

## PPM 209: Lease Agreements for Real Property

<b>Responsible Officer:</b>	PCPA Director
<b>Responsible Office:</b>	<a href="#">Office of the Controller and Business Services</a> <a href="#">Policies, Compliance, and Programmatic Agreements (PCPA)</a>
<b>Issuance Date:</b>	08/03/2022
<b>Effective Date:</b>	08/03/2022
<b>Last Review Date:</b>	08/03/2022
<b>Scope:</b>	Real Property Lease Agreements

<b>Contact:</b>	Robin Sanchez, J.D.
<b>Title:</b>	PCPA Director
<b>Email:</b>	<a href="mailto:rgsanchez@ucanr.edu">rgsanchez@ucanr.edu</a>
<b>Phone:</b>	(510) 750-1235

---

### TABLE OF CONTENTS

---

<b>I. POLICY SUMMARY.....</b>	<b>2</b>
<b>II. DEFINITIONS.....</b>	<b>2</b>
<b>III. POLICY TEXT.....</b>	<b>2</b>
<b>IV. COMPLIANCE / RESPONSIBILITIES.....</b>	<b>2</b>
<b>V. PROCEDURES.....</b>	<b>3</b>
<b>VI. RELATED INFORMATION.....</b>	<b>3</b>
<b>VII. FREQUENTLY ASKED QUESTIONS.....</b>	<b>4</b>
<b>VIII. REVISION HISTORY.....</b>	<b>4</b>

---

## **I.POLICY SUMMARY**

---

Lease agreements for real property may be executed with the University of California (UC) as the Lessor or the Lessee.

---

## **II. DEFINITIONS**

---

Not used.

---

## **III. POLICY TEXT**

---

### **A. UC as Landlord (“Lessor”)**

Leasing or subleasing of UC property to other persons, firms, or agencies must involve UC-owned or UC-leased property only. County-owned or county-leased property is not to be involved. Statewide Program, Research and Extension Center and UC Cooperative Extension Directors should contact the Policies, Compliance, and Programmatic Agreements office (see contact information above) for approval and detailed instructions before making any lease arrangements.

### **B. UC as Tenant (“Lessee”)**

#### 1. Arrangements for Lease

- a. When there is a requirement for the lease of real property by UC, the Policies, Compliance, and Programmatic Agreements office should be consulted before searching for space or negotiating for land. Such requirements may involve the following kinds of property.
- b. Office space for program staff, if no additional space in the present office is available, and provided funds for this purpose are available, and/or if the situation warrants space needs away from a UC ANR office vacant lots and lands or other real properties that are required to carry out commitments in UC ANR programs such as the 4-H Youth Development or Master Gardeners Programs.

#### 2. Property Tax Exemption

As provided under Section 3 (d) of Article XIII of the Constitution of the State of California, property used exclusively for state universities is exempt from property taxation. Since 1978 the economic benefit of the property tax savings must be passed on to the tax-exempt lessees under one of the following options:

- a. Lessor to claim the tax exemption by filing the Lessor's Exemption Claim form and to pass on to the Lessee the economic value of the exemption.
- b. Lessor to pay the taxes and the tax-exempt Lessee to have the right to file for a refund of the taxes paid.
  - i. Claiming Tax Exemptions

Before February 15 of each year, copies of Lessor's exemption claim forms should be obtained from each County Assessor's Office in whose county the leased property is located. The Lessee's affidavit on the claim form should be completed in triplicate for each item of leased property. Once the affidavit is executed, the claim form should be sent to the Lessor with instructions to complete the entries on the form, file the original with the appropriate County Assessor's Office before March 15, and return a copy to the University. After all claim forms have been filed, a copy of each should be forwarded to the PCPA office (See contact information above).

ii. Responsibility

Each Statewide Program Director, for statewide operations; and each County Director, for county operations; and each Research and Extension Director shall be responsible for timely filing of tax exemption claims and for maintaining appropriate files for property under lease or long-term use agreement in cooperation with the PCPA office.

---

#### **IV. COMPLIANCE / RESPONSIBILITIES**

---

The Vice President has been granted the authority to execute real property agreements under DA 2629 consistent with Regents policy, covering the use of buildings and facilities for UC Agriculture and Natural Resources (UC ANR), (Capital Project Matters). All UC ANR leases of real property must be executed under the re-delegation of authority of DA 2629.

---

#### **V. PROCEDURES**

---

##### **A. Lease Agreements**

The process for executing lease agreements is as follows:

1. Send request to PCPA via email, [newagreement@ucanr.edu](mailto:newagreement@ucanr.edu)
2. PCPA will:
  - a. Discuss with realtor
  - b. Provide next steps
  - c. Work with the appropriate units (e.g. Facilities Planning and Management, etc.) within UC ANR to complete the:
    - i. Lease Market Comparison Analysis
    - ii. Lease Execution Checklist
  - d. Work with real estate broker on lease terms
  - e. Draft lease

f. Arrange for electronic execution via DocuSign software  
If necessary, PCPA can also arrange for “wet” signature

---

## **VI. RELATED INFORMATION**

---

- [UC ANR Office of Risk Services](#)
- [Standard Net Lease Form – The Regents as Landlord](#)
- [Standard Lease Form – The Regents as Tenant](#)
- [Standard Amendment of Lease – The Regents as Tenant](#)
- [Delegation of Authority 2629 \(DA 2629\)](#)
- [UC ANR re-delegation of DA 2629](#)

---

## **VII. FREQUENTLY ASKED QUESTIONS**

---

Not used.

---

## **VIII. REVISION HISTORY**

---

### **August 2017:**

Format updated.

### **February 2020:**

General updates (Titles, links, etc) and initiation of the “Procedures” section

### **August 2022:**

Format and personnel updated. Procedure section updated for PCPA process.