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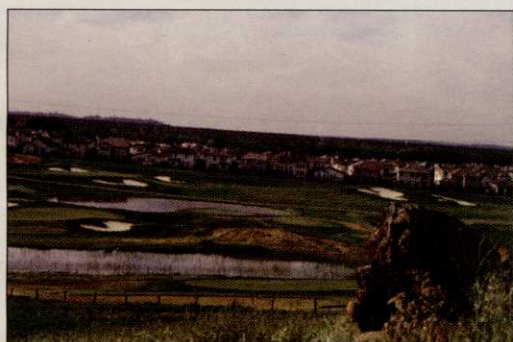
INSIDE

'The Skeptical Environmentalist'

Danish political scientist Bjørn Lomborg documents the improving state of the world.....18

DiMino charts change for Lesco

New CEO outlines his strategy to bring the beleaguered fertilizer back into the black.....25



EMPIRE RANCH'S LONG WAIT IS OVER

Seven years after its initial planning, Empire Ranch Golf Club in Folsom, Calif., is set to open. The project was delayed for a number of reasons, including problems with wetland mitigations and the rocky soil. Despite these obstacles, B and Z Property, working with architect Brad Bell and Wadsworth Construction, finally brought the ClubCorp-managed course to fruition. (see page 14)

COURSE MAINTENANCE

SurfRax eases wastewater cleanup8
Tools of the Trade at Nicholson's Wilderness Ridge 9
Using Photoshop for presentations 11

COURSE DEVELOPMENT & RENOVATION

Harding Park renovations finally proceeding 3
Lehman working to renovate home course 14
Kopenhagen to present rounds alternative 14

COURSE MANAGEMENT

Acordia expands golf course insurance service... 21
Redstone Golf looks to grow in Houston market..21
InVista offers owners marketing, sales help 22

SUPPLIER BUSINESS

PTI's FarmLinks making progress 3
Bayer AG one step closer to Aventis purchase 25
Fairway Golf Cars drives into action 25

PERIODICAL

POINT

Damian Pascuzzo and Walter Uihlein square off over the impact of improving golf ball and club technology.

Page
6

COUNTERPOINT

Yamaha Golf Car to unveil \$31 million factory, '03 model

By A. OVERBECK

NEWNAN, Ga. — In a strong statement of its commitment to the golf market, Yamaha Golf Car (YGC) is set to open a brand new \$31 million manufacturing facility dedicated solely to golf cars, utility vehicles and off-fairway vehicles June 8. At the grand opening the company will also unveil its 2003 golf car model — reportedly the first of several new products slated to roll off the production line at the state-of-the-art, 220,000-square-foot factory.

"The first car to come down the line will be the '03

model," said Jon Bammann, division manager of new business development and off-fairway vehicles. "We will also be expanding our utility vehicle line. We feel we have a good medium-duty vehicle in the G21, but there is a spot in our lineup where we could have a heavy-duty and lighter-duty vehicle."

Yamaha officials also hinted at future products that will push golf's staid image.

"We have some fun stuff that we are going to leverage," said Stu Horlak, general manager for Yamaha Motor Co. "We have the



A sneak peak at the 2003 model Yamaha golf car

advantage of bigger markets and more diverse product lines [ATVs, motorcycles, watercraft]. The guys at YGC don't stop thinking with the traditional fleet golf car, [su-

perintendents] have needs from turf care to off-fairway vehicles."

HIGH-TECH FACTORY

To be certain, YGC's significant investment in a

Continued on page 27

PGA Village foes face referendum deadline

By DEREK RICE

SAN ANTONIO, Texas — Opponents of the proposed PGA Village here were disappointed by the City Council's 9-2 decision to approve a deal with Austin-based Lumbermen's Investment Corp. to build the resort on land that drains into the Edwards Aquifer, the city's sole source of water.

Hours after the April 5 decision, a coalition of groups that oppose the plan began scrambling to obtain the 68,023 signa-

tures that would be necessary to put the issue to citywide referendum. Under the city's charter, the groups had 40 days, or until May 13 to obtain those signatures, although the interpretation of the charter is open to debate.

"There are a number of different interpretations about what that date

Continued on page 18



Editorial Focus: Utility Vehicles

New players enter utility vehicle fray

By ANDREW OVERBECK

MINNEAPOLIS and CLEVELAND — Unfazed by a slowdown in golf course construction, Polaris and Cub Cadet have made a bold entry into an already crowded golf course utility vehicle market.

The two companies are entering unfamiliar territory — Polaris' primary business is in consumer products such as ATVs and snowmobiles and Cub Cadet is a division of outdoor power equipment maker MTD Products. While the new players are still focusing on consumer products, both see a large growth opportunity in the golf market.

Continued on page 10

Easement could spell large tax savings

By DEREK RICE

BRADENTON, Fla. — Despite the human nature to shy away from anything involving property tax valuations and the Internal Revenue Service, golf course management consultant Michael Kahn of Golfmak Inc. believes the financial benefit of conservation easements is



too good to pass up for golf course owners, operators and managers.

Under the program, if a golf course is situated on land that will be dedicated to the golf course forever and will never be subdivided or built

on, an owner can go to a recognized

Continued on page 24

Owner settles ADA complaint

WASHINGTON—The Department of Justice has reached an agreement with Sun City Summerlin Community Association Inc., a Las Vegas-based owner and operator of three golf courses, to make its courses accessible to golfers with disabilities.

Under the agreement, the association will adopt a new policy

to prohibit discrimination on the basis of disability and to allow power carts on paths, walkways and greens whenever one is necessary to allow someone with a disability to play on the course.

The settlement resolved a complaint filed by a golfer who requested a modification of the rules that restricted golf car use

in areas of the courses where carts of any kind are prohibited, including greens. The complaint filed with the Department of Justice sought a modification of the policy, which resulted in limiting access to people who could walk some distance.

The golfer alleged that prior to the department's investigation, Sun City had refused the request for modification of the policy.

Sun City has established and will maintain a written policy that modifies certain golf car and cart restrictions to allow access for golfers with disabilities. The policy covers all three Sun City Summerlin golf courses, including Eagle Crest, Highland Falls and Palm Valley. The policy also retains golf car restrictions to areas only upon showing that safety is a concern or that the physical

integrity of
the golf
course is
t h r e a t -
ened.

Recent
advancements in
golf car technology and horticulture have made it possible to provide access to most areas of golf courses without fear of damage.



Conservation easement

Continued from page 1

conservation authority, such as Ducks Unlimited, and grant them a conservation easement across the property.

"That easement basically says that's what the property can be used for, as a golf course, and if it's not used as a course, it becomes natural terrain," Kahn said.

Where the financial benefit goes to the golf course, Kahn said, is that the land is reappraised at the highest and best use, allowing fairways to have the same value as subdivided lots.

"So you can wind up with a golf course that will have a tax write-off of about half a million bucks, and they're allowed approximately 30 percent of that a year to write off against taxes on earnings," he said. "So it can become very substantial, particularly for golf courses that are quite profitable and paying a large tax."

The strategy is the result of a 1997 IRS decision that made it possible for recreational lands to qualify for conservation easement tax write-offs. Until that time, the program had been reserved for historical sites, farms and other types of properties.

Kahn, who is also a licensed Florida real estate transactor, did a valuation for a course he is familiar with and came up with a developed land value of more than \$12 million after deducting things like infrastructure costs and present value. Based on that valuation, the owners could claim a \$12 million write-off over a six-year period. When converted to tax savings, that amounts to hundreds of thousands of dollars over that period, Kahn said.

Through strategic planning, owners can conceivably extend the length of their write-off period by writing off groups of six holes and practice facilities in different years, Kahn said.

The one drawback to the plan, Kahn said, is that the easement is forever and can't be rescinded. "Once it's granted, it's in place until the sun burns out," he said. "Although we all know that if O.J. Simpson can get off, anyone who wants to throw enough money at it can probably get it reversed." ■

