

AMERICAN PHYSICAL THERAPY ASSOCIATION OF MARYLAND
3900 NORTH CHARLES STREET
BALTIMORE, MARYLAND 21218

November 28, 1966

TO: Maryland Chapter Members

SUBJECT: Permanent Housing for A.P.T.A. National Headquarters

The Board of Directors of the American Physical Therapy Association has requested that each chapter poll its membership through the enclosed questionnaire to determine each members wishes concerning a building program to establish permanent housing for A.P.T.A. National Headquarters

Enclosed is the Study of Permanent Housing by the Subcommittee on Personnel. This is the only available information on the subject.

Please complete the enclosed questionnaire and mail it to the American Physical Therapy Association of Maryland at your earliest convenience.

Your prompt attention and response to this matter will be appreciated.

AMERICAN PHYSICAL THERAPY ASSOCIATION

Study of Permanent Housing by Subcommittee on Personnel

Report to the 1966 House of Delegates

I. Housing

Prior to 1962 three studies had been made regarding moving the National Office to Chicago.

From 1962 through 1964 relocation of the headquarters office in other areas of the country was studied by the Subcommittee on Personnel. Areas considered were: Chicago, Connecticut, Los Angeles, San Francisco, St. Louis, Washington, D. C., and the periphery of New York City. Approximate costs of rental versus construction were surveyed. After considering costs, personnel matters, and other related factors it was decided the office location should be kept within fifty miles of New York City.

In July 1964 the Board of Directors voted to endorse the general idea of building a national office facility, that the location of the facility be within a 50 mile radius of New York City and, that the Subcommittee on Personnel continue study of location, rental, and building.

In November 1964, the Finance Committee after considering the matter, submitted the following report:

"The Association is in no financial position to consider a building program at the present time; and, that the first consideration should be given to increasing our income through internal generation and to attempting to double our reserve fund. Further it is the Finance Committee's opinion that concomitant with this effort to improve our economic stability there should be adequate planning for the future regarding the Association's programs and activities."

Since the lease of the national headquarters would expire in August 1966, the Executive Committee authorized the negotiation of rental for adequate space with suitable working conditions for such time as the lease expired.

Following the Subcommittee's investigation of facilities and subsequent recommendation the Executive Committee, in December 1965, authorized negotiation of rental of suitable facilities at 1740 Broadway, New York City.

The lease for facilities at 1740 Broadway, New York City, was signed in April 1966. Terms of the lease are:

1. October 1966 through September 1980;
2. 5,030 square feet of space at \$5.41 per square foot;
3. annual rental of \$25,727.40;
4. A.P.T.A. can sublet totally or in part at any time to a member organization of the National Health Council.

In July 1965 in response to the Iowa Chapter resolution, the Subcommittee on Personnel again undertook investigation of other sites for the Association Headquarters.

Recent information on the feasibility of relocating headquarters in several areas of the country has been reviewed by the Subcommittee. Particular attention was given to St. Louis, Chicago, and Washington, D. C. The findings are as follows:

1. Rental Costs

These ranged from \$2.50 per square foot for commercial space to \$6.00 per square foot for suitable office space.

2. Construction Costs

In most locations estimates of construction costs could not be obtained without plans and specifications on the type of facility desired. An organization of comparable size has spent \$ 400,000 for construction of a building in the periphery of a metropolitan area. In metropolitan areas land costs are high regardless of geographical location.

The cost projections of this organization indicate:

- a. mortgage payments - \$25,000 annually (including \$7,000 interest)
- b. maintenance costs - \$10,000 annually increasing to \$20,000 with increasing age of building.

The usual mortgage arrangements require 2/3 down payment of total cost. If a building is constructed for rental income as well as permanent housing the tax status of the Association may be drastically changed.

3. Purchase of Existing Facilities

- a. Existing facilities of appropriate size are generally not available in the heart of metropolitan areas except in one instance where costs ranged from \$300,000 to \$500,000 for 8 to 10 thousand square feet of space.
- b. Buildings not centrally located ranged from \$100,000 to \$300,000.
- c. Even after appropriate renovation the net usable space is generally less in such buildings.
- d. Maintenance costs on buildings of this size are estimated at \$20,000 annually.
- e. Mortgage costs would be comparable to those encountered in construction.

4. Supportive Personnel

- a. Salary costs are approximately the same regardless of geographical location, except for unusually high salaries in Chicago and in California.
- b. It is reported that clerical and secretarial staff is in short supply throughout the country. However, availability is best in center city locations where there is adequate public transportation.

5. Desirability of Locations

- a. Accessibility to other agencies: a study by another organization revealed that approximately 40% of national organizations and agencies are located in New York City; 16% are located in Washington, D. C., and slightly less than 16% in Chicago.
- b. Many members (including the House of Delegates) have expressed a desire for closer liaison with the Federal Government. Because of this and the necessity for maintaining liaison with other professional organizations, it seems wise for the office to remain on the Eastern Seaboard.
- c. Investigation of another professional organization which has permanently located in Washington, D. C., leads us to conclude that Washington would not be a desirable site for permanent location of A.P.T.A. Headquarters. It may be necessary for the Association to establish a branch address in Washington.
- d. Relative ease of travel and communications between New York and Washington, plus the equivalency of costs in the cities studies, convince the Committee that New York is the optimal site for Association Headquarters.
- e. Costs to the Association of bringing in committees and consultants and for staff travel would be about the same regardless of the geographical location of the office.
- f. There is no assurance that procurement of professional staff would be more or less difficult if the office is moved from New York.

6. Cost Factors

- a. Consideration of constructing a permanent facility indicates that the annual cost for mortgage payments and for maintenance would be considerably higher than our projected annual rental.
- b. The alternative to the burden of carrying a mortgage would be to assess the membership in an amount sufficient to provide the total cost of construction, leaving an annual cost for repairs and maintenance which may be somewhat near our present rental.
- c. During the period of construction or acquisition of a permanent site, there will be a period of time in which the Association would need to assume dual costs, i.e., rental and mortgage payments.

II. Building Fund

- A. If the membership decides it wishes to acquire a permanent headquarters building, construction is preferable to renovation of an existing structure.
- B. The Finance Committee has estimated that an appropriate building fund would be approximately \$1,000,000. With present and projected membership numbers this means an assessment of \$100.00 per member over and above annual dues.

C. Procedures for establishing a building fund cannot be determined until the membership reaches a decision regarding a permanent building. However, it is readily apparent that the only source of monies for such a building will be the membership itself.

III. Summary

After thorough study of this matter the Subcommittee has reached the following conclusions:

1. The Association should continue rental of adequate space in the New York area.
2. The matter of establishing a branch office in Washington, D. C. should be studied.
3. No further consideration should be given to a building fund until such time as the membership can be polled on its wishes, and at least a two-thirds agrees on a course of action.

The Subcommittee believes that further consideration of this matter is not indicated unless and until action is taken by the membership. With the consent of the House of Delegates the Subcommittee requests the Board of Directors consider fulfilled the charge to study relocation of Association Headquarters.

Eugene Michels, Chairman
Mary E. Kolb
Helen K. Hickey, Recorder

BOARD OF DIRECTORS, SUBCOMMITTEE ON PERSONNEL BUILDING FUND SURVEY FORM

1. Do you believe the APTA should own and operate its own Headquarters building?

YES _____

NO _____

2. Do you believe a building fund for this purpose should be instituted?

YES _____

NO _____

3. Would you be interested in a comprehensive study and report prepared by a professional management consultant firm to determine the feasibility of building an APTA Headquarters building?

YES _____

NO _____

4. How should such a study and/or building fund be financed?

a. Assessment of Chapters? YES _____ NO _____

(1) If so, how much per member? _____

b. Assessment of individual members? YES _____ NO _____ AMOUNT? _____

c. Increase in membership dues? YES _____ NO _____

d. Decrease allotment from Association dues sent to Chapters? YES _____ NO _____

e. Voluntary contributions through pledges? YES _____ NO _____

f. What is the range of contribution you would be willing to pledge? _____

g. Special fund-raising projects? YES _____ NO _____

(1) List suggestions

h. Other methods of financing

5. List names of possible experienced resource persons (within or outside of Chapter) who might be helpful in a comprehensive study:

6. List any resources you know which can be tapped for funds for a building.

7. Additional Comments:

PLEASE ANSWER ALL QUESTIONS AND RETURN TO THE AMERICAN PHYSICAL THERAPY ASSOCIATION
OF MARYLAND BY DECEMBER 27, 1966.