



# Department of Administration State Property Office



State Construction Conference  
March 2015

# General Information

# State Property Office

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## General Information

*In accordance with General Statutes 143-341 and 146*

- Acquire and dispose of State property on behalf of State agencies by deed, lease, easement, license, or otherwise
- Allocate or reallocate land, buildings or space in buildings by and between agencies, institutions or departments
- Manage the State's unappropriated and submerged lands
- Maintain a complete and accurate inventory of State owned lands, buildings, and space in buildings
- Provide clerical support to the Capital Planning Commission

# State Property Office Composition

## General Real Estate

Acts as the real estate broker for real property transactions, including all acquisitions and disposals, for most state agencies and the university system. Evaluates the property and the agency's need for the property and negotiate the purchase.

# State Property Office Composition

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## Division of Mitigation Services

Acquires conservation easements for the restoration and enhancement of streams and waterways and to mitigate environmental impact to the state's wetlands due to DOT road projects and other impacts.

# State Property Office Composition

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## Leasing and Space Planning Section

Manages real estate leases, including processing and evaluating bids and negotiating the terms of leases. Determines space needs of state agencies

# State Property Office Composition

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## Facilities Information Section

Maintains a complete and accurate inventory of the state's real estate holdings

# Contact Information

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# Contact Information

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Leasing & Space Planning Section

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Facilities Information Section

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# State's Land Inventory

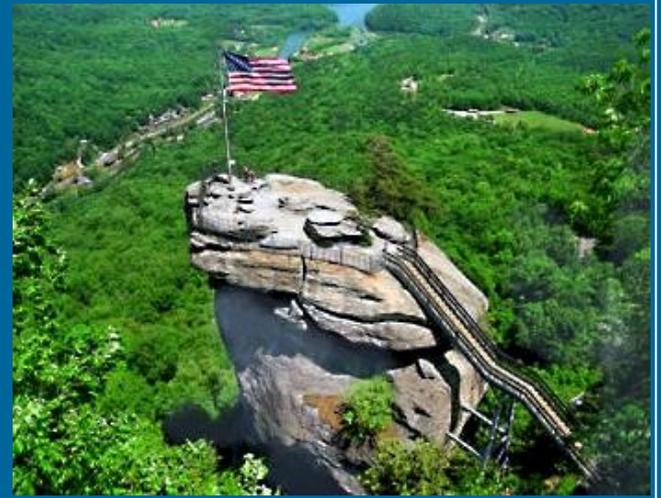
## Definition of State Land

All land and interest therein, title to which is vested in the State of North Carolina, or in any State agency, or in the State to the use of any agency, and specifically includes all vacant and unappropriated lands, swamplands, submerged lands, lands acquired by the State by virtue of being sold for taxes, escheated lands, and acquired lands.

# State's Land Inventory

The State of North Carolina's land inventory includes:

- 11,948 buildings owned
- 122,706,409 gross square feet in State owned buildings
- 951,054 acres owned
- 2,604 State owned complexes
- 753 leased facilities
- 4,774,889 net square feet leased



# General Real Estate

<https://ncdoa.maps.arcgis.com/home/index.html>

# General Real Estate

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**Acquires and disposes of real property by deed, gift, license, easement, etc.**

# General Real Estate

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## Acquisitions

- All aspects of the requested acquisition are investigated including the existence of actual need for the requested property on the part of the requesting agency and the availability of land already owned by the State which might meet the needs of the requesting agency considering efficiency, future needs and economy in the best interests of the State.

# General Real Estate

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## Acquisitions

- All acquisitions with an appraised value of at least \$25,000 may only be made after written notice to the Joint Legislative Commission on Governmental Operations at least 30 days prior to the acquisition.
- All acquisitions must be approved by the Governor and Council of State.
- After approvals are obtained, transactions are forwarded to the Attorney General's Office for preparation of legal documents.

# General Real Estate

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## Dispositions

- Any State agency desiring to dispose of real property will first contact the Division of State Property to ascertain there is no other state need.
- Investigation of all aspects of the transaction is performed.
- Upon the determination that it is in the best interest of the State that the property be disposed of by deed, gift, license, easement or otherwise, proceedings for such disposition begin.

# General Real Estate

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## Dispositions

- All dispositions are approved by the Governor and Council of State.
- After approval is obtained, transactions are forwarded to the Attorney General's Office for preparation of legal documents.

# General Real Estate

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## Utility Easements

- The land acquired for the purpose of installing utilities providing services to a building such as electricity, water, sewer, telecommunications, etc.
- Temporary construction easements (TCE) are sometimes necessary for the utility installation. TCE terminate upon completion of the project.

# General Real Estate

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## Utility Easements

- In instances where time is of the essence, a Right of Entry (RE) may be issued to facilitate the installation of utilities in a timely manner prior to approval by the Governor and Council of State. RE letters will not be issued until an investigation is made to substantiate urgency.

# Leasing and Space Planning

<https://ncdoa.maps.arcgis.com/home/index.html>

# Leasing and Space Planning

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## Acquisition by Lease

When the need to acquire space arises, the requesting department will first contact the Division of State Property to determine whether there is State-owned or leased space available to fill the need. SPO maintains an inventory of state space and assigns space to agencies as it comes available. There is approximately 3,003,478 sq. ft. of office space in the Government Center used by State Agencies.

# Leasing and Space Planning

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## Acquisition by Lease

If it is determined that there is no suitable State-owned or leased space available and the Division of State Property determines that it is in the best interest of the State, the requesting department may then proceed to acquire the needed space. The class of lease determines the procedure to be followed.

# Leasing and Space Planning

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## Acquisition by Lease

### **Classes of Leases:**

- Rental not exceeding \$5,000 annually and term not exceeding three years (including renewals). Agency can choose their own space. They also can sign the lease and send SPO a copy. SPO maintains an inventory of all state leases.

# Leasing and Space Planning

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## Acquisition by Lease

### **Classes of Leases:**

- Rental not exceeding \$5,000 annually and term not exceeding three years (including renewals). Agency can choose their own space. They also can sign the lease and send SPO a copy. SPO maintains an inventory of all state leases.
- Lease not exceeding \$25,000 annually: Term not exceeding three years. Agencies can choose their space but must send SPO a completed PO-28 form, PO-1 form, Fire Safety Checklist and floor plan. SPO makes sure the transaction is reasonable and SPO generates and signs lease

# Leasing and Space Planning

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## Acquisition by Lease

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- Rental not exceeding \$5,000 annually and term not exceeding three years (including renewals). Agency can choose their own space. They also can sign the lease and send SPO a copy. SPO maintains an inventory of all state leases.
- Lease not exceeding \$25,000 annually: Term not exceeding three years. Agencies can choose their space but must send SPO a completed PO-28 form, PO-1 form, Fire Safety Checklist and floor plan. SPO makes sure the transaction is reasonable and SPO generates and signs lease.
- Lease more than \$25,000 annually or Term exceeds three years. This level of lease triggers the advertising process.

# Leasing and Space Planning

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## Acquisition by Lease

### **Advertising Process**

In order to begin the process the agency needing to acquire space sends SPO an organizational chart showing the number of people involved and their job titles as well as a statement of any ancillary space they may need like storage rooms, conference rooms etc. SPO reviews the information and contacts the agency contact with any questions or for additional information.

# Leasing and Space Planning

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## Acquisition by Lease

### Advertising Process

After this question and answer process is complete, SPO produces a space analysis which shows the number offices, open areas and ancillary spaces the agency needs as well as their approximate sizes. Circulation and bathrooms are added and a final square footage number is calculated. This space analysis is part of the lease specifications (PO-27 form).

# Leasing and Space Planning

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## Acquisition by Lease

### **Advertising Process**

After the space analysis is complete a SPO agent, in conjunction with the agency contact, develops the lease specifications. Items such as location, number of state cars, electrical outlets, etc. are built into the final specifications which shows a proposer exactly what the agency needs.

# Leasing and Space Planning

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## Acquisition by Lease

### **Advertising Process**

An ad is placed in a local daily paper and it runs for 5 days. The ad gives the number interested parties can call to get a copy of the specification. Proposers must respond to SPO with their proposals by the cutoff date listed in the specification to have their proposal considered. This date will be a minimum of 7 days after the last ad is run in the paper.

# Leasing and Space Planning

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## Acquisition by Lease

### **Advertising Process**

After reviewing proposals the SPO agent will schedule site visits to see the sites reflected in the proposals. On this visit SPO and the agency will determine which sites will work for the agency based on the lease specifications.

# Leasing and Space Planning

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## Acquisition by Lease **Advertising Process**

*Lease more than \$150,000 annually*

These leases require a special proposers conference to be held with all selected proposers in attendance to ask questions and generate a new proposal.

# Leasing and Space Planning

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## Acquisition by Lease **Advertising Process**

After site visits and the proposers conference, if applicable, a final determination is made as to the site to be presented for approval to the Governor and Council of State. This decision is made considering all relevant factors such as price, location, security, suitability of the space, prior performance of proposer, and any other factor relevant to the need.

# Leasing and Space Planning

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## Acquisition by Lease **Advertising Process**

After the lease is approved by the Governor and Council of State the agency, in conjunction with the SPO finalizes the floor plans and the Attorney Generals office drafts the lease. The final floor plan is attached to the lease as an exhibit. The lease is then forwarded to the lessor for signature. The Governor, Secretary of State and Attorney Generals office will sign the lease after it is executed by the lessor.

# Leasing and Space Planning

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## Acquisition by Lease

### Advertising Process

Interested parties can register with the Division of Purchase and Contract Interactive Purchasing System to receive email notifications for lease proposals. To register to receive emails:

1. Register in Vendor Link:  
[www.pandc.nc.gov/VendorLink-Registration.htm](http://www.pandc.nc.gov/VendorLink-Registration.htm)
2. Choose commodity class: 971 Real Property Rental or Lease

# Leasing and Space Planning

## Disposition by Lease

- Any State agency desiring to dispose of real property by lease will first contact the SPO to ascertain there is no State need.
- SPO investigates of all aspects of the transaction.
- Upon the determination that it is in the best interest of the State that the property be disposed of by lease, proceedings for such disposition begin.
- All dispositions with rental exceeding \$25,000 annually or with a term exceeding three years are approved by the Governor and Council of State.

# Leasing and Space Planning

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## Disposition by Lease

### **Less than Fair Market Value Dispositions**

Real property owned by the State or any State agency may not be sold, leased, or rented at less than fair market value to any private entity that operates, or is established to operate for profit.

# Leasing and Space Planning

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## Disposition by Lease

### **Less than Fair Market Value Dispositions**

Real property owned by the State or by any State agency may be sold, leased, or rented at less than fair market value to a public entity. "Public entity" means a county, municipal corporation, local board of education, community college, special district or other political subdivision of the State and the United States or any of its agencies.

# Leasing and Space Planning

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## Disposition by Lease

### **Less than Fair Market Value Dispositions**

Real property owned by the State or by any State agency may be sold, leased, or rented at less than market value to a private, nonprofit corporation, association, organization or society.

# Leasing and Space Planning

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## Disposition by Lease

### **Less than Fair Market Value Dispositions**

Leases in this category must be reported to the Joint Legislative Commission on Governmental Operations 30 days prior to lease execution.

# Leasing and Space Planning

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## Space Planning

- Assists agencies in programming space needs for new or expansion leases.
- Assists agencies with upfit designs for lease space.
- Reviews lease space upfit designs prepared by others for compliance with program and general life safety requirements.
- Assists with maintaining an accurate inventory of DOA space.

# Leasing and Space Planning

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## Space Planning

- Reviews and approves requests for space in Department of Administration (DOA) buildings downtown center, (except the Highway building, Olivia Raney building, and the Legislative and Legislative Office buildings); Motor Fleet and Textbook Warehouse on Blue Ridge Road; and State Surplus and Federal Surplus facilities.
- Work with the State Construction office and Facilities Management in the design and implementation of significant changes to the physical layout of space in DOA buildings.

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QUESTIONS?