



## PERMANENT MEMORANDUM 6 LEASE OF IMMOVABLE PROPERTY

### POLICY DIGEST

Monitoring Unit:  
Initially Issued:  
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### I. PURPOSE

This Presidential Memorandum supersedes PM-6 dated October 10, 1974, and subsequent revisions. It sets forth the procedures by which the University may lease property, either its own to a third party, or as lessee from an entity separate from the University.

### II. POLICY

#### A. University as Lessor

The University may lease its land or buildings to a third party only pursuant to one of two statutes. The first, set forth in La. R.S. 17:3361, et seq., authorizes the University to lease its land or buildings to the following:

1. Fraternities or sororities.
2. Religious, quasi-religious, benevolent or other non-profit corporation or associations.
3. State or federal military organizations.
4. Public bodies.
5. Private entities that are obligated under the terms of the lease to construction improvements on the University's property, which will further the University's educational, scientific, research or public service functions.

Leases conferred under this provision may be granted for a term not to exceed ninety-nine years. Leases to fraternities, Sororities, religious or quasi-religious organizations are limited to one acre in area, but the statute does not include an acreage limitation for leases to the other types of entities. Leases entered into under these provisions need not be publicly bid, unless the president, in the best interest of the University requires that a bid process be utilized. Where bidding is not required, negotiation of the terms of the lease must be coordinated with the President's office.

1. Also, the University may lease its property to a third party through the Lease of Public Lands provisions contained in La. R.S. 41:1211, et seq. Such leases are publicly advertised and bid, and their initial terms cannot exceed ten (10) years. No such lease can cover an area larger than 640 acres, and no lessee may own more than one lease at one time. The preparation of the advertising specifications shall be coordinated through the office of the President.
2. All leases of property belonging to the University require the approval of the LSU Board

of Supervisors, but, ordinarily, such leases do not require the approval of the Division of Administration. All such leases shall be made in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

#### B. University as Lessee

Leases of buildings by the University from a third party are considered to be procurements and are governed by the provisions of Title 39 of the Louisiana Revised Statutes, the Procurement Code. However, under the Procurement Code, only leases for the use of 2500 square feet or more of space in a privately owned building must be advertised and bid. Leases of immovable property other than buildings and leases of building space less than 2500 square feet are not required by law to be advertised and bid. The President, in his discretion, may require that such a lease be advertised and bid if he deems it to be in the best interest of the University. In any case where bidding is required, the preparation of the advertising specifications shall be coordinated through the office of the President. Where bidding is not required, negotiation of the terms of the lease must be coordinated with the President's office.

La. R.S. 39:1641 provides that leases of building space wherein the University is the lessee shall require the approval of the Division of Administration. All lessee by the University of property from third parties shall be made in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College. Leases by the University for building space of 2500 square feet or more or of immovable property other than buildings shall be approved by the Board of Supervisors. Leases by the University for building space of less than 2500 square feet require Board of Supervisors' approval only at the discretion of the President.

#### C. Inventory

All transactions involving immovable property, affecting either buildings or unimproved property and regardless of whether the university is **the** lessor or the lessee, shall be reported promptly to the System Director of Human Resource Management. All such reports shall include the date and type of transaction, description of property, time period involved and value of property.