

# GOLF COURSE NEWS

THE NEWSPAPER FOR THE GOLF COURSE INDUSTRY

A UNITED PUBLICATION  
VOLUME 4, NUMBER 9  
SEPTEMBER 1992

## INSIDE

### The votes are in...

Providence proved the overall winner in the most recent national bentgrass field tests ..... 11

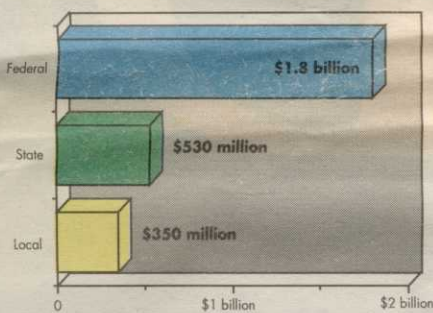
### Council goes dormant

The North Carolina Golf Council, born with high expectations, has hit upon tough times. .... 5

### Conference call

Two GCN-sponsored conferences — on marketing and public golf — are fast approaching ..... 27,30

### Taxes paid by Golf Courses



#### GOLF'S ECONOMIC IMPACT

A special report, commissioned by the NGF, details golf's impact on local, regional and national economies. See page 3.

#### COURSE MAINTENANCE

- Wetting agents OK'd for Hydroject ..... 11
- Overseeding brings speedy payoff ..... 11
- Super Focus on Joe Esposito ..... 12

#### COURSE DEVELOPMENT

- Lessons in membership fraud ..... 19
- Baird plans course on mainland China ..... 21
- New course listings ..... 26,34

#### COURSE MANAGEMENT

- Club Corp. takes its act to Canada ..... 27
- Focus on workers' compensation costs ..... 27
- AGC lands nation's oldest golf course ..... 29

#### SUPPLIER BUSINESS

- Bioremediation technology in action ..... 30
- One company girds for sluggish 1993 ..... 31
- What's new in the marketplace ..... 33

## Critics assail anti-growth advocate

Experts question Klein's methods, motives and results

By MARK LESLIE

Golf course developers and builders bristle when his name is mentioned. Architects flinch. Scientists snicker. Anti-growth advocates smile.

One thing about Richard Klein, president of Community & Environmental Defense Associates: When asked about him, people do not teeter on the fence.

"He is not fondly mentioned around here,"

said David Locke, vice president of Daft McCune Walker, Inc., a landscape architecture and land planning firm in Maryland.

Milt McCarthy of McCarthy and Associates in Upper Marlboro, Md., said: "In projects we've worked on Klein has professed himself as a geotechnical or ground water hydrology expert. He was involved

Continued on page 24



Richard Klein

## Legislative progress steadily on the RISE

By HAL PHILLIPS

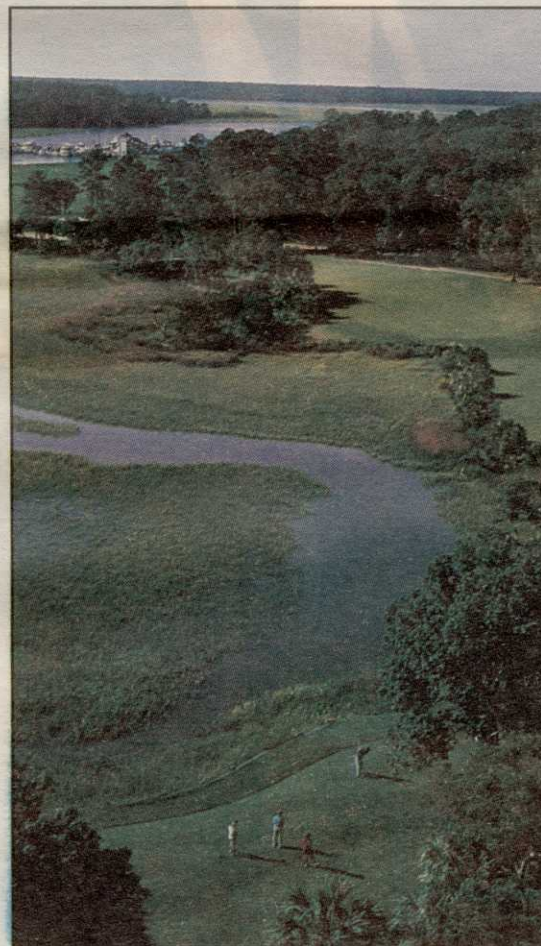
When members of the chemical industry meet this month at the RISE Annual Meeting in Washington, D.C., RISE Executive Director Allen James will deliver his share of good news and bad.

The key issue for RISE (Responsible Industry for a Sound Environment) has been federal and state preemption of pesticide laws. Currently, local communities in half the 50 states can ban any chemical they choose, even if state and federal environmental agencies have signed off.

However, when RISE members meet Sept. 12-14, James will report that 25 states have adopted varying degrees of local preemption statutes, establishing state and federal regulations as the legitimate authorities on issues of chemical safety.

Meanwhile, the effort to amend the Federal Insecti-

Continued on page 31



#### DEVELOPMENTAL SUCCESS STORIES

Willard Byrd's Plantation Course at the Landings community in Georgia is a good example of real-estate-based golf projects that work. For more examples, see page 18.

## Drought continues to plague Northwest

By PETER BLAIS

Drought in parts of the Northwest, Rocky Mountains and Midwest has increased maintenance costs and, in the most severe cases, decreased play at golf courses.

Reno, Nev., is one of the hardest hit areas. City-owned Northgate Golf Club depends on runoff passing through a nearby ditch for its irrigation water. But with little rain and virtually no snowpack last winter, the ditch has run dry much of the summer of '92. The club went 27 days without watering its fairways at one point, according to head pro Don Boyle.

"Rounds and revenues are down 50 percent," he said. "We've reduced our fees about 25 percent. But if you don't have the product people are accustomed to,

Continued on page 10

## Industry analysts mull Landmark decision

By HAL PHILLIPS

While federal authorities ponder the fate of once-mighty Landmark Golf Course Design and Construction, industry analysts go about their business — namely, trying to figure out how the finance world will view golf course projects in light of the latest Landmark decision.

"As an appraiser, I don't see how this would negatively impact value in the long term, but in the short term it definitely hurts," said Larry Hirsh, president of Golf Property Analysts, Inc.

and president of the Society of Golf Appraisers.

"I think the situation has scared away financiers, which we didn't need to begin with," Hirsh continued. "And by eliminating the availability of financing, you've reduced the size of the market, which in turn further reduces the supply of financing."

"Anytime you get negative publicity, it will scare lenders away," added Don Rhodes of Textron Financial. "We're

Continued on page 29





# Landmark woes could affect entire golf industry

Continued from page 1

sort of niche lenders, so I don't think it will hurt us. But the Landmark situation will have a generally negative effect."

The La Quinta-based firm is desperately seeking to keep its prize possessions — PGA West, Kiawah Island, Carmel Valley Ranch and Mission Hills CC, to name a few — out of the hands of the Resolution Trust Corporation. Landmark's plan of action is a 10-year program that would use future sales of

memberships and real estate to pay off current holdings.

Federal Judge Falcon Hawkins has lent a sympathetic ear. On Oct. 30, 1991, he ruled that RTC agents don't have the right to replace directors and managers overseeing Landmark properties. However, a few short weeks ago, the 4th Circuit Court of Appeals overturned Hawkins' ruling. When *Golf Course News* went to press, Landmark officials were mulling an appeal while RTC offi-

*'After seeing what's happened [to Landmark], developers are being more sensitive as to the viability of golf projects on a stand-alone basis.'*

— Bill Sawyer, Golf Finance Inc. president

cials searched for potential buyers.

"In my opinion, it's going to go one of two ways," said Rhodes. "Either someone is going to take the whole thing — and there are very few

people capable of that — or it'll be split up when someone local shows an interest in a particular property."

According to Bill Sawyer, president of Golf Finance, Inc., the Landmark situation — ap-

peal notwithstanding — has been somewhat therapeutic. Landmark's approach, he said, stands as an example of what *not* to do in the management and construction business.

"In retrospect, they over-spent on golf figuring they'd make it back on the real estate," Sawyer said. "They obviously built some beautiful courses, but in the future, I think it's going to be harder to build those types of courses. It will be harder to justify in terms of profitability."

"The real estate just didn't sell, and that's where the developer lives and dies. After seeing what's happened [to Landmark], developers are being more sensitive as to the viability of golf projects on a stand-alone basis."

Added Rhodes: "I don't have the exact numbers, but they are clearly over-leveraged. A lot of people were — still are."

Hirsch believes the federal government has been a tad overzealous in its treatment of Landmark.

"I'm not a lawyer," he said, "but I see the situation as an example of over-regulation, and Landmark got caught in the middle. They were a successful developer and manager of high-quality golf courses and resorts."

"Unfortunately, they were so successful they started an S&L. Then Uncle Sam decides S&Ls can't own commercial properties and Landmark is stuck."

Those changes in federal regulations, which took place in 1988, forced Landmark to seek buyers for some of its properties. Here again, circumstances and the company's unique development practices made for a less-than-ideal scenario.

"One of the major problems for the potential buyer was that Landmark sold a lot of lifetime memberships that are good at all these different properties," Sawyer explained.

"If you're a potential buyer, are you going to swallow that?"

## AGC buys oldest U.S. public course

BRONX, N.Y. — American Golf Corp. has acquired Van Cortlandt Golf Course, a municipal facility here.

Van Cortlandt Golf Course, a par 70 with a slope rating of 110, is the oldest public golf course in the United States. The course was built in 1895.

"We are looking forward to providing golfers with a top-of-the-line facility," said Kimble Knowlden, senior vice president for AGC. "Van Cortlandt Golf Course is certainly a landmark course in the New York area."

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