



UNIVERSITY POLICY

SUBJECT: FACILITY SERVICES **TITLE:** LEASING OF FACILITIES

CODING: 00-01-70-35:00 **ADOPTED:** 10/01/97 **AMENDED:** 10/01/97

I. PURPOSE

To establish a procedure for leasing real estate property and administering the lease process in an efficient and uniform manner.

II. ACCOUNTABILITY

Under the direction of the President, the Vice President for Administration shall ensure compliance with this policy. The Deans, Vice Presidents and Associate Vice Presidents shall implement this policy.

III. APPLICABILITY

This policy applies to the leasing of all properties by UMDNJ schools/units.

IV. REFERENCES

- A. Renovation/Alteration/New Construction [00-01-70-45:00](#)
- B. Legal Commitment Authority [00-01-90-05:00](#)
- C. Contract Management [00-01-90-40:00](#)
- D. Request for Space [00-01-70-30:00](#)

V. DEFINITIONS

- A. **Lease** - A contractual agreement for a specified period of time between UMDNJ and a non-UMDNJ facility owner or manager of real estate property for the purpose of utilizing a particular facility or area within a facility for the official use of University business, i.e., administrative, educational, research, clinical or any related, approved University activity.

VI. POLICY

- A. Requirements:
 - 1. A Dean, Vice President, or Associate Vice President who wishes to lease a real estate property must comply with this policy.
 - 2. There shall be no action taken by a school/unit to identify a property for a lease, or contact a property owner or an owner's agent regarding a lease without prior approval of the Vice President for Administration.

3. A written request for space must be submitted by the Dean, Vice President, or Associate Vice President of the requesting school/unit to the Vice President for Administration. Space requests must contain, to the fullest extent possible, information regarding location, square footage, use, time frames and that the requesting school/unit has the necessary funding to support a leased property. If it is determined that a valid space request cannot be accommodated within currently available University owned or leased facilities, Facilities Planning & Construction shall be directed to review the requestor's current and projected space needs and perform the necessary programmatic evaluation to verify the requested square footage, location and facility needs.
4. Should the leasing of space be considered to satisfy the requestor's space needs, Facilities Planning & Construction shall assist the designated representative of the requesting school/unit with the evaluation of available properties. When appropriate, this evaluation shall include, but not be limited to:
 - a. A full market evaluation to identify all available properties for lease that are suitable in size, structure, building systems, location, applicable zoning and any other special requirements that may be specific to the request.
 - b. The necessary structural, mechanical systems and environmental investigations to ensure that the space is safe, complies with building and health code requirements and is in good operating condition.
 - c. Compliance with guidelines as required by the Americans with Disabilities Act (ADA).
 - d. Insure the rental for the proposed facility is in keeping with similar buildings within the immediate market area.
 - e. The suitability of a leased facility for the proposed UMDNJ program(s) and the stated requirements, special needs, limitations, etc.

The above may require such outside consultants as architectural, engineering, environmental, etc. in completing as full an assessment as necessary to insure the proposed leased facility is safe, in full statutory compliance and at a fair market value. The expense to retain such outside consultants is the responsibility of the requesting school/unit with prior written approval from the Dean, Vice President or Associate Vice President.

5. An assessment regarding the evaluation of leased properties (as set forth in #4 above) shall be presented to the Vice President for Administration and the appropriate Dean, Vice President or Associate Vice President for review and approval.
6. Upon approval to proceed with the leasing of a property, Facilities Planning & Construction shall assist the designated representative of the requesting school/unit in the negotiations for the leasing of the property. The Office of Legal Management shall provide support in the negotiations regarding legal issues. Risk & Claims shall provide support for insurance issues and will facilitate obtaining any additional insurance coverage required for the leased premises. The additional insurance premium associated with the lease shall accrue to the school/unit responsible for the lease agreement.
7. The Office of Legal Management will insure that all leases include language that require landlords to maintain leased facilities free of hazardous materials; in compliance with all Building Codes; and in compliance with requirements of Public Employees Occupational Safety and Health (PEOSHA), National Fire Protection Association (NFPA), and the Americans with Disabilities Act (ADA).

8. The lease agreement shall be reviewed and approved by the Dean, Vice President or Associate Vice President of the requesting school/unit, the Office of Legal Management, the Vice President for Finance and Treasurer, and the Vice President for Administration.
9. The contract shall be executed in accordance with procedures directed by the University policies, # 00-01-90-05:00, Legal Commitment Authority and # 00-01-90-40:00, Contract Management.
10. Should the proposed leased premises require renovation or alteration work that is not to be done by the owner of the property, refer to University policy # 00-01-70-45:00, Renovation/Alteration/New Construction.
11. The requesting school/unit is responsible for informing the supporting departments and coordinating related activities as specified in the lease agreement including:
 - a. notifying Facilities Planning & Construction of departmental space assignments within the leased facility for updating the University Space Database;
 - b. notifying the Business Office and Budget Office to ensure necessary continued funding;
 - c. ensuring adequate security, maintenance and other University services;
 - d. coordinating equipment and other procurement needs with Purchasing;
 - e. coordinating forms preparation with Accounts Payable to pay the rent; and
 - f. notifying Public Safety regarding the address of the lease premises and the lease commencement date.
12. Prior to termination of the lease, it is the responsibility of the UMDNJ occupant to remove all equipment and furniture, ensure the premises is clean and free of all debris, and notify Facilities Planning & Construction, the Office of Legal Management, Risk and Claims Management, Accounts Payable and the school/unit's Business Office of the vacating of the space.

B. Responsibilities:

1. Individual schools/units are responsible for tracking lease termination dates and, when renewing or exercising an option to renew a lease, requesting the Office of Legal Management to prepare the necessary notice of renewal for execution pursuant to Legal Commitment Authority policy. Copies of the renewal notification shall be sent to Facilities Planning & Construction, Accounts Payable and the school/unit Business Office.
2. The Office of Legal Management and the Controller's Office will maintain a current copy of each lease on file.
3. Facilities Planning & Construction will maintain a database of all leases that shall include:
 - a. School/Unit occupant;
 - b. Address of leased premises;
 - c. Size in square feet;

- d. Use(s);
- e. Term; renewal terms;
- f. Expiration date; and
- g. Rent.

Under the Direction of the President:

Vice President for Administration