

NEWPORT YACHT CLUB – STONEY CREEK INC.

Ownership Proposal

Dec 12, 2011

Existing Newport Yacht Club and Marina

It was discovered in the spring of 2011 that the marina was for sale, the current commercial operation was not viable, and that there were significant back taxes owing. The other major concern was that there was no plan to dredge the entrance to Lake Ontario which would close the marina in 2012.

It was learned that Rosart owns 3 companies with 3 separate parcels and MARZ owns three parcels, which is the entrance that requires dredging.

Three residents sought and received signed agreements with both parties to take ownership of all the required parcels.

Newport Yacht Club-Stoney Creek Inc (a Not For Profit Corporation) was formed to create a resident-owned long term viable operation.

All funding was raised through meetings with the area residents, some resident investors, and other marina patrons in order to continue with the acquisitions.

Consolidation of all of the Rosart and Marz properties (6 pieces) will reduce their existing PIN numbers (approx 250) to a single entity

All Rosart parking lot back taxes (approx \$160,000.00) will be paid up in full on closing.

An additional \$100,000.00 will be paid towards the existing marina back taxes on closing (Newport Yacht Club-Stoney Creek Inc. \$50,000.00 and Rosart Properties \$50,000.00).

The business plan's operating statement clearly shows the ability to operate and pay taxes in the future.

A contract for dredging for the spring of 2012 is already in place.

The current 6 pieces do not have any realistic value beyond the land (parking lot) so by having the property as a whole there is real collateral.

If our proposal is not successful then we can only assume that the course of action already in place will continue and result in a failed tax sale with the potential of vacant ownership of the marina, leaving the marina for all intents and purposes a pond".

Summary – the formation of "Newport Yacht Club-Stoney Creek Inc (NFP owned operation)" will end the era of non-tax payments and provide a future viable community operation that will pay taxes.

Attachments

1. Attachments A, B, C, D (Operating Information)
2. Picture – Marina as a whole



Google earth

feet
meters



**NEWPORT MARINA INCOME
STATEMENT (PROJECTED)**

As of December 31, 2009

<p>EXTRAPOLATED INCOME BASED ON 12/09/2009 INCOME STATEMENT WITH ADJUSTMENT FOR FEE AND TAXES</p>

	90 Slips	120 Slips	150 Slips	180 Slips
REVENUE (RENTAL FEES UP 50%)				
SUMMER SLIP RENTAL INCOME	\$ 141,701.16	\$ 188,934.88	\$ 236,168.60	\$ 283,402.32
	\$ 141,701.16	\$ 188,934.88	\$ 236,168.60	\$ 283,402.32
EXPENSES				
TELEPHONE EXPENSE	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00
PUBLICATIONS	\$ 182.40	\$ 182.40	\$ 182.40	\$ 182.40
GENERAL OFFICE SUPPLIES	\$ 71.28	\$ 71.28	\$ 71.28	\$ 71.28
AMORTIZATION EXPENSE	\$ 3,720.85	\$ 3,720.85	\$ 3,720.85	\$ 3,720.85
BANK CHARGES	\$ 231.50	\$ 231.50	\$ 231.50	\$ 231.50
LANDSCAPING	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00
MEMBERSHIP FEES	\$ 495.00	\$ 495.00	\$ 495.00	\$ 495.00
LEGAL AND ACCOUNTING	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
ENGINEERING/ARCITECTU'RE	\$ -	\$ -	\$ -	\$ -
MAINTENANCE CONTRACT FEES	\$ 46,400.00	\$ 46,400.00	\$ 46,400.00	\$ 46,400.00
REALTY TAXES (REDUCED 50%)	\$ 53,076.17	\$ 53,076.17	\$ 53,076.17	\$ 53,076.17
DREDGING	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
CAPITAL TAX EXPENSE	\$ 853.62	\$ 853.62	\$ 853.62	\$ 853.62
INSURANCE	\$ 4,829.07	\$ 4,829.07	\$ 4,829.07	\$ 4,829.07
R & M PARKING LOT	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
R & M ELECTRICAL	\$ 3,194.50	\$ 3,194.50	\$ 3,194.50	\$ 3,194.50
R & M EQUIPMENT	\$ 684.95	\$ 684.95	\$ 684.95	\$ 684.95
R & M SUPPLIES	\$ 2,003.55	\$ 2,003.55	\$ 2,003.55	\$ 2,003.55
CLEANING SUPPLIES	\$ 705.50	\$ 705.50	\$ 705.50	\$ 705.50
R & M DOCKS	\$ 224.23	\$ 224.23	\$ 224.23	\$ 224.23
MARINA HYDRO	\$ 15,844.65	\$ 21,126.20	\$ 26,407.75	\$ 31,689.30
WATER 083848 0 2 EDGEWATER 149	\$ 5,927.70	\$ 7,903.60	\$ 9,879.50	\$ 11,855.40
	\$ 174,174.97	\$ 181,432.42	\$ 188,689.87	\$ 195,947.32
NET INCOME FROM OPERATIONS	<u>(\$32,473.81)</u>	<u>\$7,502.46</u>	<u>\$47,478.73</u>	<u>\$87,455.00</u>

REVENUE UP 50% - TAXES CUT 50%

The 50% reduction is based on the reduction in the number of taxable slips as well the Assessment Class going from Commercial Vacant Land and Multi-Residential Development Land, to Residential Taxable, resulting in an approximate 40% reduction in the tax rate.

**NEWPORT MARINA INCOME
STATEMENT (ACTUAL)**
As of December 31, 2009

**EXTRAPOLATED INCOME BASED ON 12/09/2009
INCOME STATEMENT**

	90 Slips	120 Slips	150 Slips	180 Slips
REVENUE				
SUMMER SLIP RENTAL INCOME	\$ 94,467.44	\$ 125,956.59	\$ 157,445.73	\$ 188,934.88
	\$ 94,475.69	\$ 125,956.59	\$ 157,445.73	\$ 188,934.88
EXPENSES				
TELEPHONE EXPENSE	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00
PUBLICATIONS	\$ 182.40	\$ 182.40	\$ 182.40	\$ 182.40
GENERAL OFFICE SUPPLIES	\$ 71.28	\$ 71.28	\$ 71.28	\$ 71.28
AMORTIZATION EXPENSE	\$ 10,957.12	\$ 10,957.12	\$ 3,720.85	\$ 3,720.85
BANK CHARGES	\$ 231.50	\$ 231.50	\$ 231.50	\$ 231.50
LANDSCAPING	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00
MEMBERSHIP FEES	\$ 495.00	\$ 495.00	\$ 495.00	\$ 495.00
LEGAL AND ACCOUNTING	\$ 7,387.16	\$ 7,387.16	\$ 4,000.00	\$ 4,000.00
ENGINEERING/ARCITECTURE	\$ -	\$ -	\$ -	\$ -
MAINTENANCE CONTRACT FEES	\$ 46,400.00	\$ 46,400.00	\$ 46,400.00	\$ 46,400.00
REALTY TAXES	\$ 106,152.33	\$ 106,152.33	\$ 106,152.33	\$ 106,152.33
INTEREST EXPENSE	\$ 2.46	\$ -	\$ -	\$ -
DREDGING	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
CAPITAL TAX EXPENSE	\$ 853.62	\$ 853.62	\$ 853.62	\$ 853.62
INSURANCE	\$ 4,829.07	\$ 4,829.07	\$ 4,829.07	\$ 4,829.07
R & M PARKING LOT	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
R & M ELECTRICAL	\$ 3,194.50	\$ 3,194.50	\$ 3,194.50	\$ 3,194.50
R & M EQUIPMENT	\$ 684.95	\$ 684.95	\$ 684.95	\$ 684.95
R & M SUPPLIES	\$ 2,003.55	\$ 2,003.55	\$ 2,003.55	\$ 2,003.55
CLEANING SUPPLIES	\$ 705.50	\$ 705.50	\$ 705.50	\$ 705.50
R & M DOCKS	\$ 224.23	\$ 224.23	\$ 224.23	\$ 224.23
MARINA HYDRO	\$ 15,844.65	\$ 21,126.20	\$ 26,407.75	\$ 31,689.30
WATER 083848 0 2 EDGEWATER 149	\$ 5,927.70	\$ 7,903.60	\$ 9,879.50	\$ 11,855.40
	\$ 237,877.02	\$ 245,132.01	\$ 241,766.03	\$ 249,023.48
NET INCOME FROM OPERATIONS	<u>(\$143,401.33)</u>	<u>(\$119,175.42)</u>	<u>(\$84,320.30)</u>	<u>(\$60,088.60)</u>

Newport Yacht Club-Stoney Creek Inc.

MARINA	\$/FOOT	Up 15%	Up 25%	Up 40%	Up 50%
Newport	\$ 46.00	\$ 52.90	\$ 57.50	\$ 64.40	\$ 69.00
Bronte Outer	\$ 71.00				
Foran's	\$ 75.00				
Harbour West Hamilton	\$ 75.00				
Port Dalhousie	\$ 75.00	Survey performed July 11, 2011			
LaSalle	\$ 76.00				
Fifty Point	\$ 92.00				
Fifty Point is stored	\$ 73.60				

It was quickly decided that the only viable option was to abandon a commercial enterprise and form a Residential Not For Profit Corporation that would grant Exclusive Mooring Rights (EMR)

It was accepted at the meeting by the existing patrons that there would be an increase to **\$65.00** per foot

We then issued the option of Exclusive Mooring Rights (EMR) with a price per slip size

We offered a 10% discount for signing an agreement and providing a cheque by Nov 21, 2011

The EMR patrons would also be only charged \$50.00 per foot for the 2012 year

We have raised **\$356,700.00** through the granting of 56 EMR to date

There's a one time fee for every EMR of **\$300.00** for joining the club and getting voting rights.

There's a one time fee for every patron (renter) of **\$200.00** for joining the club and getting voting rights.

We anticipate raising **\$30,300.00** for the club membership

We then sought private investors to top up the funds and raised **\$275,000.00**

We reviewed all the existing renters and EMR mooring fees raises **\$183,237.00** for 2012 income

The income for 118 slips falls in line with the projection showing 120 Slips

Revenue

Exclusive Mooring Rights	\$356,700.00	56 in total
Club Membership	\$30,300.00	56 EMR members, 63 Patron members
Investors	\$250,000.00	3@\$50K, 4@25K
	\$637,000.00	

Acquisition Cost

Rosart	\$250,000.00	Parking Lot, Marina Basin, 242 slips
Marz	\$40,000.00	Entrance Property
City of Hamilton	\$160,000.00	Parking lot back taxes
City of Hamilton	\$50,000.00	Marina back taxes
Permits, Transfer, Legals	\$30,300.00	
Dredging	\$100,000.00	An immediate required expense this winter
	\$630,300.00	

Balance

	\$6,700.00	Too be used for start-up and maintenance expenses
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