

# Environmental movement may hinder plans

BY MARK LESLIE

Environmental laws that make development tougher and more time-consuming threaten to dampen the golf course boom that many in the industry are predicting.

Golf course architect Michael Hurdzan told the 300-plus people at a golf development seminar in Florida that despite the need for more courses to accommodate the growing number of golfers, "We're going to see fewer and fewer courses built."

He cited harsher wetlands and other environmental laws as the reason.

Donald Wisdom, president of the environmental engineering firm of Wisdom Associates, Inc., in Stuart, Fla., said, "There are quite a few horror stories associated with the purchase of properties."

"With the environmental movement and Congress being environmentally sensitive, there are a lot of things to look at in buying and using property," Wisdom said.

Indeed, Richard Robbins, vice president of Nicklaus/Sierra Development Corp. in Tampa, Fla., cited a New Jersey project that cost the developer \$1.5 million to \$2 million over three years.

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"Many things need to be looked at before you proceed (with a project) — what the laws are, how much time it will take, et cetera," Robbins said.

Listing the team of professionals a developer should put together after buying the land, Hurdzan included, among others:

- a regionally local land planner because he is familiar with the area";
- a local engineering firm, "the heart and soul of what's going to get done; they know the soil, permits, contractors and government officials" in the region; and
- a local environmental firm, but "watch out." Make sure of their competence because they can be very expensive and you don't want to have to have that type of work done over again.

Wisdom suggested that the developer

hire a consultant at the beginning; get an up-to-date boundary and topographical survey; use consistent scales with the maps; get a biologist to the site to determine if and where any wetland is, then get the regulatory agencies to the site to verify those findings in writing; and have an environmental audit done.

"The environmental audit is most important," Wisdom said. "You must know the past history of the site backwards and forwards, then get a pro to do an audit of the site to check out the land, violations, past violations, places used to store toxic chemicals, et cetera.

"Ensure that that site is toxic-free."

After determining the type and location of wetlands on a property, Wisdom recommended deciding what to use it for or

if you do want to use it.

"You are going to have to pay for it and pay for it dearly," he said.

He also suggested working around wetlands.

"Use them to move out the effluent. They're filter units — a big sponge out there, a filter," he said.

Wisdom also predicted effluent, or gray water, will be used more and more to irrigate golf courses in the future.

In Florida, he said, regulatory agencies encourage using effluent from domestic sewage treatment plants to irrigate courses. "The main reason for this is the fact that potable water is a finite resource. Florida's population explosion is causing it to become an endangered resource," he wrote in a handout.

Installing an irrigation system to handle effluent is expensive, Wisdom said, but regulatory agencies support them because they recharge the ground water.

By all accounts, phrases like cumulative impact, water quality, mitigation, aquatic preserve, gray water and wetland zones will have high impact on golf course planning for the foreseeable future.

## Development

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dreams, said Ken Creeley, chief executive officer of Club Consultation and Management.

The first step for a prospective golf course developer to take, the experts agreed, is have a market study prepared to first decide if a course in the area would make a profit and so that he can give potential investors a complete description of the project from operating plans to maps; the type of financing required; a summary of projected cash flows; the current market conditions and long-term demands; and his own background.

The developer should make sure he quantifies supply and demand, knows what the competition is, and, according to some financing institutions, put some of his own money at risk in the venture.

Creeley and the other speakers stressed the need to be prepared with, as Harry Nieman of BancFlorida put it, "volumes and volumes of information."

"Golf courses today are hot, they're an item, they're the 'now' product," said Nieman, speaking from the perspective of a Floridian whose state has some 400 more courses than in 1970.

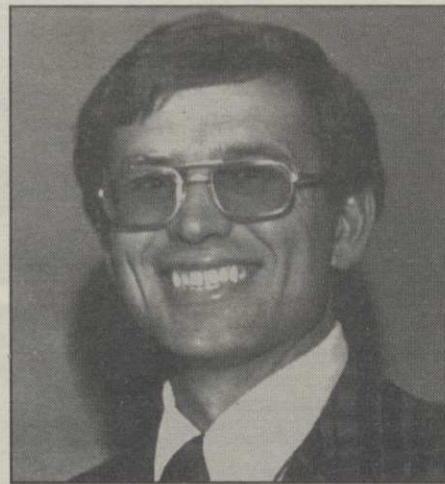
Yet while agreeing that the country is in the midst of a golf boom, experts in finance, design and management said there is plenty of room for a developer's project to go sour.

"Too many developers get themselves into trouble simply because they appointed themselves president," said Creel. He added other sources of operating problems include improper marketing, improper amenity market position, improper amenity design, and lack of a sound business plan.

"A number of developers who failed had a false sense of security; they got leaders in the field, the best money could buy. But they still lacked the proper team leader... A team is only as good as its leader," Creel said.

He also said the industry is changing so rapidly that it is "nearly impossible for one person to keep up with the many changes" in laws and regulations controlling the environment, licensing and other areas.

"You can build a pretty fine golf course for \$1.5 million, and a lot will cost \$10 million to \$12 million," said Nicklaus/Sierra



Michael Hurdzan

Development Corp. Vice President Richard Robbins. "There's a lot of homework to be done up front" in either case.

"The outlook over the next decade is very promising," said Vince Donahue, vice president of Arvida Company, a Boca Raton-based developer, demographics showing the growth in younger players. "The ones (developers) who succeed will be the ones who can deal with the more legal and environmental and land-planning problems."

Yet, Donahue said, a shortage of money will restrict golf course development.

Development force

While a number of courses that stand alone are being financed, most courses are being built as the driving force behind real-estate developments.

While saying that lakefront real estate sells for more than golf course frontage, Mark Enderle, director of Realtec Inc. of Atlanta, Ga., said, "God's amenities are a lot better than man's amenities, but if you have to use man's amenities, it's hard to beat a golf course."

Joe Hough, Landmark Land Co. director of consulting and management services, said real-estate land sales increase from 10 to 50 percent with golf course frontage.

Outlining the three types of courses — the core course, single-fairway and maximum frontage course, and a blend of the two — Hank Skokowski of Urban Design Studio in West Palm Beach said a golf course

can help a development meet 'open space' and recreational land area requirements, satisfy wetland laws, be a donor site for tree preservation, give a project strong immediate impact, and serve as "a focal point for the (project) community, giving it a sense of place and belonging often as important as how good the golf is."

Randy L. Williams, executive vice president of Club Corp. of America, recommended that developers operate by The When Do I Build A Country Club Rule; the 500 Acrea Rule and the 2+1=4 Rule:

- The developer, Williams said, should ensure that "the economics of the project equals the economics of the prospects."
- "We have found it difficult to influence more than 500 acres in lot premiums with an 18-hole course," he said.
- Build 27 holes because "you can take an 18-hole course, add nine holes and add to the lot premiums," Williams said.

Hurdzan supported this 2+1=4 Rule, saying, "The very best economy in golf today is 27 holes. You can maximize the frontage (for housing), hire just one pro and one superintendent, and run one maintenance operation.

"It costs 20 percent more but you earn 50 percent more," he said.

Plus, Hurdzan said, "40 percent of all play is nine holes," so 27 holes accommodates that, and a tournament can be run while the course remains open to others, and officials can close nine holes for maintenance.

Gary Player Design Co. President Jim Applegate of Palm Beach Gardens said, "It's the time of a new golf explosion, but lenders are reluctant to loan money for the front end.

"We've had a great many opportunities where a developer didn't want the (proposed) golf course... We've tried to talk them into it, though... If you plan well, you don't have to lose the \$200,000 to \$400,000 a year for the first few years.

"Golf can be the most productive in the 1990s and beyond. It can be more complicated than it needs to be but it's still as much fun."

Hurdzan said "the boom is here" but cautioned, "Only two things can kill it: If golfers can't get on the courses; and if they

## Jones

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generating resource and water conservation area, as well as a recreational area.

"Golf courses lessen the density of a new real-estate development," Jones said. "Together with other parks, golf courses, by the oxygen-renewal process, are the lungs for many communities. The golf course, then, serves as a positive environmental element for everyone, not just those who enjoy the game of golf."

He said golf courses lessen air and noise pollution, and one 15-acre course provides the oxygen needed for a town of 7,000 people.

Trees also cool the air through transpiration, evaporation and shade in the summer and reduce wind velocity and protect buildings from heat loss in the winter.

Golf courses, Jones said, also can serve as fire breaks and sources of water during fires. For example, during one forest-residential fire, a helicopter retrieved water from the lakes at Poppy Hills Golf Course at Pebble Beach, Calif., and dumped it on homes threatened by the fire.

In France, irrigated parks and golf courses have the highest environmental priority in order to protect both human and animal habitat against fire, he said.

He added that plants protect the soil, sheltering it from falling rain and keeping topsoil from eroding.

Jones pointed to studies that have found that turf is 20 percent cooler than pavement or artificial turf.

Meanwhile, he said, the ponds and lakes sometimes created on new courses both enhance the beauty and playability of the course and supply a source of water for irrigation — a valuable conservation measure.

don't have enough time and money" — both warnings that if future development is excluded the daily-fee and middle-class golfer, the industry will suffer badly.