Byrd creates Golf Course Properties, Inc. to specialize in acquisitions and sales

CLEARWATER, Fla. — Bobby Byrd, president of Bobby Byrd Real Estate, has established a new company called Golf Properties Real Estate, Inc. to specialize in golf course acquisitions and sales in Florida and across the nation.

Byrd and his partner in the venture, Robert McGrath — president and chairman of Golf Car Systems, Inc. — have named Richard Farrell president of the new organization.

Farrell has extensive expertise in the golf course industry. Most recently he served as senior vice president of Nicklaus/Sierra Development Corporation. He also presided over P.G.I., Inc., developers of golf properties in Florida.

On a more local level, Farrell was president of Bardmoor Properties, developer of Bardmoor Country Club in Seminole, Fla. There he was responsible for all marketing and operational aspects of the country club, in addition to the development of more than 1,800 residences.

According to Byrd, with the reduction in golf course construction over the next few years, he expects to see the market for golf course acquisitions to swell. Golf Properties Real Estate, Inc. currently represents a variety of groups interested in acquiring courses across the nation.

Golf Properties Real Estate is located at 710 Grand Central, Clearwater, Fla., 34616. For more information, call 813-447-GOLF.

New club association wins state tax battle

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percent tax was imposed, and that really got our attention.

"There were a number of issues that I'm sure we would have needed to address eventually. But we thought it was prudent to not get caught in a vulnerable position again."

Now 50 members strong, the CCA has drawn membership from all sectors of the Connecticut club community: golf clubs (private, semi-private, daily fee, municipal), yacht clubs, downtown eating clubs, the Connecticut State Golf Association, the Connecticut PGA, and the Connecticut Women's Golf Association.

These varied organizations all joined the CCA — and the tax fight — because, in Mersereau's words: "Everybody got nicked."

"This state, like many, has got a big deficit," he explained. "They're looking for money everywhere. For instance, we've never had an income tax. Now we have one, and it went down like cod liver oil."

However, the extra six percent tax — on "amusement and recreational services," as the law reads — didn't stay down long.

After a successful lobbying effort by the CCA, the tax has been repealed. After receiving favorable recommendations from the Senate and House finance committees in late May, the bill of repeal received support from the full Legislature on June 1.

With Gov. Lowell Weicker's signature in mid-June, the six percent tack-on tax ceased to be law, effective June 30, 1992.

"Everything worked out much better than expected," said Mersereau. "If everything clicked, we expected a repeal effective Jan. 1, 1993. But we got lucky."

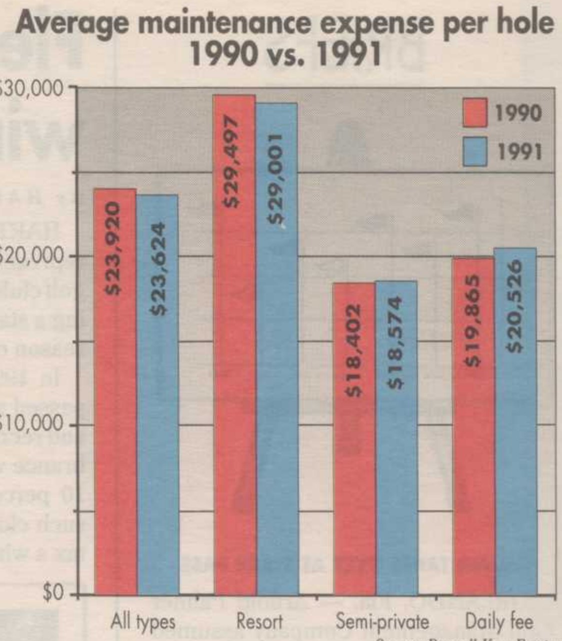
The ill-fated levy would have augmented state coffers by approximately $15 million annually. At Hartford Golf Club, for example, 800 members each pay $300 in yearly dues, Mersereau said.

At 10 percent, the annual tax payment is $24,000.

At 16 percent, it would have been $38,400. That's an extra $14,400 per club, per year — and it was levied without representation.

No more.

Report indicates expenses are up, while rounds played down...



Source: Pannell Kerr Forster

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vate club industry.

"It shows that public golf is strong, but certainly not recession-proof," commented NGOCA Executive Director Michael Hughes.

"There are a lot of discounting programs and promotional activities of green fees going on out there. And owners are actively monitoring maintenance expenses with an eye toward the bottom line."

ROUNDS PLAYED INCREASE

Interestingly, the 11.2-percent **jump** in rounds played at the 100 courses in the PKF survey contradicts recent National Golf Foundation figures showing a 4.6-percent **drop** in rounds played.

"Two things might be responsible," Hughes said. "First, NGF interviewed consumers and we interviewed course owners. Second, our survey was dominated by higher-end courses, while NGF surveyed all consumers, including those making less than $35,000. That income group is where the biggest drop occurred."

Semi-private courses showed the biggest increase in rounds played, 26.7 percent, followed by daily-fee, 12.9 percent, and resort, 2.4 percent.

Regionally, the South Atlantic led the way with a 24.9 percent increase in rounds played. The Mid-Atlantic rose 9 percent and North Central, 5.9 percent. The Mountain/Pacific area fell 0.4 percent.

REVENUES STEADY

Despite the double-digit increase in rounds, green fees increased just 1.9 percent, reflecting the discounting and promotions Hughes mentioned.

Semi-private courses saw the largest leap in green fees, up 7.9 percent. Daily-fee courses rose 6.7 percent and resort courses 2.3 percent.

The South Atlantic, 5.9 percent, North Central, 4 percent, and Mountain Pacific, 0.6 percent, enjoyed the biggest increases, while Mid-Atlantic green fees fell back 6.9 percent.

Mixed results prevailed in other revenue-generating areas. Overall, cart fees rose 13.2 percent and food and beverage 28.4 percent.

Retail sales fell 2.8 percent as discount stores continued to eat into pro shop profits, a trend Hughes believes daily-fee courses can reverse by joining together to make group purchases of retail items, just as individual NGOCA members in some areas save on course maintenance supplies by banding together to make volume purchases.

MAINTENANCE COSTS DROP

Superintendents at daily-fee courses tightened their financial belts last year, knocking 1.2 percent off their maintenance budgets down to an average $23,264 per hole.

Compare that to private clubs, where maintenance costs climbed 9.8 percent to $30,870 per hole, according to the "Clubs in Town & Country Report" survey of 250 country clubs.

"Private courses aren't run for profit," noted Director of PKF Counseling John Crow. "They don't have the drive to the bottom line that daily-fee courses do.

"Private courses simply meet expenses and try to set aside some money for future capital expenditures. Daily-fee courses have to make money and show a return on investment. One way to do that is cut costs."

Salaries ($9,325 per hole) and payroll taxes/benefits ($1,955) made up almost half the maintenance budget (47.8 percent) for all daily-fee courses, making it a logical place to look for cuts or at least hold the line in tough economic times.

Salaries overall rose just 0.7 percent and payroll taxes/benefits fell 2.2 percent in 1991. Other per-hole expense items were supplies $3,878 (up 2.7 percent), repairs $2,296 (down 7.6 percent), uniforms $204 (up 0.5 percent), energy $859 (down 4.2 percent) and other $5,107 (down 3.6 percent).

Resort courses had the largest per-hole maintenance costs at $29,001 (down 1.7 percent) followed by daily-fee at $20,526 (up 3.3 percent) and semi-private at $18,574 (up 0.9 percent).

The Mid-Atlantic had the highest regional costs at $27,882 (up 2.8 percent). The South Atlantic was $24,277 (down 11.6 percent), Mountain/Pacific $22,976 (down 1.6 percent), and North Central $21,858 (up 10.4 percent).

PUBLICATION AVAILABLE

The "Trends in Resort and Daily Fee Golf" required participating course owners to share financial information, a break from their close-to-the-vest tradition, Crow said.

"We felt it was important for owners to have reliable information so they could compare their operations with others in their regions," Hughes noted.

The report costs $50 for NGOCA members and $75 for non-members. It is available from the NGOCA, 14 Exchange St., P.O. Box 1061, Charleston, S.C. 29402; telephone 803-577-5239.