

June Board Cycle

Milwaukee County Parks 9480 Watertown Plank Rd. Wauwatosa, WI 53226 (414) 257-PARK

Date:

May 18, 2018

To:

Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

From:

Guy Smith, CPRP, Interim Parks Director

Subject:

Authorization to Enter into a Lease Agreement with the Milwaukee Yacht Club (ACTION)

Policy

Milwaukee County Parks requests authorization to enter into a Lease Agreement with the Milwaukee Yacht Club for land within McKinley Marina.

Background

The Milwaukee Yacht Club (MYC) was incorporated in 1871 and has existed at the current location in McKinley Marina since 1888. In 1936, the park was then known as "McKinley Park" and was sold by the City of Milwaukee to Milwaukee County for \$1 along with many other public parks. When McKinley Park was transferred to the County it came with a deed restriction that states, in part -

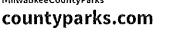
"The ...premises are sold and conveyed upon the further express condition that the Milwaukee Yacht Club will be permitted the occupancy of its present site."

Since that time, the County and MYC have entered into a series of Lease agreement to formalize the relationship between parties and guide the continued presence of MYC in the park. This file proposes a further extension of that lease relationship under a modernized agreement.

1966/1967 Lease -

The initial lease between the parties was entered into in 1966 and was shortly thereafter amended in 1967. That agreement provided for MYC to lease the land for 50 years. The initial rent payment by MYC was made in the form of capital improvements that were valued at \$150,000. All improvements at the MYC became the property of Milwaukee County in 1992 under the terms of this agreement. The lease also establishes that the parties would renegotiate the rent payments after 25 years. The 1967 amendment primarily provided for the







construction of water and sewer service to the facility. The initial lease establishes that the improvements of the facility (including docks, piers, and the building) are the property of Milwaukee County. Milwaukee Yacht Club's purpose, in particular the ways in which it supports a public mission, are described in the 1966 agreement.

1994 Lease -

In 1994, the parties extending the MYC lease for an additional 25 years until 2017 and included a renewal option for an additional 25 years. The 1994 agreement acknowledged that the County and MYC would need to renegotiate the rent in 2017. This agreement identified a needed capital improvement in the amount of \$600,000 of maintenance to the facility that was to be spent during the 25 years. In this case the County determined the capital improvements that were to be made. This lease also introduced non-discrimination, disadvantaged business enterprise procurement goals, and affirmative action clauses that had become standard contract clauses at that time. The MYC also began paying for 100 parking passes to the Marina parking lot at this time. Other than these updates, all aspects of the 1966/1967 lease remain in place.

2018 Lease -

The current (2018) lease addresses many of the clauses and lease provisions from the older agreements that are now standard in County contracts. Under the terms of the prior agreements, MYC has executed its extension of the lease but has also agreed to update the terms of the prior agreements. The additional 25 years (2017-2042) continues as-is from the prior lease. The leased premises do not change under the 2018 lease. Updated terms of the 2018 lease agreement include –

- One additional renewal term of 25 years.
- Updated rent schedule, as further described below.
- Acknowledgement of capital improvements that may be made in lieu of cash rent payments, this is a refinement of the existing practice from prior leases.
- Clearly defined annual reporting requirements.
- Clearly defined food and beverage (including alcohol) sales requirements.
- Updated signage approval requirements.
- Continuation of the 100 parking pass lease from the 1994 agreement.
- Clearer definition of the leased premises and the common areas.
- Clearer definition of maintenance requirements, County has no maintenance obligation in the building but does for the surrounding park and parking lot.
- Updated construction approval process.





- Compliance with ADA accessibility laws.
- Updated insurance requirements.
- Updated indemnification and environmental indemnification language.
- Updated County audit requirements.
- Creation of a default and remedy process for the agreement.

Updated Rent Schedule

Year	Annual Land Lease Payment	Annual Parking Pass Payment
2018	\$62,860	\$21,000
2019	\$64,117	\$21,420
2020	\$65,400	\$21,848
2021	\$66,708	\$22,285
2022	\$68,042	\$22,731
2023	\$69,403	\$23,186
2024	\$70,791	\$23,649
2025	\$72,206	\$24,122
2026	\$73,651	\$24,605
2027	\$75,124	\$25,097
2028	\$76,626	\$25,599
2029	\$78,159	\$26,111
2030	\$79,722	\$26,633
2031	\$81,316	\$27,166
2032	\$82,942	\$27,709
2033	\$84,601	\$28,263
2034	\$86,293	\$28,828
2035	\$88,019	\$29,405
2036	\$89,780	\$29,993
2037	\$91,575	\$30,593
2038	\$93,407	\$31,205







TOTAL	\$2,013,425	\$672,636	
2042	\$101,106	\$33,777	
2041	\$99,124	\$33,115	
2040	\$97,180	\$32,466	
2039	\$95,275	\$31,829	

Recommendation

Authorize County to enter into a Lease Agreement with the Milwaukee Yacht Club for land within McKinley Marina.

Prepared By: Jim Tarantino, Director of Recreation and Business Services, Milwaukee County Parks

Approved By: Guy Smith, CPRP, Interim Parks Director

Attachments:

- Attachment 1 Fiscal Note
- Attachment 2 Resolution
- Attachment 3 Lease Agreement
- Attachment 4 Map

Copy:

- Chris Abele, County Executive
- Raisa Koltun, Chief of Staff, County Executive's Office
- Jason Haas, Parks, Energy & Environment Chair, Supervisor District 14
- Sheldon Wasserman, Parks, Energy & Environment Vice-Chair, Supervisor District 3
- Kelly Bablitch, Chief of Staff, County Board of Supervisors
- Allyson Smith, Committee Coordinator, Office of the County Clerk
- Erica Hayden, Research & Policy Analyst, Office of the Comptroller
- Jeremy Lucas, Fiscal Mgt. Analyst, Admin & Fiscal Affairs/DAS





