IRS to allow depreciation

By A. Overbeck

WASHINGTON—After two years of negotiations, the National Golf Course Owners Association and consultant KPMG have emerged victorious in their depreciation battle with the Internal Revenue Service. The IRS, which had been considering the matter under its Industry Issue Resolution pilot program, issued revenue ruling 2001-80 in late November that will allow golf courses to depreciate the costs of modern green construction.

According to KPMG’s Bill Ellis, the ruling is an “economic stimulus tax package” that could save individual golf courses hundreds of thousands of dollars per year. According to the ruling, golf courses are entitled to a first-year depreciation deduction of 50 percent of eligible costs for the construction of green complexes, according to the ruling.

Golfers Profiling

- 40-64 years of age
- Incomes over $75,000
- Live in large metropolitan areas
- No longer have small children living at home
- Majority are concentrated in three areas of the country:
  - East North Central
  - South Atlantic
  - Pacific

Source: Golf 20/20

Show preview

GCN covers it all from the 52nd annual GCSAA championship to a rundown of all the major shows.....19

Turf researchers debate biotech buffer zones

By Joel Joyner

RIVERDALE, Md. — It seems that anything genetically modified these days has the potential to become a controversy. When it comes to golf, the big question is whether or not there is such a thing as a safe buffer zone for open pollinated testing of genetically modified turfgrasses.

After the Supreme Court ruled in 1980 that genetically modified organisms (GMO) could be patented, commercial endeavors took off. By 1992, the U.S. government approved the first GMO product—a Flavr-Savr tomato with a delayed ripening gene. Today, two seed companies both researching transgenic creeping bentgrass, the Scotts Co. and Turf Seed, have a difference of opinion on what is expected to happen in the future.

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Renovation work to surge in 2002

By Joel Joyner

LINCOLN, Neb. — The National Golf Foundation has tracked the downward slide in new golf course construction projects this past year, and the industry is bracing for the impact. For many golf course builders and architects, course renovations in 2002 will prove to be a more valuable source of income in keeping businesses afloat and the golf economy in motion.

As new course construction seeks a comfortable balance between supply and demand, restoration and modernization of existing courses will carry a lot more weight, according to builders and architects.

BUILDERS SEE INCREASE

For Landscapes Unlimited, 2001 was a record year for new construction and renovation work, according to Brad Schmidt, vice president of Landscapes Unlimited headquartered here. “We’ve been gearing up for quite some time for renovation business in 2002, ’03 and ’04,” he said. “For several years now, 30 percent of our business has been renovation work. That percentage could increase as much as 20 percent this year and make it 50/50 with new construction.”

Schmidt has not seen an increase in competition on bidding for renovation projects to date, but he certainly expects it. “One of the ways an older course can remain competitive is by upgrading,” said Schmidt. “If they don’t, they just might die on the vine. There’s still a lot of opportunity out there, in new construction as well. It’s just that the menu has been reduced drastically.”

The renovation market has been strong in the past two to three years during the golf course building boom, according to Andrew Crouch, director of business development for ASL Golf Course Construction in Waitsfield, Vt.

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American Golf working to regain profitability

By Peter Blais

SANTA MONICA, Calif. — Despite recent reports that American Golf Corp. (AGC) may not be able to make scheduled rent payments to one of its major landlords, National Golf Properties (NGP), AGC management is confident it has taken steps to cover future expenses and return to profitability in 2002, according to co-CEO David Pillsbury.

The past six months have not been kind to the company that is the largest golf course operator in the country. In November, shares of National Golf

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Ford’s TH!NK neighbor enters production

By Andrew Overbeck

DETROIT, Mich. — Ford Motor Co. has launched the TH!NK neighbor, the first of its line of low-speed electric vehicles. While the neighbor is primarily aimed at private users in resort and gated communities, it does have a “golf” setting that will allow it to be used on courses.

“We probably won’t market it much on the golf course fleet business at this time,” said Chris Klein, national accounts manager with TH!NK Mobility. “Because this is designed for private use, what we are looking to do is go after private golf car owners right now.”

Klein, who used to work for E-Z-GO as a territory manager, said the vehicle will be introduced in California first where a percentage of Ford vehicles sold must

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