

NGF predicts 250 golf course openings a year through the 1990s

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pipeline may be even longer than that."

Experts agree that local financing remains a viable source. But when larger lending institutions got skittish in 1990-91, the funds and corresponding construction abated. In essence, the approaching slowdown will reflect the lack of financing options during 1990 and 1991 — and the institutional lending community doesn't appear ready to get back on the horse.

"I'm afraid that lenders need to have some success in other areas before they warm to golf projects again. They need to feel comfortable again," said Gary Gilson, a partner in the Kansas City law firm of Shook, Hardy & Bacon, which specializes in golf course acquisition and divestiture.

"We anticipate 250 openings per year through this decade," said NGF Vice President Rick Norton. "Overall, the trend is going down somewhat. But I don't want to sound doom-and-gloomy because we're seeing golf much more realistically now — as a more publicly accessible, fiscally responsible unit.

"We're still going to see some pretty strong numbers in '93, but not like '92."

The NGF figures indicate that 236 daily-fee facilities opened their

doors during 1992. Fifty-one municipal courses were christened, while 67 private courses came on line. These figures, said Norton, do not include renovations or facilities gone bankrupt and subsequently reopened.

A more sobering figure might be the number of courses currently under construction, 616, which does not include projects that have been suspended due to lack of funding, said Norton. Once financing has been secured, it

takes about three years gain permitting for and construct a golf course. If you do the math, it's clear golf can't maintain a pace of 300-plus course openings per year.

It also appears that lower interest rates and a nation creeping out of recession are not enough to boost the dim financing picture.

"Golf is a funny business. It's not like putting up office buildings," said Rhodes. "It's not dependent on traditional market financing; never has been. You'd

think [the financing picture] would be getting better, but it isn't.

"Lenders tend to react with a lag. They will need institutional evidence for them to get back in. They're slow to get in and slow to get out."

"The RTC (Resolution Trust Corp.) needs to lighten up," said Gilson. "There isn't a lender out there who doesn't shudder when he sees a golf project in his portfolio."

Lending stagnation in the early

'90s has forced developers to seek all sorts of alternative sources. And while the Jones Trail in Alabama has intrigued many with its inventive use of state pension funds, industry experts agree that local equity financing will remain the most promising source of funds over the next few years.

"We tend to get caught up in the real sexy financing, pension funds, cooperatives and all that," said Norton. "But local financing is still the most dependable."

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Jones Trail at halfway point in Alabama

BIRMINGHAM, Ala. — Alabama's Robert Trent Jones Golf Trail has reached the halfway point of completion, with nine of the 18 planned courses now open to the public.

Birmingham's Oxmoor Valley and Mobile's Magnolia Grove, two of the Trail's 54-hole facilities, are fully open, each with two championship courses and an 18-hole Short Course available for daily-fee play.

The Trail's other 54-hole facilities — Huntsville's Hampton Cove and Auburn-Opelika's Grand National — each has an 18-hole championship course open, with a second scheduled to open in 1993. Huntsville's Hampton Cove also recently opened its Short Course to area golfers.

"We are on schedule," said Bob Barrett, vice president of SunBelt Golf Corp. "With courses open at all our 54-hole facilities, golfers across Alabama can now enjoy a Robert Trent Jones-designed course. Since each course is distinctly different, golfers of all skill levels will be able to sharpen their game on the Trail."

In addition to four 54-hole facilities, the following three 36-hole facilities will open in 1993: Highland Oaks in Dothan, Silver Lakes in Calhoun County, and Cambrian Ridge in Greenville.