

SAM – REAL ESTATE SERVICES DIVISION

LEASES ON STATE PROPERTY

1323.1

(Revised 01/2017)

The Asset Management Branch is the initial point of entry for real estate services. To request real estate services, agencies submit a request via CRUISE. [See Section 1300 and 1310.](#)

Leasing State-Owned Real Property to Others.

The Director of DGS, with the consent of the state agency concerned, may lease state- owned real property to others for a period not to exceed five years. Leases of state-owned property are required to reflect fair market rental, with certain exceptions. Leases of state- owned real property for radio and television purposes (telecommunications leases) and other specified uses may exceed the five-year limit. When space permits, agencies may request that space in state facilities be leased to financial institutions in order to provide for Automated Teller Machines.

General Competitive Bidding Requirement for Leases of State-Owned Property.

Competitive bids shall be solicited for new leases or renewal of existing leases of state- owned real property, except for the following:

1. Leases where prior approval has been received from DGS to lease without solicitation and at a rental rate consistent with fair market value.
2. Renewal of a lease for up to three five-year extensions where prior approval has been received from DGS and at a rental rate consistent with fair market value.
3. Leases to nonprofit organizations.
4. Leases to governmental agencies.
5. Telecommunications leases.

Commercial Advertising Signs.

There are restrictions regarding commercial advertising signs on state property. To obtain guidelines before entering into a lease for signage, clients may contact DGS.