

## LEASE RENEWAL BASE SERVICE TASK LIST

The following task list includes the typical set of Leasing and Design services to be provided by Department of Enterprise Services (DES), Real Estate Services (RES) on a Lease Renewal project and is covered by the Facilities and Services Allocation that agencies pay quarterly. This includes routine management, AAG and support services. Additional services may be requested or required on a negotiated basis or pursuant to the RES Fee Schedule (e.g., remodel, alteration or expansion/reduction of space).



### A) Initiate/Define

1. The leasing agent assigned to the lease sends notification to the Agency that the lease will expire in two years.
2. The leasing agent notifies RES contracts staff and design team of pending lease renewal. The “project team” includes the leasing agent, design team member and RES contracts staff.
3. Project team reviews existing lease and file history.
4. A Define meeting is scheduled with the tenant agency, OFM, and contracts staff to discuss project.

### B) Charter

1. Charter document compilation. The charter is a document that summarizes all the renewal project details including:
  - Office of Financial Management (OFM) Six-Year Plan information
  - Requested lease terms
  - Current lease costs
  - RES market analysis
  - Timeline for renewal
2. Schedule inspection of facility to identify Deferred Maintenance items (or other issues as needed).
3. ADA assessment and CTR/parking assessment if necessary.
4. Verify BOMA measurement, if necessary.
5. Prepare Deferred Maintenance list.
6. Send entire charter package (charter document, Exhibit A’s and B’s summarizing market information, and Exhibit C- deferred maintenance list) to agency for review and approval.
7. Agency and OFM review charter document before RES will proceed with negotiations.

### C) Negotiate

1. Send renewal letter to lessor with accompanying forms/attachments.
2. Negotiate cost and other deal points with lessor.
3. Provide updates to agency on negotiations.
4. Finalize terms and conditions of lease renewal.
5. Legal review by Attorney General’s Office (AAG).

### D) Lease processing and Execution

1. Finalize draft lease and all exhibits.
2. Legal review by RES AAG, if necessary.
3. Send and obtain agency approval of final draft lease.
4. Send lease, exhibits and contact sheet to lessor for signature and execution
5. Lease signed by RES Leasing Agent as recommended for approval.
6. Lease executed by RES AAG and RES Assistant Director.
7. Record, log, distribute and file fully executed lease
8. Enter lease into Real Estate Transaction Management system.

**E) Leases renewals that require OFM, Legislative, or DES Deputy Director approval**

1. Leases over five years require DES deputy director approval.
2. Leases over ten years require OFM approval.
3. Leases over 20 years require legislative approval.
4. Leases that exceed \$1 million annually require OFM approval.

**F) RES must consult with OFM if the following conditions exist**

1. Lease is not consistent with the state's current Six-Year Facilities Plan
2. Lease that includes an option to purchase
3. Lease that includes amortized tenant improvements
4. Unique financial terms such as mid-term or annual lease rate increases, lease rate that exceeds budget, inducements such as free rent

**G) Follow-up Inspection**

1. Site inspection to verify completion of Deferred Maintenance items.
2. Follow up with lessor if needed

**H) Final Closing**

1. Leasing and design sections close out project files