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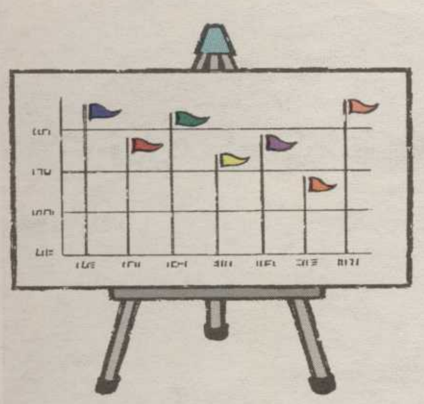

CASPER CHANGES NAME

VIENNA, Va. — Billy Casper Design and Management Co., has changed its name to Billy Casper Golf Management Co.

"We aren't competing with Casper/Nash & Associates," said Bob Morris, president of Billy Casper Management Co. "That's why we changed the name. We don't want to look like something we're not."

"The name change was necessary so that people wouldn't get confused," said Billy Casper and Greg Nash of Casper/Nash & Associates, a golf course architectural firm. "Billy Casper Golf Management Co. is not in the golf architectural business, and we're not in the club management business."

Nash, a 20-year veteran in golf course design, and Casper have worked together for the last seven years, designing golf projects.

PALMER TO MANAGE CABLE BEACH

ORLANDO, Fla. — Arnold Palmer Golf Management Co. has signed an agreement to provide a full range of management services to Cable Beach Golf Club, which is affiliated with the Radisson Cable Beach Casino and Golf Resort in Nassau, Bahamas.

The Cable Beach Golf Club is part of the 700-room Radisson Cable Beach Casino and Golf Resort. The par-72 course, the oldest in the Bahamas, built in 1929 by Scotsman Jim McCormick, is characterized by a challenging 7,040-yard layout featuring lakes and ponds on eight of its final 10 holes.

MANAGEMENT CO. CHANGES NAME

INDIAN WELLS, Calif. — National Golf Properties, Inc. has changed its name to National Golf Management Co., according to President Buzz Gill.

"The old name was confusing to clients with the word 'properties' involved. Many thought we managed land and/or real estate," he said.

Along with the new name change, NGM has secured its first management contract at Trappers Turn Golf Club in Wisconsin Dells, Wis.

THE BOULDERS NAMES NEW MANAGERS

William J. Nissikas, former general manager and vice president of The Boulders Resort and Club located in Carefree, Ariz., has been named the resort's president.

In other news out of Carefree, Kenneth B. Humes, the club's former resident manager, has been named general manager at the Boulders.

Expert says municipalities should weigh funding options

By PETER BLAIS

With banks and lending institutions still holding tight to their purse strings, private golf course developers are having a difficult time funding projects.

But thanks to their bonding capacity, municipalities have more financing options and are building courses. Unfortunately, many municipalities are unaware of the many legal/financial structures available to them, according to Thomas Boczar, a principal with Capital Links, a relatively new golf investment banking firm.

Capital Links, a subsidiary of Double Eagle Enterprises Inc. of Pleasantville, N.Y., has found a special niche helping local governments wade through the many funding alternatives and selecting the best one. The company markets itself as golf's *premier* investment banking firm.

A growing number of turnkey developers, with little or no public finance expe-

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New firm helps municipalities

Guiding municipalities through the golf course development maze is the goal of a new Denver-based company.

The Renizon Corp. specializes in helping local governments with everything from selecting the best site to determining the most appropriate operating system.

Renizon does not provide feasibility, design or construction services, but instead offers independent advice covering each phase of the development process.

By utilizing its consultants along

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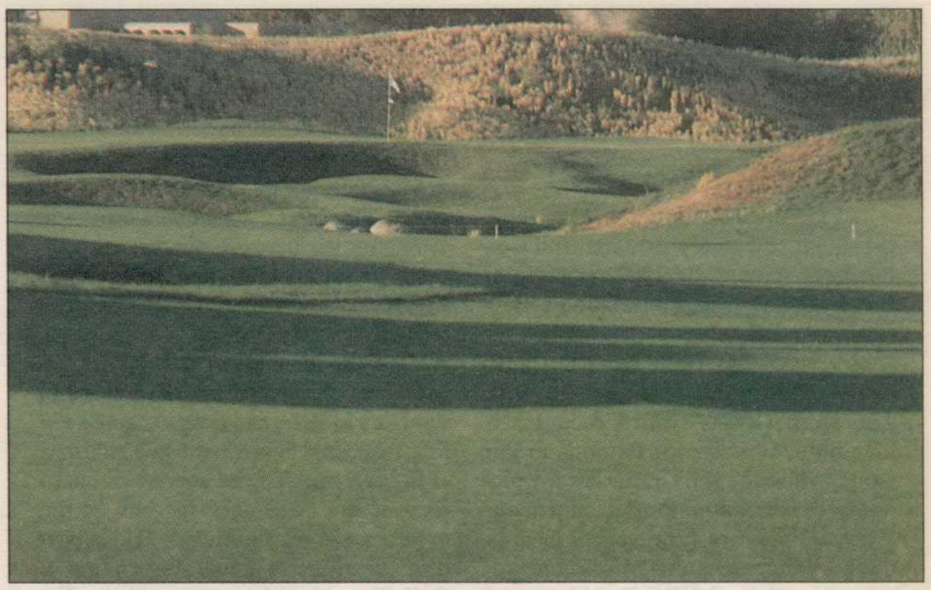

The 7th hole at Stonecreek Golf Club

So, what do you think it's worth?

Stonecreek learns from letting golfers decide what to pay for their round

By MARK LESLIE

The scorecard at Stonecreek, The Golf Club read like Olympic judges' cards: 3.98 for golf course condition; 4.22, pace of play; 4.72, reservation experience; 4.66, golf shop service; 4.50, merchandise selection; 4.35, overall experience.

The Paradise Valley, Ariz., course caught its Phoenix area competition — and its own customers — by surprise, offering players to pay "what they felt their round was worth" **after** they played.

The results, said marketing director Mike Petty, were sometimes surprising and usually enlightening.

The biggest surprise was "the number of golfers who didn't come to play" even though they had booked tee times two weeks in advance, Petty said. "We booked more than 200 tee times and only 138 showed. I can assume one of two things: People consider our normal fee ($20) very good; or they tend to be like sheep; they would rather you tell them the cost than ask them."

Along with being able to pay what they wanted, golfers were given a questionnaire asking them to rate various areas of service from 1 (poor) to 5 (exceptional).

The result was positive for Petty and the crew at the facility, which is operated by Resort Management of America. And at the same time, they gave some insight into people.

"We had people rank us all 4s and 5s," Petty said, "and then say the experience was worth only $10."

One person paid no money, saying that while his experience was worth $25, it was his 50th birthday and he had come to play only because he knew he could go around for free.

On the other hand, Petty told of one man who paid $40 and said: "It's worth every penny. The greens are the best in town. The service is the best in town. It's better than if I were a private club member."

The weighted average paid was $16.12, and the day's golfers, when averaged, said they would charge $21.50 greens fees if they owned the course.

Petty shrugged off "good-natured teasing" but colleagues at other area courses. But he said he doubted if he would schedule a similar day in the future.

"I don't know if it would have the impact... We were trying to say to the customers: 'We care. What you think is important.' They enjoyed the opportunity to tell us," he said.

Petty credited Director of Golf Gregg

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Sheraton names superintendent manager of year

By PETER BLAIS

TUCSON, Ariz. — Superintendent Marty Wells of Sheraton Tucson El Conquistador Resort & Country Club has become the first golf course operations representative to win the resort chain's 5-year-old President's Award for overall management skills.

"I was very surprised," Wells said. "There were a lot of good people to pick from. It was quite an honor to win it."

ITT Sheraton operates 49 hotels and resorts in North America.

The selection criteria included quality of service/product; training and staff development; marketing contribution; employee relations; control of departmental operating costs; safety; and general contributions to the hotel and community.

"Essentially, we felt that Marty excelled in making the single most outstanding contribution for the year by turning our golf courses into two of the best in Tucson, while managing the area efficiently and keeping costs in line. For a period of time, he stepped in and took control of the golf shop operation, also," said El Conquistador General Manager Alan Fuerstman.

Wells said his time in the pro shop gave him a better appreciation of the job done by club professionals and made him a better manager. He recommended that all superintendents learn more about the playing side of their business and that club pros become better acquainted with maintenance issues.

Wells joined the former Canada Hills Country Club in 1987. He was promoted to superintendent in 1988 and put in charge of all golf course maintenance when ITT purchased the country club and annexed the golf courses to the resort in 1989.

One of the major benefits of the Sheraton association has been the extra capital the resort chain has pumped into the golf

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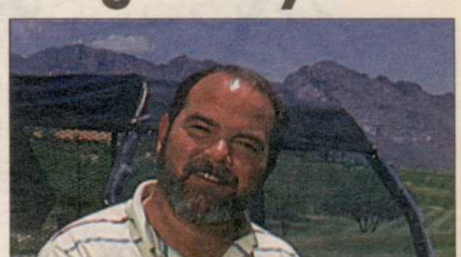

Marty Wells

Municipalities should explore financing alternatives

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rience, are advising municipalities how to finance their projects, according to Boczar, a former attorney with a leading public finance law firm. They tend to be familiar with a particular form of financing, lease/purchase arrangements for example, and will suggest that vehicle to a municipality when other funding sources may be more appropriate, Boczar said.

But every golf course project is unique, Boczar said. Capital Links analyzes climate, demographics and topography during the master site planning process since they affect whether a municipality should use revenue bonds, enterprise fund financings, lease revenue bonds, tax increment financing, special assessment bonds, moral obligation bonds, special tax bonds, limited obligation bonds, general obligation bonds or lease/purchase financing, also known as Certificates of Participation (COPS).

COPS are the rage among turnkey developers, Boczar said. Unfortunately, there is much misinformation concerning COPS and other alternatives, he said.

Basically, COPS involve setting up a non-profit corporation to finance course construction and then leasing the facility to the municipality. Investors are attracted by the local government's obligation to make payments for the term of the lease, regardless of whether the course generates sufficient revenue to make those payments. COPS are popular because they usually don't require voter approval and are carried as off-balance sheet debt, meaning they are not figured into the state's debt limitations for municipalities.

Because of the municipality's promise to pay, investors view COPS as almost as strong as general obligation bonds, which are backed by the municipality's taxing authority. COPS usually have a non-appropriation clause, allowing the municipality to terminate the lease if it hasn't appropriated enough funds to make rental payments. That stipulation is why COPS must pay a slightly higher interest rate than general obligation bonds, Boczar explained.

Unfortunately, Boczar said, some turnkey developers sell municipalities on the idea that the non-appropriation clause allows them to walk away from the project without harm if it doesn't make enough money.

Wrong.

The non-appropriation language, he explained, simply allows the municipality to keep the golf project off the books as a long-term debt for state debt-limitation purposes. If it failed to make payments, bond rating companies *could* quickly lower the municipality's credit rating, making it more expensive to borrow for *any* capital project.

Contrary to what many believe, COPS don't release the municipality from having to raise funds to build the golf courses, nor do they privatize the operation, Boczar said. By entering the lease arrangement, the municipality is obligated to make periodic lease payments for the term of the lease. The payment are assigned to a trustee, usually a bank. Investors purchase the future lease-payment stream. The investors' purchase money is deposited with the trustee and it is these funds that are used to construct the course. The developer is not using its own funds. The money is being raised in the public rather than the private sector.

The idea that lease/purchase arrangements are the only way to finance municipal courses, or that alternatives (like revenue bonds) aren't marketable to investors, simply isn't true, Boczar said.

Options must be explored and analyzed in terms of risk, cost, structural complexity, procedural requirements and political feasibility, Boczar said. Other alternatives, like a properly structured revenue bond, may work better.

For instance — if the municipality owns the land, feasibility studies are strong and construction costs aren't exorbitant — revenue bonds in the 8-3/4 to 9-percent interest area are available, Boczar said. That's down from 13 to 14 percent in the early 1980s.

Well-structured revenue bonds are also considered a better investment than they were 10 years ago, Boczar said. While they must still pay a higher interest rate than general obligation bonds to attract investors, the difference is significantly less than it was in the early 1980s. And revenue bonds present little financing risk to the municipality, he added.

For more information about Capital Links call 914-769-5706.