

CIVIC FACILITIES RENTAL/LEASE POLICY
Council Policy No. 113/16

PURPOSE:

Guidelines for Leasing / Rental of City Facilities and Property.

POLICY:

The Facility Allocations Clerk, on behalf of the City, will receive submissions received directly from organizations, companies or individuals concerning the leasing or use of City facilities and property based on the qualification requirements and leasing regulations set out in this policy. City Council may further identify, on its own, opportunities for the use of City property and may call for proposals/submissions from interested parties. The qualification requirements and leasing regulations will also be as stated in this policy.

POLICY BACKGROUND:

At the Regular meeting of January 26, 2015, Council approved Resolution No. 23/15 authorizing staff to develop a lease / rental policy with a corresponding administrative procedure for Council's future consideration.

This new policy will replace and supersede Council Policy No. 113/09, City Owned Buildings Lease Policy.

POLICY GOALS / OBJECTIVES:

Ensure that leased City facilities and property are allocated in a fair, equitable and cost-effective manner;

Facilitate the leasing of City facilities and property through an application to lease process;

Ensure that costs to the City of Fort St John are minimized and community benefits are maximized;

The respective Department Head will negotiate the terms of each lease. The Director of Legislative and Administrative Services will prepare all lease documents to ensure that City of Fort St John facilities and properties are adequately maintained and appropriately used in an accountable manner.

GUIDING PRINCIPLES:

Groups or organizations wishing to lease City facilities and property may include:

1. Non-profit recreation/social organizations incorporated under the Societies Act offering unrestricted access at a reasonable cost;
2. Established sporting organizations associated with the delivery of competitive sport in Fort St. John. Facilities include dressing rooms, office, storage, etc. (Should new requests for these types of facilities arise in future, staff will consult with Council);

CIVIC FACILITIES RENTAL/LEASE POLICY
Council Policy No. 113/16

GUIDING PRINCIPLES: (continued)

3. Concession type operation - operations generally identified by operations with an investment in equipment and little or no investment required in real estate.

Organizations or individuals wishing to lease or use City facilities and property designated for community use where the intent is to lease or occupy at an established rate must meet the following criteria:

1. Basic organization requirements:

The ability and commitment of an organization to develop and/or operate and maintain a facility must be demonstrated. The organization should meet at least two of the three requirements below:

- (a) established with some record of success in fulfilling its operations,
- (b) a non-profit organization incorporated under the Society Act with unrestricted public access at reasonable cost, and based in the City with a majority of its directors in residence in Fort St John,
- (c) established with goals and objectives consistent and complementary to the City's.

2. Demonstration of Market

Organizations or individuals proposing to lease City land and develop new facilities must demonstrate to the City's satisfaction that a viable market exists for the facility and the associated services.

3. Financial Ability

Organizations proposing to lease or use City facilities and property must demonstrate, to the City's satisfaction that they have or can obtain the financing ability to effect the proposal without City assistance. Organizations should be prepared to provide financial statements or other records to the City for review and appraisal prior to commencement of negotiations.

4. Specific Proposals for Fit-up, or Development in designated City facilities and property

Organizations wishing to fit-up, or develop and/or operate a business in City facilities shall be allowed only where it is deemed that the services to be provided are complementary to the goals and objectives of the City. The facilities permitted to locate or operate should be restricted to those approved by the City Council and may include:

- (a) athletic facilities (i.e. PSC, NPA, field house, NPLP, etc.);
- (b) historical facilities (i.e. historical sites, museums, etc.);
- (e) outdoor recreation facilities (i.e. Kin Park, Surerus Park, Centennial Park, etc.);
- (f) other facilities (i.e. civic buildings, City Hall, etc.).

CIVIC FACILITIES RENTAL/LEASE POLICY
Council Policy No. 113/16

GUIDING PRINCIPLES: (continued)

5. Annual Budget

The City reserves the right to review the annual budget of all organizations and that there shall be included in the lease agreement, a clause providing that the City may cancel the lease for fiscal irresponsibility.

BASIS FOR LEASING OR USE OF CITY FACILITIES AND PROPERTY:

1. Rates -

- Non-profit - Nominal or as negotiated.
- NPA Dressing Rooms (Established sporting organizations associated with the delivery of competitive sport in Fort St. John, i.e. Flyers, Huskies) - \$2,040.00 / annum base rate + additional negotiated space
Office, Storage, other space - \$3.75 / sq.ft. annual lease rate
*Dressing Room, Office, Storage Areas will increase by CPI index annually
- Organizations using City land on a concession basis, excluding mobile vending (i.e. Food service, skate shop, vending, etc.) - Average of current year market comparatives.

2. Term - By negotiation, up to five years maximum. Lessees will enter into a formal lease agreement.

3. Insurance - Organization to provide coverage to City requirements.

4. Taxes - Organization to pay taxes if same are assessed.

5. Utilities – Negotiated, but organization may be responsible for all public and municipal facilities required.

6. Operation and Maintenance Standards - Operation and maintenance in each facility operated by an organization should meet or exceed the standards established for City operations and maintenance functions, including qualifications for private employees.

7. Improvements - Upon expiration or termination of a lease, and subject to terms of lease, all improvements will become City property with no compensation payable.

8. Bankruptcy - In the event that an organization makes an assignment for the benefit of creditors, or becoming bankrupt or insolvent shall take the benefit of any acts that may be in force for bankrupt or insolvent debtors, the term, at the option of the City, may become immediately forfeit and void.

POLICY AUTHORITY:

Council authorizes the Mayor and Director of Legislative and Administrative Services to execute these leases.