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GOLFERS ON FILM

In a move to keep golfers at the club after they have finished their rounds, the owners of newly-opened Pistol Creek Golf Club (above) set up cameras on the 18th hole. The action is then shown on 15-minute tape delay in the club's restaurant. To read more about the club's other innovative ideas, see story on page 14.

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RENOVATION WORK, LIKE THIS PROJECT AT LAKESIDE COUNTRY CLUB IN HOUSTON, IS GIVING NEW LIFE TO OLDER COURSES. SEE STORIES ON PAGES 14 AND 15.



Drought conditions on East Coast to persist into spring

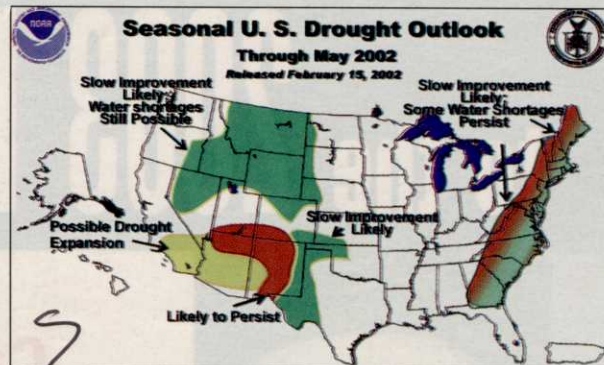
By A. OVERBECK

The warm and dry winter along the entire East Coast has helped courses increase play and has allowed superintendents to tackle more off-season tasks. However, as dry weather has persisted into March, courses from Maine to Georgia are facing the possibility of entering spring under challenging drought conditions.

Some states have already declared drought emergencies and put re-

strictions into place and many more states could follow suit. The long-term forecast from the National Oceanic and Atmospheric Administration (NOAA) calls for a slight improvement but predicts water shortages will continue to persist through May. Among the more staggering drought indicators are:

- The Northeast experienced the second driest September through February in the past 107 years.
- NOAA said the



drought, which started in some areas in 1998, is now classified as hydrological because of low ground water, lake and well levels. These droughts typically take longer to end.

- Drought emergencies have already been declared in New Jersey and in 26 counties in Pennsyl-

vania (See related story on page 8). At press time, New Hampshire and Maryland were close to declaring emergencies.

"This winter drought is not unprecedented, but it is unusual for such a large area to share a drought of this magnitude," said

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Organic golf activists score major victory

By A. OVERBECK

BROOKLYN, N.Y.—The Long Island Neighborhood Network (LINN) has won a major victory in its battle to make all new golf courses organic. A four-judge Appellate Division panel here unanimously reversed a lower court decision Feb. 25 and ordered the Town of Stony Point to comply with SEQRA (State Environmental Quality Review Act) by completing a full environmental impact statement (EIS) before continuing work on its \$18 million Rick Jacobson-designed golf course.

The decision builds on a

similar lower court victory and settlement in Suffolk County in 1998 (GCN June 1999) that forced the county to commit to making its two new 18-hole courses in Yaphank completely organic. The recent decision, however, could set a precedent on a larger scale since it



would apply to Nassau and Suffolk counties in addition to Brooklyn, Queens, Staten Island, Orange,

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Gotham, First Union Real Estate to merge

By DEREK RICE

NEW YORK — On the same day National Golf Properties announced its planned merger with American Golf Corp., First Union Real Estate Equity and Mortgage Investments and Gotham Partners LP also agreed to merge. The resulting entity, Gotham Golf Corp., will be a publicly traded company.

Representatives from both companies declined to speak on the record for this story because a registration statement had not yet been filed with the Securities and Exchange Commission. There is no formal target date for completion of the merger, although if it has not been completed by August 31, payouts to First Union shareholders increase.

The deal has been in the works for some time now, and has been through many proposed incarnations

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Toro, GE Capital create financial offering

By ANDREW OVERBECK

BLOOMINGTON, Ill. — The Toro Co. has partnered with GE Capital Vendor Financial Services to provide a branded, single-source financing solution for golf courses and municipalities.

The move not only consolidates the company's previous financing options

but it also gives Toro access to a financing arm that is larger than Textron Financial Services and John Deere Credit.



Financing

Textron Financial Services and John Deere Credit have managed assets of \$9.1 billion and \$13 billion, respectively, and GE Capital has served assets of nearly \$20 billion.

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Toro teams with GE Capital to provide branded financing solution

Continued from page 1

"Previously we had no formal agreement for either irrigation or turf equipment," said John McPhee, regional business manager. "This is a next-generation product. We have put the Toro brand on it and it is all-encompassing, from irrigation to turf equipment."

McPhee, who helped structure the GE Capital agreement, said the financing solution will help Toro compete more directly with Textron and John Deere, but pointed out that the company will concentrate on cash flow-based lending.

"As long as the customer is creditworthy and meets the

qualifications, we can provide financing beyond Toro products," he said. "Things like design fees, installation costs and pump houses can be added in."

FINANCING A POPULAR OPTION

According to McPhee, approximately 75 percent of equipment purchased today is being financed either through a

manufacturer's financing program, a local bank, or a national provider.

"Financing is becoming a larger part of the business solution that we are trying to provide our customers," he said. "As Wall Street money and management companies have gotten into golf over the last several years, there

are more professional managers at courses. They understand the advantages of consolidating financing transactions into one location."

Offering flexible financing and leasing options will be the key to Toro's new program.

"It all depends on the individual," said McPhee. "We will offer options such as fair market value leases, conditional sales contracts, municipal leases and different combinations. It all depends how your organization is structured and whether you are a for-profit or not-for-profit operation."

"We are not advocating one solution over another," he continued. "That is why we chose GE Capital. They have a lot of flexibility and with their size it allows you to have a long-term relationship, which is important. When it comes to financing, you are more concerned with the second, third and fourth transaction."

ANOTHER SALES TOOL

Just as a master lease makes it easier for customers to manage business expenses, the financing agreement also makes it easier for Toro to manage its customer base.

"Now we can look at our customers and see which ones have leases coming due and be proactive in our approach," McPhee said. "But it is more than a tool to drive sales. It also gives us the ability to control and influence the financing services and make sure we have a quality offering."

With the solid growth in leasing over the last five years, the secondary turf equipment market has been expanding as well. With the new financing arm in place, McPhee said Toro will be better positioned to take advantage of that expanding marketplace as well.

"When we had several partners, it was hard to manage and monitor the equipment coming back," he said. "We will be looking at remarketing options and placing refurbished equipment back into the market with an extended warranty. That is a big opportunity because it allows us to get to a different price point and still offer a reliable product."

Toro's distributors will administer the financing program and they are all currently being trained by GE Capital and outside consultants. McPhee said the financing service is currently available and all distributors will be trained by May. ■



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