

COLBERT GOLF ACQUIRED

SANTA MONICA, Calif. — Golf Enterprises, Inc., has acquired the Las Vegas-based golf course management company, Jim Colbert Golf, Inc.

It will be operated as a wholly owned subsidiary, and the acquired properties will be managed under the name of Jim Colbert Golf.

Golf Enterprises now manages 20 public, private and resort properties in nine states. The company will manage all facility operations, including food and beverage and pro shops.

Golf Enterprises was founded in 1990 by Bob Williams, former president and chief executive officer of American Golf Corp., and E.C. "Sandy" Burns, former senior vice president of acquisitions.

Colbert, a 22-year veteran of the PGA Tour, will compete on the Senior PGA Tour but remain affiliated with the company in an advisory capacity.



Bob Williams

PRIVATE CC INSURANCE AVAILABLE

MANCHESTER, N.H. — The New Hampshire Insurance Co. has introduced Coverage Par Excellence, a comprehensive protection program for private country clubs.

It offers an extensive array of coverages and options, including expanded building and fine arts coverages, pesticide and herbicide applicator coverage, and Hole-In-One coverage for tournaments.

Input was obtained from club managers, golf pros, course superintendents and others who live the business to ensure total tee-to-green coverage. Building coverage has been expanded to include bridges, walkways and other paved surfaces, and business interruption coverage ranges beyond vandalism to include revenue replacement.

Paul Budde, director of the standard commercial accounts department, is in charge of the program for the insurance company.

FERREE JOINS COLLETON RIVER

HILTON HEAD ISLAND, S.C. — Long-time Hilton Head resident and PGA Senior Tour member Jim Ferree has joined Colleton River Plantation as director of golf.

While Colleton River continues construction on the Jack Nicklaus-designed golf course, Ferree will serve as an adviser to the course developers, Colleton River Co.

He will advise on the construction of the course, design of the planned 23,000-square-foot clubhouse, hiring of the golf professional and greenskeeping staff, formulation of club policies and golf course operations.

Japanese style memberships could provide capital for U.S. developments

By Bernard Baker

Japanese-style international memberships are appearing on the American scene and may provide the foundation for new capital markets for golf projects.

By U.S. standards, golf club memberships bring astronomically high prices in Japan. Many Japanese clubs sell memberships for more than \$1 million. Memberships at Koganei near Tokyo recently traded for \$2.7 million. The average Japanese membership trades for about \$200,000.

The high prices reflect the scarcity of

land, high development costs (often more than \$50 million) and the mere 1,800 courses for the country's 20 million golfers.

Yet another factor has sent the cost of Japanese memberships soaring. Tradeability.

Most memberships in Japanese clubs can be traded. Some people invest and speculate in club memberships. There is an over-the-counter market for memberships with brokerage houses specializing in them.

A unique feature of many memberships is that "use" rights can be "stripped" from other membership rights and handled separately. A person may own the membership for its investment potential and "rent" the right to use the club facilities to another person approved by the club as a "designated user." The membership can be traded subject to the rental arrangement with the designated user.

This transferability makes memberships suitable for purchase in blocks for later re-

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Managers can win at the TV interview

By Peter Blais

The Book of Lists indicates the 10 Most Feared Things in Life. No. 6 is Death. No. 7 is Divorce. No. 1 is Having to do a Major TV Interview.

"It's that awesome for a lot of folks," said Kevin Delaney, a 30-year veteran of print and broadcast journalism who spoke at the recent Club Managers Association of America Conference in Dallas.

With charges of racial discrimination and environmental negligence being leveled at golf clubs, any club manager who hasn't yet received an interview request from a reporter may be hearing from one in the not-too-distant future.

But there are ways to deal with the television interview that can make it a much more

pleasant and productive experience for the club manager, Delaney said.

"Like it or not, you are very logical targets for reporters. As the club manager of important institutions in your communities, you're the source, the expert. You're the one they want to call and ask, 'Hey, what's going on over there? What's the problem we're hearing about? And how are you dealing with it?'"

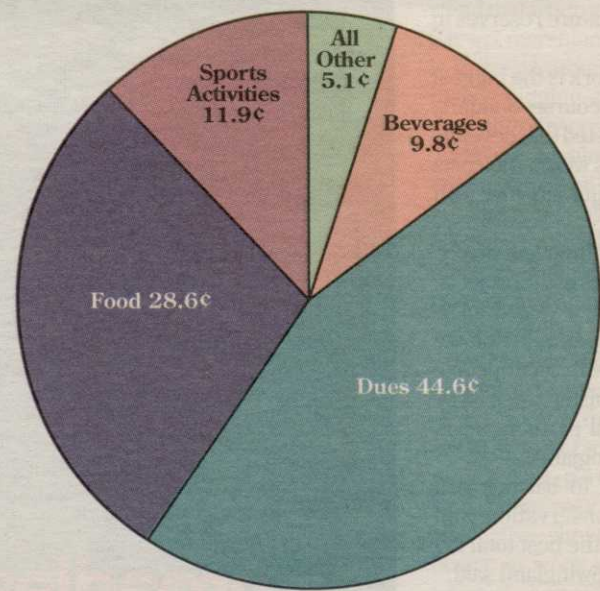
Offensive weapons

Before dwelling on the negatives, club managers should realize they have many positives to discuss — the millions of dollars clubs donate to charities, the thousands awarded in scholarships, tax dollars and economic activity generated within the locality and state, the many community projects, and

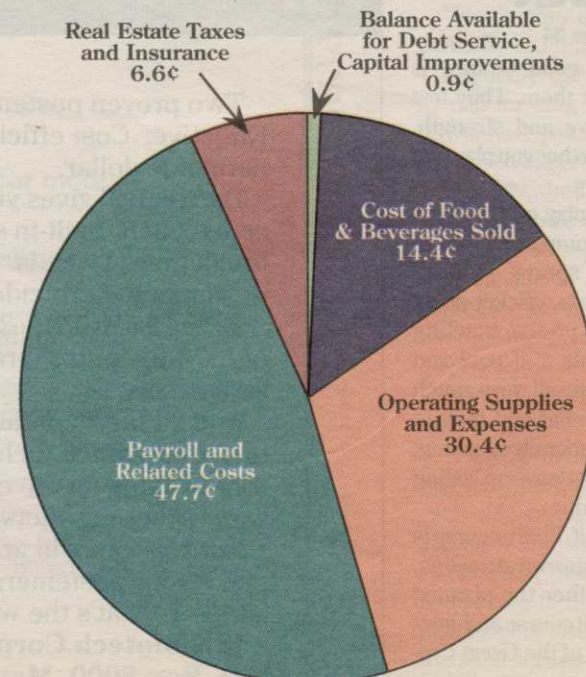
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The graphs below show where money comes from and where it goes at private country clubs nationwide.

1990 Country Club Income Dollar



1990 Country Club Expense Dollar



Source: Pannell Kerr Forster

Why can't I have bentgrass and firs?

Editor's note: This is the first in an occasional series on golf course maintenance designed to give the club manager a basic working knowledge of maintenance issues confronting the superintendent. Dave Fearis, CGCS, is head superintendent at Blue Hills Country Club in Kansas City, Mo., and has given seminars on golf course maintenance for the Club Managers Association of America.

By Dave Fearis

The United States can be divided into three grass-growing regions — cool-season, transition and warm-season. Certain grasses thrive in each particular region while others struggle to survive.

The cool-season region covers roughly the upper half of the country, running from northern California in the West, across the mid-section of the United States and tapering up to the northern half of Cape Cod in Massachusetts.

Temperatures drop as low as minus-40 degrees in the winter and occasionally venture into the 90s in summer. The optimum root soil temperature for most cool-season grass growth is 50 to 65 degrees with a foliar range of 60 to 75 degrees.

Bentgrass is perhaps the most cold-tolerant of the cool-season varieties. Improved creeping bentgrasses can be spread by seed-

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American developers could benefit from Japanese lead

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sale, like underwriting stock or bond offerings. Acquisition or construction of a golf facility could be financed by bulk selling all or many memberships to an underwriter who sells them to retail purchasers at a profit.

Japanese-style memberships are not widely used in the United States because freely tradeable memberships are considered securities under U.S. and state securities laws. This requires compliance with certain rules and regulations that would likely require registration of the memberships, a time-consuming and costly process.

If memberships are valuable enough, however, registration could be worth the effort and expense.

Another option

An alternative to registration as securities is selling memberships internationally to non-U.S. persons in compliance with "Regulation S" pertaining to offshore transactions. This would permit a Japanese company to buy a tradeable U.S. club membership sold in Japan, for example. The Japanese company could designate a person residing in the United States as the designated user.

The membership could trade freely off-

shore among non-U.S. persons and even be acquired by an American in an offshore transaction, after a waiting period. Registration under U.S. law would be unnecessary.

The use of international memberships by U.S. clubs opens a new world of potential buyers, whose participation may create new capital markets for golf memberships and developments. The owner would acquire the membership with the expectation that it will increase in value and generate an income stream from the designated user. The membership is a liquid asset that can be sold at any time.

As international memberships become bet-

ter known, markets will develop and brokers and investment bankers specializing in memberships will become active outside Japan.

As freely tradeable international memberships become better known, they may become a valuable new asset for sale by U.S. developers. The membership brokerage and investment banking communities that follow would provide a source of capital for U.S. golf projects.

Bernard R. Baker III is an attorney with The Leisure and Resorts Group of Gunster, Yoakley & Stewart, P.A. of West Palm Beach, Fla.

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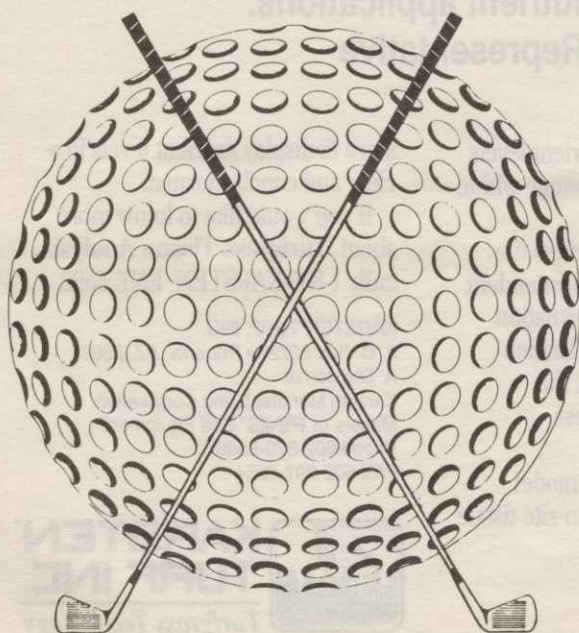
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