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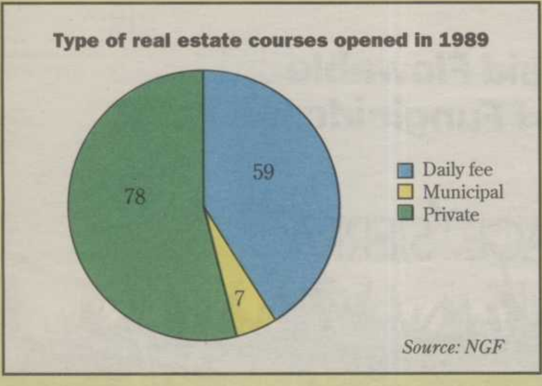
INSIDE



News

Departments

Big names, big time in big way

IGM has megaplan for 'ultra-courses'

BY MARK LESLIE

Earth is expected to be moved by 1991 on the first of a dozen "ultra-prestige" golf courses that will usher into the United States the concept of marketable memberships.

"I'm enthusiastic right now. We're moving well," said John T. Killip, the man hired to steer International Golf Management, Inc. through the challenges of building the multiple-course network of "premier" facilities called The Partners Clubs. The exclusive, non-discriminatory private clubs are intended to answer the need of business executives, providing "luxurious and exclusive settings for social, recreational and business."

Killip, IGM's senior vice president, has been busy recruiting big names, going big time in a big way. And now he sees the fruits ripening on the vine as he prepares to "get the common stock, private placement memorandum on the street at the end of May or first of June."

The first round of 1,200 shares of preferred stock should be issued between January and June 1991, Killip said. IGM will eventually sell 4,800 memberships for the first 12 courses, equivalent to 400

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Bardmoor changes planned

BY PETER BLAIS

The Tampa businessman who purchased Bardmoor Country Club in Largo, Fla., March 30 plans to open one of the courses to the public and finish the last nine holes of a private, Tom Fazio-designed layout.

Rand Gentry, 45, converted the Bardmoor North Golf Course, for many years the

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The picturesque 4th hole at The Bayou Club will become the 16th hole in the new layout . See page 11 for more details and news on other courses. *Photo courtesy of Fazio Golf Course Design*

Hawaii lease brings $111M

BY PETER BLAIS

A Japanese company has bid $111 million to lease Honolulu's recently completed, city-owned West Loch Golf Course in Ewa.

However, the city council, which was scheduled to decide in late April whether to accept Jurigi Co. Ltd.'s bid, could nix the deal, even though the $91 million profit (the course and clubhouse cost the city $20 million) would be used to build two new municipal courses and affordable housing.

Several councilors believe the lease arrangement may be illegal since the land was originally condemned to be used as a municipal golf course, not leased to a private course operator, said city Finance Director Ted Jung.

"There is some public sentiment against the lease. Some people want a municipal course right away. You know, a bird in the hand..." said Deputy Director of Housing Ron Mun. He also noted that the lease arrangement requires 150 rounds a day to be reserved for residents for two years, at a cost of $27 a round, while the two new municipal courses are built.

Just prior to the March 15 deadline for submitting bids, opposition councilors issued a news release questioning the legality of the lease arrangement, according to Rom Duran, assistant to the city's

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2nd woman, 1st Oriental join ASGCA

BY MARK LESLIE

"I am ecstatic," said Jan Beljan, reacting to being just the second woman ever elected to the American Society of Golf Course Architects.

Nai Chung "Lee" Chang, the society's first Oriental member, and former Jack Nicklaus senior designer Bob Cupp joined Beljan among the eight architects elected as associate members March 28 at the group's annual meeting in California.

Others joining the exclusive association, which now numbers 108, are Keith Foster, from Arthur Hills' Arizona office; Tom Marzolf, a colleague of Beljan in Tom Fazio's North Carolina office; W. Bruce Matthews' III from Gerald Matthews' firm in Lansing, Mich.; Mark A. Mungeam of Cornish & Silva in Andover, Mass.; and Tom Pearson of Golden Bear International in North Palm Beach, Fla.

"I'm thrilled to get in," said Chang, 43, a China native who has been living in the United States for 20 years. "This is important in my personal development. I've been looking to-

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Sharpener breaks time barrier

BY PETER BLAIS

Fledgling Bell Turf Equipment Manufacturing has developed a reel sharpener company officials say will do the job in one-sixth the time at less than half the price.

The San Jose, Calif. firm is being wooed with joint manufacturing proposals from several large companies for Reel Mate, a test unit the company's founder believes will be eagerly sought after by superintendents once it goes into production.

"There's been a lot of interest," said company President Pete Bell, 30, a former golf course mechanic.

The major appeal of Bell's gang mower sharpener is time savings. Competitive grinders, Bell said, require two to three days for the mechanic to disassemble his mower, mount the reels onto the grinder, then re-assemble the mowing unit once the job is done.

The Reel Mate, which weighs 27 pounds compared to the 800 pounds of most grinders, attaches permanently to the tractor and sharpens the reels in about four hours.

It also requires far less monitoring. A mechanic must adjust a manual grinder every three or four minutes, said Bell. The Reel Mate's micro-processor allows the mechanic to program the job and then

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NCA asks Treasury Dept. to ax three tax proposals

GOVERNMENT UPDATE

Saying "you should grab your pocketbook whenever people talk about 'reforming' tax laws," National Club Association legal counsel Tom Walsh has filed comments with the U.S. Department of the Treasury urging it to reject three proposals concerning unrelated business income taxes (UBIT) of private clubs.

The proposals were part of a suggested revision of UBIT that was drafted by the staff of the House Ways and Means Committee. The committee had requested the Department of Treasury's views.

Walsh criticized the committee staff's proposal, saying, "This proposal shows why you should grab your pocketbook whenever people talk about 'reforming' tax laws. It seems clear that the committee staff lumped together various proposals, even though some of them clearly violate the basic principle of UBIT: that tax-exempt and profit-seeking entities should be treated equally when they undertake taxable activities.

"The staff has been overly swayed by the profit-seeking sector's argument that current tax laws give tax-exempts an unfair advantage."

NCA's primary objection was to the proposal to codify the Internal Revenue Service's Revenue Ruling 81-69. That ruling would prohibit clubs from using losses from one unrelated activity to offset income from another unrelated activity.

NCA said this limitation would unfairly impose a special limitation on clubs' taxable activities that is not imposed upon the taxable activities of profit-seeking organizations.

Walsh said, "The heart of the matter is the IRS's contention that clubs must show that their unrelated business activities are undertaken with a profit motive."

NCA has argued that if such activities were taxed as businesses, clubs must automatically be considered to be operating with such a motive. NCA also argued that, at the very least, clubs should be allowed to prove their profit motive by showing that they made a financial profit even though they claimed a tax loss.

These arguments support the position which the Portland Golf Club has taken in its Supreme Court case involving the profit motive test. NCA has supported this effort through contributions from its members, and its tax counsel will argue the case April 16.

NCA also criticized a proposal to hamstring a club's ability to create a separate taxable subsidiary to handle its unrelated business activities. By doing so, clubs would then be able to offset unrelated business losses against unrelated business gains. The Ways and Means Committee staff proposal would not allow that alternative. NCA pointed out that the staff's position would contradict UBIT's purpose, by unfairly handicapping clubs.

Finally, NCA questioned the staff proposal to limit the allocation of overhead expenses to unrelated activities. Under that proposal, clubs would only be able to allocate their fixed expenses if more than 25 percent of the total use of the facility were for unrelated business purposes.

If that proposal were adopted, clubs would be foreclosed from allocating their overhead expenses to unrelated activities unless those activities were so pervasive that a club's tax-exempt status would be endangered.

Walsh said that predicting the Treasury's response was impossible. He added, "At the very least, we hope that Treasury officials will take a close and honest look at these proposals. If they do, they'll surely see that tax-exempt clubs would be unfairly harmed by them."

Lease

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managing director.

"The city's lawyers believe the lease is legal," said Jung.

Duran said Mayor Frank Fasi believes the councilors' actions may have held down the number of bids and kept them from reaching as much as $150 million. Fifty queries were received prior to the bid submission deadline.

Five of the nine council members must approve the arrangement. Otherwise, the city retains the course, which has yet to see a single round, even though it's been ready for play since April 1.

"It looks beautiful," said Duran.

Jurigi posted a $10-million, nonrefundable deposit with its $111-million bid, which breaks down to $107 million for the lease and $4 million for the land.

Jurigi is a Fuji City-based, family-owned company that operates one of Japan's largest paper companies and Jurigi Golf and Country Club in Fuji City, said Jung. The company, headed by Chairman Ryoei Saito, also has bank holdings in Hawaii.

The $111 million bid amounts to one-sixth of the city's annual operating budget and one-third of its capital budget, said Jung.