

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: October 1, 2021

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Authorization to execute an amendment to the rent provision in the South Shore Yacht Club lease that will base rent on a percentage of slip rentals and memberships to reflect the ongoing impacts of the damaged north breakwater on the Yacht Club's operations

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed within Agency's Budget
<input type="checkbox"/> Not Absorbed within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input checked="" type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. Approval of this resolution will authorize Milwaukee County Parks to execute an amendment to the 2003 lease with South Shore Yacht Club that will alter the fixed fee rent structure to rent based on ten percent (10%) of slip rental gross revenue and ten percent (10%) of gross revenue of memberships for the next five years or until the north breakwater is substantially repaired, whichever is earlier.
- B. This amendment will likely reduce revenues depending on the continued impact of the north breakwater on the South Shore Yacht Club's operations. Under the current lease South Shore Yacht Club's rent payment consists of two flat fee payments. The first payment is \$46,000, which is compounded annually by two percent (2%) and will be \$50,787.72 in 2022. The second payment is a flat fee of \$30,000. The amendment will base rent on ten percent (10%) of gross revenue of slip rentals and ten percent (10%) of gross revenue memberships which may be less than the current flat fee amounts. Gross revenue is all revenue received, less sales and use tax.
- C. The amendment to rent may reduce revenues to Parks for future budget years for up to five (5) years or until the north breakwater is substantially repaired, whichever comes first.
- D. No assumptions or interpretations were utilized.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Prepared by:

Erica Goblet, Contracts Manager, Milwaukee County Parks

Authorized Signature:

Guy Smith

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required