

Landmark woes could affect entire golf industry

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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-

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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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