BOARD POLICY – SECTION NUMBER 08.02.06.00

SUBJECT: NON-PROFIT USE OF COUNTY REAL ESTATE ON A LONG-TERM BASIS

EFFECTIVE DATE: MARCH 19, 2014

SUPERSEDES: New

PURPOSE:

Real Estate and Facilities Services (henceforth referred to as REFS) has been tasked by the County Administrator with managing excess County Real Estate. County Real Estate, as used in this policy, shall be defined as County-owned property and property controlled, leased, or managed by the County. The purpose of this policy is to outline REFS policy and procedures for the consideration of leasing County Real Estate to non-profit agencies. For the purposes of this policy a non-profit agency shall be defined as a Section 501 (c) (3) approved entity under IRS guidelines. Long-term shall be considered a period in excess of thirty (30) days.

APPLICATION:

On a case-by-case basis, the County shall consider requests for the leasing of County Real Estate to non-profit agencies. Determination of whether the County will lease real estate to a non-profit agency shall be based on space availability and the criteria outlined in this directive. Non-profit agencies and the Sponsoring Department, as defined herein, must be able to demonstrate that their services support a core County service and provide cost avoidance for the County in the delivery of services.

POLICY:

A. Working through a Sponsoring Department: Non-profits who desire to lease County Real Estate shall identify a responsible County department or agency that is benefiting from the delivery of services and is willing to sponsor the non-profit (a "Sponsoring Department"). Once a Sponsoring Department is identified, the non-profit shall work through the Sponsoring Department to submit a formal request for County-owned space to the REFS Space Manager.
B. Crafting a Business Plan: Non-profits who have identified a Sponsoring Department and confirmed sponsorship will additionally be responsible for the submission of a Business Plan. The Business Plan will include a discussion of how the agency proposes to meet annual operating and maintenance cost requirements, and will provide a sensitivity analysis template for the agency's anticipated ability to meet ongoing cost commitments at various revenue levels. It should identify any other anticipated funding sources (actual or proposed) and the estimated amount from each source. Business Plan submissions shall be made to the Sponsoring Department for consideration by a County Review Committee. The Business Plan format will include the following:

a) Table of Contents.

b) Executive Summary outlining the non-profit's estimated space needs, desired location, renovation requirements, name of Sponsoring Department/agency, and departmental/agency point of contact.

c) Organization Profile (services, clients, organization chart, etc.), as well as copies of organization's Articles of Incorporation and By-Laws, Certificate of Incorporation from the Secretary of State, 501 (c) (3) status or similar IRS status documentation, and organizational points of contact.

d) Community Need for services, population served (including location and density), and benefit to the County.

e) Scope of Services that shall be provided in County facilities, including citizens served.

f) Demonstrate that services support a core County service and are not provided by others.

g) Program Goals and Objectives that are measurable.

h) Evaluation Plan for assessing accomplishment of goals and objectives throughout the term of the lease to ensure the continued benefit of the services.

i) Leverage of Other Funds and space, highlighting reason for needing space, alternatives to leasing County space and reasons why they are not feasible.

j) Financial Capabilities including audited financial statements for most recent two (2) years and cost avoidance benefit to the County.
k) Budget Information outlining operating budget for the initial term of three (3) years while also accounting for costs to lease County space.

C. Evaluation of the Plan: Sponsoring Departments shall investigate their ability to support space requests within their own facilities and provide recommendations to the Space Manager. Requests for the long-term use of County Real Estate by non-profits shall be evaluated by a County Review Committee comprised of staff from the Sponsoring Department and their associated Fiscal & Support Services, Real Estate & Facilities Services, and Business & Support Services. The Review Committee shall evaluate the Business Plan, consider the services provided and benefit to the County, alignment of the non-profit's mission with the County's mission, financial health of the non-profit, availability of space and appropriateness of the location.

D. Creating the Lease Terms and Conditions: Once the request is recommended for approval by the Review Committee, the Real Estate & Facilities Services Department shall fill out the addendum to the standard Lease. Lease durations will be as determined by the County Review Committee and Sponsoring Department, and will be on a case-by-case basis. Once determined, if the terms of the Lease are approved by the County Administrator, the Lease shall be presented to the Board of County Commissioners for final approval.

Generally, non-profits will be expected to pay for (i) build out or renovation costs, (ii) an occupancy fee, calculated on a per square foot basis, based on a County-wide facility operational expense, and (iii) an additional fee, calculated as a percentage of the occupancy fee, that shall include administrative costs and capital recycling costs to help fund capital improvements to the facilities. Cost avoidance by the County may be considered and result in a reduced lease payment.

In addition to other appropriate conditions, the Lease with the non-profit shall include the following specific provisions:

a) The use of County facilities shall be limited to the services the non-profit submitted in their Business Plan. At no time shall County property be used for profit, personal gain, political purposes, or reflect negatively on the County;

b) The County's rights to use the facility or terminate the Lease for a County purpose;

c) The County is to be repaid full market rental rates from the start of the lease period if the use of the property or facility deviates from the Lease without approval of the Board of County Commissioners;
d) Any changes to the non-profit's use of the leased space such as programming, tenants, or number of tenants shall be subject to Board approval;

e) The County's right to enter the leased space at any time during the Lease;

f) The non-profit shall be responsible for their phone/internet connectivity service and infrastructure and shall coordinate with the Hillsborough County ITS Department prior to initiating any service agreements;

(g) The non-profit shall be responsible for all operating & maintenance costs and damage caused to County property resulting from its occupancy of the leased space;

h) The non-profit shall be required to provide certain insurance policies covering the non-profit and the County as an additional insured.

E. Renewals: Non-profits shall submit a formal intent to renew request, with an updated Business Plan, no later than six months prior to expiration of the Lease to their Sponsoring Department for consideration by the County Review Committee.

RESPONSIBILITY:

The REFS Director shall establish a County Review Committee comprised of members from the Sponsoring Department, Associated Fiscal & Support Services Department, REFS, and Business & Support Services and Information Technology Services, as appropriate.

The Review Committee shall meet on an as-needed basis and consider requests for space and renewals. The County Review Committee shall provide a recommendation on requests for space to the County Administrator and Board for approval of the Lease and any subsequent renewals.

The Sponsoring Department shall provide support, guidance and sponsorship to non-profit agencies once it is determined by the County that the non-profit provides a core County service. The Sponsoring Department shall conduct biannual reviews of the performance of the non-profit and validate annually continuation of the lease.
The REFS Department shall create and maintain a Non-Profit Request for Space webpage which will outline procedures for requesting leased space. The REFS Department shall chair the County Review Committee, and is responsible for implementing this policy and ensuring compliance with the procedures outlined herein.

Approved By: Board of County Commissioners
Approval Date: March 19, 2014