

RESOLUTION NO. 03

SERIES 2022

A RESOLUTION 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; and

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

WHEREAS, in January, 2017 the Town Council adopted Resolution 2017-02 creating the policy for Leasing of Non-Residential Municipal Property (the "Policy"); and

WHEREAS, on December 7, 2020, the Town Council adopted Resolution 2020-22 updating the Policy to address utilization of the municipal tenant spaces, deciding between multiple tenant applicants and subletting of properties; and

WHEREAS, on January 18, 2022, the Town Council reviewed the Policy in light of upcoming lease renewals and considered changes to setting lease rates and making allowances for longer lease terms for tenants who are intimately connected to their physical locations; and

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

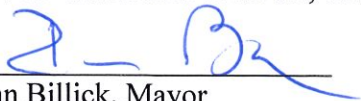
WHEREAS, the Town Council finds that the updates to the Policy and its proposed leasing policies for leasing non-residential municipal properties is in the best interest of the health, safety and welfare of the Town, its residents and visitors.

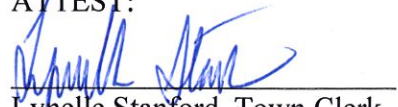
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

The Town Council approves and adopts the updated Policy attached hereto as Exhibit "A," as the new leasing policies 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 20th DAY OF February 2022.

TOWN OF CRESTED BUTTE, COLORADO

By: 
Ian Billick, Mayor

ATTEST:

Lynelle Stanford, Town Clerk

(SEAL)



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 assistance to not for profits serving the Crested Butte community by providing rental space for these types of organizations. The Town prioritizes leasing to not for profit entities that demonstrate strong service to the community and full utilization of the property to fulfill their mission.

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 non-residential spaces available first to those types of organizations. When lease terms end or come up for renewal the Town will advertise the space to see if there is interest from other not for profit entities. If there is more than one qualified not for profit interested in an available space, the Town may choose to establish a lottery to select among potential tenants.

Lease terms shall generally be offered to not for profits for five years. 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 should be established at rates that are comparable to market rates for similar spaces in the community. If there is a difference between the lease rate and market rate that should be reflected in the lease agreement such that the tenant, Town and community are cognizant of the subsidy being provided by the Town.

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

Tenants of municipally owned property shall not be permitted to assign their lease or to sublet the property. This will be explicitly stated in each lease. It is not the intention of the Town that a tenant be able to offset their subsidized lease rate by charging another entity for regular use of the space, particularly not in cases where the other entity is a for profit business or individual. These spaces are provided to government or not for profit entities for the furtherance of their nonprofit missions, not to further private or for profit ventures.

Certain tenants are recognized for value of their service to the community, significant financial contribution they have made towards construction or improvement to the facility or the connection between the physical nature or location of the facility and the service being provided. This classification does not typically apply to office spaces such as the Depot or 308 3rd Street. These tenants may have a longer lease term or significantly reduced rental rate. Examples of this type of tenant include the following current tenants of Town facilities:

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|-----------------------------|---|
| Stepping Stones | Center for the Arts |
| Mountain Express | Crested Butte Nordic |
| Library | Crested Butte Mountain Theatre |
| KBUT | Crested Butte/Mt. Crested Butte Chamber |
| CB Fire Protection District | |

Attachments:

- Lease Agreement Checklist

Approvals:

Date	Name	Resolution #
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01/17/17	Town Council	2017-02
12/07/20	Town Council	2020-22
02/22/22	Town Council	2022-03

Revision History:

Version	Date Revised	Reason for Change
	12/07/20	To address utilization of the tenant spaces, deciding between multiple tenant applicants and subletting of properties
	02/22/22	Lease rates will be comparable to market rates for similar spaces in the community. Clarifying that spaces will be advertised in advance of lease expiration or renewal to see if there is interest from other not for profit entities. Eliminating the 'weighted' lottery. Acknowledgement that consideration on lease term and amount will be given for certain tenants.