

The Horse Shoe Crab

April 3, 2013

Motto: Of Crabs, By Crabs, For Crabs

Greetings from Commodore Batchelder

This week marks Opening Day in Major League Baseball, but the *real* Opening Day we are all looking forward to is Sunday, June 23, when SHYC will begin its 82nd season on Stage Harbor! We have a great summer planned, and look forward to welcoming new and returning members in just 12 weeks! Stay tuned to future issues of *The Horse Shoe Crab* for more details of the upcoming season, and be on the lookout for Sailing School registration forms, which will be available shortly.

In the November 2, 2012 issue, we included a list of “key” dates for the summer, and have included those again below. Please note the change in the date of the All Member Cocktail Party and Silent Auction, which will now be on Saturday, July 6. We hope this date change will allow more members to attend, as it will be over the long Fourth of July weekend. We will be e-mailing you separately with information on the Silent Auction. We are very excited to have Kathy Landy and Amy McCarthy serve as co-chairs of this important fundraiser for the Sailing School. The full calendar with all of the many events planned for this summer will be ready soon.

Key Dates for 2013

June 17-21	Opening Work Week
June 23	Opening Meeting
June 24	Session One Begins
June 29	New Member Cocktail Party at Batchelder's (<i>by invitation</i>)
July 5	19th Annual Opti Regatta
July 6	All Member Cocktail Party & Silent Auction at Bartlett's (<i>note date change</i>)
July 7	9th Annual Day Sailer Regatta
July 22	Session Two Begins
July 27	50th Annual Luau
August 3-4	Chatham Yacht Club Regatta
August 10	Commodore's Ball at Hoyt/Goddard's
August 17	Junior Hovey Cup and Hovey Cup
August 18	Annual Meeting & Awards



SHE Pier at low tide, March 30, 2013

Update on Stage Harbor Enterprises, LLC

As many of you know, back in 2006 the Sailing School formed a new entity, Stage Harbor Enterprises, LLC, or “SHE” for short, to purchase the neighboring pier and building on the shore from longtime member Mark Simonitsch. The Sailing School is the sole owner of SHE. The purchase price of the pier and building was \$1,725,000. At the time of the purchase, SHE assumed a lease that Mark had in place with North Coast Seafoods Corp., and retained Mark as its on-site manager to oversee the operations at the pier, including offloading of fish and shellfish. SHE used the revenue from the North Coast lease and the offloading to help pay down its debt on the pier. On January 1, 2010, SHE renewed its lease with North Coast for three years (through December 31, 2012), and continued the related offloading.

In 2011 and 2012, offloading activity at the pier dropped significantly due to the widespread decline in the fishing stock and competition from municipal piers. Revenue from offloading dropped 70% from 2009 to 2011, and revenue in 2011 and 2012 combined was less than in 2010. In fact, revenue from offloading in 2011 and 2012 dropped to just over \$20 a day. SHE’s expenses (which include cost of insurance, repair and maintenance, the management contract with Mark, purchase of a pallet jack, etc.), on the other hand, increased or stayed the same during this period of time. As a result, SHE has operated the pier at a loss for each of the past few years.

Against this backdrop, the Sailing School Board (with the full support of the SHYC Board) voted unanimously last fall to not renew the lease with North Coast and discontinue offloading from the pier. The Board’s decision was driven by the realities of the declining activity at the pier, and the need to stop operating the pier at a loss. The Board also considered the threat to the

pier from hurricanes and winter storms and safety and liability concerns around the 24/7 presence of the North Coast trucks on SHE's property during the busy summer season. SHE worked with Mark to inform North Coast, and agreed to a five-month extension of the lease (through May 31, 2013) and offloading to minimize any disruption. All affected parties were notified over the winter, and Mark reports that all boats have found alternative offloading sites.

Mark also agreed to renegotiate his contract with SHE, which helped SHE reduce its expenses, and is continuing to manage our operations at the pier. The Sailing School is pleased to have been able to continue the operations that existed at the pier at the time of the acquisition for seven additional years, but in light of changed circumstances beyond its control, had to make a decision on the lease renewal that was in the best interests of the Sailing School. The pier debt is now less than \$240,000, and the decision not to renew the North Coast lease and to discontinue offloading will have no effect on SHE's ability to meet its payment obligations on the remaining debt.

The Sailing School and Yacht Club owe Mark a debt of gratitude for his many years of service to SHE, and his wise counsel during this transition. The Sailing School Board has no plans at this time for the future use of the pier, but will consider appropriate uses with the input of the membership as part of its long-range planning. SHE has renewed its lease with The Hook-Up LLC, which operates the *Tammy Rose* off the west side of SHE's pier, for another season.