

Prognosticating construction budgets

By PETER ELZI & ANDREW BUSH

It has been our experience that golf course construction costs are dependent upon two primary factors: the market and the site. Site-related factors include vegetation cover, topography, hydrology and geologic issues.

Determining course quality in relation to the market factors is a more dynamic process that includes a variety of assumptions and decisions that relate directly to the feasibility analysis discussion covered in Part I of this series [GCN April '97]. The following discussion presents an outline of the approach we utilize to analyze these variables and prepare detailed budget estimates prior to golf course design.

Market Positioning Variables

Alternatively, the anticipated market niche for a golf course influences the cost of construction in a variety of ways. For example, a resort course competing in the Scottsdale market may average 6,800 square feet per green and 8,500-square-feet of teeing surface per hole. A daily-fee facility in the Midwest,

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competing primarily with municipal courses, may average 5,500 square foot greens and only 5,500 square feet of teeing surface per hole. This alone can easily result in a \$250,000 cost difference between projects.

Irrigation systems are also based on geographic area and market niche. While some of these variations are often attributable to site features, the majority relate to coverage and the range of control for a given system. The result is that while a \$700,000, double-row irrigation system may be completely adequate for a mid-price daily fee project in the Midwest, it is not uncommon to spend \$1,300,000 to gain the coverage and control needed to compete in an arid resort market.

Bunkering and shaping, and width and length of cart paths are all additional variables that relate primarily to market positioning.

Site-Related Costs and Constants

Historically, the most significant site-related variable in course construction has been mass earthwork. While the recent move toward "minimalism" has somewhat curbed the excesses of site manipulation and mass grading seen in the 1980s, earthwork costs on a course can still vary from \$100,000 to \$1,000,000 or more.

Continued on page 16

Development Letter subscribers: They have seen it all before...

By PETER BLAIS

The latest National Golf Foundation *Golf Facilities in the United States* report [see story on page 5] and the reaction of those in the red-hot East North Central (Michigan, Wisconsin, Illinois, Indiana, Ohio) development market highlight the need to be fully armed with up-to-date information when it comes to the new course business.

For example, for the fourth straight year, Michigan led the nation in new course openings. In fact, Upper Midwest brethren Ohio, Indiana, Illinois and Wisconsin were all in the Top 10 when it came to new course openings in 1996.

Those numbers may surprise casual observers, who likely believe the development heat bathes the Sunbelt rather than the Snowbelt. But savvy golf industry veterans, like those who read the *Golf Course News Development Letter*, know better.

The *GCN Development Letter* reported on 14 approved and under-construction courses in Michigan during 1996 (this is not a listing of the total number of courses under construction), more than any other state and an early indication of the amount of openings set to take place in that golf-crazed state.

But the idea in business, and golf is no exception, is to stay ahead of the game. And this is where the *GCN Development Letter* can really help.

A look at the number of courses in the **planning** stages reported in the *GCN Development Letter* for the 14 months from January 1996 through February 1997 indicates the Upper Midwest is still hot, but that Illinois may be ready to displace Michigan as the region's development darling.

We reported on 30 Illinois projects in the planning stages —

Continued on page 65

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Blais comment

Continued from page 15

those where many architectural, building, management and supplier contracts had yet to be signed — during the 14-month period. Michigan was second in the five-state region with 19 followed by Indiana, 14, Ohio, 11, and Wisconsin, 10. An indication of things to come? We think so.

Other states that should be among the leaders in new course openings over the next few years — based on the number of planned projects reported in the *GCN Development Letter* during the 14-month span — include California (45), Massachusetts (19), New York (18), Florida (18) Texas (14), New Jersey (12) and Arizona (11).

If knowing about new course development and yet-to-be-signed contracts is important to your business, then take a good look at the *GCN Development Letter* subscription offer many of you will receive in May. If the offer doesn't show up in your mailbox, then call us at 207-846-0600 and we'll gladly mail or fax along a copy for you to review.

•••

Listen, I'm really not trying to rain on this Tiger Woods' parade. But, it's been four days now since Tiger's march through Augusta. I've hung around a lot of youth hockey players and Little Leaguers since then. And I can honestly say I haven't heard a single one of them mention Tiger's name.

The only time I've heard this year's Masters champ discussed by anyone born after 1979 has been on television, when a microphone has been placed before the youth and a reporter asked, "So what do you think of Tiger?"

Now granted, I live in Maine where golf isn't exactly a statewide passion. The mud is flowing and golf is still just a gleam in most Mainers' eyes this drizzly April 17 morning. Our family doesn't belong to a golf club, so we're not spending a lot of time around the clubhouse waiting for the ground to dry out and talking with other golfing families.

But still.

Leslie comment

Continued from previous page

headlines were 2 inches tall in the papers. The publicity was really something, and that's how we got our name in golf. Then, of course, I was named to the women's executive committee and played in the national tournaments, on the Curtis Cup team and was captain of the World Cup team.

"It's been a wonderful trip," she added. "And we've shared so much. Pete does maybe 75 or 80 percent of the architecture. Pete's an artist. He's very, very creative and has wonderful ideas. They change and evolve, as we all do and as we see the type of people playing golf being different today than when we started.

"I'm the other side. I'm the side that comes up to him and says, 'Pete, you can't do that. That bunker wall is too steep. Somebody's going to get hurt.' Or, 'You've got to put rock around the edge of this green so when they back up to line up a putt they feel they are on sort of a warning track.'

"When the original green at Sawgrass sloped toward the water, I said, 'You can't do that. If there is a wind behind them, they'll never finish the tournament.'"

Is this Tiger Mania for real? Is his name being yelled out at recess or discussed in the high school cafeteria the way students talk about Michael Jordan, Brett Favre, Ken Griffey and Mario Lemieux? Are kids lining up putts or driving imaginary golf balls 330 yards in front of their bedroom mirrors? Or are they still nailing 10-footers into their laundry baskets with rolled up socks and screaming "Jordan from the corner!"

I hope Tiger's in there somewhere. It could mean a lot for the game, not to mention those who want to build courses, fill tee sheets and sell golf equipment.

But I wonder: Is Tiger Mania a golf industry/media creation, or is it really the start of a junior golf boom? Time will tell.

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These questions came straight from the customers of lawn care operators, pest control operators and other professional pesticide applicators across the country—and probably reflect the concerns of your customers. The more your customers know about the products you use, how you use them and how much is used, the more confident they will be in you and your service.

Communicate With Your Customers

Your customers expect you and your employees to be credible and knowledgeable sources of information about your products. Take time to talk with them about your safe and responsible use of pesticides.

Studies show that most people don't know that pesticide products are among the most highly tested products sold. The U.S. Environmental Protection Agency (EPA) registers only those uses of pesticide products that pose minimal risks.

- Emphasize that pesticide products must undergo stringent government-monitored testing before they can be sold. It is a long and costly process. For example:

- It takes a chemical manufacturer eight to 10 years to test and register a product, at an average cost of \$30 million to \$50 million.
- As many as 120 tests or more are performed, many specific to health, safety and the environment.
- Only one potential pesticide in 20,000 makes it from the research lab to the market.

- Explain Integrated Pest Management (IPM) to your customers. Most do not fully understand the concept. Point out that a successful IPM program stresses prevention, pest identification and selection of the best method of pest control, which may require the use of pesticides. Tell how you incorporate IPM into your pest management practices.

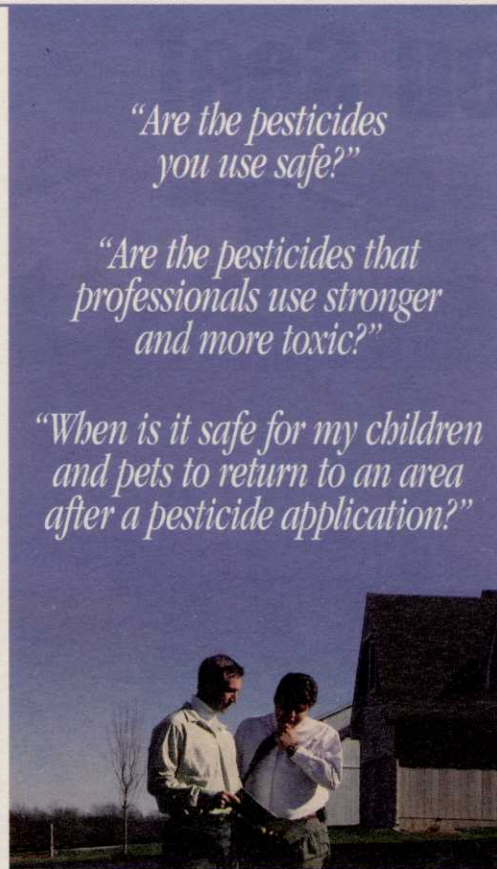
- Identify the specific pesticides you use and the pests they control.

- Indicate that professionals use an array of products, many the same as those used by homeowners.

- Assure customers of the benefits pesticides provide for turf, trees and ornamentals, and in the home. For example:

- Termites cause over \$1 billion in structural damage each year.

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"Are the pesticides you use safe?"

"Are the pesticides that professionals use stronger and more toxic?"

"When is it safe for my children and pets to return to an area after a pesticide application?"

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- One large, pest- and disease-free tree has the same cooling effect as 15 room-size air conditioners.

- A well-maintained lawn and landscape adds as much as 15 percent to a home's value.

- Discuss your safe and responsible use of pesticides as a professional applicator. Note the many steps you take to ensure that the pesticides you use are used properly.
- Advise your customers that you closely follow label instructions. The label contains instructions for only those uses approved by EPA.
- Outline the extensive training that is mandatory for professional applicators in order to apply specialty pesticides. Applicators are required by law to undergo training, certification and licensing, as well as to keep records of each job performed.
- Explain what happens to pesticide containers once a job has been completed. Note that containers are disposed of properly.

What Else Can You Do?

Provide your customers with materials such as newsletters, brochures, fact sheets and bill stuffers that communicate these messages. Be sure that someone at your company, who has a basic knowledge of the products and application methods your company uses, is available to answer questions.

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