

# Golf booms on The Strip, with no bust in sight

By HAL PHILLIPS

**L**AS VEGAS — Betting on future golf course development in Greater Las Vegas? Here's the tip, as in iceberg.

Fifteen separate golf course projects may open for business here during 1997, making Las Vegas the nation's premier golfing hotbed. Six years ago, there were 14 courses in Greater Las Vegas. By the end of 1997, there will be 45 — meaning a significant portion of the golf course industry will commute to this month's International Conference and Show.

"I don't know that there's a better golf market in the country right now," said Brian Curley of Landmark Land Co., which has a hand in five separate courses.

Yet golf is but a tiny chapter in the overall development story

here. Indeed, the city's fantastic golf growth pales in comparison to everything else in Las Vegas, where visitation rates have nearly doubled over the last 10 years and hotel rooms do grow on trees.

"Take a look at the skyline. Just look at all the cranes!" said Rick Norton, vice president of the National Golf Foundation. "They're expanding their [hotel] rooms significantly, which effects everything from McDonald's to golf."

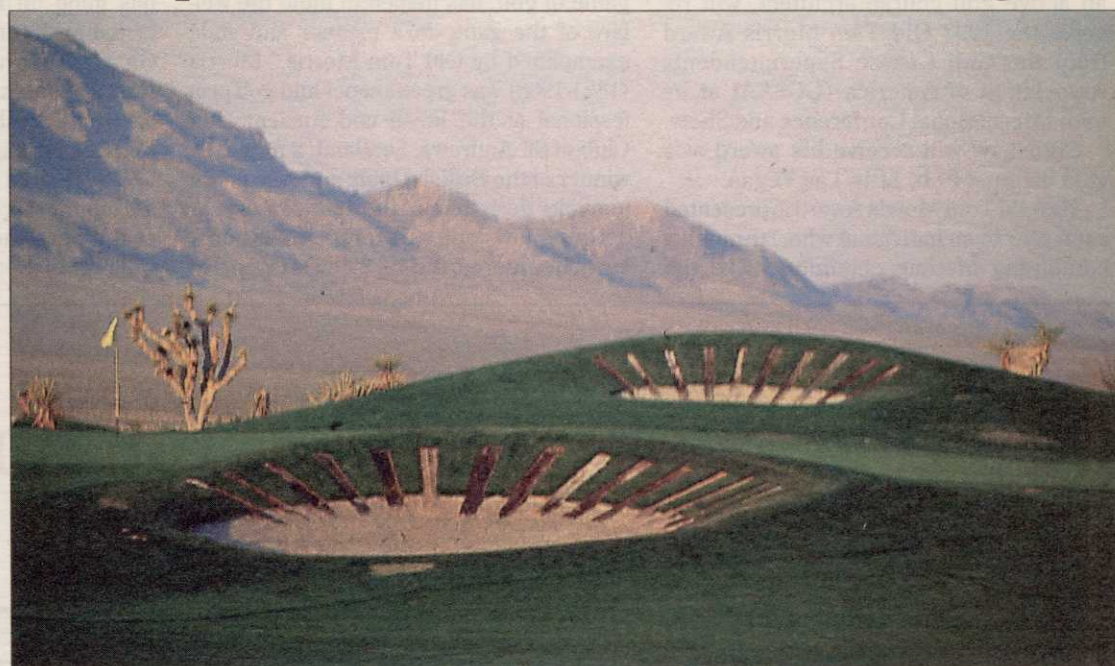
That's the reality. In this boom or bust town, golf should boom for some time. The pump is primed. With 29 million visitors each year, the city's 40-odd existing courses simply cannot meet demand. With hotel capacities growing at 5.3 percent and the number of visitors growing at 7.4 percent per year, golf will have a difficult time keeping up.

"This place is something else," said Scott Tuggle, superintendent at Primm Valley Golf Club, a 36-hole Tom Fazio project in Stateline. Tuggle had been superintendent at the award-winning Legacy Ridge in suburban Denver. "When it comes to golf development, there's so much more going on here than in Denver. And Colorado was cooking! I've never seen anything like it."

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To understand the golf development scene here, it's important to grasp the cultural force Las Vegas has become.

For years, gambling was the



The newly opened, Pete Dye-designed Tav-ai Kaiv track is the second of four planned courses at the Las Vegas Paiute Resort.

means and the end. Casino owners didn't necessarily want people playing golf or anything else that would keep them off the roulette tables. But developers have learned that golf and other amenities, in rounding out the Vegas offerings, have cleaned up the city's image and grown the pie. Analysts agree Las Vegas has the nation's strongest housing and employment markets, to say nothing of its staggering hotel and tourism numbers (see charts).

"How do I describe it... It's one of those 'growth begets growth' situations," said Curley, whose firm has built the first two

of four planned courses on Paiute Indian land 40 minutes out of town. Landmark is also constructing its own design at the Mojave Valley Resort in Laughlin, Nev.

"With most markets, there's a ceiling," Curley continued. "Someone looks at the statistics, the demographics, and he decides the market can stand 1,000 new condos this year. In Las Vegas, the more it grows, the more it grows. The bigger an extravaganza it becomes, the bigger an extravaganza it becomes. There's no cap, and you just don't see that in a development-type business."

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## Hotel Hotbed

Year	Hotel/Motel Rooms	Percent Change
1986	56,494	
1987	58,474	3.5%
1988	61,394	5.0%
1989	67,391	9.8%
1990	73,730	9.4%
1991	76,879	4.3%
1992	76,523	-0.5%
1993	86,053	12.5%
1994	88,560	2.9%
1995	90,046	1.7%
Total Increase 1986-95		59.4%

## Vegas Visitation

Year	Number of Visitors	Percent Change
1986	15,196,284	
1987	16,216,102	6.7%
1988	17,199,808	6.1%
1989	18,129,684	5.4%
1990	20,954,420	15.6%
1991	21,315,116	1.7%
1992	21,886,865	2.7%
1993	23,522,593	7.5%
1994	28,214,362	19.9%
1995	29,002,122	2.8%
Total Increase 1986-95		90.9%

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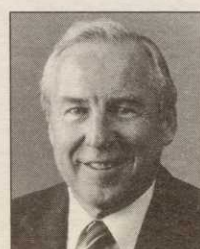


Ben Crenshaw

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### LOVELL TO KEYNOTE OPENING SESSION

Retired Navy Capt. and Apollo 13 Commander James A. (Jim) Lovell Jr. (at left), brings his story of success, courage and motivation to the GCSAA's 1997 International Conference and Show. Lovell will keynote the Opening Session on Feb. 8, starting at 6 p.m. at Bally's Hotel in Las Vegas. After retiring from the Navy in 1973, Lovell embarked on a series of successful business endeavors involving organic lawn and garden products. More recently, he founded a communications firm, which specializes in presentations about motivation, crisis management and leadership.

## Vargas, Faubel and Ward honored for distinguished service

LAS VEGAS, Nev. — Gerald L. Faubel, Coleman Y. Ward and J.M. Vargas Jr. will receive 1997 Distinguished Service Awards at the Golf Course Superintendents Association of America's (GCSAA) 68th International Conference and Show for their outstanding contributions to the advancement of the superintendent's profession.

Faubel, Ward and Vargas will be honored Feb. 8 at the Opening Session of the GCSAA's 68th International Golf Course Conference and Show.

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Vargas, a professor of botany and plant pathology at Michigan State University, has helped enhance the superintendent's profession through his work identifying turfgrass diseases and developing models for predicting disease and timing treatments.

In the early 1970s, Vargas reported on the first resistance to a turfgrass pathogen, the powdery mildew organism, to a systemic fungicide, as well as the first resistance to the DMI fungicide by the

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## Las Vegas cup runneth over with projects

The Las Vegas golf course development market is the hottest in the nation. Here's a rundown of recent openings, near openings and the latest gossip:

### THE SURE THINGS

- The Las Vegas Paiute Tribe Project, managed by Landmark Land Co., will eventually feature four Pete Dye-designed courses. Two are complete: The Nu-Wav Kaiv (Snow Mountain) course opened in 1995, while the Tav-ai Kaiv (Sun Mountain) course opened late last year.

- Landmark is now constructing its own design at the Mojave Valley Resort in Laughlin, Nev., near the borders with California and Arizona. Eighteen holes should open in late summer

- The Nicklaus-designed South Course at Lake Las Vegas is open. A second course should start construction this year. Third and fourth courses are possibilities at this mega-resort, developed by Trans-Continental.

- The first 18 at Primm Valley Golf Club in Stateline, Nev., are open for play. A second 18 is under construction. Tom Fazio designed both.

- Badlands Golf Club, designed by Johnny Miller, will open another nine holes by September.

- The Rees Jones-designed Seven Hills Golf Club in Henderson will open this summer.

- The second 18 at the TPC at Summerlin — the Canyon Course, designed by Bobby Weed and Ray Floyd — opened for play late last year.

- Perry Dye's Desert Pines Golf Club, developed by the Walters Group, staged its grand opening Feb. 3 (see story next page).

- Cal Olson's Players Club course in Mesquite opened for play late in 1996.

- Sunrise Country Club added a third 18 last summer.

- Mt. Charleston Golf Course, a 9-hole project in Kyle Canyon, opened last year.

- Executive 18s have opened at Sun City Summerlin and Sun City McDonald Ranch in Henderson.

### THE GOSSIP

- Rhodes Homes plans an 18-hole course amid its subdivision in Elkhorn.

- A municipal course — probably an executive 18 or 9-hole layout — is slated for 100 acres at the corner of Cheyenne and Durango.

- There's talk of a course on land near Nellis Air Force Base, which sports an existing course.

- A Ted Robinson design has been proposed in Mountain Spa.

- There have also been rumors of a second course at Steve Winn's Shadow Creek — this one upscale daily-fee.

## Golf booms on the Strip

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The golf business has fit neatly into this model. Since 1995, some 25 golf courses have come on line. Yet none are wanting for customers — 60,000 annual rounds is run of the mill — and ground continues to be broken on new projects.

Despite some of the highest average green fees in the nation, demand continues to exceed supply.

This imbalance is nothing new. For years

Las Vegas had very few pay-for-play options. Several casino-owned courses allowed limited play, while Angel Park Golf Course and The Legacy offered true daily-fee play starting in 1989. But that was it.

It seems ridiculous in hindsight — especially with millions of visitors each year. But daily-fee/resort golf was hard to come by until the Nu-Wav Kaiv Course opened in March 1995, followed by the Johnny Miller-designed Badlands Golf Club six months later.

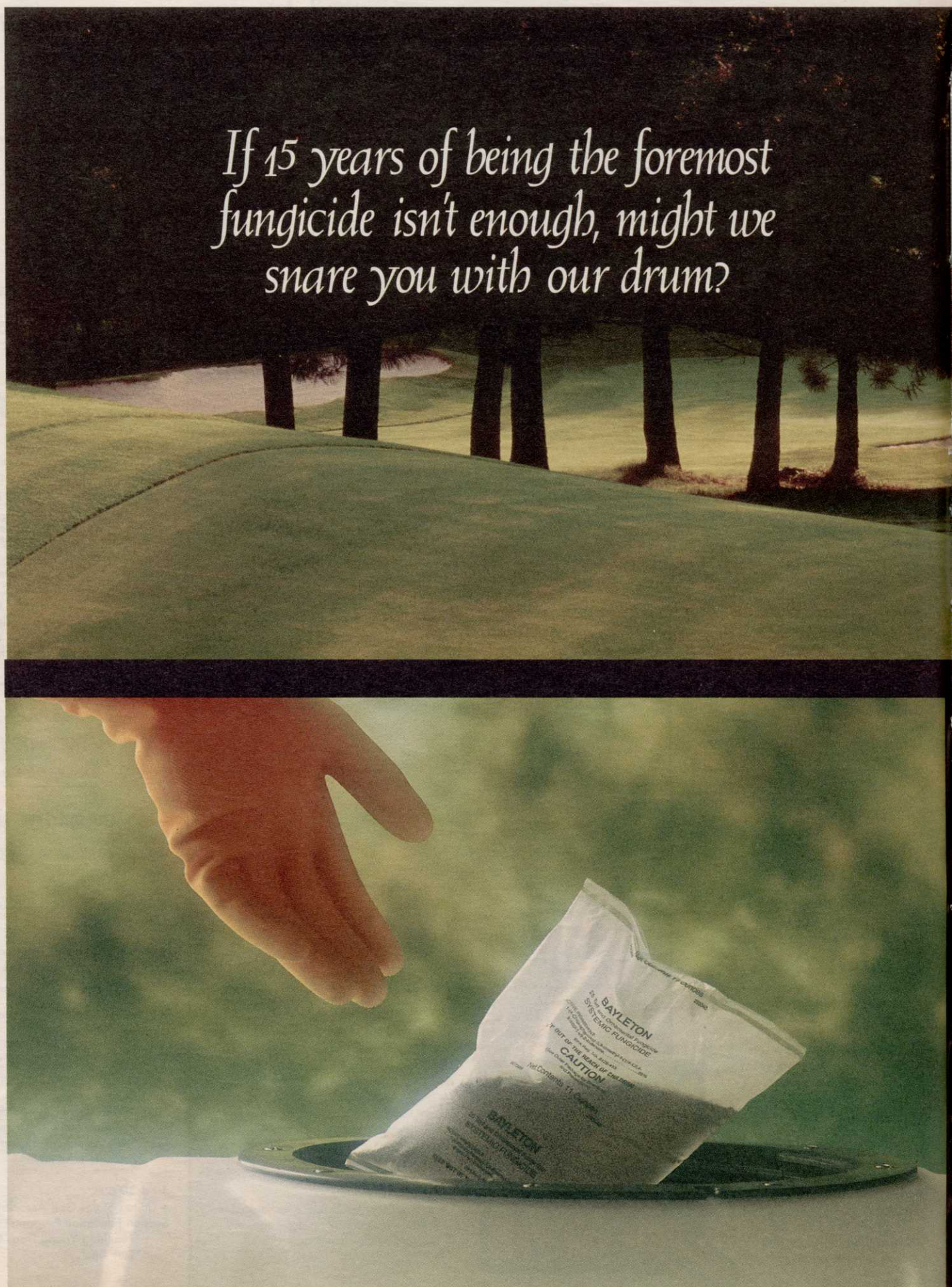
"I did the original feasibility study on the Badlands for [developer] Stan Abrams at

Senior Tour Players Development; when it came time for financing, I had moved to NationsCredit and did the financing, too," said Rick Nekoroski, who remains an underwriter at NationsCredit.

"The Nu-Wav Kaiv and the Badlands really started the daily-fee expansion. The daily-fee market has really lagged behind [private development] in Vegas. And golf has lagged behind everything else in Vegas. I don't know why. It's hard to do a bad deal there. You can charge \$140 a round

Continued on next page

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**DESERT PINES TSUNAMI RANGE, PERRY DYE COURSE OPEN**

LAS VEGAS — Desert Pines, a driving range designed by San Diego-based Tsunami Design and Construction, opened for play here on Feb. 1. The range was developed alongside Perry Dye's Desert Pines Golf Club by The Walters Group. The two-tiered, 60-station, tee-line structure features a landing area sunken an average of seven feet. Target greens emulate some of the most famous holes in the world, complete with water features. Thousands of imported trees complete the once-bleak and abandoned city park.

**Vegas market**

Continued from previous page and nobody bats an eye."

"The value of the dollar is different here," observed architect Rees Jones, whose Seven Hills Golf Club will open in Henderson this summer. "I don't fully understand it, but people treat their money differently. They don't mind spending. I think they're ready to lose or spend money. They have a

budget, so I don't think the cost of playing matters that much."

Besides, the Las Vegas golf operators understand the value of customer service. The community has built an international reputation for service that has spilled over to golf.

"I just think they do a wonderful job — they know how to entertain," Jones added. "They know how to greet you, make you feel like you're wanted there.

The whole atmosphere of the city pervades golf."

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There must be a few drawbacks here in the city of lights. Nothing could be this perfect, right?

Water is expensive. The Paiutes, because they've developed on reservation land, don't pay for water. However, other developers face water rates of \$750,000 a year, according to Curley.

"And that's today's number," Curley added. "It will probably go up. Water is certainly a key.

"But as the city grows, the hotel development will create more and more treated water. Golf is well positioned because we can take the effluent off their hands."

Land is very expensive in Greater Las Vegas. It's also very difficult to work with, which partly explains the high green fees, according to Jones.

"The rock and the water rights really drive construction costs up," he said. "Our site at Seven Hills was a natural site, but if you have a dead flat piece of property, you will have high costs. If you hit rock and bring in the soil, it adds to the bottom line."

Because tourists don't mind the resulting high green fees, the aggrieved golfing constituency in Las Vegas is the population of year-round residents. As Nekoroski explained, visitors will pay sky-high greens fees forever, but residents won't. And the market is sorely lacking courses offering golf at mid-range green fees.

Angel Park and The Legacy, now operated by Aurora, Ore.-based OB Sports, have implemented a system featuring frequent-player cards. Under the plan, card-holders can secure advance reservations, seven days in advance, at less than 50 percent of the resort fee. There are currently 2,400 participants at the 18-hole Legacy facility and 800 at 36-hole Angel Park.

"Rather than a challenge, we've tried to see this situation as an opportunity," said Phil Green, OB's southwest regional manager.

The Legacy and Angel Park opened in 1989. For some time, they had the daily-fee market to themselves. That's changing, but the market is so strong, even the prospect of increased competition leaves Green optimistic.

"We view it very positively," he maintained. "It's really changing the whole marketing strategy of Las Vegas. It's only been in the last few years there have been enough courses to promote Las Vegas as a golf destination.

"The climate here among operators is very cooperative. And I think it will stay that way because course operators realize that, with the addition of more hotel rooms each year, only more visitors will come. And the more golf courses we have, the more tourists will bring their clubs."



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