The votes are in...
Providence proved the overall winner in the most recent national bentgrass field tests. Expectations, however, has hit upon tough times and public golf — are fast approaching 27,30.

Conference call
Two GCN-sponsored conferences — on marketing and public golf — are fast approaching 27,30.

Taxes paid by Golf Courses

<table>
<thead>
<tr>
<th>Tax Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>State</td>
<td>$430 million</td>
</tr>
<tr>
<td>Local</td>
<td>$350 million</td>
</tr>
<tr>
<td>Total</td>
<td>$2.3 billion</td>
</tr>
</tbody>
</table>

Source: National Golf Foundation

Legislative progress steadily on the RISE

When members of the chemical industry meet this month at the RISE Annual Meeting in Washington, D.C., RISE Executive Director Allen James will deliver his share of good news and bad.

The key issue for RISE (Responsible Industry for a Sound Environment) has been federal and state preemption of pesticide laws. Currently, local communities are battling the 50 states can ban any chemical they choose, even if state and federal environmental agencies have signed off.

However, when RISE members meet Sept. 12-14, James will report that 25 states have adopted varying degrees of local preemption statutes, establishing state and federal regulations as the legitimate authorities on issues of chemical safety. Meanwhile, the effort to amend the Federal Insecticide, Fungicide, and Rodenticide Act "continues".

Critics assail anti-growth advocate

Experts question Klein's methods, motives and results

By MARK LESLIE

Golf course developers and builders bristle when his name is mentioned. Architects frown. Scientists snicker. Anti-growth advocates smile.

One thing about Richard Klein, president of Community & Environmental Defense Associates, when asked about him, people do not teeter on the fence. "He is not fondly mentioned around here."

Continued on page 24

Drought continues to plague Northwest

By PETER BLAIS

Drought in parts of the Northwest, Rocky Mountains and Midwest has increased maintenance costs and, in the most severe cases, decreased play at golf courses.

Continued on page 10

Industry analysts mull Landmark decision

By HAL PHILLIPS

While federal authorities ponder the fate of once-mighty Landmark Golf Course Design and Construction, industry analysts go about their business — namely, trying to figure out how the finance world will view golf course projects in light of the latest Landmark decision.

"As an appraiser, I don't see how this would negatively impact value in the long term, but in the short term it definitely hurts," said Larry Hirsh, president of Golf Property Analysts, Inc.

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Landmark woes could affect entire golf industry

Continued from page 1

sort of niche lenders, so I don’t think it will hurt us. But the Landmark situation will have a generally negative effect.”

The La Quinta-based firm is desperately seeking to keep its prized possessions — PGA West, Kiawah Island, Carmel Valley Ranch and Mission Hills CC, to name a few — out of the hands of the Resolution Trust Corporation. Landmark’s plan of action is a 10-year program that would use future sales of memberships and real estate to pay off current holdings.

Federal Judge Falcon Hawkins has lent a sympathetic ear. On Oct. 30, 1991, he ruled that RTC agents don’t have the right to replace directors and managers overseeing Landmark properties. However, a few short weeks ago, the 4th Circuit Court of Appeals overturned Hawkins’ ruling. When Golf Course News went to press, Landmark officials were mulling an appeal while RTC officials searched for potential buyers.

“It’s in my opinion, it’s going to go one of two ways,” said Rhodes. “Either someone is going to take the whole thing — and there are very few people capable of that — or it’ll be split up when someone local shows an interest in a particular property.”

According to Bill Sawyer, president of Golf Finance, Inc., the Landmark situation — appealing notwithstanding — has been somewhat therapeutic. Landmark’s approach, he said, stands as an example of what needs to be done in the management and construction business.

“In retrospect, they overplayed on golfing, they’d be back on the real estate,” Sawyer said. “They obviously built some beautiful courses, but in the future, I think it’s going to be harder to build those types of courses. It will be harder to justify in terms of profitability.”

“The real estate just didn’t sell, and that’s where the developer lives and dies. After seeing what’s happened to Landmark, developers are being more sensitive as to the viability of golf projects on a stand-alone basis.”

Added Rhodes: “I don’t have the exact numbers, but they are clearly over-leveraged. A lot of people were — still are.”

Hirch believes the federal government has been a tad overzealous in its treatment of Landmark.

“I’m not a lawyer,” he said, “but I see the situation as an example of over-regulation, and Landmark got caught in the middle. They were a successful developer and manager of high-quality golf courses and resorts.

“Unfortunately, they were so successful they started an S&L. Then Uncle Sam decides S&Ls can’t own commercial properties and Landmark is stuck.”

Those changes in federal regulations, which took place in 1988, forced Landmark to seek buyers for some of its properties. Here again, circumstances and the company’s unique development practices made for a less-than-ideal scenario.

“One of the major problems for the potential buyer was that Landmark sold a lot of lifetime memberships that are good at all these different properties,” Sawyer explained.

“If you’re a potential buyer, are you going to swallow that?”

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that best keeps your

fairways strikingly

beautiful and eminently playable.

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