

*greenjacket*  
Not just another Turf Cover!

Minimizes temperature fluctuations • Protects from ice damage, crown hydration and desiccation  
Lightweight and durable for years of easy installation & storage  
[www.GreenJacket.com/gi](http://www.GreenJacket.com/gi) 888-786-2683

Actual user photos — not retouched!

**EQUIPMENT FROM A PROFESSIONAL DEPENDABLE RENTAL SOURCE.**

800-508-4760

[sunbeltrentals.com](http://sunbeltrentals.com)

**SUNBELT RENTALS**

Irrigation and Drainage  
Landscaping, Tree Work and Sod Replacement  
Facility Maintenance and Construction

## MOST ADMIRERD

# Private clubs



### CREIGHTON FARMS, ALDIE, VIRGINIA

If the very rich truly are “different from you and me,” as F. Scott Fitzgerald once wrote, developers of ultra-exclusive communities turn heads by accentuating those differences.

Southworth Development knows that One Percenters put a premium on personal security, flawless service and refined elegance, all of which contribute to the appeal of Creighton Farms, a private, gated community an hour’s drive from Washington, D.C. To add to its allure, the 964-acre community also features a Jack Nicklaus-designed golf course, the gold standard in signature golf, and a luxurious clubhouse that, marketing materials say, “conjures thoughts of Gatsby, jitterbugging and kinder and gentler days gone by.”

“We offer peace of mind, which is vitally important to a lot of people,” said David Southworth, who began learning the ways of wealth as a former president of Paul Fireman’s Willowbend Development.

The houses at Creighton Farms, some of them in a Nicklaus Village, range in price from \$2 million to \$10 million. To sell them, particularly during times of economic stress, Southworth understands that buyers must have unwavering confidence in the seller. So he always

reminds people of his accomplishments, as entities he controls own a half-dozen high-profile golf properties in the U.S. — among them Willowbend in Massachusetts, Macrihanish Dunes Golf Club in Scotland, the Abaco Club in the Bahamas and Costa Caribe Golf & Country Club in Puerto Rico.

“We take great pride in our financial track record,” he says. “It gives people comfort.”

Creighton Farms’ residents are obligated to buy a social, sports or golf membership.

The golf club, which can accommodate 275 members, currently has about 240, the majority of them are people who don’t own property in the community. The initiation fee for a golf membership is \$45,000, with an annual fee of \$11,000.

Not surprisingly, Nicklaus is a fixture in Southworth’s marketing campaigns. When golf’s biggest star says things like “Creighton Farms is a special place” and “I look forward to every opportunity I have to visit,” people listen.

### MARTIS CAMP, TRUCKEE, CALIFORNIA

Some developers understand that the whole can add up to more than the sum of its parts. For them, a golf course incapable of operating profitably on its own can still be considered a success.

Such is the case with DMB/Highlands Group, which is transforming almost 2,200 alpine acres into Martis Camp, possibly the nation’s fastest-selling four-season community. Since residential sales began, in the mid 2000s, all but 68 of Martis Camp’s 671 lots have been claimed. DMB/Highlands sold 138 last year, at prices ranging from \$800,000 to \$2 million, and it’ll almost certainly move the remainder



## MOST ADMIRABLE

# Private Clubs

before the year's end.

"In the most difficult real estate market in 30 years, two words resonated with prospective buyers," said Mark Johnson, Martis Camp's general manager. "No debt."

Those words resonated because DMB/Highlands never suspended construction at Martis Camp, even during the hardest of the hard times. By demonstrating its financial viability, the company won the confidence of home buyers. It earned additional trust with its track record, which includes a collection of well-known western golf communities, among them DC Ranch and Desert Highlands in Scottsdale, Ariz.; Glenwild in Park City, Utah; and Kuku'i'ula in Kaua'i, Hawaii.

Martis Camp's dizzying array of family-friendly distractions, including a private Tom Fazio-designed golf course that attracts 10,000 rounds a year, also boosted sales. The track — one "as good as any course I've ever designed," Fazio has said — is one of the gated community's anchors, along with a lodge on Lake Tahoe and skiing privileges at Northstar California. But Martis Camp also has a swimming pool, a bowling alley, a movie theater, a fitness center, a zip line, an indoor basketball court, a day spa, a video arcade, several restaurants and miles of hiking trails, all of which are complemented by a calendar of events that includes concerts, wine tastings, themed dinners, outdoor yoga, and instruction in activities such as photography, wood carving and cookie decorating.

With such a complete package, Martis Camp has proved to be irresistible

### FIELDSTONE GOLF CLUB, GREENVILLE, DEL.

"It's a beautiful piece of property tucked away in a corner of Delaware no one really knows about," General Manager Mike Sander said of Fieldstone Golf Club in Greenville, Del. "That's part of the mystery of it."

The par-71 course is just as tucked away in the corner of the Internet as it is in a



suburb of Wilmington. Since the Hurdzan/Fry design opened in 1999, the people behind the private club have not been as concerned with national publicity as they are focused on the full-roster of 325 members.

"We've always known who we are and what we want to deliver to members," Sander said. "There's never been a question about what we are trying to do."

With no housing complex, no tee times and very few parallel holes, a game of golf is very much a private experience, one that matches the quiet confidence of Fieldstone Golf Club.

Sander and Director of Golf James Larkin said their recipe for success ultimately begins with the club's atmosphere, and Troon, their management company since 2004.

"Troon fell in line with our standards in what they've been able to do in terms of improving across the board," Larkin said. "Training standards that we did not have before allowed us to up our game."

When asked what other business they

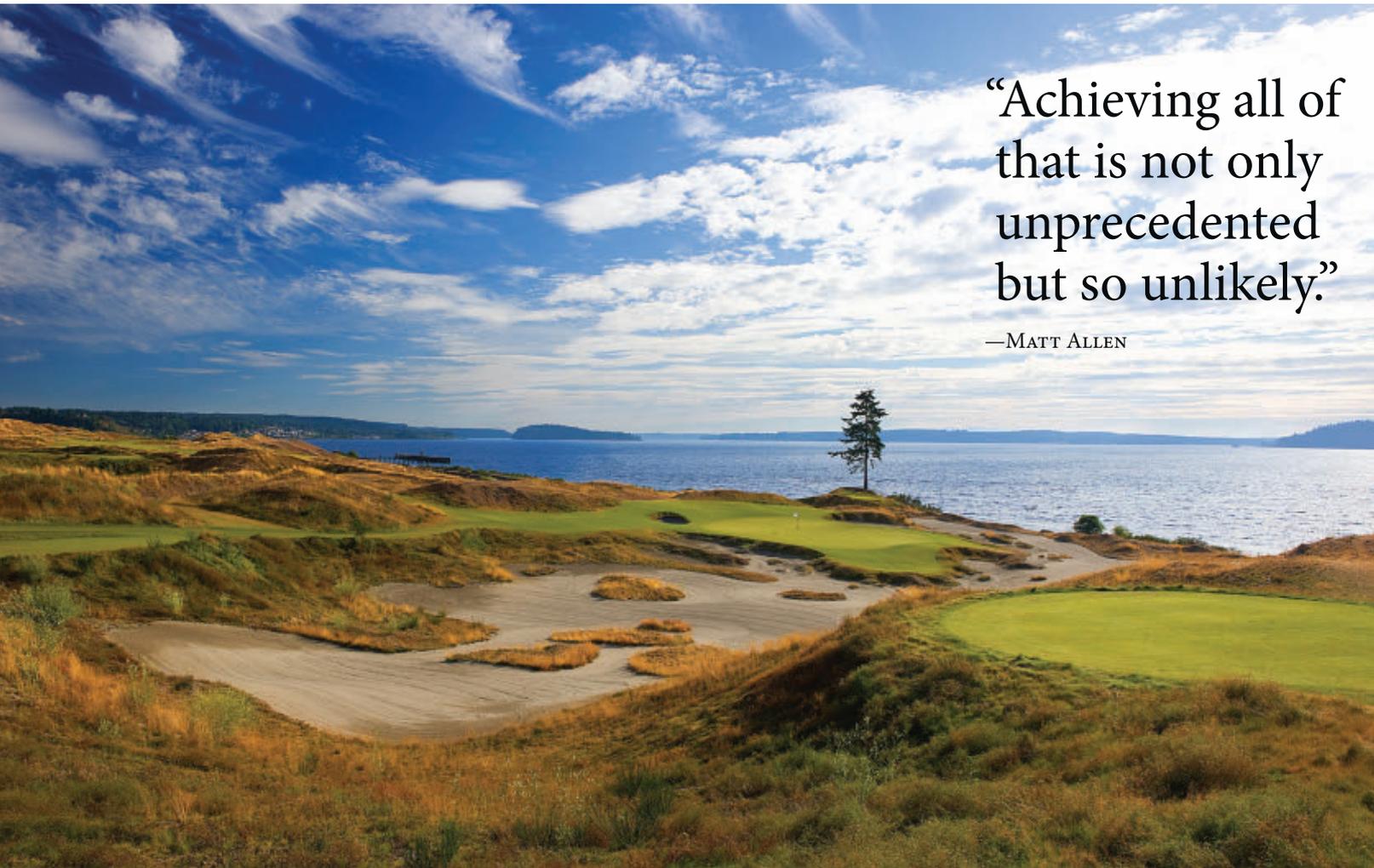


admire, Sander names, not another golf club, but a hotel known for its unmatched hospitality.

"We try to model ourselves after the Ritz Carlton model," he said. "We try to anticipate the needs of members, whether through using point of sale software or through our tenured staff."

MOST ADMIRED

# Municipal courses



“Achieving all of that is not only unprecedented but so unlikely.”

—MATT ALLEN

## CHAMBERS BAY GOLF COURSE

### UNIVERSITY PLACE, WASH.

Since opening in 2007, Robert Trent Jones, Jr.'s \$20 million design at Chambers Bay Golf Course has received a lot of attention. For the golfer who is also a traditionalist, that attention is on the links design sans golf carts. For businesspeople, the focus is on the course's less than shocking fluctuation in revenue and debt after opening smack-dab in the middle of the recession.

But it is Golf Inc. magazine's 2007 Development of the Year winner's ability to bounce back after four straight years of losing money and incurring debt that makes it admirable. The course's financial comeback started in 2013 when revenue increased by more than \$1 million from

the prior year, a 23 percent jump. Rounds also increased 12 percent to 38,980 in 2013, the highest it has been since first opening.

“We've had positive cash flow since 2013,” General Manager Matt Allen said. “Certainly, we expect the results to continue and to be able to make all debt service payments from operating profits. Everyone is pretty comfortable that they're going to be repaid.”

Since it was selected to host this year's U.S. Open Championship a mere eight months after its premiere, Chambers Bay has been setting precedents right and left. It is the first-ever Pacific Northwest course to host of the U.S. Open, the first new course to host in more than 50 years, the first true links course to host and the third

municipal course to have the honor.

“Achieving all of that is not only unprecedented but so unlikely,” Allen said.

Locals are ready, having filled all 4,500 volunteer spots in less than 36 hours; a task that the USGA says typically takes two to three months.

“With the Seahawks having recently won the Super Bowl, the market is really primed for a large sporting event,” Allen said. “The course is in the best condition it has ever been in.”

An estimated 235,000 people are expected to attend the U.S. Open leading to a much-needed projected economic impact of \$150 million on the surrounding area. But it is the national exposure that is immeasurable.

## MOST ADMIRED

# Municipal courses

### SAND CREEK STATION GOLF COURSE, NEWTON, KAN.

Sand Creek Station Golf Course, an 18-hole municipality, is one of the biggest attractions in Newton, Kan. — a city with a population just under 20,000 people. The past Golf Inc. magazine's Development of the Year finalist, designed by Jeffrey Brauer in 2006, has a reputation for being upscale, affordable and friendly, both in playability and customer service.

The public course's success starts with a good design, one that General Manager Chris Tuohey credits to the city of Newton. The course has challenging back tees measuring more than 7,500 yards, and forward tees that won't intimidate a golfer with a higher handicap.

"Not many courses play like Sand Creek," Tuohey said. "No matter what kind of golfer you are, you'll get a great test and a fair test."

Last year, Sand Creek Station hosted the U.S. Amateur Public Links Championship, an opportunity Tuohey equates with winning the lottery, generating a \$1.3 million economic impact for the city.

"There's a bigger picture with the city and supporting local business," he said. "It was a huge win and success for the entire community."

Secondly, Tuohey credits KemperSports, which has operated the course since day one.

"We try to live to live the KemperSports

customer service program each and everyday," he said. "It's just the quality of people we hire that makes us have the reputation we have."

Rounds increased every year from 2006 to 2012, without increasing green fees.

"2012 was a banner year for us and for so many of us in the Midwest," Tuohey said. "We have negotiated palatable rates for all customers so we wouldn't have to go up on fees. We've been very creative in created tiered pricing to make sure we aren't overcharging."

Unfortunately, the course didn't fair as well in 2013 and 2014 due to harsh weather and flooding that led to several weeks of closures causing a dip in rounds.

"The good news is we are projected this year to exceed 2012," he said. "At the end of the day, we provide optimal playing conditions. If you don't have a course in great shape, it's hard to sell tee times."

### BUTTERFIELD TRAIL GOLF COURSE, EL PASO, TEXAS

A municipality may be an unlikely candidate for signature architecture, but the city of El Paso's aviation department was thinking big when it hired Tom Fazio to design its golf course.

Butterfield Trail Golf Course was supposed to be an economic-development initiative, a catalyst for growth in the form of a resort-style hotel, office space, an R&D park and a shopping area. The Great Recession put the city's development dreams on hold, regrettably, along with the hope that a destination-worthy golf venue would polish El Paso's image and put it on par with Austin, Dallas, Houston and San Antonio.

Fazio delivered, creating a layout that Links magazine ranks as the our nation's No. 4 municipal track, after the Black course at Bethpage State Park, Chambers Bay and the South course at Torrey Pines. Of the top four, Butterfield Trail is the only one that isn't a U.S. Open venue.

Financially, however, Butterfield Trail hasn't panned out. Though it's clearly



the city's top layout, it attracts only about 25,000 rounds a year, with rounds priced at just \$45 to \$60 for residents. The problem: A round of golf in El Paso typically sells for \$30 or \$40, and local golfers are price sensitive.

"It's a challenging, difficult market," said Val D'Souza, the course's general manager.

So how did Butterfield Trail find success? Its operator, KemperSports, diversified. It carved out a niche in the marketplace by establishing sustainable new revenue streams, in particular wedding and catering operations that could, according to D'Souza, stand on their own if they had to. In addition, like El Paso's private clubs, the course regularly schedules "lifestyle" activities — Mother's Day brunches, Easter Egg Hunts, craft-beer tastings — to show that golf can bring families together.

"The golf course has become a community gathering place," D'Souza says. "We've created a great venue where all of the city's residents can share some of life's happiest moments."



**Meet the leaders** behind these courses, including Matt Allen, GM at Chambers Bay, La Quinta Resort, **Sept. 28-30, 2015**

