

On Wed, Dec 16, 2009 at 1:14 PM, William Pickard <bpickard@pickard-murphy.com> wrote:

I just read an article in the Plain Dealer on your project. Good luck. I'm biased, but its worth the effort. http://blog.cleveland.com/architecture/2009/12/cleveland_rowing_foundation_fo.html

I picked up on one aspect of your current situation, and your comment is dead on, and too important to not reinforce. "For the past decade, the rowing foundation has occupied a rented boathouse on Scranton Road Peninsula, just upstream from the Commodore's Club property. The foundation has leased the Scranton property from Scranton Averell Inc., a trust that shares control of most land on that peninsula with Forest City Enterprises.

The foundation's tenancy on Scranton Peninsula is becoming increasingly tenuous, in part because the peninsula could become home to the Cleveland gambling casino approved by voters in November with the passage of Issue 3.

A more immediate concern is that rent at the Scranton facility will rise from \$85,000 to \$96,000 in 2010, consuming more than half of the foundation's operating budget of \$170,000."

Seattle has had great rowing programs for a long time, but we never had 'real' rowing clubs with their own boathouses until the '90's. I can provide lots of background if you want it, but the key to 'success' around here was the rowing clubs finally owning assets - and I mean land.

The City has had a tiny boathouse on Green Lake since the '40's, but it was only used by Juniors until the demand for masters rowing - spurred by the local clubs, grew so great that they were forced to open it to masters. The other City Boathouse was funded by a bond issue in 1968, but it took a number of people - including the people who launched the Pocock Foundation to get it built finally 20 years after the bond issue. They finally did it when they were threatened with a lawsuit. Even then they limited the size of the building so they could spend the budget on politically correct programs and not on what the tax payers approved. 15 years later the users of the boathouse had to raise \$2.0 million to expand it. It is still not as large as it could have been in 1984 for an additional \$200k. But that's another story.

Lake Washington Rowing Club - in the early '60's one of the dominant competitive clubs in the US - tried for years to get a building done with no success. The lack of progress was in part the membership's unwillingness to raise its dues to take on the debt necessary to do it - but recalcitrance on the part of the City and a bunch of unreasonable demands - killed it.

The Rowing Foundation was started when all the former President's of LWRC got together and set three goals: 1) support high performance rowing in Seattle; 2) Build a boathouse big enough to house many rowing clubs; and 3) Build a 2000 M FISA venue and training center. 1 and 2 are done, 3 is underway. The membership of LWRC was fractured. One group wanted to own land and build a building and endow it. the other group wanted to spend a little money in an old warehouse and keep limping along as a low budget operation mostly focused on recreation. (Our members won 3 gold medals in the '84 Olympics and put a number of other athletes on the team, but it was all about a few individuals working with the athletes - not any kind of systematic program)

The key for us was owning the land. To make a long story short, we own our land and our building and we have a 3rd floor of office space we rent out as the 'endowment'. When we all left, LWRC did, in fact, raise their dues a bit and improved the old warehouse. Then they finally 'got religion' and went out and raised some debt and built a nice building on leased land.

This year, the chickens came home to roost.

The old rented warehouse has long since been redeveloped into a high-end research park. The neighborhood is much tonier now than it was in the mid 90's. The club has spent all its money over the years on paying off their loans, but their 3rd floor is a rentable banquet facility so they have kept their dues pretty low and paid their debt - they don't have any material cash reserves.

A few months ago the land lord raised the rent by a factor of approximately 14. They are negotiating with the landlord, but she has them over a barrel. They will end up paying a huge ground lease increase. You know what a 20% increase can do to your budget. How about a tripling or quadrupling. That's much less than 14 times - but its still a killer.

The PRF decided in the 70's that we had to own the land. It took us 15 years to get it done - but the experiences of LWRC and the PRF should serve as a warning to anyone who decides that leasing land is ok.

You may build something, but if you don't own the land you are sitting on, your existence is at risk. There are places like Philadelphia where boathouses have lived in parks for over 100 years. The problem is that political winds shift and the issue of 'private use of public land' will eventually always rear its head. What happens at the end of a 100 year lease? Does the City own the buildings? If the city already owns the buildings, how much control will the City exert over the rowing programs. In Seattle, the City Programs are facing big budget cuts and potential fee increases that are a problem - not as big a problem as LWRC is facing but never the less - a problem.

When the land in Seattle was industrial, marine oriented, gravel dumps, parking lots, etc. it was never a problem to find moorage or a place to put a shed, etc.

Now that virtually all our waterfront - fresh or salt - is being developed for housing or high end commercial office (with or without water dependent uses) - all of a sudden it has become a hot commodity. If LWRC can't reach a deal with their landlord they'll lose their building, and it will either be torn down and replaced with another office complex, or turned into something that may - or may not - have any relationship to rowing. You can understand that with a private sector owner - they need to maximize profits. Cities are another matter, or you would think that they were - but here, the City has been just as rapacious as the private sector - when they see something they want, they go out of their way to just try to take it. That phrase "private use of public land" animates a lot of people into doing illogical things for a 'cause'.

I remember when the river caught on fire, and I did business with some guys in Cleveland for several years 10-15 years ago. It was still pretty industrial along the water but you could already see the potential.

If it were me, I'd negotiate with the powers that be to sell you the parcel just underneath your building - so you are in a park, but you own it. You could agree to conditions that required you to sell it back at 50% of the market in exchange for a) no property taxes, and b) a pledge to NEVER do anything but run a rowing program there. Buy them a piece of contiguous land and trade for the piece under the boathouse - or something. Then, in 50 or 100 years, when the political winds are blowing in a different direction, you won't be forced out.

Lincoln Park Boat Club in Chicago owns the land under their building and its in the park - and has been for over 100 years. About 20-30 years ago or so, the City tried to kick them out and take it over. The fact that they owned the land saved them.

Hope for the best - plan for the worst!
Find a way to own your land.

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"There is nothing -- absolutely NOTHING -- half so much worth doing as simply messing-about in boats."
Kenneth Grahame's "The Wind in the Willows"