

TOWN OF  
**QUEEN CREEK**  
ARIZONA

# Existing policy on leasing Town facilities to non-profit agencies

## Policy Overview



# Non-Profit Leasing Policy Overview

- Provides guidelines for consideration of proposed leases with non-profit agencies.
- Applies to long-term leases of 5 years or greater.
- Does not apply to individual room rental agreements.



# Non-Profit Leasing Policy Overview

## ■ Policy Criteria

- When a request for a lease is received, and the Council has decided that it is in the Town's interest to pursue a lease, a 21 day public notification process is required.
- Agency must have legal non-profit status.
- Agency must provide a definitive service primarily to the citizens of Queen Creek, and show a continuing public need for the services provided.



# Policy Criteria Cont.

- Subject property requirements
  - No immediate need identified within the 5-year capital improvement plan.
  - Source of funding for original acquisition does not preclude proposed use.
  - The property meets safety and occupancy standards.



# Policy Criteria Cont.

- Prior to approval of a lease, the non-profit agency must submit a plan for services, including:
  - Timelines & objectives
  - Clientele profile
  - Staffing and facility plans
  - Most recent financial statement
  - Adequate public liability and property damage insurance
  - List of all properties rented by agency, including rents paid



# Policy Criteria Cont.

- After a lease has been approved, an annual review is required.
- Non-profit agency provides:
  - Organizational chart
  - Current Board members list
  - Schedule of Board meetings and minutes
  - Most recent financial statement
  - Quantitative reports showing services are still available and being used



# Policy Overview

- Policy sets forth terms of tenancy
  - Tenant responsible for all repairs and property maintenance, payment of applicable taxes on property, and proof of required insurance.
  - Tenant may not make alterations to property, or sublease the property without Town's consent.
  - Tenant is not entitled to relocation benefits.
  - Changes to type or level of service may result in reevaluation of lease.



# Policy Overview

- This policy establishes a framework for working with non-profit agencies, but does not require Council to automatically approve any lease that meets all of the criteria within the policy.
- Individual lease proposals need to be reviewed by Town Attorney to ensure the gift clause provisions of Arizona Constitution Article 9, Section 7 are satisfied.



# Research

- Based on inquiries sent to municipalities statewide, no other cities have been found with an adopted broad based policy for leasing to non-profit organizations.
- Many cities consider these requests on a case by case basis, or do not have available facilities for lease.
- Among cities that do enter into leases a common concern is upholding the gift clause provisions.



# Next Steps

- Follow-up item from Council retreat. Depending on Council's comments, next steps would be:
  - Make amendments to the policy based on Council's comments, and send the amended policy to local non-profits for comments.
  - After the comment period, bring the revised policy with comments back to the Council for final action on a Regular Session agenda.



Questions?

