

CITY FACILITY AND PROPERTY LEASE POLICY
Council Policy No. 113/24

PURPOSE:

To ensure that civic facilities and properties are leased in a fair and community-focused manner. To clarify distinctions between commercial and non-profit leases of City facilities and properties.

POLICY:

The City will receive submissions from organizations, companies, or individuals concerning the leasing of City facilities and properties. The City may identify opportunities for leased City facilities and properties and may call for submissions from interested parties.

The qualification requirements and leasing regulations are outlined in this policy.

POLICY GOALS / OBJECTIVES:

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

Ensure that City facilities and properties are leased in a community-focused manner;

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

GUIDING PRINCIPLES:

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

- Registered non-profit societies
- Business or commercial enterprises

To deliver the services most efficiently and effectively, the City of Fort St. John may lease City facilities or properties at reduced rent to non-profit organizations offering community services for public benefit.

Groups or organizations that want to lease or use City facilities and properties must meet the following criteria:

1. Basic organization requirements:

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

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

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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 City facilities and property must demonstrate, to the City's satisfaction, that they have or can obtain the financing ability to affect the proposal without City assistance. Organizations should be prepared to provide financial statements or other records to the City for review and appraisal before starting negotiations.

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

Organizations wishing to fit-up, develop, 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, KAFH, NPLP, etc.);
- (b) historical facilities (i.e. historical sites, museums, etc.);
- (c) outdoor recreation facilities (i.e. Kin Park, Surerus Park, Centennial Park, etc.);
- (d) other facilities (i.e. civic buildings, City Hall, etc.).

GUIDELINES FOR GRANTING REDUCED RENT:

The following principles will be used to assess granting reduced rent of civic facilities or properties to non-profit organizations:

- 1. The primary service offered provides a demonstratable public benefit.
- 2. Participation or membership is available to a broad demographic in the community or the non-profit society serves an identified need to a broad demographic in the community.
- 3. The society provides the only opportunity, or one of only a few opportunities for the service, activity or benefit in the community.

BASIS FOR LEASING OR USE OF CITY FACILITIES AND PROPERTIES:

- 1. Rates - The City may lease the use of facilities at a nominal or reduced rate to non-profit organizations offering community services for public benefit if the City considers it to be in the public interest to do so. Other organizations may lease the use of facilities at fair market value.
- 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.

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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 becomes bankrupt or insolvent or takes 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:

The respective Department Manager will negotiate the terms of each lease. The Corporate Officer will prepare and review all lease and facility rental documents to ensure the City of Fort St. John facilities and properties are adequately maintained and appropriately used in an accountable manner.

Council authorizes the Mayor and Corporate Officer to execute these leases.