

Yachting at a sail price

By Terrence Synnott
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Nearly 15 years ago, Richard Santulli of Goldman Sachs fame came up with the concept of fractional jet ownership and founded Executive Jet Aviation.

The premise was simple: Corporations needed the convenience of business jet transportation but couldn't afford — or couldn't justify — owning a jet.

That concept made sense to Earl McMillen, so the Newport resident decided to apply it to the yachting world.

For the past six years, the Atlanta native has operated McMillen Yachts Inc. out of Newport, a syndicate that restores classic yachts and offers the use of the fleet to those who hold ownership interests in the boats.

McMillen raises money for the restorations by selling partnership shares in the yachts. In return, partners receive discounted rates on charters for any boat in the fleet.

"It really makes sense," said McMillen, the company president. "The reality is, people buy a boat and they only have so much time to use the boat."

Fractional ownership is often likened to a time-share. In return for the initial purchase price, plus an annual management fee and a daily usage fee, partners are guaranteed use of the boat based on availability.

Membership interests in McMillen Yachts range from \$25,000 to \$70,000. "Some choose larger interests so they have more days in the summer months," he said.

McMillen began his business after finding Zapala, a 60-foot motor yacht built in 1913, abandoned in a Maryland boat yard. He paid \$2,000 for the boat and organized its complete restoration, which took about eight months.

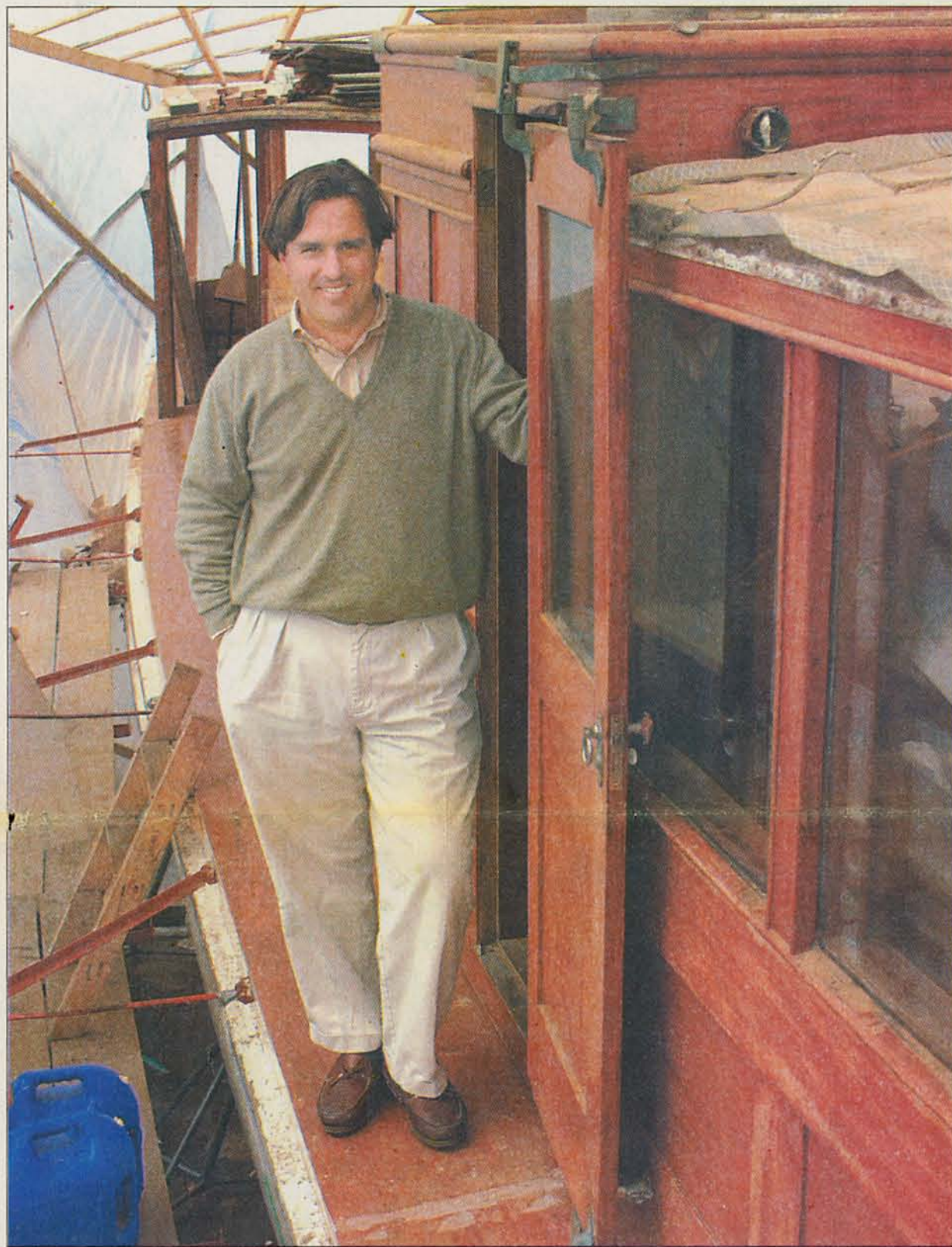
To date, McMillen Yachts has restored Belle, a 77-foot motor yacht originally built in 1929, and Onawa, the oldest known American 12-Meter. Restoration projects also are under way on Scout, a 73-foot Defoe express cruiser, and on Alondra, a 68-foot motor yacht built in 1927.

To find vessels for possible restorations, McMillen searches through boat yards up and down the eastern seaboard.

"For the most part, these boats are disappearing quickly," said McMillen, who restored his first classic yacht 16 years ago when he was 20. "They take a lot of money to keep them up and running. You compare them to what there is today and there is no comparison."

With the Onawa — which was restored at the American Shipyard in Newport — McMillen said he looked

■ Earl McMillen, owner of McMillen Yachts Inc. in Newport, has brought the concept of time-sharing into the yachting world. McMillen sells partnership shares to corporations, using the money to restore classic yachts, which he charters to those corporations at discount rates.



David Hansen/Daily News photo

Earl McMillen, owner of McMillen Yachts Inc. stands on the deck of Scout, a 73-foot Defoe express cruiser, that is being restored at the American Shipyard in Newport.

past the yacht's extensive water damage and rot and saw a wooden sailing ship that could be restored to the majestic structure it was meant to be.

The ship, built in 1928 for the New York Yacht Club, cost close to \$1 million to restore. It will retain much of its original interior woodwork and steel.

"We update them mechanically

but we aesthetically replicate a boat to its original shape," he said.

Onawa is set to launch in June, followed by a sail in August to celebrate the 150th anniversary of the America's Cup in Cowes, England.

Partners may use the Onawa any time during the summer at a rate of \$1,000 per day, which is half the price that will be charged for other indi-

viduals to charter the boat, according to the company's Web site.

The company, which maintains an office on Pelham Street, is currently offering the opportunity to own an interest in Onawa, as well as Scout. More information about the offerings is available at the company's Web site, www.woodenyachts.com.