Pedaling to par
Airplane mechanic takes mountain bike technology onto the golf course with a pedal-powered golf car.

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Supers’ 10 deadly problems

By Peter Blais
Inability to communicate is the major sin committed by those involved in golf course maintenance, according to United States Golf Association agronomists.

Agronomist James Connolly of Willimantic, Conn., gave a talk entitled The Top 10 Sins of Golf Course Maintenance during the recent Maine Golf Turfgrass Conference and Show in Portland.

The Top 10 list resulted from a survey of USGA agronomists conducted last year at the request of a group of golf course owners. Twelve of the 14 USGA Green Section agronomists responded.

Architectural comments were eliminated from the survey. But Connolly conceded architectural shortcomings — both outright architectural errors and outdated features like too-small greens or tees — were among the major problems superintendents face daily.

The responses were regional. Western agronomists sometimes saw problems where their Eastern counterparts said none existed.

Communications was listed the most times — 10 — and labor and equipment the least — 4. These 10 worst problems are listed according to the times they were mentioned by 12 of the agronomists with the United States Golf Association Green Section. Communications was listed the most times — 10 — and labor and equipment the least — 4.

Water tax may cripple Florida courses

By Peter Blais
A water tax proposed by the Florida Legislature would have a “staggering” effect on the state’s golf industry, according to Bob Young, head of the Florida Turfgrass Association.

The proposal calls for a 10-cent tax on every 1,000 gallons over a water user’s allotment, with the money funding water conservation studies and practices. Courses using effluent would not be affected.

Emerald Dunes Golf Club owner Raymon Finch said the bill is aimed Continued on page 23

Tight money dampens optimism

By Mark Leslie
A “tremendous surge” of interest in golf course development is being met by a cautious, stand-pat attitude by banks, according to industry sources.

Whether their optimism springs from the quick resolution of the Persian Gulf War, lower interest rates, improving demographics or other reasons, developers and buyers are actively looking to move forward on projects.

“There has been a tremendous surge of new business since Jan. 15, with people going forward planning their projects,” said Jim Applegate, president of Gary Player Design Co. of Palm Beach Gardens, Fla.

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USGA to fund final research projects

By Peter Blais
Studies on golf course wildlife and the psychological benefits of the game’s playing fields are being considered for the final $300,000 in funding from the United States Golf Association’s $2.8-million environmental research project.

The USGA will act by July on proposals concerning the effects of golf course maintenance on wildlife, managing wildlife on the course and the psychological impact of courses on people, according to Mike Kenna, research director for the USGA Green Section.

Studies on the psychological effects of courses have

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Inside

A golfer tees off at a unique hole at Venice (Fla.) Golf and Country Club, designed by Ted McAnlis of North Palm Beach, Fla. Venice G&CC has received high marks since opening Jan. 12. For more information on new course development, see pages 29-31.
Tight money putting squeeze on optimistic developers

By Mark Leslie

Developers may be better advised to buy existing courses rather than build new ones, considering the many facilities on the market, according to golf industry finance experts.

"There are more people out there selling than buying," said Tom Powers, executive vice president of Goodkin Research Corp., a real estate research and marketing firm based in Lasdierdale-By-The-Sea, Fla.

"There are probably opportunities for acquirers out there," added Donald W. Carson, executive vice president of Barnett Bank of Palm Beach County in West Palm Beach, Fla. "The interest in acquisitions seems to be in existing facilities. The money is usually prearranged—particularly in parties from Japan."

Powers said the only buyers he is dealing with are from the Pacific Basin. "Two years ago there was a very healthy mix of ethnic types. It would have been 50-50," he said.

Powers said that from 1985 to 1987 most developers were Americans whose plan was "to build a course, run it for a year or two and then sell and build another one." As bank interest rates have shot up, course number two, repeat that and go to course number three. At the end of five or six years, they'd have five golf courses.

"But the financing environment fell apart and the banks are sitting tight. Out now with one or two golf courses and they are very, very heavily positioned to sell."

"I said he is seeing more foreign investors in that particular market.

James McLaughlin of The McLaughlin Group in Pleasantville, N.Y., said Japanese and Asian groups don't want to take the time to build and build. "They just want existing properties," he said.

McLaughlin said that whereas in the past Asian and Japanese usually wanted to buy a golf facility to operate and sell tradable memberships back home, nowadays half are buying properties solely as investments.

John Johnson IV, a partner in the national accounting and consulting firm that specializes in the real estate and leisure-time industries, appreciated all that. "There's certainly optimism in the marketplace, and the design firms are going to get it first because they are going to do the planning... Developers need planning routes and conceptual materials for a package to present to investors and financing sources.

"Also, developers of a number of projects that were conceived in 1990 were hesitant to move forward. "Lately when it's 30 or 75 percent out, they're sitting there with one or two golf courses and they are very, very heavily positioned to sell."

Powers said that the constraint is that development clients are tight. "The process of developing or acquiring a golf course takes time. And you don't turn it on or off like a light bulb."

Yet, despite high hopes and optimism, the marketplace is dampened by the continuing difficulty in finding financing in a volatile economy marked by high unemployment.

"Municipal courses are the major exception. If you have a pool or an indoor tennis facility, that seems to be supported. It's the traditional golf course that's an iffy proposition," Johnson asserted that "there is a continuance, if not a surge, in the development of city courses."

LDR International's Jarvis said even local municipalities are feeling the crunch. "Municipalities are beginning to look at golf courses as a daily-fee resort," he said. "It's an added revenue stream. You don't have to make a course profitable."

"There are a number of developers who are very enthusiastic about building courses," he said. "But they're admitting that they are very heavily positioned. It's a tough market for the developer to get his financing."

LDR's Johnson IV, a partner in Laventhal & Horvath in Chicago, agreed that "two or three years in nature because of the potential regulator risks."

Projects that include a course are generally large, encompassing 50 or more lots, he said. "In that case, even in a strong economy, that number of lots would probably take two, three, perhaps four years for a projected sell-out. So the regulator risk is that if that project doesn't march along with your original projection, one or two years out, the regulators could force you to downgrade that project or that loan," he said.

"We have signed six significant golf course projects in the coming five years than the last five. Municipal courses are the major exception. If you have a pool or an indoor tennis facility, that seems to be supported. It's the traditional golf course that's an iffy proposition."

"The environment faces are smiling and talking about projects."

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"For along while it has been difficult to find financing for recreation, etc., and, two, you can make some money on it," he said. "Plus, their interest rates or bond issues are generally less than market rates, and they often have tax-free land to use."

LDR International's Jarvis said even local governments are often "so strapped (for money) they can't build courses." In some cases, such as Howard County in Maryland, where there is a heavy need for municipal facilities, developers are building courses and handing them over to the county or community in order to qualify for financing.

Powers said lending institutions will free up their money when they realize the profitability of golf courses—"through their track record." He said. "For example," he said, "our golf course in Myrtle Beach was built as a daily-fee resort course, and there is some housing that will eventually go around it. The entire project was profitable from Day One based on just the course... Once you can demonstrate that kind of profitability, lending institutions will start backing those courses."