



**CITY OF SAN DIEGO
REAL ESTATE ASSETS DEPARTMENT**

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APPLICATION FOR NONPROFIT LEASE AGREEMENT

The purpose of this program is to provide an opportunity to non-profit organizations or agencies seeking to occupy City-owned property who provide services to the public that the City would otherwise be responsible or obligated for providing, to receive a below market rental rate. To qualify for these favorable terms, organizations or agencies must submit an application containing the information listed below. Applications will be evaluated by an Evaluation Committee to ascertain applicant qualifications, need, availability and ability to perform those services. The appropriate affected City departments or agencies will determine the actual current demand for the proposed services, if any, and its value. This in no way represents an offer to lease or any other obligation on the part of the City.

APPLICATION CONTENTS:

All applications must include, as a minimum, the information specified below. Failure to include this information will seriously detract from an application proposal and may be cause for its rejection. The inclusion of any additional information that will assist in the evaluation is encouraged. The adequacy, depth, and clarity of the application will influence to a considerable degree its evaluation. The application submitted must be complete enough for a selection to be made from the material contained in it alone.

1. Tax Exempt Status. Provide Internal Revenue Code Classification and a copy of Form 1023 or Form 1024 *Application for Recognition of Exemption*, and a copy your organizations listing in Publication 78, or other proof of non-profit status.
2. Organization or Agency Background. To better understand who you are, the following questions must be answered in sufficient detail:
 - A. Name, address and phone number of agency.
 - B. Description of agency's purpose, goals, and priorities.
 - C. Explanation of services currently provided by agency.
 - D. Explanation of any additional services agency will provide if tenancy is granted.
 - E. Number of employees in agency's workforce.
 - F. Number of clients served by agency.
3. Summary of Experience. Submit a summary or resume of the proposing

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organization, and its principals, including experience and qualifications for the type of enterprise proposed. For all principals in the corporation or company, submit identification sufficient to obtain credit information; i.e., complete name, permanent residence, business address, driver's license number, social security number, banking references, local business and credit references, etc., and the attached Client Release Authorization Form.

4. Financial Statements. Submit audited financial statements for the past five years listing all assets and liabilities of the applicant, initial available operating capital and its source. Be sure to include IRS Form 990, your organization's annual information return, as well as a project pro forma with operating expenses and development costs specific to the proposed site. Specify the amount of any borrowed capital proposed for the lease operation, its source and terms of repayment. Also include a statement of estimated gross receipts, projected rent to the City, and operating expenses for the first five years of full operation. Other financial data may be required as determined by the City.

All accounting data must be certified and prepared in such a manner as is consistent with generally accepted accounting principles for public and governmental agencies.

5. Evidence of Organizational Structure. Include copies of the recorded Articles of Incorporation or partnership agreements, and copies local, state, federal or any other accepted accreditation board or body's certificates or licenses evidencing organizational recognition and / or allowing the right to do business in this locality.
6. Proposed Location. Include directional (Thomas Bros.) and assessors parcel maps. Note Council Policy 700-12 limits availability of properties to certain land use designations. The proposed use should be similar to the highest and best use of the desired property based on zoning, location, and surrounding land uses.
7. Proposed Improvements. The application must include a preliminary development plan, which consists of a narrative description of improvements and/or a preliminary plot plan, site plan or facility floor plan of the proposed development, a financial plan, a description of operations and uses, and a proposed completion schedule. Include any special space or facility requirements.
8. Proposed Lease Term. The proposed term must be justified by the proposer on the basis of capital investment in the premises. The maximum term will only be approved for a substantial investment.
9. Proposed Contract Services Offered. Provide a detailed summary of the proposed

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valuable services and amount of hours your organization or agency will be able to furnish. Keep in mind this will be a contractual agreement, with annual recertification, which includes inspections and audits to assure the services are in fact rendered.

10. Application Fee. Include \$600 application fee to cover City administration costs.

PROPOSAL EVALUATION AND QUALIFICATION CRITERIA

The City will evaluate the applications as to which one offers the best advantage to the City. The application qualification criteria listed below are not necessarily in order of importance, nor are they necessarily weighted equally. The City will be the sole judge of the proposals, and its decision is final. However, community groups may be consulted in the selection process.

1. Responsiveness - The extent to which a proposal clearly addresses the elements of this Application is a key factor in selection. A thorough, well-written application / proposal is essential.
2. Internal Revenue Service Nonprofit Status Data - To prevent a duplication of effort, we rely heavily on the IRS system of qualifying nonprofit organizations.
3. Proposed Service - The service must be an obligation the City is traditionally and / or legally responsible for providing.
4. City Need of Service - The City must currently have a need for this service or require additional services of this type to supplement what it is already providing.
5. Professional Experience - The past experience of the proposer in successfully developing and operating similar projects will be a significant factor in proposal evaluation.
6. Financial Need of Applicant - Based on financial data the Evaluation Committee will determine if the applicant is actually unable to afford fair market rent.
7. Financial Capability - The proposer must exhibit the necessary financial responsibility and strength to successfully carry out the development, obligated service and pay the minimum cash rent.
8. Development Plan - The quality, attractiveness, and feasibility of the proposed development is another significant factor in selection.

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9. Special Public Benefits and / or Community Enhancements - Any special public benefits or community enhancements will be considered.

ADDITIONAL INFORMATION FROM PROPOSERS

The City reserves the right to request additional information from applicants beyond that specified herein. Applicants may also be requested to appear before an evaluation committee, although none is scheduled at this time. However, the City may make a determination based on the information contained in the application alone. Therefore, applicants are advised to submit thorough, complete applications.

INCURRED COSTS

The City will not be responsible for any costs incurred by applicants in the preparation and submission of application proposals.

THE CITY IS NOT OBLIGATED TO ACCEPT ANY PROPOSAL OR TO NEGOTIATE WITH ANY PROPOSER. THE CITY MANAGER RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS WITHOUT CAUSE OR LIABILITY. ALL TRANSACTIONS ARE SUBJECT TO FINAL APPROVAL BY THE CITY COUNCIL.

SEE COUNCIL POLICY 700-12 FOR CITY POLICY AND PROCEDURES WHICH ADDRESS THE APPLICATION PROCESS AND THE ELIGIBILITY REQUIREMENTS.