

# BURLINGTON COMMUNITY DEVELOPMENT CORPORATION

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OCTOBER 25, 2010

## MINUTES

President Kiss convened a meeting of the Board of Directors of the Burlington Community Development Corporation at 5:32 p.m.

### 1. Agenda

There were no amendments to the agenda.

### 2. City Market Ground Lease Amendment

The Board reviewed a proposed amendment to the Ground Lease between Burlington Community Development Corporation (BCDC) and the Onion River Cooperative for the supermarket at 82 and 92 South Winooski Avenue. Currently the lease runs for a period inclusive of renewals of 100 years from 2001. The base rent is \$26,000 a year and beginning in 2012 there is provision for an additional rent equal to 50% of the “available cash flow” less any accelerated loan payments to the USDA. City Market approached the City approximately two years ago to initiate discussions to purchase the property or alternatively to enter into a revised term for rent.

Just over a year ago the Board considered a conceptual proposal to restructure the lease on the basis of the model for the lease of “Site A” on Cherry Street. This revised lease will provide for a total 98 year term and annual payments of \$50,770 per year with City Market paying an annual fee for service to the City of \$8,000 adjusted annually by the Consumer Price Index (CPI) rate of inflation. The lease payments of \$50,770 would represent the equivalent annual debt service for a 30-year mortgage to City Market at an available USDA interest rate of 4% for the current fair market value of the land.

Treasurer Leopold made a motion, seconded by Mr. Keogh, to approve the proposed revision and amendment to the ground lease agreement as drafted by BCDC attorney Bob Roesler and to authorize President Kiss to execute the lease amendment agreement. The motion passed unanimously.

The meeting of the BCDC was then adjourned at 6:00 p.m.

