



1. Statement of Policy

The Government of the Northwest Territories provides office space, staff accommodation, and other properties in support of government programs and services. The Government of the Northwest Territories may either lease or own these properties.

Some of these properties may be leased to Government of the Northwest Territories employees, to certain government departments that operate on a cost recovery basis, to boards or agencies and to non-Government of the Northwest Territories tenants.

2. Principles

The Government of the Northwest Territories will adhere to the following principles when implementing this Policy:

- (1) Development of the Northwest Territories' private lease and rental market should be encouraged.
- (2) The Government of the Northwest Territories should make the most efficient use of its properties.
- (3) The Government of the Northwest Territories should receive market value when leasing to non-Government of the Northwest Territories tenants.

3. Scope

This Policy applies to all Government of the Northwest Territories properties which may be leased to Government of the Northwest Territories employees, to certain Government of the Northwest Territories departments that operate on a cost recovery basis, to boards or agencies and to non-Government of the Northwest Territories tenants.



Exclusions

This Policy does not apply to:

- (1) Northwest Territories Housing Corporation housing stock rented to social housing clients;
- (2) expense leases;
- (3) unimproved land;
- (4) incidental use of facilities such as gymnasiums or meeting rooms although there may be charges for use of these facilities; or
- (5) office space in education facilities leased by Divisional Education Councils or District Education Authorities.

4. Definitions

The following terms apply to this Policy:

Deputy Head - the deputy minister of a department, the chief executive officer of a public committee, board or council or such person as may be appointed as deputy head.

Expense Lease - a lease for property where the Government of the Northwest Territories is tenant and for which there are lease payments made by the Government of the Northwest Territories to a lessor.

Government of the Northwest Territories Employees (Employees) - employees of the Government of the Northwest Territories, and of Government of the Northwest Territories boards and agencies, who are entitled to Government of the Northwest Territories staff accommodation.

Improved Real Property - physical land and the structures or other improvements thereon.

Market Value - the value comparable to that charged in rent by private business for similar property, or as otherwise determined by a Minister where a private market does not exist.



Non-Profit Organization - an organization registered under the *Societies Act* (NWT) or under the *Canada Corporations Act* (Canada) as a not-for-profit legal entity.

Revenue Lease - a lease to non-Government of the Northwest Territories tenants, to Government of the Northwest Territories employees and to certain Government of the Northwest Territories departments, boards and agencies for which there are rental payments made by the tenant to the Government of the Northwest Territories.

Sponsoring Minister - the Government of the Northwest Territories Minister who sponsors non-Government of the Northwest Territories agencies or groups through financial or other forms of assistance.

Subsidized Lease - a revenue lease where the rent is less than the market value. The value of the subsidy will be calculated as the difference between market rent and the actual rent being charged by the Government of the Northwest Territories. (For purposes of this Policy, leases with employees in staff accommodation will not be considered as subsidized leases).

Surplus Property - improved real property on Government of the Northwest Territories inventory that is not required in support of Government of the Northwest Territories programs and services. This property may either be owned or leased by the Government of the Northwest Territories.

5. Authority and Accountability

(1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability is further defined as follows:

(a) Ministers

Ministers leasing property to non-Government of the Northwest Territories tenants are accountable to the Executive Council for the implementation of this Policy.



(b) Deputy Heads

Deputy Heads are accountable to their respective Ministers and responsible to their respective Ministers for the administration of this Policy.

(2) Specific

(a) Executive Council

The Executive Council:

- (i) may, upon the recommendation of the Chairman of the Financial Management Board, set rents for Government of the Northwest Territories employees in staff accommodation; and
- (ii) may, upon the recommendation of the sponsoring Minister, authorize subsidized leasing of properties consistent with this Policy.

(b) Ministers

Ministers may:

- (i) determine market value;
- (ii) approve the leasing of property to non-Government of the Northwest Territories tenants at market value;
- (iii) recommend to the Executive Council the approval of a subsidized lease;
- (iv) enter into a subsidized lease authorized by the Executive Council;
- (v) may lease to a government contractor, at a subsidized rate, government facilities which are to be used by the contractor solely for the delivery of government programs and services;



- (vi) declare property surplus in accordance with the Disposal of Improved Real Property Policy;
 - (vii) determine when property declared surplus to the needs of the programs for which they are responsible may be leased to non-Government of the Northwest Territories tenants; and
 - (viii) negotiate a lease cancellation with the lessor of a property declared surplus in accordance with the Disposal of Improved Real Property Policy.
- (c) Chairman of the Financial Management Board

The Chairman of the Financial Management Board may:

- (i) recommend to the Executive Council rents to be paid by Government of the Northwest Territories employees in staff accommodation;
- (ii) allocate staff accommodations to Government of the Northwest Territories employees; and
- (iii) determine if staff accommodation is temporarily or permanently surplus to the staff accommodation program.

6. Provisions

(1) Revenue Leases

Ministers responsible for Government of the Northwest Territories departments, boards, agencies or corporations that operate on a revolving fund or cost recovery basis may implement a revenue lease. The rent charged will be market rent.



(2) Revenue Lease Criteria

(a) Non-Subsidized Leases

- (i) Only properties that are temporarily surplus to the needs of the Government of the Northwest Territories will be leased to non-Government of the Northwest Territories tenants and properties deemed surplus to the long term needs of the Government of the Northwest Territories will be declared surplus and removed from inventory in accordance with the Disposal of Improved Real Property Policy.
- (ii) Occupancy of Government of the Northwest Territories property by non-Government of the Northwest Territories tenants must be under the authority of a signed lease agreement.
- (iii) Term of occupancy for non-Government of the Northwest Territories tenants may be up to five years on a month-to-month basis.
- (iv) Non-subsidized rents charged tenants will be at market value.
- (v) Where practical, non-Government of the Northwest Territories tenants will be responsible for arranging delivery and payment of utility services directly with suppliers.
- (vi) The Government of the Northwest Territories' lessor will normally be responsible for the maintenance of revenue leased properties. Where circumstances require the tenant to assume maintenance responsibilities, maintenance will be to Government of the Northwest Territories standards if the property is leased by the Government of the Northwest Territories.
- (vii) Rents are payable monthly, in advance.
- (viii) Rents, terms, conditions and termination date of the lease will be established prior to occupancy.



(b) Staff Accommodation

- (i) Staff accommodation will be allocated to Government of the Northwest Territories employees by the Chairman of the Financial Management Board.
- (ii) Occupancy of staff accommodations by employees will be in accordance with a tenancy agreement between the employee and the Chairman of the Financial Management Board. Rent will be paid through payroll deductions.
- (iii) Where a staff accommodation unit is not required for Government of the Northwest Territories employees, the unit may be leased to non-Government of the Northwest Territories tenants in accordance with the provisions of this Policy. The Chairman of the Financial Management Board determines if staff accommodation is temporarily or permanently surplus to the staff accommodation program.

(c) Subsidized Leases

- (i) Criteria
 - Properties must meet minimum standards for health and safety.
 - The property must be surplus to the needs of the Government of the Northwest Territories.
 - The lessee cannot obtain space through other means.
 - The lessee's activities support Government of the Northwest Territories goals or the service to be provided by the lessee is deemed by the sponsoring Minister to benefit the residents of the Northwest Territories.
 - The lessee must be a non-profit organization, a band council or a community government.



- Each lease will specify the termination date and the amount of subsidy. Unless specifically excluded by the Executive Council, the conditions applying to non-subsidized leases, with the exception of Sections 6(2)(a)(iii) and (iv), also apply to subsidized leases.
- The renewal of a subsidized lease will require the same justification and Executive Council approvals as a new subsidized lease and the renewal will be initiated by the sponsoring Minister. Renewal action should commence at least 90 days prior to expiry of the approved lease.

(ii) Government Contractors

Where a Minister contracts for the delivery of programs and services, the government facilities intended for these purposes may be leased to the contractor at a subsidized rental rate by the Minister responsible. Providing the facilities are used solely for government programs or services, Executive Council approval is not required. Executive Council approval is required if the contractor intends to sublet all or part of the property or if other than Government of the Northwest Territories programs and services are being delivered by the contractor.

The termination dates of these leases will coincide with the termination dates and cancellation provisions of the appropriate contracts.

7. Financial Resources

Financial resources required under this Policy are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.



8. Prerogative of the Executive Council

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting the revenue leasing of improved real property outside the provisions of this Policy.

Premier and Chairman of the
Executive Council