

Carlsbad Inn Beach Resort,
Carlsbad, California



Picture perfect

After 25 years, the Carlsbad Inn Beach Resort renovates everything but the ocean view

Few resorts can lay claim to a history as storied as Carlsbad Inn Beach Resort and Hotel in Carlsbad, California. The property—with its spectacular views of the Pacific Ocean—was originally the site of a private vacation home built in 1928, which later became apartments and then a boarding house. In the 1930s, Hollywood stars would stop in Carlsbad on the way to Mexico. That's when Bing Crosby purchased the site and built 12 small cottages, a swimming pool and a wedding chapel, and converted the house into a restaurant. But in 1985, when Jim Watkins (see a special profile on page 10) acquired the property, it was in a state of disrepair. The existing structures were torn down, and the Carlsbad Inn, the first mixed-use resort in the industry, was built.



David S. Brown

The resort, which features a 61-room hotel, 132 timeshare units, two restaurants and retail shops, became both the 1,000th resort to affiliate with RCI and the flagship of the Winners Circle network of resorts in Southern California. Winners Circle is managed by Grand Pacific Resort Management, and recently, *RCI*[®] Ventures spoke with David S. Brown, co-president of Grand Pacific.

V How does the Carlsbad Inn compare to other properties managed by Grand Pacific Resorts?

DB We manage 14 resorts, several of which are exceptionally beautiful, but there's just something special about Carlsbad Inn—the architecture, the site plan, the oceanview green, the cool ocean breezes. It's truly an honor to manage this property on behalf of the homeowners and Jim Watkins, the owner and original developer.

V Tell us about the renovation of the entire property, which coincided with the resort's 25th anniversary.

DB With a 30-year plan, every aspect of the property has a life expectancy. We already had a renovation scheduled for 2010 for the timeshare condos to replace furniture, carpet and drapes. The model is a bit different for the hotel, but it made sense to tie the renovation plans together.

While debating whether to do a major or moderate level renovation, we asked Bruce Baltin (of hospitality specialists PKF Consulting) about our plan, specifically if we were at risk of "over-improving" Carlsbad Inn. Bruce had said there was little risk of that because the ocean isn't going away and Carlsbad is only getting better and better. So, with the endorsement of the Home Owners Association and Jim Watkins, we moved ahead with a comprehensive plan.

Furniture, fixtures, carpets and lighting all needed to be replaced. Technology also needed to be updated, with flatscreen TVs. And we wanted to switch to green appliances and fittings. Renovation of the hotel rooms, common areas, exterior, grounds and one of the timeshare buildings is complete. The second round of renovations will be completed in December 2011.

V What were some of the challenges you encountered?

DB Staying within budget and on schedule are always challenges. We started working on the plan two years out, with a budget of \$4 million;

\$2 million each from the HOA budget and the hotel. One of the biggest challenges was how to update the look of the entire property and finish the project with a consistent look. So we selected one firm (PD&A, from San Clemente, CA) to do the whole project—the timeshare condos, the hotel, the common areas, the exterior and the interiors.

Another challenge was to ensure that we were getting the most "bang for our buck." Some things that needed to be updated, like bathrooms and furniture, are expensive. So we had to make careful choices without compromising the vision.

V That vision had a very singular focus.

DB Our number one attraction is the ocean, followed closely by the beautiful grounds and Carlsbad Village location. The renovation project was driven by the goal to maximize those features. We've removed all obstacles that blocked views of the ocean—interior items like drapes and windows with small panes and exterior things like bushes and fencing—that blocked views of the ocean. We opened up the green to encourage guest interaction and emphasize the natural beauty of the resort's surroundings. By doing so, we're showcasing the essence of what makes Carlsbad Inn so unique and appealing.

V How do you sustain such a high level of guest satisfaction?



DB I'm always thrilled by the guest comments we receive on RCI.com and other ratings websites. It's a tribute to our service culture and our staff's genuine passion to create memorable vacations for our guests. Plus, Jim Watkins picked just about the best location on the planet to build the resort!

V What do you see for the hospitality industry in Southern California?

DB It's difficult to build timeshare units on the Southern California coast—if the high cost of land doesn't make the project economically unfeasible, the land-use restrictions will usually make it impossible. We're fortunate to have many of the premier coastal North San Diego sites under our control. There may be some urban rehab opportunities, but we plan to stick with our coastal orientation. **V**



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Jim Watkins

Timeshare pioneer and innovator

Jim Watkins is the owner and original developer of the Carlsbad Inn Beach Resort. With his resorts in Southern California, he helped establish and shape the vacation ownership industry. *RCI® Ventures* asked Jim to share some of his recollections and insights.

V What attracted you to the property, and why did you choose to include timeshare units?

JW I was attracted to the location because of its direct beach access and ocean view. The challenge was obtaining city and California Coastal Commission approval for timeshares in the overall mixed use. In 1985, “timeshare” was a bad word in California. Now, 25 years later, the Carlsbad Inn is one of the city’s most desirable and viable community assets.

It began when Jon and Christel DeHaan [co-founders of RCI] virtually begged me to get involved in timeshare. I was reluctant because of its reputation. I was once told by Jon to get involved and help clean it up. That was the challenge. In 1979, I developed the 100-unit Winners Circle Resort & Tennis Club in Del Mar. In 1980 or 1981, it was the sales leader in timeshare in sales in the United States.

Needless to say, I was hooked. Winners Circle Resorts has developed nine timeshare resorts, which would not have happened without the DeHaans and RCI. RCI was—and is—a very major factor in our success.

V Tell us about some of the other innovative ideas you’ve brought to the industry.



“ I believe dedication to our owners—and their loyalty to us—was the key to our success. ”

JW A lot of promises are made in a sales presentation. My belief has always been, “now we better darn well deliver.” A survey of owners in 1983 revealed that at least 25 percent of them were not using their units. So I introduced monthly classes of “Timeshare 101” to teach owners how to best use their units. We introduced split week to provide owners more flexibility, and we integrated resales into our management to better serve our owners. I believe dedication to our owners—and their loyalty to us—was the key to our success.

V How do you assess the current state of the industry?

JW In the ‘80s, we were all a close-knit group of crazy, risk-taking entrepreneurs having fun. I know that technology and social networking are the future, but it seems very impersonal to me.

V What do you see for the future of the hospitality industry in Southern California?

JW Because of the weather, the beaches and entertainment venues, California will always be a mecca for the hospitality industry and well-planned timeshares should always do well.

V What are your thoughts as you’ve reflected on the 25th anniversary of the Carlsbad Inn?

JW I would like to express my gratitude to David Brown and Tim Stripe, co-presidents of Grand Pacific Resorts for their superb management of Carlsbad Inn Beach Resort—an RCI Gold Crown Resort®—and the other Winners Circle Resorts. And thanks to RCI and the timeshare industry for all of the wonderful memories. **V**

Jim Watkins, founder and president of Winners Circle Resorts International, Inc., is a veteran resort developer. He has developed more than 1,000 homes and 50 apartment complexes, as well as numerous hotels, vacation ownership resorts and other commercial properties.

Winners Circle Resorts specializes in the development, sales, marketing and management of quality vacation ownership resorts, with more than 30,000 satisfied owners and sales exceeding \$250 million. Its resorts include Carlsbad Inn, Del Mar Inn, Winners Circle Beach and Tennis, Southern California Beach Club, Gaslamp Plaza Suites, San Clemente Cove Resort, Coronado Beach Resort, L’Auberge Del Mar and Dolphin’s Cove.