



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

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SIMSBURY BOARD OF SELECTMEN
Special Meeting – November 12, 2021 – 8:30am
Virtual Format Only

PLEDGE OF ALLEGIANCE

PUBLIC AUDIENCE

- Written comments can be emailed to townmanager@simsbury-ct.gov. Due to Thursday being a holiday, written comments for this special meeting received by 4pm Wednesday, November 10, 2021 will be read into the record of the meeting.

SELECTMEN ACTION

- a) Consideration of and possible action on (1) Request from BMW Sports, LLC to approve an Assignment of International Skating Center (ISCC) Ground Lease; (2) Approval of the proposed Permitted Mortgage Agreement and (3) Authorize the Town Manager to execute all required documents related to the Assignment of the Ground Lease, the Approval of the Permitted and Related Matters.

ADJOURN



Town of Simsbury

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BOARD OF SELECTMEN MEETING AGENDA SUBMISSION FORM

1. **Title of Submission:**

Consideration of and possible action on (1) Request from BMW Sports, LLC to approve an Assignment of International Skating Center (ISCC) Ground Lease; (2) Approval of the proposed Permitted Mortgage Agreement and (3) Authorize the Town Manager to execute all required documents related to the Assignment of the Ground Lease, the Approval of the Permitted and Related Matters.

2. **Date of Board Meeting:**

November 12, 2021

3. **Individual or Entity Making the Submission:**

Bob Decrescenzo, Town Attorney

4. **Action Requested of the Board of Selectmen:**

If the Board of Selectmen supports approval of the assignment of the Ground Lease from ISCC, LLC to BMW Sports, LLC and the approval of the Permitted Mortgage Agreements by Windsor Federal Savings and Loan Association and the Community Investment Corporation (SBA 504 financing), the following motion is in order:

Move, effective November 12, 2021, to adopt the attached Resolution.

5. **Summary of Submission:**

BMW Sports, LLC is a group of local Simsbury residents who have worked to purchase the International Skating Center of Connecticut (ISCC) property. The Town of Simsbury is the owner of the land only, and as a result holds the Ground Lease for that property and under the terms of the Ground Lease, the Board of Selectmen consent for the assignment and approval of permitted mortgages is required.

The required approval for the assignment of the Ground Lease was discussed in the Executive Session portion of your November 8th Board of Selectmen meeting.

The assignment of the Ground Lease to new lessees has occurred three times since its original execution in 1994. Closing materials have been prepared and the matter is now ready for Selectmen consideration and action.

The Town Attorney has been involved with reviewing and preparing necessary documents related to assignment of the Ground Lease, the proposed permitted mortgage agreement, due diligence as required by the terms of the Ground Lease, and related matters.

6. Financial Impact:

The current lease provides for the Skating Center to make payment of \$80,000 (annual total) to the Town in lieu of taxes.

7. Description of Documents Included with Submission:

- a) Resolution: Assignment of Ground Lease to BMW Sports, LLC and Approval of Financing
- b) Permitted Mortgagee's Agreement - *forthcoming*

SIMSBURY BOARD OF SELECTMEN

RESOLUTION

ASSIGNMENT OF GROUND LEASE TO

BMW SPORTS, LLC AND APPROVAL OF FINANCING

WHEREAS, the Simsbury Board of Selectmen has issued notice for a special meeting on Friday, November 12, 2021 at 8:30 a.m. to consider the request of BMW Sports, LLC for the approval of an assignment of the Ground Lease and permitted mortgage agreement for the existing ground lease for the International Skating Center of Connecticut located at 1375 Hopmeadow Street, Simsbury, Connecticut; and

WHEREAS, the Town of Simsbury (the "Town") entered into a ground lease with World Skate, Inc. for certain property located at 1375 Hopmeadow Street, Simsbury, Connecticut, which ground lease is recorded in Volume 428, Page 1097, of the Simsbury Land Records (the "1994 Lease") and World Skate, Inc. assigned its interest in the ground lease to World Skate of Connecticut, L.L.C., pursuant to an Assignment and Assumption Agreement dated October 17, 1994 (the "1994 Assignment") and Lessor has consented to the 1994 Assignment and World Skate of Connecticut, L.L.C. assigned its interest in the Ground Lease to International Skating Center of Connecticut, L.L.C., pursuant to an Assignment and Assumption Lease dated August 2, 1996 (the "1996 Assignment") and International Skating Center of Connecticut, L.L.C. has assigned its interest in the Ground Lease to ISCC, LLC a Connecticut limited liability company ("Lessee") pursuant to an Assignment and Assumption Agreement dated February 4, 2000 (the "2000 Assignment") and the Town and ISCC, LLC amended the ground lease by a "first Amendment to Ground Lease" dated February 24, 2006 as amended December 11, 2007 (the 1994 Lease, the 1994 Assignment, the 1996 Assignment, the 2000 Assignment and the First Amendment to Ground Lease dated February 24, 2006 as amended December 11, 2007, collectively, the "Ground Lease"); and

WHEREAS, the Ground Lease requires ISCC, LLC to obtain written consent from the Town to assign the Ground Lease and the improvements constructed thereunder; and

WHEREAS, BMW Sports, LLC as prospective assignee of the Ground Lease has requested the Town to approve a twenty-year loan from Windsor Federal Savings and Loan Association in the original principal amount of \$4,350,000 consisting of a First Mortgage in the amount of \$2,700,000 and a Second Mortgage in the amount of \$1,650,000, secured by, among other things, a leasehold mortgage and security agreement encumbering the Ground Lease and the improvements constructed thereunder; and

WHEREAS, the purpose of the loan is to refinance the existing debt held by ISCC, LLC, Assignor of the Ground Lease; and

WHEREAS, Windsor Federal Savings and Loan Association (“the Bank”) qualifies as an institutional lender under the terms of the Ground Lease; and

WHEREAS, the Lessor understands that BMW Sports, LLC and the Bank have disclosed their intention that the Second Mortgage will be paid off and replaced by a loan from the Community Investment Corporation (SBA 504 Financing) in the approximate amount of \$1,667,000.00 which loan is intended to be secured, inter alia, by a mortgage on the Lessee’s interest in the Ground Lease; and

WHEREAS, the mortgage granted to the Community Investment Corporation will constitute a “Permitted Mortgage” and the Community Investment Corporation will become a “Permitted Mortgagee” only upon the Community Investment Corporation’s compliance with the conditions stated in Article VII of the Ground Lease, including the execution of an agreement complying with Section 7.9 thereof; and

WHEREAS, Lessor acknowledges that the Community Investment Corporation is an “institutional lender” within the meaning of the Ground Lease; and

WHEREAS, the value of the assets made the basis of the collateral exceed the amount of debt to be secured by the leasehold mortgage according to the records of the Simsbury Tax Assessor and the representation of Windsor Federal Savings and Loan Association that it is in receipt of an appraisal which confirms the same; and

WHEREAS, ISCC, LLC is not in default of any material provisions of the Ground Lease and is therefore eligible to exercise the right to renew for the Extended Term; and

WHEREAS, Windsor Federal Savings and Loan Association has agreed that the principal amount of the loan debt will not increase without the written consent of the Town; and

WHEREAS, the debt secured by the leasehold mortgage and security agreement relates solely and exclusively to the operations of BMW Sports, LLC and does not secure debt or other obligations unrelated to the operation of the Simsbury Skating Center; and

WHEREAS, it is in the public interest to have BMW Sports, LLC commit to operate the skating center for the long term and toward that end has given notice of its intent to exercise the two ten-year extension terms allowed under the Ground Lease; and

WHEREAS, the extension of the Ground Lease will render the proposed twenty-year loan compliant with the requirement that the debt obligation not exceed the remaining initial and extension term of the Ground Lease.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF SELECTMEN:

1. Authorizes Maria E. Capriola as Town Manager to execute the Consent of Assignment Agreement.
2. Finds that Windsor Federal Savings and Loan Association is a qualified institutional lender under the Ground Lease and that the loan agreement meets all of the qualifications for Windsor Federal Savings and Loan Association to be approved as Permitted Mortgagee under the Ground Lease.
3. Finds that the Community Investment Corporation (SBA 504 Financing) is a qualified institutional lender under the Ground Lease and subject to review and confirmation of the final loan agreement, meets all of the qualifications for Community Investment Corporation to be approved as Permitted Mortgagee under the Ground Lease.
4. Approves Windsor Federal Savings and Loan Association as a Permitted Mortgagee under the Ground Lease.
5. Approves Community Investment Corporation as a Permitted Mortgagee under the Ground Lease, subject to confirmation by the Town Attorney that the Final Loan Agreement satisfy all the requirements of Article VII of the Ground Lease.
6. Authorizes Maria E. Capriola as Town Manager to execute and accept the Permitted Mortgagee Agreements on behalf of the Town, a copy of which is attached, subject to final approval of the form by the Town Attorney.
7. In the alternative to the execution of a Permitted Mortgage Agreement by the Community Investment Corporation, prior to or contemporaneous with the execution by Lessee of any Permitted Mortgage, the Permitted Mortgagee shall execute a document in a form and substance reasonably satisfactory to Lessor agreeing to be bound by all provisions of this Lease applicable to Permitted Mortgages and Permitted Mortgagees.
8. At the option of Lessee, Lessee's counsel shall deliver an opinion of counsel to Lessor, which opinion shall state that the Community Investment Corporation Permitted Mortgagee is bound by all provisions of this Lease applicable to Permitted Mortgages and Permitted Mortgagees.
9. Authorizes Maria E. Capriola as Town Manager to execute and deliver on behalf of the Town the acknowledgment that ISCC, LLC is not in default of the Ground Lease.
10. Authorizes Maria E. Capriola as Town Manager to execute any and all other necessary or convenient documents to consummate the Assignment of the Ground

Lease and Permitted Mortgage Agreements to facilitate the financing agreement by and between BMW Sports, LLC and Windsor Federal Savings and Loan Association and the Community Investment Corporation.

Adopted by the Simsbury Board of Selectmen on
November 12, 2021.

Town Clerk