§ 539. Acquisition of land and buildings. The commissioner of general services, on the recommendation of the industrial commissioner and with the approval of the director of the budget and on behalf of the state, is hereby authorized

(1) to purchase land with or without buildings;

(2) to erect buildings thereon;

(3) to enter into contracts with any person, firm or corporation which shall agree to erect on land owned by such person, firm or corporation, suitable buildings at locations acceptable to the commissioner of general services and the industrial commissioner, and to agree on behalf of the state to lease such land and buildings for a period of not more than fifteen years from the time of the completion of said buildings at such rentals and subject to such terms and conditions as may be agreed upon; such contract shall contain the plans and specifications for the proposed buildings, which must be approved by the industrial commissioner and the commissioner of general services; each such contract and lease shall provide that upon the termination of said lease, or upon the earlier payment in full of the total amount specified therein the lessor shall convey to the state title in fee simple to the land and buildings covered under said lease;

(4) to enter into lease-purchase contracts as specified under (3) above with respect to buildings already in existence:

(5) to purchase and to provide for fixtures, equipment and facilities in connection with the said buildings or premises and to make necessary alterations and improvements thereof.

The provisions of section one hundred sixty-one-a of the state finance law limiting the period for which the commissioner of general services is authorized to lease premises to a term not exceeding five years shall not be applicable to leases executed in accordance with this section.

Space in each of such buildings shall be primarily utilized by the commissioner for the administration of this article, but space in any such building in excess of such requirements, as determined by the industrial commissioner, may be rented or sub-leased under an agreement entered into by the commissioner of general services only to the state of New York, or any agency or authority of the state of New York. Rents

received under such agreement shall be paid into the unemployment administration fund. However, if, in connection with such building, moneys were advanced by the special fund to carry out the purposes of this section, the rents received under such agreement shall be paid into the said fund until such time as it shall be fully reimbursed for such advances. In addition, under such circumstances, an agreement shall be entered into between the commissioner and the commissioner of general services pursuant to which the fair rental value of all space in such building utilized by the commissioner shall be determined and a transfer of amounts equal to such rental value out of the unemployment administration fund to the special fund is hereby authorized until the special fund shall be fully reimbursed for such advances. The fair rental value of space utilized by the commissioner shall not exceed the prevailing rental rate for suitable space in privately owned buildings in the same locality.