



Policy Title: Lease Policy for Non-Profit Organizations in City-Owned Buildings Intended for Future Demolition

Policy Number: CS013

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Approved by: Council

Effective Date: 2012, June 25

Business Unit: Real Estate & Development Services

BACKGROUND

The City of Calgary acquires land for future municipal purposes such as transportation infrastructure. These lands may include buildings that will eventually need to be demolished to make way for roads, LRT lines or other municipal uses.

The City of Calgary is committed to a triple-bottom line policy framework and values the contribution of the non-profit sector. The City also recognizes the requirement to fairly and equitably lease City-owned buildings to a range of non-profit organizations. Additionally, non-profit organizations have documented a scarcity of affordable space to support the work of their organizations. Through The City's commitment and the need of non-profit organizations, the buildings located on lands acquired by The City for future purposes could benefit non-profit organizations through interim period leasing agreements prior to demolition.

PURPOSE

The purpose of this policy is to:

1. Provide guidelines for the leasing of buildings intended for future demolition, in The City's inventory, to Non-Profit Arts, Culture, Social, or Recreation Organizations that provide programs and services considered beneficial to Calgarians.
2. Outline eligibility requirements and application procedures for non-profit organizations that wish to occupy buildings intended for future demolition.

POLICY

The City of Calgary will lease buildings intended for future demolition in The City's inventory, considered suitable for arts, cultural, social or recreational purposes to applicable Non-Profit Arts, Culture, Social, or Recreation Organizations, at below market rates.

1. Definitions

- 1.1 Non-Profit Arts, Culture, Social, or Recreation Organization
- a. An organization incorporated under the Societies Act, the Agricultural Societies Act, Part 9 of the Companies Act, Part 21 of the Business Corporations Act, or a Special Act of the Legislature; and
 - b. An organization which provides Calgarians with artistic, social, cultural, or recreational, opportunities. Typically organizations include performing arts groups, visual arts groups, senior citizens groups, cultural groups, and sports groups; and
 - c. An organization providing the opportunity for public use and/or participation in its facilities and activities, in accordance with the Public Use Policy (Council, 1986); or
 - d. A City of Calgary subsidiary or Authority which provides Calgarians with artistic, social, cultural, or recreational, opportunities.
- 1.2 Building Intended for Future Demolition A structure located on a site that was specifically acquired by The City for a stated municipal purpose.

2. Guiding Principles

- 2.1 The City of Calgary recognizes the value of Non-Profit Arts, Culture, Social, or Recreation Organizations and the programs and services they provide to the citizens of Calgary.
- 2.2 The City of Calgary has the responsibility to hold City-owned buildings and associated lands in trust until they are required for their ultimate municipal purpose. The City will identify buildings intended for future demolition, in The City's inventory that are available for lease to Non-Profit Arts, Culture, Social, or Recreation Organizations.

- 2.3 Identified buildings will be available for lease on a temporary basis, until the building(s) and associated lands are required for municipal purposes. The City will have no responsibility to provide the Non-Profit Arts, Culture, Social, or Recreation Organization with an alternate facility or any compensation, but will provide reasonable notice to vacate.
- 2.4 The City of Calgary will lease buildings to Non-Profit Arts, Culture, Social, or Recreation Organizations, based on open and transparent Expression of Interest (EOI) and Request for Proposal (RFP) processes.
- 2.5 Non-Profit Arts, Culture, Social, or Recreation Organizations which lease buildings held in The City's inventory shall be careful users of the building and associated lands and shall provide services and opportunities that provide community benefit, in addition to their direct benefit to individuals or members. These organizations must also have a non-discriminatory membership policy.
- 2.6 Non-Profit Arts, Culture, Social, or Recreation Organizations shall agree to a lease based on 50% of market rates, to occupy the building "as is where is", and to assume full responsibility for all costs associated with the use of the building and associated lands.
- 2.7 All leases shall follow standard City of Calgary (Real Estate & Development Services) processes including: circulation, valuation, marketing negotiation, approvals, agreement preparation and administration/management.

PROCEDURE

When it is determined that a building in The City's inventory, intended for future demolition, is available for lease, an Expression of Interest (EOI) package will be prepared by Real Estate & Development Services. The EOI submissions by interested Non-Profit Arts, Culture, Social, or Recreation Organizations must include:

1. A copy of the organization's Certificate of Incorporation;
2. A copy of the organization's objects and bylaws;
3. Confirmation, on a form satisfactory to The City, that the organization has had an annual general meeting in the last year, has a current board of directors, and is a member in good standing under the appropriate Act;

4. A statement confirming that the organization is prepared to develop and maintain arts, cultural, social or recreational programs and services which are consistent with City of Calgary business unit mandates; and
5. A statement explaining why the program or service is needed by the citizens of Calgary.

If a Non-Profit Arts, Culture, Social, or Recreation Organization meets the above five eligibility criteria, it will be invited to submit a proposal to Real Estate & Development Services, through a Request for Proposal (RFP) process, which shall include the following:

1. Written support from the organization's board of directors for a lease of City property where approval was given at a meeting in a manner consistent with the organization's bylaws.
2. Documentation outlining the strategy for the property, including:
 - a. A description of the intended use;
 - b. A description of why the organization's current situation is no longer suitable;
 - c. A description of how the organization's program of requirements aligns with the available property; and
 - d. A description of how the organization intends to transition out of the property when the property is required by The City.
3. Documentation that the organization has the financial resources for capital costs and operating expenses, including:
 - a. Current bank statements (not more than 30 days old);
 - b. Most recent audited Financial Statement;
 - c. Most recent business plan or annual report; and
 - d. Operating budget for the lease term.

EOI and RFP Process Responsibilities

Real Estate & Development Services in consultation with Recreation, and Calgary Neighbourhoods will administer the EOI and RFP processes.

AMENDMENTS

None. New policy

REVIEWS(S)

| Date of Policy Owner's Review | Description |
|-------------------------------|---|
| 2017 July 24 | Minor revisions as follows: <ol style="list-style-type: none"><li data-bbox="911 247 1380 344">1. Replaced Corporate Properties & Buildings with Real Estate & Development Services<li data-bbox="911 344 1380 449">2. Replaced Community & Neighbourhood Services with Calgary Neighbourhoods. |