

Tiny island of Guam bursting with

By Peter Blais

Imagine a tropical paradise where there are just a handful of golf courses, it takes less than a year to get construction permits, and the number of wealthy foreign visitors is expected to double in the next three years.

Where is the other end of that rainbow? In a little U.S. territory called Guam.

Located just two jet-hours from Tokyo, less than half the time it takes to reach Hawaii, the largest of the Mariana Islands is one of the hottest golf course development properties in the world. The number of courses is expected to double within the next year and could quintuple by the mid-1990s.

"It's one of four areas in the world (the U.S. Southwest, Mexico and the Caribbean are the others) we see as having significant opportunity for development. It's primarily a resort for the Japanese, with potential for the Chinese and Koreans," said Paul DeMyer, national director of consulting services for the accounting firm Kenneth Leventhal & Co., publishers of the International Resort Industry Report.

Guam is the largest and southernmost island in the Mariana Archipelago, lying 1,500 miles southeast of Tokyo, according to the report. It is roughly 30 miles long and ranges from five to 8-1/2 miles wide. A resident population of 135,000 is scattered over its 209 square miles.

Other large islands include Saipan, Rota and Tinian. Guam and Saipan are the most economically developed. Rota and Tinian are eager to attract new developments.

With Guam's small resident population, "Everything is geared toward the visitor market," DeMyer said.

Tourism is an important, though relatively young, industry. The first commercial flight arrived in May 1967.

Attracted by its proximity to Tokyo, Hawaiian-like temperatures, generally lower prices and accessibility of American goods and customs, visitor arrivals have increased 9.3 per-



Golf course designer Robin Nelson tests the tee placement for the 168-yard 12th hole at Mangilao Golf Course in Guam. He believes it will be one of the great ocean holes in the world.

cent annually since 1980. The 780,000 visits in 1990 were up 17 percent from a year earlier. Ninety percent were Japanese, most on wholesale tour operator packages.

South Korea will likely become another major source of tourists with the Korean government's decision to issue a Guam-only visa. Guam's plans for an airport terminal expansion and expected increases in direct air service will also bolster the tourist market.

Lodging has been in short supply. Guam ranked 15th out of the 16 resort markets surveyed in number of rooms. The 95-percent occupancy rate, the highest of any resort market, reflects the need for more lodging facilities.

The situation is changing, however. Total hotel rooms doubled to about 5,100 in the past five years. It could double again in the next five as eight planned "mega resorts" come on line. The Guam Department of Commerce reports approvals for 8,156 new hotel rooms. An additional 5,952 rooms are

proposed or rumored. The new rooms are expected to double the number of visitors to 1.5 million by 1993.

While Guam's traditionally lower room rates (averaging \$95 per day) than Hawaii (\$135 daily) have attracted less-affluent Japanese, the new high-quality facilities could change the island's character from a lower-cost weekend alternative for Japanese tourists to a world-class destination resort.

Accompanying the shortage of hotel rooms is a lack of golf courses. Guam has just three courses (not counting two military facilities). Three more are under construction and expected to open within a year. Another four have been approved and four more are pending approval.

Following is a breakdown of existing courses and new developments provided by Kenneth Leventhal & Co. representatives.

EXISTING COURSES

Hatsuho International Country Club — A

27-hole, semi-private course opened in 1987 in the northern town of Dededo. The architect is Chohei Miyazaya of Japan. A 62-room hotel is scheduled for completion this year.

"The best example of international memberships on Guam," DeMyer said of the resort. The club sold 2,500 memberships at \$71,500 apiece. Members pay \$30 greens fees, guests \$90-125.

Country Club of the Pacific — Located on the southeast side of the island, it is the only course with ocean views. Membership is limited to residents and U.S. citizens at the 18-hole, semi-private club. Memberships cost \$750 and there is a waiting list of 200. Greens fees are \$80 to \$110, including a cart.

The course installed an irrigation system last year after almost losing all its turf on several occasions. Seizo Tomizawa is the course architect.

Guam Takayama Golf Club — An 18-hole course near Country Club of the Pacific, the Gene Hallbrook-designed facility became the first public course when it opened in 1965. Greens fees are \$57 to \$67. The heavy clay soil holds water and well-struck balls have been known to disappear into two inches of muck during the July through December rainy season, DeMyer said.

"The three existing courses each average 50,000 rounds annually and turn away many people," said Mike Zmetrovich, a Kenneth Leventhal associate.

UNDER CONSTRUCTION

Guam International Country Club — A joint venture between a Japanese company and a local businessman, the 18-hole course in Dededo was scheduled to open late last year. Developers are trying to sell 1,500 Phase I memberships at \$14,000 apiece. Another 800 Phase II memberships will eventually be sold for around \$54,000 each.

Guam (Mangilao) Golf Course — The 18-hole course is part of a Nikko Hotel complex in Mangilao. Approximately 1,800 Japanese

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CIRCLE #118

new courses from stem to stern

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memberships are fetching between \$143,000 and \$179,000 apiece. The architects are Robin Nelson and Rodney Wright.

Leopalace Resort — Forty-five holes are planned with 27 Jack Nicklaus- and Arnold Palmer-designed holes currently under construction. The first 18 are scheduled to open in June. The private club surrounds a 190-room hotel. A successful pre-sale program has helped move many of the 4,500 international memberships, which are selling for more than \$150,000 apiece.

"The slowing economy in Japan doesn't seem to be affecting membership sales at the new courses. Hatsuho sold 600 memberships in 1990," DeMyer said.

Another four projects totaling 108 holes — three 18-hole and one 54-hole facility — have been approved, but are not yet under construction. Four more 18-holers are pending approval.

"Many other people are interested in building," DeMyer said. "Land prices shot up in the last eight years, but things have stabilized lately."

Existing courses generally don't have hotels or residences associated with them. Most new courses, on the other hand, are part of mixed-use projects, including homes and hotels, DeMyer said.

Most of the easily developed sites are already taken, DeMyer said. The infrastructure to support new projects is not usually available. Developers have had to pick up the tab to install roads, water lines, sewage facilities and the like.

Consequently, the review process for new projects (which must be presented to the local and territorial planning commissions as well as the territorial governor) takes longer to complete, closer to a year rather than the six months it formerly required, he added.

Developers must also deal with the U.S. Army Corps of Engineers because of wetlands at many sites, according to Stanton Abrams, president of Senior Tour Players Inc., which represents many of the Senior players contributing to the design of a course planned at Talofof.

Construction costs are double those in the continental United States, DeMyer said. Construction materials and expertise must be imported. Many sites require blasting and extensive earth-moving.

The island is made up largely of coral, with little topsoil and large clay deposits, said Nelson, who, in addition to Mangilao, is involved with two other Guam projects.

The south and east shores, in particular, are thrashed by occasional typhoon winds. Few big trees remain and telephone poles are made of concrete six feet in circumference to withstand the winds, Nelson said. When the typhoons leave, the weather turns hot and dry.

Nelson planted hybrid Bermudagrass imported from Georgia, U.S.A., at Mangilao. Water can be scarce. Extremely deep wells were needed at Mangilao, he said.

Despite the difficulties of building, the results can be spectacular. Mangilao winds its way through natural limestone forests, dips down to the ocean and finally makes its way back through lush jungle elevation to a clubhouse overlooking

the blue Pacific.

Nelson's favorite hole on the "out nine" is a short par-5 tucked against a coral cliff to the left and sandwiched between bunkers and coconut palms to the right.

The back nine features two magnificent ocean holes, Nelson said. The 12th hole is a par-3 with a complete water carry over a beautiful inlet with crashing waves. The 13th is a short par-5 reminiscent of the 18th at Pebble Beach, he added.

Designing primarily for the Japanese generally requires a long and wide course that challenges the low-handicapper, but is playable for the beginner, Nelson said. Water, flowers and ornamentals are also a must.

"They want the course to be aesthetically pleasing," Nelson said.

One problem facing developers is a looming labor shortage. Guam ended 1989 with a 2.1-percent unemployment rate, the Kenneth Leventhal report states.

Time and money will be needed to develop, house and train an adequate labor pool drawn from other nearby Micronesian islands.

The dependence on Japanese visitors could also prove costly if there is a significant downturn in the Japanese economy that impacts foreign travel, the report adds. Encouraging visitors from other Pacific Rim countries, like South Korea, will help lessen the island's dependence on Japan.

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