Kiawah purchase blocked

By PETER BLAIR
CHARLESTON, S.C. — Believing the potential buyers could not live up to environmental standards imposed on the property, a bankruptcy judge has nullified the Resolution Trust Corp.'s sale of the Ocean Course at Kiawah Island to the New York Audubon Society and financial partner Virginia Investment Trust.

The RTC opted not to appeal the judge's ruling and will auction off the property again at some unspecified date.

South Carolina District Court Judge Falcon Hawkins' ruling reflects the sensitive environmental nature of the Ocean Course, portions of which are located within the boundary of the Coastal Barrier Resources System covered by the federal Coastal Barrier Improvement Act of 1990.

In his six-page order, Hawkins said VIT told the court that a deed restriction in the closing documents was not part of its original bid agreement and would make it difficult for VIT to operate the facility.

Winter kill a boon to sod growers

By MARK LESLIE
A nightmare spring of winter kill has left superintendents in the Southeast frustrated, but fertilizer producers and sod growers ring in the cash registers.

"There are a couple things for sure: It's a good year for sod producers and fertilizer companies. And a good year to be a turf consultant," said Patrick O'Brien, director of the Southeastern Region for the U.S. Golf Association Green Section.

"If you have a good product," O'Brien said, "you can handle anything with this magnitude of loss." The presence of new zoysias may provide the best of both worlds

By MARK LESLIE
In a perfect world, a golf course superintendent could choose a turfgrass that uses as little water as buffalo grass and can thrive even if that water is low-grade effluent; a grass that is heat-tolerant like Bermudagrass but with far better disease and pest resistance; a grass that, at the same time, provides a quality playing surface.

"Nobody's sure how big the potential is, but it's big," said Kevin Morris, director of the National Turfgrass Evaluation Program administered by the U.S. Depart.
Indian nation's sovereignty has pluses, minuses for development

BY HAL PHILLIPS

oll course development on or near an Indian reservation may seem too good, or too easy, to be true. But it's not without pitfalls.

The flip side to sovereignty status is this: If the Native American group pulls the plug, investors cannot seek legal recourse. Put simply, you can't sue where U.S. laws don't apply. "It's a totally different situation here," said Dr. Thomas Climo, economic development director for the Pahute Nation, a Nevada tribe developing 72 holes near Las Vegas with Landmark Golf. "You're operating on federal trust land, so an Indian tribe cannot deliver a title to an investor."

"Because of this, we have limited access to capital markets. Mr. Winn [Steve, owner of the Mirage Hotel and developer of Shadow Creek Golf Club] can go out on the stock exchange and get $144 million at the drop of a hat. But because we can't deliver a title, banks are scared away." Landmark Principal Brian Curley and Climo noted that developers can seek an "impassion of contract" document. Once this agreement has been signed by all parties, the investor can seek recourse from a sovereign nation. But if an investor sues, it has to be adjudicated in Tribal Court.

"This is also a problem," Climo explained. "People think Tribal Court is a kangaroo court. Our constitution is only seven pages long, but it's a Nevada state judge interpreting Paiute law. And I think people would find Paiute law to be extremely fair."

"If someone wants to know how to generate trust, ask Ernie Vossler," said Climo of Landmark's head partner. "We had Ernie out on our land... Then I learned he was separately bringing Brian [Curley] out to do research. He brought his water man one time. He brought Pete Dye down — all this with his own money!"

"From that point to this, he has never asked for a dime from the tribe. He has confidence in the project. Now we have Pete Dye under contract and we're paying him."

"But for 18 months, Ernie did everything on his own dime. That's the best way to gain trust."

"And he's been totally honest with us. Little white lies are not acceptable to the Indian," said Brian Curley, principal at Landmark. "We've had contacts with other Indian groups. These types of deals will become more and more common.

"Any property owner with sovereignty-native rights is going to make things much easier, less political [but not without risk — see related story]. One of the main benefits to sovereignty-native status is that Indians are subject only to federal approvals. City, county or state approvals are not necessary," said Curley.

"We're doing this huge project — planning, design and construction — with a fraction of the difficulty we would experience normally."

This makes anywhere construction occurs on a federal reservation. However, the Paiutes have gone to great lengths to protect the desert tortoise, an endangered species. In a recent multimillion dollar settlement, Robert Trent Jones Sr. said the Mashantucket Pequots set for themselves very high environmental standards.

"The tribe is very conscientious environmentally," said Harvey. "Tribe members want to be comfortable that no environmental impact takes place at the site. We, as a design company, had to make sure to abide by their idea of design."

Harvey explained the North Stonington site is "pretty rough," completely tree-covered, with rock and rubble strewn about. But the tribe also has access to mineral deposits, including sand and gravel, on reservation land. Because of this special access, Jones Sr. plans to lay a veneer of sand, as a seed bed, wall to wall.

The Mashantucket Pequots needn't worry about acquiring water rights. An adequate subsurface aquifer will supply all the necessary irrigation, said Harvey, at no cost to the tribe.

"Out West, where the water situation is more dire, the Peautes have reaped sizable benefits."

"We didn't pay for water — just pumping costs," said Curley. "If we had to pay for water, it would run us $400,000 to $500,000 a year, and that's right now. Who knows how much it will be in future."

"We've seen the writing on the wall. Especially in California, water is a real issue. The water is always available, but it's an allocation issue, which gets very political. With your water in hand, you can build facilities over a barrel. And, of course, you don't have any debt service on the land."

"This much has been proven by past developers. People will travel great distances far into the wilderness, even — to gamble. Landmark is designing another golf course for a tribe in Loughlin, Nev. Developed by Jim Temple, the Mojave Valley Resort will feature gambling, golf and entertainment in the middle of nowhere on the Colorado River between California, Nevada and Arizona come together. "Anybody can do gambling in Nevada," noted Curley. "Vegas itself is becoming more of a destination resort, rather than a place to gamble. Any developer out here is looking for destination resorts. Gold is just a starter. Theme parks are probably next."

Dr. Thomas Climo, economic development director for the Pahute Nation, said that destination resorts will soon be commonplace on Indian reservations.

"We have a lot of patience. We're going to be here forever," said Climo. "By 1998, we think that situation will stabilize. Then we will attract some hoteliers and, ultimately, build a theme park."

"We've shown our master plan to the people at Foxwoods, and they look at us and say, 'We wish we had done something like that.'"