



PERMANENT MEMORANDUM 6 LEASE OF IMMOVABLE PROPERTY

POLICY DIGEST

Monitoring Unit: Office of Facility & Property Oversight
Initially Issued: October 10, 1974
Last Revised: March 28, 2023

I. PURPOSE

This policy sets forth the provisions 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. GENERAL POLICY

A. University as Lessor

1. The University may lease its land or buildings to a third party only pursuant to one of two statutes.
 - a. First, set forth in La. R.S. 17:3361, et seq. (the “University Leasing Statute”), authorizes the University to lease its land or buildings to the following:
 - i. Fraternities or sororities
 - ii. Religious, quasi-religious, benevolent, or other non-profit corporation or associations
 - iii. State or federal military organizations
 - iv. Public bodies
 - v. 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
 - vi. Businesses to be located in an area designated as a business incubator or research park

Leases conferred under this provision may be granted for a term not to exceed 99 years for items i through v (above) or 50 years (for item vi), an initial 30 year term followed by no more than two 10-year renewal terms. 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. The entire lease process must be coordinated with the LSU Office of Facility & Property Oversight.

- b. Second, set forth in La. R.S. 41:1211 et seq. (the “Lease of Public Lands Statute”),

the University may lease its property to any third party. Such leases are publicly advertised and bid, and their initial terms cannot exceed 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.

B. University as Lessee

1. The University may lease land or buildings from a third party under the provisions of Title 39 of the Louisiana Revised Statutes (the "Procurement Code"). Pursuant to autonomies granted by the Grad Act (La. R.S. 17:3139), LSU has adopted the "University Pilot Procurement Code" which governs the procurement of leases under this authority. Campus procurement officials must coordinate with the LSU Office of Facility & Property Oversight to ensure that there is appropriate review, by licensed architects or engineers when appropriate, of the facilities needs of the unit seeking additional space and that the lease has appropriate terms to protect LSU's interests in the facilities being leased.

III. PROCEDURES

A. Process for Leases where the University is a Lessor

1. Campuses and departments seeking to lease land under either provision of law should coordinate with the LSU Office of Facility & Property Oversight, which is responsible for overseeing the University leasing processes and ensuring compliance with law, the Board's Bylaws and Regulations, and applicable policies.
2. All leases must be approved by either the Board of Supervisors or the President. The rules governing which approval is required are set forth in the Bylaws of the Board of Supervisors (See Article VII, section 1.E and Article VIII, section 2.C). The Office of Facility & Property Oversight shall be responsible for processing and reviewing all such submissions prior to their presentation to the Board or the President.
3. All leases by the University of property to third parties shall be made in the name of the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College.

B. Process for leases where University is the Lessee

1. Campuses and departments seeking to lease land under either provision of law should coordinate with the applicable campus procurement office and the LSU Office of Facility & Property Oversight, which is responsible for overseeing the University leasing processes and ensuring compliance.
2. All leases must be approved by either the Board of Supervisors or the President of LSU. The rules governing which approval is required are set forth in the Bylaws of the Board of Supervisors (See Article VII, section 1.E and Article VIII, section 2.C.). The Office of Facility & Property Oversight shall be responsible for processing and reviewing all such submissions prior to their presentation to the Board or the President.
3. La. R.S. 39:1641 provides that leases of building space when the University is the lessee

requires the approval of the Louisiana Division of Administration. The LSU Office of Facility & Property Oversight shall coordinate communications with and the seeking of approval from the Division of Administration, in cooperation with the applicable campus procurement office.

4. All leases 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 & Mechanical College.

C. Records Repository

The LSU Office of Facility & Property Oversight shall be responsible for maintaining comprehensive records of all immovable property owned by the University and shall be responsible for maintaining records of, seeking approvals for, and processing all leases and other transactions affecting rights to immovable property, in coordination with the leadership of the relevant campus, the Office of Legal Affairs & General Counsel, and other applicable University offices, including the Office of Procurement Services.

IV. SOURCES

La. R.S. 17:3361
La. R.S. 17:3139
La. R.S. 39:1641
La. R.S. 41:1211