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Fred Couples (left) and Gene Bates are collaborating on a unique daily-fee project in California. See page 64.

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Piece of the pie

More and more designers trade fees for ownership slice

By PETER BLAIS

With new course financing still difficult to obtain in some cases, architects and builders are increasingly willing to take an ownership interest in a project, either as part of the original development team or in exchange for all or part of their fees.

Michael Hurdzan, P.B. Dye and Bob Cupp are among the architects/owners. Landscapes Unlimited President William Kubly is probably the most active builder/owner.

"The main reason we're willing to get involved is that golf is a good business," explained Hurdzan, who owns part of three golf facilities. "If it were a bad one, we wouldn't do it."

Professionally, Hurdzan believes ownership increases an architect's credibility with clients by providing insights into golf

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Progress at EPA? Maybe

By HAL PHILLIPS

WASHINGTON, D.C. — "They have a new way of handling data that has sped up the entire process," said AgrEvo's George Raymond. "Turn-around times on a number of submissions have dropped from 18 months to six."

Added American Cyanamid's John Thomas: "When they heard the arguments we posed regarding increased safety, they accelerated their review process and put us on the fast track for registration."

Could these people be talking about the Environmental Protection Agency (EPA)? Amazing as it may seem to golf industry veterans familiar with the lengthy, multimillion-dollar registration process, yes.

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DESTINATION: ORLANDO



Environmental debate assumes center stage

By J. BARRY MOTHES

ORLANDO — It's 8 a.m. Friday at your golf course. Pithium is raging. A shot gun start member-guest golf tourney is set to start in 30 minutes. As golf course superintendent, you decide to go with a quick pesticide treatment. At a post-tourney barbecue, several golfers complain of headaches and vomiting. Do you tell them about the morning pesticide application?

The above scenario was a quick off-the-cuff creation by Dr. Frank Rossi, a turf professor at the University of Wisconsin-Madison. But it's exactly the kind of thing Harvard law professor and frequent TV legal commentator Arthur Miller can be expected to spring on a panel of golf industry and environmental experts at this year's Environmental General Session panel at the Golf Course Superintendents Association of America International Conference and Show.

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SPECIAL GCSAA SECTION

- Comprehensive show & conference schedules
- Updates on bylaws, candidates
- Profiles of award winners
- Helpful party hints
- Speakers, show entertainment and more!

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Arthur Miller



The stunning Maroon Creek GC in Aspen, Colo. — one of the projects which earned Landscapes Unlimited and its president, Bill Kubly (below), Golf Course News Builder of the Year honors.

THE ENVELOPE, PLEASE...

Landscapes named GCN's Builder of the Year for 1995

By MARK LESLIE

LINCOLN, Neb. — The Perfect 10. No one has come so close to achieving it as did the 1995 Builder of the Year — Landscapes Unlimited, Inc.

In Golf Course News' annual survey of developers and architects, Landscapes, which lost the crown last year to Paul Clute & Associates, regained the title. In doing so, Landscapes averaged 9.72 on a 10-point scale in balloting of its 1995 clients — the highest average ever in the 7-year survey. Eleven clients, judging in the eight categories, gave Land-

scapes 10s in 70 of a possible 88 votes.

Wadsworth Golf Construction Co. of Plainfield, Ill., which won Best Builder the first three years of the survey before relinquishing the title to Landscapes in 1992 and 1993, finished second with an average of 9.25.

Following Landscapes and Wadsworth in the voting were, in order, Niebur Golf of Colorado Springs, Colo., with a 9.12 average; Clute of Hartland, Mich. (9.08); and Fairway Construction of Temecula, Calif. (8.74).

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Phil Arnold photo

Architect owners

Continued from page 1

economics. "I also recognize that some projects wouldn't get off the ground without my participation," he added.

From a personal standpoint, ownership appeals to Hurdzan since it provides another source of income to supplement his design fees, which can track up and down with the economy. "The nice thing about golf is that when the economy goes down, rounds go up. Course owners have told me about people cashing unemployment and welfare

checks to pay for their round," he said.

Since many courses take five to seven years to show a sufficient profit to pay the general partners [which Hurdzan generally becomes], he considers his ownership interest an annuity that will be available when he retires.

Hurdzan's ownership percentage varies with the job. "It's usually a modest amount," he said. "Say the architect's fee is \$300,000 on a \$3 million job. That's just 10 percent. A 10 to 15 percent position is about right, although I might ask for 25 per-

cent, depending on the risk."

Hurdzan and Dye said they don't advertise the fact they are willing to take an ownership interest in exchange for their fees, but will consider it if asked by the developer.

"I'll offer to take a part interest in a daily-fee project in exchange for, say, 30 to 50 percent of my fee," said Dye, part owner of Heritage (Ohio) Golf Club (GC), Virginia Oaks GC in Manassas, Va., and Black Bear GC near Orlando [Fla.]. "It lets me stay involved with a course."

Dye's continued involvement was attractive to Black Bear

majority owner Richard Stein, who had never been involved in a golf course.

"Unless you are very knowledgeable in the business, it's nice to have someone on your ownership team who has experience," Stein said. "P.B. and his partner, Brian Boles, both have a piece of the course. Brian is my director of agronomy. He spends about three days a month here, and my superintendent can call him anytime if he has a question. Involving them was one of the smartest decisions I made."

Rather than take part ownership in exchange for his design

fee, Cupp prefers to get involved on the front end of a golf course project, becoming, in essence, one of the developers. He and golfer Tom Kite put together an investment team that included four individuals with design, management and course-operations experience, along with a major equity partner to develop the 36-hole Legends Club of Tennessee in Nashville. Cupp is also part owner of Angel Park in Las Vegas and Langdon Farms in Portland, Ore.

"We have several other projects on the verge of being funded," he added. "In every case it's based on an equity investment. It's difficult for a golf course to survive with a major debt service."

Cupp is a firm believer that privately owned public golf courses "are the way of the world for golf's future." He plans to become increasingly involved in the projects he owns and reduce his design load over the next few years.

"I do this [invest in golf courses] because it provides revenue for me," the Atlanta-based architect said. "The time is coming when I'd like to do just one course design a year."

Not all architects want to get involved in ownership. Tom Fazio had brief and limited relationships with two courses "but it [course ownership] has never been a focus for me."

While he has designed courses throughout the country, Fazio prefers to concentrate on the Southeast portion of the United States. He believes owning a course in an area could be seen as a conflict of interest if he were to try to obtain additional design work in the same locale.

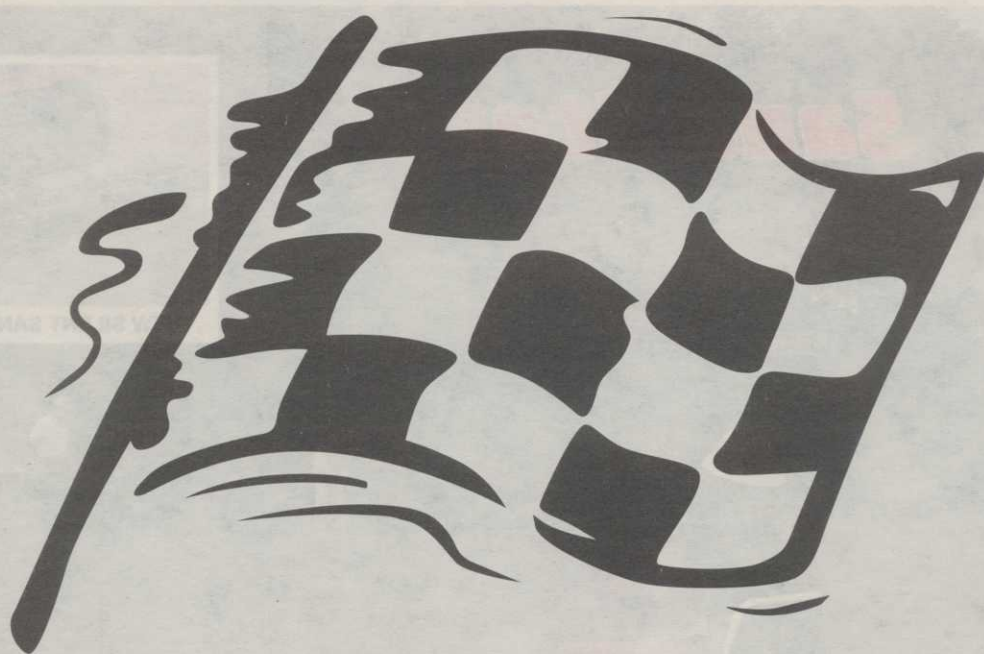
Like Cupp, Kubly prefers to get involved from the outset in the investment end of golf projects. And since his building firm controls a larger portion of the purse strings — "an architect's fee is usually between \$200,000 and \$400,000 while a builder controls anywhere from \$1.5 million to \$5 million" — he can engineer larger savings and usually commands a larger ownership percentage.

Kubly is part owner of five golf facilities including: Amana (Iowa) Colonies, 28-percent stockholder; Champions Club of Omaha (Neb.), 50-percent interest; Bradshaw Farm in Atlanta, 45-percent interest; Lake Park Golf Course in Dallas, 17-percent interest; and a second, as-yet-unnamed course in Omaha, 50-percent interest. In most cases, the original developer approached Kubly about the deal, he said.

"It's part of the growing partnering syndrome," Kubly said. "If a builder can partner with people who know something about other aspects of the golf business, you have the best of both worlds."

"I believe you'll see more of this in the future."

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