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. The previous tax law had not allowed depreciation for modern green construction. According to Ellis, the ruling is an “economic stimulus tax package” that could save individual golf courses hundreds of thousands of dollars.

Show preview

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

Golfer 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
  - West North Central
  - South Atlantic
  - Pacific

Source: Golf 20/20

Golf/20/20's research identified the demographic profile of the majority of its "best" customers. For more on the research and other news from Golf 20/20, see page 3.

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 FlavorSavr 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 needed to be done to ensure a safe buffer zone around their research.

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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 continued on page 27

Ford's THINK neighbor enters production

By Andrew Overbeck

DETROIT, Mich. — Ford Motor Co. has launched the THINK 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 THINK Mobility. "Because this is designed for private use, what we are looking to do is go after private golf course 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
Schreiner continues strong position in course renovation market

By JOEL JOYNER

KANSAS CITY, Kan. — Golf course architect Craig Schreiner built the reputation of his design firm on renovation projects. Although his company tackled three new golf course construction projects last year, Schreiner’s renovation work remains in demand.

New golf course construction is considered by many architects to be more lucrative and, in some cases, more rewarding than renovation work, according to Schreiner. However, renovation projects can prove to be more challenging.

“Solving problems via drainage or course inadequacies, getting a committee to take down trees or rebuilding greens to withstand more traffic can be intensely challenging,” Schreiner said.

“Upgrading a golf course is no easy feat. There can be a fine line between success and failure.

“Management and communication skills need to be heightened because you’re dealing with a course superintendent who needs to maintain the course, members who want to continue playing, permitting requirements, course builders, and a number of different people that have to be pleased and often place your work under a microscope,” said Schreiner.

Schreiner’s firm, headquartered here, has met these challenges at its three latest renovation projects.

NORTHLAND COUNTRY CLUB

Schreiner’s renovation of the Donald Ross-designed Northland CC in Duluth, Minn., is nearing completion. With roots dating back to 1871, the club is one of the most esteemed private clubs in the Pittsburgh area.

Schreiner worked closely with Frontier Construction of Jones Mills, Pa., to renovate nearly 100 bunkers, reconstruct the 16th and 18th holes and the green on the fifth hole, contour the fairways, re-grass primary roughs and install a new irrigation system. “The bunkers had lost their shape over time and they were extremely contaminated,” said Mike Zedrick, superintendent.

Course improvements, originally outlined in 1998, also included a new practice range, tree planting and removal and multiple teeing grounds.

The work at Northland is fairly typical of how the firm approaches renovation projects, said Schreiner. “It allows members to continue playing the course and that’s a big issue with both private and public courses. They still need to generate revenue, especially in the North where there’s such a short playing season.”

PITTSBURGH FIELD CLUB

Originally designed by Scotsman Alex Findlay, renovation at the Pittsburgh Field Club also is nearing completion. With roots dating back to 1871, the club is one of the most esteemed private clubs in the Pittsburgh area.

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OAK RIDGE COUNTRY CLUB

The architect also has completed a bunker renovation project at the Oak Ridge CC in Hopkins, Minn. Fifty-seven sand bunkers have been renovated, fairways recontoured and several drainage problems resolved at the club located west of Minneapolis.

“Master plans are an important aspect to renovation work,” said Schreiner. “There are just too many opportunities that are missed if an architect doesn’t really conceive all changes in relation to the entire golf course.

“A golf course is a dynamic, living, growing, changing biosystem. It changes everyday,” he continued. “Like bunkering, strategic bunker placement has been overlooked much too often.”

Duininck Brothers, Inc., of Prinsburg, Minn., completed the work in two phases with minimal disruption to play, said Schreiner.

Renovation upsweeping

Continued from page 1

“As a builder, I see it continuing,” he said. “Most of our projects this year will involve renovation work because of the permitting process required and limited finances available for new 18-hole construction.”

The company primarily focuses on private owners with upscale public facilities, Crouch has noticed an increase in competition on renovation bids. “I’d say there’s an average of five to 10 builders bidding for most projects right now,” he said.

PRIVATE LAYOUTS

Golf course architect Rees Jones, in Montclair, N.J., has noticed a trend by courses to upgrade their layouts. “Many courses also are looking for master plans to work to be done,” he said.

“There are so many clubs, especially private clubs, successfully restoring and upgrading their courses that developers want to keep up with the competition. Renovation work certainly has become more popular.”

Jones points to the fact that there also is more money available from the game of golf now than in times past. “Courses are beginning to look at building bunkers and greens properly, adding length for the improved implements of the game and increasing strategy for players,” he said. “Some of the older courses may not have had the finances available when their courses were first constructed.”

Many older courses may be interested in restoring their layouts to their original look as well, said Jones. “Like we did at the Brookline Golf Club,” he said. “We pushed the bunkers out for the pros, but at the same token we restored the greens back to the old style.”

Renovation projects will make up the majority of the work for Clyde Johnston, a golf course architect based in Hilton Head Island, S.C., this year.

“Overall, we’re probably looking at doing more renovation work than we are new construction projects given what’s out there and available, at least at my level of the business,” said Johnston.

The renovation work will likely include both minor and major renovation work, according to Johnston. “We have 43 golf courses in my immediate area,” he said. “So it’s fairly easy for me to do small work around here.”

Johnston completed a major renovation project, $2.6 million, at the Sea Pines Country Club on the Sea Pines Plantation at Hilton Head Island last year and started a $2.5 million renovation project at the Pine Lakes Golf Club on Jekyll Island that carried over to this year. “Renovation work will be the largest part of my workload this year,” said Johnston, “and probably next year as well.”