### COMMENTARY

# Golf course construction due for a reality check

wo 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



editor

one of several new properties rapidly turning Colorado's Vail Valley into a major golf destination. First, let's examine

tional 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 slowdown; it's good from their competitive stand- saying "the industry is in free fall. point.

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.

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



making the same mistakes."

ety of Golf Course Architects, blames a lack-

luster 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."

**RETURNING TO NORMAL** 

ever, the hysteria has a ring of déjà vu.

To golf architect Damian Pascuzzo, how-

"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 es-

tate, due to a recession. I think we're now

Pascuzzo, president of the American Soci-

### **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

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 Continued on next page



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reduction in rate of survival.

Perhaps The Times was keying on an

Jay Finegan,

the slowdown. According to Na-

### COMMENTARY

# Managing liability to avoid legal system 'gone haywire'

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 trumpedup cases filed by unscrupulous lawyers. As a result, golf course operations, like any other business, are increasingly scrutinized in situations where personal in-



jury or property damage is incurred, or illegal discrimination is claimed. Of course, the objective of the scru-

tiny is to find fault,

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 Continued on page 23

### **Development** reality check Continued from previous page

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.

### 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

### **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.

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 Continued on page 17



lay blame, and ultimately recover big bucks through the

# MANAGEMENT

### III. court case Continued from page 15

that there be no impact upon them from the development.

Mill Creek opened in 1996, and the fifth hole quickly began to create a problem. Specifically, golf balls from it began to land on the Geddes property. According to them, 2,128 balls were discovered on their land during the 1997 and 1998 seasons.

Larry Geddes even claimed that one of the balls hit his tractor while he was mowing. A few other balls were alleged to have strayed as far as 300 feet from the boundary line. Both plaintiffs stated that they feared for the safety of themselves and their "pick your own" customers.

### **COURT ANALYZES DESIGN**

The court, through Justice Charles E. Freeman, spent considerable time analyzing the design of the fifth hole.

Freeman noted, for example, that the fifth fairway is 300 feet wide and separated from the Geddes property by a strip of rough 25 feet wide. Both the fence and tall trees also surround the property. These elements. the court wrote, all conform to accepted design standards.

Freeman further observed that most golfers will slice, rather than hook, their errant shots.

This means, given the layout, that the Geddes land had more exposure to risk.

The court even studied the prevailing winds at the fifth hole, which generally move from west to east, and concluded that these could also contribute to balls sailing over to the Geddes property. **IGNORANCE OF GOLF NO EXCUSE** 

In the end, however, the plaintiffs received a "thumbs down" from the court. Much of the le-





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Mill Creek argued estoppel by claiming that the plaintiffs had encouraged it to design the fifth hole in the manner in which it did. Justice Freeman agreed, finding that the plaintiffs had not objected to the plans at county planning committee meetings.

Nor was the justice swayed by the Geddes' argument that they knew nothing about golf. After making his observations about errant golf shots being "as natural as gravity or ordinary rainfall," Freeman said, "We repeat: it is a matter of common knowledge that golfers do not always hit their shots straight .... Even assuming that plaintiffs did not know of this fact of life, they reasonably should have.'

### VAGARIES OF GOLF SHOTS

Michael T. Reagan, of Ottawa, Ill., an attorney representing Mill Creek, believes that the significance of the case lies in two areas.

"The court's opinion demonstrates the importance of careful negotiations with adjoining landowners in the development phase," he said. "Those agreements will be given real meaning. In addition, the judicial recognition of the vagaries of golf balls will be incorporated into the outcome of many aspects of litigation concerning golf balls."

Larry and Choh-Ying Geddes thus saw their action dismissed. In their initial dealings with the developers, they had created a legal sand trap from which there was no escape.

Joseph J. Devanney practices law in Philadelphia.

### Medical readiness Continued from page 5

and coordination with the incoming EMS unit.

• Staff training should include CPR, AED and first aid. Mock drills and exercises need to be conducted to reveal deficiencies and to build confidence and good communication.

• And finally, you need a solid quality-improvement process, which reviews medical incidents and provides feedback.

Your members and guests need a competent and effective safety plan in place, prepared to manage any medical emergency that may arise. They will soon expect it.

Patrick Roselli is president of GolfSafe Inc., of Manchester, Mass., which specializes in medical response planning for golf courses.

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