

Anatomy of a Club Renovation

Peter Dragonas
David Lehman
Quinn Schwenker, AIA

Panel Discussion

- Case history of a renovation
 - David Lehman
 - Past Commodore, Annisquam Yacht Club
- Architectural Considerations
 - Quinn Schwenker, AIA
 - Ford 3 Architects, Princeton, New Jersey
- Options for Financing a Renovation
 - Peter Dragonas
 - Past Commodore, Jubilee Yacht Club
 - Rear Commodore, Boston Yacht Club
 - Senior Vice President, Morgan Stanley

Not Our Club But...

Boston Globe May 21, 2013

“Clubby atmosphere vanishes as costs escalate in Belmont

- “What began two years ago as an elaborate \$18 million clubhouse reconstruction at Belmont Country Club has grown into a nearly \$30 million fiasco, and now the club’s affluent, well mannered **membership has lost its collective cool.**”
- “Wealthy weekend golfers are standing up in meetings and demanding resignations. Millionaires are **trading nasty e-mails** – delineating their grievances and accusations with Roman numerals.”
- “Backslapping has been replaced by **back stabbing**, and successful business people are doing **“things that we would never do in our professional lives”**, according to one message from the clubhouse building committee”

In General

- That was Belmont's story; ours is different and yours was, is or will be different
- Each club has its own culture, membership expectations and traditions to which the club leadership has to be sensitive
- Having been a part of this one, and hearing stories of many others, there are many commonalities.
 - Not sure they are all avoidable
 - But being forewarned is being forearmed
- Generally, people don't like change. Renovations are the stories of overcoming this attachment to the status quo

Components of Renovation

- Why Renovate?
 - Defining the change
 - Case for Change
- Finances
- Project Management
- Membership

Why Renovate?

Stewardship and Deferred Maintenance

- Our club had been “patched” over the years.
 - No major renovation in 90 years
 - Building loadings had changed
 - Woodwork was old, stained, finish worn off
 - Main room very dim – no one wanted to be in it
 - Cluttered – little storage for tables/chairs needed for weddings but not for daily use
 - Kitchen inefficient for current dining load
 - Bathrooms were beyond old
 - Governor’s room was referred to as “the bilge”

Why Renovate?

Functional Changes

- Changes in dining styles
 - Moved from formal to informal dining
 - Increase member social interaction
- Increase kitchen capacity/reduce wait time for meals
- More attractive for functions (produce revenue)
 - Weddings
 - Small parties
 - Business off-sites









Need a Case for Change

- Explaining to the membership the need for renovation
- Gary Jobson said, “There are six guys in the bar, who are against everything and its the same six guys in every club”
- “Why don’t dues/initiation fees cover this?”
- “How did the leadership let the club get in such bad shape?”
- “We like it the way it is”
- “[You](#) want to change the “character” of [our](#) club”
- “An interior decorator?!?!?!?”
- “Weddings, functions; that’s no reason to do this”
- “That’s too much money”

Management

- Need a strong manager in charge
 - Commodore managed the project for AYC
 - Staying on budget/schedule critical to member relations
 - Contractor needs to understand this
 - Contractor with stake in local community helped at AYC – members were his clientele
 - Have a prioritized list of cost reduction steps if surprises are found
- Renovation committee
 - Input from members – they may offer objections; they may offer good ideas but always remember they reflect the clubs culture and tradition. Pay attention and heed these suggestions where possible.
)
 - Takes some heat off the project manager
 - Takes the decision load off project manager
- Members don't think Keep Out signs apply to them
 - Some individual club members with no authority will get involved

Leading the Membership

- The Case for Change
 - Essentials vs. nice to haves
- Communicate, Communicate, Communicate
 - It won't be enough; be prepared and LISTEN to the memberships ideas
- If you think things are going well, they aren't
 - Membership isn't paying attention, despite your best efforts
- The destructive power of the winter cocktail party in a summer community
 - Supporters become detractors
 - People extrapolate, even make stuff up, even in the presence of information
- They say it is not about the money but it is

Seven Stages of Grief

- Seven stages of grief (Kublar-Ross)

- Denial
- Anger
- Bargaining
- Depression
- Acceptance



Seven Stages of Renovations

Lessons Learned



- Requires leadership vision and courage to overcome inertia and acceptance of status quo
- Get the former flags together – links to membership
 - Test material on them
 - Ask them to be ambassadors to the membership
- Record names of the discontented. Have one on one discussion with each
 - Time consuming but it will pay off
 - Some people just need individual attention
- Show respect to everyone, even the ignoranuses (Winner: Washington Post word contest)
 - One false statement, becomes arrogance leading to charges of railroading the project against the wishes of the membership

Lessons Learned (2)

- Have a change management expert as part of the team.
 - Be sure the club leadership respects change management and the extra time and effort it takes
- Control the all membership email list
- Work American Disabilities Act, Environmental issues first; Way in advance
 - Know the town officials
- If you have access issues like AYC does over the water: work with the fire department early
- Plan on losing some members, but our experience, despite all the noise, only one loss was directly attributable to the fuss

Lessons Learned (3)

- Beware of artists conceptions – membership takes them literally.
 - Be very specific about design detail to avoid unnecessary conjecture
- Set up a “hotline” email account for questions so members can get answers
 - Openness and transparency is the key
 - But definitions of openness and transparency differ
- Listen to the membership – careful judgment is required to differentiate between the six guys in a bar objecting and reasonable suggestions that differ from the plan but reflect the clubs traditions and values.

Best Quote Opening Day

“This is really nice but I think they need to add something to the menu.”

“Oh? Really? What’s that?”

“Crow”

Moral: On budget, on schedule, well done projects lead to
immediate membership amnesia
(but don’t expect apologies either)



Smooth Sailing or Stormy Waters:

Tips for navigating your club's next design and construction project.



Quinn Schwenker, Sailor



Quinn Schwenker, Sailor

- Member, Mike Ingham Sailing Crew, 20 years
 - 2015 J24 Worlds 2nd , Boltenhaggen, Germany
 - 2013 US National J24 Champion Crew
- Member, Lake Nochamixion Sailing Club, PA
- Haarstick Sailmakers, 5 years

Quinn Schwenker, Founding Partner



nautalytics

Quinn Schwenker, Architect



Quinn Schwenker, Architect

- Founding Partner, Ford 3 Architects
 - Advise, manage, design, collaborate
 - New construction, adaptive re-use, renovations
- Project Types:
 - Additions and Renovations
 - Adaptive Re-Use
 - New Construction
 - Historic Preservation
 - Sustainability

Topics

- Construction Steps
- Construction Reality
- Planning
 - The Team
 - Managing Expectations
 - The Big Four Mandates
 - Case Study

Steps to Renovate Clubhouse

- **Programming**
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
- **Concept Design**
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
- **Site Plan Design**
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
- **Public Relations**
 - Meet with neighbors
 - Build support
- **Municipal Approvals**
 - Land Use approval
 - Zoning Approval
 - DEP approval
 - Water Conservancy Approvals
 - Special Approvals
- **Design**
 - **Schematic Design**
 - Design w/ Architect and Engineers
 - Meetings
 - Special committees, departments , needs
 - Cost Estimate
 - Board Meetings
 - **Design Development**
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
- **Construction Documents**
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
- **Find a Builder**
 - General Contractor, Construction Manager, Multiple Primes
 - **Project Delivery**
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - **When do they start?**
 - Pre construction services, Bidder
 - **How many contractors on the list?**

Steps to Renovate Clubhouse

1. Programming

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
- Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
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 - Manage Expectations
 - Board Meetings
- Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
- Public Relations
 - Meet with neighbors
 - Build support
- Design
 - Land Use approval
 - Zoning Approval
 - DLR approval
 - Water Conservancy Approvals
- Schematic Design
 - Design w/ Architect and Engineers
 - Special committees, departments, needs
 - Cost Estimate
 - Board Meetings
- Design Development
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
- Construction Documents
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 - Design w/ Architect and Engineers
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 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
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 - How many contractors on the list?

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 - Plans, Pretty Drawings, Budget
 - Cost Estimate
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 - Board Meetings
 - Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
 - Public Relations
 - Meet with neighbors
 - Build support
- ## 2. Concept Design
- Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
- Design
 - Design w/ Architect and Engineers
 - Special committees, departments, needs
 - Cost Estimate
 - Board Meetings
 - Design Development
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
 - Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
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 - Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
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 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
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Steps to Renovate Clubhouse

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 - Manage Expectations
 - Board Meetings
 - Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
 - Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
 - Public Relations
 - Meet with neighbors
 - Build support
- ## 3. Site Plan Design
- Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Bulkhead
- Design
 - Design w/ Architect and Engineers
 - Special committees, departments , needs
 - Cost Estimate
 - Board Meetings
 - Design Development
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
 - Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?

Steps to Renovate Clubhouse

4. Public Relations

— Meet with neighbors

— Meet with municipality

— Press

— Build support

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
- Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
- Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
- Public Relations
 - Meet with neighbors
 - Build support
- Design
 - Land Use approval
 - Zoning Approval
 - Water Conservancy Approvals
 - Design w/ Architect and Engineers
 - Meetings
 - Special committees, departments, needs
 - Cost Estimate
 - Board Meetings
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
- Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?

Steps to Renovate Clubhouse

5. Municipal Approvals

– Planning or Zoning Approval

– DEP approval

– Water Conservancy Approvals

– Special Approvals

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
- Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
- Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
- Public Relations
 - Meet with neighbors
 - Build support
- Design
 - Land Use approval
 - Zoning approval
 - DEP approval
 - Water Conservancy Approvals
 - Special Approvals
- Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
- Design Development
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors

Steps to Renovate Clubhouse

6. Design

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
- Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
- Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
- Public Relations
 - Meet with neighbors
 - Build support
- Municipal Approvals
 - Schematic Design
 - Design w/ Architect and Engineers
 - Meetings
 - Special committees, departments, needs
 - Cost Estimate
 - Board Meetings
- Design Development
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Interiors
- Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings

Steps to Renovate Clubhouse

7. Find a Builder

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
 - Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
 - Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
 - Public Relations
 - Meet with neighbors
 - Build support
- General Contractor, Construction Manager, Multiple Primes
 - Union vs Non-Union
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
- Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?

Steps to Renovate Clubhouse

8. Construction

- Programming
 - Needs
 - Define Goals
 - Develop Program
 - Develop Budget
 - Manage Expectations
 - Board Meetings
 - Concept Design
 - Plans, Pretty Drawings, Budget
 - Cost Estimate
 - Build Consensus
 - Manage Expectations
 - Board Meetings
 - Site Plan Design
 - Civil Engineering
 - Soils approvals
 - Traffic engineering
 - Board Meetings
 - Public Relations
 - Meet with neighbors
 - Build support
- Kick off
 - Weekly meetings
 - Contractors/
Subs
 - Owners Representative
 - Schedule
 - Change orders
 - Completed Project
- Construction Documents
 - Design w/ Architect and Engineers
 - Meetings
 - Cost Estimate
 - Board Meetings
 - Find a Builder
 - General Contractor, Construction Manager, Multiple Primes
 - Project Delivery
 - Design-Bid –Build, Design –Build, GMP, GMP at Risk, Lump Sum w/ alternates
 - When do they start?
 - Pre construction services, Bidder
 - How many contractors on the list?

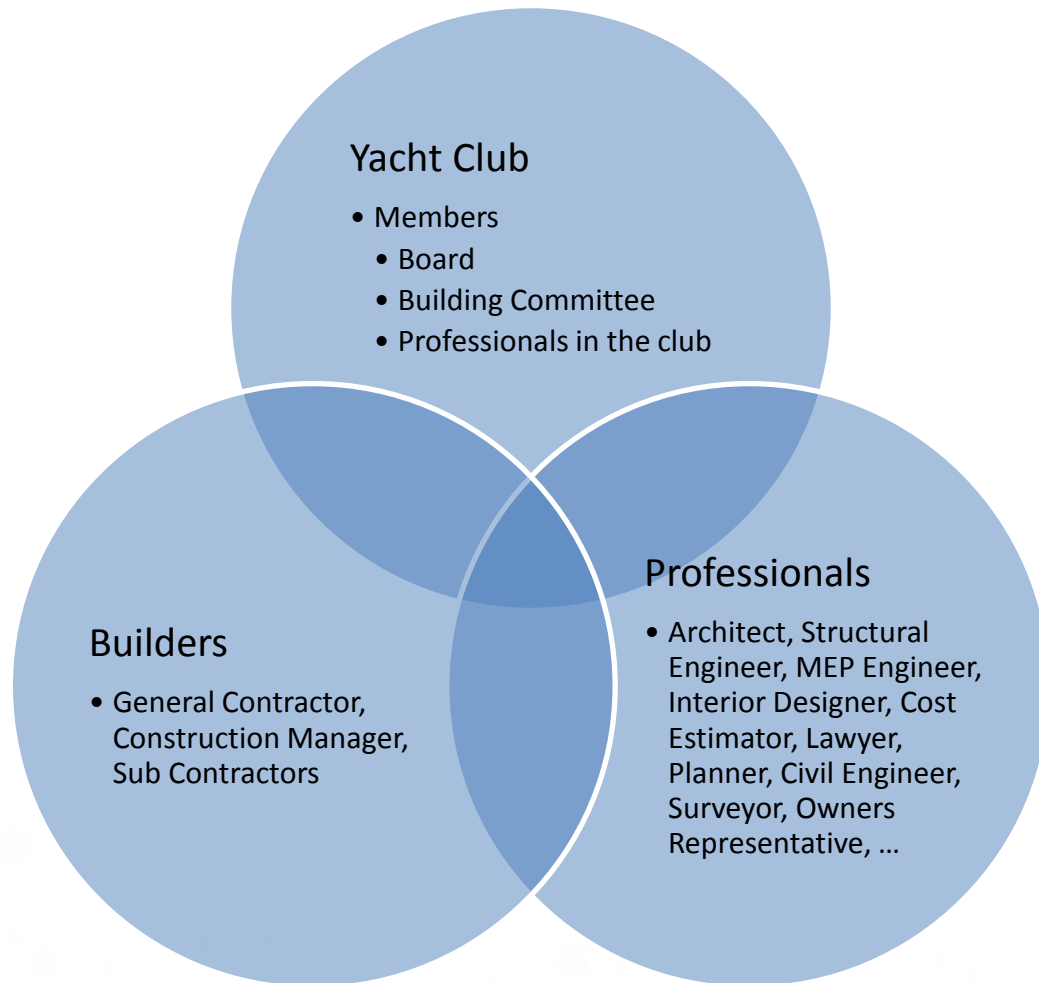
Construction Reality

- The building process is more complicated, disruptive, and expensive than seems reasonable or logical
- Poor planning leads to poorly designed projects that are over budget with delayed schedules

Failure to Plan



The Team



Managing Expectations

Budget, Quality and Schedule



\$4,500

Roto-molded Polyethylene
Fun and Easy to Use
Manufacture many a day



\$18,000

Carbon Fiber
Fun with Steep Learning Curve
Limited number per year

The Big Four Mandates



The Other Issues

- Codes and Code Officials
- Cost of Construction
- Working in existing structures
- Sustainability
- Sea Level Rise

Case Study

Princeton Charter Club – The Next 100 Years

January 31, 2015

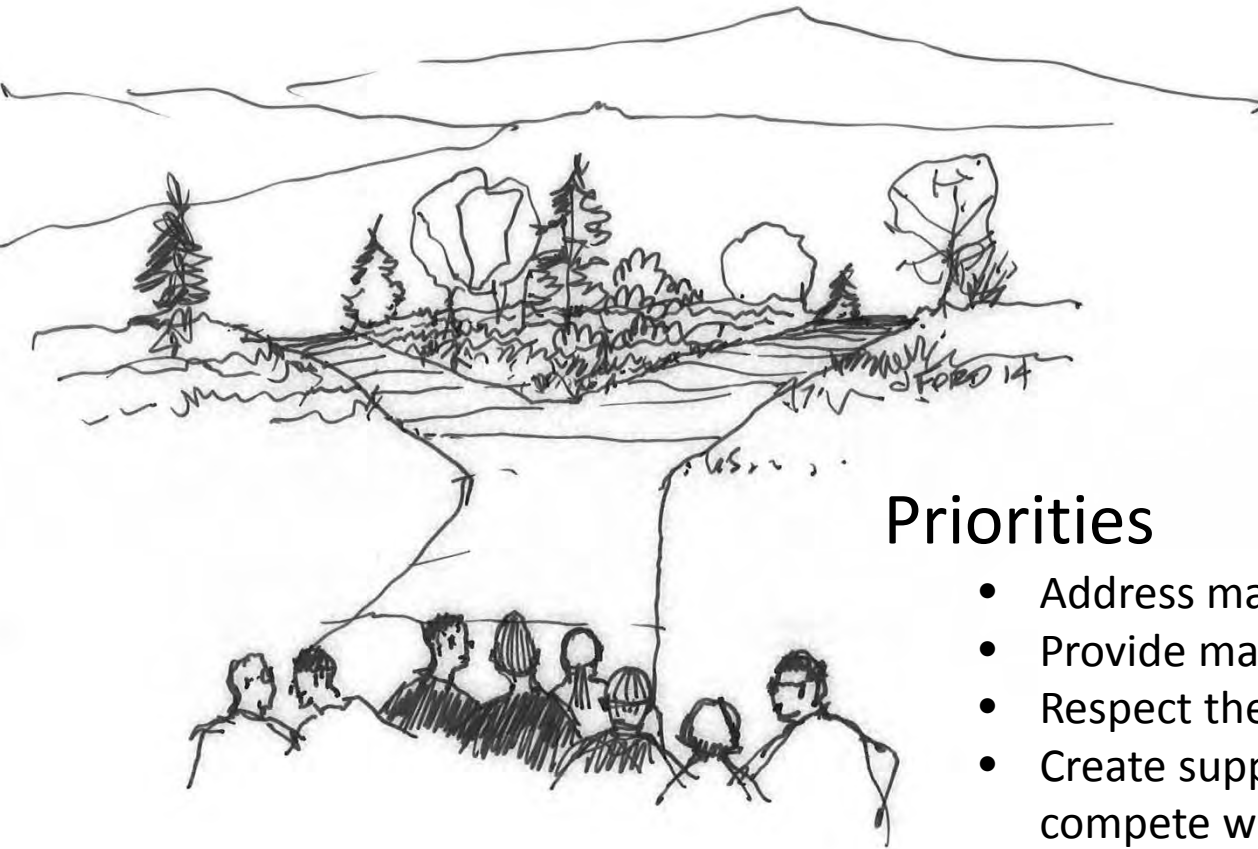


Why An Eating Club?

- Very active Board of Governors
- Many professional alums
- Limited budgets
- Stewardship for long term institution

Princeton Charter Club – The Next 100 Years

How do we decide which way to go?



Priorities

- Address major maintenance needs
- Provide maximum flexibility for the future
- Respect the architecture of the club house
- Create support facilities necessary to compete with other contemporary dining options

Princeton Charter Club – The Next 100 Years

Sound Familiar?

- Plan for the future to ensure Club viability
- Address existing deficiencies
 - ✓ Inadequate space for food prep
 - ✓ Inadequate/ poorly integrated food service areas
 - ✓ Lack of ADA compliant access to building & spaces within the building
 - ✓ Need for better/ increased storage
- Design to reinforce Club character: welcoming, fun, diverse community
- Design in harmony with the historic nature of the building

Princeton Charter Club – The Next 100 Years

Sound Familiar?

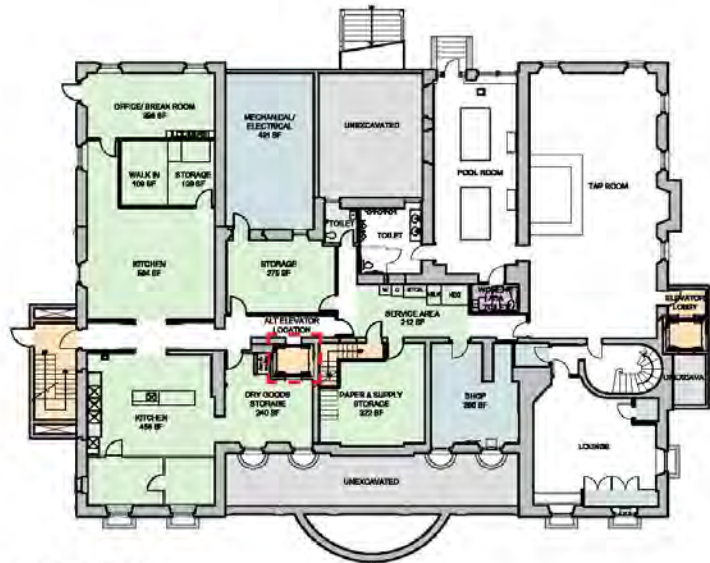
- Club facility remains essentially as it was when constructed but membership levels are three to four times that of original membership.
- Spatial, storage and equipment constraints hamper the ability of the food service staff to provide the range and qualities of offering to members that they ideally would. Spatial inefficiencies drive up operating costs.

Princeton Charter Club – The Next 100 Years

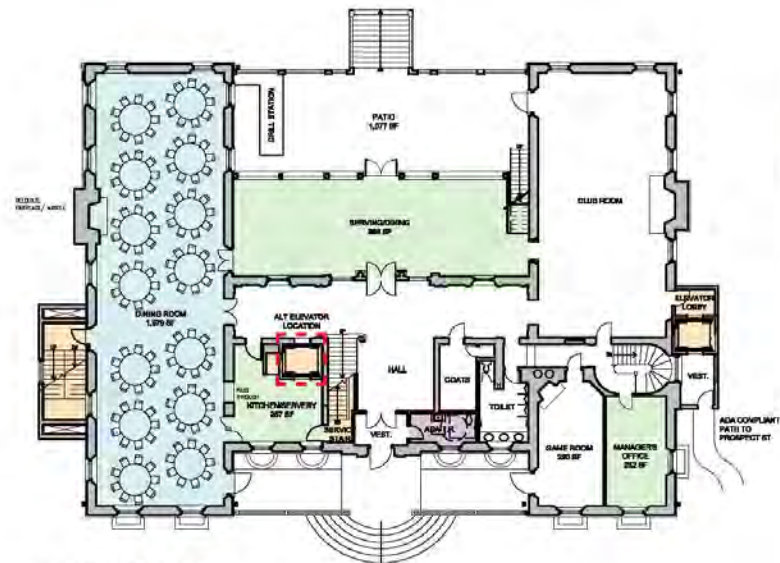
Sound Familiar?

- The lack of ADA compliance hampers the ability of the Club to host multi-generational events & can also pose challenges for undergraduates as well.
- Variations issued for egress and vertical enclosure deficiencies are not granted in perpetuity. Correct these when feasible to ensure continued viability of all club spaces.
- Building systems are antiquated and should be replaced as part of any major project.

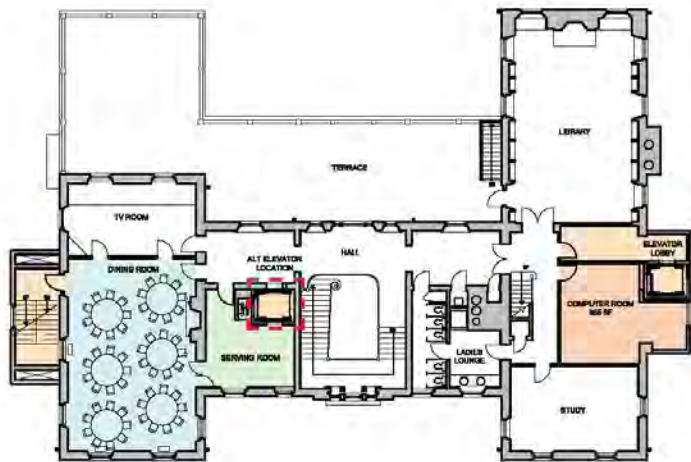
Princeton Charter Club – The Details



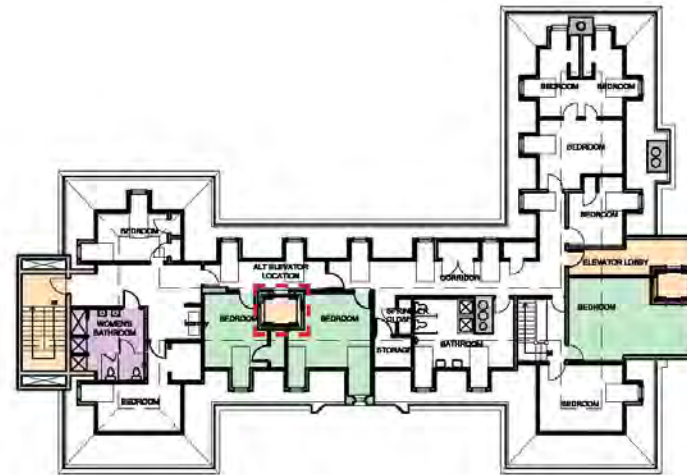
BASEMENT PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN



THIRD FLOOR PLAN

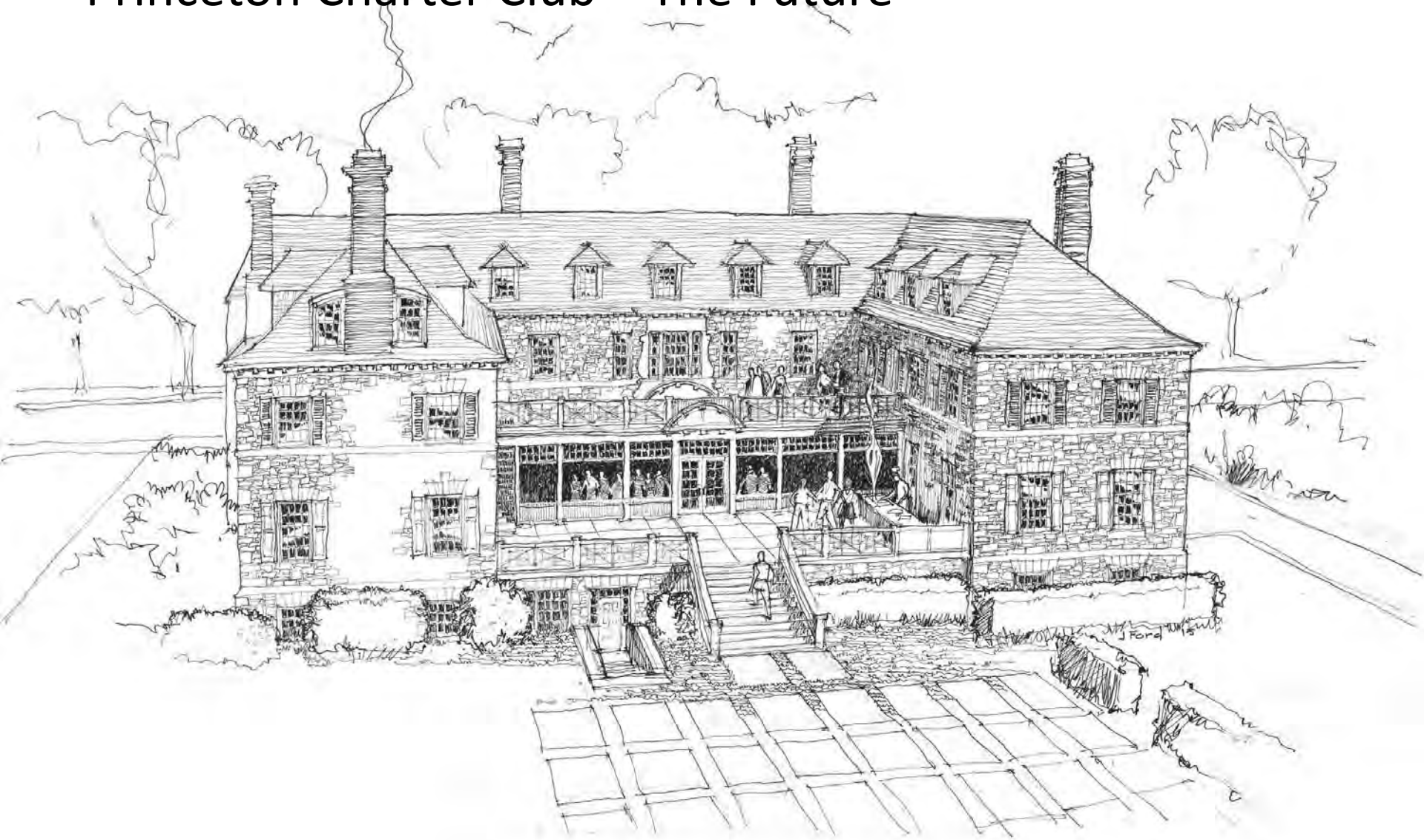


EXPANSION W/O 2ND
& 3RD FLOOR ADDITION
AT EAST WING

FORD3
ARCHITECTS, LLC

THE PRINCETON CHARTER CLUB
79 PROSPECT AVE.
PRINCETON, NJ
DATE: 1/31/2015

Princeton Charter Club – The Future



FINANCING A RENOVATION

- Peter J Dragonas
 - Past Commodore, Jubilee Yacht Club
 - Rear Commodore, Boston Yacht Club
 - Senior Vice President, Morgan Stanley

Disclaimer

The views expressed herein do not necessarily represent the views of Morgan Stanley, its subsidiaries or affiliates. Any comments made herein by the Presenter are made by the Presenter in his individual capacity only.

Organization

- Determine Corporate Structure
 - State website; Corporate records
 - Non-Profit, Sub S, LLC

Organization

Nonprofit corporations have the same powers as business corporations, except the power to purchase, receive, take or otherwise acquire, own, hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use, or otherwise deal in and with its own shares.

h. to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or encumbrance of, or security interest in, all or any of its property or any interest therein, wherever situated;

Organization

- Yacht Club Corporate Structure
- Definition of a Nonprofit

Determine the Amount of Cash Needed

- Budget
- Wish list
- Reality

Methods of Financing

- Traditional Bank Loan
- Member Special Assessment
- Equity Bond
- User Self Pay / Member Dues
- Promissory Note

Methods of Financing

- Traditional Bank Loan
 - Usually Secures all Assets
 - Fixed Payback out of Dues
- Special Assessment
 - All members Pay
 - Often Discouraged
- Equity Bond
 - May not be Allowed
 - Equity not Debt
 - Repaid on some Schedule

Methods of Financing II

- User Self Pay / Member Dues
 - Requires Un-Obligated Cash Reserves
 - Usually 1/3 Cash 2/3 Over Time
 - Not Practical for Major Bldg. Renovation
- Promissory Note
 - Viewed Favorably by Members
 - Limited Liability
 - Does not Secure Assets
 - Paid back by All Members via Annual Dues
 - Very Simple Paperwork; 2 forms
 - No filings for Debt or Security
 - Does not run afoul of IRS Regulations
 - Structure is:
 - 3 Year Term, Interest Paid Annually
 - Annual Member Budget has Line Items for Annual Interest
 - PLUS 1/3 of Total Prom Note in Escrow for Pay Back of Principal
 - Usually restricts Executive Committee and Financial Committee from participating

Summary

- Determine Corporate Structure
- Determine the Amount of Cash Needed
- Determine the Most Acceptable Method to Finance

Your Opinion Matters

Please open the **Sailing Leadership Forum app** and complete the **session survey** found in the **menu bar**.

Thank you for attending this session