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.

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 would be 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 slowdown:

“I’m very pleased,” says Tom Tarbuck, director of course development for Collier’s Reserve in Myrtle Beach, South Carolina. “It’s a period of adjustment,” says Lee Hetrick, executive director of the Golf Course Builders Association of America. “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 well. 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.”

**ROCKY MOUNTAIN “HIGH END”**

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

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 selected 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, Mawsoner 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 standpoint, more proactive 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 systems, it will come, is no longer a sure thing in golf.

Medical readiness

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