

Development moves away from hot spot mentality

By HAL PHILLIPS

Hot spots: Fact or fiction? Increasingly, developers, financiers and industry analysts are leaning toward the latter. Though many would-be developers continue to ask the National Golf Foundation (NGF) to identify these elusive, ultra-fertile golfing grounds, the Jupiter, Fla.-based organization has abandoned the practice.

"It's very sexy to say which spots are hot and which are not, but it's very misleading," said

NGF Vice President Rick Norton. "The methods for determining a hot spot — the superficial ones like population per hole — don't hold up. For example, if that were always true, then New York City would be a hot spot. But it's not.

"Every market is unique. It's a very segmented market out there."

The last time the NGF officially designated a "hot spot" was 1991, and it doesn't plan on continuing the practice.

"Even then, I didn't feel comfortable recommending development in some areas," Norton continued. "It was a weak analysis. The problem is, you just can't assume all the variables that go into golf development. We looked at population density, land cost and multi-variable testing to determine hot spots. But you can't predict success because every market is different, has different needs, different costs.

"There are a lot of people who

feel like we should still do hot spots, that it was a good service. I don't think it was a service really. It was a disservice."

Don Rhodes, a lender and golf-industry analyst with Raleigh, N.C.-based NationsBank, doesn't like the obsession with hot spots, either.

"I avoid the phrase in my own mind. It's not a useful way to think about an industry," said Rhodes. "What I think about, regardless of a course's market area, is 'Can you get affordable land? Can you draw the players? Can you draw a circle of so many miles and put a course in

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the middle of it?"

Rhodes, who will speak at Golf Course Expo (see page 1) said exorbitant land prices in developed, urban areas are responsible for the substantial proliferation of high-end daily-fee courses — and the paucity of medium-range daily-fee courses.

"Let's take Atlanta," said Rhodes, who noted that many had, until recently, considered this Southern city a hot spot. "The generalization about Atlanta was this: Where you need the courses, you can't build them; where you can build them, there aren't enough golfers to support it.

"That's only partly true. You can get land close to Atlanta, but you can't get 150 acres of land at an affordable price. If developers pay too much for land, they say, 'It's going to cost \$5 million or more to build, and the only way to make money on the original investment is to go high-end.'

"Phoenix is another good example. They need standard mid- to low-end courses. They don't need another \$100 in the winter, cheap in the summer course. But it all starts with the land cost."

This is where the idea of hot spots can clog a market: Developers rush to build in a certain geographic area; they are forced to go high-end to cover land costs; and presto, you have too much competition in that particular market segment. While 80 percent of the course openings are public-access, Rhodes' analysis would explain why so many new courses are high-end daily-fee. However, it also explains why municipalities are climbing over each other to get into the golf development business: They're filling a need for affordable, public-access golf, and they can acquire good land cheap.

Rhodes and Norton maintain that any market can provide a fruitful atmosphere for development.

"As a developer," Rhodes said, "you have to find an exception on the cost of land. Then you can make it work. Or you need to find an affordable piece of land that can't be used for anything else but golf. You find a lot of that in Texas where

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*Based on research conducted by the Center for Golf Course Management, a subsidiary of the Golf Course Superintendents Association of America.

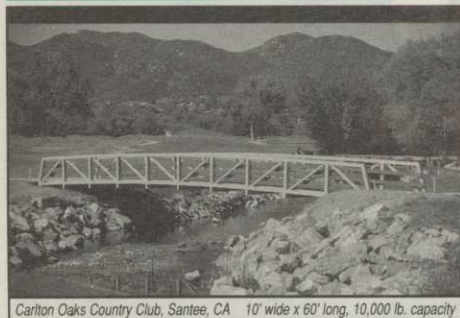
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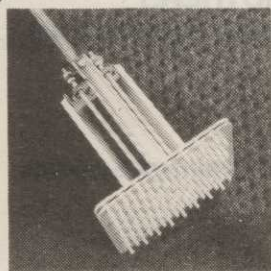
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CIRCLE #154

NEW PRODUCTS

Yamaha unveils the Ultima

Yamaha began production of its new golf car, the Ultima, on Sept. 1.

Available in gas and electric models, the Ultima features a comprehensive wrap-around Sentry Body Protection System with 5-mph bumpers front and back; a worm gear and pitman pin steering system that emulates power steering; a suspension system similar to that found on automobiles; wider and deeper seats; a textured steering wheel; and self-adjusting, reduced-maintenance brakes.

For more information call Yamaha USA at 800-843-3354, ext. 440.

CIRCLE #302

Rake with hydrostatic drive

Smithco's new Sand Star bunker rake features a hydrostatic drive specially designed for high performance and low maintenance.

The hydrostatic system drives the two rear wheels through an Eaton transaxle and is linked directly to the engine throttle to automatically increase speed to meet all power demands.

The rake is powered by a Kohler Command gasoline engine with 12.5-hp, overhead valves and a 2.5-gallon fuel tank. Along with its silent-type muffler, the Sand Star provides low-noise operation.

Among its features are a tough, fiberglass body; 40-inch, front-mounted plow; 72-inch, three-phase finishing rake; 61-inch, center-mounted cultivator assembly; and a hydraulic lift assembly for operation of the implements.

For more information contact 215-688-4009.

CIRCLE #303

LESCO adds three new seeds

LESCO Inc. has added three new turfgrass seeds—Wildwood Kentucky Bluegrass, PennPro Kentucky Bluegrass and Brittany Chewings Fescue.

Wildwood Kentucky Bluegrass yields a very dark green, relatively low, compact plant with excellent resistance to leaf spot, dollar spot and other major turf diseases.

PennPro Kentucky Bluegrass has a medium-green color, moderate-to-fine-texture leaf blade, excellent density and wear tolerance.

Brittany Chewings Fescue is a moderately dark green, very dense, fine-textured selection. It exhibits good disease and traffic tolerance and is excellent in areas that are shaded or under moderate drought stress. For more information telephone LESCO at 216-333-9250.

CIRCLE #305

Fiddler's Elbow open for play

FAR HILLS, N.J. — Fiddler's Elbow Country Club's new 18-hole golf course, designed by Rees Jones, opened July 1. Addition of the par-72 Forest Course expands Fiddler's Elbow to 54 holes of golf, making it the largest in the state.

The Forest Course incorporates 200 acres of the 700-acre Fiddler's Elbow complex. Built on the highest land on the property, it offers panoramic views of Scholey's Mountain to the north and the Cushetunk Mountains to the southwest.

The first four holes play down and back up over open fields that have been transformed into mound-lined fairways, accented by strategically placed bunkers. Of the more than 100 bunkers on the course, 19 of them are on the par-5 3rd hole.

There will be four sets of tees on every hole, which will allow the course to play from 5,154 to 7,128 yards.

"I was fortunate to be working with a naturally beautiful site, one of the best I've ever had to work with," Jones said. "The rolling terrain is just about perfect...not too severe, but steep enough to provide a variety of gentle uphill and downhill shots. When you're playing through the woods, you feel like you're in a nature sanctuary, it's so quiet and peaceful."

Slow-release from ParEx

In the past, polymers have been used to coat potassium nitrate or potassium sulfate, and sulfur used to coat potassium sulfate potassium chloride. Sulfur-coated products were unpredictable and often failed to provide extended longevity or caused damage. Coated products also have been relatively expensive because fertilizer materials used for polymer coating are costly and often are not round and smooth, resulting in additional expense.

Determined to find a solution to this dilemma, the research team at Vigoro Industries, Inc., recently developed new technology which provides a coatable potassium chloride substrate which gives a safe, slow-release form of potassium. It is now available as a component in Vigoro's Par Ex turf-grade fertilizers, and soon will be made available in other formulations.

For more information, contact Vigoro at 1-800-767-2855, extension 241.

CIRCLE #301

Thompson rings for Commanders

Thompson Manufacturing Inc. has introduced a new stabilizer ring made of a bolt-on, high-strength plastic compound for its Commander series Rotor.

It is offered as a retrofit item for heads in the field, and will be offered as an option on new rotors. The ring is designed to keep the rotor at grade for a longer period of time, even with the heaviest of turf equipment driving over it, and still allow the small profile of the Commander on the field.

Installed just below grade, the turf still grows up the rotor. Its design makes it easy to install and offers an economical alternative to raising heads every couple years. For more information contact Thompson Manufacturing Co. Inc., 5075 Edison Ave., Chino, Calif. 91708 or telephone 909-591-4851.

CIRCLE #304

Parkway's new Algae Rid

Parkway Research Corp.'s latest product, Algae Rid, is a liquid aquatic algicide that is both effective on a broad range of aquatic algae and safe to animal life.

Algae Rid is also compatible with Parkway's lake colorants Blue Lagoon and Blue Lagoon WSB.

To receive a brochure or samples call 800-442-9821, or write Parkway Research Corp., 13802 Chrisman Rd., Houston, Texas 77039.

CIRCLE #306

Hot spots: Fact or Fiction

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you've got a lot of flat flood plains."

Norton and the NGF have tried to move would-be developers away from hot spots and into more practical analyses. The NGF offers an executive summary which includes questions to ask when conducting market research and feasibility studies. For example, when segmenting a market, developers should realize:

- Green fees vary with every market. High-end fees in Boston are \$40-45, while the same golf experience will cost you \$20-25 in Nebraska. Do the research before you decide which market to enter.

- With feasibility studies on rounds played, evaluate the market based on competing green fees and the support (rounds played) you expect. This sounds basic, but you would be amazed, Norton said, how many developers fail to do it.

- Green fees are an approximation of amenity level. But an approximation of green fees (in a business plan) can't be made until amenities at competing facilities are examined. Again, a simple but oft-overlooked factor.