

Board of Aldermen Work Session – Golf Operations
Notes on Leases for 19th Hole & Men’s/Women’s Lounges
November 22, 2010

19th Hole Original Lease:

- May 1, 2007 through April 30, 2010
- Monthly rent = \$400, and tenant pays utilities for entire building (incl. Men’s & Women’s Golf Assn lounges)
- Total due to town since execution of lease = 41 x \$400 = \$16,400 (as of Nov 30, 2010)
- Option to extend for one additional two-year term (through April 30, 2012), without express notification
- Option to extend for one additional two-year term (through April 30, 2014), with written notification by December 31, 2011, sent by certified mail
- Despite the absence of formal renegotiation of lease, and with no additional action by the Board of Aldermen, the current vendor ceased making rent payments as of August, 2007, upon the direction of a town official; vendor resumed partial rent payments beginning April, 2010 upon notification by the Director of Recreation & Parks
- Failure to perform, default of contract, or failure to exercise renewal option in writing terminates lease; lease may be renegotiated at any point prior to December 31, 2011
- Vendor provided verbal notice to Town Manager of intent to vacate, effective November 30, 2010

19th Hole Lease Payments: May 1, 2007 – November 30, 2010

FY06-07	\$800	(\$400 each month for May & June, 2007)
FY07-08	\$800	(\$400 each month for July & August, 2007)
FY09-10	\$400	(\$100 each month for March – June, 2010)
FY10-11	<u>\$500</u>	(\$100 each month for July – November, 2010)

TOTAL \$2,500 received to date

Men’s Golf Association Lounge Original Lease:

- January 1, 1991 – December 31, 1993
- Option to extend for one additional two-year period, upon written notification to Town Manager no later than October 31, 1993 (through December 31, 1995)
- Monthly rent = \$600/year, payable in equal semi-annual installments, beginning July 1, 1991
- Failure to pay rent within 60 days of due date renders lease in default;
- Men’s Association failed to pay rent in FY08-09 and FY09-10, but made payment of \$600 on November 4, 2010
- Any improvements to the facility made at expense of Lessee (Mens Assn), become property of Lessor (Town)
- No express provision for renewal or renegotiation of lease/original terms of lease have been met and may be changed at the discretion of BoA at any time

Women’s Golf Association Lounge:

- Women’s Association has no formal lease with Town, but maintains exclusive use of lower level of Club House without lease
- Women’s Association provides some volunteer assistance with upkeep of course flower beds, but provides no financial support; recent improvements to women’s lounge were covered by Golf Fund

Croquet Association:

- Has no formal lease with Town, but maintains exclusive use of restroom and shelter facility
- Original informal agreement to provide financial assistance to Town for maintenance of croquet facility has declined from \$2000/year to \$500/year, though no financial assistance was received in FY08-09 or FY09-10
- The golf budget includes a line item of \$2,000 for maintenance of the facility