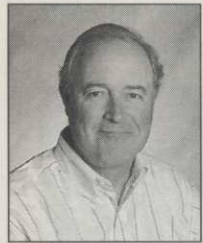


Golf course construction due for a reality check

Two front page stories this month offer contrasting views of the state of golf course development. In one, managing editor Andrew Overbeck explores the current construction slowdown and finds that it's not such a bad thing.

In the other, a profile of Red Sky Golf Club, high in the Rockies, we discover just one of several new properties rapidly turning Colorado's Vail Valley into a major golf destination.



Jay Finegan, editor

First, let's examine the slowdown.

According to National Golf Foundation projections, roughly 378 courses will open this year, down from last year's record total of 524. At first glance, that 30 percent slide seems like a big negative. But industry experts, from architects to lenders, are hardly despairing.

THE PIG IN THE PYTHON

"It's a period of adjustment," says Lee Hetrick, executive director of the Golf Course Builders Association of America. The law of supply and demand applies to golf, and in many places the glut of golf courses has outstripped demand. By taking a breather from the recent feverish pace of construction, all those new courses will have a chance to be absorbed by a rising number of golfers.

It's like a pig moving through a python. In time, the snake will be hungry again. But not for a while.

Bobby Fitzpatrick, managing director of golf lending for DaimlerChrysler Financial Services, wishes even fewer new layouts were coming on line. He's cheered at the thought that "this year will probably be worse than last year." Owners and operators of existing courses also salute the slow-

down; it's good from their competitive standpoint.

But Fitzpatrick knows that overly optimistic developers will keep upping the supply.

"There is something about this golf business that makes rational, intelligent people do stupid things," he observes. "Due to their love affair with the game, or the sex appeal of the game, they get caught up in a project and go ahead with it even though other courses are not doing great. They think their new course will beat the market."

DOWN AND OUT IN MYRTLE BEACH

Even the mainstream media has gotten into the act. In a page one story one Sunday in July, *The New York Times* asked, "Here are the new courses. Now where are the golfers?" The story recounted the tale of Links Group, the largest golf course management company in Myrtle Beach (S.C.), which filed for Chapter 11 bankruptcy protection in January.

"Everyone assumed that once these baby boomers started turning 50 they would just fly in here, but we were wrong," the story quoted Kenneth Folkes, president of Links Group. "If we don't get some real spikes in the number of rounds played here and across the country," he said, "then we will have to re-evaluate the whole industry."

Perhaps *The Times* was keying on an earlier story in *Business Week*, entitled "Blues on the Green," which breathlessly reported that a glut of Sunbelt courses was "bringing on fire sales - and bulldozers." The piece quoted George Marderosian, president of lender Clubhouse Capital, as

saying "the industry is in free fall."

RETURNING TO NORMAL

To golf architect Damian Pascuzzo, however, the hysteria has a ring of déjà vu.

"In the early '90s, you had a lot of very expensive golf courses being built," he says, "and hoping to be paid for by selling some very expensive real estate. And then people stopped buying the very expensive real estate, due to a recession. I think we're now making the same mistakes."

Pascuzzo, president of the American Soci-



View of front nine construction on the Fazio Course at Red Sky

ety of Golf Course Architects, blames a lackluster stock market for today's downward trend. "I have no idea when this thing will turn around or what will happen," he says. "But you have to put it in perspective. The last couple of years were extraordinary. Today, what seems slow is actually ebbing back to historical norms."

ROCKY MOUNTAIN "HIGH END"

In Colorado's scenic Vail Valley, meanwhile, course builders are moving at warp speed.

Niebur Golf recently opened Eagle Ranch Golf Club, an Arnold Palmer signature design. That's a public course, with rates down to \$30 for the locals. But the buzz in the valley concerns two swanky new clubs, created for

Continued on next page

Is your course prepared for medical emergencies?

By PATRICK ROSELLI

Each year thousands of medical emergencies occur on golf courses, beyond the reach of medical help. The majority of incidents are minor and require minimal assistance by course staff and often are managed by the golfers themselves.

When a true life-threatening emergency happens, however, it's a different story. The stricken golfer might be isolated from emergency medical services (EMS) that are desperately needed. If the victim is on a remote part of the course, without easy ambulance access, the scenario grows even worse.

The solution is for the course to provide immediate assistance with trained staff until the ambulance arrives.

DEALING WITH CARDIAC ARREST

According to a study conducted in the Seattle area, and published by the American Heart Association, golf courses are the fifth most likely public place for cardiac arrests to occur. Unlike a heart attack, in cardiac arrest the victim's heart ceases to pump blood, breathing stops, and death quickly follows if immediate assistance is not provided.

Survival is dependent on several factors, none more important than the amount of time before intervention. In fact, each passing minute without CPR and defibrillation equates to a 10-percent

reduction in rate of survival.

If assistance were provided by staff at the golf course within three minutes following collapse, a golfer has a 70-percent chance of survival. After five minutes it falls to 50 percent, and after 10 minutes survival is rare. From the time 9-1-1 is contacted until

EMS arrives at the golfer's side, 10 to 20 minutes can easily elapse.

FORMULATING A RESPONSE PLAN

Until recently, most golf courses lacked the necessary equipment and training to manage on-course medical emergencies. This is quickly changing as more clubs purchase automatic external defibrillators (AEDs) and train staff in CPR and AED use.

Obviously, not all emergencies are cardiac arrests. But an allergic reaction to a bee sting, a serious injury, electrocution, stroke or drowning all require a timely and coordinated response by staff to provide assistance.

The goal is to deliver life-saving care within five minutes of the emergency and until EMS arrives to take over. To achieve this, a well-designed internal response plan must be in place and ready for activation at a moment's notice.

CLUBS POORLY PREPARED

We conducted a survey of more than two dozen golf courses to

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Managing liability to avoid legal system 'gone haywire'

By GARY M. CRIST

In today's litigious society, lawsuits and liability claims are facts of life. Many believe the legal system has gone haywire, characterized too often by trumped-up cases filed by unscrupulous lawyers. As a result, golf course operations, like any other business, are increasingly scrutinized in situations where personal injury or property damage is incurred, or illegal discrimination is claimed.



Gary Crist

Of course, the objective of the scrutiny is to find fault, lay blame, and ultimately recover big bucks through the legal process.

Difficult and frustrating as liability matters have become, the forward-thinking business person should focus not on the apparent abuses of the system, but rather on the steps that can be taken to minimize legal exposure. Such discipline will serve to help protect business assets from the potential devastation of an adverse legal judgment.

UNDERSTANDING LIABILITY

The first of these steps is to recognize that liability generally results from the failure to fulfill a legal duty owed to the injured party. In the case of premises liability, i.e., responsibility for damages incurred on or about the golf course property, the nature of the legal duty owed by an owner/operator to facility patrons is the exercise of "due care."

Admittedly a vague standard, the essence of due care is to anticipate foreseeable safety risks, and take reasonable steps to minimize them. As an example, when locating a practice green, the se-

lected location should be well removed from the range of even the wildest slices and hooks. A recent legal settlement of \$7.5 million was based on a golfer being struck by a ball while standing on the practice green (*GCN* October 2000).

However, the legal obligation is not to ensure that no one is ever injured. The obligation of the owner/operator is to do what is reasonable and prudent under the circumstances. For common risks, the elements of due care are often obvious: signage should be used on slippery floors and identification should be checked to avoid serving alcoholic beverages to minors.

RISKY BUSINESS

More complex risks sometimes make the components of due care more difficult to determine. A good example is the risk of lightning strikes, which is statistically high at golf facilities.

A recent legal case, *Maussner v. Atlantic City Country Club* indicates that golf facility owner/operators have some duty to at least warn golfers of the dangers of lightning and to detail what safety procedures, if any, are being utilized.

The quandary for the owner/operator is what, if anything, is appropriate in addition to the posting of warning signs. From customer service and general safety standpoints, more pro-active lightning risk management practices seem indicated, particularly in view of the sophisticated lightning prediction equipment and weather monitoring services now available in the marketplace.

When the specter of legal liability is taken into account, however, sometimes less is better when it comes to managing risk. The "catch-22" is that if a facility installs lightning prediction and warning

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Development reality check

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super-high rollers.

One is the Summit Course, the fourth and final layout at the Club at Cordillera, in Edwards. The Jack Nicklaus design unfolds over 7,550 yards of magnificent mountaintop country, 9,000 feet up. The course joins three others, designed by Tom Fazio, Hale Irwin and Dave Pelz. Wadsworth Construction recently unveiled this marvel, which backs up to three million acres of White River National Forest.

This is one well-protected site, and only for the well-heeled. Home sites range from \$200,000 to \$2 million, and homes range up to \$8 million.

Memberships don't come cheap – \$175,000 – but guests at the Lodge & Spa at Cordillera can play for just \$182, including cart and caddie.

RED SKY GOLF CLUB

An equally impressive complex is taking shape at Red Sky Golf Club, in Wolcott. Vail Resorts Inc. is investing \$100 million in this one, which features layouts by Tom Fazio and Greg Norman. The Fazio track is scheduled to open next summer, and Landscapes Unlimited is moving flat out to meet the deadline.

Here, home sites go for \$795,000 – "that's just for the lot, for the dirt," says director of golf Jeff Hanson. Memberships – 425, all told, when both courses are open – are priced at \$150,000. About 80 have been sold so far, Hanson says, and he's eager for more.

Could Red Sky fall victim to the same funk going on elsewhere? Will the lavish Red Sky club sell out, or is Jeff Hanson whistling past the graveyard?

Who can say? But one thing is certain – the old adage "If you build it, they will come," is no longer a sure thing in golf. ■

Medical readiness

Continued from previous page

determine what steps have been taken to manage medical emergencies at their facilities. Not surprisingly, we found very few golf courses do more than call 9-1-1 and wait for the ambulance to arrive.

Of the 17,000 courses in the United States, we estimate that only three to five percent have a comprehensive medical response plan in place today.

Considering the number of new golfers over the age of 50 (a 34-percent increase annually from 1994 to 1999, according to NGF), most clubs are not adequately preparing for the expected increase in on-course medical emergencies.

'ULTIMATE IN CUSTOMER SERVICE'

A medical emergency at your facility

requires immediate response by your staff. Calling 9-1-1 and waiting to meet the ambulance is not an adequate plan.

Instead, being prepared to manage any incident with a professional, competent and caring response will make the difference between a medical crisis and providing the ultimate in customer service.

So what goes into a medical response plan?

- The first step is to evaluate your facility, including course layout, EMS access points, staff training, equipment, on-course communications and local regulations governing medical equipment.

- Your plan needs to address how your staff is notified of an on-course emergency, who responds, deployment of your medical equipment, first aid procedures

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