

<b>ADMINISTRATIVE DIVISION</b> Administration and Finance		<b>POLICY NUMBER</b> FCMN 1.05
<b>POLICY TITLE</b> Leasing “Lease-outs” of State-Owned Property to Non-University Parties		
<b>SCOPE OF POLICY</b> USC System	<b>DATE OF REVISION</b> June 1, 2021	
<b>RESPONSIBLE OFFICER</b> Chief Operating Officer	ADMINISTRATIVE OFFICE Facilities Planning, Design and Construction	

**PURPOSE**

This policy establishes procedures for leasing property wherein the university leases university-owned real property to non-university parties (a lease-out).

**DEFINITIONS AND ACRONYMS**

**Lessor:** The University of South Carolina

**Lessee :** The non-university party identified as the tenant in a lease.

**FPDC:** Facilities Planning, Design and Construction Department

**FMPS:** SC State Division of Facilities Management and Property Services

**POLICY**

The Office of Facilities Planning Design and Construction (FPDC) is responsible for administering all lease-out of university-owned real property to non-university lessees, on behalf of the University of South Carolina (Lessor). The University will follow procedures consistent with internal policies and requirements of the South Carolina Department of Administration, Division of Facilities Management and Property Services (FMPS).

**PROCEDURES**

**A. New Lease-outs**

1. All lease-out requests shall be forwarded in writing to the Associate Vice President of FPDC. The request shall be from the Dean of a college, the Vice-President or Director of a campus unit, or the Chancellor or Dean of a system campus and shall include the following information:
  - a. A brief description of the property including building name, location, and type of property (office, classroom, laboratory, auditorium, warehouse, etc.), and if known, building number and specific room numbers to be leased out.
  - b. The proposed terms of the lease including the proposed lease cost per square foot, the Lessee, term dates, and responsibility for utility, custodial and maintenance costs.
  - c. A concept statement and objective of the proposed lease that addresses how leasing out

the property will fulfill a need by faculty, staff, students, the general public, and/or clients of the University. Also, describe how the lease-out will help fulfill the mission of the University.

- d. A University sponsor must be identified, and approval must be given by the appropriate Vice-President, the Chancellor, the Dean, or the Provost, for the area to whom the space is assigned. The sponsor will serve as the department contact and will be involved throughout the lease-out process.
  - e. The university sponsor must provide a Certificate of Liability Insurance from the lessee in the amount of 1,000,000.00 with the University of South Carolina as the Certificate/Policy holder prior to lease execution.
2. FPDC will review and process the information and obtain any required approvals and notify the appropriate parties. The process may include:
    - a. Notifying the SC State Division of Facilities Management and Property Services (FMPS) for a lease-out exceeding \$100,000 annually.
    - b. Determining that the University should make the lease space available through a competitive Request For Proposal (RFP) process and receive multiple offers from prospective lessees to establish a lease-out most advantageous to the University.
    - c. Determine that there is a need for the University to utilize the space for its own purposes rather than making it available for lease by a non-university party.
  3. FPDC will draft the final lease for review by the sponsor and the lessee. The lease will be reviewed by the University Office of General Counsel and executed by a representative authorized by the Board of Trustees.
  4. Proceeds from leasing University educational and general space will revert to a central University account.
  5. The following lease-outs do not require approval through this process:
    - a. University-owned student housing/dorm space;
    - b. Parking spaces in university-owned garages or lots;
    - c. University-owned lecture halls;
    - d. Theaters, coliseums, athletic areas, recreation areas;
    - e. Other areas for periods of less than seven days;
    - f. University-owned box seats or other seats.

## **B. Lease-out Renewal**

1. The University sponsor will notify the Associate Vice President of FPDC, in writing, of

their intent to renew a lease-out six months prior to expiration of the current lease contract or as required by the conditions in the lease for renewal notification to the lessor.

- C. To request a Lease-out, or related information, contact the Associate Vice-President of FPDC at 777-1184 or the Administrative Coordinator of FPDC at 777-9155.

**RELATED UNIVERSITY, STATE AND FEDERAL POLICIES**

Chapter 11 – Department of Administration; Section 1-11-55 Leasing of real property for governmental bodies.

Chapter 19 State Budget and Control Board; Section 19-447.1000 Leasing of Real Property

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
June 1, 2021	Agency name changes, clarification of state processes.