USGA awards millions in research project grants

By Peter Blais

Pesticide and nutrient fate along with alternative pest management are the primary focus of the 15 research grants the United States Golf Association has decided to fund as part of its most ambitious research effort ever. Certain projects, especially those involving pesticide and nutrient fate, will take three years to complete, he added. Some could continue farther into the future. Requests for bids for another $300,000 in research money dealing with golf course benefits will be made this winter. The USGA's Environmental Research Committee will select the successful proposals at its March meeting, Snow said. The research committee met in early December. "It

Japanese continue investments

By GCN staff

Landmark Land Co.'s anticipated sale of the bulk of its golf and resort assets for approximately $739 million is just the latest of dozens of Japanese golf facility acquisitions in the United States that have put that country's financiers at the forefront of U.S. golf ownership. According to Mead Ventures, Inc., of Phoenix, Ariz., which provides information on international business, 120 golf course developments totaling about 160 courses in the United States were owned wholly or partly by Japanese companies or their U.S. subsidiaries before the Landmark purchase. The Mead total includes

Communities finding munis money-makers

By Bob Seligman

A growing number of communities are building municipal golf courses to earn money and provide recreation for their residents. According to Angelo Palermo, vice president of golf course development for the National Golf Foundation, 125 municipal courses were in planning last Dec. 1, as opposed to 85 at the end of 1989. Seventy-two municipal courses were under construction by Dec. 1, 1990, as opposed to 63 at the end of 1989. Thirty-six new municipal courses had opened in 1990 by last Dec. 1, one more than opened in all of 1989.

Beard urges: Speak out on benefits

By Peter Blais

Dr. James Beard exhorted superintendents and others at December's Ohio Turfgrass Conference and Show to speak out on the "unfounded" attacks against the turfgrass industry. Although turf is beneficial in many ways, it is coming under severe pressure at local, state and national levels by special interest groups ranging from tree and ornamental organizations to water conservation interests to anti-pollution forces. "Trees, shrubs and turf go together," Beard said. "We've got enough problems from other groups without the tree and shrub people coming out against turf. It

GROWTH OF COURSE TYPES IN U.S.

<table>
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<th>Year</th>
<th>Municipal</th>
<th>Daily Fee</th>
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<td>2166</td>
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Source: NGF
Continued from page 1

But you are dealing with a member who has priorities. If a club is not meeting his needs, he’ll go elsewhere.

“Concern is How do you make your club more valuable so he’ll give your club a higher priority?” Gelinas said. More on that later.

Recessions are generally not broad-based. Some people will be hurt during an economic slowdown, while others will be unaffected, or even prosper.

“For a manager to understand how economic conditions in his area will affect his club, he must know certain things, like what

Japanese continue U.S. buying spree

primarily courses that have already been built. Ninety-three were complete, 14 under construction and 15 in planning stages at the end of 1990.

Christopher Mead, who has been tracking the transactions, said there are probably many more Japanese-owned courses in the United States, "some of them bought under U.S. corporate names and others purchased under Japanese names but not known to Mead Ventures or the executives and industry experts we consulted."

In a 180-page report released in mid-January, Mead said Japanese companies own less than 2 percent of the country’s 14,000 courses. But, he said, because they own such "trophy courses" as Pebble Beach in California and Grand Cypress Resort in Florida, the market value of Japanese-owned courses may comprise as much as four or five percent. Cosmo World paid around $800 million for the Pebble Beach complex alone.

Mead predicted Japanese firms would own between 500 and 1,000 U.S. courses by the year 2000. He added that although that is still a small percentage of total U.S. ownership, it is "a major portion of the newer and trophy courses and of those not only in Hawaii but also in California, Oregon, Washington, Arizona and certain other states."

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Japanese farms own nearly all Hawaii’s nonpublic courses. "With no more courses left to buy (in Hawaii), Japanese have been forced to build, and they appear to be doing so with surprising speed,” Mead reports.

He said in his report that most of the 40 or more courses planned or under construction on the Big Island of Hawaii, Oahu and Maui, are being built with Japanese funds or with the expectation of a sale to Japanese buyers.

Meanwhile, Mead said Japanese own at least 32 courses in California, eight in Texas, seven in Oregon, six in both Arizona and Georgia, five in New York, four in Florida, three each in Nevada, North Carolina and

Landmark, Daiichi put $739 million deal in works

CARMEL, Calif. — Daiichi Real Estate Co., Ltd. of Tokyo, Japan, in joint venture with senior management personnel of locally-based Landmark Land Company, Inc. and international Pacific Rim and European investors, has plunged heavily into the United States golf course market.

Golf course and resort areas on both coasts, plus Oak Tree Golf and Country Club, Edmond, Okla., will be bought for $728 million.

Closing date for the first phase of the transaction is March 31. If options are fully exercised, Landmark would receive an additional $106, then $92 million.

Golf courses include three rated among the top 100 in the world. Properties are spread among such Landmark developments as Kiawah Island, South Carolina; Palm Beach, Fla., Polo & Country Club, and California courses Carmel Valley Ranch, Moreno Valley, PGA WEST, La Quinta, Oak Valley and Mission Hills in Rancho Mirage.

Gerald G. Barton, Ernest O. Vossler and Joe W. Walser, Jr., of Landmark will be new team members. The transaction is subject to approval by shareholders and the Office of Thrift Supervision.
Club Corp. of America starts capital expansion

DALLAS — Club Corporation of America has started a major expansion push by buying its first two properties with its newly funded $50 million of expansion capital.

CCA paid an undisclosed amount of cash for The Club at Cimarron in McAllen, Texas, and the Club at Mission Dorado in Odessa, Texas — both held by First City Texas Bank in Houston.

CCA is considering five other acquisitions. It expects to use the funding, with some debt, to add 12 to 15 golf properties to its operations over the next six to 12 months.

"CCA has commitments for approximately $50 million worth of equity funding from internal and external sources to be used primarily for all-cash acquisitions of existing, profitable country clubs and public fee golf courses," said Randy Williams, executive vice president of business development. "And up to 20 percent of the funding may be used for to-be-developed golf operations.

The Club at Cimarron is part of an 800-acre planned community that opened in 1982.

CCA’s purchase encompasses approximately 204 acres of the community, which includes a 34,000-square-foot clubhouse, 18-hole golf course, pro shop, racquetball center, six outdoor lighted tennis courts and Olympic-sized pool. The club has about 1,100 members.

The Club at Mission Dorado is located within the 2,000-acre Mission Dorado Master Planned Community.

CCA bought the 32,000-square-foot clubhouse, pro shop, 18-hole golf course, tennis and swim center, which make up approximately 200 acres of the development. There are approximately 800 members at Mission Dorado.

He gave our 1200 the test we couldn't

We couldn't go out and build 27 golf holes to test the durability of our 1200 Bunker and Field Rake. That's why we went to talk to John McWhite. Because that's exactly what McWhite did at the Buck Creek Golf Plantation near Myrtle Beach, South Carolina.

"The 1200 has been unbelievable," says McWhite. "I first looked at it wondering if it could even handle an 8-foot drag. We found it worked out so well that we wound up shaping much of the course with it before we were through.

"I used the 1200 to float all 27 greens. I rough shaped them with a bulldozer and then went immediately to the 1200. It stood up to a tremendous amount of work and punishment.

"Nothing has the power or versatility of the 1200. You can use three implements at the same time with a blade in front, scarifier in the middle and rake in the rear. A hydrostatic machine simply can't do what the 1200 can here.

"I've used the 1200 to move soil, prepare seedbeds, dig up roots, spread sand, smooth bunkers, and pull aerators.

I still don't know where its limits are. I've never even seen its belt slip!"

For the name of your nearest distributor, or free literature on John Deere's Golf and Turf Equipment, call 1-800-544-2122 toll free or write John Deere, Dept. 956, Moline, IL 61265. Like John McWhite, we know you're going to like what you see.

Myrtle Beach National and Litchfield strike a deal

MYRTLE BEACH, S.C. — Myrtle Beach National Golf Club, Inc. struck what officials called "an actual business match" when it finalized an agreement to buy four Waccamaw Neck resort properties from The Litchfield Co. of South Carolina, LP and Litchfield Golf Co., Inc.

The properties are the 18-hole River Club, 18-hole Willbrook Plantation Golf Club, 96-suite Waccamaw House, and Litchfield Country Club, with an 18-hole course and a 19-court racquet club. The sale does not include various Litchfield By The Sea real-estate developments owned by The Litchfield Co. and Litchfield Golf Co.

"The combination of Myrtle Beach National's extensive golfing resources and our offering of quality real-estate properties is a natural business match," said Russ Campbell, executive vice president and general manager of The Litchfield Co. "We look forward to joining marketing and promotion forces with Myrtle Beach National."

Myrtle Beach National has been operating the Litchfield properties since Sept. 19, when a purchase agreement was signed. The operating company is Litchfield National Co.

Japanese

Continued from page 57

Washington, two in South Carolina and one each in Colorado, Illinois and Mississippi.

Donald Wiseman, president of Dai-Ichi Corp., in Myrtle Beach, S.C., said his company is negotiating on behalf of Japanese buyers for purchase of 50 courses in the Southeast.

This trend of Japanese investments is a creature of the last six years. With increased spending power and foreign "bargains," their real-estate spending in the United States soared from $1.86 billion in 1985 to $7.30 billion in 1986, $12.77 billion in 1987 and $15.54 billion in 1988, according to Kenneth Leventhal & Co. Purchases dropped off to $14.77 billion in 1989, with a further 20-percent drop anticipated last year.

While real-estate investment was tapering off the last two years, golf course buys increased, emerging as "one of the most promising aspects of their investment activity in the U.S.," Mead said. "In this period, companies began to search for investments that made sense not merely from the standpoint of currency benefits or long-term capital gain, but from an income or short-term gain perspective. Golf courses and the resorts that included them often fit the new requirements.

Moreover, Japanese frequently had a substantial edge over rival American bidders for golf course properties.

Mead said that while Japanese real-estate investments may decline again this year, over the long run most experts expect them to be an important force in U.S. real-estate markets. Moreover, certain types of investment remained very strong in 1990, such as direct investment by Japanese manufacturers. (This is classified as real-estate investment.) Golf course investment, too, rose substantially from the level of 1989," he said.

"Setting factors include that Japanese interest in golfing abroad is 'far from its peak,'" Mead cited figures showing that Japanese have per capita incomes of about $43,000 compared to Americans' $20,000; they spend $586 a day while traveling compared to Americans' $149; and more are traveling abroad each year. Their income is increasing from 5.5 percent in 1986 to a projected 10 percent this year — many to play golf.

People interested in obtaining the Mead Ventures report may call 800-469-4222.

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