

A BUDDING BUILDER

An Eastern European comes to the U.S. for knowledge to use in burgeoning markets

BY JOHN WALSH

Imagine growing up without golf. No courses, no magazines, no TV programs. Imagine living under an oppressive government in the old Soviet Union. Imagine what it's like to build the first golf course in your home country. Meet someone who did: Maris Gulans.

Gulans is managing director of Riga, Latvia-based Modo Riga, a construction company founded in 1993 that builds golf courses, among other nongolf projects. A young company, it has fewer than 10 courses in its portfolio. Gulans has been traveling the United States for the past few years to learn more about golf course construction, develop contacts in the business and network. A GCBA member, Gulans attends the association's summer meeting, as well as the Golf Industry Show, with his project managers every year.

"We're educating ourselves," he says. "There's a lot of information and many contacts here. There's no doubt America is the leader in the golf industry."

Because the golf industry in Eastern Europe isn't as advanced as in the U.S., Modo Riga uses American shapers. Gulans has his own shapers, too, but with certain courses, especially ones with big-name professional golfers attached to them, Europeans, in general, use American shapers.



Myth.

COURSE DEVELOPMENT

“My guys do most of the mass grading, but all the detail and finish work on bunkers and edges is coming from American shapers,” Gulans says. “All the new technologies, such as the SubAir Systems, are coming from the United States. If you’re not visiting the U.S., you’re not getting this new information. Knowing about new technologies has been a help for me to get my next jobs because I can explain these new technologies to owners.”

Gulans says the irrigation systems installed and seed grown on golf courses in the Baltic States and Russia come from the U.S. There’s some blending of local grass, but the main product is bought in America. There aren’t many educated greenkeepers in the Baltic States and Russia, either.

“The better grow-in guys are American,” he says.

Modo Riga, which built the Ozo Golf Club in Latvia, hired an American to work with the local crew and train a local guy about growing in and maintaining a golf course.

“There are a lot of people in the Baltic States who don’t know what golf means,” Gulans says. “Maybe now they understand, but when we started in 1993, they knew nothing. There’s no manager who can run a clubhouse and no pro who can teach the people to golf. We import these people temporarily.”

Teaching professionals and managers also come from England and Sweden.

UPBRINGING

Gulans was born in 1961 in Ilukste, Latvia, which was part of the Soviet Union.

“We were one big red country, and there was absolutely no golf in the country because of the politics,” he says. “The belief was that golf was for very rich people, and it didn’t mesh well with society because workers were running the country. There was not one golf course and not much information about golf.”

At that time, the Soviet Union had 15 republics, three of those were the Baltic-state republics – Latvia, Estonia and Lithuania. In 1961, the Soviet and communist roots in Latvia were deep.

“My grandparents were farmers, and they remember what it meant to have a private business,” Gulans says. “But when I grew up, private companies weren’t allowed in the country. There were just government companies, and everyone had to work for the government.”

Gulans went to Riga Polytechnical Institute (Riga Technical University since 1990) at age 18 and earned a degree in architecture and civil engineering, graduating in five years as a civil/building engineer. Because he was interested in sports, Gulans read about the game of golf in a magazine sent to him by his uncle, who owned a business in Germany. The idea, though still illegal, struck his imagination.

In the late 1980s, Mikhail Gorbachev opened Russia to private businesses and Gulans’ dream was suddenly possible.

“I was just 24 years old at the time, just after attending the university,” he says. “I immediately said, ‘Oh man! Now’s the time to build a golf course.’ But we had no idea how to build one, so we contacted some Germans for ideas. We understood it was impossible for us because



As a young man growing up in Soviet-run Latvia where private businesses were outlawed, builder Maris Gulans dreamed of building and opening a golf course.

of the money required to build one. Building a golf course is a big investment, but we wanted to do it because it was the first time a golf course was allowed to be built in the Soviet Union.”

Unable to fund the construction of a golf course, Gulans began building miniature golf facilities, which turned out to be a profitable venture.

“We built one in Latvia, and then it became popular,” he says. “People were playing, and we started getting more offers to build miniature golf courses. It was a good business, but I was still trying to acquire information about building a regular golf course. We couldn’t make big money by just producing miniature golf courses, so we started doing other constructions jobs.”

ON THE RISE

In 1991, Latvia secured its independence from the Soviet Union and set up its own government. By then, Modo Riga was renovating buildings. Still, Gulans had his sights set on golf. In 1995, the company’s first international client invited Gulans and his associates to London to spend Christmas together.

“That was the first time I saw how a real golf course looked, what the meaning of a driving range was and how to set up a clubhouse,” he says. “I took my first golf lesson, and I liked it.”

Shortly after, in 1996, the first golf course in Russia opened – The Moscow City Club. While the facility was being built, Gulans visited the site to see how the course construction was coming along. In 1997, Modo Riga participated as an advisor/consultant at the first nine-hole golf course project, Viesturi, in Latvia. It was a small-budget project. After that, the scope of the company’s projects widened.

“Our first big job was in Latvia in 2000,” Gulans says. “We worked with American architect Rob Swedberg and owner Sandis Ozolinsh, an ice hockey player. He was the first owner who built a nice semiprivate 18-hole golf course in Riga.”

Modo Riga finished the Ozo Golf Club in 2002. During the project, Swedberg introduced Gulans to the reality of how a golf course was constructed – the drainage, an irrigation system with more than a thousand sprinkler heads, growing and maintaining grass, and maintaining equipment.

“It was a successful project,” Gulans says. “We built a clubhouse, maintenance building, roads and everything. The total budget, including the

clubhouse, was \$5 million, and we finished at \$4.8 million.”

When Gulans visited Swedberg in the U.S. in 2001, he attended the Golf Industry Show and its related seminars.

“It was interesting, and I haven’t missed one industry show since,” he says.

The next course Modo Riga built was in Estonia – the 27-hole Estonia Golf and Country Club. Estonia’s owner had visited the Ozo Golf Club and liked what he saw, so he called Gulans to build Estonia.

“We finished the project and made a profit,” he says. “We started buying construction machines and dozers. Since 2002, I starting running just the golf construction side of Modo Riga.”

After Estonia, Gulans built the Saliena Golf Club in Jurmala, Latvia, which took two years, for Swedish owners. Then Modo Riga worked on the Nick Faldo International Golf Club in Moscow. From there Gulans went to work in Lithuania with Canadian architect Les Farber.

Gulans is currently working on that project, though it’s been halted temporarily. Modo Riga has completed nine holes – 27 holes are planned along with real estate (123 houses) surrounding the course.

“It’s the first golf project with real estate in Lithuania,” he says. “The owners are trying to sell part of the shares or maybe the whole project to different investors.”

Modo Riga also is working on a Greg Norman project in St. Petersburg, Russia. Gulans says the company has grown to 60 employees, which allows it to work on three projects at a time.

“My job is to be out in the market all the time to see what’s happening,” he says. “I know everything that’s happening in the Baltic States. There are a lot of projects on paper. But the real estate market has declined, so investors aren’t going to be risky at this time, so they’re just waiting to see what’s going to happen. We’re registered in Russia, and we’re watching what’s happening there, too.”

In this market, Modo Riga competes with German and Swedish construction companies, Gulans says.

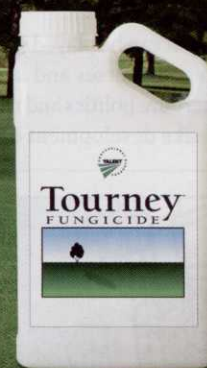
HUGE POTENTIAL

Gulans says there’s plenty of opportunity for him in underdeveloped Russia and the Baltic States to build golf courses. He says most of the development potential is in Russia by the Black

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Eastern Europe and Russia present growth opportunities for course development, Gulans says. Photo: Modo Riga

Sea because golf can be played year round there, there are no golf courses and land is available. However, there are politics and rules to abide by, which can make development difficult.

Owners aren't taking many risks because the real-estate market declined this summer, Gulans says. In Latvia, real estate prices declined about 54 percent in some segments.

"It's not the time to make a big investment in golf and real estate," he says. "Even so, there are four or five projects in the pipeline that haven't been started yet."

Despite the sluggish real estate market, Gulans sees a bright future for golf course development in Scandinavia, Eastern Europe and Russia.

"There has to be," he says, citing the following statistics:

- Around Stockholm, Sweden, the population is more than 1.5 million, and there are more than 50 golf courses.
- Around Copenhagen, Denmark, there are 30 golf courses.
- Around Helsinki, Finland, there are 16 golf courses.

• Riga's population is about 1 million, and there are only three golf courses.

• In Lithuania, with a population of more than 3 million people, there are just two golf courses.

• In Estonia, with a population of more than 1 million, there are three golf courses.

• There are 16 million people in Moscow, and there are three golf courses open.

• In St. Petersburg, with a population of 4 million, there are no golf courses, but one is being built.

• In southern Russia, in Sochi, which will host the 2014 Winter Olympics, there are no golf courses.

In addition to opportunities in Scandinavia and the Baltic region, the potential in Russia is huge.

"With a population more than 140 million, there are only three golf courses open," Gulans says. **GCI**

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