

BRIEFS



MARRIOTT PROMOTES NAULT, SCHLICK

ORLANDO — Long-time Marriott Golf employees Bill Nault and Tom Schlick have been named to the company's corporate staff. Nault was appointed director of golf operations and will be responsible for Marriott's 18 managed facilities on operational issues and new property development. Schlick was named to the position of director, ground operations. Kevin Hammock will remain as director of operations and business development.

MARE ISLAND GETS NEW MANAGER

VALLEJO, Calif. — The city has selected the #1 Golf Co. to operate Mare Island Golf Course. The nine-hole track will be expanded to 18 as soon as the U.S. Navy releases the property needed. Mare Island's entrances are still guarded by the Navy. The #1 Golf Co. operates two other California courses and is developing a third.

BRASSIE TAKES OVER MO. LAYOUT

LAKE OF THE OZARKS, Mo. — Brassie Golf Corp. has been awarded a management contract for North Port National Golf Club here. Great Southern Savings Bank of Springfield, which foreclosed on the property July 31, reached the agreement with Brassie and renamed the facility the Osage River Club.

MARYLAND FORMS OWNERS GROUP

Owners and managers of public and private golf facilities have formed the Maryland State Golf Course Operators Association. George Reich of the Severna Park Golf Center is the president. For more information contact association headquarters at 410-974-4473.

KSL ADDS PAIR

MANASSAS, Va. — Bethany Duffield and Jennifer Rydholm have joined KSL Fairways as MIS trainer and human resources manager respectively. Duffield comes from Diamond Management Systems, among the largest providers of club accounting systems in the United States. Rydholm recently worked for Columbia First Bank and has extensive human resources training in the printing, banking and government contracting industries.



Bethany Duffield Jennifer Rydholm
GOLF COURSE NEWS

Southwest Golf set to expand reach throughout country

By PETER BLAIS

Golf courses are making money, but are they making friends? That's a question William Walters ponders every day.

"I'm not sure the attorneys, accountants and business people running golf today really understand what the game is all about," said Walters, chairman of The Walters Group and its subsidiary, Southwest Golf, which operates a total of five courses in Illinois, New Mexico and Arizona.

"The pros who ran golf courses for years knew little about how to run a business. Management companies came in and began operating them more profitably. The added revenue was good for golf. But they often lost the personal touch. There is still a huge demand for facilities run the old-fashioned way, with service and atmosphere being the most important things. We want to maintain our facilities at a high level with a high service level for our customers."

Service and atmosphere. Those are the qualities Walters said he will stress as he strives to grow his Las Vegas-based firm from its modest-sized present to a 20-plus course conglomerate.

The Burr Hill Club in St. Charles, Ill., currently under contract and expected to close in early October, is the latest addition to the Southwest portfolio. Southwest also operates Eagle Brook Country Club and The Golf Club of Illinois in suburban Chicago, Mesa del Sol Country Club in Yuma, Ariz., and Paradise Hills Golf Club in Albuquerque, N.M. All except Eagle Brook are daily-fee operations.

Southwest is also negotiating with the city of Las Vegas to build a Perry Dye-designed municipal course there. Walters said it would be only the second municipal layout in the fast-growing city. "It will be affordable, averaging \$22.81 per round for residents, including cart," he said. "Most of the public courses in Vegas are in the \$70-75 range."



A sample of how a portion of Paradise Hills Country Club in Albuquerque, N.M. looked before (above) and after (below) Southwest's renovation.



Walters hopes to buy or build four to five golf courses annually for the next few years throughout the United States. Plans are to group them like the three Chicago courses, which are located within 30 minutes of one another along Randall Road, a fast-growing area that is home to many corporate headquarters. The company will eventually

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MARKETING IDEA OF THE MONTH

Dollar-per-hole plan attracts new and old golfers

By PETER BLAIS

ITHACA, N.Y. — It's 7:30 on a midsummer night, a time when a handful of golfers are working their way back to the clubhouse and the parking lot is fast emptying at most courses.

Not so here at Hillendale Golf Course.

"When most courses are getting ready to close down, we have a lot of people still coming in to play," said head pro Darlene Sommer.

Why? No, the course isn't lighted. And Ithaca isn't located above the Arctic Circle, so the club isn't bathed in sunlight 24 hours a day.

The reason is simple. Hillendale's dollar-per-hole plan allows golfers to play as many holes as they want anytime of the day.

The program has been extremely popular with experienced golfers with an hour or so to kill after work and with beginners making their first tentative steps from the practice range onto the course.

"Our course is well set up for it," Sommer said. "Holes 1 through 3 bring you right back to the clubhouse. The same for 10 through 12. We get a lot of people who come out and play a few



The 16th tee at Hillendale Golf Club

holes who normally wouldn't bother to come out at all."

The dollar-per-hole program is particularly attractive to beginners, a special group that Sommer and course owner Mary Novickas have tried to make feel welcome at their course since the two began working together at Hillendale 11 years ago.

"We've always been geared to making the course comfortable for beginners and trying to understand what they're going through," Sommer said. "When beginners are out on the course with people bearing down on them it can feel like they're out there for an eternity. So we developed programs to make them feel comfortable and help

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EPA ruling on USTs could free up loan money for courses

By PETER BLAIS

WASHINGTON — Lenders may be more willing to loan money to golf courses and others with underground storage tanks (USTs) because of a recent U.S. Environmental Protection Agency (EPA) ruling limiting the liability of lenders financially involved in properties with USTs.

"This doesn't change the things we'll require of a borrower," said Don Rhodes, vice president of Gray Rock Capital, a subsidiary of NationsBank and one of the country's leading golf course lenders. "But it will allow us to make a loan where we might not have done so before."

According to the EPA, the new rule will limit the regulatory obligations of financial institutions and others holding security interests in properties with USTs.

Lenders, EPA said, have been reluctant to extend loans to these small businesses for fear of incurring UST cleanup liability in situations where the business, for example, becomes bankrupt and the lender forecloses on the property. By reducing the regulatory obligations of lenders, the agency aims to remove this potential barrier to extending loans to small businesses with USTs.

The new rule makes lenders eligible for an exemption from all UST regulatory requirements, both prior to and after foreclosure, if the lender holds an ownership interest in a UST or in a property on which the UST is located to protect its

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Banc One

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Voters in North Mankato, Minn., and Fountain, Colo., felt operating the courses were too much of a financial burden on their municipalities and, as was their option under the financial agreement, chose to return the properties to Banc One, Ayres said. The citizens of Carter Lake, Iowa, and Lemoore, Calif., are negotiating with the bank and could follow the same course, he added.

Banc One is no longer negotiating golf course municipal lease arrangements, Ayres said.

"We're still doing municipal leasing for other projects [police cars, fire engines, etc.]," Ayres said. "We're just not doing golf courses. Cities just don't seem interested."

First Golf Corp. of Tempe, Ariz., was the builder on all but the Colorado project, according to First Golf President Bob Neptune.

"We were hired to build the courses," said Neptune. "In each case, we came in on time and on budget for the work we were contracted to do."

• North Links Golf Course in North Mankato, Minn. opened its first nine holes in July 1993, a year later than anticipated because of rainy weather during construction, according to Town Finance Director Wendell Sande. The second nine opened a year later. The entire facility, including a large clubhouse the city chose to add, cost \$6 million. That was roughly \$2 million more than expected, he said.

"We're not unlike any other construction company in that we can't control acts of God," said Neptune in reference to the wet weather during construction. "But the price difference had nothing to do with us in North Mankato."

The city operated North Links for a year and a half. The course hosted 24,000 rounds in 1994, well below the 30,000 projected, according to Town Administrator Bob Ringhofer. Cart rentals were also below estimates, Sande added. Ringhofer said the projections may have been unrealistic to begin with since national rather than Minnesota figures were used in making the projections.

"The caliber of the feasibility work is critical for any golf project," said consultant James McLoughlin of the Pleasantville, N.Y.-based McLoughlin Group. "Too many feasibility study outfits simply say 'yes' to everything. I'd estimate 95 percent of the feasibility work done today simply doesn't pass muster."

As a result of the rain-delayed opening, cost overruns and unfulfilled projections, the city lost \$2 million on the North Links project, Sande said. When told at the end of 1994 that the municipality would have to subsidize the project for another five years before it was self-sustaining, taxpayers voted to return North Links to Banc One.

"If you look 10 to 20 years down the road, the city may regret giving up the course," Ringhofer said this spring. "It needed five years to begin operating properly. Giving it a year just wasn't fair. But the public prevailed."

Banc One, which provided \$4.6 million in financing, hired a management company to operate North Links and opened it late this spring. "Since we took over and put the management company in place, we've been meeting our projections," said Ayres, adding that Banc One will operate the course through the remainder of the year and seek a buyer next season.

• Banc One is negotiating with the suburban Omaha, Neb., city of Carter Lake, Iowa, regarding the troubled Shoreline Golf Course.

Carter Lake borrowed \$3.1 million five years ago to build the 18-hole facility, according to Golf Board Chairman Jay Gundersen. First Golf built the Pat Wyss-designed facility. It has been losing \$200,000 annually since it opened and the city has been unable to make its payments to

North Mankato and Carter Lake could have been refinanced properly to make both work for their municipalities. I think both will be successful in the long run.'

— Bob Neptune,
President First Golf Corp.

Banc One the past two years, Gundersen said.

Floods and heavy rains damaged the course and curtailed play in 1992 and 1993, Gundersen said. But even half-inch rains have forced the course to close for the day, he said.

"I blame First Golf for many of the problems," Gundersen said. "The course is built on sandy soil, so it should drain well. We've had a couple architects tell us it's the poorest building job they've ever seen. We [city] made a lot of mistakes. But accepting the course as built in the first place was probably the biggest one... The city is still operating the course. But I don't know how much longer we can."

Neptune strongly disagreed with Gundersen regarding the quality of his company's construction work. Any problems, he said, may be a result of the city engineer's changing of the architect's plans. First Golf was ordered to go along with those alterations, he added.

"We absolutely did not do a poor job on that golf course," he said. "It was built to the specifications we were told to use. We did what we were hired to do and no one can document otherwise."

Gundersen added that Banc One hasn't been very supportive. "They wanted us to issue some junk bonds to fix up the course, but they wanted First Golf to do the work. They [First Golf] were the problem in the first place" he said.

Ayres said he couldn't comment on the Carter Lake situation since Banc One was still negotiating with the city.

"North Mankato and Carter Lake could have been refinanced properly to make both work for their municipalities," Neptune said. "I think both will be successful in the long run."

• In the early 1990s, Banc One financed an additional nine holes and a sprucing up of the abandoned Appletree Golf Course in Fountain, Colo., to the tune of \$2 million, Ayres said.

The city and local investors operated Appletree for four years before taxpayers voted to turn it back over to the bank in January 1994, said City Finance Director Bill Clark.

"It just wasn't meeting its debt obligation," Clark said. "The city ran it alone for a year, but it became clear it just wasn't going to happen for us."

Appletree never came close to reaching the 50,000 to 60,000 rounds projected in "overly optimistic" feasibility studies, Clark said. He blamed the course's relatively isolated location, far from the main road and a dozen miles outside Colorado Springs, for the lack of play.

Ayres said Banc One is actively seeking a buyer for the course. "We've had a professional management company in there for the past two years and it's doing quite well," he said. "There are so many municipalities that are having to make tough decisions about how to spend their money. Taxpayers often view golf as a luxury item and are likely to cut that before schools, police departments and other things."

• The city of Lemoore, Calif., will likely refinance its municipal course with Banc One, according to City Manager Allen Goodman. Banc One provided financing to upgrade and expand the facility from nine to 18 holes.

The new nine opened 30 months ago. Total revenues have been less than projected largely because greens fees have been held artificially low, Goodman said.

Phillips comment

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simply made applications impossible. Meanwhile, in the upper Midwest, the combination of oppressive heat and skyrocketing dew points made for fungus heaven. Indeed, manufacturers could barely ship the fungicide fast enough.

Of course, it matters not what the adverse weather conditions might be — the superintendent faces the music without exception. That's why Mark Leslie's column (turn back to page 8) is so insightful this month. Go ahead: Give it a read... I can wait.

Apologies are due the Jacobsen Division of Textron, which was inadvertently left out of September's report on the first International Hong Kong & China Golf Exhibition and Conference (page 39). Jacobsen will exhibit during the November show. Indeed, Jake

has been involved in the venture from the outset.

Speaking of Asia-Pacific, expect a homecoming of sorts over the next few years, as American architects who've made their marks in the Pacific Rim look to secure more domestic contracts.

Many U.S. designers find it easier to cut their teeth abroad, where the pool of qualified native architects is, frankly, rather limited. Yet the call of America's lucrative design market, not to mention the "luxury" of doing business closer to home and family, is beginning to pull them back. Examples? Ron Fream, Nelson Wright Haworth, Perry Dye and J. Michael Poellot.

Domestic golf course developers would be remiss if they failed to consider these four, and others like them, for U.S. design jobs. They're experienced, innovative and, perhaps most important, they're hungry.

USTs & banks

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security interest. The lender would not be liable for cleanup costs from a contaminated property provided it does not engage in petroleum production; refining and marketing; participate in the management or operation of the UST; or store petroleum in the UST after foreclosure.

"It's the right thing to do," Rhodes said. "The old rule was excessive environmental protection. It hurt everyone from golf courses to gas station owners. This gives lenders the safe harbor they need to make loans."

The rule specifies a range of activities, including foreclosure, which lenders can under-

take to manage and protect their collateral without being held responsible for compliance.

The rule also describes circumstances under which a financial institution would be considered to be participating in the management of any UST property and therefore responsible for UST cleanup costs.

Lenders will be allowed to regularly monitor or investigate borrowers' collateral, business condition and financial health. The lender may also require that the property be maintained in an environmentally sound manner as well as provide financial, administrative or other specific or general advice to clean up the property if contaminated.



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