

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: October 1, 2021

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Guy Smith, Executive Director, Milwaukee County Parks

Subject: From the Executive Director of Milwaukee of County Parks, requesting 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

File Type: Action Report

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**REQUEST**

From the Executive Director of Milwaukee of County Parks, requesting authorization to execute an amendment to the rent provision in the South Shore Yacht Club (SSYC) 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.

**POLICY**

§ 59.17(2)(b)3., Wis. Stats., states that the "county board may continue to exercise the authority under s. 59.52(6) with regard to land that is zoned as a park...". In the law of property, authority over "land" includes authority over all rights appurtenant to the land.

Milwaukee County Code of General Ordinances 56.10 requires that leases over one year require County Board approval. This amendment alters the rental terms to a lease of longer than one year.

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| Wisconsin State Statutes:                    | § 59.17(2)(b)3.  |
| Milwaukee County Code of General Ordinances: | 56.10 - Procedures for leasing of county-owned land or building space. |
| Specific Adopted Budget:                     |  |
| Specific Adopted Budget Amendment:           |  |
| Specific Adopted Capital Project:            |  |

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## **BACKGROUND**

South Shore Yacht Club (SSYC) has been a tenant at the South Shore Park Marina since 1935. In 2003 the current lease was signed between Milwaukee County and SSYC. The 2003 lease allowed for an extension after rent negotiations in 2016, which extended the lease to 2042 and detailed a two-part rent payment that consisted of a flat fee of forty-six thousand dollars (\$46,000), which would be compounded annually at two percent (2%) (in 2022 this amount would be \$50,787.72) and a flat fee of thirty thousand dollars (\$30,000).

In January of 2020 a winter storm that has since been categorized as a federal disaster extensively damaged the north breakwater that provides protection to the South Shore marina. The damage to the breakwater destroyed nearly all of SSYC's piers. The north breakwater is still not repaired, and results in ongoing damage to several piers, rendering them unusable to mooring, and causing a collateral loss of membership. Due to these continuing impacts SSYC requested rent relief. Parks and SSYC met and negotiated the proposed amendment that bases rent off a percentage of slip rentals and memberships, which will reflect the damage to the north breakwater. Terms are laid out below.

### File History:

- **21-767** – a request to grant rent relief to South Shore Yacht Club in the amount of \$78,815.56 due to the impacts of COVID-19 in 2020 and the ongoing effects of the damaged north breakwater. Approved by the County Board on 9/23/2021.
- **21-497** – An informational update on Parks efforts to address necessary repairs to the South Shore breakwater.
- **21-350** - Parks requesting permission to provide COVID-19 relief to certain Parks partners in the form of extensions and/or rent and utility relief as listed below and to other partners if requested for up to a one-year extension and/or up to \$5,000 of relief. (Referred to the Committee on Parks, Energy, and Environment, for INFORMATIONAL PURPOSES ONLY per Section 59.52(31)(d), Wisconsin State Statutes; Referred to the Committee on Finance) (PE&E 04/13/21: Laid Over to the Call of the Chairperson) (Finance 04/15/21: Laid Over to June 2021 and Referred to the Office of the Comptroller, the Office of Performance, Strategy, and Budget, Department of Administrative Services, and the Department of Parks, Recreation, and Culture) (The file was amended to remove the request for relief for South Shore Yacht Club due to the combined issues of the pandemic and the damage to the north breakwater.)
- **21-93** - update on efforts by Milwaukee County Parks to acquire Federal Disaster Funding for Storm Damage in January of 2020.
- **20-333** – Parks gave an informational update on efforts to acquire Federal Disaster Funding from the Federal Emergency Management Agency (FEMA) for storm damage that occurred in January of 2020.
- **20-144** – The Office of Emergency Management requests ratification of the Proclamation of Existence of a County Emergency, dated January 17, 2020, requesting the Governor to provide state disaster relief for Milwaukee County and if necessary, to

request a declaration by the President of the United States in order to secure public assistance as offered through the Robert T. Stafford Act.

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| Related File No's:                                    | <a href="#">21-767</a> , <a href="#">21-497</a> , <a href="#">21-350</a> , <a href="#">21-93</a> , <a href="#">20-333</a> , <a href="#">20-144</a> |
| Associated File No's<br>(Including Transfer Packets): | None   |
| Previous Action Date(s):                              | None   |

**ALIGNMENT TO STRATEGIC PLAN**

Describe how the item aligns to the objectives in the [strategic plan](#):

2A: Determine what, where, and how we deliver services to advance health equity

3C: Dismantle barriers to diverse and inclusive communities

Ensuring the continued success and sustainability of the SSYC is important to the community. The organization improves the health and safety of the community and provides inclusive recreational opportunities. Some examples: SSYC offers youth sail instruction to community residents including a scholarship program for disadvantaged children. They partner with US Coast Guard and the Wisconsin Department of Natural Resources in presenting Wisconsin Safe Boating courses. They provide meeting space for community organizations such as the Wisconsin Marine Historical Society, Bay View Community Center, Bay View Historical Society, and many others. SSYC reaches out to the community each April to introduce more residents to recreational activities and resources of Lake Michigan and annually hosts a fund-raising event for the Hunger Task Force. SSYC also supports programs with the Sea Scouts and Sea Cadets.

**FISCAL EFFECT**

If approved this amendment may reduce Parks operating revenues from 2022-2026 based on the gross revenues received by SSYC for slip rentals and memberships.

**TERMS**

- Term will be for five years starting in 2022 or until the north breakwater is substantially repaired, whichever comes first.
- Rent will be ten percent (10%) of the gross revenue of slip rentals and ten percent (10%) of the gross revenue of memberships. Gross revenue is all revenues received less sales and use tax. SSYC will provide evidence of its gross revenue that is satisfactory to the County.
- Rent will not be more than the rent that would be due under the current lease.

**VIRTUAL MEETING INVITES**

Erica Goblet, Parks Contracts Manager

**PREPARED BY:**

Erica Goblet, Parks Contracts Manager

Commodore Peter Engel - commodore@ssyc.org

**APPROVED BY:**

Guy Smith, Parks Executive Director

*Guy Smith*

**ATTACHMENTS:**

Report

Resolution

Fiscal Note

2003 Lease Agreement

2016 Letter of Understanding

DRAFT Amendment One

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk  
David Crowley, County Executive  
Mary Jo Meyers, Chief of Staff, County Executive's Office  
Sheldon Wasserman, Parks, Energy & Environment Chair, Supervisor District 3  
Steven Shea, Parks, Energy & Environment Committee Vice-Chair, Supervisor District 8  
Felesia Martin, Parks, Energy & Environment Committee Member, Supervisor District 7  
Sylvia Ortiz-Velez, Parks, Energy & Environment Committee Member, Supervisor District 12  
Liz Sumner, Parks, Energy & Environment Committee Member, Supervisor District 1  
Aaron Hertzberg, Director, Department of Administrative Services  
Joseph Lamers, Fiscal & Budget Director, DAS  
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS  
Pamela Bryant, Capital Finance Manager, Comptroller's Office  
Justin Rodriguez, Capital Finance Analyst, Comptroller's Office  
Kelsey Evans, Committee Coordinator, Office of the County Clerk  
Emily Peterson, Research & Policy Analyst, Office of the Comptroller  
Anthony Rux, Budget & Management Analyst, DAS-PSB