



Memorandum

TO: Common Council
FROM: Greg Keil, CDD *GK*
DATE: December 14, 2011
RE: Valley Marine Mart Lease

The City of Menasha had been leasing an area along the US Government Canal to Valley Marine Mart since 1995. In recent years, the lease payments became erratic and in September of this year notice was sent to Valley Marine Mart informing them that they were in default and that the lease had been terminated.

Since that time, staff has been working with the Valley Marine Mart owners to create a new lease agreement. The lease terms requested by Valley Marine Mart are attached. The substantive change from the prior lease is a reduction in the annual rent from \$1,782.00 to \$882.00. A draft of the revised lease as recommended by the Plan Commission is attached.

In addition to the lease agreement, staff is recommending a separate repayment agreement for the lease payments and the interest thereon that is in arrears. The repayment agreement would also include payments and interest for the period from when the lease was terminated to when the new lease is to take effect.

The proposed terms of the repayment agreement are based on a total of \$10,077.89 in lease and interest payments owed. This amount is to be paid in ten equal installments to be paid in the months of May, June, July, August and September of the years 2012 and 2013. Interest on the unpaid balance will accrue at a rate of four percent per annum. The lease payment accruing from the date of termination of the prior lease to the effective date of the new lease will be calculated at the new lease rate with an annual interest rate of four percent.

If the council is in agreement with the above-recommended terms, I would request a motion approving the lease agreement with an annual payment amount as may be approved by the council and authorization for staff to execute a repayment agreement under the terms described above.

VALLEY MARINE MART
100 WATER ST
MENASHA, WI 54952
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To: Greg Keil and the Menasha Common Council

Re: Lease of land on north side of channel on Water St.

For those of you that are not familiar with us, Valley Marine Mart has been in its present location, under the same name and doing the same thing since the early 50's. I do not think that there are too many other businesses here in Menasha that can say that. Valley Marine has always leased and used the land on the north side of the channel to park our customer's boats on that are here to be repaired and for winter storage.

That being said the land that we lease from the city is a vital part of our business. With out it we could not and can not exist. We use the dock and ramp that is there every day. We need the use of that land but the economy since 2001 has really changed the face of our business and the current amount of the lease, \$1782.00 per year, has become a burden to us as we no longer have the outdoor storage that we used to. In the 80's and 90's we used to store 20+ boats out there. This last year we stored 6 with net income of \$1764.00. With the economy, people are storing their boats in their own yard instead of paying for a spot. We are also very seasonal and the reason we do storage is to have an income to get us thru the winter.

What we would like for you to consider is taking the lease amount down to \$882.00 payable in one payment in July. In September we paid \$1500.00 towards the arrearages on the old lease. We will and pay the rest in May, June, July, August and September 2012 and 2013.

We sincerely hope you can see our side of this and that we can continue working together on this lease.



Doug Bodway
Owner

VALLEY MARINE MART LEASE

This lease is entered into between Valley Marine Mart, Inc., (hereafter referred to as "Valley Marine") as lessee, and the City of Menasha, a municipal corporation, (hereafter referred to as "City") as lessor. The terms of conditions of this lease are as follows:

1. Valley Marine shall lease premises including the property described as follows: Commencing at the southeast corner of Lot 9, Block 11, of the Original Plat of Menasha, City of Menasha, Winnebago County, Wisconsin, thence southerly along a line parallel to the east line of said Lot 9, 50 feet to the south ROW line of the vacated section of Water Street described in Doc. #743218, Winnebago County R.O.D., the point of beginning, thence continuing southerly 68 feet, more or less, to the north bank of the US Government Canal, thence westerly along the north bank of the said canal to a point intersecting with the west ROW line of Barlow Street extended from and parallel to said ROW line, thence northerly 65 feet, more or less, to a point intersecting with the south ROW line of the said vacated segment of Water Street, thence easterly 230 feet more or less to the P.O.B. Said area containing 19,590 sq. ft., more or less.
2. Valley Marine shall maintain and keep the premises in reasonable condition, including but not limited to the shore wall and structures and cutting the grass.
3. Any boats parked on premises must be parked in a neat and orderly fashion and appearance.
4. No vehicles other than boats or boat trailers may be stored or parked on leased premises.
5. The initial lease term will be from January 1, 2012 to July 1, 2013. After the initial lease term, this lease will automatically renew for successive one year terms from July 1 to June 30 unless written notice is given by either party to the other party not less than 60 days prior to the annual renewal date.
6. Upon default of any provision of this lease by Valley Marine, such as the failure of Valley Marine to insure, to make any payments due, the filing of a petition, voluntarily or involuntarily in bankruptcy, or the failure of Valley Marine to comply with any terms of this lease or its repayment agreement with the City, the City shall have the right to terminate ~~declare the lease void~~ and to remove Valley Marine from the premises in addition to any other remedy available at law or in equity.
7. Annual rent from Valley Marine to the City will be \$[insert amount] with payments to be made quarterly due on January 1, April 1, July 1 and October 1. *(Valley Marine Mart has requested that they payment be made in one annual installment on July 1)*
8. Valley Marine shall indemnify and hold harmless the City of Menasha for all claims filed as a result of the use of leased premises by Valley Marine and shall file with the City of Menasha a Certificate of Insurance showing that Valley Marine has liability insurance in at least an amount of a \$1,000,000 umbrella.

It is understood that the leased premises are part of City-owned land that is currently being considered for a number of potential uses. The existence of this lease shall not be construed such that Valley Marine receives a prescriptive right nor any other right to the use of this property for the future other than by the terms of this lease.



VACATED WATER STREET
PROPOSED LEASED AREA