



Approval Date: October 13, 2020	Policy Number: P-12-12-B
Motion: 20-10-296	
Supersedes: P-12-12-A	
Title: Lease Policy	
Board Review: Community Services Board September 23, 2020	

Purpose

The Purpose of this policy is to establish guidelines for leasing property owned by the Town Peace River with not for profit organizations.

This policy provides a framework for managing leases that is transparent, accountable and is in the best interests of the community.

Scope

This policy applies to all new leases and lease renewals for Town owned land and buildings with not for profit organizations. The policy **does not** apply to the following:

- Encroachments on municipal rights-of-way;
- Town-owned facilities to be rented for recreational or cultural purpose; and
- Leases at the Peace River Airport.
- Peace River Municipal Library
- For profit organizations.

Definitions

“Lease ” means a written agreement between the Town and a tenant permitting the tenant to use the property usually for a specified period of time in exchange for rent.

“Non-profit organization” means

- a society, credit union or co operative established under a law of Canada or Alberta,
- a corporation that is prohibited from paying dividends to its members and distributing the assets to its members on a winding up, or
- any other entity established under a law of Canada or Alberta for a purpose other than to make a profit.

“Property” includes, for the purpose of this policy, all Town owned land, buildings, and structures.

“*Tenant*” is defined as the Non-profit organization that has the authorized occupation or temporary possession of lands or buildings of the Town of Peace River.

“*Town*” means the municipality of the Town of Peace River.

1. Principles

1.1. The Town of Peace River recognizes the significant value of services offered by non-profit organizations that enhance the educational, social, cultural and physical well-being of the community. Through nominal fee lease arrangements, the Town is able to support the work of these organizations and the services they provide to the community.

2. Role and Responsibilities

- 2.1. Council - Council is responsible to approve the policy and the standard land and building lease form. In addition to consider terms of lease that are outside of the standard lease form.
- 2.2. CAO - is responsible to approve leases in accordance with the CAO Bylaw and signing policy, sign standard form leases, or if changes are required beyond the approved standard form, to forward the request to Council for approval. In addition, the CAO will review the policy and bring any necessary changes for approval.
- 2.3. Director of Community Services - is responsible to prepare draft leases, meet with the *Non-profit organization*, and bring lease recommendation to the CAO and finally for administration of the lease including ensuring all clauses of the lease are received and to prepare a report for Council if changes are requested for a nonstandard lease.
- 2.4. *Non-profit organization* – is responsible to comply with the terms of the lease, the maintenance of the lease structure or land in accordance with the terms of the lease.

3. Approval of Leases

- 3.1. The CAO will approve all standard leases using the Standard Land and Building Lease Forms, in accordance with this policy.
- 3.2. Council will review and approve any requests that are non-standard.

4. Insurance

4.1. The *Town* will not extend its insurance coverage to tenants.

5. Additional requirements:

- 5.1. As a condition of all standard and nonstandard leases, both as a condition of a new lease and once per year thereafter, all *non-profit organizations* must submit the following documents as a measure to ensure financial and continued viability of the non-profit organizations:
 - 5.1.1. A copy of its audited financial statement for the past year as presented at the annual general meeting;
 - 5.1.2. Evidence from Corporate Registry that the *non-profit organization* is in good standing;
 - 5.1.3. A copy of the *non-profit organization's* current Bylaws.

6. Dissolution

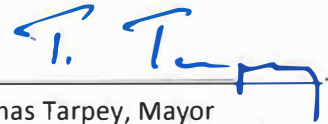
6.1. As a precondition to a new lease for land only, the Director will ensure where all of a *non-profit organization's* fixed assets are affixed solely to land owned by the *Town*, the *non-profit organization's* constitution or bylaws or both must include a dissolution clause which provides that upon dissolution its assets must:

- 6.1.1. be distributed to another *non-profit organization* in good standing with the Societies Act;
- 6.1.2. with similar objectives; and
- 6.1.3. operating within the Town of Peace River;

6.2. If there is no *non-profit organization* meeting the criteria in section 6.1. then, the *non-profit organization's* assets are to be distributed to the Town.

Requests for changes to the terms

6.3. If a non-profit organization requests the Town to enter a lease whose terms are different from the standard form, it may make written application to Council which will consider the application on a case-by-case basis.



Thomas Tarpey, Mayor



Christopher J. Parker, CAO