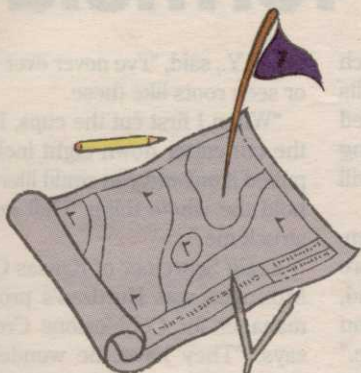


Briefs

**NEW ARCHITECT JOINS HALE'S DESIGN TEAM**

Hale Irwin Golf Services recently added another architect, Stan Gentry, to its team.

Gentry enhances the company's relationship with Dick Phelps in creating "one of the most experienced teams of golf course architects in the country," Irwin said. "We're pleased to have Stan aboard."

Gentry will coordinate each Irwin design project with Richard M. Phelps, Ltd., the golf course architectural firm associated with the company.

Gentry holds a master's degree in landscape architecture from Kansas State University and a bachelor's degree in horticulture from the University of Missouri. He has had experience in landscape design and golf course architecture.

PALMER HIGH ON TREESDALE LAYOUT

PITTSBURGH — In North Pittsburgh, construction has begun on Treesdale, a master-planned community featuring a 7,111-yard golf course designed by Palmer Course Design Co.

"From the beginning, Treesdale provided great potential for a championship course. It will be spectacular and beautiful in many ways," Arnold Palmer said.

Palmer noted the maximum use of the area's natural beauty in the course's design plan. "I have used every acre of terrain — wooded valleys, open meadows, and rolling hills — to create a wide variety of challenges in a picturesque setting. The result is a spectacular mix of landscape with panoramic views."

BAYOU SIGNS ON SOUND FOR CLUBHOUSE

LARGO, Fla. - Bayou Club has awarded a contract for construction of the luxury country club's new clubhouse to Sound Construction Group, Inc. of Clearwater.

"Construction of the clubhouse will make a significant contribution to the Pinellas County economy," said President Randall E. Gentry.

After completion of construction, finishing of interiors and furnishings and remodeling of existing facilities, total cost of the 42,000-square-foot clubhouse at Bayou Club is estimated at almost \$4.5 million.

Encompassing close to 400 acres, Bayou Club's master plan calls for 350 estate homes, an 18-hole championship golf course designed by Tom Fazio which is already in play, the clubhouse, and many country club amenities.

AUTOS, GOLF PARTNERS IN PARK

BLACKS CREEK, Idaho—A \$30-million theme park featuring a World Class Classics antique auto museum and an 18-hole golf course is being contemplated for a site 15 miles southeast of Boise.

The project, which may include the financial backing of Eva and Zsa Zsa Gabor, will be built on a 150-acre tract that could eventually include a motel and convention center, trout-stocked fishing lake, and a retirement village.

Proving a revolutionary old idea

By Mark Leslie

An old idea has found new life with Hurdzan Design Group in Columbus, Ohio.

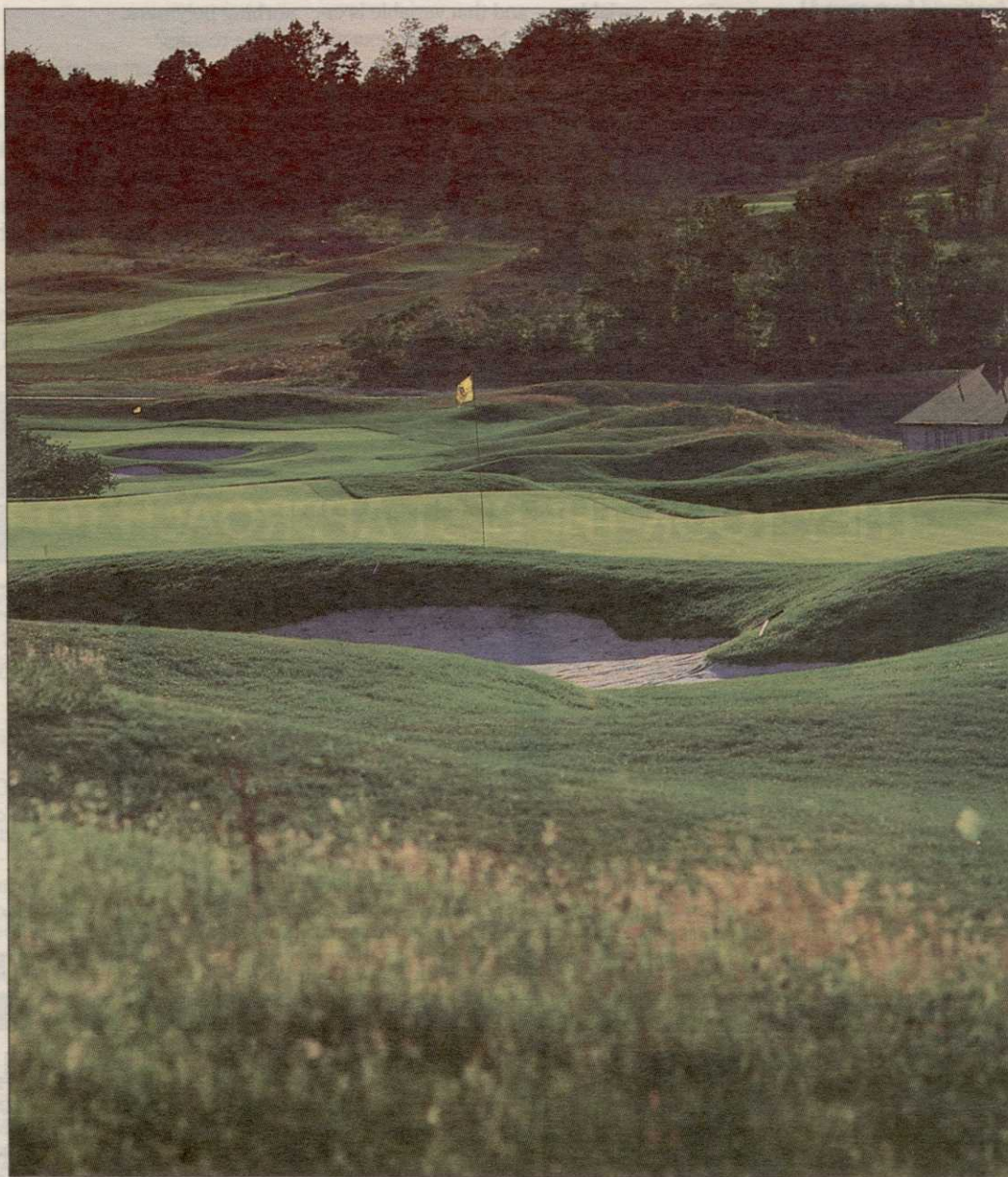
Saying he has become a believer — a believer that theories are theories and reality is reality, architect Mike Hurdzan is now offering clients an old-fashioned alternative to high-tech green construction methods. He has been developing all-sand greens that are easier to grow grass on and cheaper to build.

That is a turn away from U.S. Golf Association specifications, which recommend a laboratory-tested 12-to 14-inch top mix of sand and organic matter, which is placed over an intermediate sand layer, which is underlain with a pea stone blanket and tile.

It is also a return to ancient times in terms of golf course construction, when earthmoving was minimal, irrigation was rare and naturally adapted grasses were planted and maintained, and when the superintendents' main cultural practice was frequent topdressing with pure sand.

Hurdzan's alternative method is simply 12 to 14 inches of pure selected sand, placed over tile. There is no blending of organic matter, no intermediate sand layer, and no gravel blanket. The key is finding the proper sand, which

Continued on page 32



An example of pure-sand greens are the 13th green (foreground) and 14th green (background) at Cobblestone Creek in Rochester, N.Y. This photo was taken when the greens were 10 months old.

Photo courtesy of course co-designer Craig Schreiner

Golf communities successes in right situations

Some going under, some hot, some being salvaged

By Kit Bradshaw

Are golf course residential communities going the way of the dinosaur, lumbering into the tar pits of extinction?

If you bought an equity membership in a club that is now on the ropes financially, or

See related story, page 51.

if you can spot your one neighbor three blocks away in a residential community that never got off the ground, your answer would probably be yes.

If you are casting about for financing of a golf course residential community, your resigned answer is yes.

But if you are the sales director of a community that is still viable, despite slower-than-expected home sales, your answer is most likely no. And you



The Carolina Club in Margate, Fla., is a prime success story. Developer Franklin Golf Properties, Inc. built an upscale public golf facility with country club amenities. The course, designed by Karl Litten, is target-oriented with many water holes. Fees are up to \$55 including cart in the peak season.

hope it stays no.

When you talk to people in selected areas of the country, there

is a checkerboard of responses to the question.

In general, golf course residen-

tial communities, like anything connected with real estate today,

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Burdened with debt loads, some golf course

Continued from page 31

are having a tougher time than in the early 1980s. There are pockets of communities with relatively good success in the marketplace. But by and large, this type of community is struggling.

At the same time, stand-alone golf courses may be seeing a Renaissance, even though they, too, are hurting to an extent. But they have an advantage: They are not burdened with a debt load associated with real-estate financing, and

thus they can be faster on their feet to correct a problem.

If golf course residential communities are having problems of greater or lesser degree, why?

Opinions are diverse. In many cases, the problems are a product of the savings and loan debacle. But there are other, equally important reasons.

Lewis Goodkin, president of Goodkin Research Corp. in Fort Lauderdale, Fla, says nationwide, many of these communities were

The dominant market profile is the worker-age households. The homes in these golf course communities are in a price range that these households can't afford.'

— Lewis Goodkin
Goodkin Research Corp.

built for the second-home market. "However," he says, "the dominant market profile is the worker-age households. The homes in these golf course communities are

in a price range that these households can't afford.

"In Florida, the problem has been an excess of supply," Goodkin says, "There is an oversupply of

the high-end golf course communities. This creates too much competition. The demand may be strong, but there are too many people going after this particular buyer, so the effect is negative."

Robert Johnston, executive vice president of Homebuilders and Contractors of Palm Beach County, says golf course communities in his area are doing no worse than other real-estate communities without golf courses.

But, he adds, in any startup situation — and in Palm Beach County there are several new communities — the sales are usually slow.

"I think the market here is dependent upon people coming out of the Northeast," Johnston says, "people who are semi-retired or who want to purchase a second home. That market has been slow, and it has impacted all the real estate here."

Judy Brown, director of marketing and public relations at BallenIsles in Palm Beach Gardens, says considering that the community opened in the middle of a recession and a war, it did surprisingly well.

"I think we had several things going for us," she notes. "First of all, geographically, we're in an area of growth. Our property is located in a fairly high population area. Secondly, our courses are mature. Everyone knows the JDM name, and that's an advantage for us."

"However, we did see that the buyer from the Northeast was really quiet. We would get a lot of walk-in traffic from people from the Northeast, but inevitably, they would have to sell their homes to purchase here. We've seen our buyers coming from this area, from Broward County and from Boca Raton, where golf course memberships are drying up."

The scenario at BallenIsles, although evident sporadically across the country, is not often the case.

According to Goodkin, some of the problem stems from lack of market research. "They would look at Boca Raton, for instance, and see a high-end market there. But no matter how good that market is, the high end is a relatively modest share of the households. If they didn't understand this, they had problems. Those who were experienced, who understood the marketplace, did better."

Robert Sierra, president of Nicklaus/Sierra Development Co. in Tampa, says this was the case in several areas where his company created communities.

"When we first looked in the Baton Rouge, La., area," Sierra says, "it was totally under-golfed. The leading country club, the Baton Rouge Country Club, had a three- or four-year waiting list. We went there and built the Country Club of Louisiana, and before we opened, two other competitors were there. The only good news is that we managed to sell a couple hundred

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communities have hit very difficult times

lots. This is the case in a lot of places, like Tampa and the Chicago area."

Sierra adds that two of his company's projects — one in New Jersey and Ruby Hill in California — are still in process, but aren't up and running at this point.

"It's really sad," Sierra says. "Real estate is in the doldrums, more like a depression than a recession, and golf course communities that are having problems are usually having them because of the real estate."

Goodkin notes that a heavy financial debt has impacted many golf course communities nationwide.

"You can have a successful development that is so burdened down with financing — they borrowed too damn much — that the projects couldn't be successful financially," Goodkin says.

"Part of the reason for the borrowing was that many communities gave folks more than they should. They could have gotten by with a 40,000-square-foot clubhouse, but they built an 80,000-square-foot one. They have a designer golf course that is wonderful for a resort or free-standing entity, but was too demanding for the potential buyer. The worse thing you can do to a community that is trying to attract seniors or higher handicap golfers is have a course that's too demanding."

The original developer of Stonebridge Country Club and Stonebridge Ranch, north of Dallas, knows the problems of over-extension firsthand. The infrastructure for the master-planned 6,230-acre property cost \$310 million alone. Three months ago, the bankrupt property was purchased by Mobil Land Development Corp. at the fire sale price of \$33 million.

Steve Houser, vice president of sales and marketing for Mobile Land Development Corp. at Stonebridge, said the cost of building the infrastructure "was way out of line, compared to what the market could pay. It takes time to make a property profitable, and it was impossible to do that at the previous level of debt. But it was at the heyday of the S&L's, and it was easy money."

Mobil plans to build out the property in approximately 20 years, and Houser adds that sales of the homesites are brisk. "We have a wide range of home prices, from the upper 90's to a half million. And it helps that we can offer this diversity of homes."

He notes that the two country clubs are in place and operating. Both sell memberships, but Ranch Country Club is also open to daily-fee play.

Rick Baril, a course designer with Von Hagge Design Associates, says the situation at Stonebridge was not unusual in Texas. The course design firm has seen some of its communities have problems.

"During the 1980s," Baril says, "there was a drastic downturn be-

cause of oil prices. Falcon Point opened in 1984, at the worst possible time, and the bottom fell out.

"The Cliffs, which is located about two hours west of Dallas/Fort Worth, was designed as a weekend retreat. It would have had a difficult time in a good market. The real estate involved with the Cliffs was a HUD project, which required that the amenities be opened before the sales became final. So all of the real estate around it was reserved by different clients before the course

was opened, but the sales weren't final. When the HUD approval took longer than planned and the economy fell apart, the real-estate sales disappeared."

But Baril adds that the Texas building glut had a great deal to do with the problems as well.

"I came into this area just as the Texas market was in a frenzy," Baril says. "If you were in Texas during that time, there was a general insanity going on. The people in Texas thought they were invincible.

They were building at a pace that was incomprehensible.

"Even when Houston got hit economically, there was still building going on in Dallas, as if Dallas weren't really associated with Houston at all, and what could happen there, wouldn't happen in Dallas. I think a lot of the golf course projects that have had problems were a product of this type of mindset, this insanity of building."

There were exceptions, of course. The Woodlands was, and is suc-

cessful. Barton Creek, which is more of a meeting and resort destination than residential area, continues to do well. Part of the reason, according to the Barton Creek's Trilby Babin, is that the complex is owned by Club Corporation of America, and thus has strong management practices.

In other areas, too, there are success stories.

Castle Pines Country Club in the Denver, Colo., area has sold 50

Continued on page 54

The Penn Pals: Right on Course



Paul R. Latshaw, Superintendent
Wilmington CC, Montchanin, DE

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Courses often remain viable despite economy

Continued from page 53

homes with an average price of \$500,000, and its memberships have increased by 75 during this last year, according to President Merlan Widick.

"I think one of the reasons we've had success is that we are owned by USF&G, which has been willing to put money into the course and into a new clubhouse," Widick says. "Although Denver has had hard economic times, things have been changing in the last 24 months. It

isn't in a boom period, of course, but there is a better economy and real-estate market now than in the last seven years."

The situation is not the same for Glenmoor Country Club in Englewood, Colo., where the developer is defaulting on his loan and the savings loan involved has taken over by the RTC.

"If someone asks us what is going on," says general manager John Welch, "we just say we don't know. The golf course is still private, and

The "for sale" signs are out throughout the country. The irony is that many of the golf courses themselves are still viable, have members, and have play

the members are doing a great job managing the course. The clubhouse is still operating. The problem is, the real-estate situation gives the club a bad rap. We have one of

the finest clubs in the Denver area, and the real estate is separate from the club facilities, but all of it is getting the same bad rap."

Welch says another developer may buy the real estate. The members, he says, hope to be able to purchase the course and clubhouse in the future.

The "for sale" signs are out throughout the country. The irony is that many of the golf courses themselves are still viable, have members, and have play. Some of

them have had to resort to opening the doors to daily-fee play to survive, but they are surviving.

The Hills of Lakeway in Austin, Texas, now has part of its property under the ownership of North Carolina National Bank. But the remaining part of the property—three golf courses, a marina, tennis center, airpark and several homesites—are completed and in operation.

According to comptroller Chuck Hansen, the bank is now seeking a buyer for the property.

Bally Meade Club in Falmouth, Mass., saw its original developer leave the area, and the bank that held the paper — Bank of New England — go under. But it's still hanging on.

A spokesperson for Bally Meade says the club came on line at the wrong time economically, which led to its downfall.

Of 258 homesites, only the 46 in the first phase sold. Only five have homes on them. But, the clubhouse and golf course are open.

"All the equity memberships were erased," a spokesperson says. "We're now a daily-fee course."

Also in Massachusetts, Ipswich Country Club is for sale, and Don Tomlin, of Tomlin and Co., is handling the refinancing work.

"We were retained by the Bank for Savings to study the asset, look at all the phases of the asset, prepare an offering book and get it sold," Tomlin says.

"In our research, we found that the Robert Trent Jones course was beautiful, there was a 52,000-square-foot clubhouse, and 168 lots of the 235 had been sold for a total of \$30 million. What basically happened is that the owner hit a brick wall with the cash flow, he couldn't pay the mortgage and the bank foreclosed. If the timing had been different, the subdivision would have been able to pay off the loan. We are not treating this as a foreclosed property. We are treating it as a successful project."

Tomlin, whose company specializes in this type of refinancing project, says in some cases national statistics on the growth of golf weren't interpreted for a local area, and developers found themselves in trouble.

"The siren song of a ready, quick and able high-velocity real-estate sales is a misnomer," Tomlin says. "It's costly to create an infrastructure for a real-estate community. Construction costs are expensive. If you don't have a frugal design of the course, the clubhouse and all the amenities, supported by substantial pre-sales of the homes, then you have a problem with debt reduction."

Al Bechtel, president of Golf Investment Advisors, says these capital costs are often not completely understood by the potential developer or buyer.

"If they see there is an interest in golf, they assume it will work. But what they don't see are the capital

Continued on page 55

GOLF COURSE NEWS

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Communities

Continued from page 54

costs, the fees involved, and of primary importance, the economic justification for the investment."

The interesting thing to note is that the struggles of the private, high-end golf course community might open the doors to stand-alone golf courses.

Mayacoo Lakes Country Club in the West Palm Beach, Fla., area, is, for the first time, offering annual memberships. The very private course, designed by Jack Nicklaus, has been private since opening in the mid-1970s. But a shrinking membership base and rising operating costs have triggered this push.

Bill Parks, general manager, says the decision to offer two-year annual memberships — which must be converted to equity memberships after the two-years program is completed — came because of cash-flow problems.

"The board looked at the alternatives, one of them being a sharp increase in dues. They didn't want to do this, so they began a program offering the annual memberships," Parks says.

The program has been successful, and is attracting attorneys, doctors and young professionals to the proud old club.

The Carolina Club in near Fort Lauderdale, Fla., has found its own niche by offering the private club experience to daily-fee golfers. Its Southern style clubhouse has a popular restaurant, full locker room facilities, and a newly designed course that's attracting both tourists and locals.

"We found a niche," says Elaine Fitzgerald, the marketing/golf services director. "We are able to offer an upscale golfing opportunity to those who don't want to belong to an equity club. And the people are wild about it."

And what about the golf course residential communities?

The hard truth is that some projects will go bankrupt, and perhaps not be resurrected for many years. In other cases, the property will be sold at heavily discounted prices, which, in the long run, will give the property breathing room to survive.

And others will move along, albeit slowly, waiting until the market catches up to the property.

Sierra says these properties won't see significant growth until the overall economy brightens.

"The areas that come out of this recession the fastest, the ones that have an increase in employment, will see their golf course communities recover the fastest. Some of them may end up being public-access courses, rather than the very exclusive courses they originally planned," he says.

And, Goodkin adds, some of these communities may not be the same as originally planned.

"The communities that are purchased at discount prices will be able to offer more moderately priced housing. But when the market comes back, they'll be OK," he said.

GOLF COURSE NEWS



The challenging Pete Dye course at Stonebridge Country Club north of Dallas is one of two 18-hole championship courses at the facility. The infrastructure for the master-planned 6,230-acre property cost \$310 million alone. Three months ago, the bankrupt property was purchased by Mobil Land Development Corp. bought the bankrupt property for \$33 million.

Mobil plans to build out the property in approximately 20 years, and the two country clubs are in place and operating. Both sell memberships, but Ranch Country Club is also open to daily-fee play.

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