

Redevelopment roadblocks

Legal challenges by homeowners complicate developers' efforts to convert courses to other uses

For the last two years, the number of golf courses closing has exceeded the number of new course openings. Now some closures are going to court as homeowners and others fight to stop the conversion of golf properties to other types of development.

"There's been a fair amount of problems here trying to convert golf courses to real estate," said Dalton Floyd, an attorney in Surfside Beach, S.C., just south of Myrtle Beach, where almost 20 courses have closed in the past few years due primarily to rising real estate demand that made continued use of the land for golf economically unviable.

Legal disputes over whether land developed as a golf course can be used for other purposes is one of the most common issues faced by owners and developers today.

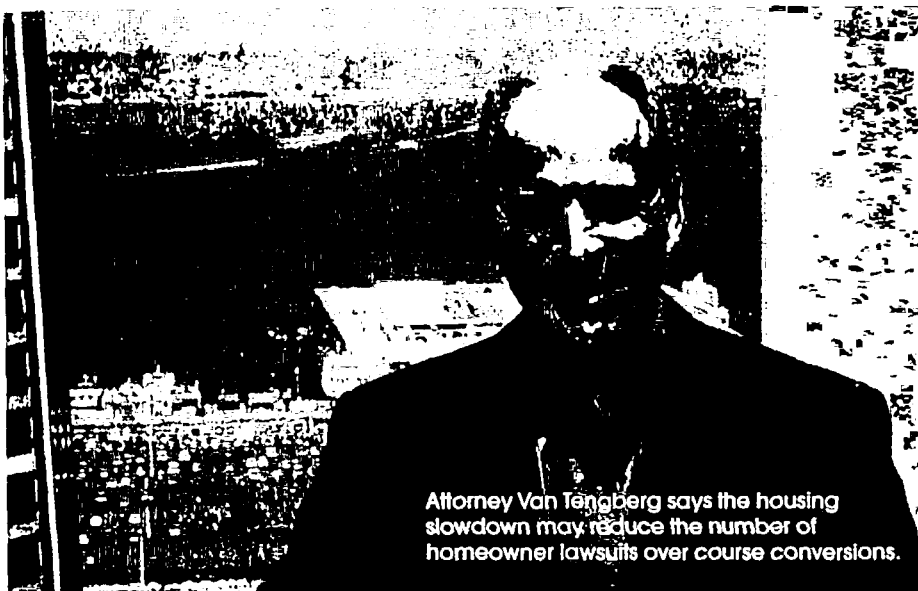
"The problem is that virtually every homeowner who buys in a golf course community thinks the course will always be there," said Van Tengberg, attorney with Foley & Lardner in San Diego.

With residential building slowing nationwide, however, such disputes likely will dwindle.

"It used to be feasible to sell to developers," Tengberg said. "But now the trend in course closings may come to a halt."

Still the underlying issues remain: Will it become increasingly difficult for course owners to use their properties for something other than golf? What roadblocks can angry homeowners in golf course communities throw in the way?

The Deer Track North and South courses near Surfside Beach, for example, were closed and sold to separate companies in late 2006. Local property owners sued in each case. Now the courses remain shut while waiting for



Attorney Van Tengberg says the housing slowdown may reduce the number of homeowner lawsuits over course conversions.

Refunds, accessibility issues on horizon

Property-related disputes aren't the only legal issues faced by golf course owners today. There are a growing number of cases stemming from private club membership regulations as well as unresolved questions about accessibility for handicapped golfers.

- Dallas attorney Randy Addison said he has seen growing legal action at private clubs related to membership issues.

"In some cases the refund lists have 50 or more people on them. These are members wanting to sell and get their money back. Sometimes litigation is threatened when someone is No. 100 on the sell list, for example," he said.

More legal clashes are coming up at private clubs where home developers are turning over ownership of the club to members.

Addison, who has been involved in hundreds of transfers of this type, said that suits are filed by members who are unhappy about the conditions of courses that developers are passing on. Some legal actions involve the developers' failure to sell enough memberships before the turnover, causing a financial crisis for club members.

- Legal specialists for the golf industry are waiting to find out what happens next after a recent federal court ruling that Marriott Corp., the world's largest golf