Niebur bullish about diversifying into
golf course ownership business

By ANDREW OVERBECK

COLORADO SPRINGS, Colo. — While continuing to build courses for clients, Niebur Golf has leapt headlong into the course ownership game. The company opened a new course outside of Denver this summer, is building a Tripp Davis/Craig Stadler course in Granby, and is in talks to do another with a municipality in California.

Prior to these projects, Niebur Golf opened Hurdzan, Fry-designed Valley View in Fayetteville, Ark., last year and eventually sold a course in Oregon and one in Michigan.

Company president Joe Niebur is bullish about expanding into the ownership business, a growing trend among golf course builders.

"Ownership is something that we are going to trend towards," he said. "We are looking for different partners. We can come in and build it at our cost and schedule, and put in sweat or cash equity."

A "lot of developers are trying to do these projects and are either under capitalized or don't understand the market," he continued. "We have done so many projects, and we have learned from everyone else's successes and failures."

FLEXIBILITY IS THE KEY

According to Niebur, flexibility is key when it comes to structuring ownership deals, because every one is different.

At Green Valley Ranch, a Perry Dye-design near the Denver airport, Niebur came to the rescue when the residential developer's deal with the course developer collapsed.

"We were already set to build the course, and then the deal fell apart at the last hour," he said. "The developer [Oakwood Homes] was freaking out because they had promised the course to homeowners. They asked us if we could do it and we negotiated the contract in two weeks."

In exchange for sweat equity, Niebur got the land and water rights free, plus cash incentives.

"Every deal is different," he said. "We talk with homebuilders and they don't want any part of the course. We take the risk, we are going to trend towards," he said. "It takes the image of a builder and transforms it. We are more than a construction company now."

According to Niebur, the industry would be healthier if more builders got involved in ownership.

"We know what works and what doesn't and what is healthy for the market," he said. "We have seen the guys go out and spend $20 million in a market that doesn't work."

"We need a stronger market because it hurts everyone when a course goes belly up," he continued. "It gives the financing community cold feet and cheapens the market."

Niebur, a Golf Course News 100 Company in 2000, has four projects in Vallarta, with another one being the Vista Vallarta, "The company has four projects in Vallarta, with another one being the Von Hagge-, Baril-designed Paradise Village. "What distinguishes Sal's [Salvador Rodriguez, president] company from all the others is that they give the architect what he wants — without endless meetings," said Robert Von Hagge, architect with Von Hagge, Smalek and Baril based in Spring, Texas.

The course opened the first week of September and has a celebrity tournament scheduled for this month and an official opening this December. "Diamond also has a year-long maintenance contract with the course," said Ruth. "So we'll handle the grow-in and upkeep as well. It was a fairly flat piece of swamp land, so we didn't have much washout when it rained, but the flood levels would rise during construction and we'd have to pump water off everything. We basically did that project working in the mud."

The company has also completed construction on the Isla Maya course in Cozumel, which opens this month. The Nicklaus-designed layout will be the first golf course on the Yucatan peninsula and required several environmental precautions during its construction.

Weiskopf's 18-hole addition to the Cabo del Sol course [GCN, Jan. 2001] in Los Cabos, Mexico, will have its inaugural event on Nov. 9. "They're calling it the Mountain Course to go with Nicklaus'18-hole Ocean Course that opened back in 1994," said Ruth. "We ran into some rock we had to blast to blast there, but other than that the project went smoothly. We grasped the last hole at the end of August this year."