

THE LEASE/LICENCE OF OCCUPATION REVIEW

Leases and licences of occupation (LOCs) are the legal expression of the relationship between community associations and social recreation organizations with The City of Calgary. The policies governing lease/LOC agreements are mandated by Council to be reviewed every 15 years. As it is approaching the 15-year mark since the last review was completed, a full review of those policies has been taking place. Economic, community, and policy environments have changed and The City, as well as community organizations, need to respond to remain effective.

As a result of the review, which included the Federation of Calgary Communities and the Calgary Sport Council, Administration is recommending several changes to both the policies and the standard Council-approved legal templates that they inform. These recommended changes are focused on building long-term sustainability and mutually supportive relationships between partner groups and The City of Calgary. The recommended changes to the guiding policies and the legal agreements will be presented to Council for approval this fall.

HOW CHANGES WILL BE IMPLEMENTED

- These changes will come into effect upon the renewal of an organization's agreement.
- The City will not terminate a current agreement early in order to introduce a new lease/LOC agreement.
- Agreements that are currently expired, or will expire before the new lease/LOC agreements come into effect, will be honoured by The City on a month-to-month basis until the new lease/LOC policies are approved by Council and a new agreement is signed off by both the society and The City.
- All organizations will have one year from the signing of a new agreement to complete a business plan and a lifecycle study on their facility, unless a current lifecycle study exists and is under five years old. All organizations must then submit a new business plan and lifecycle study to The City every five years throughout the remainder of their agreement. City liaison staff will be available to support the groups in the development of these documents.

SUPPORT FOR ORGANIZATIONS

The new lease/LOC agreement is intended to provide tools to support groups for long-term sustainability and ensure current and future needs are being met within Calgary's communities. Training will be provided to City liaisons on how to work with organizations to meet organizational goals and fulfill the requirements of the new lease/LOC agreement. Tools to support organizations will be completed by the fall when the report on recommendations goes to Council.

FOR MORE INFORMATION CONTACT YOUR CITY LIAISON

Building Community Together

OUTLINE OF CHANGES

	Old Lease/LOC Requirement	New Lease/LOC Requirement	Why the Change?
1	No requirement to submit proof of annual filing as a non-profit society in good standing with the Province.	Organizations will be required to annually submit a copy of their proof of filing with the Province's Corporate Registry.	Ongoing maintenance of societal status protects the integrity of partner organizations' contractual agreements (i.e. insurance, leases/LOCs).
2	Organizations were required to have a minimum of 200 members to be eligible for a new Lease/LOC.	Organizations will no longer be required to have 200 members to be eligible for a Lease/LOC.	200 members is no longer necessarily representative of communities in light of changing community populations.
3	Only social recreation organizations were required to obtain a lifecycle study on their facility. Community associations were not required to obtain a lifecycle studies.	All organizations will submit a new lifecycle study to The City every five years throughout their agreement. If no current (less than five-years-old) lifecycle study exists, organizations will have one year from the signing of a new agreement or renewal to complete a lifecycle study on their facility.	To support capital infrastructure and the longevity of community programming. Lifecycle studies are funded 100% by The City through the Capital Conservation Grant program, to a maximum of \$10,000 every five years.
4	Organizations are required to maintain \$2 million in general liability insurance.	Organizations will be required to maintain \$5 million in general liability insurance.	Costs of litigation have increased and higher insurance coverage is necessary to protect organizations from risk.
5	All capital improvement projects with a cost over \$20,000, or requiring a development permit, require review and approval from The City.	All capital improvement projects costing over \$50,000, or requiring a development permit, will require review and approval from The City.	This change adapts to changes in costs of material and labour and better enables organizations to perform basic, low-risk lifecycle maintenance on their facilities.
6	Social recreation organizations have been required to develop a business plan, while community associations were not.	With the support of their City liaison, all organizations will be required to develop a business plan within one year of the signing of a new agreement or renewal of an existing agreement. All organizations must then submit a new business plan to The City every five years throughout the remainder of their agreement.	To support organizations in surveying community needs and planning to meet these needs through programming and facility development.
7	No requirements are in place for The City and partner organizations to regularly meet and work together.	Organizations will meet with their liaison twice per year to discuss and review priorities based on the organization's business plan. The intent of these meetings will be to discuss how both parties can mutually support the identified priorities.	Bi-annual meeting will give The City greater understanding of partner organization needs and more opportunities to develop support.
8	Social recreation organizations were required to create, and contribute annually, to a capital conservation fund for facility maintenance.	Social recreation organizations will no longer be required to annually contribute to a capital conservation fund.	To support a shift in emphasis from maintaining a fund to maintaining the facility. Various funding sources exist to support ongoing facility maintenance.
9	Various termination clauses for termination without cause (due to other municipal requirements) in effect for different agreements.	All organizations will be given one year notice if The City elects to terminate their agreement without cause, after which The City will use reasonable efforts to compensate organizations based on current and demonstrated community need.	To create standardized language and expectations between both parties with regard to termination without cause.
10	Clause specific to renewal of agreement existed.	Agreements will no longer contain reference to renewal. Once an agreement expires the organization must apply for a new agreement. The City will not unreasonably withhold its approval of such an application	Council requires Administration to review this process every 15 years. As such there is no approval to enter into new agreements until Council approves the next review.