



Vista Vallarta in Puerto Vallarta, Mexico, the first construction project for Diamond Golf

Diamond Golf on the move in Mexico

By JOEL JOYNER

PUERTO VALLARTA, Mexico — After wrapping up a strong third year in operations here, Diamond Golf continues to show a strong presence in Mexico.

The golf course construction company has completed several projects that are scheduled to open this fall and early winter. With few Americans on the team, the company has established itself as a builder in demand here by developers and architects.

Projects to be completed this year includes work with architects Tom Weiskopf, Jim Lipe, Jack Nicklaus, Jack Nicklaus II, Robert von Hagge and Richard Baril and also involves project work totaling an approximate contract value of \$72 million.

"The first project we started on here was the Vista Vallarta," said Randy Ruth, one of the three senior managers at Diamond Golf. "That was a Nicklaus-designed 18 holes and a Weiskopf-designed 18 holes."

The project began in Oct. 1999, and the Nicklaus course opened April 1 this year. "We finished construction on the Weiskopf course June 30, and it'll probably open next month," said Ruth. "One of the biggest challenges of working in Mexico is that there's a rainy season that lasts from mid-June to the middle of October."

"We had a substantial amount of rain damage in 2000 on the Nicklaus course that delayed the opening," explained Ruth. "It was suppose to open in January, 2001. So far this year, we've gotten the construction completed on the Weiskopf layout before the rains hit, but there's been a few washouts. It's basically been patchwork here and there. We've been replacing some areas where we planted sprigs with sod on three of the holes."

'WORKING IN THE MUD'

The company has four projects in Vallarta, with another one being the Von Hagge-, Baril-designed Paradise Village. "What distinguishes Sal's [Salvador Rodriguez, president] company from all the others is that they give the architect what he wants — without endless meetings," said Robert Von Hagge, architect with Von Hagge, Smelek and Baril based in Spring, Texas.

The course opened the first week of September and has a celebrity tournament scheduled for this month and an official opening this December. "Diamond also has a year-long maintenance contract with the course," said Ruth. "So we'll handle the grow-in and upkeep as well. It was a fairly flat piece of swamp land. So we didn't have much washout when it rained, but the flood levels would rise during construction and we'd have to pump water off everything. We basically did that project working in the mud."

The property had several acres of swamp land to encounter, so Diamond had to dig 42 acres worth of lakes, said Ruth. "We worked through the rainy season last year and pump a lot of water," he said. "Then we had to pump water out after the rainy season from the lakes we dug in order to line them with clay."

The company has also completed construction on the Isla Maya course in Cozumel, which opens this month. The Nicklaus-designed layout will be the first golf course on the Yucatan peninsula and required several environmental precautions during its construction.

Weiskopf's 18-hole addition to the Cabo del Sol course [GCN, Jan. 2001] in Los Cabos, Mexico, will have its inaugural event on Nov. 9. "They're calling it the Mountain Course to go with Nicklaus' 18-hole Ocean Course that opened back in 1994," said Ruth. "We ran into some rock we had to blast there, but other than that the project went smoothly. We grassed the last hole at the end of August this year."

GOLF COURSE NEWS

Niebur bullish about diversifying into golf course ownership business

By ANDREW OVERBECK

COLORADO SPRINGS, Colo. — While continuing to build courses for clients, Niebur Golf has leapt headlong into the course ownership game. The company opened a new course outside of Denver this summer, is building a Tripp Davis/Craig Stadler course in Granby, and is in talks to do another with a municipality in California.

Prior to these projects, Niebur Golf opened Hurdzan, Fry-designed Valley View in Fayetteville, Ark., last year and built and eventually sold a course in Oregon and one in Michigan.

Company president Joe Niebur is bullish about expanding into the ownership business, a growing trend among golf course builders.

"Ownership is something that we are going to trend towards," he said. "We are looking for different partners. We can come in and build it at our cost and schedule, and put in sweat or cash equity."

"A lot of developers are trying to do these projects and are either under capitalized or don't understand the market," he continued. "We have done so many projects, and we have learned from everyone else's successes and failures."

FLEXIBILITY IS THE KEY

According to Niebur, flexibility is key when it comes to structuring ownership deals, because every one is different.

At Green Valley Ranch, a Perry Dye-design near the Denver airport, Niebur came to the rescue when the residential developer's deal with the course developer collapsed.

"We were already set to build the course, and then the deal fell apart at the last hour," he said. "The developer [Oakwood Homes] was freaking out because they had promised the course to homeowners. They asked us if we could do it and we negotiated the contract in two weeks."

In exchange for sweat equity, Niebur got the land and water rights free, plus cash incentives.

"Every deal is different," he said. "We talk with homebuilders and they don't want any part of the golf course. We take the risk for them and benefit from their amenity. They chip in the free land or cash to hire a designer and we get the ongoing profits of the club."

TIME IS MONEY

At Green Valley, the company started work at the course May 1 and had it grassed by



The par-5 ninth hole and clubhouse at the Niebur-owned and Perry Dye-designed Green Valley Ranch in Denver

Oct. 1. The club held its grand opening July 11.

"We have never done a course that quickly," Niebur said. "But we can do it because we can allocate the resources because we are in total control. Time is money in this business."

While building seven courses for clients this year, Niebur benefits from course ownership because it assures work for his crew. "As the market continues to pull back, this guarantees us work," he said. "I control the schedule and that is a valuable way to save money. I can be flexible about when I start the job and how many guys I put on it. It is a great filler."

Getting in on the ownership game is also helping Niebur to

diversify his company. "We are getting a piece of the action," he said. "It takes the image of a builder and transforms it. We are more than a construction company now."

According to Niebur, the industry would be healthier if more builders got involved in ownership.

"We know what works and what doesn't and what is healthy for the market," he said. "We have seen the guys go out and spend \$20 million in a market that doesn't work."

"We need a stronger market because it hurts everyone when a course goes belly up," he continued. "It gives the financing community cold feet and cheapens the market."

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