

THE RITZ-CARLTON CASE STUDY

How Premier Resorts Can Extract Cash from Non-Core Golf Amenities While Preserving Full Guest Access

The luxury chain scale, 446-key Ritz-Carlton Amelia Island is an award-winning golf resort which has received international recognition:

- ▶ #5 Best Resorts in North America (Conde Nast)
- ▶ 2020 AAA Five Diamond Hotel
- ▶ Top 75 Golf Resorts (Golf Digest)

Adjacent to the resort sits The Golf Club of Amelia Island, which boasts an 18-hole championship golf course and beach club. Every March, the Golf Club and resort join forces to host the annual Amelia Island Concours d'Elegance, the most prestigious car show on the East Coast, drawing 18,000 visitors for the weekend event.



In 2012, the developers of the Ritz-Carlton Amelia Island found a win-win solution by selling the adjacent Golf Club to Concert Golf Partners, a leading golf club owner-operator. Importantly, an Easement and Use Agreement that runs with the land was developed to allow resort guests to continue their priority access to the golf course and other club amenities. "We realized that we did not need to keep our capital tied up in a 165-acre asset in order to keep the full benefits of being a top-rated golf resort," said Ritz Amelia General Manager Jim McManemon.



THE GOLF CLUB
of AMELIA ISLAND
at The Ritz-Carlton, Amelia Island

**18-Hole Championship
Golf Course**

Beach Club

22k Sq. Ft. Clubhouse

Upscale Restaurant

(2) Pools, (4) Tennis Courts

7-Acre Practice Facility

**Host to the prestigious car event:
*Concours d'Elegance***



Key Benefits to Hotel Owners:

- ✓ Multi-million dollar cash infusion from sale of golf club
- ✓ Eliminate the burden of funding the golf operation (including a \$1.5-2.0m annual maintenance budget)
- ✓ Attractive profit sharing relationship (resort receives % of sales referred to club)
- ✓ Enhanced merchandise for hotel guests due to strong purchasing network
- ✓ Direct marketing access to Concert Golf's affluent member network (15,000+)
- ✓ Improved course conditions and guest experience

"IN ESSENCE, WE WANTED CASH BUT WE NEEDED TO ASSURE CONTINUED GOLF ACCESS AND CONSISTENT HIGH-QUALITY STANDARDS THROUGHOUT THE RESORT AND THE GOLF CLUB" - JIM MCMANEMON, GENERAL MANAGER OF THE RITZ-CARLTON AMELIA ISLAND

The Ritz-Carlton had recently completed a \$65m renovation, and the investors were keen to create liquidity...but needed to retain their elite golf resort positioning, so they designed a club sale process with two critical conditions:

- 1 The Ritz-Carlton would retain an Easement and Use Agreement preserving prime tee time access for its hotel guests on the golf course in perpetuity and allowing guests to charge all club expenses to their rooms, providing a seamless guest experience
- 2 The Ritz-Carlton would maintain control of the golf operator decision



"THE TRANSACTION WITH CONCERT GOLF WAS CONDUCTED IN A PROFESSIONAL, COOPERATIVE MANNER. WE ARE PLEASED THAT THIS QUALITY ASSET AND GOLF COURSE STAFF WILL BE MANAGED BY A RESPECTED AND EXPERIENCED ORGANIZATION" - BOB ROBINSON, LEAD INVESTOR FROM FIDELITY MUTUAL

"We were honored by the approval of the Ritz-Carlton™ Hotel Company as their golf partner at this award-winning property, and we've enjoyed working closely with the Ritz-Carlton™ Amelia Island to provide seamless service to their resort guests along with our prestigious membership from all over the Southeast," said Peter Nanula, CEO of Concert Golf Partners.

Eight (8) years later, the relationship between the resort and club has been a resounding success for both entities. "We have truly appreciated the partnership with Concert Golf Partners and especially the team here on Amelia Island," said McManemon, "I give a glowing report on our experience with Concert Golf Partners and the Golf Club of Amelia Island."

