

RESOLUTION NO. 22

SERIES 2020

**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; 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, questions have arisen over the past few months regarding the renewal of leases and the Town Council decided to study the matter further creating a subcommittee of Council and staff members to do so; and

WHEREAS, the subcommittee suggested changes to the Policy regarding utilization of the municipal tenant spaces, deciding between multiple tenant applicants and subletting of properties; and

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


WHEREAS, 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 7th DAY OF December 2020.

TOWN OF CRESTED BUTTE, COLORADO

By: 
James A. Schmidt, 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 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. 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, if the current not for profit tenant wishes to remain, the Town will review the service of the not for profit to the Crested Butte community, how completely they utilize the space in furtherance of their mission and how long they have had the opportunity to lease the space. If there is more than one qualified not for profit interested in an available space, the Town may choose to establish a weighted lottery based upon the values of the Town for utilization of a particular space at that time.

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 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 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.

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 #
01/17/17	Town Council	2017-02
12/07/20	Town Council	2020-22

Revision History:

Version	Date Revised	Reason for Change
	12/07/20	



LEASE AGREEMENT CHECKLIST

Property Name: _____

Property Address: _____

Unit #: _____

Tenant Name: _____

Tenant Contact Person: _____

Tenant Mailing Address: _____

Tenant Contact Phone: _____

Tenant Contact Email: _____

Check all boxes that apply to this Lease Agreement and provide dates or other info for all applicable items:

1. Lease Term

Lease Start Date: _____ Termination Date: _____

Automatic Renewal? If so, under what terms? _____

Notice required for termination? If so, what notification is required? _____

Periodic review of lease between Town & Tenant (how often?) _____

2. Lease Amount

Monthly lease rate: _____ Annual lease rate: _____

Lease per sq. ft., per year: _____

Lease rate escalates annually in the amount of: _____

Lease is below rate established by Council – provide reason

Tenant is non-profit

Other _____

3. Sublet

Tenant is permitted to sublet premises under the following conditions: _____

No subletting of the property is permitted

4. Security Deposit

Security deposit is required in the amount of: \$ _____

Security received (date): _____

Security deposit not required

5. Insurance

General Liability required in the amount of: \$ _____

General liability certificate received (date): _____

All-risk insurance required in the amount of: \$ _____

All-risk certificate received (date): _____

6. Utilities - Who is responsible for payment of utilities?

Electric Town or Tenant

Gas Town or Tenant

Water/sewer Town or Tenant

Trash Town or Tenant

7. Maintenance

a. Who is responsible for performing & paying for building maintenance?

Routine maintenance & care Town or Tenant

Major repairs & maintenance Town or Tenant

Other _____ Town or Tenant

Notice required for Town to enter and perform maintenance? _____

b. Who is responsible for performing & paying for site maintenance?

Snow removal – walkway(s) Town or Tenant

Snow removal – parking lot(s) Town or Tenant

Lawn/grounds care Town or Tenant

Other _____ Town or Tenant

8. Parking

Tenant has dedicated on-site parking

Tenant does not have dedicated on-site parking

9. Improvements

Town must be noticed prior to alteration of premises (how long?) _____

10. Signage

Town must review signage for the site (how long?) _____

11. Other – Are there other considerations or arrangements unique to this lease? _____

12. Site Visit with Town Facilities Manager

Date completed: _____

13. Lease approval ordinance/resolution number _____ **date** _____