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## Lacking funds, Cleveland Athletic Club closes

**Construction project, drop in members, catering force private group founded in 1908 to dissolve**

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From staff and wire reports

Stung by sagging membership, financial problems and a mammoth construction project at its front door, the Cleveland Athletic Club did not celebrate its 100th year but instead closed at 6 on New Year's Eve.

The club, founded in 1908, plans to begin liquidating its assets soon. The club's board of directors in July recommended it file for bankruptcy protection.

A "calamity of errors" robbed the private athletic, social and business club of its financial solvency in the past few years, President Harry McDonald said last week.

In Akron, a similar situation exists with the city-subsidized CitiCenter Athletic Club, which has run at a loss for years. Akron taxpayers have helped keep the club going with more than \$1 million in the past 11 years.

The Cleveland club's problems included dwindling catering revenue and fallout from the Euclid Corridor Project, which started in the fall of 2004. The \$168 million project will upgrade the city's main link between downtown and its eastern suburbs.

The athletic club had grown with Cleveland since the turn of the 20th century. During World War I, the club sold \$3 million in Liberty Bonds to support the Allies and provide scholarships to high school graduates.

In 1922, Olympic swimmer Johnny Weissmuller set a world record for the 150-yard backstroke in the club's pool. Weissmuller later played the movie character Tarzan.

Like the city itself, the club has faced the challenges of companies and residents leaving Cleveland for its suburbs. Some expansions left the club with debt that assessments of members couldn't pay off, said Tony Viola, president of Realty Corp. of America, which is a tenant in the Cleveland Athletic Club building.

The assessments also caused some members to leave, Viola said. The club now has fewer than 300 dues-paying members, McDonald said, down from 750 in January.

"It's quite sad," said Viola, a club member and leasing agent for the club's 15-floor building until it was acquired by a developer in September.

The club's financial troubles began long ago, culminating in \$750,000 in debts, mostly accrued before members took over management in November 2006.

The Akron club, located in the former downtown YWCA, has lost money for more than a decade and its membership has dwindled over the years.

The Akron City Council in November authorized a \$233,000 payment, and the city received membership fees of about \$90,000. In the past 11 years, \$1.2 million in taxpayer money has been put into the CitiCenter Athletic Club to keep it alive. About 160 people use it regularly.

After the July board meeting, the Cleveland club announced that it would discontinue its food service to save money. The staff was cut from 40 to 12, McDonald said.

McDonald blamed the Euclid Avenue reconstruction for depleting the club's catering business, once its biggest moneymaker.

During the past two weeks, McDonald, who has been the club's president for six months, and his directors tried to raise money to enable the club to continue operating as it reorganized in bankruptcy court.

"With less than half of the goal reached by Thursday, and with less than half the membership agreeing to lend funds, it is apparent that it is time to end the legacy of the CAC," McDonald wrote in a letter e-mailed to club members on Friday.

"While we have made a valiant effort to resurrect our club, there are just too many obstacles to tackle and overcome."

McDonald said he has been working with lawyers on a bankruptcy liquidation filing.

"It's just a shame a 100-year-old institution could not rebound," he said.

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