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INSIDE

Reduce water use

USGA Green Section director James T. Snow outlines golf's latest water conservation efforts.....9

Technology to the rescue

Smart keys and GPS aim to simplify operations and boost profits for course managers.....21



RENOVATION WORK SURGING

Superintendent Rick Holanda at Aronimink Golf Club in Newton, Pa., took advantage of a mild winter to complete his renovation project a year ahead of schedule (work on the eighth hole is pictured above). His story appears on page 16 in the refocused Development & Renovation section, along with the first in a continuing series of articles by Kevin Downing detailing his experience renovating Willoughby Golf Club in Stuart, Fla. (see page 15).

COURSE MAINTENANCE

Rutgers to gauge size of N.J. turf industry3
Sudden Oak Death raises concerns in Calif. 9
Tools of the Trade at Howell's The Ledges CC....10

COURSE DEVELOPMENT & RENOVATION

Kentucky grad Rogers comes home 15
Golf Trail seeking site for first facility 15
Sid Puddicombe Assoc. takes on ownership 19

COURSE MANAGEMENT

Troon Golf adds 10 in first quarter 4
American Golf files suit against club member 21
FireRock CC goes private ahead of schedule 22

SUPPLIER BUSINESS

Lesco: Foley out, DiMino in as CEO 3
Watertronics upgrades software 25
Spanish Systems helps managers communicate..25

PERIODICAL

POINT

Environmental attorney
Neal Lewis and USGA
agronomist Matt Nelson
face off over organic golf.

Page
6

COUNTERPOINT

Editorial Focus: Mowers

Mower makers shelve new technology

By ANDREW OVERBECK

While mower manufacturers continue to develop GPS, electric motors and autonomous capabilities, they have yet to incorporate these technologies into any new products. Instead of testing the waters with risky and expensive technology, manufacturers have concentrated their short-term efforts on improving and tweaking existing products.

"A lot of the excitement over new technology was fed by the Internet euphoria that you could do anything," said John Wright, director of marketing for Toro. "A lot of companies have spent money trying to do anything and it didn't pay off. Superintendents have told us that they don't want more technology. They want stuff that works and makes their jobs easier—not more complicated."

Toro and other manufacturers have not given up on the promise of new technology (see story page 11), but they are cognizant that any breakthrough product will have to offer



John Wright



Gregg Brenningmeyer

Continued on page 11

NGP, AGC merger to go forward

Investors, analysts question combined company's viability

By DEREK RICE

SANTA MONICA, Calif. — Nearly two months after announcing its intent to merge with American Golf Corp., National Golf Properties (NGP) announced the two companies would merge into an as yet unnamed corporation.

As part of the deal, NGP will absorb American Golf's \$126 million in debt and would cease to be a real estate investment trust (REIT).

In the days following the announcement, financial firms seemed underwhelmed by the news, and investors were left to ponder the future of a company that is willing to assume so much debt.

"I'm unhappy to see this, but I'm not surprised," said Dan Boyle of Schwerin Boyle Investments, which is an NGP shareholder.

PricewaterhouseCoopers, which is the independent auditor for both NGP and American Golf, has raised concerns about the viability of both companies in light of their financial difficulties

Continued on page 5



Rutgers gains rights to PureIntro technology

By ANDREW OVERBECK

NEW BRUNSWICK, N.J. — Rutgers University has reached an exclusive agreement with Japan Tobacco to develop and commercialize transgenic turfgrass varieties using a pioneering plant transformation technology.

Japan Tobacco's PureIntro employs plasmids derived from Agrobacterium tumefaciens, a bacterium that has the unique

ability to insert a portion of its DNA into the cells of plants. According to officials at Rutgers,

PureIntro technology is more precise than the Scotts Co.'s "gene gun" and it will allow turfgrass producers more access to transgenic varieties.

"Agrobacterium has been used by researchers for years in

transforming dicots but it has never been used in monocots," said Jim Costagano, manager of technology and licensing at the Center for Turfgrass Science and the Biotechnology Center for Agriculture and the Environment at Rutgers.

Dr. Barbara Zilinskas, a plant scientist at Rutgers, received permission from Japan Tobacco in 1997 to begin work with PureIntro in turfgrass and was

Continued on page 26



Dr. William Meyer

First National expands Native American lending

By DEREK RICE

MARTINSVILLE, N.J. — Rumors of the demise of funding for golf course development projects are greatly exaggerated, according to Jerry Sager, managing director at First National, who said the departure of some of the bigger names has led to that perception.

"I keep hearing that and I think it's focused because Bank of America left and Daimler Chrysler Credit quit and GMAC stopped doing [golf course loans]. I don't think that's fair," he said.

Along with First National, Sager said, other key lenders have been in the golf business for many years.

"Textron's certainly been around a long time and we've been doing golf course loans for 20 years. I don't think we've changed to the market at all," he said. "Quite frankly, I don't think Textron has either. I think we've both been quite consistent."

Continued on page 18

Roslyn, Holiday Organization to develop golf community

JERICHO, N.Y. — Mt. Sinai Ventures LLC, an affiliate of Roslyn Bancorp Inc., has partnered with The Hamlet at Willow Creek Development Co. LLC, an affiliate of The Holiday Organization, to develop a 177-unit, \$105 million residential golf community. The Mt. Sinai-based

development will be known as the Hamlet at Willow Creek.

The partners expect the project to be completed in 24 to 36 months. The terms of Roslyn's investment call for a preferred return of 1 percent over the bank's prime lending rate on a total investment of \$25 million, plus a 50 percent

share in the residual profits and losses. According to John R. Bransfield Jr., vice chairman of Roslyn Bancorp and president of Roslyn Savings Bank, the company expects its share of the profits to be in excess of \$10 million.

The homes currently under construction range from

\$485,000 to \$625,000 and range in size from 2,200 square feet to 3,900 square feet. They will be adjacent to the 18-hole golf course and practice range. Also included in the golf club are tennis courts, playgrounds, basketball courts and an in-ground swimming pool. Once completed, the club will accept only

a limited number of memberships from non-homeowners.

Roslyn and The Holiday Organization previously teamed to construct a 370-unit residential community in Oyster Bay, which should be completed later this year.

The Holiday Organization has constructed similar projects throughout New York, Pennsylvania, New England and Florida.

First National

Continued from page 1

First National's board of directors recently approved a proposal to provide additional funds to finance golf projects on Native American soil. This move stems from the positive experience First National has had with Santa Clara Golf Services, which is constructing a course in Santa Fe, N.M. Working with Native American projects, Sager said, is a relatively new area of investment.

"That's a real breakthrough for us, and apparently for everyone else," he said.

Previously, lenders were skittish about lending for projects on Native American soil because of tribes' sovereign governments. Because of this structure, lending for these projects is the equivalent of lending for a project in another country.

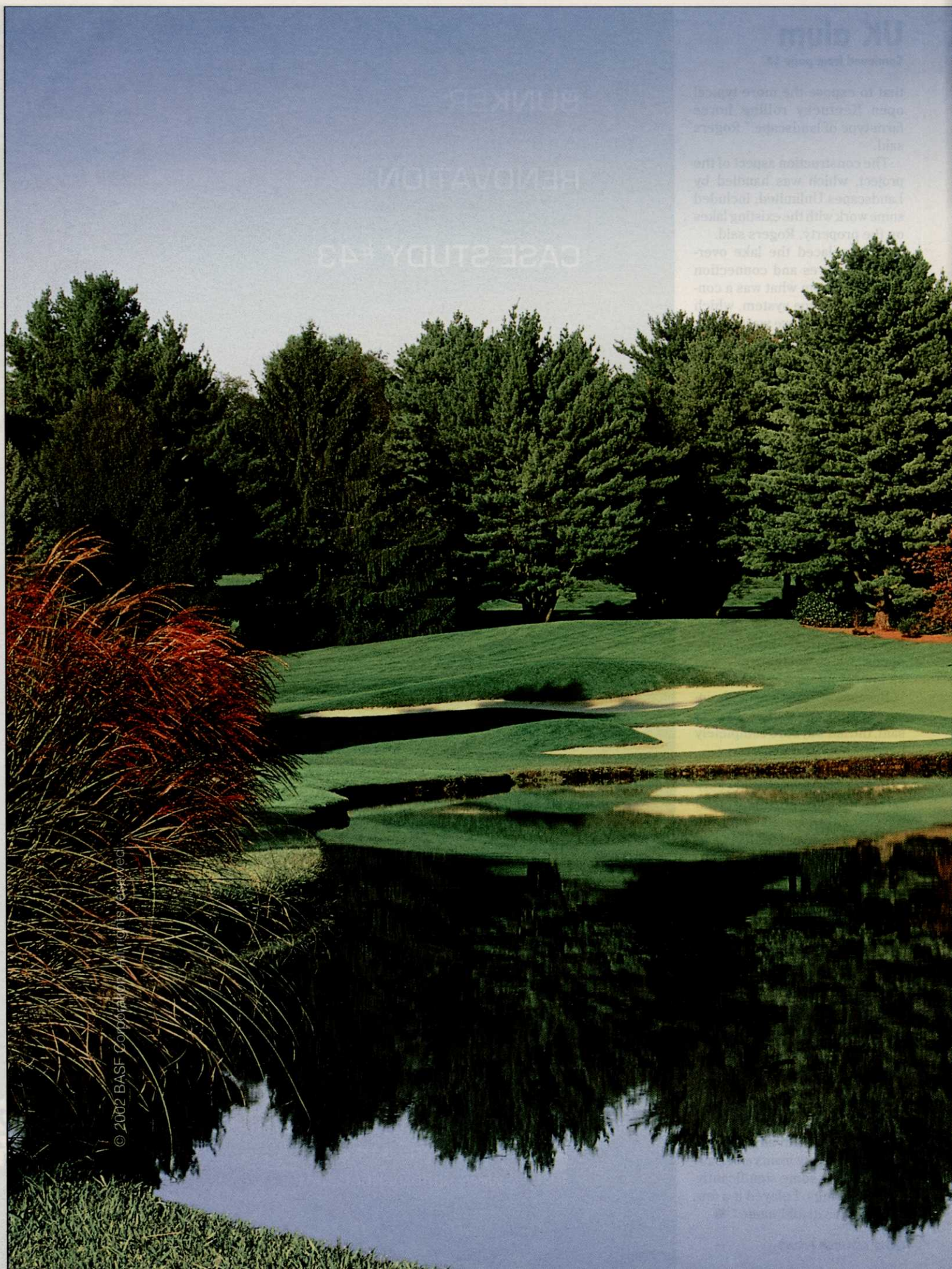
"You are not lending to an United States entity, you're lending to a sovereign entity, so you are subject to whatever Indian law exists at that particular tribe," Sager said. "You're effectively lending to a non-United States entity, so you don't have simple fee title to the real estate. It's a whole different set of rules."

Sager said a number of factors have led to an increase in the number of inquiries for these types of projects in recent years.

"There are a lot more now than there were five years ago and certainly 10 years ago," he said. "The growth with casino development and destination resort development onto Native American lands has sparked golf development and of course golf course lending. It's a wonderful market and I think a wonderful opportunity for golf course developers to partner with Native Americans."

Based on its success with the Santa Clara project, Sager said, First National will continue to fund these types of projects in the future.

"It's been a very positive experience for us," he said. "The golf course is not open yet, although we have invested several million dollars. We said, 'Now that we've got our feet in the water, let's get wet all the way up to our neck and do some more of these.'" ■



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