



BOARD RESOLUTION STORE LEASE RENEWAL – BALLWIN STORE

The Board of Directors of the Society of St. Vincent De Paul Archdiocesan Council of St. Louis reviewed the following recommendation and approved it.

WHEREAS, the Finance Committee discussed and recommended the renewal of the lease for the Ballwin thrift store located at 13986 Manchester Road, Ballwin, MO 63011, and

WHEREAS, the current lease expires September 30, 2025, and

WHEREAS, the lease renewal clause requires SVdP (the tenant) to provide six (6) months written notice prior to lease expiration to exercise the renewal option (i.e. by March 30, 2025), and

WHEREAS, the landlord has agreed to amend the lease and limit SVdP liability to no more than \$2,500 per year for repair or replacement of the aging heating, ventilation and air conditioning (HVAC) systems, and

WHEREAS, the lease renewal is for five years, and

WHEREAS, the landlord proposes a rent increase equal to a 4.7% annual compound inflation adjustment to the original, triple net, rental cost. A cost breakdown is provided below:

Society of St. Vincent de Paul - Archdiocesan Council of St. Louis Analysis of Ballwin Thrift Store Lease Renewal Renewal Period Oct 2025 - Sept 2030					
	Original Terms Oct 2020	Current Terms through Sept 2025	Renewal Terms Oct 2025 - Sept 2030	Increase over Current	Annualized % Increase over Original
Base Rent / mo (15,000 sq ft)	\$ 14,375	\$ 14,375	\$ 17,500	\$ 3,125	4.01%
CAM	\$ 1,250	\$ 1,250	\$ 1,250		
Insurance	625	725	750		
RE Taxes	4,525	6,625	6,635		
Subtotal Triple Net Exp	6,400	8,600	8,635	35	6.18%
Total Monthly lease Cost:	\$ 20,775	\$ 22,975	\$ 26,135	\$ 3,160	4.70%

WHEREAS, 29% of the increased lease cost at Ballwin will be defrayed by a reduction in lease cost at the St Charles location. The landlord at St Charles recently significantly reduced Common Area Maintenance (CAM). When we signed the St Charles lease a few years ago, the Aldi store was not yet in operation. Now, with the Aldi operating, the Aldi store is paying a large share of CAM, which means the CAM for other tenants (like SVdP) decreased. The increased lease cost at Ballwin will be defrayed by an additional 50% as we reduce our fleet of leased trucks (this effort was previously approved by the Board on January 30, 2025).

WHEREAS, we receive a significant quantity and quality of donated items at the Ballwin store. For example, 24% of all hardlines are donated at the Ballwin store.

WHEREAS, a review of comparable properties by the SVdP real estate broker revealed no similar property in the Ballwin area at less cost.

WHEREAS, in FY2024, the Ballwin store reported \$1,656,716 gross revenue and net ordinary income of \$115,167. Due to the commercial viability of the location, the quantity and quality of items donated at the location, and our reduced liability for HVAC repairs, it is recommended we accept the lease renewal offer.

THEREFORE, BE IT RESOLVED, to hereby authorize and direct the Executive Director to the renewal of the lease for the Ballwin store pursuant to the terms included in the renewal clause of the lease contract.

Carole A Johnson 03/20/2025
Board Secretary Date