

UAW to sell famed Black Lake retreat

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The United Auto Workers is hoping to sell its \$33 million lakeside retreat in northern Michigan, long a symbol of the union's success but now a financial liability.

The UAW cited the recession and shrinking membership as reasons it is seeking a buyer for the Walter and May Reuther Family Education Center, located on 1,000 heavily forested acres near Onaway. The union bought the property in 1967.

The center, named for the union's iconic leader, was a jewel in which many UAW members took great pride. It is expected to go on the market yet this month.

The property includes the top-notch Black Lake Golf Club and the ashes of Reuther and his wife, who died along with four others when their small plane crashed en route to the property in 1970.

The center recently became a target of critics who grumbled that the UAW shouldn't keep such a luxury while hundreds of thousands of its members have lost their jobs or taken buyouts or early retirement as the domestic auto industry restructured.

The facility lost an estimated \$23 million in the past five years and the UAW was forced to borrow to keep it afloat, according to filings with the U.S. Labor Department.

UAW President Ron Gettelfinger began to inform local UAW leaders of the potential sale of the facility last month, according to local union officials. One of them was Stan Marshall, a former UAW national vice president who now oversees retiree issues for Region 1A in Michigan.

"It's beauty -- I can't even begin to describe it," said Marshall.

"But when Ron told us that everything could be sold, well, I could see that. It's hard to justify when you have so much declining membership. It's costly. And it could be a complicated sale given that (Reuther's) ashes are there."

Center has 'legendary' role

Black Lake was Reuther's vision: a world-class educational facility for union members, who regarded it as a tribute to their legendary leader and a symbol of the UAW's rise and muscle.

In addition to golf and leisure, the center offers week-long conferences on political action, civil rights and leadership.

An estimated 10,000 visitors come to the complex annually.

"We regret that current financial conditions require us to explore the possible sale of the property," Gettelfinger said in an article in the current edition of *Solidarity* magazine, the UAW's official publication.

"The Black Lake facility has a unique and legendary role in the history of the UAW and the entire labor movement," he said. "Our responsibility now is to plan for the future, so we can bring our members together in the most cost-effective way possible."

The property should be on the market in about two weeks, said John Karver, a senior vice president at CB Richard Ellis, the real estate firm handling the listing.

Karver said an asking price has not yet been determined.

Sale prospects are uncertain in Michigan's depressed real estate market.

Tough times for the union

The center, renovated in the 1990s, has a gym with two full-size basketball courts; an Olympic-size indoor pool; exercise facilities; table tennis and pool tables; a sauna; beaches; hiking and biking trails; sports fields; a boat-launch ramp; and rooms and condominiums.

In 2000, a \$6.7 million golf course was added -- the vision of the late UAW President Stephen Yokich. Golf Digest that year ranked it as North America's second-best "New Upscale Public Course." It now ranks 34th on Golf Digest's list of America's 100 Greatest Public Courses.

Like its members, the UAW is going through tough times.

In 2008, UAW membership totaled 431,000 and the union collected \$161 million in dues. That compares to 654,000 members and \$206.5 million in dues in 2004. At its peak in 1979, the UAW had 1.5 million members.

The union reported \$1.2 billion in assets in 2008, the latest data available. That included \$700 million in U.S. Treasury securities; \$321 million in other investments, mainly securities; and \$100 million in fixed assets, including the Black Lake facility.

Analysts say the union's long-term financial health could hinge on what happens to union-operated trust funds, known as Voluntary Employees' Beneficiary Associations, or VEBAs, that pay for retiree health care benefits. Detroit's Big Three automakers funded the VEBAs, but last year the UAW agreed to accept part of the payments from GM and Chrysler in company shares instead of cash because of the automakers' bankruptcies.

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