



RISK MANAGEMENT INFORMATION
**LMCIT MODEL COMMUNITY CENTER
RENTAL DOCUMENTS**

The most important point is that whenever a city rents out city facilities, or allows free use of city facilities, there should be a written agreement between the city and the user. A written agreement should clearly define the rights and obligations of both parties. The agreement should also address what happens if something goes wrong, e.g., the facility is damaged, an event must be cancelled, or someone is injured. A couple areas merit specific mention: insurance requirements and alcohol.

Model Documents

LMCIT has developed the following model documents to assist cities when renting out a community center or other city-owned facility:

- *Community Center Rental Application*
- *Community Center Rental Rules and Regulations*
- *Community Center Rental Agreement*

These documents will not meet the specific needs of every city, as cities have different types of facilities and offer different amenities in those facilities. These documents, however, can serve as a starting point when thinking about creating rental documents for your city. Ultimately, the City Council must adopt the rules and regulations and approve any rental agreement.

Insurance

Cities need to decide if users of city facilities will be required to obtain liability insurance. Some cities never require insurance; some cities always require insurance; and other cities only require insurance for certain types of events, e.g., where alcohol will be served. The decision to require insurance is within the discretion of the City Council.

Some cities have been reluctant to require insurance as it was difficult for a user to obtain. To alleviate that

Your League Resource

LMCIT staff is available to review any contracts or other documents related to the rental of community facilities. To have your city's documents reviewed, forward to:

- Tracie Chamberlin, LMCIT Loss Control Manager at tchamberlin@lmc.org; or
- Chris Smith, LMCIT Risk Management Attorney at csmith@lmc.org.

Learn More

Read more about insurance requirements for special events in [Insurance Issues For Use Of City Facilities](#).

Read more about TULIP, how it works, events that are covered, and more on the League's [website](#).

This material is provided as general information and is not a substitute for legal advice.
Consult your attorney for advice concerning specific situations.

concern, LMCIT now offers a Tenant User Liability Insurance Program (TULIP) which enables users of city facilities to obtain low cost liability coverage.

Alcohol

A city needs to decide if it will allow alcohol to be served or sold at private events in city facilities. If alcohol is allowed, the city may restrict the type of alcohol. For example, the model agreement only allows beer (no kegs), wine, and champagne.

Serving alcohol likely increases the liability risk to the city. For example, if a third party is injured by a person who is served alcohol in a city facility, the injured person may try to hold the city liable. Accordingly, cities often require the user to obtain liability insurance whenever alcohol is served or sold in a city facility.

If alcohol will be sold, it is clear under state law that the user will need to obtain a liquor license.

In 2009, the state legislature clarified that the rental of a public facility is not a “commercial transaction” under the state liquor laws. *See* Minn. Stat. Sections 340A.401, 340A.414, subd. 1. Accordingly, if the user only serves alcohol, a liquor license will not be required.

Chris Smith 03/10

Learn More

Read more about the risks associated with private groups or individuals furnishing alcohol at their event on city property in:

- [Alcohol In The City: Liability And Insurance Issues](#)
- [Loss Control Recommendations When Alcohol Is Served](#)

LMCIT Model Community Center Rental Application

City of _____, Minnesota
Community Center Rental Application

Submit this Community Center Rental Application to the City Clerk at least ____ days prior to the event.
Please complete all items below. Incomplete applications will not be processed.

DATE AND TIME OF RENTAL

Day of Rental: _____ Rental Hours: _____ [am][pm] to _____ [am][pm]

Date of Event: _____ Event Hours: _____ [am][pm] to _____ [am][pm]

NOTE: "Rental Hours" must include time needed for set up and clean up.

INDIVIDUAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: (Home) _____ (Work) _____ (Cell) _____

ORGANIZATION/COMPANY INFORMATION

Name of Organization/Company: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: (Home) _____ (Work) _____ (Cell) _____

EVENT INFORMATION

Describe event and activities including any entertainment: _____

Estimated attendance: _____

Estimated number of minors attending: _____

Is use of kitchen requested? YES NO

Will food be served? YES NO

Will alcohol be served? YES NO

Will alcohol be sold? YES NO

APPLICANT MUST COMPLY WITH ALL ALCOHOL LICENSING REQUIREMENTS

A security deposit of \$_____ must accompany this application for events without alcohol. A security deposit of \$_____ is required if alcohol will be served or sold. The security deposit may be paid by cash or check. Checks should be made out to the "City of _____." If the check is dishonored, your event will be cancelled by the City. See the Community Center Rules and Regulations for more information concerning the security deposit.

Signature of Applicant

Date

FOR CITY USE ONLY

Security deposit received: \$ _____

Application Approved YES NO

Security deposit returned: \$ _____

Date Returned: _____

LMCIT Model Community Center Rental Agreement

City of _____, Minnesota
Community Center Rental Agreement

This Community Center Rental Agreement (the "Agreement") is made between the City of _____, Minnesota (the "City") and _____ (the "User"), (collectively, the "Parties").

WHEREAS, the City owns a Community Center that it rents out to individuals or groups; and

WHEREAS, the User has submitted a Community Center Rental Application (the "Application") to the City to use the Community Center for: _____ (the "Event"); and

WHEREAS, the User's Application has been approved by the City; and

WHEREAS, the City has adopted the Community Center Rental Rules and Regulations (the "Rules and Regulations") which are attached to this Agreement and incorporated herein by reference.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the Parties agree as follows:

1. Community Center. The City rents its Community Center to the User. This Agreement [does][does not] include use of the Community Center's kitchen. Any offices or private areas of the Community Center may not be used.
2. Term. User shall be entitled to use the Community Center from _____ [am][pm] on _____, 20____ until _____ [am][pm] on _____, 20____. This time period includes the time necessary for set up and clean up.
3. Rent. User agrees to pay the City the sum \$_____ for using the Community Center. The User agrees to pay the City an additional \$_____ for each hour or fraction of an hour the User is in the Community Center past the stated ending time of the rental in Section 2. The initial rent is due _____ days prior to the Event, or on the date of this Agreement if less than _____ days remain prior to the Event. Any additional rent must be paid within seven (7) days after the Event. If the Event is cancelled, the rent will be returned or kept pursuant to the Rules and Regulations.
4. Security Deposit. The User paid a security deposit of \$_____ with the Application. The security deposit will be returned or kept pursuant to the Rules and Regulations.
5. Food. The City [does][does not] authorize food to be served at the Event as described in the Application.

6. Alcohol. Alcohol [will][will not] be served at the Event. Alcohol [will][will not] be sold at the Event. If alcohol will be served or sold, the User agrees to comply with all liquor licensing requirements. The City reserves the right to prohibit the serving or sale of alcohol in the Community Center. The serving or sale of any alcohol is further subject to the Rules and Regulations.
7. Entertainment. The City [does][does not] authorize entertainment to be provided as described in the Application.
8. Insurance. The User [is][is not] required to obtain liability insurance for the Event. If insurance is required, User agrees to obtain at least the minimum coverage set forth in the Rules and Regulations. The User agree to provide a certificate of insurance to the City showing the required coverage at least seven (7) days prior to the Event and naming the City as an Additional Insured.
9. Property Damage/Missing Items. The User agrees to pay the City for any physical damage to the Community Center or its contents during the Event. The User also agrees to replace or pay the cost of replacement for any missing items.
10. Indemnification. The User shall defend, indemnify and hold harmless the City and its officials, employees and agents from any liabilities, judgments, losses, costs or charges (including attorneys' fees) incurred by the City or any of its officials, employees or agents as a result of any claim, demand, action or suit relating to any bodily injury (including death), loss or property damage caused by, arising out of, related to or associated with the use of the Community Center by the User or by the User's guests or invitees, except to the extent caused by the sole negligence, gross negligence or willful misconduct of the City or its officers, employees or agents.
11. Waiver and Assumption of Risk. The User knows, understands and acknowledges the risks and hazards associated with using the Community Center and hereby assumes any and all risks and hazards associated therewith. User hereby irrevocably waives any and all claims against the City or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by the User as a result of using the Community Center and hereby irrevocably releases and discharges the City and any of its officials, employees or agents from any and all claims of liability.
12. Rules and Regulations. The User certifies that he or she has read the attached Rules and Regulations and agrees to be bound by the Rules and Regulations. The User shall be responsible for ensuring compliance with the Rules and Regulations by the User's guests or invitees.
13. General Provisions.
 - A. Entire Agreement. This Agreement supersedes any prior or contemporaneous representations or agreements, whether written or oral, between the Parties and contains the entire agreement.

- B. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both Parties.
- C. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota.
- D. Captions. Section headings contained in this Agreement are included for convenience only and form no part of the Agreement between the Parties.
- E. Waiver. The waiver by either party of any breach or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.
- F. Savings Clause. If a court finds any portion of this Agreement to be contrary to law or invalid, the remainder of the Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the Parties caused this Agreement to be approved on the dates below.

By signing this agreement, I declare that I have read, understand and agree to all of the terms and condition of this Agreement.

_____ Date: _____
User

The City Council of _____, Minnesota duly approved this Agreement on the _____ day of _____, 20____.

By: _____
Its Mayor

And: _____
Its City Clerk

LMCIT Model Community Center Rental Rules and Regulations

City of _____, Minnesota
Community Center Rules and Regulation

The City of _____, Minnesota (the “City”) has adopted the following Community Center Rental Rules and Regulations concerning the rental of the City’s Community Center to a member of the public or a group (the “User”) for an “Event.” These Rules and Regulations will be incorporated by reference into any contract between the City and a User.

1. Reserving the Community Center. To reserve the Community Center, the User must submit a Community Center Rental Application (the “Application”) to the City Clerk at least _____ days prior to the Event. Applications will not be accepted more than one year in advance of the Event. Applications will be accepted during the City’s regular business hours.
2. Community Center Rental Agreement. After the City has approved an Application, the User must enter into a written Community Center Rental Agreement (the “Agreement”) with the City.
3. Security Deposit. A security deposit of \$_____ must accompany the Application if no alcohol will be served at the Event. A security deposit of \$_____ must accompany the Application if alcohol will be served at the Event. The deposit will be returned if the Application is denied or if the Event is cancelled for any reason by the City or the User. If the Application is approved, the deposit will be returned to the User within fifteen (15) days after of the Event if there is no damage to the Community Center or its contents. The City may withhold a portion or all of the deposit if the User does not adequately clean the Community Center following the Event. The amount of the deposit does not limit the liability of the User for any damage or loss caused by the User or the User’s guests and invitees.
4. Rental Fee. The City charges the following rental fees for use of the Community Center:
 - Flat fee for 3 hours (under 50 people) -- \$_____, \$_____ for each additional hour (or fraction of an hour)
 - Flat fee for 3 hours (over 50 people) -- \$_____, \$_____ for each additional hour (or fraction of an hour)
 - Use of Kitchen -- \$50

The rental hours include the time necessary for set up and clean up. If the Community Center is available, the City, in its sole discretion, may allow the User to set up the day before the Event.

The rent is due at least _____ days prior to the Event, or on the date of the Agreement if less than _____ days remain prior the Event. If the User remains in the Community Center past the ending time stated in the Agreement, the additional rent must be paid within seven (7) days after the Event.

5. Priority of Use. The City shall have first priority for all governmental activities. The priority for all other uses shall be determined on a first-come, first-served basis.
6. Kitchen/Food. Users may provide their own food and beverage or utilize a professional caterer. Use of the kitchen requires an additional fee as set forth in Section 4. If the kitchen is used, all dishes, pots, pans, glassware, silverware and other utensils must be washed, dried and returned to their original location.
7. Cancellation/Refund Policy. For cancellation requests received by the City at least _____ days prior to the Event date, no rental fee shall be due. For cancellation requests received less than _____ days prior to the Event date, one-half of the rental fee shall be due. All cancellations must be submitted to the City Clerk in writing. The City reserves the right to cancel the Event. If the City cancels the event, the User shall be entitled to a full refund of any rent paid. Any refund of the rental fee shall be paid to the User within fifteen (days) of the cancellation date.
8. Maximum Capacity. The maximum capacity of the Community Center is _____ persons. Under no circumstance shall the number of persons at an Event exceed the maximum capacity.
9. Alterations. The User shall not make any alterations to the Community Center without the written consent of the City. Alterations include any items that shall be hung, glued, taped or in any other way affixed to the walls, ceiling, floor, windows or light fixtures of the Community Center.
10. Building Access. The Community Center will be available for access at the time reserved and keys will be available at City Hall the day before the Event. If the Event is on a Saturday or Sunday, keys must be picked up no later than 4:30 p.m. on the Friday before the Event. The User shall ensure that everyone is out of the building before leaving and is responsible for locking the Community Center following the Event.
11. Access by City. The User shall permit the City's officials, employees or agents to have access and to enter the Community Center at any time during the Event.
12. Designated Area. Only the area designated in the Community Center Rental Application may be used. Any offices or other private areas are off limits.
13. Clean Up. The User is responsible for leaving the Community Center in as good or better condition than found. All tables and chairs must be returned to their original position. All floors must be swept and mopped. Cleaning supplies are in the janitorial closet. The User must empty all garbage into the dumpster behind the Community Center.
14. Entertainment. All entertainment must be pre-approved by the City.

15. Security. All Events shall be operated and supervised to the satisfaction of the City. The City may require, as a condition of approval of the Application, that one or more security guards be present at the Event.
16. Minors. If persons under age 18 will be present at the Event, there must be at least one adult present for every _____ minors.
17. Admission Fee. The User may not charge an admission fee, sell tickets or solicit donations at the Community Center without the express written permission of the City.
18. Smoking. Smoking in the Community Center is prohibited at all times.
19. Law/Ordinances. The User must comply with the laws of the State of Minnesota and City ordinances. The City has the right to terminate use of the Community Center during any Event if the User violates any State laws or City ordinances. All fees shall be forfeited when an Event is terminated for this reason.
20. Alcohol Policy. The possession, use or sale of alcoholic beverages is permitted in the Community Center only under the following conditions:
 - Alcohol use is limited to beer, wine and champagne. Kegs are not allowed.
 - A liquor license must be obtained prior to the Event if alcohol is served or sold.
 - The User must have adequate procedures in place to ensure that no one under the age of 21 is served alcohol and to ensure that no one is served alcohol in an amount to cause intoxication.
 - The serving of alcohol must end at least one (1) hour prior to the end of the Event.
 - “Bring Your Own Bottle” functions are prohibited.
21. Insurance Requirements. The City, in its discretion, may require the User to obtain liability insurance for any. If liability insurance is required, the following requirements apply:
 - \$1,000,000 minimum
 - Insurance shall cover liability for injury death and property damage including coverage for alcohol related claims.
 - The insurance policy must be issued by an insurance company licensed to do business in Minnesota acceptable to the City.
 - The City must be named as an “Additional Insured” on the policy.
 - At least seven (7) days prior to the Event, the User must give to the City a certificate of insurance showing the required coverage.
22. Restricting Use. The City Clerk shall have the authority, subject to appeal of the City Council, to prohibit or limit use of the Community Center by a particular User based upon knowledge that the User has caused damage to other public facilities or when disruption, damage, theft or other unfavorable history is recorded from previous use of the Community Center.

23. No Discrimination. The City does not deny access to the Community Center on the basis of race, religion, sex, creed, age, sexual orientation or national origin. Allowing any group to use the Community Center does not imply endorsement of a group's views by the City.
24. Accidents/Damage. Any accidents or damage to the Community Center must be reported to the City Clerk following the Event.
25. Personal Property. The City will not be responsible for any personal property belonging to the user or the user's guests or invitees.