

COUNCIL POLICY			
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BACKGROUND:

Currently, the Santa Rosa City Code does not expressly grant to the City Manager the authority to approve rental or lease agreements of City owned real property or the authority to approve agreements for the rental or lease by the City of real property owned by others. This policy delegates the authority to the City Manager to approve agreements for the rental and lease of property owned by the City and owned by other parties, subject to the criteria set forth in this policy.

PURPOSE:

The purpose of this policy is to delegate to the City Manager the authority to approve and execute real property rental, lease, and sublease agreements, and amendments to such agreements. It also sets forth the criteria and procedures for the leasing of City owned property by the City Manager. In addition, this policy delegates to the City Manager the authority to appropriate funds and adjust revenue and expense budgets related to these agreements.

POLICY:

1. Approval Authority for Rental, Lease and Sublease Agreements

1.1 Definitions. As used in this policy:

- 1.1.1 The term “lease” or “agreement” includes, where appropriate in the context, leases, subleases, rental agreements for temporary permits or licenses for temporary occupancy, and amendments to any of the foregoing.
- 1.1.2 The term “City Manager” includes the City Manager and the City Manager’s designee(s).

1.2 Delegation of Authority. The City Manager is authorized to approve and execute leases of real property owned by the City and owned by another party; provided, that where the income or expenses payable under any such agreement exceeds \$100,000, it shall be approved by the City Council.

For purposes of this section 1.2, income or expense shall be the actual periodic rental payments required over the entire term of the lease, including any renewal option periods set forth therein, but exclusive of periodic expenses which the tenant is required to pay under the agreement, including, but not limited to, utilities, taxes, insurance, repairs and maintenance.

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- 1.3 Approval of City Attorney. The City Attorney shall approve as to form all rental, lease, and sublease agreements, and all amendments to such agreements.
- 1.4 Risk Manager
 - 1.4.1 The Risk Manager shall determine insurance requirements prior to execution of any lease documents.
 - 1.4.2 Leased property shall be reported to the Risk Manager for insurance purposes.
2. Rental or lease of City owned property. All leases authorizing occupancy of City property for a period of more than six months shall be awarded to the highest responsible bidder.
 - 2.1 Bid Procedures. For any lease authorizing occupancy of City property for a period of more than six months, the City Manager shall prepare an invitation to bid, which shall include a summary of the terms and conditions of the lease sufficient to enable bidders to bid solely on the basis of rents to be paid to the City. An advertisement for bid shall be published at least once a week for two consecutive weeks. The published notice shall state the time and place for the receiving and opening of sealed bids, and shall describe, in general terms the lease to be granted. All bids shall be presented under sealed cover. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time. Any bid may be withdrawn at any time prior to the time fixed in the public notice for the opening of bids but only by written request filed with the City Manager. The request shall be executed by the bidder or by an authorized representative. The withdrawal of a bid does not prejudice the right of a bidder to file a new bid prior to the date and time set for the opening of bids. On the day named in the public notice, the City Clerk or designee shall publicly open the sealed bids. The City Manager may award the lease to the bidder then determined to be the highest responsible bidder.
 - 2.2 Failure of Bidder to Sign Agreement. A failure on the part of the successful bidder to sign and deliver the lease within thirty (30) days of receipt thereof and to provide the City with any bond or any evidence of insurance required thereunder may be treated as a refusal to execute if the City Manager so elects. If the City Manager deems it is in the best interest of the City, he or she may, on the refusal or failure of the successful bidder to execute the lease, award it to the second highest responsible bidder. If the second best responsible bidder fails or refuses to execute the lease, the City Manager may likewise award it to the third highest responsible bidder.

If the City Manager deems that the acceptance of any bid is not in the best interest of the City, the City Manager may reject all bids and advertise for new bids or if the City

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Manager finds that such action is in the best interest of the City, he or she may enter into a lease without bidding when one or more of the following conditions exist:

- 2.2.1. The bid process has failed to produce a highest responsible bidder;
- 2.2.2. The City proposes to lease the property to another governmental agency;
- 2.2.3. A firm and complete written offer for lease has been presented by or on behalf of a prospective renter, lessee, or sublessee, wherein the rent specified is at or above the fair market rate for comparable, similarly situated property, as determined by the City Manager;
- 2.2.4. The City proposes to lease the property to a nonprofit tax-exempt community civic or charitable organization; or
- 2.2.5. The City Manager finds and determines that special circumstances make the use of the bid procedure inappropriate.

2.3 Real property acquired by the City for future public works projects may be leased without competitive bidding if each of the following conditions exists:

- 2.3.1 The prospective lessee was the occupant or tenant of the property at the time of its acquisition by the City; and
- 2.3.2 The tenancy will not exceed twenty-four (24) months from the date of City occupancy.

3. The City Manager may approve agreements for the temporary use of facilities or land for less than thirty (30) days.

4. Provision for Use of Third Party Agents.

The City Manager, may at times, utilize the services of a third party property management company to rent residential property owned by the City. The third party agents may assist the City in obtaining the market value rate for rents and in screening tenants. In the occurrence of the City acquiring property, the third party agents may assist in contracts for renting the property to the former owners.

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5. Telecommunication Facilities; Board of Public Utilities.

This policy has no application to proposed telecommunication facilities on City property or to those matters which are within the authority of the Board of Public Utilities.

Adopted by Resolution No. 28719

Dated: December 8, 2015