

University of Louisiana System

Title: IMMOVABLE PROPERTY

Effective Date: October 26, 2009

Cancellation: August 25, 2000

Chapter: Facilities Planning

Policy and Procedures Memorandum

This policy establishes general guidelines and procedures for the University of Louisiana System campuses to follow regarding the acquisition and disposition of immovable property including land, building facilities and mineral resources.

Louisiana Revised Statutes 17:3351 authorizes the Board of Supervisors for the University of Louisiana System to purchase, sell, and lease or otherwise acquire through donation, immovable property including buildings, land and minerals.

Dependent upon the action involved, additional approval from *the Board of Regents*, the Division of Administration (Office of Contractual Review, Office of Facilities Planning and Control and Office of State Purchasing), the Department of Natural Resources and the House and Senate Natural Resources Committees may also be required.

To provide direction and support for the implementation of this policy, System staff has developed a document entitled ***Immovable Property Guidelines (Attachment A)*** which contains basic administrativeBT/F3 12 Tf1House05 540.55 103.56 41.490 0 TJETBT7233 from

REPORTING REQUIREMENTS

An ***Annual Lease/Lease Purchase Summary Report*** listing all current leases including those involving Cooperative Endeavor Agreements, 501(c)3 contracts, etc. shall be submitted annually to the Board Office, Assistant Vice President for Facilities Planning. The report is due the first business day of August each year.

In accordance with *LA R.S. 39* and *41:13* all state agencies are required to list lands owned, leased, or rented with the Office of State Lands. Therefore, all acquisitions, dispositions, or other changes in ownership or control m

Office of State Lands within thirty (30) days of the conclusion of the transaction.

Further, Institutions shall report all applicable inventory and utilization data to the Board of Regents, Office of Institutional Research for inclusion in their Facilities Inventory database within thirty (30) days of the conclusion of the transaction.

Institutions shall conduct Internal Audit Reviews of all lease agreements on a bi-annual basis.

Policy References:

Louisiana Revised Statutes
Department of Natural Resources / Mineral Board
Division of Administration / Office of Facility Planning and Control
Division of Administration / Office of Contractual Review

Institution as the LANDLORD

LA. R.S. 41:1211 et seq. gives the university the power of authority to enter into a lease of property, regardless of the amount of space, for a maximum of 10 years after proper public bid law procedures have been followed. The Chief Procurement Officer for each individual institution has the specific power of authority. Exceptions to R.S. 41:1211 et seq. include:

LA R.S. 41:1291 states that institutions may lease property to other political subdivisions, state or federal agencies without bidding the lease provided that the University of Louisiana Board of Supervisors maintain mineral rights. *LA R.S. 41:1292* defines the requirements and parameters of these leases.

Cooperative Endeavor Agreements involving immovable property are business agreements. Institutions may enter into such agreements only if both parties are

should be, primarily, business agreements with a lease contained within the business arrangement.

LA R.S. 17:3361 states that institutions may enter into leases where the tenant performs property improvements to the facility that achieves and further promotes the mission of the institution. There is no maximum or minimum on the dollar amount required for property improvements. This is usually used in the case of private or not-for-profit organizations such as 501(c)3's or Alumni Associations or Foundations. Therefore, these organizations must meet the definition described in *LA R.S. 17:33:90*.

The Institution as the TENANT:

LA R.S. 39:1643 states, if the square footage exceeds 5,000 square feet, the Louisiana is described in *LA R.S. 39:1594*, which does not limit any lease to 10 years. The ultimate authority is with the Chief Procurement Officer of each institution.

Review in process:

Vice Presidents for Business & Finance
Chief Officers for Facilities Planning and Operations
Legal Counsel

Distribution:

University Presidents
Vice Presidents for Business & Finance
Chief Officers for Facilities Planning and Operations

**UNIVERSITY OF LOUISIANA SYSTEM
IMMOVABLE PROPERTY GUIDELINES**

This document provides general guidelines and

III. LEASE EVALUATION CRITERIA

The following should be used to evaluate actions prior to proceeding with the acquisition and or disposition of immovable property.

A. University as the Tenant

In addition to documentation identified in these guidelines, the following information must be included in the request submitted to the Management Board for agenda consideration.

1. Terms, Conditions, and Costs

- a) What is the initial time period of the lease? Are there renewal options and, if so, for how long?
- b) Is the space required to support a new or existing program? Explain.
- c) How much square footage is included?
- d) What types of space exist, i.e., offices, classrooms, etc., is in the lease?
- e) If there is a floor plan or design, include in the report.
- f) How much does it cost? List the cost per square foot, annual cost, etc.
- g) When a University affiliated Foundation purchases property and leases it to the university for future purchase by the university, the documents required to effect this lease shall be in the form of a lease purchase, where applicable.
- h) When a private for-profit entity leases property to the university for future purchase by the university, the documents required to effect this lease shall be in the form of a lease purchase, where applicable.

B. University as Landlord

In addition to providing the contract/lease for review and approval, the following information must be included in the request submitted to the Management Board for agenda consideration.

1. Terms, Conditions, and Costs

- a) What is the initial time period of the lease? Are there renewal options and, if so, for how long?
- b) Is the space required to support a new or existing program? Explain.
- c) How much square footage is included?
- d) What types of space exist, i.e., offices, classrooms, etc., in the lease?
- e) If there is a floor plan or design, include in the report.
- f) How much does it cost? List the cost per square foot, annual cost, etc.

2. Needs Assessment/Justification Statement

- a) Identify the University program served, function and/or affiliation associated with the contract request.
- b) Explain why a non-university entity or program must be located on-campus

V. APPROVAL REQUIREMENTS

A. Routine Operating Leases

1. Leases of greater than 5,000 square feet
 - a) must first be approved by the UL Management Board;
 - b) require submission of a completed RL-2B Form to the State Office of Facility Planning and Control, Real Estate Leasing Section, for review, approval and execution;
 - c) must be publicly bid in accordance with *LA R.S. 39:1643*, unless exempted by law
2. Leases of less than 5,000 square feet
 - a) do not require UL Management Board approval;
 - b) requires submission of a completed RL-2A Form to the State Office of Facility Planning and Control, Real Estate Leasing Section, for review, approval and execution;
 - c) may be negotiated and executed by the president of the university pursuant to *LA R.S. 39:1643* with approval from the Office of Facility Planning and Control;
 - d) Require a copy of the executed lease shall be submitted to the System Office for their records.
3. Rentals of space for a period of not more than 90 days
 - a) do not require UL Management Board approval;
 - b) may be executed by the president of the university;
4. Lease extensions and renewals of documents previously approved **which have no significant changes (i.e. terms, conditions, costs)**
 - a) may be executed by the president of the university pursuant to law and approvals from the Office of Facility Planning and Control;
 - b) a copy of the executed extension/renewal shall be submitted to the System Office for their records.

B. Mineral Leases

1. Require Management Board approval.
1. State Mineral Boar

2. Sale to Specific Buyer
 - a) Written request to the Board;
 - b) Letter identifying intent and justification for sale;
 - c) Requires a Special Act of the Legislature which includes, but is not limited to, a description of the land, the appraised value, the proposed buyer and justification for sale to specific buyer versus public auction;

VI. REPORTING REQUIREMENTS

A. An Annual Lease/Lease Purchase Summary Report listing all current leases including those involving Cooperative Endeavor Agreements, 501(c)3 contracts, etc. shall be reported annually to the System Office, Assistant Vice President for Facilities Planning. The report is due the first business day of August each year.

B. In accordance with LA R.S. 39 and 41:13 all state agencies are required to list lands owned, leased, or rented with the Office of State Lands. Therefore, all acquisitions, dispositions, or other changes in ownership or control must be reported to the Division of transaction.

C. Institutions shall report all applicable inventory and utilization data to the Board of Regents, Office of Institutional Research for inclusion in their Facilities Inventory Database within thirty (30) days of the conclusion of the transaction.

D. Institutions shall conduct Internal Audit Reviews of all lease agreements on a bi-annual basis.

