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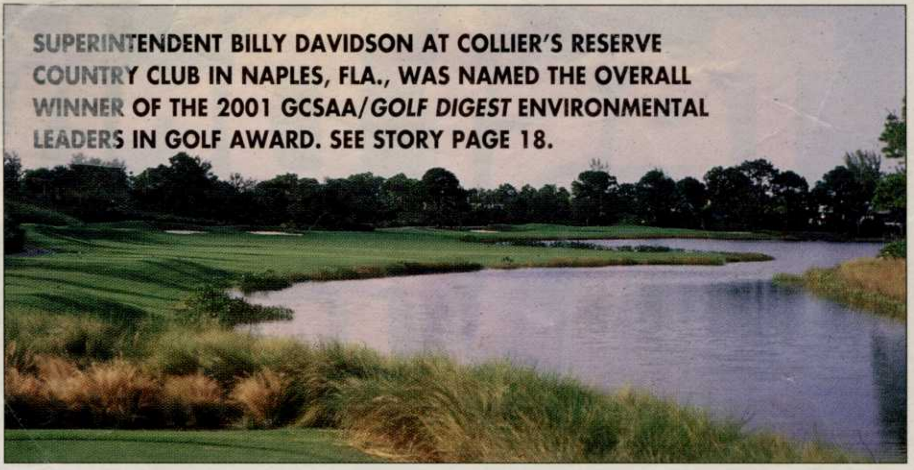

SUPERINTENDENT BILLY DAVIDSON AT COLLIER'S RESERVE COUNTRY CLUB IN NAPLES, FLA., WAS NAMED THE OVERALL WINNER OF THE 2001 GCSAA/*GOLF DIGEST* ENVIRONMENTAL LEADERS IN GOLF AWARD. SEE STORY PAGE 18.

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National Golf merger pending

National Golf Properties has proposed a merger with its largest tenant, American Golf 3

Development slowdown

New construction will continue to soften in 2002, but opportunities still exist...13

GCSAA ORLANDO WRAP-UP

In addition to Kevin Ross' new product picks and a full report on the winners of GCN's Builder of the Year Awards, the post-show section includes information on the Golf Super-Market, the USGA's Green Section award, and the GCSAA tournament. See pages 17-20.

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PERIODICAL

Palmer Golf set to diversify portfolio

By ANDREW OVERBECK

ORLANDO, Fla. — After spending 2001 opening five courses and dealing with the financial realities of Sept. 11, Arnold Palmer Golf Management is moving full speed ahead into 2002 with a strategy to further diversify its portfolio.

Tim Tierney

The firm signed its first management contract of the year at Stone Ridge Golf Club in Bowling Green, Ohio, and is looking to add four more facilities before the end of the first quarter. In addition to management deals, Palmer Golf will be paying more attention to acquisitions and will be working more closely with Palmer Course Design.

"We want to have a diverse portfolio of owned, leased and managed facilities," said Palmer Golf president and CEO Tim Tierney.

With the addition of Stone Ridge, Palmer Golf now manages 30 properties across the country. The semi-private club opened in 1998 and features a 6,900-yard, links style layout designed by Arthur

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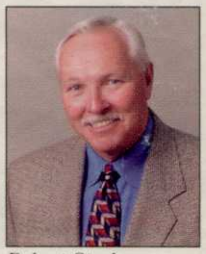
With financing scarce, builders grapple with equity gamble

By ANDREW OVERBECK

As golf course development financing has become increasingly scarce, more golf course builders, both large and small, are being asked to take equity positions in projects.

"It seems like seventy percent of the deals we see, the developer is looking for money," said Robert Steele, president of Scottsdale, Ariz.-based SEMA Golf. "More developers are trying to figure out how they can still have a golf course and not spend their money."



Robert Steele

While larger, established companies such as Lincoln, Neb.-based Landscapes Unlimited and Colorado Springs, Co.-based Niebur Golf have been involved in the equity partnership and ownership game for some time, this trend opens up a whole new set of challenges for medium and small builders which take comparatively larger risks when they trade profits for an equity stake in a project.

WEIGHING THE RISKS

"It may look like fun," said Lee Hetrick, executive director of the Golf Course Builders Association of

Continued on page 5

Newly elected Wallace determined to move GCSAA forward

Q&A

ORLANDO, Fla. — Newly elected president Michael Wallace has taken the leadership reigns at a pivotal time for the Golf Course Superintendents Association of America. The association, which is feeling the effects of a slowing golf economy, will be tackling some weighty tasks this year from PDI implementation to the launch of its e-business initiative.

Michael Wallace

Wallace, who joined the staff of Fairview Farm Golf Course in Harwinton, Conn., Feb. 25 after being let go by Hop Meadow Country Club Simsbury, Conn., also has thoughts on how superintendents can balance a leadership position with the association while still maintaining their jobs.

Golf Course News recently caught up with Wallace to discuss what goals and hurdles are in store for the GCSAA this year.

Golf Course News : What are your goals for association this year?

Michael Wallace: The GCSAA is obviously poised. We just finished our 75th year as an association, and tremendous strides have been made in that period of time thanks to all those who have preceded me. The PDI implementation will be taking place July 1,

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Bayer, Syngenta settle patent suit

By ANDREW OVERBECK

BASEL, Switzerland — Syngenta AG and Bayer AG have reached a settlement over a dispute concerning neonicotinoid chemistry, which was the subject of various legal proceedings in the United States, Europe and Japan.

The dispute arose in 1994 when Syngenta first filed for a patent for the neonicotinoid active ingredient thiamethoxam. Arguing that thiamethoxam was too similar to its neonicotinoid active ingredient imidacloprid (Merit), Bayer challenged the patent.

After enduring years of lawsuits and legal expenses in different venues around the world, both sides agreed in early January to settle the matter and move on.

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Palmer Golf looks to third party deals, acquisitions

Continued from page 1

Hills. "Stone Ridge is a great golf course," said Tierney. "With some more aggressive sales and marketing it will do very well."

As far as other new management contracts, Tierney said the company would continue to focus on its cluster markets and look at opportunities in the Northeast and Mid-Atlantic.

MARKET OPPORTUNITIES

With large numbers of courses for sale, and the golf market at or near the bottom, Tierney said the company has received the green light from its financial backer Olympus Real Estate Partners to look at acquisition opportunities.

"If you are a major player like us, now is the time to take advantage of the down cycle and the lower multiples to bulk up," he said. "This is a very reasonable time to add to your portfolio."

According to Tierney, the firm is getting calls from banks that have repossessed courses. "This may be a good opportunity to come in and operate under a management contract for a bank," he said. "It would be a good way to do due diligence while operating the course. If it worked out you could just take over the debt."

Palmer Golf's Stone Ridge Golf Club in Bowling Green, Ohio

High-end courses present the biggest acquisition opportunities, said Tierney.

"Affordable golf will continue to prevail," he said. "High-end daily fees that were underwritten at $80 to $100 a round at 50,000 rounds per year will be on the market. They can do 50,000 rounds, but at $50 a round. There is a lot of great product out there that is not going to be able to command the rate that was anticipated, but if you buy right you can make it work."

While they have not officially teamed up on any developments to date, Palmer Golf is looking to partner with Palmer Course Design on several projects this year. "We are exploring more possibilities with PCD than we have in the past," Tierney said. "The design and build team will work with our management team. Some renovation work, new development and international projects will come on line."

SLIMMING DOWN

While acquisitions and new projects are a focus for Palmer Golf, the events of Sept. 11 forced the firm to concentrate on cutting costs and running its courses more efficiently.

"We took a hard look at how we were operating our facilities from revenue management to expense control, to doing more with less in the off season," said Tierney. "In the end it was healthy."

In order to slim down, the firm implemented early seasonal layoffs, reduced fixed costs and combined some positions. They also held 2002 budgets until the end of December. Moving into the year, the firm is using more regional marketing and Internet promotions and advertising.

It is too early to tell whether levels of play at its facilities have returned to normal or not because many of the company's courses are closed for winter. However, Tierney said event booking is coming in, albeit at lower rates. "A couple of years ago we were able to package food and beverage and merchandise and a lot of other amenities," he said. "They are still holding tournaments, but they have scaled back spending on the amenities." ■