



City Manager's Office
Administrative Policy
Subject: Facility Lease
Policy

Issue 1
January 28, 2022

I. PURPOSE

- A. To establish a policy that sets forth the process to classify Facility rental of City-owned real property it deems as meeting the City's needs. This policy further sets forth the process by which the City may lease real property.

II. DEFINITIONS

- A. Term. Fixed or limited period for which lease is set to last.

III. STATEMENT OF POLICY

- A. It is the policy of The City of North Port, Florida and its dependent special districts to own real property necessary to provide effective government to the citizens and residents of the City of North Port. A majority of the City's real property currently serves a public purpose or is being held in reserve for future anticipated needs. Requests for preferential lease rates and use of City lands and buildings not immediately needed for public purposes will meet the following criteria, guidelines and requirements addressed in this policy.

IV. PROCEDURES

A. Property Criteria

The lands and buildings, which will be made available for use by Qualified Organizations (defined below in Section B), will meet the following criteria:

1. The land or building is not immediately needed for governmental or public purposes but will be retained for a future public purpose;
2. The date of future City use has been estimated or established to be far enough into the future to justify an interim use;
3. The source of funding used for the original acquisition does not preclude the facility or property from legally being leased at less than fair market rate;
4. Property is reasonably suited for the intended use;
5. Properties that are not subject to other City Commission policies, preexisting commitments, or legal obligations that conflict with collecting a below market rental rate.

B. Qualified Organization Criteria

Non-profit, charitable, or other similar organizations, including governmental agencies, may rent property in compliance with Section A, above, from the City at reduced rental rates if they meet the qualifying criteria, stated below, approved by the City Commission. City staff shall evaluate, based upon staff review of the criteria stated below and supplied by the applicant organization(s), and make a final determination as to whether the applicant organization meets or exceeds the qualifications and is a "Qualified Organization" for the purposes of this policy. The criteria under which non-profit or charitable organizations will be evaluated for consideration for below market rents is as follows:

1. A City department must submit the Qualified Organization's request for space.
2. The Qualified Organization must perform a definitive community service provided primarily to the citizens of North Port and substantiate that a continuing public need exists for the services being provided.
3. The Qualified Organization must be designated, or in the process of requesting designation as a "non-profit", hold tax exempt status from the Internal Revenue Service, and/or be a public or quasi-public governmental agency. Proof of said non-profit or governmental status shall be provided for review and verification by the Department administering the lease/property use agreement.
4. The Qualified Organization must be governed by a Board of Directors, if the organization is a not a governmental agency.
5. The City will not enter into leases or property use agreements at below market rates to organizations engaged in political activities or to religious organizations that would use the leased premises to promote sectarian, political or religious purposes.

C. Criteria for Public Benefit Use of Space:

To initially request the use of space, the non-profit or charitable organization must submit an outline of their program and organization ("Application") to the City, for evaluation by the Department of Public Works and/or other City departments, as affected by the particular requested use of space,

which shall include but not be limited to the following:

1. The program's objective and a time frame for completion if applicable.
2. A profile of the clientele being served.
3. Projected staff and/or facilities expansion plans, if any, and other similar plans, to include hours of operations
4. Evidence of adequate public liability insurance and property damage for nonprofits or charitable organizations contents at proposed public facility and/or other insurance as determined by the City's Risk Manager.
5. City Staff shall review all received Applications and make a determination, in its reasonable discretion, as to whether the proposed program conforms to this policy.
6. City staff shall be under no obligation to advance an application to City Commission should they determine that an application or applicant does not conform to this policy.

D. Annual Review Requirements

The Qualified Organization, excluding governmental, must provide the following to the City on an annual basis:

1. A schedule of the Qualified Organization's Board of Directors meetings and, upon request, the Boards' meeting minutes for the past year.
2. Proof that their service is still available, and quantitative reports, in a form acceptable to City, of services provided during the preceding year. Any such quantitative reports shall include, but not be limited to, key statistics necessary to demonstrate the breadth and scope of the services provided.

E. Terms of Tenancy

The terms under which below market or subsidized lease/property use agreements will be granted are as follows:

1. The minimum monthly rent shall comply with the adopted City fee schedule, which may be paid monthly or annually.
2. No alterations or improvements shall be made to the facility or site without the prior written approval of the City.
3. All repairs and maintenance of the leased site or facility that are caused by the tenant shall be the responsibility of the tenant. City staff may inspect the property, at City's discretion, to ensure that it is being properly maintained.
4. Any change in the type or level of services provided may result in a termination of the tenancy.
5. The non-profit or charitable organization shall provide all necessary proof of insurance coverages as set and required by the City's Risk Manager prior to occupancy, during term of lease/property use agreement and at renewal of lease/property use agreement. The City, in its sole discretion, may change required insurance coverage amounts at any time.
6. The Qualified Organization shall not be entitled to relocation benefits as a result of its tenancy in the City-owned facility or property, unless such benefits are required by law.
7. The non-profit or charitable organization will be responsible for paying any and all taxes, including but not limited to possessory interest tax, which may be due as a result of the tenancy.
8. The facilities shall be for the exclusive use of the designated group and may not be sublet

without the written consent of the City Manager.

- 9.. The lease, property use agreement, rental agreement, or other similar agreement issued by the City will include a clause providing for revocation without cause, with the understanding that the Qualified Organization will vacate the premises upon 90-days' notice, at their own expense.
10. The City may require, prior to and during the lease, property use agreement, rental agreement, or other similar agreement, the submission of such additional information as may be needed.
11. A written agreement shall be prepared by the sponsoring department and submitted for review to the Public Works Department and approved as to form by the City Attorney's Office, setting forth the specific terms and conditions for each individual below market rental agreement. Nothing in these guidelines shall be construed as to limit the terms of any specific agreement.
12. The City Commission will approve all lease, property use agreement, rental agreement, or other similar agreements, unless authority to approve the lease/property use agreements has been delegated to the City Manager either in the Municipal Code or by other City Commission action. The City Manager will comply with the terms of the delegation and shall report such agreements to the City Commission.

F. Termination

A below market lease, property use agreement, rental agreement, or other similar agreement may be terminated by the City at any time for any of the reasons established in the lease/property use agreement, including, but not limited to the following:

1. The property or facility is required for the specific purpose or project for which it was originally purchased.
2. The property or facility is required for some other government purpose.
3. It is determined by the City that the facility or site being rented should be sold as surplus property.
4. It is determined by the City that the services provided by the non-profit or charitable organization are no longer necessary or adequate to justify the below market rent.
5. It is determined by the City that the Qualified Organization is not providing the services proposed or is providing unapproved alternative services.
6. Inspection of the property reveals that the property or facility is not being properly maintained.
7. non-profit or charitable organization fails to provide proper liability insurance at any time during the term of the agreement.
8. It is no longer economically feasible or beneficial for the City.