

LONG TERM COMMERCIAL LEASE PROCESS

(updated September 2020)

Initial Inquiry & Consideration

1-3 weeks

- Lessee or their representative inquire into potential site, providing user information, purpose for property, size, location, description
- A formal letter of inquiry and application may be requested from potential Lessee along with financial information
- CLO Leadership will consider inquiry and application and determine whether to proceed with process

Appraisal / Determination of Market Rent Value

3-6 weeks

- CLO will appraise property, review market conditions, determine minimum annual rent
- CLO will provide rental schedule for entire lease term and standard CLO Lease contract

Written Offer of Lease

2-8 weeks

- Negotiations commence between CLO/Lessee based on standard CLO Contract
- Considerations include deadline, potential for multiple phases, and termination circumstances
- Negotiation also commences between current Lessee (agricultural or other short-term) if any and Applicant
- Note: this part of the process can coincide with the appraisal process

Lease Auction Publication

4-6 weeks

- Notice of lease auction date is published for 4 weeks in Journal Record and a newspaper of record in the county where the land is located along with posting on the CLO website
- Redacted copy of lease form is available for public review at the CLO Offices

Lease Auction

- Lease auction is held, with bidding based on amount for first year lease rental
- Highest qualified bidder awarded the Lease (note: CLO reserves right to determine bidder qualification)
- Winning bidder executes lease and pays first year rent at conclusion of the auction

Commissioners Approval of Lease

1-5 weeks

- Lease is effective upon review and approval at next scheduled commissioners meeting
- Lease is signed by the Chair of the Commissioners, and attested by the secretary upon approval

Total Estimated Time: 10 – 28 weeks

NOTE: Time estimates are guidelines, some projects can take longer to complete as each lease is negotiated on a case by case basis.

WARNING: Long Term Leases are offered to the public via an auction. The Commissioners of the Land Office cannot modify any terms of a lease once it has been executed.

For additional information on the long-term commercial lease process, contact the Commercial Property Group:

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