

James M. Watkins: A Patient Niche Player

By Rosalie E. Leposky

Although the entrance of large name-brand hospitality companies into timesharing has captured the limelight in recent years, the future remains bright for the individual timeshare developer. That's the view of James M. Watkins, a veteran developer of timeshare resorts and city hotels in southern California.

"We will benefit from the credibility added to the industry by the presence of the major hotel companies," Watkins says, "but they are responsible today for only 10 to 15 percent of what's coming into the marketplace. More product still is being developed by individual entrepreneurs."

Watkins, the founder and president of Winners Circle Resorts International, Inc., believes the globally oriented major hospitality firms won't occupy every niche market. "With their higher overhead, they typically do not have the patience to go through the lengthy local and state approval process," he says. "Typically the majors develop larger projects, leaving smaller, highly profitable niches for the individual developer who is more flexible.

"As an entrepreneurial timeshare developer, I've specialized in the California coast and I know every potential piece of property along it. I know what can be and what won't be approved by local and state agencies, and the demographics of what will and will not sell."



A Case In Point

In 1987, Watkins purchased a five-acre piece of prime land in Del Mar, California, that had been vacant for almost two decades and already was zoned for a hotel. About the same time, the Del Mar city council passed a new ordinance requiring a special election to develop a hotel on the site. It had been occupied by the Del Mar Inn, where Hollywood celebrities stayed from the 1930s to the 1950s. Then it fell upon hard times and was taken down as a fire hazard in the 1960s. Some residents wanted the city to purchase the land and use it for a public park.

In 1987, Watkins was the American Resort Development Association (ARDA) Professional of the Year. On the way to the 1987 spring ARDA meeting where he received the award, he attended an important hearing on the hotel, wearing formal pants and shirt with a sweater vest so that he would not appear to be all dressed up. "After the hearing," recounts Bettejean "B.J." Kelly, vice president of Winners Circle Resorts, "Jim put on his tie and tux coat in his car. Never once in the course of the evening did he mention the hearing." "My father considered challenging the constitutionality of the Del Mar ordinance, and decided it would be less costly in time and money to hold the election," says Watkins' daughter, Karen Charisse "KC" Vafiadis, 32.

In September of 1987, Watkins lost the hotel referendum by 12 votes.

"Basically we had to educate voters and do everything necessary to elect a candidate," says Kelly. "Jim and his family went door to door to get support to build a new hotel. Five months later, on February 9, 1988, he won a second election by the slim margin of 212 votes."

The 123-room L'Auberge Del Mar opened in July 1989. It resembles the old hotel in some respects, and gives the community a strong focal point. "Del Mar residents are proud of the hotel now that it has been featured on Robin Leach's television show, *Lifestyles of the Rich and Famous*," says Kelly. Her husband, Dr. Ronald Plaska, proposed to her on the evening of the second election, and they were married at the L'Auberge on June 30, 1990.

For the L'Auberge and other achievements in the course of his career, Watkins has derived inspiration from another illustrious man who found success in southern California, the late Walt Disney. "He was my all-time business hero," Watkins says. "He had the talent, vision, and tenacity to do something people said could not be done. Disney created a lot of happiness. Similarly, in the vacation industry, we are bringing people and families together, creating memories they will never forget."

Born in Tulsa

In 1931, at the height of the depression, Watkins' parents packed their belongings and drove west with two small daughters. In Tulsa, his mother went into labor, and he was born. His family reached California when he was three months old.

Watkins' sisters are:

- Jane M. Gill, 72. She worked for Winners Circle in various capacities from 1982 until retirement in 1995. She lives in Oceanside, California.
- Judy Crider, 68. A retired dress designer, she lives in San Clemente, California.

Their mother, Rowena McKenzie Watkins, 95, graduated from Stephens College in Columbia, Missouri, and taught mentally disabled elementary-school students. She

now lives in retirement in Laguna Hills, California. "My mother's sharp as a tack," says Watkins. Their father, William Watkins, was a graduate of William Jewell College in Liberty, Missouri. He published a newspaper in Chillicothe, Missouri, with his brother, Irving. In California, William Watkins opened a service station. Later he owned, for two decades, a Seaside Oil Company gasoline-product distributorship that provided fuel for central California's citrus smudge pots and agricultural vehicles. Later still, he bought a lumber yard.

A Born Entrepreneur

"Dad said I was a born entrepreneur," says Watkins. "I started with a lemonade stand and mowed neighbors' yards. During World War II, I delivered the popular Liberty Magazine." Liberty sold for five cents a copy. Watkins made a penny per copy sold.

The summer after turning 16, he drove a truck delivering gas products for his father long enough to decide he did not like the gasoline industry. "After that," he says, "I worked each summer as a busboy or waiter at Sequoia and Yosemite National Parks and in Lake Tahoe." Some of the people he served were musician Louis "Satchmo" Armstrong; and singer Bing Crosby, his wife Dixie, and their three sons.

Watkins graduated in 1949 from Visalia High School in the San Juan Valley and majored in business at the University of Oregon in Eugene, where he was a member of the Phi Gamma Delta (Fiji) social fraternity. Watkins met his future wife, Carol Charles of Rock Spring, Wyoming, at a university-sponsored mock political convention where the fraternity and sorority members represented states. "I represented Wyoming, and this woman came up asking if I was from her home state. I didn't dare tell her that I wasn't until after I had arranged our first date. We dated three times before I left for Korea. Knowing how much I like chocolate, Carol sent me fudge while I was away."

In 1952, at the beginning of his senior year of college, Watkins was drafted. He served 18 months with the 7th Army Infantry Division. Meanwhile, recounts his sister, Jane Gill, "Dad was playing a card game at the Elks Club when he learned a fellow member wanted to sell his lumber yard. He did not have much to do so he bid on the company for Jim to run when he came out of the Army. Dad didn't own the company long before he became ill, so Jim had to come home to take care of the company and mother."

"Shortly after I returned," Watkins says, "Carol and I were married on September 11, 1954, in Rock Spring." Then his father died of a heart attack, leaving Jim in sole charge of the company. "I've always been too busy to go back to school," he says.

Family Tales

Jim and Carol Watkins have four children. The eldest, Kathleen O. "Kit" Leeger, AIA, 41, is an architect with Island Architects West and the wife of developer and construction consultant A. Scot Leeger. When Kit was young, Jim and Carol decided to

adopt other children and asked her if she would like a younger brother or sister. "She first said a little brother, then a sister, and later she said she'd rather have one of each," Jim says. "After two years of trying to adopt, Carol learned about a Jewish organization, Infants of Prague, that coincidentally had newborn twins placed by a mother who wanted her children raised as Christians. The agency wanted to place the babies in a foster home and investigate us for six months. I sat there playing with the babies and thought they should be at home with us. In the best sales job of my life, I started to convince the agency director to let me take the babies home. He said no and gave me every imaginable bureaucratic reason why we couldn't. While I played with the babies, he left the room to talk to another client. He returned and asked me, "How I was sure my wife would want the babies? After all, Carol had not seen them. In fact, she did not know I was at the agency." Watkins knew the director was tiring, so he telephoned Carol, explained where he was, and asked her to bring two bassinets.

The twins are:

- James M. Watkins Jr., 38, a San Diego Police Department detective. For his 21st birthday, as a surprise for his father, Cliff Watkins legally changed his name to James M. Watkins Jr. "The gift made me cry," says Jim Sr.
- Kris M. McCubbin, 38, of Ramona, California. She and her husband, Michael T. McCubbin, an engineer with Icon Network, are the parents of five children: Derek J., 14; Gia M., 13; Kendra R., 12; Emily C., 18 months; and Russell J., 4 months. Kris played U.S.Tennis Association tennis in high school and college but was never ranked. Today she coaches tennis.

Later, Jim and Carol had a second biological child, Karen Charisse "K.C." Vafiadis, 32. She and her husband, Christopher Vafiadis, have a five-year-old son, Christopher James or "C.J." In the 1980s, K.C. and her partner, Dwayne Greenleaf, were the tenth-ranked national ice-dancing team. Now a skating judge, K.C. is working to fulfill the requirements to judge skating in Olympic and international competition.

"One day," she says, "I was feeling very sorry for myself. My ice-dancing partner and I always seemed to come in second, and I competed and never won a beauty pageant. I never was the best at anything. This was about the time Dad won the ARDA Professional of the Year Award. He reminded me that it took him over 50 years to be judged the best at anything, but he knew he was the best he could be and that was all that mattered."

Becoming A Developer

Jim Watkins had owned his father's lumber yard only a short time when he changed the name to Watkins and Watkins Construction. He soon discovered, first, that his employees were idle much of the day when they were not delivering, loading, or unloading lumber; and second, that unused lumber left scattered around the yard warped and could not be sold. Watkins set the idle workmen to work using the scrap lumber to build small prefabricated houses. "There was virtually no cost to build the houses, which

we trucked to foundations we built in local subdivisions," he says. "The result was low-cost housing for people who needed low-cost housing."

Watkins started building 200 to 300 tract houses a year, then apartment buildings and convalescent homes, and in 1962 his first hotel: the 40-room El Rancho Park Hotel (now Holiday Lodge) on Lacey Boulevard near California Highway 198 in Hanford, California. Later 35 additional rooms were added. Watkins long ago sold the hotel.

"I was developing El Rancho Park subdivision when the California Department of Transportation decided to build a major freeway through the area and purchased part of my land. I built a wall to protect my homes from the noise and dirt of the proposed freeway. A year later the department decided not to build the road and sold the property back to me for \$1." Once the land was returned, Watkins built a hotel on it. "My wife offered me the best curtain bid," he says. "The evening before the hotel opened, she still was hanging curtains when we turned on the room lights at about 5 or 6 PM and discovered that the curtain linings were not heavy enough. Silhouettes could be seen through the closed curtains. Carol took down the curtains in all 40 rooms, relined them, and had them up in time for the hotel's grand opening. This may be one of the reasons Carol hates to sew."

During the 1960s, Watkins built six additional small hotels in California, including the 96-room Golden Tee at Morrow Bay (now known as the Inn at Morrow Bay) in 1965 across the street from Morrow Bay State Park and Golf Course; the Gold Key hotel in Fresno in 1966; and the Congress Inn in Laguna Beach in 1967. These hotels were sold a long time ago.

Coping With Adversity

In 1965, Watkins sustained excessive losses when a nationwide recession adversely impacted the building industries. "As a risk-taker and an entrepreneur, I experienced financial difficulties typical of small developers," he says.

With a large family to support, Watkins moved to Phoenix, Arizona, and worked for two years for Del E. Webb Corporation as an investment analyst and manager of commercial properties in Sun City, Arizona. At night and on the weekends, he continued to pursue some development projects on the side.

Watkins stayed with Webb Corporation "until my debts were paid, the economy turned around, and the yen grew to go back to work for myself."

He realized that he could make just one last move while his children still were small, so he selected a small community that he remembered and liked -- Del Mar, California.

"In 1968, with about \$1,000 in my pocket, four kids, two dogs, a cat, and my wife, Carol, I moved to Del Mar," says Watkins. "I did not know a soul in the area. I had

no job prospects, but I knew this was where I wanted to be. Del Mar was a community of modest homes, with larger homes nearby in neighboring Rancho Santa Fe."

On The Beach

In the late 1960s and early 1970s, Del Mar was a beachfront community of well-kept homes that promoted itself as being located "where the Turf meets the Surf." The Del Mar Race Track, a Spanish Colonial-style edifice developed by singer Bing Crosby with help from his brother Everett, actors Pat O'Brien and Oliver Hardy, and the Federal Works Progress Administration, opened on July 3, 1937. When development funds ran out, Crosby and O'Brien borrowed from their personal life insurance policies. "In the early years virtually every celebrity in the world came to Del Mar to attend the races," says Watkins.

This writer, as a casual visitor to the community, was impressed with the opportunity to walk along the beach side by side with the horses from the track. They were a delight to watch as they frolicked through the water one chilly morning in January of 1970. In 1980 a winter storm permanently washed out the pathway between the race track and the beach. It never has been restored.

My host, who lived in a rented beach house, told me his next-door neighbor was musician Burt Bacharach and his then-wife, actress Angie Dickinson. Among his other near neighbors were comedians Lucille Ball and Desi Arnaz, and Jimmy Durante. About the same time, the Watkins family lived a few houses away in a three-bedroom home rented for \$125 a month. "We quickly met Burt and our other neighbors," recalls Watkins.

"My second Del Mar hotel project in 1972 was the 194-unit Winners Circle Resort. To raise money for charities and promote the hotel, we staged celebrity tennis tournaments. Winners Circle is across the street from the race track. Bacharach and jockey Willie Shoemaker participated one year."

At that time Watkins began a long-standing friendship with actor Dick Van Patten (star of ABC-TV's 1977-81 series *Eight is Enough*), who is spokesperson for Watkins' newest project, Dolphin's Cove Resort in Anaheim, California.

Van Patten recalls that he was asked once to bring Don Adams (who played Agent 86 in the 1965-70 NBC-TV series *Get Smart*) to a celebrity tennis tournament. Adams does not drive. "I promised to pick up Don on a specific corner, and when I arrived in Del Mar I remembered that I forgotten him. When I called Don, he was mad. Jim quickly agreed to send a limousine for Don. In 1976, I agreed to bring Farrah Fawcett, star of that year's highly successful ABC television series, *Charlie's Angels*.

Fawcett was mobbed. Jim had to hire a police escort and body guards to protect her."

A Joint Venture

In 1988, Winners Circle Resorts embarked upon a joint venture with The Shell Group that lasted until 1994. "Perry J. Snyderman and Sheldon Ginsburg are good friends," says Watkins. "I sold them 50 percent interest in five resorts (Carlsbad Inn Beach Resort, Coronado Beach Resort, San Clemente Cove, Southern California Beach Club, and Villa L'Auberge) and then later bought it back from them. For a while, I thought I wanted to concentrate on my hotels. When I did, I missed the vacation-ownership business. So, I came back. Perry, Shelly, and I may work together in the future on some other joint venture."

Watkins also decided at that time to direct his efforts to developing projects exclusively in California.

Winners Circle Resorts now owns four hotels with about 250 rooms, and owns or manages about a dozen timeshare properties. "Since 1967, we've sold some of the apartments and office space we've built, but we have kept all the hotels and timeshare developments," says Watkins. "We have about 30,000 vacation owners."

"We're not aggressively looking to manage other accounts. We occasionally take on other developers' projects, but our major emphasis is in serving our own accounts and managing our own properties to make sure our consumers are well taken care of. We still have our own construction company and build our own projects."

Winners Circle provides an in-house resale outlet for its owners. "We have perhaps one percent a year owner defaults, or people who want to resell their units for personal reasons," Watkins says. He acknowledges that resales organizations perform a service for developers and owners at sold-out single-site resorts lacking an active marketing and sales organization.

During its quarter-century of existence, Winners Circle has employed about 75 percent of the people in timesharing at one time or another. "We've learned whom to hire and whom to avoid. We're never had a problem hiring good people," Watkins says. Watkins' hiring practices draw approval from other developers. Unlike some in the industry, he is not a raider. "Just after I joined Lawrence Welk's organization, Jim called to welcome me to San Diego," recalls Clayton A. Barnes, now vice president-special projects at The Shell Group Inc. "Jim promised never to actively recruit our sales staff -- and he didn't."

Community Service

For more than 25 years, Watkins served on the board of the San Dieguito Boys and Girls Clubs, and was board chairman from 1989 to 1992. Richard L. Houk, the organization's president and chief executive officer, says Watkins "is a friend to all community-oriented service organizations. He never says no. He epitomizes characteristics of a successful person who believes in giving back to his community."

Through his hospitality contacts, Jim is always the first to offer something for our annual auction. Under his leadership, our special event, Bucks for Boys and Girls, has grown from \$50,000 to \$120,000 a year. Boys and girls pay \$4 a month (\$48 a year) to be a member, when in reality our programs cost \$250 per child per year. Our philosophy is not to turn away any child, so in fact any child can become a member. We currently have 8,000 members served at five locations."

Watkins also served for more than 20 years on the board of directors of Del Mar's YMCA, twice served as president of the Del Mar Chamber of Commerce, is a past president of his Rotarian Club, and for about five years served as Scoutmaster of his son's Boy Scout troop. His other community activities include serving on the board of directors of Scripps Hospital in La Jolla, California, and as a founder and director of a local savings and loan association, U.S. Community Savings Bank, which was acquired on May 31, 1997, by Los Padres Savings Bank of Solvang, California.

A Tennis Whiz

Watkins and Van Patten have been partners in doubles tennis since 1971. "Jim's a good tennis player," Van Patten says. "He sends the ball back."

For the past half-dozen years, Watkins has played tennis about twice a week with a circle of friends that includes Van Patten; Sidney H. Craig, chairman of the board and co-founder (with his wife, Genevieve "Jenny" Bourcq Craig) of Jenny Craig, Inc., a weight-management service company; Milt Karafilif, a semi-retired engineer; and Monty Wooley, a local insurance man.

"Jim's fun to play with and a good tennis player, but his backhand is a little weak," says Craig. "Van Patten has a great backhand but a bad volley and serve."

Rosalie E. Leposky is managing partner of [Ampersand Communications](#), a news-features syndicate based in Miami, Florida.

For More Information

© Copyright 1998 [Ampersand Communications](#)
All Rights Reserved
Published in The Resort Trades, January 1998.