

# CITY OF SASKATOON COUNCIL POLICY

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| <b>NUMBER</b><br>C03-039 |
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| <b>POLICY TITLE</b><br><i>Leasing and Licensing Surplus Buildings to Outside Organizations</i>   | <b>ADOPTED BY:</b><br><i>City Council</i>                         | <b>EFFECTIVE DATE</b><br><i>June 27, 2022</i> |
|  |   | <b>UPDATED TO</b><br><i>May 27, 2026</i>      |
| <b>ORIGIN/AUTHORITY</b><br><i>Approved by City Council meeting on June 27, 2022 – Item 8.3.5 – Report of Chief Financial Officer – Standing Policy Committee on Planning, Development, and Community Services; and City Council on May 27, 2026 – Item 11.2.2 – Report of City Solicitor’s Office.</i> | <b>CITY FILE NO.</b><br><i>CK 600-0, 1000-0, and 0421-C03-024</i> | <b>PAGE NUMBER</b><br><i>1 of 5</i>           |

1. **PURPOSE**

This Policy provides direction for the leasing and licensing of Surplus Buildings to outside organizations.

2. **DEFINITIONS**

- 2.1 **Market Rent** – The monetary sum that comparable buildings rent for in the open market, adjusting for any unique characteristics of the building and/or restrictions in use.
- 2.2 **Occupancy Costs** – All costs associated with the operation, maintenance, management and repair of a Surplus Building or portions of a Surplus Building occupied by an outside organization.
- 2.3 **Public Offering** – Any means of publicly advertising a Surplus Building or portions of a Surplus Building as available for rent that promotes a fair, open competition.
- 2.4 **Surplus Buildings** – Any City-owned building and grounds, or portions of a City-owned building or grounds, that is:
  - a) not required for City-employee accommodations;
  - b) capable of being leased or licensed to an outside organization;

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- c) not required to provide City programming or services; and
- d) available for interim use.

### 3. POLICY

The Administration may lease or license Surplus Buildings to outside organizations in accordance with the following:

#### 3.1 Compensation

The compensation the City receives in return for granting an organization a lease or license of a Surplus Building will, unless otherwise specifically authorized by this Policy or approved by Council, equate to:

- a) Market Rent plus Occupancy Costs, which are to be paid directly by the organization or collected by the City as additional rent; or
- b) Management of the Surplus Building by the organization in lieu of rent where there are benefits from having an outside organization manage the Surplus Building, including the organization paying the Occupancy Costs on the City's behalf.

The City may consider requests from an outside organization to use Surplus Buildings for an amount other than Market Rent. The leasing of Surplus Buildings for an amount other than Market Rent, whether management is provided in lieu of rent or for a monetary sum less than Market Rent, and without a public offering must be done in accordance with Council Policy No. C01-021, *Public Notice* and approved by Council. The licensing of Surplus Buildings for an amount other than Market Rent may be granted by the Administration where:

- a) The amount of Market Rent is not reasonably calculable given the specific limitations or other circumstances of the proposed use;
- b) The annual rent does not exceed \$40,000; and

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- c) The term of the license agreement:
  - i) is for no greater than one year; or
  - ii) can be terminated at any time at the City's discretion on no greater than six months notice.

## 3.2 Procurement of Lessee or Licensee

The Administration will secure lessees and/or licensees in accordance with the following:

- a) For existing agreements, the Administration will negotiate renewals with existing lessees/licensees. Should the Administration be unable to come to agreeable terms with the lessee/licensee, the agreement will terminate at the end of the term and a new lessee/licensee will be secured in accordance with this Policy.
- b) For vacant Surplus Buildings the Administration will secure a lessee/licensee through a public offering of the available space.
- c) For turnkey concessions, the Administration will issue a Request for Proposals (RFP) for a specified term. Upon expiration, the Administration will issue another RFP for a subsequent lessee/licensee.

Notwithstanding the foregoing, should the Administration be presented with a proposal to lease or license a building that is not publicly offered and deemed to be a Surplus Building, the request must be considered and approved in accordance with the section 4 of this Policy.

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## 4. RESPONSIBILITIES

### 4.1 Saskatoon Land, Facilities Management, and Recreation and Community Development Departments shall:

- a) Recommend changes to this Policy, when required, to Council through the Standing Policy Committee on Finance.

### 4.2 General Manager or Chief Executive Officer shall:

- a) Approve leases and licenses of Surplus Buildings at Market Rent for a term of 1 year or less where annual rent does not exceed \$40,000.
- b) Approve licenses of Surplus Buildings for an amount other than Market Rent where:
  - i) The amount of Market Rent is not reasonably calculable given the specific limitations or other circumstances of the proposed use;
  - ii) The annual rent does not exceed \$40,000; and
  - iii) The term of the license agreement:
    - is for no greater than one year; or
    - can be terminated at any time at the City's discretion on no greater than six months notice.

### 4.3 City Manager shall:

- a) Approve leases and licenses of Surplus Buildings at Market Rent for any length of term exceeding 1 year where annual rent does not exceed \$40,000, being the dollar amount set out in *The City Administration Bylaw, 2003*.

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4.4 Standing Policy Committee on Finance shall:

- a) Receive, consider, and approve recommendations from Administration on leases and licenses of Surplus Buildings at Market Rent where annual net rent exceeds \$40,000.
- b) Receive, consider, and make recommendations to Council on lease and license proposals where management of Surplus Buildings is proposed in lieu of rent.
- c) Receive, consider, and make recommendations to Council for the leasing and licensing of Surplus Buildings at less than Market Rent.

4.5 Council shall:

- a) Receive, consider, and approve recommendations from the Standing Policy Committee on Finance for the leasing and licensing of Surplus Buildings where management of the property is proposed in lieu of rent.
- b) Receive, consider, and approve recommendations from the Standing Policy Committee on Finance for the leasing and licensing of Surplus Buildings at less than Market Rent.
- c) Approve amendments to this Policy.