

Two very strong voices at PGF

How many times do things work out just the way you planned?

In approaching the development of this year's Public Golf Forum, we had a couple of ideal scenarios set up for our two keynote slots — both just happened to work out just the way we planned.

We couldn't be happier to announce that Greg Norman and Dr. Michael Hurdzan will be this year's dynamic duo at Public Golf Forum, the *Golf Course News*-sponsored business conference and expo for superintendents, owners, managers and developers of public-access golf facilities on October 26 & 27 at Rancho Las Palmas Marriott Resort in Palm Springs, California (see cover story).

The idea is to open an exchange of ideas on how the industry can continue to move public-access golf ahead and help it remain the hottest trend in golf. To do this, the promotion of affordable, sustainable course design, smarter management and innovative maintenance techniques are absolutely paramount. We feel we have two of the strongest voices in the industry to kick off two days of conference sessions covering these three critical fields.

What can I say about The Shark that hasn't already been said? His designs are in play around the world, and with Greg Norman Turf up and running, he has moved into the realm of specialty warm season grasses to augment his design business.

Norman's Tour resume is hard to believe: PGA Tour all-time money winner; 83 career victories through May '98; two-time British Open winner; three-time Vardon Trophy winner; held the No. 1 world ranking for a record 331 weeks. Even with the bad shoulder his current world ranking is No. 4.

Dr. Michael Hurdzan, president of Columbus, Ohio-based Hurdzan-Fry Golf Course Design Inc. has become the guru of the environmentally sensitive public golf design.

Hurdzan's environmentally sound projects are gaining worldwide recognition. *Golf World Magazine's* 1997 Architect of the Year, Hurdzan's most recent accolade includes *Golf Digest's* Environmental Leaders in Golf Award for his work at Widow's Walk Golf Course in Scituate, Mass., America's first environmental demonstration course. With our move to sunny Palm Springs, I would expect it's going to be standing room only.



Michael Levans,
editor

Golf historians help me out. The USGA contends that today's technology, combined with a higher skill level, is slowly, but surely, pushing golf's historic venues into the far reaches of obscurity. Let's take a look at the winning scores of U.S. Opens held at Baltusrol GC. The winning score of the Open held at Baltusrol in 1903 was 307. The 1915 winning score was 297, a drop of 10 strokes. In 1936 it was 282, a drop of 25 strokes. What happened in those 33 years to bring about such a change?

In 1967 the winner shot 275. In '80 it was 272. In '93 it was 272. That's only a 3-shot difference in 26 years. One other note: The change in the winning Master's score since 1934, the first year of the tournament, has dropped about 2 strokes a round since that first tourney.

Resist and refuse to double under

Does this country have a backbone or a wishbone? The question begs to be asked in various other ways, replacing "country" with "political party," "religion," "race," "sex" ... Let's look at the golf industry. Backbone or wishbone?

When we see or hear something we disagree with, do we wish for it to go away or that someone else will speak out, or do we have the backbone to refute, resist and refuse to double under?

When a Sierra Clubite calls a golf course a toxic dump, do we stand up, speak up and slam down the slur?

"Many of us are in search of truth," Dr. Joe Vargas of Michigan State once said. "But it's obvious there is a group of people who have an agenda, and that agenda is that golf courses are toxic dumps, unsafe places. And the National Audubon Society knew if it started certifying golf courses as being safe places, many of the people who give them money and want to believe golf courses are toxic dumps would give that money elsewhere."

Refute, resist and refuse to double under.

When a Los Angeles city councilman calls for a 300-foot buffer (and, honest, this happened) to protect the Slender-horned SpineFlower on a golf course site, do we ask the dear fellow if he has any clue that that is 100 yards and he couldn't sprint that distance in 30 seconds?

"Getting a permit [in Calif.] is like climbing Mt. Everest with tennis shoes," Robert Trent Jones Jr. once said.

Refute, resist and refuse to double under.

When a state or federal environmental agency makes a decision on a development based on flimsy reasoning and absolutely no scientific facts, do we challenge the integrity of their "little gray cells"?

"Environmentalists do not bull— me. When they tell me something, I say, 'What's your source?' They always promise to send me their source, but I never get it. It's usually hearsay or a misquote," Dr. Mike Hurdzan once said.

Refute, resist and refuse to double under.

We're seeing more and more positive signs like these that illustrate, yes, indeed, this industry does have backbone.

We wish kids would get off the streets. A couple of months ago Wadsworth Golf Construction Co. President and Mrs. Brent Wadsworth created a foundation to help do just that.

We wish more youths and others would take up the game of golf. A few months ago, the major players in the game — from the USGA and PGA Tour to the PGA of America, LPGA and Augusta National — stepped up to the plate and created The First Tee. Response around the country has been phenomenal, overwhelming officials of the fledgling program.

We wish Paul Harvey would, for once, investigate claims about golf and wildlife, golf and the environment, golf and cancer, etc., etc. before he declares outright lies to a listening audience of millions.

Well, here's the latest example of golf industry backbone. Golf icon Pete Dye decided he would take on radio icon Harvey. That is, he would downright prove him wrong ... through science ... on a real live golf course ... in the worst of situations, because runoff from a major highway will mingle with pesticides and fertilizers on the course ... and financed by private individuals so that no one on God's green earth can claim "foul" or bias.

Yes, Paul Harvey started it. But Pete Dye and Purdue University researchers will finish it. (See page 1 story.) It may seem like David versus Goliath. But, remember who won that battle.

Many have hailed Dye as the resident genius of golf course architects. We hold him up as an example of resident backbone for the golf industry.

May more of us refute, resist and refuse to double under.



Mark Leslie,
managing editor

GOLF COURSE NEWS

THE NEWSPAPER FOR THE GOLF COURSE INDUSTRY

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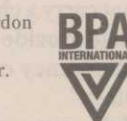
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GUEST COMMENTARY

Appraisal is the only prudent first step for any golf development

This guest commentary follows the recent lecture given by Bryan Griffiths, a consulting golf architect and chairman of Golfconsult International, at Fairway 98 in Munich.

By BRYAN GRIFFITHS

In European Union (EU) countries, the fallout from the unprecedented golf growth in recent years has yielded valuable lessons which are the basis of this article, taken from the EU's most mature golf market — Britain; but also from personal experience with over 200 golf developer and investment clients

in 44 other countries.

All of us are concerned and involved with the growth and prosperity of our Royal & Ancient game. In any SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of golf development today, one of the threats would be a widely accepted mythology generated over the years — much of which is simply not valid.

Take location: which the pundits tell us is the triple secret of property success. Golf developers in particular should beware

of such sloppy thinking. Of course, location is one key factor but many a course in a good location has suffered problems thanks to other important reasons, recent experiences alone should show us this.

My favoured list of success factors would be compatibility (between the demand and product profile), appraisal, location and finance. As it happens, the acronym CALF is a reminder that location is not all: any golf appraisal will surely confirm this.

Although television has

changed the face of golf and led to phenomenal recent growth, the Royal & Ancient Golf Club of St. Andrews (R&A) also played its part with a supply study in 1989. This study forecast that 700 more courses were required by AD 2000: but it did not warn of the pitfalls.

Feverish course building followed — 600 or so courses since then. Many were ill conceived and many are still in financial difficulties. More recently rounds per annum (rpa) have

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Thailand report

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The golf market in Hua Hin is growing consistently. But the overall quality of the destination justifies tourist packages and long-term vacationers. The potential for this area is great since it offers outstanding value for anyone's money and since it is so close to Bangkok.

While the tourist versus membership sales competition is evenly split in Hua Hin, the Phuket market is dominated by the tourists.

All of the other courses on the island feed off the world-famous Blue Canyon Country Club. The club is now managed by Pointe International, a management firm based in Phoenix, Arizona, USA, which is starting to spread its international wings.

However, they have not yet found a permanent general manager and management leadership is constantly changing. They are soon going to up the ante in the golf market in Phuket when they open the new 18-hole lake course that was jointly designed by Gary Player and Yoshikazu Kato.

The course is almost completely shaped and should be open by the beginning of next year. It will reportedly be more accessible to the general golfing public than the original Canyon course.

While Blue Canyon may be justified in its pricey green fees, the other courses on the island are merely riding the coattails. This hasn't stopped the golfers from coming however, and the courses make around 95 percent of their profits from tourist greens fees.

The first golf course built in Phuket was the Phuket Country Club, which opened in 1989. The course, which is owned by the mayor of Phuket, Phummasak Hong Syok, has now expanded to 27 holes.

However, the 18-hole resort layout is beginning to show its age, mostly due to the constraints of the layout and the quality of initial construction. The course, which was designed by the local Dr.



Sukitti Klangvisai, was not originally intended to service the amount of rounds that it sees per day.

As Course Manager Keat Lau puts it, "we did not anticipate the boom. Mind you, it is still a four hour golf course, but the fairways are tight and the greens and tees are too small." Further, they are having to reconstruct many areas of the course as the land continues to compact and change.

In order to combat this they have built the first nine holes of their new championship course.

The Phuket area has the benefit of a steady stream of tourists. The latest Johnnie Walker Tournament at Blue Canyon brought more golf tourists than the local clubs could handle. Therefore, there is simply no need to bother with extension housing or membership sales to recover costs.

After Phuket, you must travel further south through five provinces before you reach the next outcropping of golf courses. The Songkhla Province, near the Malaysian border, is home to two professional golf courses. Currently, the only 18-hole golf course in the area, the Hat Yai Resort and Golf Club, has a good market position.

However, in his disgust with the outcome of the course, Robert McFarland took his name off the design.

The combination of a strong tourist market and concentrated growth has helped Southern Thailand become a sound golf market.

The unavoidable cost of the devaluation of the baht and course mismanagement has hurt some golf courses, but the sales remain steady. However, the market potential is far from exploited.

If more owners would continue to invest in their golf courses, the area would really take off and become a topnotch golfing destination.

Clearly the entire industry would benefit from this investment and at the moment there are some sure signs that the market is slowly heading in this direction.

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Griffiths/Appraisal

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fallen, new player numbers are down and new course growth has also dropped.

There has to be many lessons in this for all of us. The underlying causes of all these trends, (common, incidentally, to most of the EU) were: the golf industry is fragmented and lacks a single lead institution equipped to promote and market the game effectively; rapid expansion of the golf services sector in the late 1980s/early 1990s led to quality suffering badly; the widespread influence of the Design Led Syndrome (DLS) coupled with the neglect of proper appraisal; a short-term approach leading to over investment in a favorable climate with widespread over-borrowing and excessive capital expenditure.

Clearly the golf industry has not served most recent developers, nor its millions of potential customers, very well — especially beginners — the life blood of the game.

All parts of the industry are affected by this neglect and some suffer as a direct consequence. In the United Kingdom, the markets have changed somewhat since the golf boom and beginners are at last out in front in the demand stakes.

British beginners are at least as numerous as the 3 million active players, a large latent demand. Imbalance on the supply side (new courses) has led to too many 18-hole courses and hardly any academy courses, which is surprising as the latter have very good profit potential when properly researched and executed.

Until recently, a serious impediment for golf developers has been the lack of a professional, commercial or academic critical scrutiny of the golf industry.

There is no golf developers guide. The developers are, therefore, vulnerable to risk on a couple counts: the lack of published guidance; variable quality in the service and supply sector as inexperienced experts and designers emerged during the early 1990s financial misjudgements.

These are just a couple reasons why the common errors of successive booms recur.

It is no coincidence.

However, for those of an inquisitive mind, a new, mold-breaking report must be very welcome.

"Golf Futures 1997 - 2007: A Golf Industry Analysis" was produced by The Henley Centre, a leading management consulting firm. It is the first comprehensive analysis of a national golf industry published anywhere in the world and is an invaluable insight into the future dynamics of the market. It is long overdue.

Nowadays Design Led Syndrome is defined as the use of a designer to produce a golf plan before compre-

hensive appraisal is complete. The conventional wisdom sees the designer as a golf guru. It is a more misguided custom than ever because of the high levels of capital costs, the greater risk of failure today and the neglect of more important factors which are so crucial to success.

Design — good, bad or inappropriate — is perceived, unconvincingly, as a prime marketing factor in signature megabuck projects. Recent history shows us this all too well. Success depends, to a far greater extent, on key appraisal factors rather than design.

For instance, negative appraisal makes design unnecessary.

Some of the troubled courses mentioned earlier would perhaps never have been built at all, or at least built

differently, had proper appraisal preceded design: not least with better market research and more rigorous sensitivity analysis.

Ventures go bust because DLS diverts attention at a critical period from the vital appraisal disci-

plines, which are dealt with later in this article. The beneficiaries of this are often second or even third owners who buy failed projects at well below original costs.

In 1996, 758 British courses changed hands in this way. One recent deal in France involved a package of some 30-plus hotels. In the 1980s and early 1990s, a benign investment climate encouraged terms of 25-percent equity and 75-percent debt.

Over-borrowing and extravagant investment then occurred, ignoring the longer term view — threat of rising costs and interest rates.

When the climate changed, the problems emerged. Golf investment is a long-term business, there are no quick bucks anymore. Golf development is specific to markets, location, site utility and built facilities: only the last involves designers.

The aim of appraisal must be to match market demands in and beyond the catchment with compatible golf and other built facilities in order to achieve a high degree of compatibility between them as a foundation of a healthy bottom line. Please consider the neglect of the beginner in all of this.

The appraisal format is well tested in the international marketplace. It lists the activities essential for identifying realistic viability prospects — the bottom line.

Designers are rarely qualified, either by training or experience, for this heavy responsibility. It is highly specialized because the resulting report is the foundation of the business plan which has to stand up to rigorous examination by skeptical financiers and professional advisers.

If appraisal is negative there is no golf business, nor any work for a designer.

Until recently, a serious impediment for golf developers has been the lack of a professional, commercial or academic critical scrutiny of the golf industry. There is no golf developers guide. The developers are, therefore, vulnerable to risk.

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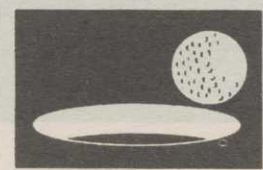
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