



for business

While new openings are at record lows, the construction side of the industry is excited about 2014's prospects.

By **Richard J. Skelly**

With fewer than a half-dozen new facilities coming online in 2013 and dozens of older golf courses closing, people not intimately involved with the golf industry might be nervous.

But much of the reduction in the number of courses last year can be attributed to old-fashioned supply and demand, resulting in an ultimately healthy market correction, argues Greg Nathan of the Jupiter, Fla.-based National Golf Foundation.

New courses that opened in 2013 are innovative, challenging layouts like the Rees Jones-designed Kohanaiki in Hawaii, on the West coast of the main island, where six

holes front the Pacific, and Mystic Creek Golf Club in El Dorado [doe-ray-doe], Ark., built on naturally rolling hills two hours south of Little Rock.

"Since 2006, we've had more closures than openings and this will be the eighth consecutive year in the U.S. where we see this natural market correction," says Nathan. "Over those six years, including this year, there's been roughly 600 net reduction in supply."

Folks in the non-golf media may look at this like the sky is falling on golf, Nathan says, but "in 2000, we opened net positive 400 golf courses in a single year. In the 20 years roughly from 1990 to 2010, we were probably net positive 3,500 facilities in the U.S. Last year, I think the number of openings in the U.S. was the lowest since we started recording."

The point is, according to Nathan, if you're currently an owner or operator of a golf course, you don't want to see any more openings than we've had this year, because over the last 20 years, there's been more than enough openings to create new competition.

"In 1988, in the U.S., you had roughly 40,000 rounds of golf on average per 18 holes. Today, it's roughly 33,000, so you might understand that the loss on average of 7,000 rounds is the difference between losing money and making money for many golf courses," he says.

Currently, another 50 facilities are in planning or construction phases around the U.S. Not all of them are expected to open in 2014 or even 2015. A percentage will go on hold indefinitely or be killed outright.

Several of the new courses that came online this year began planning and financing before the Great Recession of 2008. Other courses with renovation plans that were put on hold are now getting things into gear and obtaining financing for improvements to clubhouse, grounds or both.

"I do know the fall of this year has really shown our members some excitement for 2014 projects. There's been a lot of bidding on renovation work for 2014," says Justin Apel of the National Golf Course Builders Association in Lincoln, Nebraska.

"They've had these projects on hold for a number of years. Now these projects

Kohanaiki Golf and Ocean Club opened April 1 in Kailua Kona, Hawaii. Here again, construction was delayed and there were setbacks owing to the Great Recession.

are moving forward, funding has been secured and bidding is active," Apel says. Whether the hesitation was concern over the elections or what's going to shake out with health care, "now the research has been done and the funding is secured and they're making sure the projects will be done in 2014. I'm not sure banks are more willing to loan, but I do know the funding for these projects is going ahead. I think funding has gotten very creative," Apel says, noting interest rates remain low, so clubs can borrow money inexpensively and use the capital improvements option.

Much of the renovation work Apel sees coming into his office is irrigation improvement-related work, as courses are getting savvy about their use of city water and seek to contain costs further with more efficiency in irrigation systems.

Just because there is an imbalance of supply and demand doesn't mean new courses can't be successful. By way of example, Nathan offers up Streamsong, a resort course [Doak-Cooze-Crenshaw design] in central Florida that opened in January 2012 with two 18-hole courses.

"Streamsong is a course built on an old phosphate mine and it's so unique that people are willing to make the drive from other parts of Florida," Nathan says, "so there will be opportunities in other markets where the right golf product that is not currently available comes online. There's a demographic there that is looking for this product that was not previously available. But it's harder and harder to find these opportunities because there's really no shortage of places to play, anywhere."

Here are some interesting facts and figures about the handful of new courses that opened in 2013:

MYSTIC CREEK GOLF CLUB. Mystic Creek Golf Club is an 18-hole facility set on gently rolling hills two hours south of Little Rock



Editor's Note

In attempting to highlight new course construction that came online in 2013, we recognize that it's easy to overlook new facilities that may have opened without much fanfare or industry-wide recognition or accounting. If you fall into that category, we'd love to hear from you and learn more about your facility. In fact, we may even feature your story in an upcoming issue.

in El Dorado, Ark. Bryan LaRue is head professional and Scott Kuhn is superintendent. The owner, Pete Parks, says bringing the course to opening in May took about seven years. The designer was Ken Dye of Finger Dye Spann in Katy, Texas. From the tips it measures out at 7,492 yards.

"Most people build a golf course to sell real estate, but we kind of did it backwards. We sold real estate to help build the golf course," owner Parks says. Plenty of hurdles stood in the way of the course. A local bank backed out of the deal, and Parks had to acquire additional land. On top of that, power lines had to be installed to the pump station. Finally, in 2009, there was 10 months of rain.

"The rain didn't wash out freshly planted seed, but it was just too wet to work. We'd

get something ready in anticipation of having our power and when the power didn't come we had to recore some greens and do a bit of reshaping," Parks said. The par 3 No. 12 hole at Mystic Creek resembles No. 12 at Augusta, "but if you asked 10 people to pick out their signature hole you'd probably get about nine different answers. No. 17 is our only uphill hole and the other holes pretty much play downhill, at least on tee shots."

Parks said he and others involved built the course to be an elite public access course. Once the clubhouse and on-site cabins are completed, they'll start marketing the course that way, they anticipate, in 2015. Mystic Creek is 90 minutes northwest of Shreveport, four hours from Dallas and four hours from Memphis.

THE CLIFFS AT MOUNTAIN PARK. The Cliffs at Mountain Park is a Gary Player design that opened in September in Marietta, S.C., in the northwestern corner of the state. The 18-hole facility is part of a series of golf courses attached to housing developments. Marietta is 30 minutes north from Greenville. Others in the rubric of courses with the same owners, all attached to housing developments, include the Cliffs at Glassy, the Cliffs Valley Course, the Cliffs at Keowe



Many courses that came online in 2013 had been on hold since the recession.

Vineyards, the Cliffs at Walnut Cove, the Cliffs at Keowe Falls and the Cliffs at Keowe Springs, says Brian Peebles, director of golf for all seven courses. Jason Harris is the superintendent at the newly opened Cliffs at Mountain Park.

Construction at was delayed by the bankruptcy of the original company, Peebles says, and after a merger in August

2012, construction recommenced in September 2012. "The course lays in a valley. It's a links-style course with few trees. Our other six are more parkland style, and we have no rough outside the fairway. The fairways are diamond zoysia, and we have 13 acres of regular and waste bunkers."

"It's a warm season golf course and it does play firm and fast. Mr. Player designed it so members can enjoy themselves without too many forced carries to the greens," Peebles adds.

"His design at Mountain Park allows the golfer to hit a variety of shots on the approach, and Jeff Lawrence, the senior designer with Gary Player, did an outstanding job."

THE DAVID TOMS GOLF ACADEMY. The David Toms Golf Academy in Shreveport, Louisiana opened on Sept. 26 of last year. Jason Patten is the general manager and head professional at the facility, which has nine par 3 holes, three regulation-sized practice holes, a driving range and practice putting and chipping greens set on a 60-acre tract.

"We don't have a clubhouse yet, but from the day we started clearing, it was about 14 months to our opening," Patten says. PGA Tour Player David Toms is a native of Shreveport and this is one of many ways he's giving back to the community, Patten added. Toms is a 13-time PGA Tour winner who won the 2001 PGA Championship. He received the 2011 Payne Stewart Award for his philanthropic activities.

"We run this as a non-profit business under David's foundation. There are memberships where people can join by making a donation to the foundation. We run a 1st

KOHANAKI GOLF AND OCEAN CLUB

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Tee Program but we also do other programs on the side for junior golfers in this area," Patten says.

The property sports 2.5 acres of tee space, miniverde turf on green surfaces, some zoysia turf and celebration Bermuda and tift grande are used as well. The architect Jim Lipe worked closely with Toms in laying out this facility, where the superintendent is Scott Tolar.

Patten says dry, hot weather was a factor. "Trying to get it opened up during the growing season was a challenge because we had an unusually dry year. But it was a blessing in disguise. If we'd gotten rain, it probably would have caused us to lose more weeks for our grow-in."

KOHANAIKI GOLF AND OCEAN CLUB. Kohanaiki Golf and Ocean Club opened April 1 in Kailua Kona, Hawaii. Construction was delayed and there were setbacks owing to

the Great Recession. Director of Golf Marty Keiter started at the facility in October 2007. About half the holes were completed when the project shut down in October 2008. Four people were kept on board, including Keiter and Colorado-raised superintendent Brian Tanner, who moved out there to help oversee construction of the Rees Jones-designed course, which measures 7,329 yards from the tips. When Keiter started three holes were completed.

"We kept four people here and all they did was water and mow to keep the golf course alive. In 2012 we built up our maintenance team once again and got it ready for opening by April 1, 2013," Keiter says.

"Rees Jones did an amazing job. We have six holes right along the ocean, and the first 11 holes are very user-friendly," he says.

"It is paradise," Keiter says, "The golf course is in fantastic shape and whereas most new golf courses haven't matured, by

the time we opened up, this place already had four years of maturing." Kohanaiki is connected to 450 home lots and sales of golf course homes have commenced.

Superintendent Brian Tanner adds similar praise for Jones and his team, based in Montclair, N.J., because he had to design the course around 20 anchialine pools. These ponds, found in Hawaii and other volcanic regions, range in size from a basketball to over an acre, Tanner says. They all connect with the nearby Pacific Ocean.

"It's water that is connected to the ocean via subsurface fissures," Tanner says, noting they're environmentally sensitive areas that are off-limits to golfers. "All of these ponds had been surveyed and Rees had to fit the golf course in and around these ponds, so there were challenges." **GCI**

Richard Skelley is a Spotswood, N.J.-based freelance writer and GCI contributor.

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