Openings top 400 mark
Promising project pipeline makes '97 slowdown unlikely
By H. P. PHILLIPS

File this one under "Business cycle be damned." The golf course industry witnessed the arrival of another 442 facilities during 1996, fending off the downswing predicted by optimists and skeptics alike. Openings have climbed a steady parabola since 1990. Despite a slight decline from the record 1995 figure of 468 openings, observers view last year's formidable production with a combination of glee and disbelief. "I continue to be amazed by the boom in new course construction," said Lan-sing, Mich.-based architect Jerry Matthews. "I suppose I say that because I've been in this business for 30 years. It goes in cycles, as other businesses do. History tells us there is going to be a downswing; it's just a question of when." Not any time soon, it would appear. According to the National Golf Foundation (NGF), more than 800 projects are in the construction phase, meaning any downswing almost certainly will not take

Alternative spikes gain acceptance
By M. L. LESLIE

NORTH BARRINGTON, Ill. — In April 1994 when Wynstone Golf Club here banned metal-spiked golf shoes, superintendents na-tionwide held their breath, anticipating what reaction from golfers. Three years later, and 45 years after the United States Golf Association (USGA) first called on golfers to for-sake their metal spikes for more turf-friendly foot-wear, the revolution is on. "The latest estimate I've heard is that 1,500 courses have switched to alter-na-tive spikes of one sort or another," said USGA Green Section National Director Jim Snow. "I think it's certainly a very popular trend that will have a big impact." Snow pointed out that the number of courses

Ski managers: Golf key to year-round revenues
By P. BLAIS

Skiing provides the monetary speed, but golf helps smooth out the financial bumps for American Skiing Co. (ASC), a major Northern New England ski operator that is fast becoming one of the region's major golf course owners and operators. Although it represents just 10 percent of ASC's total revenues, golf helps even out the company's cash flow throughout the year, according to ASC Chief Financial Officer Tom Richardson. "Golf has been very important at Sugarloaf (USA)," noted Peter Webber, the Carrabassett Valley, Maine, resort's golf director and a member of the commit-tee that coordinates ASC's four golf course operations. "The additional cash flow helps us through the summer. It lets us employ some of our best people on a year-round basis. It keeps the hotel rooms occupied and pulls in other summer business." ASC operates eight ski areas — Sunday River and Sugarloaf/USA in Maine; Attitash Bear Peak in New Hampshire;
'96 course openings
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place before the new millennium. While
some 657 courses are scheduled to come
on line this year, a more realistic figure is
400 to 450, according to NGF Vice Presi-
dent Richard Norton.
"Historically, about two-thirds of those
projects under construction open during
the calendar year," said Norton. "Last
year, we increased the total golf course
stock by 2 percent, which is steady. Many
people see the golfer population remain-
ing flat and ask, 'Why should the facility
population grow?'
"Well, the trends overlap. In the 1980s,
there was huge growth in demand. In the
'90s, we see growth in supply. They're
beginning to match up now, and we ex-
pect another surge beyond the year 2000
as Baby Boomers get older. We've also
seen a surge in spending from the golfing
public — investment in equipment and
golf fees. This bodes well for growth on
the demand side."
Norton noted that scads of course open-
ings, for their own sake, are not necessarily
positive market indicators. More en-
couraging, he said, was the positive
distribution of the 442 new courses (262
start-ups and 162 expansions of existing
facilities). Where playing rates are high-
est (the Midwest), development was
strongest. Further, approximately 88 per-
cent of the new courses opened were
public-access, meaning all manner of
player can patronize them.
Matthews' home state of Michigan —
with the nation's highest participation rate —
led the pack with 34 course openings,
28 of them daily-fee, resort or municipal.
Another high-participation state, Florida,
placed second with 31 openings, 22 of
them public-access. North Carolina also
opened 31 new facilities.
"If you take the Midwest and Southeast
together, they account for nearly half the
total course openings," Norton explained.
"When it comes to participation, that's
where golfers live. In the Midwest, we
continue to see farmers converting their
land into golf courses. In that region we
also see many more options in terms of
capital investment, from do-it-yourself
projects that charge small green fees to
multimillion-dollar projects that charge
higher, resort fees.
"In the Southeast, there is less range.
Projects are a little more high-end.
They're driven by real estate and tour-
ism, or more so than in the Midwest.
"It appears that projects are more eco-
nomically driven — meaning they're lo-
cated in places where they're needed, to
fill a need in the marketplace. Financing
continues to be more favorable than it
was several years ago. But it's hard to
generalize. In fact, it's stupid to gen-
eralize. Golf is a very regional business."
Developers seem to have learned some
valuable lessons.
"Absolutely," said Joe Niebur, presi-
dent of Niebur Golf, a Colorado Springs-
based construction firm. "I've learned.
The architects have learned. We demand
a lot more information from owners. Fea-
sibility studies are better. Banks are more
intelligent and experienced about what
they'll lend a guy. This is a plus for [the
industry] because if one or two projects
go bad, it hurts everyone."
So, not only are there more projects,
there are more well-conceived projects?
"All I know is, we're swamped," Niebur
continued. "I think it will be stronger this
year because of the amount of work we
have out there. I'm usually starved for
work this time of year. But we were
booked before Christmas. I can't believe
it's just us."
More numbers from the NGF:
• New York led the rain-soaked North-
east with 20 new openings, 16 of them
public-access. Indeed, the East Coast
experienced horrible spring weather.
"Because of the spring, we lost four to six
hindings across the board is no
percentage as 1995.
• Thirty-two percent of last year's open-
ings were real-estate related, the same
percentage as 1995.