

RESOLUTION NO. 2

SERIES 2017

**RESOLUTIONS OF THE CRESTED BUTTE TOWN
COUNCIL ADOPTING A POLICY OF THE TOWN COUNCIL
REGARDING LEASING NON-RESIDENTIAL MUNICIPAL
PROPERTIES**

WHEREAS, the Town of Crested Butte, Colorado (the "**Town**") is a home rule municipality, duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, Section 4.7 of the Crested Butte Town Charter provides that the Council may act, other than legislatively, by resolution;

WHEREAS, the Town staff has worked with Town Council on the creation of a policy for leasing non-residential municipal properties (the "**Policy**");

WHEREAS, at the Town Council meeting on January 3, 2016, the Town Manager presented the Policy to the Town Council;

WHEREAS, during such presentation, the Town Manager recommended that the Town Council adopt the Policy;

WHEREAS, the Town Council has reviewed the Policy and approves the leasing policies set forth in the Policy for leasing non-residential municipal properties; and

WHEREAS, based on the presentation by the Town Manager, the Town Council finds that the Policy and its proposed leasing policies for leasing non-residential municipal properties is in the best interest of the health, safety and welfare of the Town, its residents and visitors.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

The Town Council approves and adopts the Policy attached hereto as **Exhibit "A,"** the leasing policies contained therein for leasing non-residential municipal properties being in the best interest of the health, safety and welfare of the Town, its residents and visitors.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO THIS 17th DAY OF January 2017.

TOWN OF CRESTED BUTTE, COLORADO

By: Glenn Michel
Glenn Michel, Mayor

ATTEST:
Lynelle Stanford
Lynelle Stanford, Town Clerk



EXHIBIT "A"
(Leasing Policy for Non-Residential Municipal Properties)

[attach Policy here]



LEASING OF NON-RESIDENTIAL MUNICIPAL PROPERTY POLICY

Introduction or Purpose:

The Leasing of Non-Residential Municipal Property Policy (the "Policy") of the Town Council of the Town of Crested Butte (the "Town") is established to provide guidance to staff in negotiating leases with tenants who wish to occupy non-residential municipally owned property.

Municipally owned property is held in trust by the Town for the residents and voters that make up the citizenry of Crested Butte. The Town has an obligation to manage those properties not utilized for municipal purposes for the benefit of the citizens. This may be reflected through the preservation of important historic structures, through support of community not for profits, and through responsible financial management of the assets.

The Town incurs expenses annually to maintain and operate a variety of non-residential properties throughout the community. The broad objective of the Town's lease rate structure is to adequately cover the costs of routine operations and maintenance and some portion of anticipated capital improvements on municipally owned non-residential rental properties.

The Town also recognizes the importance of not for profit organizations and government organizations with a mission to serve the community. It is the intention of the Town to make its unused non-residential properties available first to community not for profit entities. These organizations provide valuable services and enrichment to the community and are powered by volunteers and donors from the community. Accordingly, the Town desires to facilitate funding assistance to not for profits serving the Crested Butte community by providing rental space for these types of organizations at below market rental rates.

Scope:

The Policy applies to the leasing of municipally owned, non-residential property. The Policy provides guidance to staff in negotiating and proposing lease agreements. Lease agreements are subject to review and approval by the Town Council.

Policy:

The Town should execute and maintain current leases with all occupants of municipally owned property. The advantages of a written lease are to provide certainty and clarity for both parties. The lease sets the amount of rent and deposit as well as length of tenancy. A lease spells out the obligations of the tenant and landlord including expectations for insurance and maintenance.

Recognizing the value that not for profit entities bring to the community, the Town Council would like to make its unused non-residential spaces available first to those types of organizations. The

Council welcomes the opportunity to continue some of the long-standing owner/tenant relationships that exist between the Town and community not for profits that exist as of the adoption of this Policy.

Lease terms shall generally be offered to not for profits for five years with an automatic five year renewal. If, after adequate advertising, no not for profit entity expresses an interest in a location, such location may be leased to an individual or for profit entity. The term of leases to individuals or for profit entities should be for no more than three years after which time the location should again be advertised to see if there are any not for profits who would like to lease the space.

Lease rates for not for profit entities should be established at rates that, at a minimum, cover the expenses incurred by the Town to operate and perform annual maintenance for each location. The difference between the lease rate and market rate should be reflected in the lease agreement such that the tenant, Town and community are cognizant of the subsidy being provided by the Town. Lease rates for individuals or for profit entities should be set at an average of comparable market rates.

Tenants of municipally owned property shall not be permitted to sublet the properties. This will be explicitly stated in each lease.

Because, at the time of adoption of the Policy, so many tenants do not have current leases and are paying little or no rent, a 'ramp up' period should be provided for the first three years for current not for profit tenants. No rate increase should be expected for 2017, with modest increases in 2018 and 2019 until lease rates reach \$2 to \$6 per sq. ft. per year, depending on the location and whether or not utilities are paid by the Town.

Town staff shall periodically (not less than every 5 years) review comparable property lease rates in the community.

Attachments:

- Lease Agreement Checklist

Approvals:

Date	Name	Resolution #
	Town Council	

Revision History:

Version	Date Revised	Reason for Change