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2001 Management Co. List

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THE SECRET OF TROON'S SUCCESS

Troon North (above), Troon Golf's flagship course in Scottsdale, Ariz., is one of 54 courses in the company's fast-growing portfolio. By 2005, the firm expects to have 200 courses worldwide. For a look at Troon's formula for well-managed courses, see page 20.

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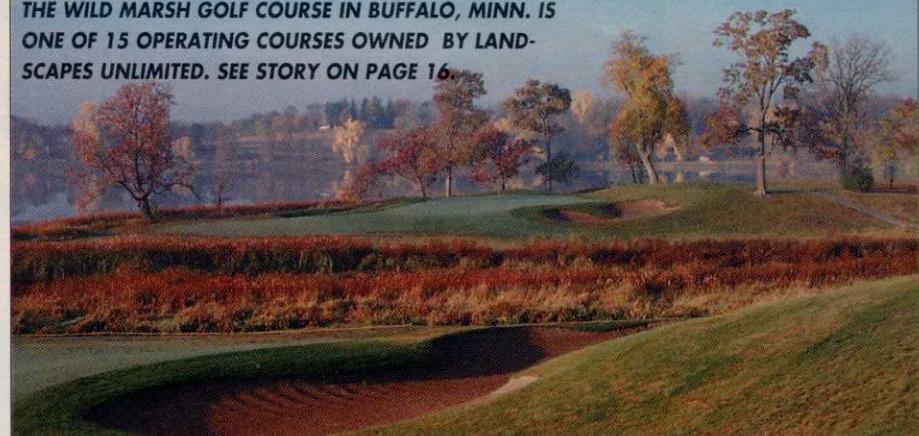
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PERIODICAL

THE WILD MARSH GOLF COURSE IN BUFFALO, MINN. IS ONE OF 15 OPERATING COURSES OWNED BY LANDSCAPES UNLIMITED. SEE STORY ON PAGE 16.



IRS expediting golf course tax decision

By ANDREW OVERBECK

WASHINGTON — The National Golf Course Owners Association has scored a major victory in its battle with the Internal Revenue Service.

The legal maneuvering centers on the depreciation of golf course improvements in the federal tax code. The IRS put the course construction matter at the top of the seven-issue list that it will study under its new Industry Issues Resolution pilot program, aimed at setting a consistent IRS position on industry issues.

If the depreciation decision comes down in the NGCOA's favor, the average 18-hole course constructed using modern techniques could see tax savings of \$400,000.

The NGCOA has been working with "big five" accounting firm KPMG for the last two years, trying to convince the IRS to update tax laws to allow modern golf courses to depreciate greens, bunkers

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California's deepening energy crisis striking fear in superintendents

By JOEL JOYNER

SAN DIEGO — California, crippled by an energy debacle and facing financial straits, may leave golf courses with a dark, dry summer as power usage peaks. With predictions of widespread blackouts and staggering energy bills, superintendents in the Golden State are deeply worried.

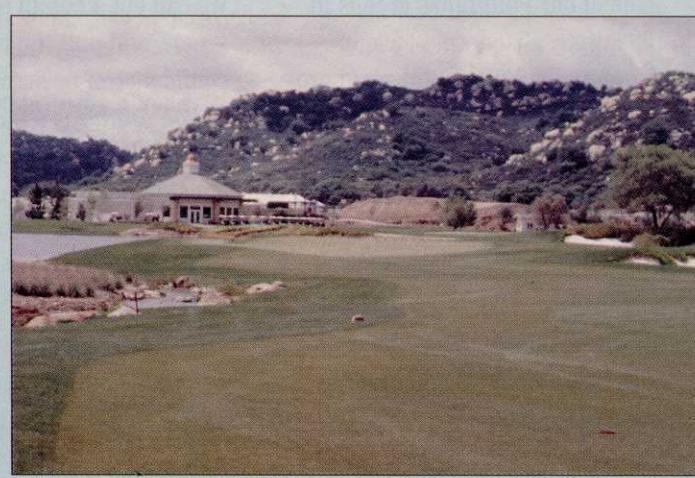
Moreover, electricity blackouts could spread to Arizona, Nevada, Oregon, Washington and other western states this summer, according to government authorities. For golf courses and other businesses, the potential financial consequences are disturbing.

"It's possible that budgets will be destroyed and, in the case of limited-resource facilities, energy bills may not be paid," said Corey Eastwood, superintendent at the Stockton Golf & Country Club, east of San Francisco. "Who knows what will happen?"

Eastwood's Central Valley course requires enough energy to pump up to one million gallons of water a day during June, July and August. "If we're caught without power, a lot of the grass on the putting greens will be lost," he said.



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The 18th hole at Barona Creek, with casino site in background

Native Americans prospering from golf development

By DOUG SAUNDERS

SAN DIEGO — Gambling and golf are proving to be a powerful economic combination for Native Americans.

Seventy years ago, the Barona Band of the Mission Indians was one of 550 native American tribes struggling for cultural survival. Today this nation is cruising into the new century as a financial juggernaut. And golf is a big part of

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West Nile virus spreading south and west

By JAY FINEGAN

ATLANTA — West Nile virus, already found in about a dozen northeastern and mid-Atlantic states, is expected to spread further south and west this summer, according to the Centers for Disease Control.

The CDC is monitoring the virus along the Atlantic and Gulf coasts, from Maine to

Texas. West Nile is carried by mosquitoes.

The virus' first U.S. appearance came in metropolitan New York City in 1999. It has since been detected in Massachusetts, New Hampshire, Rhode Island and Connecticut. Farther south, the potentially deadly microbe has invaded New

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Depreciation to be studied by IRS

Continued from page 1

and tees. With the issue included in this new pilot program, the process should be expedited, according to KPMG partner William Ellis, who has been spearheading the course owners' campaign.

"We can expect guidance this year," said Ellis. "The NGCOA, with the assistance of KPMG, will continue to monitor the process to ensure the most favorable results to the industry."

REMOVING AMBIGUITY

The IRS's new Industry Issues Resolution was created to reduce costs and burdens for both taxpayers and the IRS by eliminating uncertainty involving tax treatment.

"The goal is to move away from auditing frequently disputed industry issues on a case-by-case basis towards solutions that apply to significant numbers of business taxpayers," said Larry Langdon, IRS commissioner for the large and mid-size business division.

"In the beginning they were adamant in saying, 'We can't let you depreciate dirt!' Now they are saying, 'You know, we really learned something,'"

— William Ellis

The process so far has been the most positive experience Ellis has had with the IRS in his 30-year career. "In the beginning [of the process] they were adamant in saying, 'We can't let you depreciate dirt!' Now they are saying, 'You know, we really learned something,'" he explained.

According to Ellis, the golf course depreciation issue was placed at the top of the list because the IRS wants to have early success with the pilot program. "They want to make it a poster boy for the new program," he said.

KPMG'S CONTINGENCY FEE

The NGCOA and KPMG's efforts, however, are far from free. KPMG has made its fee contingent on the association's ability to raise money from its 3,300 members, a task that remains unfinished.

"We are pushing to get the money raised," said executive director Mike Hughes, who anticipates that this inclusion by the IRS will make the job easier.

"We need to get contributions of \$500 per course," he continued. "That is a small amount

given the benefit that we can convey to them when we are successful." ■

For more information on the Industry Issue Resolution visit: <http://ftp.fedworld.gov/pub/irs-irbs/irb00-52.pdf>

Summit Golf

Continued from previous page

as director of membership and business development. And Eric Miko, a former director of operations for CrisStar Development Group, will serve as director of club operations. Collectively, these five people will form a team characterized by extensive and diverse capabilities enabling the company to provide expertise in all areas of club operations.

"The team assembled here is the top talent in the club industry that will provide our clients unmatched service and results," Stark said.

Summit Golf Group will offer its clients the following services: professional club management; membership development; equity offerings, and membership surveys and long-range strategic planning.

The new group will operate from two locations, one here in Braselton, near Atlanta, and the second at Ponte Vedra Beach, Fla. ■

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Ornamentals by Monrovia.
Turf by Confront.

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