



## BRIEFS

### INVERNESS CLUB HIRES VETERAN GM LARocca

TOLEDO, Ohio — The Inverness Club has hired Pasquale "Pat" LaRocca as general manager. The hiring was announced at an Inverness Club event in late July. Most recently, LaRocca was general manager and chief operating officer at Muirfield Village Golf Club and the Memorial Tournament in Dublin. Prior to that, LaRocca served as general manager at Youngstown Country Club in Youngstown for four years and at the Oakmont Country Club just outside Pittsburgh, Pa., for 16 years.

### KEEFER TO HEAD GOLF OPERATIONS AT TRILOGY GC

LA QUINTA, Calif. — Phoenix-based Intrawest Golf has named Todd Keefer as director of golf for the 18-hole Trilogy Golf Club in La Quinta, which is scheduled to open this winter. Keefer previously served as head golf pro for Intrawest-managed CrossCreek Golf Club in Temecula. Keefer will be responsible for overseeing all operations at the Gary Panks-designed club, which is part of Shea Homes' Trilogy Active Adult community network. Intrawest and Shea have also teamed at Trilogy Golf Club at Power Ranch and Seville Golf and Country Club, both in Gilbert, Ariz., as well as Trilogy Golf Club at Redmond Ridge in Redmond, Ariz.

### CHICAGO PARK DIST. PRODUCT RETURNS TO HEAD JUNIOR GOLF OUTREACH

NORTHBROOK, Ill. — Derrick Moseberry, himself a product of the Chicago Park District's youth golf program, has returned to the program as coordinator of junior golf outreach for the Chicago Park District and KemperGolf Management. Moseberry's grandmother, Arnette Moseberry, is president of the Bob O'Links Junior Golf League at Jackson Park. Moseberry attended Texas Southern University in Houston on a partial golf scholarship combined with the James S. Kemper Jr. Foundation scholarship. Moseberry will be responsible for junior golf outreach at all of the park district's facilities, which include five nine-hole courses, one 18-hole course, three driving ranges, a junior learning center and a miniature golf course.

## AGC gets restructuring deal

By DEREK RICE

SANTA MONICA, Calif. — American Golf Corp. (AGC), like its potential merger partner National Golf Properties (NGP), recently received a reprieve in the form of a restructuring agreement with its lenders.

AGC's inability to make lease payments to NGP for several months has jeopardized the financial security of both companies. This was also one of the major factors that led to the proposed merger, which has been decried by industry insiders and shareholders as beneficial to one but David Price, who owns a large portion of both companies, and NGP executives including chairman and CEO David Pillsbury, who is also chairman and CEO of AGC.

Under the restructuring agreement, Bank of America granted AGC a limited waiver, which is subject to delivery of leasehold mortgages on certain golf courses leased by AGC. At press time, the process of preparing those leasehold mortgages was expected to be completed by Aug. 8, although there was no assurance that deadline would be met. Bank of



David Pillsbury

America extended the maturity of AGC's credit facility and private placement notes to the earlier of March 31, 2003, or the consummation of the AGC-NGP merger. In addition, Bank of America and AGC noteholders have waived existing defaults and all potential future events of default other than specified "major defaults" during this period.

As additional security for AGC's obligations, Price personally pledged approximately 3.6 million shares of common stock and National Golf Operating Partners (NGOP) common units, as well as a second deed of trust. He is required to substitute cash collateral for this collateral by Oct. 15 in the case of the shares and units and Sept. 30 in the case of the deed of trust.

Spokespeople for both NGP and AGC declined to comment on this agreement or previous agreements, saying that all necessary information is contained in the companies' filings with the Securities and Exchange Commission.

There has been speculation that some NGP shareholders were amassing shares to counterbalance the votes of Price and the companies' boards of directors. An AGC spokesman also declined to discuss the proposed merger or give a firm timeframe for a shareholder vote.

### Editorial Focus: Insurance & liability

## Courses face rising insurance premiums

By ANDREW OVERBECK

Since Sept. 11, insurance premiums have risen across the board, and some companies have abandoned the golf course market altogether. The recent up-and-down nature of the stock market certainly hasn't helped matters.

"Companies that were attracted by high premiums [to invest in the stock market] are getting out of the market," said Tom Marks, executive vice president for club programs for Bollinger Insurance.

That, coupled with falling profits, meant that premiums had to increase.

"The last several years have not been terribly profitable," said Bob Goldthorpe, head of St. Paul's Eagle 3 program for golf courses. "In 1999, for every dollar that we brought in, we paid out \$1.62. That is why premiums went up."

With premiums increasing and companies discontinuing service, many courses are scrambling to get new insurance carriers and to re-evaluate existing policies. According to industry experts, as courses go through this process, there are several must-have insurance items to keep in mind that are not always standard on golf policies.

### ENVIRONMENTAL LIABILITIES

Environmental liability coverage handles items like herbicide and pesticide overspray rider and fuel tank leakage.

"Five years ago, this was not available," said Ken Robinson, of Lumbra Robinson and Associates, a representative for Zurich and other carriers that offer golf insurance. "It is important for courses to have

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### Editorial Focus: Insurance & liability

## Courses win golf car cases in past year

By JOSEPH J. DEVANNEY and DIANE SUMMERS DEVANNEY

Decisions in golf car-related lawsuits over the past year have been largely favorable to golf course owners. However, that success has not necessarily translated to other types of suits. The following four cases demonstrate how courts across the country have treated the golf industry over the last 12 months.



One case arose in Miami, Fla., where two players, Eliseo Ferrer and Fernando Calvo, were participating in league play at the Fontainebleau Golf Course. Ferrer, who was driving the golf car, got out and Calvo moved into the driver's seat. Unfortunately, Calvo then accidentally struck Ferrer with the car. Ferrer sued the course, claiming that it was liable under a Florida legal theory called the "dangerous instrumentality doctrine." In fact, in a 1984 decision, the Florida Supreme Court had ruled that a golf car is

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## Westchester Country Club digs geothermal heating system

By JOHN TORSIELLO

RYE, N.Y. — Officials at Westchester Country Club have gone underground, at least as it pertains to the club's heating and cooling needs.

A \$7 million renovation at the historic layout, which hosts the annual PGA Buick Classic, has resulted in the conversion of the 80-year-old club's massive 340-room hotel from a traditional heating and cooling system to a geothermal system.

The project's contractor was R. J. Dooley & Associates of Poughkeepsie, N.Y. The firm has installed geothermal systems for over 17 years, including those at golf clubs in Georgia and the Midwest.

"Golf courses are a prime site for geothermal systems because of the available land," said Bob Dooley, owner of the firm. "This type of system can be installed anywhere. In fact, the Westchester site was one of the more challenging projects we have undertaken because we had to drill through bedrock."

Some 180 wells were drilled to depths of 300 feet into solid granite located below open land at Westchester CC, which includes two golf courses, a hotel, clubhouse, tennis courts and other amenities.

The geothermal system runs water through underground pipes and uses a stable ground temperature to act as both a heating and cooling engine. (The

earth's temperature is a constant 55 degrees some 15 feet below the surface.)

Water flowing through six miles of ductwork connects to individual heat pumps in each room of the hotel, built at the turn of the 20th century. The water passing through the piping cools rooms by absorbing heat during the summer and is warmed to heat the spaces during the winter. The re-circulated water always returns to the building at 55 degrees. The club uses a backup boiler and water-cooling tower for kitchen and laundry operations.

Disruption to the club was minimal and the system was installed so as to be unobtrusive, Dooley said. At its peak, about 60 workers were involved with the project, which took a little over a year to complete.

"The vertical bores took up about an acre and a half," he said. "We picked an area in an open field off the first green of the South Course. It was either there or the driving range, and we felt the site we picked would cause the least inconvenience. We pulled topsoil off and pushed it back once we were done drilling."

"The technology made sense and the system is environmentally sound," said Bob James, the club's executive director.

James said that while the geothermal system was somewhat more costly (around \$350,000 more) than if the

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## Examine course insurance coverage

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this to protect against damage to their own property and the environment."

According to Marks, it is easier to get if the course has proper photographic and safety documentation to demonstrate that all systems are in good shape. "We also don't write coverage for underground storage tanks,"

he said. "They are harder to maintain and it is harder to see leaks."

### ORDINANCE OF LAW COVERAGE

Ordinance of law coverage is especially important for older courses that have aged clubhouses that are not up to current building codes. "A clubhouse built in 1960 doesn't meet today's

codes for disability, fire sprinkler, elevator, wind protection, electrical or plumbing," Robinson said. "You have to buy the extra protection because insurance will not pay for upgrades, it will only pay replacement cost to the like kind and quality to what had been built in 1960."

In order to insure for this need, Robinson recommends that courses hire a consultant to analyze what the added code up-

grades would cost if a club had to rebuild its clubhouse.

### MAINTENANCE EQUIPMENT REPLACEMENT

Along the same lines, Marks recommends that courses insure their maintenance equipment to replacement cost rather than actual cash value.

"If the maintenance barn burns down, you could lose \$500,000 worth of equipment, and if the equipment is insured for actual

cash value you can have a significant shortfall," he said. "The inventory should be updated every year."

### GROUNDS COVERAGE

Courses also need to consider grounds coverage, that can be expanded to cover areas beyond the playing surfaces.

"We define it as maintained roughs, bunkers and other landscaped areas," said Marks. "Previously, if a tree went down between the fairway and the rough, our obligation was to pay for the removal of the half that was in the fairway. Obviously that is ludicrous."

Such coverage is important because it gives courses the peace of mind that the whole course is protected. "We had a significant claim at the TPC at Sugarloaf a month before it hosted its first Bell South Atlanta Classic," said Goldthorpe. "A tornado touched down and downed hundreds of trees. It was a significant claim." Having broad grounds coverage allowed the course to get back up to speed in time for the tournament.

### BUSINESS INCOME

Should the golf course be damaged, the clubhouse disabled, or the maintenance equipment destroyed, owners can also be protected from lost business income.

"If anything happens that leads to a loss of revenue stream, ongoing profits and continuing expenses need to be quantified," said Robinson. "This is an endorsement that is often not well understood and needs to be handled properly." ■

# Straight talk.

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Ravisloe Country Club

"You guys work at *Golf Course News*? That magazine has the  **freshest news!**"

Scott Anderson, Area Manager  
United Horticultural Supply

## Geothermal heating system

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club had opted for a more conventional heating and cooling system, the amount of time it will take to recoup the extra cost is expected to be only a year and a half. The club expects to reduce its annual oil consumption by around 200,000 gallons a year.

"We budgeted \$217,000 for oil last year and that figure is now \$99,000 for the current year. And we may be even below that. This system will save the club considerable money down the road," James said.

The club has applied for a New York State alternative energy grant to help defray some of the cost of the new system, and has requested a special lower electricity use rate offered by a local power company for reducing a building's overall energy consumption.

"This type of system makes a lot of sense for a country club, or anywhere else where you have available land and are looking for a lot of individual control to heat and cool rooms," James said. ■

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