

CHAPTER 10

REAL PROPERTY

10.1 RELATED STATUTORY AUTHORITY

10.1.1 SC Code §1-11-65 requires that all transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Fiscal Accountability Authority.

10.1.2 SC Code §2-47-50 requires all projects involving acquisition of real property to be established as a Permanent Improvement Project (PIP).

10.2 ACQUISITION OF REAL PROPERTY

An Agency desiring to acquire real property must work through the Capitol Budgeting and Planning Unit. For more details see Section 7 of the Policies and Guidance for Establishment and Maintenance of Permanent Improvement Projects.

<https://www.admin.sc.gov/sites/default/files/budget/PIP%20Manual%202018%20%287%29%20with%20Ribbons.pdf>

10.3 DEMOLITION OF REAL PROPERTY

10.3.1 Obtaining Approval

- A.** To assure proper notification of the Insurance Reserve Fund and compliance with Title 2, Chapter 47 of the SC Code of Laws (requirements for establishment of a Permanent Improvement Project), the Agency may not demolish any buildings or other improvements until it receives written approval from the State Engineer or his designee.
 - 1. The State Engineer's approval does not substitute for nor does it absolve the Agency from obtaining other approvals required by law (e.g. Department of Health and Environment Control notification, State Historic Preservation office approval for historic structures and local zoning approvals).
 - 2. It is the Agency's responsibility to determine for itself which other requirements apply to its request and to comply with those requirements.
- B.** Requests for approval to demolish real property must include the following:
 - 1. A copy of the approval of the Agency's Governing Board or Agency Head;
 - 2. A complete description of the real property to be demolished, including age, size, type of construction, use, condition, existence of hazardous materials (asbestos, lead-based paint, etc.), exterior and interior photographs, etc.;
 - 3. Insurance policy number and segment ID for the building;
 - 4. The reason for demolishing the real property;
 - 5. The estimated cost of demolition; and
 - 6. The source of funds.
- C.** When the Agency expects the cost of demolition to exceed \$100,000 (\$1,000,000 for Higher Education), the Agency must establish a PIP before submitting the request for approval to the State Engineer, unless the demolition is a part of an established PIP.
- D.** OSE will give notice of demolition of any building and/or permanent improvement to the Insurance Reserve Fund. The Agency must notify Real Property Services.
- E.** The Agency must submit written notification of demolition to SCDHEC (Bureau of Air Quality) at least 10 working days before demolition begins, even if there is no hazardous material present.

10.3.2 Demolition in Flood Hazard Zone

- A.** When a demolition project is in a flood hazard zone, the Agency must obtain a permit from OSE prior to the start of any work. The Permit to Develop in a Flood Hazard Area (SE-510) submitted by the Agency must include the requirements listed in Chapter 5 and the following information:
 - 1. Where the Agency or its Contractor will store the debris and for how long;
 - 2. Where the Agency or its Contractor will store the demolition equipment and for how long; and
 - 3. If the project is located in a regulatory floodway, the effects of removing the structure on base flood elevations.

10.4 MOVING REAL PROPERTY

- 10.4.1** Any Agency wishing to move any existing building, including a modular building, onto state lands must first obtain the written approval of the State Engineer or his designee.
- A.** The Agency must make all improvements necessary for the moved property to comply with the requirements of the applicable codes and standards for new structures as described in Chapter 5.
 - B.** The Agency must make these improvements within 90 days of the date of the State Engineer's written approval to move the property. The State Engineer may grant a time extension for matters beyond the control of the Agency.
- 10.4.2** The Agency's requests for approval to move real property must include the following:
- A.** A description of the structure to be moved, including age, size, type of construction, condition, etc.;
 - B.** The location of the structure and its current use;
 - C.** The location (provide map) the property is being moved to;
 - D.** The use of the property at the new location;
 - E.** The estimate of cost of moving;
 - F.** The cost of rehabilitation of the property for its new use;
 - G.** Plans and specification for improvements required in order for the property to comply with all applicable codes and standards as described in Chapter 5; and
 - H.** The source of funds for moving and rehabilitating the property.
- 10.4.3** When the Agency expects the cost of moving the structure to exceed \$100,000 (\$1,000,000 for Higher Education), it must establish a PIP before submitting the request for approval to the State Engineer.
- 10.4.4** OSE will give notice of moving any building and/or permanent improvement to Real Property Services.

10.5 SALE OF REAL PROPERTY

- 10.5.1** When any Agency determines that the best method of disposal or removal of a building is by sale to the public, it must obtain approval from SFAA.
- 10.5.2** The Agency must submit requests for approval to the Division of Facilities Management and Property Services - Real Property Services in the Department of Administration. Contact Real Property Services for requirements.

10.6 LEASE - PURCHASE ARRANGEMENTS

- 10.6.1** Lease-purchases are those leases that provide for equity accrual, and eventual State ownership of the property.
- 10.6.2** The procedures and requirements listed in this chapter for the acquisition of real property may also apply to lease- purchase arrangements. Because SFAA handles each lease-purchase on a case-by-case basis, the Agency should contact the Division of Facilities Management and Property Services - Real Property Services to determine the proper procedures.
- 10.6.3** A lease-purchase arrangement that includes construction is an acquisition of construction subject to the Consolidated Procurement Code. The acquisition is also subject to State leasing procedures.
- 10.6.4** At the time of purchase (transfer of ownership to the Agency), the Agency will have to have the property assessed in accordance with the requirements of the Capitol Budgeting and Planning Unit (see Section 10.2).

10.7 LEASING AND RENOVATION OF STATE PROPERTY BY OTHERS

- 10.7.1** If the Agency intends to lease state real property to another party, the Agency must do so through the Division of Facilities Management and Property Services - Real Property Services.
- 10.7.2** Any lessee intending to perform construction on or renovations to state property must do so in accordance with all applicable codes and standards described in Chapter 5. The lessee must prepare construction plans and specifications in the same manner and to the same standards that apply to normal state construction projects and submit them to OSE for review and approval prior to construction.
- 10.7.3** The Procurement Code may apply to the design and construction of any improvements to state property leased to others. Because OSE handles such leases on a case-by-case basis, the Agency must contact OSE to determine the proper procedures.

10.8 LEASING AND RENOVATION OF NON-STATE PROPERTY BY A STATE AGENCY

- 10.8.1** The Agency must lease non-state property through the Division of Facility Management and Property Services - Real Property Services.
- 10.8.2** If the Agency constructs on or renovates non-state property, it must procure such construction or renovation in accordance with the Procurement Code.
- 10.8.3** Construction plans and specifications for all construction projects involving non-state leased property, whether procured by the state Agency or by the owner of the property, must comply with the requirements of the local building officials.