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# **Boat Clubs**

By Pamela Coyle

A love of boating doesn't always mean a love of boats.

Some mariners want to be on the water, not painting hulls, fixing engines and chasing rust and rot. They don't want to tinker or troubleshoot or trailer. At the end of a great day, they want to walk away unencumbered.



Matt Weis gets a hands-on instruction, including

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some time on the water, before taking out the Tiga competition boat for the first time at the Nashville Boat Club. And in rapidly growing numbers, these boaters are finding their way to boat clubs.

The idea is simple: club members buy in with a membership fee and then pay dues monthly, in return for unlimited access to the club's local fleet. Boaters pull up at their local marina and the vessel of their choice is waiting. Aside from dues, their only other cost is fuel. They pay no slip fees, and the club takes care of maintenance, insurance, repairs and the rest of the minutia associated with ownership.

It's not for everyone – and it may be blasphemous to some. But for those whose aquatic ambitions are simply to have a few days of fun on the water, it is can be a convenient and cost effective strategy.

"We love being on the water," said Donna Ford, of Gulf Shores, Ala. "We pull in, the boat is in the water. It could not be more perfect."

## VARIABLE COSTS

Fees vary greatly depending on the region. Up front costs for a regular membership in Nashville, where a Nautical Toys Boat Club opened a year ago, are \$1,895 with monthly fees of \$298. In Perdido Key, Fla., joining the Freedom Boat Club franchise costs \$5,900 and \$249 a month. Full membership with Carefree Boat Club of New York costs \$6,900 up front and \$399 a month.

Alan and Donna Ford joined the Perdido club in 2003, when it offered a five-year unlimited membership plan. It's been worth every penny, she said. Boating hasn't always been so easy for them.

The Fords signed up three years after relocating from Maryland, where they lived a mile from the Chesapeake Bay. There, they bought a center console Bayliner Sportfisher and took it out perhaps eight times. They sold it.

Now, the Fords hit the water at least once a week – they both have Wednesdays off. They have their pick – bowrider, pontoon, deck boat, center console or cruiser, including a Silverton 33 Sport Bridge and a Chaparral 240 Signature.

"It's the best thing we've ever done in terms of enjoying this area to the fullest," says Donna Ford.

Ted and Julie Klee joined the Nashville Boat Club the day they got a flier in the mail last year. He takes some pleasure in watching his Brentwood neighbors who own boats labor away on Friday night and leave for the lake two hours before he does on Saturday morning, so they can get a place in line at the launch. The Klees and their two daughters, ages 9 and 11, get up about 6:30 a.m. and are on the water 45

|                | Here's how the Nashville Boat Club<br>compares the costs:   |                  |                 |
|----------------|---|------------------|-----------------|
|                |   | Owning*          | Clubbing**      |
|                | Up Front Capital  | \$3,500          | \$995 - \$1,895 |
|                | Outfitting  | \$1,000          | \$0             |
|                | Total   | \$4,500          | \$995 - \$1,895 |
|                |   |                  |                 |
|                |   | Monthly Expenses |                 |
|                | Payment   | \$639            | \$198 - \$298   |
|                | Insurance   | \$48             | \$0             |
|                | Maintenance   | \$53             | \$0             |
|                | Slip Fees   | \$190            | \$0             |
|                | Total   | \$930            | \$198 - \$298   |
|                | *Scenario assumes purchase of a \$35,000 boat with 10<br>percent down and a 5-year loan at 8 percent interest.            |                  |                 |
|                | **The lower up front fee and monthly dues are for weekday<br>memberships only. The higher figure includes weekend<br>use. |                  |                 |
| minutes later. | SOURCE: Nashville Boat Club, www.nashvilleboatclub.net  |                  |                 |

"At the end of the day, you pull in, fill it up with gas and leave," Ted Klee says. "I can spend six hours on the lake and use seven hours of the day."

#### **GROWING STRONG**

Freedom launched the concept in 1989 and has grown to 10 clubs of its own and 34 franchises, including inland locations such as Lake Lanier, Ga.; Clear Lake, Texas; Fort Loudon Lake, Tenn.; and Grand Haven, Mich. Freedom President Mike Reynolds estimates that membership in the last year alone jumped from 3,500 to more than 4,000 across all clubs.

"Our typical member falls into two categories," says Keith D'Aunoy, who owns the Freedom clubs in Perdido and Pensacola and just opened a new franchise in Madisonville, La. "The first category is people who owned boats. They loved boating but hated everything else. The second is the guy who never owned a boat but heard all the horror stories and sees this as the only viable option."

For Melissa Eads of Hermitage, Tenn., just outside Nashville, the calculation was simple. She grew up boating on Lake Cumberland in Kentucky. The community relations manager for a large supermarket chain, Eads is single and didn't want to trailer and maintain a boat herself. A year ago, a promotional post card from the Nashville Boat Club showed up in her mailbox.

Eads joined up in April and she's hooked.

"Even though I've had male friends with me, I make sure I do most of it," she says.

The Nashville Boat Club is licensed by Nautical Toys Boat Clubs, another major player. Owner Tim Kiser started the club a year ago on J. Percy Priest Lake, a U.S. Army Corps of Engineers reservoir with 265 miles of coastline. He is starting a second club in 2009 in nearby Hendersonville on 22,500-acre Old Hickory Lake, another Corps creation. Both lakes are products of dams on the Cumberland River.

"He's got a hot market here," says Nautical Toys President Donald Spong. "Nashville is the second largest inland boating market in the U.S. (behind Dallas/Fort Worth)."

In Nashville, more than 65 people signed up the first year. Kiser just added his tenth boat – a competition sea boat. A sailboat is likely to follow.

"The majority of our members are young families with kids who are too busy to own a boat and maintain a boat," Kiser says.

Mitch and Kealah Anderson fit the profile. He's a director of corporate financial planning. She's a fitness and yoga instructor. Their children are ages 7 and 3. They belonged to the Nautical Toys boat club in Austin and when preparing to relocate to Nashville for Mitch's job, didn't want to give up that part of their lives.

It turns out they didn't have to. Mitch said he spent about a year looking at boats to buy and then the Nashville Boat Club opened. They go out almost every weekend.



Shaun Washburn**Help awaits at the dock** when Melissa Eads pulls in after spending the morning on J. Percy Priest Lake. Boat club members have two options, reserving a vessel from 7 a.m. to 1 p.m. or 2 to 8 p.m.

"For us, it is the ease and the convenience," he says. "With kids, after a big day on the lake, everyone is tired. You flip them the keys and leave, walk 200 yards to your car and drive away."

## TRAINING AND PERKS

Like most clubs, Nashville provides its members with a boating safety course before handing over any keys. Members call ahead to reserve their vessel of choice – Nautical Toys says 97 percent of the time members get what they want when they want it – and the club loads it with the gear requested, from knee boards to skis, tubes, and other water toys. A table in Kiser's office is stacked with orange tackle boxes, one for each boat, that contain a first aid kit, maps, a hand-held GPS unit, Coast Guard whistles and other safety gear.

Each time a member tries a new boat, the club staff gives them 30 minutes of personal instruction, including some time on the water. Aside from the initiation fee and monthly dues, the only other cost is fuel.

Nautical Toys started in 1994 but Spong started selling franchise licenses just five years ago. Before any club gets off the ground, the company studies the intended market as well as the prospective licensee to make sure the club will succeed.

Business is growing. Nautical Toys just sold two licenses in Palm Island, Fla., another in Port Orange near Daytona, and a new club will open near Minneapolis, Minn., next year. Nautical Toys already has clubs in Austin, Texas; Columbia, S.C.; and Scottsdale, Ariz., among other spots.

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Carefree, which spun off from Freedom several years back, has clubs in New York (Freeport, Port Jefferson, City Island and Oakdale), Maryland (Annapolis and Baltimore), Virginia (Charles City, Hampton, Portsmouth, Virginia Beach and Woodbury) and Washington D.C.

## TIME AND MONEY

Busy, two-income families and aging Baby Boomers are the markets and, with those targets, the membership boat clubs seem to be weathering the economic downturn far better than boat dealers. More clubs are coming on line and more people are joining existing clubs.

"We've been holding up pretty well in spite of it," says Reynolds, Freedom's president. "Our members are people who grew up around boating in the 70s, when it was at its height, and busier families two working parents. Their kids are in sports, and with trailering a boat and maintenance, they just don't have



the time."

Shaun WashburnAt the Nashville Boat Club,

wake boards, skis and other water tows are loaded up on the boat and waiting for members when they arrive.

Still, company executives and franchise owners don't think they are hurting boat sales much, if at all.

"I don't think we take people away from boat ownership," D'Aunoy says. "People who want to own boats are going to own boats."

To accommodate those who don't, clubs looked at their market and tinkered, in some cases substantially,

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with membership options to meet consumer needs.

After years of requiring multi-year contracts with an annual fee, Freedom now offers a lower up-front charge with monthly fees. D'Aunoy even offers "buddy memberships" that give two people access for less than two memberships. Nautical in Nashville and Carefree in New York are among the clubs that provide less expensive weekday-only memberships, which work well for retirees or, as in Nashville, musicians who work most weekends when demand is higher anyway.

All three major club chains – Freedom, Nautical Toys and Carefree – allow reciprocity, so a Freedom member in Warwick, R.I., for example, can take advantage of the other 40-plus clubs across the country.

The Nashville Boat Club cites National Marine Manufacturers Association research that shows boat owners on average use their vessels only 15 times a year. Other ways to reduce the cost of outright boat ownership – like timeshares and fractional ownership – exist, but in all cases an ownership interest still exists, and that means ownership pressures and responsibilities.

The clubs use that idea to market themselves as much on lifestyle as they do on cost. Nautical Toys calls its sites "Boating Country Clubs." Staff, marketing materials and websites tout the appeal of driving to the marina and hopping aboard immediately.

"We want to make it very special," D'Aunoy says. "We want to start with a good day of boating and finish with a good day of boating. We just really make people happy."

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