Golf Course News

BRIEFS

EAGLE'S LANDING SNARES PALMER
Arnold Palmer Golf Management has signed an agreement to provide management services to the city of Sevierville, Tennessee, for Eagle's Landing Golf Club. The championship 18-hole golf course is scheduled to open in 1995.

NEW APPRAISERS PUBLICATION
The Society of Golf Course Appraisers decided to create an annual publication dealing with golf course topics during the association's semi-annual meeting in San Francisco. The SCA also admitted Gerald Teel of Houston as a new member and held a roundtable discussion on a variety of golf course valuation and analysis issues.

CASPER TO MANAGE SWAN POINT
Billy Casper Golf Management has been retained by USX Realty Development for their project at Swan Point Yacht and Country Club in Southern Maryland. Located in the town of Beaufort, the club is part of a Potomac waterfront community that will include 1200 single-family homes when completed and an 18-hole Bob Cupp-designed course.

CMAA SPONSORS HOLIDAY CAMPAIGN
The Club Managers Association of America (CMAA) is sponsoring the "Clubs Collecting for Communities" national campaign to aid communities across the country during the holiday season. Each of CMAA's 52 chapters will designate two charities and the "Toys for Tots" program as beneficiaries of the donations. Participating clubs are to be used as drop-off sights. Phase I, the food drive, is scheduled to start in mid-October and run until mid-November. Mid-November marks the start of Phase II, the clothing drive. The "Toys for Tots" drive, or Phase III, is scheduled to start the beginning of December. CMAA-member clubs raised $83 million for charity in 1991.

AGC PROMOTES HARKER
American Golf Corp. has named Steve Harker vice president of marketing and sales. Harker has been at AGC since 1971, most recently as director of marketing. AGC manages 145 golf facilities in 22 states.

淘金员工抱怨缺乏安全感

Golfers say water made them sick

By Peter Blais
CARLISLE, Pa. — A Cumberland County judge should decide by Thanksgiving whether to certify a class-action suit claiming people became ill after drinking contaminated water at Cumberland Golf Club.

The suit was filed by four people who say they and others suffered nausea, diarrhea, cramps and other symptoms from drinking the well water in July. They claim course owner Don Mowery and his family were negligent for allowing the contamination, using the water to prepare food after the contamination was known and concealing possible contamination from the public.

"We've seen no evidence that water at the course caused them to get sick," said Tim Marks, Mowery's attorney.

Notices to boil water were posted July 21, shortly after routine tests revealed high fecal and total coliform levels in the well water, according to a Department of Environmental Resources spokeswoman. Bottled water and fresh ice were brought in to protect people, The Carlisle Sentinel reported.

George Faller, the plaintiff's attorney, said the contamination was discovered by the DER test results and that the Mowerys should have posted the boil water notices then. Marks denied this.
Investment pools
Continued from page 25
Stewart, who has vast experience wholesaling land, "Good projects can be profitable, even in today's market." Nicklaus and Marriott, on the other hand, are steering clear of residential golf course development in their new daily-fee pool, according to Clyde Measey, director of Golden Bear's daily-fee golf division.
Golden Bear, Marriott and Merrill Lynch formed a pool earlier this year to build new residential golf course communities, Measey said. They aimed the private placement at institutional investors.
"It became clear very quickly that investors were hesitant to get involved because of the [depressed] real estate market," Measey said.
Realizing investors weren't interested in new construction, Golden Bear and Marriott turned their attention to acquiring existing courses without housing. Measey said. Plans are to buy two to five courses for an average $5 million apiece over the next 12 months, he added. Golden Bear will make any improvements necessary before turning management responsibility over to Marriott.
The two companies will fund their purchases with a combination of conventional financing and private placements with high-income individuals. Merrill Lynch is not involved in this latest venture.
Serious negotiations are underway with several projects, Measey said. The biggest challenge is educating current owners that their properties are worth less than they might have been in the late 1980s, when some foreign investors paid exorbitant prices for U.S. courses, he added.
"They are pricing their courses in the belief that [foreign] money is still available. It's not. We base our offers on cash flow. Some owners are becoming aware their courses are not worth as much as they thought," Measey said.
At least 10 memoranda are floating around the investment community trying to raise blind pool money for new golf courses or acquisitions, according to Jerry Sager of HJM Corp., a New York investment banking firm involved with golf course projects for 30 years and $100 million in projects this year alone.
"None of them [blind pools] have been very successful," he said. "Most aren't experienced in golf. They just want to be in the golf business."
Golf's glamour attracted many investors to the business in the 1980s who had no business being there, Sager said. That's why 234 of 361 blind pools formed in the U.S. during that period failed.
"The best advice I can give a developer seeking financing is to get an independent, due-diligence feasibility study. What is the market now? What has it been the past five years and what will it be five years from now? They need a plan with a logical business plan and solid numbers will get financing," he assured.
Sager said HJM is considering forming a blind pool, but the firm would need to find an investor to provide the blind pool with its own money. "The blind pool would have to invest its own money. It's not the right decision for the right project," he said.
"It became clear very quickly that investors were hesitant to get involved because of the depressed real estate market," Measey said. Plans are to buy two to five courses for an average $5 million apiece over the next 12 months, he added. Golden Bear will make any improvements necessary before turning management responsibility over to Marriott.
"They are pricing their courses in the belief that [foreign] money is still available. It's not. We base our offers on cash flow. Some owners are becoming aware their courses are not worth as much as they thought," Measey said.
At least 10 memoranda are floating around the investment community trying to raise blind pool money for new golf courses or acquisitions, according to Jerry Sager of HJM Corp., a New York investment banking firm involved with golf course projects for 30 years and $100 million in projects this year alone.
"None of them [blind pools] have been very successful," he said. "Most aren't experienced in golf. They just want to be in the golf business."
Golf's glamour attracted many investors to the business in the 1980s who had no business being there, Sager said. That's why 234 of 361 blind pools formed in the U.S. during that period failed.
"The best advice I can give a developer seeking financing is to get an independent, due-diligence feasibility study. What is the market now? What has it been the past five years and what will it be five years from now? They need a plan with a logical business plan and solid numbers will get financing," he assured.
Sager said HJM is considering forming a blind pool, but the firm would need to find an investor to provide the blind pool with its own money. "The blind pool would have to invest its own money. It's not the right decision for the right project," he said.
USGA survey
Continued from page 8
The purpose of the National Golf Foundation's Golf Summits is to determine where the industry stands in the eye of the American public, decide what directions it should go, and galvanize action. The American public has Gallop and Harris and a few dozen other pollsters. Hey, let the USGA poll potential members. Can it hurt to find out their feelings?
It can help to know what's muddling around in the heads of golfers — like those in California's San Mateo County, where golfers who belong to another course are among those who have opposed a new county course for 17 years.
You may feel they should be 1) logged or 2) educated. But, polling is certain. The industry must try to understand why they feel the way they do if golf is going to advance in certain parts of the country.
The golf industry knows full well it cannot insulate itself from world opinion. So, let it discover that world opinion and formulate ways to change it.
The Golf Course News survey on the toughest and easiest "approvals" states (see page 21) tells us that in exclamation points!!!
Wild Dunes helps Fla. course recover from hurricane

Destination Wild Dunes, the private oceanfront resort on the Isle of Palms 15 miles from Charleston, S.C., has initiated a goodwill effort to assist the Ocean Reef Club during its recovery from Hurricane Andrew.

Ocean Reef suffered damage when Andrew ripped through south Florida. In addition, many of the resort's employees are residents of nearby Homestead and Florida City, two of the communities hardest hit by Andrew. Presently, Ocean Reef Club is providing shelter, food and clothing to more than 200 of its employees and their families whose homes were damaged by the storm.

Because the Ocean Reef Club is temporarily unable to honor previously scheduled conference business, Destination Wild Dunes will host some of these meetings for the resort. In addition, new business inquiries will be referred to Destination Wild Dunes until Ocean Reef re-opens on Dec. 18.

The profits generated from any of these meetings will be donated to the newly established Ocean Club's Employee Emergency Relief Fund, which will be used to assist employees who have been left homeless by the hurricane. Destination Wild Dunes estimates that the amount donated to the relief fund will exceed $5,000.

"Having dealt with Hurricane Hugo in 1989, we know full well the hardships that Ocean Reef is going through right now," said Nancy Van Cott, a spokesperson for Destination Wild Dunes. "We wanted to assist them in their rebuilding efforts in whatever way we could."

Destination Wild Dunes not only offers Ocean Reef first-hand expertise in dealing with the aftermath of a hurricane, but it offers hope...just three years after being devastated by Hugo—a storm that left the resort inoperable for almost a year while golf course, accommodations and staff were rebuilt and reorganized—Destination Wild Dunes is again a thriving golf, tennis and family beach resort.

Appraiser

Continued from page 35
golfer habits; and require short-term commitments from customers (about 4-1/2 hours for 18 holes compared to six months or more for an apartment or office space lease, for example).

On the other hand, golf courses are in short supply in many parts of the country. That should, in theory, help drive prices up.

"How many real estate properties are in demand these days?" Hirsh asked.

"Not many. The real estate industry uses cap (capitalization) rates to compare investments, Hirsh explained. Cap rate = net operating income/sales price. The lower the cap rate, the more a buyer is willing to pay for a stream of income. When the Japanese were busy in the U.S. golf market in the 1980s, cap rates on some properties were less than 15 percent, Hirsh said. Cap rates have gone higher than 20 percent on some properties.

"Whether it's right or not, the market perception is that cap rates for golf courses should be around 12 percent," Hirsh said. "This doesn't mean every course should go at a 12 percent rate since risk levels vary based on individual property characteristics."

ClubCorp ad

Continued from page 25
number, Gelinas said. Numerous comments to employees came from viewers previously unaware of ClubCorp's various activities, he added.

ClubCorp completed 20 new deals in the past 20 months, including September's acquisition of prestigious Las Colinas Country Club near Dallas. That brings 230 private city clubs, country and athletic clubs, resorts and public-fee golf courses under the company umbrella. GolfCorp, a ClubCorp subsidiary, is the second largest operator of public-fee courses in the country.

The commercial reflects ClubCorp's new "guerilla marketing mode," Gelinas said.

"Since we are primarily in the private club business, we've traditionally kept our marketing efforts private. As a result, people didn't know a lot about us," he explained.

"We needed to show we are a strong force in the golf course development market. At some point we'll modify the ads to show we are very involved in the public market, too."

Leslie Advertising wrote and produced the commercial. The company has directed Pinehurst's advertising since 1987.