

Rush Creek Yacht Club

Master Plan
November 24, 1972

RUSH CREEK YACHT CLUB

P.O. Box 64477

Dallas, Texas, 75206

on Lake Ray Hubbard

December 13, 1972

TO: RCYC Members

FROM: James R. Craig, Commodore

SUBJECT: RCYC MASTER PLAN ;

One of the most difficult problems facing the Board of Governors as it handles the Club's day-to-day business is to maintain a long-term view. As in human affairs generally, there is a tendency to choose the expedient course without giving adequate thought to its future effects. To be foresighted, one needs a set of clear objectives, an informed view of causes and effects of past results, and a thoughtful and systematic estimate of the future.

To give it assistance in maintaining a long-term view, the Board created in January 1972 a Long-Range Planning Committee. The committee, chaired by Bob Chilton, our first Commodore, was asked to divorce itself from the immediate problems of daily operations and to create a set of guidelines for the Club's future.

After almost a year of careful review and evaluation of alternatives, the committee has submitted to the Board the enclosed document, entitled the Rush Creek Yacht Club Master Plan. The Board has unanimously approved the Master Plan, with grateful thanks to the members of the committee and to other members who assisted the committee in its work, and has directed that the Plan be distributed to the Club membership.

The Master Plan serves several functions. It is first and foremost a planning document. It is neither a binding nor complete blueprint. Its premises and recommendations, though subject to change with changing conditions, provide valuable guidance for day-to-day decisions of the Board. Secondly, it gives the membership useful information about where we have been and where we think we are going.

I think you will be pleased with the Master Plan. Please read it carefully and keep it in your permanent RCYC file.

JRC

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P. O. Box 424 Dallas, Texas 75221

on Lake Ray Hubbard

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To the Officers, Directors and Management of Rush Creek Yacht Club

In early 1972 Commodore Jim Craig asked the past commodores to conduct a study dealing with the future of our club, and specifically how the founding management foresaw the operation of the club in several areas. The group divorced itself from present day to day problems and focused upon the reasons the club was formed and how it should operate in the future in order to accomplish the original goals. The foregoing should be read by each new board member and reviewed periodically, particularly when major changes are contemplated.

In preparing this report the committee has drawn heavily upon the contributions of Jim Anderson, Stanley Smith and Van Smith.

Respectfully submitted

Jim Craig
Bob Thomas
Bob Chilton, Chairman

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FORWARD

WHY RUSH CREEK YACHT CLUB?

For many years Dallas sailors suffered on various lakes with inadequate facilities, crowded courses, and too widely distributed talent. With sailboat dealers proliferating the lakes with more new classes each year, the more competitive racing talent was spread thin. This not only caused a lack of continued competition, but hurt the growth of individual fleets. Another shortcoming was the lack of young sailors joining the fleets. This was no doubt because of the lack of consistent and professional training.

Consequently, with the opening of Lake Ray Hubbard the founders sought to cure these problems by developing a sailing facility that would allow racing activities to abound for many years to come. It is important to keep the previous statement in perspective because the balance of this report will detail how this has been planned and how future goals for Rush Creek Yacht Club should be implemented in order to achieve this objective.

In order for a club to exist it must be economically sound. Given the premise that most expenses can be planned and controlled the main objective usually becomes generating sufficient income. It has been found in other clubs that operating income comes mostly from the active racing participants. With their regattas, meetings and guests they provide not only steady business at the bar and restaurant, but a feeling of life to the club. Nothing succeeds like success, and a yacht club is no different. When visitors see the activity, the crowds of adults and smiles of the kids they become infected with the same enthusiasm and want to join in with the group. This then provides a constant source of new members which are vital to the proper amortization of our initial debt and future 'Capital improvements of the club.

ADULT RACING

Sound active racing fleets grow from within. They constantly seek to add new boats and skippers for competitive reasons and when this happens the club also benefits. So here again we find valid reason to support this type of activity. So much so in fact that the founders sought to make sure that racing activity would continue to be the central theme of the club by having a majority of the Board of Governors made up of fleet representatives. A study of other yacht clubs showed that conflict usually develops between "social members" or power boaters and active sailboat racers. The founders sought to keep this to a minimum through recognition of select fleets and a somewhat singular purpose for the club. This is not to say that social members or power boaters are not welcome, for indeed they are and, in fact, are needed to give a fully rounded club. Power boaters are, for example, natural allies to the sailors in assisting in race management and lake safety, although much good natured kidding goes on between the two.

Because of a strong desire for quality racing and even the hope that Rush Creek Yacht Club could sponsor participants in the Olympics, the founders started a very difficult but worthwhile restriction on racing fleets. They stated they would only recognize fleets with: (1) a strong national class; (2) active participation on the race course each racing day; and (3) a locally active regatta and educational program. In view of the needy financial conditions of the club at That time and the adverse number of fleets that potential members belonged to it was a bold move. The main objective was to support solid fleets of non-similar classes with talent concentrated so as to insure a racing program that would live for some years to come. At the beginning seven fleets, including the keel cruising boats, were invited to race. At the end of that fall series in 1970 the applications for fleet recognition were reviewed along with the amount of participation for each race. Based on that information, four fleets were recognized (not including the junior fleets) and continue to prosper. It is anticipated that new fleets will desire recognition which would

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mean among other things, a separate start, a representative on the Board of Governors, support from the club, ability to hold regattas, and last but not least the permission to place a trophy and fleet picture in the club. It is the strong desire of the founders that the same criteria for selection of the first fleets be utilized for future applicants. They should be given an opportunity to prove their ability by starting in the mixed group, after all other fleets, for one series. If they average four boats per race, they should be recognized provided they fulfill the other qualifications. The recognized fleets should remain as such only so long as their participation remains strong. After proper notice, weak fleets should have their recognized status removed.

JUNIOR PROGRAM

A strong junior program benefits all fleets and the club in particular. It is no secret that parents do many things for the enjoyment of their offspring. We, therefore, feel that with enough junior activities the club can continue to grow. If these activities contain enough racing programs, the long-term purpose of the club can be achieved. In order to begin training, equipment was necessary so to facilitate this solicitation a tax deductible vehicle known as the Rush Creek Sailing Foundation was formed. Boats and training equipment were purchased or received as gifts and it is anticipated that this will continue to grow as it has in other clubs for many years. The "sailing school" vehicle is flexible and should be used to assist all types of education; adult or junior. It too can serve valuable functions for the club because of its unique tax status. It could be the vehicle for fund raising efforts for things like supporting an Olympic hopeful or purchasing race course equipment. Its main purpose; however, is to assist our junior program. Worthy of note is that during our first summer a sailing camp was held with paid instructor using some 10 board boats. We now have high level competition between yacht clubs and training for Sears Cup competition. It is the desire of the founders that this program continue to flourish.

FACILITIES

A whole section will be devoted to land use; however, the facilities are so interwoven with our original policy objectives that comment should begin here. We are fortunate to have so many acres to work with because it makes so many things possible. Yacht clubs across the country have run out of room and cry for more land so that they can add activities. While we are well endowed in this respect we recognize that it is a euphoric status because it not only makes for sloppy planning, but could endanger the original central philosophy for Rush Creek Yacht Club. Restated, our purpose is to create a sailing facility that would allow racing activities to abound for many years to come. We must be careful, therefore, to not let the other activities become anywhere near as important as our sailing efforts. Other yacht clubs have allowed golf, tennis, social affairs and/or power boating to overshadow sailboat racing to the extent that competitive sailing now occupies a small portion of the club and its activities. The founders obviously don't want that to happen. However, they realize that in order to be a family facility they must provide other facilities and activities for the use of family members that do not race. The pool, for example, (our first non-race oriented facility) was created so that mother and the small youngsters could swim while the father and his friends raced. The founders had in mind a place for wholesome family togetherness.

CONDOMINIUMS

Somewhat consistent with this thinking is the reasoning behind the three acres devoted to the condominiums. The founders wanted to accomplish three objectives in leasing this land. First, to provide income each year to help amortize the mortgage on the first clubhouse and pool. Second, to promote activity around the club grounds which would aid the bar, restaurant and slip rental income. Third, to allow our members (the only eligible condominium owners) a close place to live and enjoy the club. It

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would also allow for entertainment of guests who would be potential members. Thus, all three before mentioned objectives would aid the primary philosophy of the club.

PHILOSOPHY ON QUALITY

Finally, it should be mentioned that the manner in which these facilities and activities are to be accomplished should be first-class in every respect. There is always a cheaper way to accomplish things, but it has been our experience that that approach doesn't promote our objective of providing the finest sailing facility for the City of Excellence, Dallas. While trying not to be wasteful, the founders have tried to purchase items that would not only last a great length of time, but also be in keeping with the general character of the "finest sailing facility for yacht racing events" for Dallas. Indeed the primary start-up problems have been with the breakwater, on which we tried to be thrifty. Perhaps by stating our thoughts in this manual many future problems can be avoided so that Rush Creek Yacht Club will in fact be Dallas' showcase for yacht racing.

SITE PLAN

Early in 1970 the planning of the Rush Creek Yacht Club site was initiated by the Board of Governors. The planning committee appointed by this board was asked to develop a program for initial and future use of the site and to translate this program in physical terms. The program which evolved included in the initial phase and in addition to harbor facilities a clubhouse, a home for the caretaker and a swimming pool. The present clubhouse with an expanded deck area and some additional kitchen equipment and restroom fixtures should serve approximately 250 families. Future phases include an additional clubhouse and enlarged boating facilities, tennis courts and additional parking. Based on the physical limitations imposed by the area of the harbor and the club site, an ultimate membership of 500 was projected as a practical limit. This figure was the basis for planning the future building needs.

Included in the projection for the future in addition to clubhouse facilities was a separate space for teenage socializing, sail storage, a ships store, pool, picnic and tennis cabanas, repair and rigging shops and sheds, trailer storage, a "19th hole" for sailors only, and enlarged parking areas for both clubhouse parking and boat storage.

In planning the initial clubhouse it was agreed that it should be air conditioned, flexible in its use to include both children and adults, facilities for both food and drinks, lockers and restrooms and an office. It was decided that the building should be convenient to the harbor and boat storage, that it offer the maximum view of the lake and harbor and that it be located compatible with future clubhouse planning. This initial building is capable of being reworked to accommodate a future use such as described above, i. e. , teenage room, ships store, "19th hole", etc. The underfloor area is accessible so that additional equipment and fixtures can be added in both the kitchen and restrooms.

In considering the total site and the future clubhouse particularly, several considerations were explored. Program information was derived from the opinion and judgment of the general membership as well as the planning committee and the board. Locating the clubhouse at the highest part of the site and convenient to the entrance was considered, the flat area in the northwest corner of the site was considered, as well as several other locations which offered appeal for various reasons. It has been decided that the most feasible location for the ultimate clubhouse is as shown on the plan in close proximity to the initial clubhouse, and reasonably convenient to the harbor with parking separate from that required for boat storage.

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The parking areas shown on the site plan are separated according to their use. The area adjacent to the harbor is designed to be expanded to accommodate the dry storage requirements of our ultimate membership and with some temporary rearranging a 100 boat regatta. The area to the east of the future clubhouse will accommodate the parking required by clubhouse use. These two areas should be separated so that traffic cannot circulate between them. Boat traffic should be confined to that area adjacent to the water. Members visiting the clubhouse should park in the clubhouse parking area. Parking for the condominiums is provided within that site. The parking required for any additional improvements should be considered and must be provided for within the area to be improved.

A major influence on the master plan for the Rush Creek Yacht Club site was the economic reality of a need for income beyond that generated by the operation of a yacht club. The solution to this need was to lease 3 acres of club property to a development company on which condominium residential units were built. In addition to the income provided by this lease, the residents of these units contribute to the club activity generally.

An additional influence on the master plan and again economic in nature was the consideration of the note due in 1980 in the amount of \$150,000 including interest and principal for the purchase of the 13.8 acre club site from Jim Anderson. It was felt that income from the northern portion of the site not planned for physical improvement for direct club use might offer the best if not the only opportunity for satisfying the terms of the debt to Jim Anderson. Accordingly, this part of the site has been subdivided for cabana development. These sites might be sold or leased to club members. Ideally, this would remain open and green. Development would be recommended only as economic necessity dictated.

Tennis has been an element of our program from the outset. The condominium development company and those Rush Creek Yacht Club members with a particular interest in tennis recently initiated a request that a site be designated for tennis courts. The site selected is as shown on the plan generally north and east of the condominium site. This location is relatively flat, high with good drainage, and would preserve the trees in that area. It is remote from any expansion planned for the sailing activity and is acceptable to all of those who have demonstrated their interest in tennis.

That area south and east of the condominium site and extending to the water is well located for use as boat and trailer storage, maintenance, and repair facilities. The old road bed which extends to the water should be considered as a base for hauling facilities. The installation of permanent facilities in this area should be planned such that the land adjacent to the water is reserved for boat oriented activity. Non-boat activity such as trailer storage should occupy that part of the area most remote from the water.

With approval from the City of Dallas, that portion of the site south and east of the condominium site and extending to the water which is owned by the City and leased to Rush Creek Yacht Club can be improved. It should be considered when installing improvements in this area that the City has designated that area below elevation 442 as a floodway easement and will not be liable for damage to improvements in this area caused by flooding.

The entrance roadway was located as an extension of the existing access road to the Rush Creek Yacht Club site. Should this access road be relocated in the development of the adjoining property to the east, consideration should be given to relocating the Rush Creek Yacht Club entrance road adjacent to the north property line. This location would create a more desirable access around the tennis courts and to the future clubhouse. It would allow the boat and trailer storage, maintenance and repair facilities to be more effectively screened from view upon entering the site and would create more usable space for these facilities.

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The site of the Rush Creek Yacht Club offers an opportunity for the development of an excellent yachting facility and club. A thorough and thoughtful program has been developed for the ultimate growth of the club and the use of the land. An imaginative and faithful interpretation of this program as our facilities are expanded will assure a successful future for Rush Creek Yacht Club.

GROWTH PROJECTIONS THROUGH 1976

In order to assist in long-range planning the following statistics and computations should be interesting.

According to North Central Texas Council of Governments, the western half of Rockwall County (Lakeside) will grow from 5280 in 1971 to 8000 persons in 1975. Adding another incremented year and the 4900 people from the new development adjoining the club, which was not anticipated, this equals 157% growth by 1976.

According to Southwestern Bell the western half of Rockwall County (from lake to Fate) will grow from 1800 main numbers in 1971 to 4085 in 1976. Adding 1400 more phones from the new development adjoining the club, which was not included in projections, the growth from 1972 to 1976 equals 156%.

We feel that the proximity of these projections gives a growth factor that can be expected in our area on the east side of the lake. It is not reasonable to believe that we will have applications from most of the residents in the new development adjoining the club, but we must expect quite a few since we could serve as their yacht club. Of course, we grow from Dallasites too. Reviewing in just over two and a half years we have gone from 0 to 160 members, mostly Dallasites. Two years ago we were at 85 members, requiring 44 slips. We're now at 160 members (88% growth) which, if applying the same % growth should utilize 82 slips. This number of slips per member (approximately one per two) should increase to perhaps 3/4 in the near future if current trends prevail. An estimated 90% of new members are requiring moorings for keel boats or motor boat space. These would all be slip applicants.

Applying a 156% growth factor, by 1976 our membership should be 403 requiring 209 slips at the present 1-for-2 relationship. If slip/member relationship changed to 3/4 to 1, our 403 members would require 302 slips.

All of the foregoing is not to say we have to plan to accommodate these people because their sport may not be yacht racing. It should, however, make us mindful of the possible scope of our projects and hopefully force us to think in terms of tomorrow's opportunities rather than today's problems.

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

Western half of Rockwall County

1970 population	4600				
1971	5280				
1975	8000				
1976	8680	+	4900	=	13580

1971 - 1976 equals 157% growth

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SOUTHWESTERN BELL

Main number projections for Western half Rockwall County

1971	1800		
1972	2135		
1973	2500		
1974	2960		
1975	3485		
1976	4085	+ 1400 =	5485
1972 - 1976 equals 156%	growth		

NOTE: Neither study took into consideration the new development adjoining the club of 1400 families in 5 years. But, both were aware of the Gifford Hill project (Lakeside Village) and figured it in their numbers.

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2/70	85 members	44 slips
3/72	160 members	82 slips (needed now at 88% growth)
176	403 members	209 slips (assuming 156% growth)

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THE ROCKWALL TEXAS SUCCESS PAGE 3
ROCKWALL COUNTY, TEXAS, FRIDAY, NOVEMBER 10,
1972

Williams Reviews Proposed School Enrollment At Heath Council Meeting

The City Council in Heath convened in regular session Thursday, November 2, at 7:30 p. in.

Jimmy Williams, superintendent of Rockwall Schools, gave background information on proposed developments in the Heath area within the next 7-10 years. The number of additional proposed dwellings in Heath are estimated at around 4,082, or 4,000 scholastics in the nine major proposed developments itemized as Clark & Frates, Johnny Jones, A. S. D., Cove Ridge, Darr Estates, Candlelight Park, Wiltex, K & K Development No. 2, and Antiqua Bay. In Rockwall proper are estimated proposed scholastics in numbers of 6,000 in the Day and Folsom Properties, not to mention other pending developments at this time. Nor was the proposed Centex Development in Fate included in these conservative figures, where population estimates center around 10,000.

Williams was emphatic in his remarks that the Board of Education, school patrons, and governmental entities in the district need to be considering the population projections caused by the impact of potential growth of the Rockwall Independent School District. In fact he stated: "We are held accountable for providing facilities for these students." The superintendent of Rockwall Schools proposed that the City of Heath, joined by the City of Rockwall, and the Rockwall Independent School District hire a professional planner to submit a comprehensive master plan for future

school sites, and building needs to accommodate the expanding number of scholastics in the school district.

A joint meeting has been called with Rockwall City officials, City of Heath, City of Fate, and City of McClendon-Chisholm and the School Board for Wednesday, November 29th.

Relating to the mushrooming growth of the Heath vicinity, Williams said 4 out of 9 school buses run in the Heath area. For instance, 70 students board buses in Cove Ridge, Darr and Candlelight Estates. In the master planning report of Marvin Springer, Rockwall and this immediate area have surpassed the projected growth patterns. Williams also related that developers have indicated they will work with the school and its future needs.

A bid will be set for a new Middle School in late November, according to Williams. Mayor Frank Buchanan of Heath stated that several sites for schools in the Heath area have been offered.

A 20-acre land site on the Albright property in Heath has been surrendered by the Rockwall Board of Education as a future school site, because of a time option clause. Fourteen school sites exist in the Fate area, Williams told the group.

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FINANCE

INTRODUCTION

At its inception, Rush Creek Yacht Club had two immediate needs for capital. The first was to provide the initial facilities necessary to insure the required original membership. The second was to provide sufficient space for growth.

Past actions to satisfy those initial capital needs create the club's present financial context and influence its long-range financial planning. To develop future plans requires review of those past actions.

REVIEW OF PAST FINANCIAL ACTIONS Acquisition and Financing of Club Site.

When Lake Hubbard was announced, James E. Anderson, who later became the first Chairman of the club's Board of Governors, searched the shoreline for available sites. Subsequently he purchased a tract which included the present club site, which the City of Dallas had designated as the marina site for the southeast corner of the Lake. Jim's efforts to find a suitable location encouraged the club's founders, who then began to consider solutions to a new yacht club's financial problems. After months of discussion, Jim offered to ease those financial problems by selling the club the 13.782 acre club site on unique terms. There was no down payment. The purchase price was represented by a long-term note requiring no interest or principal payments until maturity. The note requires a payment of \$150,000 principal and interest at maturity. It is due in 1980. The note is secured only by the land.

Assuming a compound interest rate of 7.5%, which is conservative given recent interest rates and the unique terms of the note, the present value of the note at the time of purchase was \$72,780. Thus, the club made a bargain purchase of about \$5,300 per acre for its tract. The site is presently worth considerably more than that figure. However, the need to fund the Anderson note in 1980 is an important consideration in long-range financial planning.

Establishment of Initiation Fees and Dues. With site acquisition financed through Jim's note, financial projections showed that to improve and prepare the harbor and site and to provide initial operating funds, cash of about \$65,000 was required, plus additional borrowed capital. To be successful, the club needed seventy-five charter members paying an \$850 initiation fee, and reasonable additional membership growth at a \$1,000 initiation fee. Monthly dues were set at \$20. That amount of dues was enough to supply operating income for a low-overhead club operation. More importantly, it was within the reach of the younger sailing families needed to support the energetic one-design sailing program for which the club was principally founded. Because of the central importance of the younger families, higher dues were never to be used to finance operations or growth except as a last resort. Charter membership subscriptions were conditioned on seventy-five members joining. When that point was reached, harbor construction and improvement was authorized and plans were begun for a clubhouse and other facilities.

Development and Financing of Harbor Improvements.

Floating Breakwater. Initial harbor development created severe financial and engineering problems. High construction cost made a complete earthen breakwater almost unattainable. Inability to obtain financing, because the earthen breakwater in place was useless as collateral, made it impossible. Marine Engineering Co. (MEECO), a respected marina contractor, promised equivalent protection from a floating breakwater, which was less expensive and could be used to secure financing. To make the floating breakwater possible, Betty Anderson, Jim's wife, and Mary Nell Weatherred, a charter member, formed Chico Leasing Co., a partnership, to buy the floating breakwater and lease it to the club. At the time,

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because the club had strained its financing capability and interest rates were extremely high, the lease was critically important. Chico Leasing Co. paid \$23,000 for the floating breakwater and leased it to the club for ten years, with a ten-year renewal option, and a purchase option for a nominal amount at the end of twenty years. The monthly lease payments of \$316 are less than the amount necessary to amortize the breakwater cost and interest under normal loan terms, but extend for a longer period. To further secure the lease, members of the first Board of Governors gave their joint and several personal guarantees.

Initial Slip Installation. On the strength of slip orders from members, the club also purchased forty-four slips from MEECO. The purchase price of the slips, approximately \$44,000, was financed through a loan from Republic National Bank, which was also jointly and severally guaranteed by members of the first Board of Governors. The Board set slip-rental rates at an amount sufficient to cover insurance and maintenance expenses, and to pay breakwater lease and slip note payments.

Construction and Financing of Clubhouse and Site Improvements A twenty-year note at Dallas Federal Savings and Loan Association, in the amount of \$135,000 plus interest, provided most of the funds for the clubhouse, furnishings, swimming pool, underground utility connections, caretaker's house, and blacktopping for entry roads and parking areas. To enable the club to obtain the Dallas Federal loan, Jim Anderson subordinated his note to the Dallas Federal note, which is secured by the club site and improvements. Furthermore, fifty of our members signed personal guarantees for up to \$5,000 each. Monthly payments on the Dallas Federal loan are about \$1,350.

Condominium Lease. To encourage high utilization of club facilities, and to provide probable club-site housing and amenities for guests on one-design regatta weekends, the Board leased 3.02 acres of the club site for condominium development. The lease, for ninety-nine years, called for a substantial initial lease payment and a monthly payment for the term of the lease. The monthly lease payment is subject to periodic upward revision, but now is approximately \$900 per month. The lease permits up to fifty condominiums, of which thirty-two have been built. It requires that condominium owners be club members. In addition to the valuable semi-residential character the lease gives to the club, and the support it gives to the club's one-design sailing objective, it also provides an important source of cash to help amortize the Dallas Federal note.

Slip Damage and Breakwater Failure. In November 1970 a windstorm damaged the slips because the floating breakwater failed. It began to appear that the floating breakwater was completely inadequate to protect our harbor. Then, in February 1971, a tornado and subsequent windstorm, compounded by another failure of the floating breakwater, caused further slip damage. The slips were virtually a total loss. After months of negotiation, an insurance settlement was entered in an amount almost sufficient to retire the Republic National Bank slip loan. Because it was clear that the slips could not safely be replaced until the breakwater problem had been solved, the Board used the insurance proceeds with additional club funds, to retire the Republic Bank note. The club and Chico Leasing Co. then sued MEECO for the damages caused by the design shortcomings of the floating breakwater.

Design and Financing of the New Breakwater. After cost and engineering studies by Freese, Nichols and Endress, consulting engineers, the Board decided that the only feasible breakwater plan was to build a rock and concrete rubble breakwater. Republic National Bank agreed to loan \$30,000 on the joint and several guarantees of the Board of Governors and other members. In December 1971, the membership assessed itself an additional \$200 per member for breakwater construction and raised the future initiation fee to \$1,200. Contracts for construction were then signed. The principal contractor gave us a very favorable bid, and completed a substantial part of his contract obligation before discontinuing work because of financial difficulties. Further discussions with Republic National Bank led to an oral commitment for an additional loan for breakwater construction and slip installation. Because negotiations

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with MEECO indicated a good possibility of satisfactory settlement of the lawsuit, the Board authorized an additional \$30,000 breakwater extension (roughly one hundred feet at the present depth). Contract commitments were delayed until settlement with MEECO, so that slip construction would generate cash flow to amortize the additional borrowing. The additional loan commitment was, as before, conditioned on guarantees by members.

Settlement of Lawsuit and New Slips. In October 1972, MEECO made a settlement offer, which was accepted, providing a bargain purchase of up to ninety-four slips and reconstruction of the floating breakwater structures to make them usable for tie-up space. The settlement calls for the slips to be installed over an eighteen month period as breakwater construction progresses and slip demand justifies. With the MEECO settlement, worth between \$30,000 and \$40,000, the slip income from the completed installation should amortize the cost of slips, the floating and permanent breakwater, insurance and maintenance expenses, and other related expenses, without additional drain on other club resources. After retirement of indebtedness, the slip rentals should produce a positive cash flow of nearly \$3,000 per month. To illustrate: If all of the present harbor indebtedness and additional expenditure necessary to complete the ninety-four slip installation is financed in one loan, the principal amount of the loan will be about \$170,000. This amount includes the present \$30,000 Republic Bank breakwater loan, the unamortized portion of the \$23,000 floating breakwater cost, the cost of about \$55,000 for the ninety-four slips from MEECO, and an amount of about \$60,000 for additional breakwater extension. If we are able to obtain the loan at ten per cent interest for a seven-year period with equal monthly amortization, the monthly payment will be about \$2,700. The slips will produce about \$2,900 per month if they are rented for \$1.25 per foot, which is below the commercial rate. This produces about \$200 per month over and above the note payment, and added to the \$316 per month lease payment that will be terminated through refinancing of the floating breakwater structures, should produce enough to cover cost of insurance and maintenance. After payment of the note in seven years, the income from the slips will be available for other uses.

PROTECTION FOR GUARANTORS

Club borrowing has always required and will continue to require the guarantees of members whose financial strength is sufficient itself to secure the loans. This reality has always plagued yacht clubs. This club would not exist today were it not for the personal guarantees of club debts by a small minority of its members. Future borrowing, for the harbor improvement and slips and other investment, will be just as dependent upon such guarantees as has been past borrowing.

Members who have guaranteed club debts in the past have neither asked for nor received special benefits, financial or otherwise, in return for their guarantees. It is both unreasonable and impractical, however, to expect that a minority of our members will undertake the contingent liabilities necessary for the present health and future growth of the club without receiving reasonable assurance that the club's ability to amortize the debts for which they are contingently liable will be maintained, and that the value of the assets providing underlying security for the debts will be protected. Thus, after discussing the problem with the principal guarantors, past and present officers and Governors, and officers of other clubs having the same problem, the Long-Range Planning Committee has proposed to the board a plan for the protection of guarantors.

The plan, in general, calls for all substantial club assets to be assigned by deed of trust to member-trustees to be selected by the member-guarantors, on the condition that the trust will remain in effect so long as guaranteed club debts remain unpaid. The plan also calls for all slip rentals, initiation fees, mooring charges, dry-storage charges, and condominium lease payments to be pledged and transferred to the trustees, who will be committed to use these amounts to maintain all guaranteed note payments on a

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current basis to the extent that they can do so from such funds, and to hold any excess in trust to create a sinking fund for the Anderson note. The trustees would be subject to the limited direction of the member-guarantors, except to the extent controlled by the trust agreement with the club, and any modification of the agreement between the club and the member-guarantors would require the consent of both groups. The trustees would, of course, hold all trust assets for the benefit of member guarantors as well as the general membership.

This plan has the advantage that it provides acceptable security for guarantors without delegation of affirmative financial control. It leaves flexibility of management and operational decisions in the Board of Governors, and provides long-range assurance that club indebtedness will be retired in a conservative and sensible way.

LONG-RANGE FINANCIAL PLAN

Basic Concept. The club's guiding financial concept has been and should continue to be that each expenditure should be matched against an amortizing source providing reasonable assurance of amortization. An important corollary is that future investment should be controlled by the ability of the club to amortize the indebtedness while still retaining its character principally as an active sailing club.

Breakwater Extension and Harbor Development.

Breakwater and Slips. The ninety-four slips obtained through the settlement with MEECO should satisfy demand for the next eighteen months, but in order to install all of them additional breakwater must be authorized and built. The amount of material required per running foot of breakwater should decrease steadily as the breakwater extends toward the southern shore of the Cove. The present end of the breakwater is at or near the deepest part of the Cove. If the cost of rubble in place can be held at the past level, or reduced, the breakwater will become decreasingly expensive per running foot. The cost of concrete rubble in place varies widely, however, depending on construction projects being undertaken and their distance from the club. The completed breakwater might cost as much as \$300,000 if constructed at an average cost of \$7.00 per cubic foot; but should cost less than half that much if constructed at an average cost of \$3.00 per cubic foot. It is obviously important that the breakwater be constructed in increments so as to take advantage of the periodic availability of rubble at the lower prices. Additional slips should be installed to match demand for slips, but only to the extent that breakwater protection will allow. Slip rentals must be set so that revenues from additional slips will amortize the cost of slips as well as required breakwater extension costs.

Other Harbor Development. Additional harbor development should depend on availability of use fees to amortize their construction costs, and in situations where use fees are impractical, construction should await the availability of discretionary funds. Self-amortizing facilities for launching and storage of board boats should be constructed in the reasonably near future to beautify the harbor and increase the convenience and safety of board boat use. Tie-up space should be sufficient in the near future because of the reconstruction of the floating breakwater into tie-up space under the settlement agreement with MEECO. A marine railway and boat repair facilities should be installed in time, when demand for their use is sufficient to bring revenues to amortize the cost. Improvement of dry-storage facilities, first through rock surfacing and then by black-topping, should be considered when it can be undertaken with discretionary funds and additional use fees. A combination equipment shed and sailstorage locker building should be built when there is enough demand that locker fees can cover the note payments; a cost savings might result by building such a building when the second phase of condominiums are being constructed, if the same contractor would do this job.

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Present Clubhouse and Related Facilities. The present clubhouse should be sufficient, with some modifications in kitchen equipment and an extension of the front deck, to serve the club until the membership reaches or exceeds 250. Caution should be used in setting the clubhouse menu. It should be kept limited, but should give sufficient variety from time to time that members do not become bored with the fare. The guiding concept should be that regular utilization by members in connection with the regular racing and sailing programs must provide enough utilization to generate the income necessary to cover all additional costs and their amortization. If expenditures for equipment, facilities, or personnel are not held in careful check, they can easily create a necessity for utilization in excess of that generated by the regular sailing activity, with the result that financial pressures could cause us to so broaden our activities that sailing loses its primary character and takes a back seat. This has happened in too many once-good yacht clubs, and should be a major, continuing concern.

New Clubhouse. The long-range plan for space use sets aside an area for a new clubhouse. In time, with membership growth, a new clubhouse will be needed. Its timing should depend on the existence of a strong need and the ability to finance its construction and amortize its cost without altering the nature of the club. The most likely source of amortization is membership dues, income from the bar and grill, and slip rental fees after retirement of harbor indebtedness. The cautions expressed in the preceding paragraph apply even more strongly in connection with a new or substantially expanded clubhouse.

Club Grounds. Since they do not directly generate income, expenditures for grounds improvement must come from discretionary funds. However, a continuing program of site beautification should be maintained within financial limitations. Great care should be given to decisions about use of portions of the grounds for additional construction. These decisions normally seem to be required by pressures of the moment, and it is difficult to give careful thought to how a particular piece of construction will affect long-range use of the entire site. It is particularly important that we leave undeveloped the northwest quadrant of the site until the Anderson note has been retired. This land is our last-ditch security for the Anderson note, as it could be used for cabana sites that could be sold or leased in the event of financial emergency.

Tennis Courts. Tennis courts will provide a pleasant addition to the club facilities, but they do not directly support the club's sailing objective. They are justified if their cost does not affect the club's ability to carry out the harbor improvement plans. If courts can be funded through borrowing from members with a particular interest in tennis, and if the terms of the borrowing can permit income from use fees to retire the borrowing, courts should be added.

In General. To support the facility that we now have, regatta and other special activity must support the club bar and grill, as must all of our activities, if the bar and grill are to be financially sound. The expense of the racing program should be allocated to dues and general income, except where facilities and equipment are being used for regattas and other special events for which an entry fee is charged. In those cases, the direct out-of-pocket costs of use should be reimbursed out of the entry fees.

CONCLUSION

Time is working in our financial favor. If careful control is exercised over capital and operating expenditures, and good management is used, the club should be able to develop its program without financial stress, and should be in a very strong financial condition, with all of the present indebtedness retired, within the reasonable future.

ADMINISTRATION

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The membership of the club holds its annual meeting in the month of December to elect officers and a Board of Governors. Each member of the club is entitled to vote. The by-laws provide for a Commodore, vice-commodore (racing), vice-commodore (power boats), secretary, treasurer, and such other officers as the membership may elect. For the year 1972 the membership elected a vice-commodore (harbor) and a vice-commodore (junior program), but did not elect a vice-commodore (power boats).

The Commodore, treasurer and secretary and immediate past Commodore are members of the Board of Governors, and in addition there are six members elected for three years staggered terms. The by-laws provide that the Board of Governors must include representation from one-designed sailing fleets, the cruising auxiliary fleet, and recognized power boat groups.

The duties of the officers are quite properly not rigidly defined in the by-laws, and the by-laws do not contain provisions pertaining to meetings of the Board of Governors. In regard to the latter, it is felt that the Board of Governors should have a specific meeting day, time, and hour, which should be no less frequently than monthly and each member of the board and each officer should be expected to attend. The chairman should be in charge of the agenda, should preside at the meeting, and see to the execution of the decisions of the board. Reports should be expected from each officer, and formal minutes should be taken.

The board is the policy-making and decision-making entity, and between meetings the chairman is the chief policy-making officer. The Commodore should be the chief executive officer who is responsible for carrying out the policies of the board and supervising the work of the committees.

The chairman should be in his second or third year on the board. The Commodore should have served on the board for at least one year within the past three years.

A vice-chairman of the Board of Governors should be elected to act as liaison with other entities such as the Rush Creek Foundation, the Condominium Association, City and Municipal Governments, and such other duties and responsibilities as may be delegated to him.

Standing committees should include the following:

Racing	House	Finances
Harbor & Docks	Pool	Long Range Planning
Landscape & Grounds	Membership	Social
	Publicity	Special Events

The management of club operations is carried out by the club manager, a full time salaried employee. The club manager is in charge of food service and clubhouse operation, with such employees assisting him as are seasonally necessary. He is also in charge of the caretaker and his activities, the bookkeeping and the billing, such other general operational duties as may be included in his Job Description. With the prior approval of the Board of Governors the club manager may employ such subsidiary employees and contract labor as is reasonably necessary to carry out these responsibilities, but he shall remain responsible to see that such activities are carried out in a proper manner. The club manager shall report to the current Commodore, but work with the various committee heads.

ACTIVITIES

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Elsewhere in this report, it is clearly set forth that the purpose of Rush Creek Yacht Club is to create and maintain a sailing facility with primary emphasis on yacht racing on a quality basis.

To this end, competitive races are held on each Sunday during the year, subject to weather conditions and special seasonal and calendar conflicts. Generally, there will be two races held each Sunday afternoon, commencing at 1:30. In the future it may be possible to hold races on Saturday afternoon for junior classes. In the summer, sailing school activities are carried on during the week, with excellent participation and results. Junior training has continued on the weekends through the year and a senior training course designed to improve the skills of adult racers has been utilized.

In order to stimulate the interest of yacht racing in the Dallas area and as a matter of civic responsibility, the club has sponsored sailing clubs for 3 college groups (UD, SMU, U Plano) and a Boy Scout group. These programs are deemed worthwhile and beneficial and should be continued.

The club has and will continue to sponsor quality regattas, primarily for club recognized classes. It should be emphasized that the club is not interested in sponsoring an open class regatta for "all corners" as it is felt that such regattas sacrifice quality for the sake of quantity.

The club has and will continue to sponsor club regattas and special holiday programs for its members and guests, such as the outstanding Fourth of July program held in 1972. In addition, it is anticipated that a week night summer sailing program may be successfully utilized. Finally, the club will continue to host special competitive races sponsored by the North American Yacht Racing Union and others. The club has already hosted the quarter finals of the Adams Cup and Sears competition, the semi-finals of the Adams Cup competition, and Prince of Wales competition between the Texas champion and Arkansas champion.

Since yacht racing is a water oriented sport, it is important that all members (especially children) be continually made aware of water safety, and a water safety and life saving program may possibly be utilized by the club. In this connection, it should be noted that the swimming pool was specifically designed to provide for competitive swimming, in addition to recreational swimming. A volleyball court has been erected on the club grounds and tennis courts are slated to be constructed immediately.

The social activities of the club should be maintained, with the understanding that they should support and contribute to the enjoyment of the members in their club and their sailboat racing. Social activities may be held in conjunction with the annual meeting, and club parties should be held during the year, at the end of each racing series for the presentation of appropriate awards. In addition, the club will hold special activities at the clubhouse during the year such as chili suppers, happy hour, shrimp peel and the like. The regattas and holiday programs will likewise provide social activities for the participants.

In order to accomplish the foregoing, the board and the officers are charged with the responsibility of seeing that the activities discussed above shall be carried out over the years in such a manner as to insure that Rush Creek Yacht Club will remain a sailing facility for yacht racing of the first order.

HARBOR

The following is an explanation of the various color shadings on a possible long-range harbor plan.

GENERAL DESIGN

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The prevailing wind comes from a southwesterly direction and is approximately perpendicular to the breakwater as shown. To maximize the capacity of the harbor, the units of slips should parallel the wind line. This design nearly accomplishes this objective but takes into consideration the shallowness of the south shoreline and provides an eight foot depth for 100 feet past the south unit of slips. Some dredging is anticipated to give a safe channel when the water is below the 435 foot elevation. The south slip units could be lengthened if we could extend our leased property line past the old road line. The north slip units are designed for small boat davits. Covered slips are separated from the uncovered as a protection against wind damage to masted boats.

Ample space near the cranes provides well protected water for tie-up of dry sailed boats. From the cranes it is 100 feet to the nearest slip unit.

Green - Rock Breakwater

The breakwater is lengthened by 300 feet past the point authorized by the Board of Governors. It extends to a point 800 feet from our crane. The average elevation is 412 feet, or 23 feet deep, using a 435 foot average lake level. It would require approximately 21,000 yards of rock, or about \$75,000 at \$3.50 per yard. Canting the direction back toward the west allows for another row of 80 slips which more than justifies the cost of taking the break-water over the edge of the deepest part of the harbor.

Red - Uncovered Slips

This configuration provides 168 20-foot by 9-foot slips, 160 25-foot by 12-foot slips and 116 30-foot by 12-foot slips. Each slip is divided by a 3-foot finger and a 4-foot center walkway. Each unit of slips is separated by water equal to two boat lengths measured on the largest slip size; i. e. , there is 60 feet of water bordering any unit of 30-foot slips. This distance was selected after discussions with marina manufacturers who indicated 1 1/2' lengths is ample for power boats but not adequate for sailboats.

There is 50 feet between the 20-foot slips and the west tie-up and 75 feet between the 20-foot slips and the east tie-up. It is pointed out herein that the distance from the westward or outer docks to the inner or eastward is 1200 feet. This being a great distance, particularly for an unpowered yacht to negotiate, a viable solution should be sought.

Purple - Covered

The configuration provides 20 20-foot by 9-foot slips, 20 25-foot by 12-foot slips and 20 30-foot by 12-foot slips. These also are divided by 3-foot fingers and a 4-foot center walkway. Because of the exposure to wind damage, it is anticipated that many power boats will be berthed in uncovered slips.

Black - Tie-Up Docks, Cranes, Boat Ramps, and Gas Docks

The west tie-up dock would provide 320 feet of space using only the one side of the T. The T is 50 feet from our existing crane. Two-thirds of the T is accessible from the crane and 1/3 from the boat ramps. Four units of our present floating breakwater will be used in construction.

The other three units of the floating breakwater would be used to construct an east tie-up dock 240 feet long. Dredging would be required to insure ample depth near the shore. Since we have neared capacity for dry sailed boats along our driveway, we can use the area now set aside for the Sunfish for additional dry storage. Care should be exercised to make sure dry sailed boats would not have to be rolled uphill to

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the hoist or launching area. A second crane where the present gas dock is located is easily accessible to boats stored in this area.

The gas dock is located on the outboard unit of slips. The measurements as shown are 30-foot by 64-foot which will handle four or five boats at a time. If the transporting of gas to this spot would prove a problem, alternate locations at the covered slip area or the marine railway area are good possibilities.

Orange - Junior Sailing Boat Dock, Marine Railway, Boat Ramps and Tie-Up

In the area where the old road borders our property is the site of the marine railway. Boats could be hauled for maintenance without interfering with the heavily used paths near the cranes or dry boat storage. A second set of three boat ramps would give the same benefits for trailerable boats needing maintenance.

A sizable area of about 200 feet of shoreline between the junior sailing docks and the marine railway should be available for launching and storage of Sunfish, etc. Three more equivalent docks to our present 420 docks will provide space for at least 36 small boats. Protecting this area from the large boat slips is 180 feet of tie-up dock.

SUMMARY

The primary purpose of this map and narrative is to demonstrate the capacity of our harbor using 800 feet of breakwater. With detailed investigation of harbor depths, tree clearing, dredging, etc. the harbor likely has even greater capacity.

In the event that our club would grow to this capacity, the slip rental alone would generate approximately \$215,000 annually. The cost of the slips using an \$850 average installed price would be \$428,000. The income is ample to cover amortization of the rock breakwater, slip cost, insurance, interest on financing and maintenance.