

## **NON-MARKET LEASING OF CIVIC LAND AND/OR BUILDINGS POLICY**

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### **1. Purpose of this Policy**

1. The Village of Nakusp recognizes the significant value of the services offered by non-profit organizations that enhance the spiritual, educational, social, cultural and physical well-being of the community. A non-market lease is a means for Council to support organizations within the community that further Councils' objective to enhance the quality of life while delivering services economically to the citizens of Nakusp.

### **2. Definitions**

1. "Council" means the elected officials for the Village of Nakusp.
2. "Village" means the Corporation of the Village of Nakusp.
3. "Triple Net Lease" means a lease where the tenant pays for all expenses including taxes, utilities, insurance, and maintenance & repairs.
4. "Nominal rent" means an annual rental rate of \$10.00.
5. "Lease" shall mean lease agreements

### **3. Guiding Principles**

1. The Director of Finance or designate will evaluate favorable leases to determine if they meet the following conditions:
  - a. The facility will be operated by a registered non-profit society;
  - b. The non-profit society must provide proof of their non-profit status and be in good standing with the BC registrar of companies;
  - c. The Society must meet the five criteria defined in section 5 of this policy;
  - d. The Village's need for the subject property for alternate purposes does not conflict with the term of the agreement;
2. Lease approvals will be for a maximum term of 5 years and must be granted by a resolution of Council. Tenants must notify the Village if they intend to renew 1 year prior to the lease expiry.

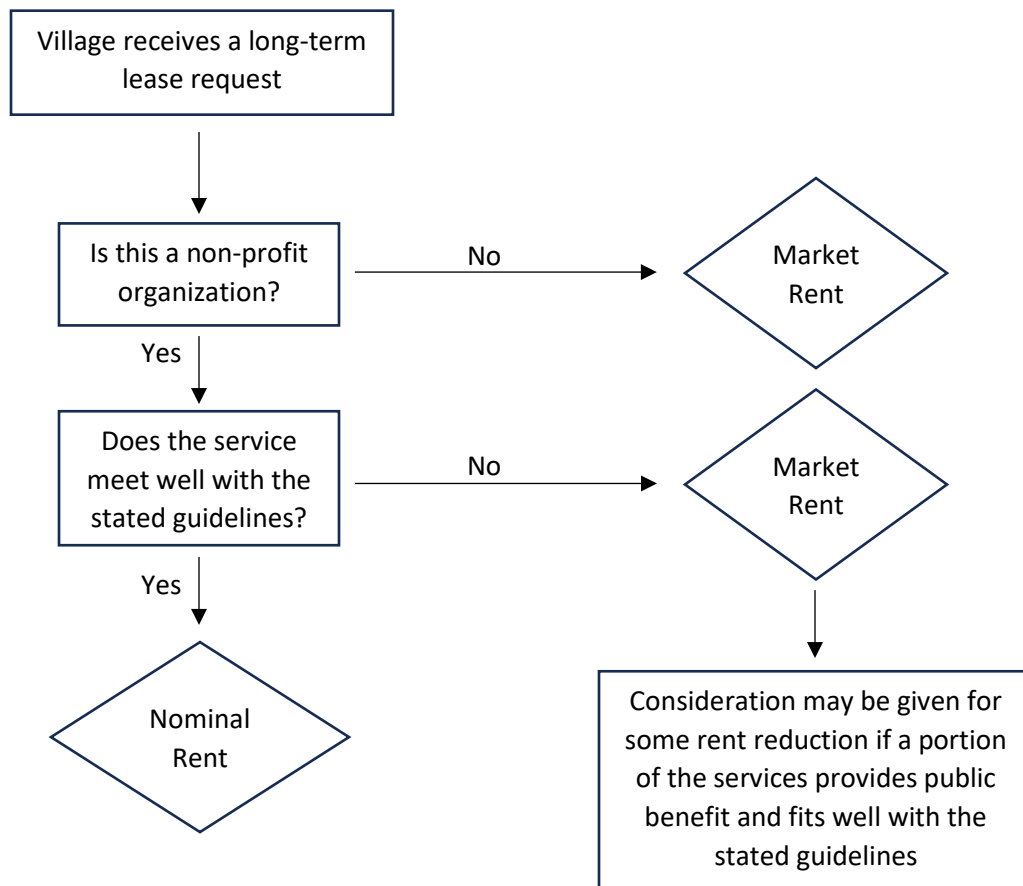
3. This policy will apply to all new leases as well as existing leases at the time of renewal.
4. All leases will be written as triple net leases.
5. Tenants may be required to submit reports at the discretion of the Village. Such reports may include request for information on the group's activities, membership, revenues, and expenses.

#### **4. Guidelines for Establishing the Value of Rent for Lease Agreements to Non-Profit Societies**

Through the use of Civic land and buildings the Village of Nakusp leads or facilitates the delivery of a wide variety of services that meets the needs of our community.

These guidelines pertain to the granting of a lease to use land or improvements owned, held or otherwise in the possession and control of the Village which are longer than a monthly tenancy.

The following flow chart outlines the review process to be undertaken for each application:



This is not intended to fetter the statutory discretion of Council to grant assistance to any person where Council is authorized to do so by law. Despite anything in these guidelines, the Village is prohibited by the Community Charter from disposing of real property at less than fair market value in certain circumstances and these guidelines cannot be interpreted to provide authority or any obligation to override or ignore such statutory limitations.

To deliver the services in the most efficient and effective manner, the Village of Nakusp may lease Village facilities or land at a nominal or reduced rent/fee to non-profit organizations offering community services for public benefit and the Village considers it to be in the public interest to do so. The guidelines listed below will assist in determining if a nominal rent is applicable for the public benefit provided.

**5. Guidelines to Assist with Determining Nominal Rent for Non-Profit Societies**

Applicants for favorable leases are required to submit a proposal identifying the organization's vision, goals, and expected outcomes. Prior to renewals, organizations are required to submit a report demonstrating that they achieved what was stated in their proposal. Proposals must also identify how organizations meet the following criteria:

1. The primary service offered provides a demonstrable public benefit.
2. Participation or membership is available to a broad demographic in the community or the non-profit society services an identified need to a broad demographic in the community
3. The society does not compete directly with the business community in the service it provides or the Society's services compete with the business community, but are offered in very different ways, or are accessible to persons who do not normally have access to the services or facilities in the private sector.
4. There is a need/demand/gap in the community that is not being met by the Village, the private sector, or another non-profit organization.
5. Service will be provided primarily to Nakusp residents as proven by a membership list or other suitable records.

Village Council may offer the use of Village facilities or land at market rent to non-profit organizations that primarily offer a direct service for private benefit. If some of the services offered provide demonstrable public benefit consideration may be given for some rent reduction if a portion of the service provides public benefit and fits well with the stated guidelines.

**Adopted:** February 24, 2025

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Mayor

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