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Golf Business

Business Association

On the Rocks

After more than a decade of bliss, is the marriage of golf and real estate heading down a bumpy road?

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Despite fluctuations, Boston Tuck and others remain guardedly optimistic about the golf and real estate markets.



A CONVENIENT TRUTH

THERE'S NO TIME LIKE THE PRESENT FOR THE GOLF
INDUSTRY TO PROMOTE AND ASSERT ITS LEADERSHIP
ROLE IN PRESERVING THE ENVIRONMENT

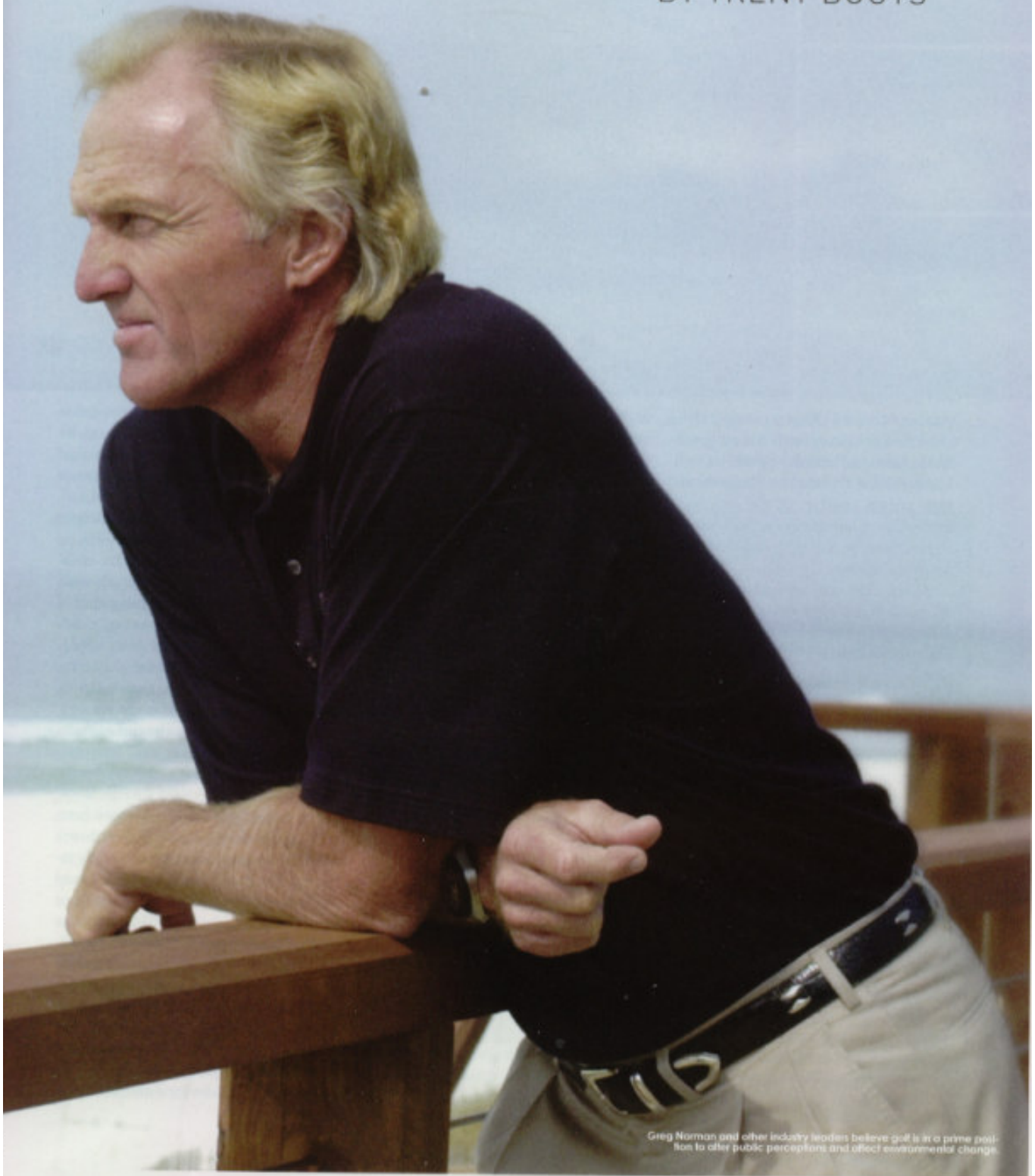
The word "golf" never appeared in "Silent Spring," Rachel Carson's seminal work published in 1962 that outlines the impact chemicals have on the environment. Nor is the game cited in Al Gore's 2006 Academy Award-winning equivalent

on global warming, "An Inconvenient Truth." That doesn't mean the industry's record was squeaky clean then, now or at any time in between. Indeed, it seems everyone has heard tell of a fish kill at courses here or there, or a little food coloring being added

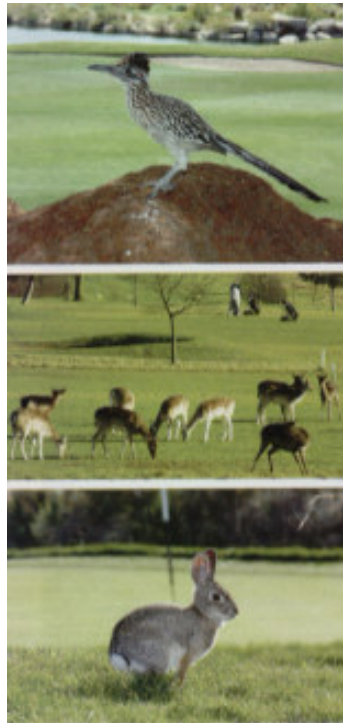
to ponds for the benefit of the viewers back home.

But just as there were winners and losers out of the tectonic shift inspired by Carson's book (the chemical industry eventually held space in both camps), the same is certain to be true of the

BY TRENT BOUTS



Greg Norman and other industry leaders believe golf is in a prime position to alter public perceptions and affect environmental change.



Contrary to popular belief, golf courses and nature can, and often do, exist in harmony.



current focus on climate change. News headlines are heavy with Kyoto, greenhouse gases and shrinking polar ice caps. Meanwhile, with fossil fuel burners and high carbon emitters in the crosshairs these days, scientists are scrambling for alternatives in a world committed to perpetual economic growth.

Given this setting, finding ways to do good (for the environment) while doing well (for your business) are more highly prized than ever. No one can yet justifiably claim that golf is the perfect citizen environmentally. Who is, really? But if clean, green and sustainable are the goals, then the industry is certainly closer than it was only a decade or two ago. What's more, the golf industry is unmistakably closer than industries that depend on extraction and combustion for production.

So, is it possible that in time golf, which has historically been a target for extremist greens of the non-putting variety and occasionally disgruntled neighbors, could be embraced as part of the solution, universally accepted as one of the good guys?

Some, like Greg Lyman, director of environmental programs for the Environmental Institute for Golf (EIFG), believe that time is now. With a master's degree in science from Penn State University

and a bachelor's degree in landscape horticulture from Michigan State, Lyman is smart. He's also deliberate in conversation and comfortable leaving a little dead air while he gathers his thoughts. So when he pronounces golf ready to "unleash the beast" on its role in the environment, it's not just the job talking. On the contrary, Lyman contends that with its existing environmental performance, golf commands what, given the timing, could be termed a *very convenient truth*.

Greg Norman, the Hall of Fame player and renowned course architect, agrees, perhaps not surprisingly. As chairman of the EIFG advisory council as well as a trustee of the organization, he is, in a sense, one of Lyman's bosses. But with his fortune made and diverse business interests around the globe, golf and the environment didn't have to be a fight with his name on it. Norman wanted it, though. And he believes others should join in.

"The emphasis on environmental compatibility and sustainability is reaching all corners of society," Norman says. "It's no longer optional to be green."

As Norman, himself a golf course owner, sees it, owners and operators should use all available means to communicate the environmental, recreational and economic value golf courses provide to communities. "No other busi-

ness delivers the comprehensive value and sustainability of golf courses," he says. "We have been reluctant to market in this manner, but we really do have a good story to tell."

Lyman acknowledges that a reticence exists and concedes there is some basis for it. "Environmental issues are emotional and contentious—there's always a lot of anxiety around them, like a kind of black cloud," he says. "But to me, that's part of the opportunity, a great opportunity for golf to be considered a leader environmentally, within the world of sport and within the wider community. Everything golf needs to be successful in that effort is there."

A CHANGING LANDSCAPE

At times, golf might not have been an ideal son to Mother Earth, but there's near universal agreement within the industry that the game is better behaved than some long-standing perceptions would suggest. As the EIFG Web site states: "Many times, information provided in the news media is inaccurate or misleading." That's why Lyman is often met with raised eyebrows when he explains his job to strangers. "It seems that some find the idea of golf and the environment a very intriguing connection," he notes. "It's one they ponder for a moment."

“ENVIRONMENTAL ISSUES ARE EMOTIONAL AND CONTENTIOUS—THERE’S ALWAYS A LOT OF ANXIETY AROUND THEM, LIKE A KIND OF BLACK CLOUD.”

Impressions that golf guzzles water or is cavalier with chemicals rank closely with the “rich white man’s sport” perceptions when it comes to costly misconceptions. As a result, some regulators and legislators with inadequate or inaccurate understandings have been reluctant to come to the table or obdurate when they do. That can sting a business that is subject to the rules and laws those same officials write. This is particularly true in an age when agencies are increasingly forced to arbitrate on issues of land, water and habitat.

Bill Kubly, founder and chief executive officer of Landscapes Unlimited, has experienced that fallout in course construction and ownership. “When I have an area in the middle of a fairway that’s 12 feet by 20 feet with a couple of cattails growing there and they require me to keep that, when I’m very happy to create an area 10 times that size, that’s to the point of being ridiculous,” he says. “It’s very frustrating when a development is totally handcuffed by a local agency that really doesn’t understand how good golf can be (for the environment). In some parts of the country, it’s made it cost-prohibitive to build a golf course today.”

One of the most environmentally attuned golf course architects of this era, Tom Doak, agrees that what decision-makers don’t know can hurt operators and the industry as a whole. “Environmentalism is real, but it’s partly a political issue, too,” he says. “Golf suffers most in the political arena because the majority of people don’t play and because in many countries, it’s seen as an elitist sport.”

If politicians don’t “get” golf, do golf course owners truly “get” the environment? Doak, for one, doesn’t think so—at least in broad terms. “They’re focused on the customer or member who complains there were weeds next to the cart path on the second hole; they don’t think about the outsider who isn’t going to pay for golf. But it’s the outsiders we have to pay more attention to, if we want the game to be accepted as a good neighbor environ-

mentally. You can’t be a good neighbor if you never even say ‘hello.’”

Norman believes golf course owners who realize and relate the fact that they’re selling more than 18 holes of tee to green are most likely to win friends and favor. “Golf courses are sanctuaries,” he says. “The green space they provide is often taken for granted. But consider what they do to filter run-off, dust and pollen, to provide wildlife habitat, to create a cooling effect and so much more. Owners need to leverage these assets.”

Jim Chaffin has developed courses from the Carolinas to Colorado, and it’s no exaggeration to say that he lives the message Norman promotes. At Chechessee Creek Club and neighboring Old Tabby Links, outside Hilton Head, South Carolina, as well as Roaring Fork Club near Aspen, Chaffin has used sensitivity to the environment as a primary selling point.

CUTTING THROUGH THE CLUTTER

FOR ALL THE TALK ABOUT THE MARKETING OPPORTUNITIES AND LONG-TERM BENEFITS OF BEING MORE “GREEN,” golf course operators can do something right now to positively impact the environment: reduce the amount of grass under high maintenance. It’s simple, easy to implement and can yield tangible financial returns.

To start affecting change right now, experts recommend operators:

- Identify truly out-of-play areas, such as those behind and beside tees, and take them out of frequent maintenance. This reduces costs associated with labor, fuel, equipment maintenance, carbon emissions, irrigation, fertilizers, pesticides and fungicides.
- Consider introducing native plants and grasses to low-maintenance areas. These grasses are better equipped to deal with local rainfall patterns and pests.
- Reduce maintained areas by 30 percent. Some estimates put the average playing ground on a golf course (greens, fairways and tees) at approximately 70 acres, yet the average course reports in excess of 100 acres of maintained turf. That represents 30 percent of maintained turf that could be easily eliminated.
- Communicate your activities and the rationale behind them to your golfers and neighbors. Golfers don’t always understand the benefits (to the course and environment) of reducing maintenance; likewise, the non-playing public often doesn’t realize operators are truly concerned about the environment. Spreading the word helps build support for your efforts and, on a grander scale, improves the public image of the game.

—T.B.

PAUSE FOR REFLECTION

A 10-YEAR ANNIVERSARY IS OFTEN CAUSE FOR CELEBRATION but when golf industry leaders gathered around the decade-old Environmental Principles for Golf in Anaheim, California, earlier this year, no one broke out the party hats. The document, drafted collaboratively between golf industry and conservation groups, was to be the blueprint for golf to minimize environmental impacts.

"We still have a really long way to go," says Brent Blackwelder, president of Friends of the Earth, who helped write the principles and sat across the table again in Anaheim. "I think certain players in the industry are doing a better job. But the fact of the matter is that of some 15,000 golf courses in the country, most are not complying."

Paul Parker, whose Center for Resource Management specializes in providing "safe harbor" for opponents to meet on issues and did so for golf and environmental groups, agrees. "There are people who are truly engaged, and they are the ones who are winning the awards," he says. "But whatever percentage that group is, beyond that is a group—I suspect a very large group—that don't care, they're not motivated, they don't go to (environmental) seminars, they don't do much at all. That's the greatest risk for the industry."

According to Parker, the threat is rooted in a long-standing dynamic linked to budget restraints, though not those of the golf industry. He points out that most environmental groups have limited resources, and the bulk is always directed towards the highest priorities. Golf remains low on their totem pole.

"That matters when something does pop up and the media calls one of these groups," Parker says. "They still make statements that can have a very strong impact, even though they may not have anyone with any expertise in golf. Their reaction can be off the top of their head and very negative. That happens more than it should."

In response, the Anaheim group committed to working on greater education of environmentalists about golf as well as of golfers about the environment. Other outcomes from the Anaheim gathering also included a desire to generate some measurable goals for the industry in relation to the environment. Parker says work on those projects, and on another to produce parameters that would constitute a definition of organic golf, is under way. —T.B.

"To me, it's economic self-enlightenment," Chaffin says. "In this increasingly homogeneous, digitized, impersonal world that we're living in, we're moving away from the things that are real and authentic. One thing that will keep people satisfied in the game and get new people into the game is to provide that natural, pleasant outdoor expe-

"TO ME, IT'S ECONOMIC SELF-ENLIGHTENMENT. IT'S ABSOLUTELY GOOD FOR BUSINESS."

rience that they're missing. It's absolutely good for business."

At Roaring Fork, initial public opposition and council trepidation turned in direct proportion to the degree of openness and environmental commitment displayed by the developers. It wasn't an easy task, however. The largest crowd in the history of Bassett Town Council turned out with a resounding message of "no" when the development was first presented. In the years that followed, the developers worked with a local group promoting organic farming to introduce a bio-islands approach to the project. They also established and funded the Roaring Fork Conservancy to watchdog watershed health, and staff members were encouraged to participate in regular training in methods and regimes sensitive to the environment. This illustrates how, as new neighbors, Chaffin and his partners went out of their way to, as Doak puts it, "say hello."

Kubly supports the notion that golf has to reach beyond its own borders, and believes it has happened—at least to some degree. "I think over the long term, the rabble-rousers—although I hate to use that term—and the tree-hugger organizations have come around to see that golf is really doing its part and putting its money where its mouth is," he says.

"Honestly, I could be wrong, but most of those types of organizations have been kind of quiet once the industry has addressed their issues nose to nose and said here's what we're doing."

Of course, not all costs are imposed by regulations. What of the potential newcomers who never quite make it to the driving range because of what they've heard through the grapevine? Surely

that's revenue that will never be realized. For instance, Nancy Lopez upset some golf course superintendents several years back when, during a telecast, she chided a player for licking a spot off a ball before placing it back on the green. "She made it sound like the green was covered in chemicals," recalls Harold Burns, superintendent at the Country Club of Spartanburg in South Carolina.

Therein lies the crux of golf's image problem. "In the absence of accurate information, people rely on whatever information is there," Lyman says. "It's a constant battle."

FIGHTING THE GOOD FIGHT

Owen Larkin has felt the brunt of suspicions some harbor towards golf. When private wells next to Vineyard Golf Club, which Larkin founded and where he now serves as president, showed elevated nitrate levels, fingers pointed sharply at the golf course. But the course, which is located on Martha's Vineyard in Massachusetts, just happens to have been recognized as the most environmentally friendly in the nation by *Golf Digest*, among other groups. Bio-stimulants and composted fertilizers have replaced conventional pesticides, and the course is dotted with lysimeters that measure multiple aspects of the hydrological cycle.

"Thank God for those lysimeters," Larkin says. "We were able to prove absolutely that this was not a problem caused by the golf course."

Even still, Larkin concedes that golf courses prove to be easy scapegoats. "When something goes wrong in the local community, if you have a golf course nearby, the first entity that's going to be blamed is the golf course," he says.

In one of those ironies that often inspires skepticism among the uninitiated, the so-called chemical industry—the one so clearly targeted by Rachel Carson—has been at the cutting edge of much of golf's environmental progress. "The people who make chemicals have put a lot of time and money into giving us more benign products," says Larkin, who also serves on the EIFG advisory board. "Forget about altruism; they understand from a business model that they have got to provide products that will be benign to the environment."

These days, chemical companies that evolved from lengthy ancestral lines have redefined their business. Syngenta, for example, markets itself as a manufacturer that sells "crop protection" and "sustainable agriculture" through "innovative research and technology." By extension, much of what has been developed for golf has also helped to clean up the act of other sectors.

"Our industry has a long history of leading the way when it comes to research and working with academia, and that only increases as we move forward," says Joe DiPaola, golf market manager for Syngenta. "I don't believe anyone in the core of golf has anything but the love of golf, the outdoors and the sustainability of the environment at heart when they wake up in the morning."

That being the case, DiPaola sees the recent saturation coverage on climate issues as a green light, so to speak, for the kind of "marketing" Norman recommends and "beast unleashing" Lyman advocates. DiPaola speaks of a growing "public acceptance of all things green"

and of golf courses being the "last resort for wildlife" in urban settings "teeming with asphalt and buildings."

"Golf has every right to be proud of what it has done," he adds. "There's a need to make that visible. Every individual—owner, superintendent, professional, manager—we all bear an obligation."

Larkin concurs but wonders if the industry is truly ready for a main-stage production casting golf and the environment as Romeo and Juliet. "Generally, I think that the leaps forward will come when the 'regular golf course guy' can debate the non-believer and say, 'Listen, we cut 30 percent less grass than we used to, we use less insecticides, less fertilizers, less gasoline,'" says Larkin, noting that timeframe is more likely to be five years than 12 months.

Perhaps that's where Lyman's confidence comes in to play. Last year, the EIFG embarked on an extensive exercise to map the nature of golf courses across the country. Instead of roads and museums, the map (or profile) will show the physical features found on golf courses, the practices superintendents use to maintain them, and the associ-

ated inputs and outputs. (For more information, visit www.eifg.org/edge.)

"This project will be instrumental in giving owners information," Lyman says. "We'll know where golf is strong and where we might look to do better. It will help individual owners and the industry prioritize efforts. And it will be a really powerful tool when setting public policy."

In other words, golf's truth conveniently delivered. ♣

Trent Bouts is a North Carolina-based freelance writer.

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