

ASGCA identifies funding sources for golf projects

Anyone doubting that golf course financing is hard to come by ought to speak with Tom Clark.

"Our firm has 23 projects completed, sitting there with plans and specs waiting for financing. That's quite a dilemma," the immediate past president of the American Society of Golf Course Architects said during the association's annual conference on Long Island, N.Y.

Financing became an acute problem about two years ago, Clark said. Last year the ASGCA formed a financial committee, headed by Brian Silva, that is researching funding sources.

Among those identified so far are:

- Blue T Golf (Tel. 800-621-9199): funding and development services for municipal facilities.

- Club Corp. of America (615-523-3837): limited new course development.

- Commonwealth Brokerage (804-358-2222): arranges financing through an Immigration and Naturalization Service program allowing foreign investors to invest in the United States in return for citizenship.

- Dai-Ichi Kokuasai Co. Inc. (803-626-2400): arranges financing from international lenders, especially for

Norton on money

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cover all contingencies; and offering equity participation to decrease borrower equity requirements and lower interest rates.

Norton said to have the best shot at obtaining financing, a loan proposal should include an objective feasibility study that focuses on the existing course supply; a detailed investigation of all site and environmental issues; resources and history of the project principals; and a business plan.

"Frankly, we don't see enough of this type of detailed planning going on out there today," he said.

While a 40-percent equity position is common, private developers can get that down to 10 to 15 percent with experience, a proven track record and good lender relationships, he said. The primary sources of equity are the developer/owner, limited partnerships and syndications.

Debt sources can include banks and S&Ls, insurance companies, pension funds, credit companies and investment banks. The public sector can also turn to bond issues, certificates of participation and lease/purchase agreements.

Combination debt/equity arrangements are becoming increasingly popular with credit companies or investment banks taking an equity position, Norton said.

While the financing picture may appear gloomy, the golf industry is doing far better than most segments of the economy, noted Norton, who is a member of the Urban Land Institute.

"The gloom in that group is profound because there is so little going on," he said. "They look at golf as one of their saviors. Golf courses are being financed. It may be difficult. There may be severe barriers to entry. But we opened 350 courses last year. Someone is financing golf courses."

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resort properties.

- FFG Consultants Inc. (213-624-6266): provides Japanese clients with consulting services.

- First Golf Corp. (800-621-9454): funding and turnkey construction of municipal and privately owned daily-fee courses.

- Flint Golf Inc. (916-362-0165): funding and construction of municipal and privately owned daily-fee courses.

- Forrest/Crooks Associates (415-392-0301): banking and real estate firm providing investment and consulting services.

- GATX Golf Capital (415-955-3200): arranges financing on a fee basis.

- Golf Investment Advisers (407-624-0303): provides feasibility studies and investors for private, equity courses.

- Golf West Co. (209-432-1346): financing and turnkey construction for public, semi-private and private facilities.

- Greyhound Financial (800-525-4532): acquisitions and refinancings of existing courses.

- HJM Corp. (212-953-1300): finances privately owned, daily-fee

courses.

- InterAmerican Holding Co. (619-237-0433): finances Mexican projects.

- Landex International Inc. (404-377-3000): specializes in international investments and joint ventures between the U.S. and Pacific Rim.

- Municipal Golf Inc. (800-527-GOLF): builds and finances municipal courses.

- Natchez Financial Corp. (205-837-4132): commercial loan broker on a fee basis.

- New Golf Enterprises (415-284-7100): finds joint venture partners for golf projects.

- Prestwick Group (708-501-5110): acquisition and development deals.

- Southeastern Club Management

(803-686-2988): provides management, financial and sales services.

- Stewart Financial Co. (619-325-1141): international limited partner for golf course funding.

- Suriel Finance (703-938-1493): loans for golf course projects against corporate bonds.

- Textron Financial Services (800-343-0053): financing for all sectors of golf.

- United Realty Advisers (714-222-0820): provides construction, joint venture and permanent financing working with insurance firms, banks, pension funds, savings institutions and other lenders.

- VP Venture Partners (303-428-1800): venture capital company.

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