



A Developing Situation

Restructured Coral Hospitality Continues To Take On Multi-Faceted Projects

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There's been no shortage of resort and golf management projects over the last several years for Coral

Hospitality, but the company is hoping the recent realignment of its leadership will actually further accelerate growth going forward.

A series of personnel changes from the top down began in April when CEO and co-founder Lee Weeks appointed the company's CFO Chris Schaeffer into the CEO role. Schaeffer, who joined the company in 1999, had served the Naples, FL-based company as CFO and SVP of business development prior to the promotion.

In addition, founding partner John Ayres, who had effectively served as Chairman of the company, has retired leaving Weeks in charge. Weeks detailed how his role has changed with the aforementioned changes.



Lee Weeks

"I've got the whole ball of wax to oversee but I get to now spend a lot more time on the business development, which I really liked doing and wanted to do. I think I can grow the company pretty substantially," he said.

Schaeffer, meanwhile, has assumed the vast majority of the day-to-day operations. Weeks emphasized Schaeffer's finance background and commented on the transition thus far. "It wasn't like bringing somebody in from the outside, he already had the culture and he already had the understanding of the properties. It's gone very well," he said.

In other personnel moves, the full-service management and investment company—which includes three distinctive divisions: Coral Hotels & Resorts; Coral Golf & Country Clubs; and Coral Residences & Associations—last week added Gary Hyre as VP, and Christopher Niemier as corporate director of revenue management.

The pair, which combined have more than 30 years of experience in hospitality, have been put in place to support the company's growing portfolio of properties across the U.S and Caribbean.

Coral Hospitality—which was founded in 1988 and now has more than 20 properties in its portfolio, including both hotels and resorts as well as golf courses—is looking to expand its presence out west, according to Weeks, who added the company is specifically looking at a couple of projects in California and Hawaii.

Weeks referred to it as "an exciting time for us, we have a lot of projects and purchases."

Weeks touted one of the company's more high-profile properties, the Margaritaville Hollywood Beach Resort in Hollywood, FL. Coral Hospitality—which maintains sliver equity in the resort—partnered with Starwood Capital and Margaritaville on the property which opened roughly a year ago.

"They're very happy with the project and the results; we're kind of blowing away the competitive set," he said. Weeks noted the company is involved in discussions on a couple of other Margaritaville resorts outside of Florida.

Another unique project in the company's pipeline is the Florida Keys Resort and Country Club in Marathon, FL. Weeks noted the project will include a "five-diamond type hotel" with roughly 120 rooms as well as 6-, 12- and 18-hole golf courses. "Most people want to do more than 9 and less than 18 so we're going to give them that option," he said.

Weeks added the company also anticipates building a clubhouse which will include a sports bar concept and what he described as an "aqua driving range," where guests can hit the ball into the water at various targets such as sailboats and the like. "It's just something a little different for that experience that people are looking for," he said.

Weeks expressed his optimism. "It's got a little bit of everything and it's right in the middle of the Keys, just south of the airport. It's got a great location. It's a great opportunity and a very exciting project," he said.

Another notable hotel project for the company is The Savoy Hotel in Miami Beach, which it manages for Allied Partners. Weeks stated that the property has been "outperforming even with everything that's going on in South Beach."

Because the company is equipped to take on mixed-use developments it manages associations as well. For example, Coral manages for the state of Georgia the NGMA (North Georgia Mountains Authority), which has the responsibility to manage hotels, resorts, parks and golf courses for the state. In the six locations where NGMA has resorts Coral manages the resort, as well as the park and golf course.

Weeks, who described the properties as "true destination resorts," noted the contract was recently renewed for an additional five years plus.

Weeks also added that for two of the Georgia locations, the Unicoi State Park and Lodge and the Amicalola State Park and Lodge, the company has added on an adventure component. The properties will now include activities such as boating, archery and zip lining. "We're finding ways to bring in extra types of business to these properties to make sure they stay successful," he said.

Weeks added that several of the Georgia properties are also undergoing renovations and are "moving up in status and rank and with additional amenities."

He detailed the company's broad range of expertise and how that can help facilitate completing projects. "We try to be a total solution provider," he said. "If you need financing, if you need this or you need that we can help you get the project done. We can help you design it, create it and build it from the ground up," he said, adding that Margaritaville serves as a prime example.

Weeks also pointed out that the company puts together the equity for its deals and as a result of its track record is attracting no shortage of investors. "We're pretty hot right now with our successes; the private equity money is interested in playing with us," he said.