GOLF COURSE NEWS

THE NEWSPAPER FOR THE GOLF COURSE INDUSTRY

A UNITED PUBLICATION
VOLUME 13, NUMBER 9
SEPTEMBER 2001 • $7.00
www.golfcoursenews.com

INSIDE

INTRAWEST TAKES ON COYOTE MOON

Coyote Moon Golf Club, (hole number 16, above) has hired Intrawest Golf to provide management services. The popular daily-fee layout, designed by PGA Tour pro Brad Bell, opened last fall in California's High Sierras. The 18-hole layout winds through piney forests and sweeps over valleys, ravines and lakes. See story on page 15.

PERIODICAL

E-commerce struggles for golf foothold

By A. OVERBECK

While e-commerce may actually revolutionize business-to-business transactions someday, the message for now is clear: Don't believe the hype.

In the past year, e-ideas have been scratched and retooled and company strategies have been rethought and rejected. In the process, gobs of money has been raised and spent developing software and Web sites and rolling out lavish marketing and promotional schemes.

Some companies, such as Carl M. Freeman Golf Solutions, never got off the ground. Still other companies, including Golfsat, GreenIndustryOnline.com and Greentrac.com, have

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Workers laying bluegrass sod on the front nine of the Fazio Course at Red Sky

Photo: Jay Finegan

$100-million Red Sky Golf Club unfolding in the Colorado Rockies

By JAY FINEGAN

WOLCOTT, Colo. — One of the most lavish golf development projects in history is unfolding amidst stunning alpine scenery here in the Rocky Mountains of Colorado.

Vail Resorts, best known for its ski operations, is pouring $100 million into Red Sky Golf Club, currently under construction in the Vail Valley. The 36-hole complex, featuring signature designs by Tom Fazio and Greg Norman, promises not only eye-popping vistas but two long layouts providing plenty of challenge.

Superintendent Mike Valiant

"This place is unbelievable," said director of golf Jeff Hanson, formerly head pro at nearby Beaver Creek Golf Club, also run by Vail Resorts. "I think it's going to be the best club anywhere in the West. From the standpoint of playability and aesthetics, it will rival anything in the country. We're targeting for each course to be in the top 100 right away."

The 700-acre property, formerly ranch land, slopes steeply up a mountainside from I-70, Colorado's major east-west artery. The club lies about two hours west of Denver and 20 minutes from Eagle County Regional Airport.

HIGH-ALTITUDE GOLF

The Fazio Course, slated to open next summer, stretches an impressive 7,400 yards. Players will make their way through sage-covered hills, dense forests of aspen and juniper, and around a highland lake.

"You'll get two different feels on the Fazio side," said Hanson. "You get a Troon, Scottsdale type of look on the

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Development slowdown a healthy trend, experts say

By ANDREW OVERBECK

JUPITER, Fla. — The downturn in golf course development that was predicted by the National Golf Foundation's 2001 facilities report is becoming evident. The foundation recently reported that for the first half of 2001, just 176 courses were completed. The updated prediction for the year is 378 course openings, down from a record 524 in 2000. This will bring total development numbers back to early 1990s levels.

Source: National Golf Foundation

The significant drop in development, however, is not seen as a negative

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Fought-Lehman design team fast out of the gate

By JAY FINEGAN

SCOTTSDALE, Ariz. — The new design team of John Fought-Tom Lehman Golf Course Architecture is off to a strong start, with three projects in Arizona, one in California and another in Minneapolis.

Lehman (left) and Fought

Fought and Lehman first came together in 1997 to design The Gallery, an 18-hole private course north of Tucson that opened to high praise. More recently, they completed a total renovation of The Farms, an exclusive club near San

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Golf cart vandals nabbed in Washington

By JAY FINEGAN

BREMERTON, Wash. — Three joyriding teenagers who trashed 16 golf cars at Gold Mountain Golf Course here have been arrested and are being prosecuted.

"They're getting hammered pretty good because they did about $10,000 in damage around here," said PGA pro Scott Alexander, director of golf at the 36-hole club. "They ended up driving three carts down the road about five miles and we couldn't find them for a week. That turned out to be grand theft – a felony deal."

According to Alexander, the culprits were the same youths who had broken

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Development slowdown

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indicator, according to industry executives.

"The numbers we are seeing are more justified given the current market conditions," said Barry Frank, vice president of membership services for the NGF. "As the slowdown occurs, it will give all the new courses that have come on line a chance to be absorbed into the market."

RECORD GROWTH CAUSES OVERSUPPLY

After six years of breakneck growth, golf course development was bound to slow down.

"It is a cyclical pattern," said Henry DeLozier, vice president of golf operations for Del Webb Corp., which recently merged with Pulte Homes. "In most markets there is an oversupply of golf courses. That has caused the financial community to pull back from its previous lending levels."

Besides the oversupply in some areas of the country, the softening economy and flat golf participation rates also have scared off potential lenders. According to Frank, this combination will lead to fewer courses "graduating" from the NGF's list of courses "in planning" to "under construction."

Rick Nekoroski, with Heller Financial, which was recently acquired by GE Capital, (see story page 3) agreed. "These numbers tell us that what is already in the pipeline is getting completed, but there are not a lot of new projects getting started," he noted. "Developers don't see building courses as being an attractive option, because in given markets there are too many courses.

"However, from a lenders perspective," he continued, "those numbers are more positive than negative. It will give the inventory that has come on the market time to be absorbed. That will stabilize the market in the coming years."

While a prolonged slowdown may lead to a more hospitable lending environment, national lenders are still shying away from new construction loans, said DaimlerChrysler Financial Service's Bobby Fitzpatrick. "We have not done a new construction loan in 18 months," he said.

STILL PLENTY OF WORK TO DO

Phil Garcia, president of RyanGolf Corp. in Deerfield Beach, Fla., knew the end of the boom was coming. However, his company still has plenty of work, and 2002 is scheduled to be another healthy year, despite the development drop off.

"We did not expect the record number of courses that were built in the late 1990s to continue forever," he said. "It was not reality. But the numbers that we are seeing now are still substantial. This roll back that is starting will just help to bring some sanity back into the marketplace."

However, if the trend of fewer courses holds true, Garcia admitted that some builders might be left out to dry. "With the record numbers, there were a number of newcomers to the industry," he said. "This downturn will affect the newcomers more than the established companies that are in it for the long haul."

BLOODLETTING TO COME

With new construction loans out of the question, national lenders are focusing on acquisitions and the refinancing of existing courses.

"Why would you build a course when you can buy someone's mistake at a lower price?" said Fitzpatrick. "It is not busy yet, but a lot of people are looking to buy and are hopeful that prices will continue to drop. This fall people will put courses out on the market. I do think there will be some bloodletting a little later in the year."

Nekoroski concurred. "In the next 12 to 24 months there will be a strong opportunity to buy," he said. "People are looking to acquire courses."

According to DeLozier, courses changing hands does not translate to a market in free fall. "Those who talk about a free fall are not paying attention to long term cycles," he said. "Those who are paying attention are positioning themselves to participate in the cycle. There are some developers who have positioned themselves to be buyers of courses." ■