

Golf Business & Real Estate

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a Crittenden newsletter

Vol. 18, No. 1

May 23, 2005

BIG NAMES MEAN BIG PROBLEMS, BIG REWARDS

As golf-course development levels off, some designers and construction companies are feeling the pinch as some developers opt for bigger names. But some see no problem with the move toward "sizzle."

Case Golf Co. is resentful of such moves as **Nicklaus Design** being brought in to a California development in mid-stream, replacing **Harbottle Design** (GBRE 05/02/05). However, companies like **Jacobsen Hardy Golf Course Design** and **Niebur Golf** feel they have benefited from such moves.

Roy Case, CEO of Case Golf, explains that he's lucky to be busy and feels big-name designers such as **Jack Nicklaus** and **Tom Fazio** are being greedy. Nicklaus earns up to \$2 million to design a course, and son **Jack Nicklaus II**, also part of Nicklaus Design, gets up to \$1.1 million. Nicklaus' other sons, **Gary**, **Steve** and **Michael**, also are in the firm and earn fees ranging up from \$400,000. Case is in the \$300,000 area. But he notes that the higher-priced designers also do courses that are costlier to maintain, meaning a double whammy for the client.

Among Case's current projects are 36 holes at the **Meadowlands complex** in New Jersey, each costing about \$6 million. Case knows that the Meadowlands developers could bump him off that project, too, and that there's no way for him to fight the trend. Frustrated, he emphasizes that he's never had a dissatisfied client and always gives value. He cites his 27-hole **Okeelaape** course in Palm Beach County, Fla., that gets 90,000 rounds a year as an example.

Rex Van Hoose, VP at Jacobsen Hardy explains that the company has no resentment over the "rich get richer" syndrome. He notes that Jack Nicklaus pioneered the profession of course design, and that **Peter Jacobsen** and **Jim Hardy** might not have jobs otherwise. Jacobsen's fee is \$750,000 and \$300,000 for a renovation. The company usually has four projects in the pipeline. Among the current developments is **Brasada Canyons** in Redmond, Ore.

Joe Niebur, president of **Niebur Golf Construction**, notes that changing designers often is done according to what a developer is trying to sell. The Nicklaus-Harbottle switch was made on a high-end housing complex in Fresno. Homebuilders such as **Pulte Homes** and **Shea Homes** usually do not sell golf as much as they do their own brand, and so they would be less likely to hire a big-name designer.

Niebur's business has not been pinched by the trend. In fact, the fee of 7% to 8% would yield more on a \$10 million course than one costing half that. Among the seven projects in Niebur's pipeline is the \$30 million **The Vineyards Golf Resort** in Yakima, Wash. Niebur is 50% owner of the project, which features a **Tom Lehman/Hurdzan-Fry** course to open in 2006.

LONG-AWAITED \$400M RESORT NEAR REALITY

Southern California's hot Coachella Valley region sees about 3.4 million golfers per year at its 130-odd golf courses. If developer **Mark Bragg** gets his wish, his \$400 million **Shadowrock Resort** will be next in line. Bragg heads the **Shadowrock Development Corp.**, and a number of investors, whose 18-hole golf resort near the Palm Springs tramway may begin development this year after 20 years of controversy.

Clive Clark already has designed the course and local environmentalists continue trying to delay construction on the 348-acre site. This will intensify the competition with companies like **Intrawest**, **Troon Golf** and **ClubCorp**. Bragg expects to have financing details settled within the next couple of months and soon will put out bids for construction companies. It would be the final step of

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