

Real Estate Division's FAQs

LEASING RELATED QUESTIONS:

Building Specifications:

1. **What are the dimensions of the self-service kiosk that the DOS would install at this location?**

The Self-Serve Kiosk is approximately 4.5 square feet (25" x 25").

2. **If existing carpet is new and colored in congruence with the decorative scheme of the office being proposed, would it be acceptable until the first scheduled carpet replacement?**

The carpet color/condition is subject to the acceptance of the occupying agency.

3. **Are public restrooms a requirement for all State offices where the public is serviced? Can the employee restroom be used to service the public? a) does the State require a 2nd, public bathroom, or if not b) could the employee bathroom be publicly accessible c) or would the State prefer that if one bathroom was acceptable that it be employee access only?**

We prefer public restrooms where costs are not prohibitive. Local code will determine the number of restrooms required based on square footage. The State prefers separate employee and public restrooms.

4. **Is existing construction allowed to remain (grandfathered in) if it is not Energy Star and LEED certified?**

In many cases, yes. However, when retrofitting a building, some of the items that are not Energy Star and/or LEED certified may require modification during the course of retrofitting the space for the department's use.

Request for Proposals (RFP) Process:

1. **Can a broker be paid by the landlord so long as there are no commission fees required to be paid by the tenant?**

Proposals and pricing should be reflective of no broker commission or fees.

2. **If a proposal is made for an existing building which is currently for sale, will the bidder have the right to withdraw their proposal before a final decision has been made?**

All proposals shall be valid for one hundred twenty (120) days from the submission due date, unless mutually agreed to in writing by both parties.

3. **When is it anticipated the State will make a decision on the RFP?**

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Due to the programmatic needs of the occupying agency, there are many factors that must be considered. While we do not post a timeline within which the agency makes a decision, we do realize that time is of the essence and do our best to make a decision in a timely manner.

4. Is there further guidance on whether an existing facility will be considered? If so, any guidelines on the construction, dimensions, finishes?

Please refer back to the RFP. Building standards have been included and there is nothing in the RFP requiring a "new build".

5. If a bidder proposes a space that is 10% +/- the square feet requested in the RFP, is the space automatically rejected?

The State will consider sites that are 10% above/below the square footage requested in the Request for Proposals (RFP). Special circumstances may require more extensive program size changes, which may result in the State posting a new RFP.

6. Would the State consider a modified gross or net lease as compared to the gross lease terms requested?

Please see II.8 of the RFP regarding Alternative Terms. We encourage all bidders to respond to the RFP as presented. However, we will consider alternate terms if they are deemed to be in the State's best interest.

Lease Terms/ Lease Execution:

1. Do all State of Michigan leases have a cancellation clause? Can the cancellation clause be removed?

All State leases for real property are required to contain a cancellation provision as established within the framework of the Michigan Constitution.

2. What approvals are necessary for a State of Michigan lease?

All State leases must be approved by the Department of Attorney General as to legal form, the State Building Committee and the State Administrative Board. Leases and or amendments that fall within the requirements of 1984 PA 431, as amended, MCL 18.110 et seq., shall also require approval of the Joint Capital Outlay Subcommittee of the Legislature. All leases must be signed and notarized by the Lessee and are not valid until signed and notarized by the Department of Technology, Management & Budget.

3. What is "lump sum cost" to be added to first month rent?

A "lump sum cost" added to the first month's rent is a payment made by the State towards the construction cost of a project, with the expectation of this payment reducing the State's monthly rental obligation.

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4. Why doesn't RED use modern e-signature technology?

The Real Estate Division is working with the State's record management division to implement a process for accepting electronic signatures.

LAND RELATED QUESTIONS:

1. What is the address of the webpage showing RED's surplus property RFPs?

https://www.michigan.gov/dtmb/0,5552,7-358-82548_41524_96742_96759_96957---,00.html

2. What is the difference between an appurtenant easement and an easement in gross?

An appurtenant easement benefits a particular parcel of land rather than just a person or party. Typically, with proper drafting, an appurtenant easement is said to "run with the land." This means that the easement continues, for its duration, to benefit the benefited parcel even if the benefited parcel is transferred or conveyed to another party. An example of an appurtenant easement would be an easement across your neighbor's land (the burdened parcel) for driveway purposes so that the owner of your property (the benefited parcel) can drive across your neighbor's land to access a public road. In contrast, an easement in gross has no benefited parcel of land. Instead, there is only a parcel that is burdened by the easement and it is usually a person or other legal entity that holds the benefit of the easement. An easement in gross is personal to the party that receives the benefit of easement. An example of an easement in gross is an easement to a utility company to run a power line across a burdened piece of property. The utility company is the benefited party and there generally is not a benefited parcel of land.

3. How do I find out what state agency is responsible for a given state-owned parcel of land and/or if it is for sale?

While most state of Michigan property is owned in the name of the State of Michigan, the management/jurisdiction of State property is diffused among several state agencies. Unfortunately, there is no central database for managing all state-owned land. Start by consulting your local property tax assessor to find out if they know which state agency has administrative jurisdiction over the subject parcel.

A. **Is it an undeveloped wilderness parcel next to a state forest?** If so, check the Department of Natural Resources' available property website at

https://www.michigan.gov/dnr/0,4570,7-350-79136_79612---,00.html

B. **Is it a vacant residential or small commercial property?** If so, it might be state property as a result of unpaid back property taxes or other legal forfeiture. Check the Department of Treasury's foreclosed property holdings at

https://www.michigan.gov/taxes/0,4676,7-238-43535_55601---,00.html Also, check

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the Michigan Land Bank's web-page for its available property at <https://public-mlb.epropertyplus.com/landmgmtpub/app/base/landing>

- C. **Is it leftover right-of-way or construction staging land along a State highway?** Check with the Michigan Department of Transportation at https://www.michigan.gov/mdot/0,1607,7-151-9625_22043_29132---,00.html
- D. For all other surplus State of Michigan property available for sale, check our own surplus property listings at https://www.michigan.gov/dtmb/0,5552,7-358-82548_41524_96742_96759_96957---,00.html

Finally, you might want to engage the services of a private-sector professional title house to perform a title search for you. It may turn up a State deed which indicates which agency was intended to control the property. We are unable to recommend any specific title company.

VARIOUS QUESTIONS:

1. **What is the difference between an activity permit issued by the Building Occupancy Division (BOD) and a license issued by the Real Estate Division (RED)?**

The BOD permit is designed to accommodate very short-term activities on State-owned property under DTMB's administrative jurisdiction which do not require the permit holder to insure the State or anyone else. The RED License is designed to accommodate activities on state land under any agencies jurisdiction which do require the licensee to carry independent third-party insurance naming the State and its employees as additional insured parties. Licenses can be for any period up to a year, can be for complex or simple activities and often charge licensees a fee. Licenses may also require a security deposit.

2. **How do I renew my real estate broker's license?**

Visit the Department of Licensing and Regulatory Affairs (LARA) webpage at https://www.michigan.gov/lara/0,4601,7-154-89334_72600_72602_72731_72871---,00.html

3. **How can I find out more about leasing commercial retail space from the State at Cadillac Place?**

Visit the Cadillac Place leasing webpage at <https://www.michigan.gov/cadillacplace/>

4. **Will the State of Michigan consider a security/cleaning deposit?**

No, the SOM does not provide a security deposit or cleaning deposit of any kind.