2015

FLORIDA DEPARTMENT OF MANAGEMENT SERVICES
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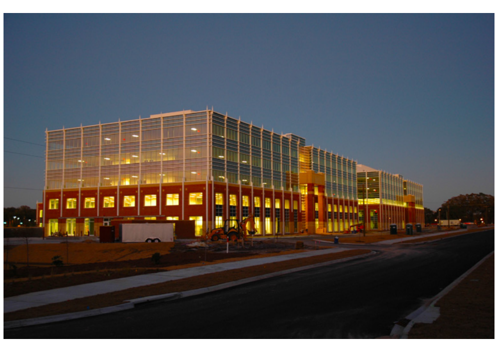
Master Leasing Report

Five-Year Strategic Leasing Plan



Chad Poppell, Secretary

Executive Summary

The Department of Management Services (DMS) is required to submit the Master Leasing Report and Strategic Leasing Plan annually, by Oct. 1, to the Executive Office of the Governor and the Legislature as directed by section 255.249, Florida Statutes. The Master Leasing Report provides the following:

- an overview of leases within the State of Florida's real estate portfolio that includes fiscal year 2014-15 lease data;
- leases due to expire within 24 months;
- any amendments, supplements and waivers to lease terms and conditions;
- discussion of financial impacts to the Florida Facilities Pool (FFP) related to changes in inventory, occupancy and costs;
- analysis of portfolio supply and demand, real estate marketplace trends and conditions, agency leases within their markets, and the relationship between these elements;
- cost-benefit analyses and recommendations related to acquisition, build, disposition and consolidation opportunities; and
- recommendations for using capital improvement funds to implement the consolidation of state agencies into state-owned buildings.

The report also includes the Strategic Leasing Plan required by section 255.249, Florida Statutes, which details anticipated space needs and opportunities for reducing costs through the consolidation, relocation, reconfiguration, renovation, capital investment, building or acquisition of state-owned space. An annual update to the five-year plan required under paragraph 255.25(4)(c), Florida Statutes, is a component of the Strategic Leasing Plan. The updated five-year plan provides details about proposed actions for implementing policy directives for agency use of state-owned and leased space.

Agencies provide leased and state-owned facility information to DMS annually by June 30, as required by section 255.249, Florida Statutes. The information is provided to DMS via the Florida State Owned Lands and Records Information System (FL-SOLARIS) Facility Inventory Tracking System (FITS), which is administratively housed at the Department of Environmental Protection (DEP). The information received from agencies by June 30, 2015, provides the foundation data used for development of the 2015 report and plan. The strategies included in the plan focus on utilizing availability within the FFP, renegotiating private leases to achieve deeper lease cost savings and optimizing the state's real estate portfolio.

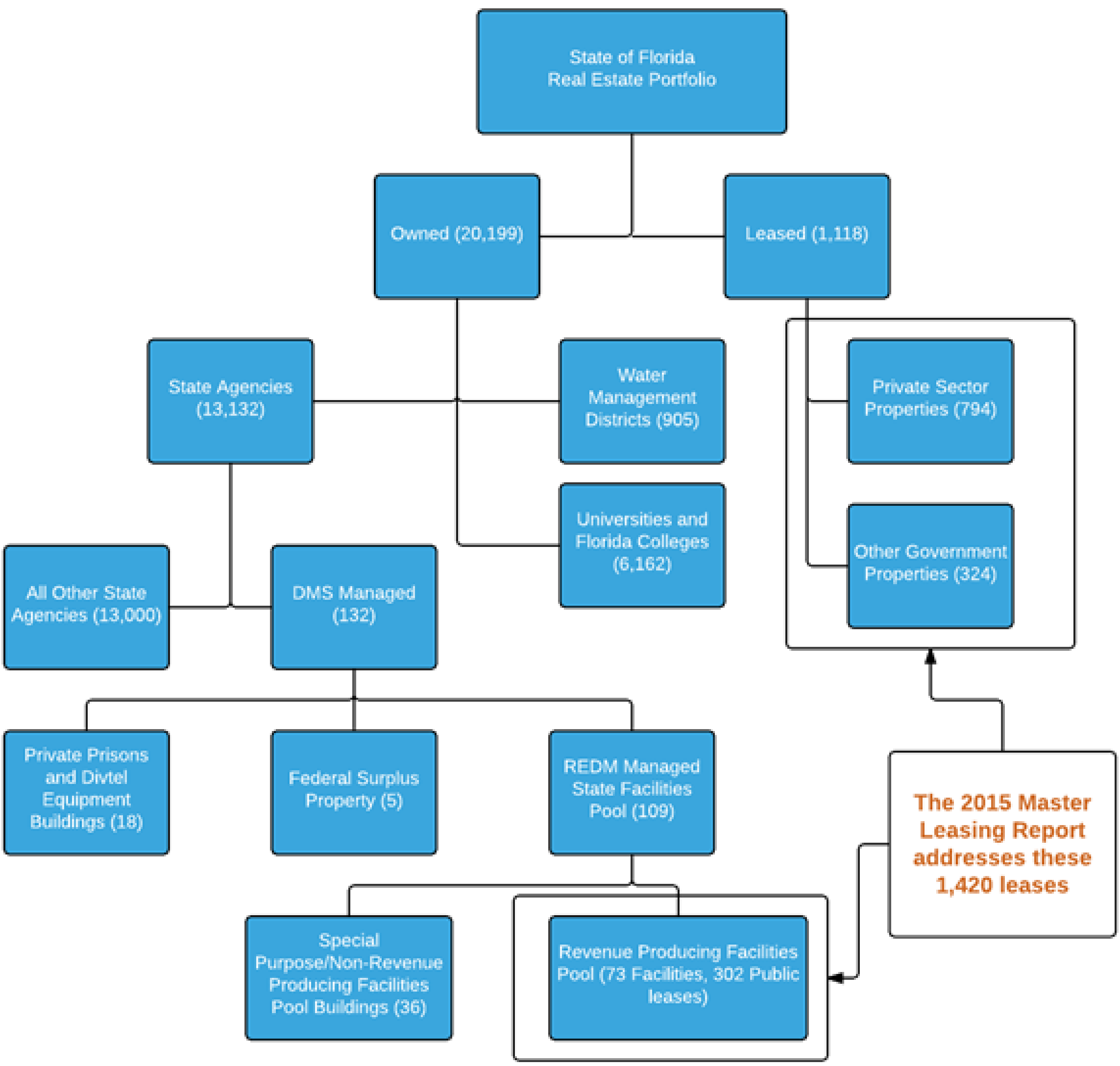
State of Florida Lease Portfolio

The State of Florida has a decentralized model for the ownership, leasing, operations and management of real estate assets. The State of Florida owns 20,199 facilities, including facilities owned by state agencies, the Florida College System, the State University System of Florida, and water management districts. The Department of Management Services manages 109 facilities in the FFP and five federal surplus property facilities. Additionally, DMS manages contracts for 7 private correctional facilities and 11 Division of Telecommunications equipment buildings. In total, DMS supervises 132 facilities. Statewide, DMS manages less than 1 percent of the total number of state-owned facilities. However, DMS manages the second largest portfolio in terms of square footage.

The department has statutory oversight of the construction, operation, custodial care, preventive maintenance, repair, alteration, modification and allocation of space for all buildings in the FFP and administers the state's lease procurement process.

As of June 30, 2015, agencies have entered into 302 leases for FFP space. Agencies have entered into an additional 1,118 leases with private landlords or other governmental entities. The scope of this report addresses the 1,420 leases within the private sector, other governmental properties and public (FFP) facilities. Figure 1 provides an overview of the State of Florida's real estate portfolio. The three lease types shown in Table 1 represent the majority of leased property within Florida's larger real estate portfolio. Agency-to-agency subleases, outside of leases for FFP space, are not included in this report.

Figure 1 – The State of Florida Real Estate Portfolio



Additional information on the state's leased portfolio, including information on leases expiring within the next 24 months (**Appendix 1**) and a determination of whether or not sufficient state-owned office space within the FFP will be available at lease expiration (**Appendix 2**), is included in this report. A full list of all leases by county can be found on the DMS website at http://bit.ly/REDM-FITS.

Table 1 – Summary of Public, Private and Other Government Leases

Lease Type	Lease Count	Square Footage (SF)	Percent of Total Leased Space (SF)	Annual Rent
Government	324	961,828	7%	$ 4,448,295.35
Private	794	6,466,501	48%	$ 125,176,825.89
Public	302	6,070,907	45%	$ 99,032,316.70
Grand Total	**1,420**	**13,499,236**	**100%**	**$ 228,657,437.94**

The state leases a range of space types including office, conditioned and unconditioned storage, laboratory, law enforcement, data center, food service and hangar space. Of the total 13.5 million square feet of total leased space, 12.3 million square feet is office space. Since office space makes up 92 percent of the state's leased space, this report focuses on the status of leased office space.

Figure 2 captures the 10 largest agency real estate portfolios by state agency. The Department of Corrections (DOC) manages the most owned square footage. The Department of Children and Families (DCF) has the largest leased portfolio.

Figure 2 – Top 10 Agencies by Square Footage of Owned and Leased Space

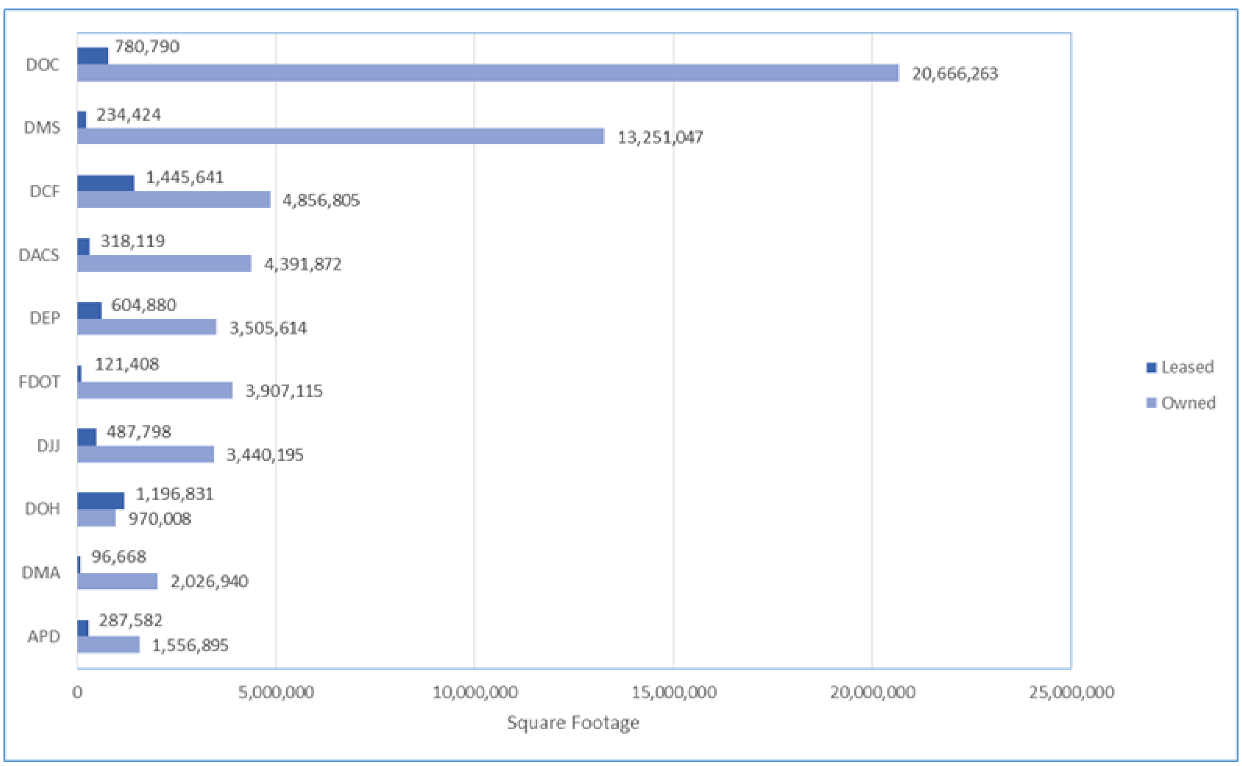


Table 2 and Figure 3 provide summary information on the distribution of leased space by type and square footage.

Table 2 – Summary of Leased Space Type by Square Footage

Space Type	Square Footage
Conditioned Storage	105,409
Data Center	150
Lab	136,736
Not Otherwise Classified (NOC)	456,529
Office	12,347,313
Unconditioned Storage	453,099
Grand Total	**13,499,236**

Figure 3 – Distribution of Leased Space by Type

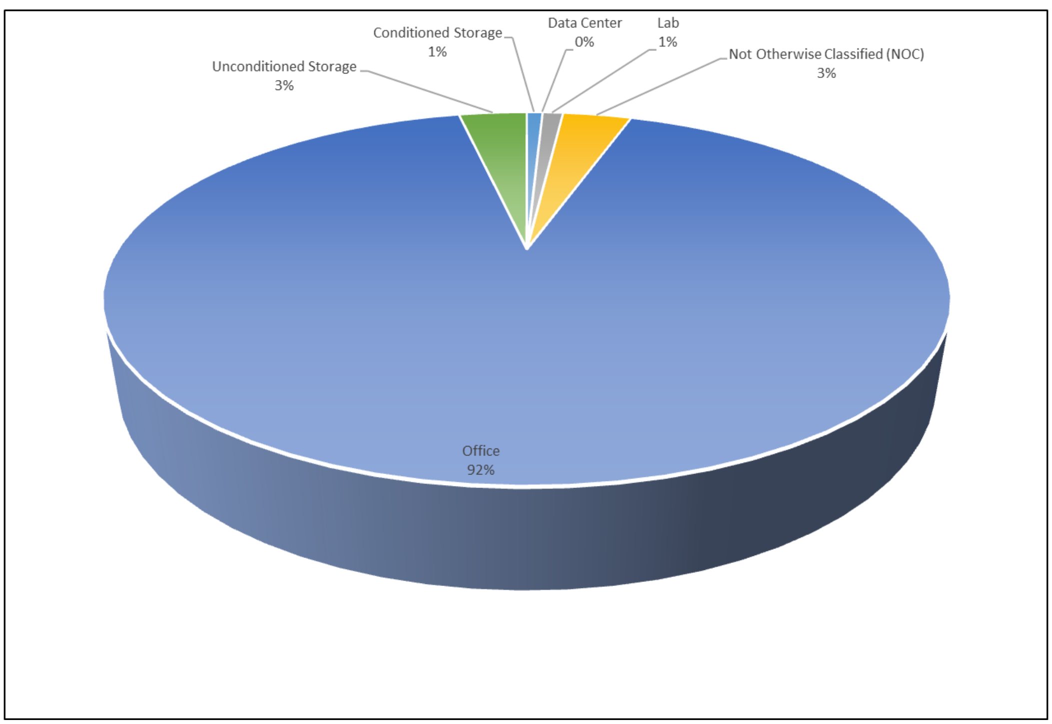


Table 3 and Figure 4 show which agencies have greater office space needs and how these needs are met through the three lease agreement types. Table 4 depicts the breakdown of leased space totals for square footage and annual rent.

Table 3 – Distribution of Total Leased Square Footage by Agency

Agency	Government	Private	Public	Grand Total
AG		27,903	60,784	88,687
AHCA		334,473	104,387	438,860
APD	138,262	9,889	139,431	287,582
AST		69,005	47,832	116,837
Citrus	7,835	1,040		8,875
DACS	71,378	164,341	82,400	318,119
DBPR	805	293,676	81,981	376,462
DCF	29,894	857,356	558,391	1,445,641
DEA		40,440	89,938	130,378
DEO		126,854	23,464	150,318
DEP	38,735	109,602	456,543	604,880
DFS	10,925	270,356	489,089	770,370
DHSMV	110,464	149,682	4,503	264,649
DJJ	51,340	351,857	84,601	487,798
DLA		204,799	151,909	356,708
DMA	29,097	66,869	702	96,668
DMS		55,395	179,029	234,424
DOAH	7,196	102,419	23,361	132,976
DOC	11,432	529,583	239,775	780,790
DOE	29,568	289,013	475,415	793,996
DOH	22,009	688,636	486,186	1,196,831
DOR	7,917	602,287	580,375	1,190,579
DOS		38,315	285,409	323,724
EOG	317	190,205	165,998	356,520
FCOR	8,320	1,162	26,598	36,080
FDLE	60,619	93,722	503,120	657,461
FDOT	31,410	89,908	90	121,408
FDVA	16,586		19,726	36,312
FSCJ	195,033			195,033
FWCC	12,491	98,745	35,590	146,826
JUDICIAL		1	14,016	14,017
LEGIS			450,193	450,193
Lottery		198,417		198,417
MDC	45,175	890		46,065
NSA		351,700	18,047	369,747
NWFWMD		4,600	3,787	8,387
OSCA	20	2	79,010	79,032
POLKSC	25,000			25,000
PSC		2,779	105,901	108,680
SBA			174	174
SFWMD		19,905		19,905
SJRSC		9,504		9,504
TCC		14,200		14,200
UF			3,152	3,152
VALC		6,971		6,971
Grand Total	961,828	6,466,501	6,070,907	13,499,236

Figure 4 – Distribution of Total Lease Square Footage by Agency

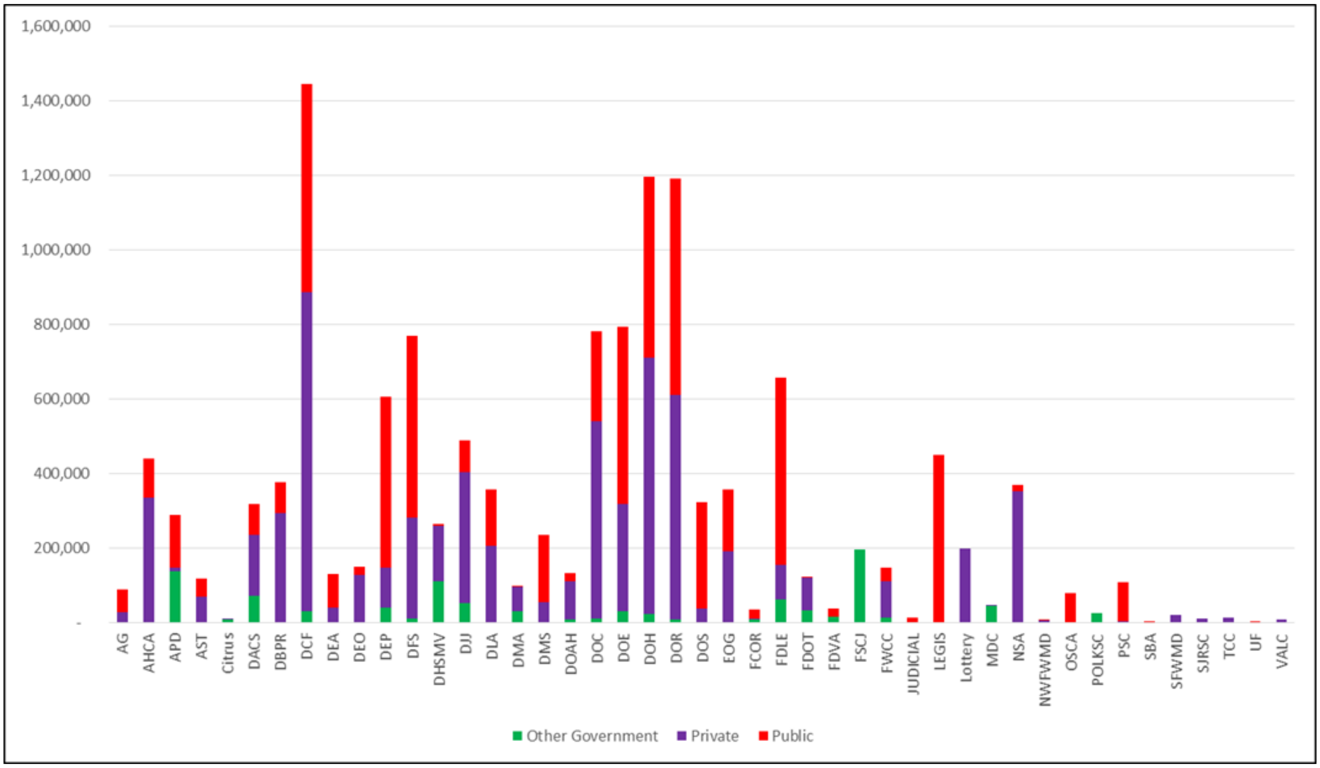


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Table 4 – Agency Leases: Totals for Square Footage and Annual Rent

Agency	Government		Private		Public		Grand Total	
	Square Footage	Annual Rent	Square Footage	Annual Rent	Square Footage	Annual Rent	Square Footage	Annual Rent
AG	-	$ -	27,903	$ 495,602.08	60,784	$ 959,088.20	88,687	$ 1,454,690.28
AHCA	-	$ -	334,473	$ 7,247,634.77	104,387	$ 1,793,368.66	438,860	$ 9,041,003.43
APD	138,262	$ -	9,889	$ 183,060.14	139,431	$ 2,395,424.58	287,582	$ 2,578,484.72
AST	-	$ -	69,005	$ 1,500,168.70	47,832	$ 818,205.18	116,837	$ 2,318,373.88
Citrus	7,835	$ 134,056.85	1,040	$ -	-	$ -	8,875	$ 134,056.85
DACS	71,378	$ 180,944.97	164,341	$ 2,530,610.12	82,400	$ 1,415,632.00	318,119	$ 4,127,187.09
DBPR	805	$ 12,125.25	293,676	$ 4,452,432.13	81,981	$ 1,380,071.27	376,462	$ 5,844,628.65
DCF	29,894	$ 357,719.08	857,356	$ 16,129,397.21	558,391	$ 9,570,900.30	1,445,641	$ 26,058,016.59
DEA	-	$ -	40,440	$ 801,297.72	89,938	$ 1,538,568.76	130,378	$ 2,339,866.48
DEO	-	$ -	126,854	$ 2,100,039.06	23,464	$ 403,111.52	150,318	$ 2,503,150.58
DEP	38,735	$ 366,522.58	109,602	$ 2,003,940.83	456,543	$ 7,669,458.95	604,880	$ 10,039,922.36
DFS	10,925	$ 134,053.02	270,356	$ 5,470,554.86	489,089	$ 8,402,549.02	770,370	$ 14,007,156.90
DHSMV	110,464	$ 257,133.14	149,682	$ 3,732,404.32	4,503	$ 72,340.42	264,649	$ 4,061,877.88
DJJ	51,340	$ 637,291.42	351,857	$ 7,149,205.16	84,601	$ 1,453,445.18	487,798	$ 9,239,941.76
DLA	-	$ -	204,799	$ 5,333,335.79	151,909	$ 2,485,294.82	356,708	$ 7,818,630.61
DMA	29,097	$ 205,074.60	66,869	$ 976,460.93	702	$ 12,060.36	96,668	$ 1,193,595.89
DMS	-	$ -	55,395	$ 967,787.20	179,029	$ 2,490,828.10	234,424	$ 3,458,615.30
DOAH	7,196	$ 142,121.00	102,419	$ 2,028,195.19	23,361	$ 401,341.98	132,976	$ 2,571,658.17
DOC	11,432	$ 186,918.26	529,583	$ 11,124,525.85	239,775	$ 4,100,647.97	780,790	$ 15,412,092.08
DOE	29,568	$ 137,059.20	289,013	$ 5,922,819.26	475,415	$ 6,713,722.47	793,996	$ 12,773,600.93
DOH	22,009	$ 367,034.27	688,636	$ 13,447,257.21	486,186	$ 8,247,992.37	1,196,831	$ 22,062,283.85
DOR	7,917	$ 179,533.77	602,287	$ 13,448,653.98	580,375	$ 9,968,428.50	1,190,579	$ 23,596,616.25
DOS	-	$ -	38,315	$ 833,235.54	285,409	$ 3,615,842.21	323,724	$ 4,449,077.75
EOG	317	$ -	190,205	$ 2,172,525.12	165,998	$ 2,779,361.57	356,520	$ 4,951,886.69
FCOR	8,320	$ -	1,162	$ 17,139.50	26,598	$ 456,953.64	36,080	$ 474,093.14
FDLE	60,619	$ 680,830.33	93,722	$ 1,831,085.37	503,120	$ 8,329,942.06	657,461	$ 10,841,857.76
FDOT	31,410	$ 128,634.84	89,908	$ 1,977,897.03	90	$ -	121,408	$ 2,106,531.87
FDVA	16,586	$ -	-	$ -	19,726	$ 338,892.68	36,312	$ 338,892.68
FSCJ	195,033	$ -	-	$ -	-	$ -	195,033	$ -
FWCC	12,491	$ 38,806.32	98,745	$ 1,847,869.74	35,590	$ 533,613.90	146,826	$ 2,420,289.96
JUDICIAL	-	$ -	1	$ -	14,016	$ 238,079.13	14,017	$ 238,079.13
LEGIS	-	$ -	-	$ -	450,193	$ 7,111,658.28	450,193	$ 7,111,658.28
Lottery	-	$ -	198,417	$ 3,475,042.80	-	$ -	198,417	$ 3,475,042.80
MDC	45,175	$ 77,436.45	890	$ 5,090.80	-	$ -	46,065	$ 82,527.25
NSA	-	$ -	351,700	$ 5,276,018.64	18,047	$ 50,823.25	369,747	$ 5,326,841.89
NWFWMD	-		4,600	$ 88,550.00	3,787	$ 65,060.66	8,387	$ 153,610.66
OSCA	20	$ -	2	$ -	79,010	$ 1,343,088.85	79,032	$ 1,343,088.85
POLKSC	25,000	$ 225,000.00	-	$ -	-	$ -	25,000	$ 225,000.00
PSC	-	$ -	2,779	$ 70,141.96	105,901	$ 1,819,379.18	108,680	$ 1,889,521.14
SBA	-	$ -	-	$ -	174	$ 2,989.32	174	$ 2,989.32
SFWMD	-	$ -	19,905	$ 331,509.41	-	$ -	19,905	$ 331,509.41
SJRSC	-	$ -	9,504	$ 42,992.64	-	$ -	9,504	$ 42,992.64
TCC	-	$ -	14,200	$ 128,756.00	-	$ -	14,200	$ 128,756.00
UF	-	$ -	-	$ -	3,152	$ 54,151.36	3,152	$ 54,151.36
VALC	-	$ -	6,971	$ 33,588.83	-	$ -	6,971	$ 33,588.83
Grand Total	961,828	$ 4,448,295.35	6,466,501	$ 125,176,825.89	6,070,907	$ 99,032,316.70	13,499,236	$ 228,657,437.94

State of Florida Lease Procurement Process

Chapter 255, Florida Statutes, gives DMS statutory authority to manage, operate and maintain the FFP and provide oversight of the state's leasing process. Agencies lease space from within the FFP, the private sector and other governmental entities (federal and local). The Department of Management Services is responsible for reviewing each of these lease types to ensure compliance with statutory requirements. The department collaborates with state agencies and tenant brokers to identify opportunities for improved lease terms and conditions, including space quality, size and rate. In this oversight role, Florida Statutes task DMS with finding space that meets the operational and business needs of the state while still delivering the best value for taxpayer dollars. Because the state has a substantial financial investment in state-owned buildings, maintaining high occupancy levels within FFP facilities is a key element of the DMS leasing strategy.

In its lease oversight capacity, DMS completes the following tasks:

- reviews each Request for Space Need (RSN) and its associated Space Allocation Worksheet (SAW), which are an agency's initial submissions that notify DMS of the organization's request for new, changed or cancelled lease space;
- assesses the business need for the requested space to determine if it is justified and aligned with space allotment standards;
- determines if there is, or will be, available space in state-owned facilities to meet the space requirements. If no space is available in state-owned or state-leased facilities, DMS assists with market research and notifies the selected state tenant broker of the agency's need for private-leased space;
- provides the agency with best practices procurement packages as well as all the standard terms and conditions and reviews the business case details to determine if the lease action would be in the best interest of the state. If so, DMS provides the agency with "pre-approval";
- conducts a final review and an approval process to ensure that all statutory and rule requirements have been met once any necessary tenant improvements are completed, the State Fire Marshal has approved the space prior to occupancy, and the landlord and tenant agency have signed the lease contract. In this review, DMS pays particular attention to lease terms and conditions; and
- executes the approved lease and records the lease package within DMS' Bureau of Leasing and then sends executed copies to the agency.

To assist DMS and state agencies in making the private-lease procurement process efficient and economical, the state has two contracted tenant brokers: Savills Studley Occupier Services, Inc., and CBRE, Inc. The current tenant broker contracts were competitively procured and completed in 2014 and expire in 2019. The state's tenant brokers provide planning and support services to DMS and state agencies with private-sector lease transactions, real estate strategies and the buying and selling of properties. Agencies use tenant brokers to do the following:

- act as the agency's tenant broker to competitively procure, negotiate and develop private-sector lease agreements;
- provide space management services using DMS-recommended space utilization standards;
- provide tenant representation services for the agency during the term of a lease;
- help identify strategic opportunities for reducing occupancy costs through the consolidation, relocation, reconfiguration, capital investment, construction or acquisition of state-owned space;
- oversee tenant improvement buildout;
- outline any additional services or concepts for adding value to agency or DMS processes;
- provide an evaluation of possible energy-efficiency solutions and savings; and
- provide other services that assist the state in reducing its real estate and occupancy costs.

Subsection 255.249(7), Florida Statutes:

(7) The department shall annually publish a master leasing report that includes the strategic leasing plan created under subsection (6). The department shall annually submit the leasing report to the Executive Office of the Governor and the Legislature by Oct. 1. The report must provide:

(a) A list, by agency and by geographic market, of all leases that are due to expire within 24 months.

(b) Details of each lease, including location, size, cost per leased square foot, lease-expiration date, and a determination of whether sufficient state-owned office space will be available at the expiration of the lease to accommodate affected employees.

(c) A list of amendments and supplements to and waivers of terms and conditions in lease agreements that have been approved pursuant to subsection 255.25(2) during the previous 12 months and an associated comprehensive analysis, including financial implications, showing that any amendment, supplement, or waiver is in the state's long-term best interest.

(d) Financial impacts to the Florida Facilities Pool rental rate due to the sale, removal, acquisition, or construction of pool facilities.

Master Leasing Report

Leases expiring within 24 months (by Agency and Geographic Market)

Leases due to expire within the next 24 months are included in **Appendix 1A** (by agency) and **Appendix 1B** (by market). Of the 794 total private leases, 293 are set to expire on or before June 30, 2017.

Through lease renegotiation efforts, DMS, in partnership with agencies and the state's tenant brokers, will address all leases set to expire before June 30, 2017.

Lease Details

Appendix 2 includes additional details on each lease, including location, size (square footage), cost per leased square foot, lease expiration date and a determination of whether sufficient FFP (state-owned) office space will be available at the expiration of the lease.

Note: While DMS FFP space may be available in some locations where an agency lease is expiring in the next 24 months, the DMS FFP space may not meet the business needs of a particular agency because of the building location, funding for tenant improvements, available parking or a requirement for co-location of space with an agency's client partner.

A full list of all leases can be found on the DMS website at http://bit.ly/REDM-FITS.

Amendments, Supplements and Waivers to Lease Terms and Conditions

Leases that DMS approved in the last 12 months have all complied with standard terms and conditions. While DMS has executed a number of lease contracts for change in rates, square footage, and rental periods since the 2014 Master Leasing Report, DMS has neither received nor granted an amendment, supplement or waiver that altered the essential or standard terms and conditions.

Impacts to FFP Rental Rates

The bonded FFP is administered in accordance with the Florida Building and Facilities Act in sections 255.501-255.525, Florida Statutes. Tenants in FFP facilities pay a uniform rental rate for leased space, regardless of the assigned building or market location. The uniform rental rate has been set at $17.18 per square foot since 2007. This rate is based on aggregate obligations and operating costs of the 109 buildings currently in the FFP. Revenue from FFP leases covers debt service on the bonds, capital depreciation reserves, utilities, and operating, management, and maintenance costs for all FFP facilities.

The department does not anticipate a change to the current uniform rental rate of $17.18 per square foot for full-service office space during fiscal year 2015-16. The department maintains the FFP facilities within the budget that the Legislature allocates by reducing operational costs and deferring capital maintenance.

For fiscal year 2015-16, DMS is seeking to address the Fixed Capital Outlay (FCO) funds needed to address the nearly $307 million backlog of deficiencies identified in FFP facilities. Examples of these deficiencies include aging roofs, elevators, heating/air conditioning equipment and Americans with Disabilities Act (ADA) compliance issues. In comparison to the previous year, the backlog of deficiencies increased substantially in fiscal year 2015-16 as a result of a recent ADA assessment of all DMS facilities. In order to comply with the 2010 ADA standards, an estimated $158 million in facility upgrades would be needed across the FFP facilities.

Paragraph 255.249(7)(e), Florida Statutes:

(e) Changes in occupancy rate, maintenance costs, and efficiency costs of leases in the state portfolio. Changes to occupancy costs in leased space by market and changes to space consumption by agency and by market.

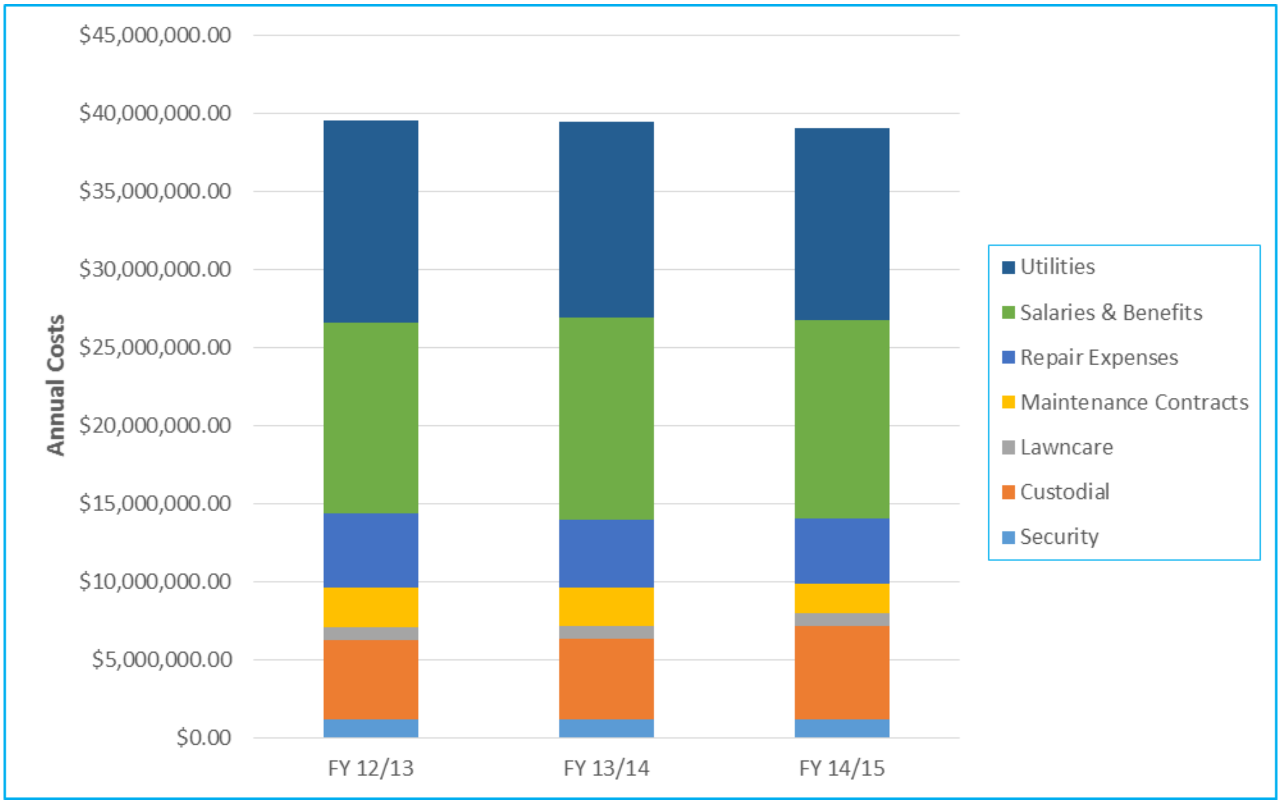
Changes in Occupancy Rate, Maintenance and Efficiency Costs

The occupancy rate of FFP facilities remains high at more than 97 percent (with a corresponding vacancy rate of less than 3 percent), which is a 2 percent increase from fiscal year 2013-14. This increase is largely due to the implementation of backfill strategies. Budgetary constraints and rising private market rates have also contributed to the high occupancy rate of FFP facilities.

As Figure 5 illustrates, operating costs for FFP facilities have decreased over the past year, even with a corresponding increase in the occupancy rate. The department continues to seek out strategies for deeper cost savings by analyzing performance data and encouraging industry best practices among partner agencies.

Reducing energy consumption and costs in the FFP remains a top priority for DMS because, as seen in Figure 5, energy (utilities) represents the largest single cost component of the FFP. The department continues to implement the energy conservation principles of the State Energy Management Plan (SEMP), which DMS developed in 2010 and implemented in all FFP facilities across the state. The department also continues to evaluate long-term costs (i.e., life-cycle costs) whenever major energy-consuming equipment is selected for installation in FFP facilities.

Figure 5 – FFP Operating Costs



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Analysis of Portfolio Supply and Demand

Paragraph 255.249(7)(f), Florida Statutes:

(f) An analysis of portfolio supply and demand.

For analysis of the lease portfolio's supply and demand, this report focuses on 12 major metropolitan real estate markets in Florida, most of which have large concentrations of FFP facilities. Local market dynamics directly influence the availability and cost of office space in each market. The supply and demand analysis for each of these major markets is summarized below. Figures 6 and 7 detail the quantity of public, other government and private space leased in these 12 major markets across the state.

To accommodate the different services that agencies provide, the state needs space in nearly every county. As Figure 7 shows, the vast majority of the state's lease portfolio is in Leon County. Duval, Miami-Dade, Orange and Broward counties and those counties in the Tampa Bay area form the next largest concentrations of leased facilities in the state.

Figure 6 – Square Footage of Leased Office Space, by Lease Type, for 12 Major Florida Markets

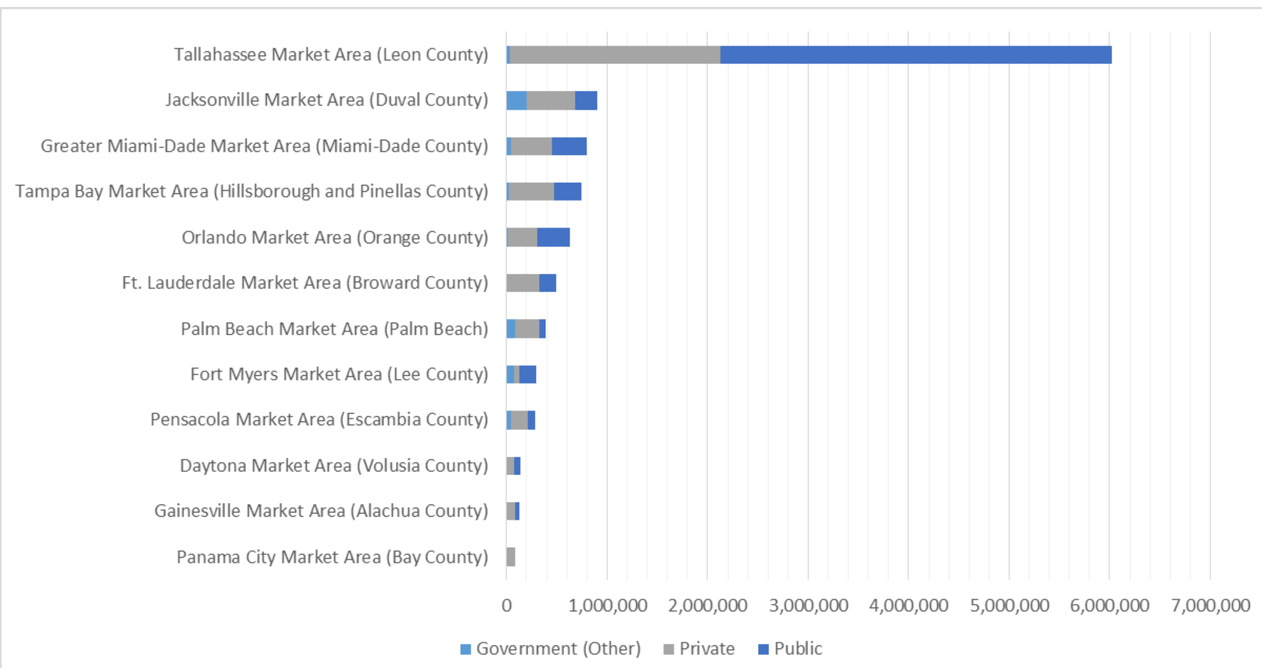
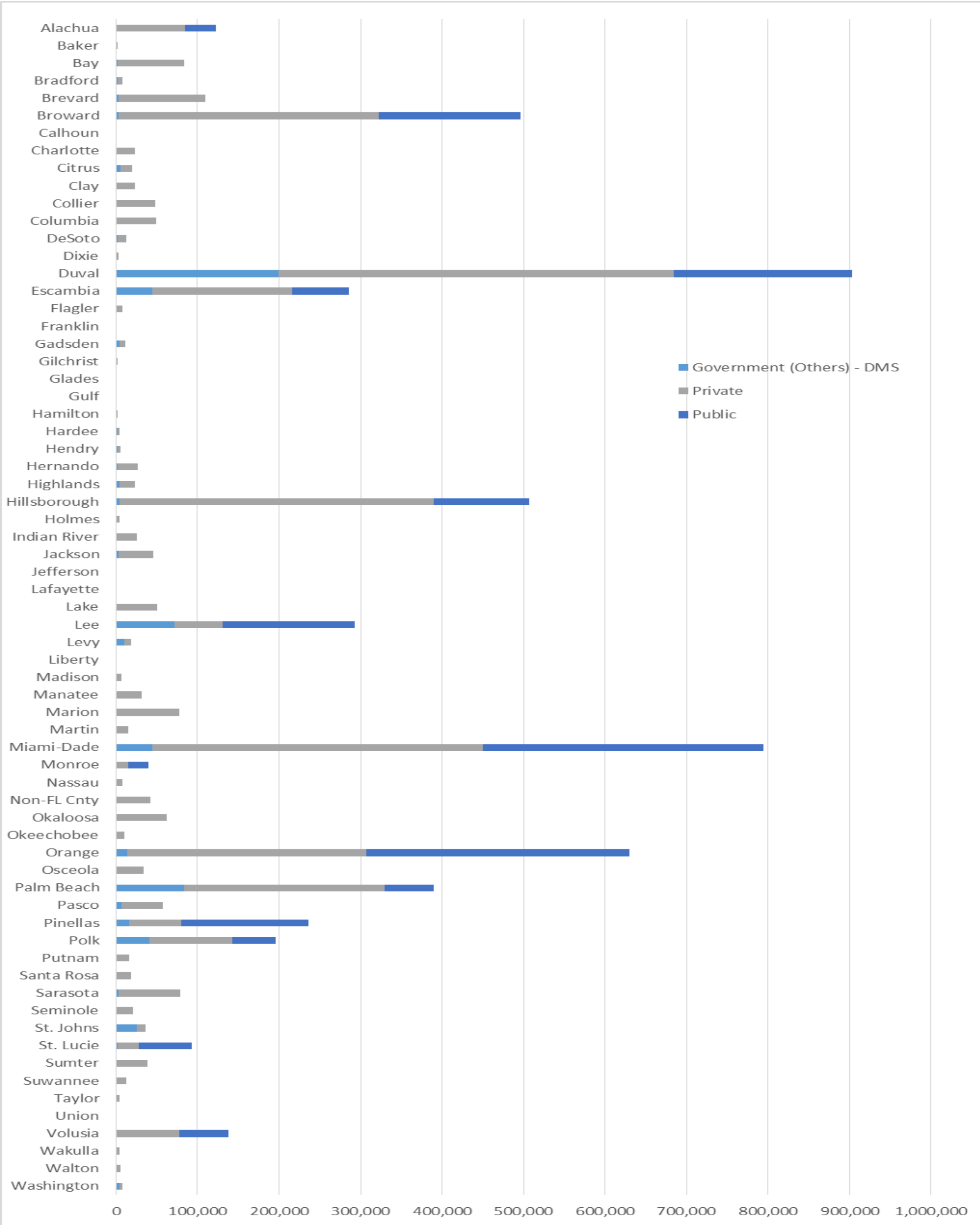


Figure 7 – Square Footage of Leased Office Space by County

(To keep the scale at a readable resolution, Leon County, with nearly 6.3 million square feet of combined private and public office, is omitted from this figure)



Market Analysis

Savills Studley Occupier Services, Inc., one of the state's two tenant brokers, developed an analysis (condensed below) of the following major markets in Florida from sources that include Savills Studley's Market Intelligence Command Center (MICC) and Costar.

Table 5 provides a comparison of average lease rates paid by Florida agencies in FFP facilities and private-sector office space and the prevailing average market rates within the same market areas. The state's uniform rental rate for full-service office space in FFP facilities is $17.18. This rate is below the average July 2015 full-service office rates in all markets.

The uniform rental rate for full-service office space in FFP facilities is always inclusive of services provided to maintain the building, services such as utilities, custodial work, landscaping, maintenance and repairs. Private-lease rates may or may not include security service, utility, janitorial and tenant improvement costs.

Table 5 – Office Rate Comparison for FFP and Private-Sector Lease Averages and Market Averages for Florida Markets with Concentrations of FFP Facilities

	Public (FFP Facility) Leases			Private Sector Leases			
Markets with concentrations in FFP Facilities	Number of Office Leases	Total SF of Office Leases	Uniform Rental Rate for Full Service DMS Office	Number of Office Leases	Total SF of Office Leases	Agency Average Rate	Average Full Service Market Rate
Tallahassee Market Area (Leon County)	143	3,901,831	$17.18	43	2,088,614	$17.81	$17.95
Greater Miami Market Area (Miami-Dade County)	18	344,427		53	405,114	$22.93	$35.30
Tampa Market Areas (Hillsborough and Pinellas County)	29	272,684		48	449,236	$17.30	$24.50
Jacksonville Market Area (Duval County)	12	218,915		36	484,752	$15.05	$20.62
Orlando Market Area (Orange County)	17	323,422		26	292,592	$16.42	$21.64
Ft. Lauderdale Market Area (Broward County)	12	174,052		36	318,742	$20.33	$28.58
Palm Beach Market Area (Palm Beach County)	6	60,482		43	245,597	$19.65	$29.86
Southwest Market Area (Lee County)	14	161,912		15	58,750	$16.03	$20.43
Pensacola Market Area (Escambia County)	6	69,883		19	171,353	$16.42	$19.86
Daytona Market Area (Volusia County)	9	60,227		18	77,167	$15.68	$19.52
Gainesville Market Area (Alachua County)	5	37,602		16	84,561	$17.76	$19.86
Panama City Market Area (Bay County)	0	0		18	81,413	$18.51	$21.06

The following pages present a high-level overview of the 12 major markets in Florida. For each market, a summary of the market conditions, including the following, is provided:

- Overall vacancy rate
- Trend in vacancy rates
- Average asking rate for full-service rentals
- Current trend in asking rates for full-service rentals
- Current trend in the unemployment rate

Tallahassee Market Area

The Tallahassee Office Market has more than 8 million square feet of office space consisting primarily of Class B and C properties tracked in five submarkets. The State of Florida leases more than 2 million square feet in Tallahassee and is the market's largest tenant, making the state a primary driver of defining market conditions. The Tallahassee unemployment rate in June 2015 was 5.3 percent (not seasonally adjusted), which reflects a decrease over the past year and which continues to remain lower than the overall unemployment rate for Florida.

The overall office vacancy rate for Tallahassee has steadily increased over the past year and, at the end of the second quarter of 2015, stands at 20.2 percent, which is up from 19.7 percent last year. Quoted full-service rental rates have continued to decline as property owners try to find ways to attract new tenants—although the latest decline this past year has not been as significant as that of the previous three years. The overall average asking rental rate for full-service office space as of the second quarter of 2015 is $17.95 per square foot compared to $18.15 per square foot last year. Rental rates are expected to remain relatively steady, but as the state's portfolio becomes more stable and as existing companies expand as a result of more favorable economic conditions, modest increases are possible. Property owners with the ability to provide up-front capital for tenant improvements will continue to set themselves apart from property owners who are unable to offer such incentives.

As the State of Florida continues to improve the efficiency of its real estate portfolio, the Tallahassee market will be impacted, but as other industries expand and as the growth of research from multiple higher education institutions continues, the overall health of the market will likely improve.

Figure 8 – Tallahassee Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Tallahassee	**20.2%**	↑	**$17.95**	↓	↓

Source: Savills Studley Occupier Services and Costar

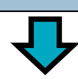
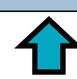
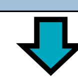
Greater Miami Market Area

The Greater Miami marketplace, which was among the areas in the country most impacted by the housing market, has drastically turned around, and the unemployment rate has dropped to 6.4 percent (not seasonally adjusted). This job growth has expanded into high paying professions in technology, education and health services. International trade and finance continue to boom in the Greater Miami area, a situation which has demanded new headquarters, regional offices and distribution centers. Additionally, tourism continues to pick up every quarter, with many of the tourists coming from overseas, particularly Latin America and Europe.

Because of the economic factors referenced above, it is no surprise that office growth in the Greater Miami marketplace continues to increase at a rapid rate. The overall office vacancy rate for the area has decreased to 11.2 percent at the end of the second quarter of 2015, down from 16.4 percent at same time two years ago. Additionally, rental rates have increased, and property owners have asked for longer term leases and greater annual escalations. The overall average asking rental rate for full-service office rents increased over the past year, closing the second quarter of 2015 at $35.30 per square foot compared to $31.59 per square foot two years ago.

With rental rates continuing to climb and availability continuing to diminish, Greater Miami has become an area of Florida in which office development is expected to increase. Currently, significant redevelopment activities are already being planned—including the new Related Group project that is expected to be valued in excess of $1 billion—at 444 Brickell Avenue, which houses one of the State of Florida's agencies. This office building in the Brickell submarket is an example of the type of urbanization development that will emerge in Greater Miami and that will undergo redevelopment to convert the property to a mixed-use project that offers retail, housing and offices.

Figure 9 – Greater Miami Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Greater Miami	**11.2%**		**$35.30**		

Source: Savills Studley Occupier Services and Costar

Tampa Bay Market Area

With multiple submarkets experiencing office vacancy rates below previous year averages and with rental rates being higher than ever before, the overall economic conditions in the Tampa Bay market are optimistic. The unemployment rate in Hillsborough as of June 2015 was 5.2 percent (not seasonally adjusted), which reflects a decrease over the past year.

The overall office vacancy rate for Tampa Bay has continued to decrease over the past year and, at the end of the second quarter of 2015, stands at 10.9 percent compared to 17.1 percent two years ago. As space has filled in Westshore and downtown Tampa, contiguous larger space (greater than 25,000 square feet) is diminishing, encouraging larger tenants to pursue alternate locations such as the I-75 corridor and the St. Petersburg Central Business District.

The Tampa Bay office market has continued to experience rent growth while rent concessions have trended downward. The overall average asking rental rate for full-service office increased over the past year, closing the second quarter of 2015 at $24.50 per square foot compared to $20.35 per square foot two years ago. Rental rates are expected to continue to climb as space becomes scarcer as a result of companies expanding because of improved economic conditions. The Westshore submarket has maintained its top position in the market, but downtown Tampa continues to see more demand for office space.

Considering that people and companies seem to view Tampa as an advantageous business climate, investors continue to search for assets to purchase. In downtown Tampa alone, more than $1 billion worth of investment is expected, with the addition of several mixed-use projects including state funding for a new University of South Florida Morsani College of Medicine facility.

Figure 10 – Tampa Bay Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Tampa Bay	**10.9%**	↓	**$24.50**	↑	↓

Source: Savills Studley Occupier Services and Costar

Jacksonville Market Area

In the second quarter of 2015, the long-term outlook of Jacksonville's office market was boosted by continued job growth and tenant expansions. The Jacksonville unemployment rate in June 2015 was 5.9 percent (not seasonally adjusted), which reflects a decrease over the past year.

The overall office vacancy rate for Jacksonville has significantly decreased over the past year and, at the end of the second quarter of 2015, stands at 10.6 percent, down from 15.9 percent one year ago. Though office vacancy rates are declining, there was no significant developments in office activity in the second quarter of 2015. The overall average asking rental rate for full-service office increased over the past year, closing the second quarter of 2015 at $20.62 per square foot compared to $17.42 per square foot two years ago. As Jacksonville's available office space decreases, rental rates will continue to increase.

One of the greatest opportunities for new business development in Jacksonville can be found in the industrial sector. The Cecil Commerce Center is the largest industrial park in the Southeast and also has some of the largest amount of developable industrial parcels in Florida.

Figure 11 – Jacksonville Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Jacksonville	**10.6%**	↓	**$20.62**	↑	↓

Source: Savills Studley Occupier Services and Costar

Orlando Market Area

The Orlando market continues to benefit not only from record-setting tourism numbers but also from gains in job creation throughout the entire region. This boost in tourism and the recent announcements of new jobs have resulted in strong economic growth, and the unemployment rate has continued to drop to 5.0 percent as of June 2015.

The overall office vacancy rate for Orlando has decreased over the past year and, at the end of the second quarter of 2015, stands at 11.0 percent. The overall average asking rental rate for full-service office space increased over the past year, closing the second quarter of 2015 at $21.64 per square foot compared to $20.50 per square foot two years ago.

In addition to Orlando's thriving tourism industry, several other industries have recently made significant investments in the Orlando market, creating 1,100 new jobs. With the exception of a few existing options, tenants in search of larger blocks of space (over 80,000 square feet) will need to look toward build-to-suit opportunities because of the limited supply of space in the Orlando market.

Figure 12 – Orlando Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Orlando	**11.0%**	↓	**$21.64**	↑	↓

Source: Savills Studley Occupier Services and Costar

Fort Lauderdale Market Area

After several years of stagnation following the recession, the Broward County office market has rapidly recovered and continues to emerge as one of the fastest-growing markets in the state. The unemployment rate for Broward in June 2015 was 5.1 percent (not seasonally adjusted), which is down in comparison to last year's rate.

The overall office vacancy rate for Fort Lauderdale has decreased over the past year and, at the end of the second quarter of 2015, stands at 11.5 percent. The overall average asking rental rate for full-service office increased over the past year, closing the second quarter of 2015 at $28.58 per square foot compared to $26.84 per square foot two years ago. As Fort Lauderdale's available office space decreases, rental rates will continue to increase.

Class A leasing in downtown Fort Lauderdale lagged activity in Miami and Boca Raton, totaling only 250,000 square feet, but still rose relative to 2013. Tenants can expect further rental rate growth in 2015 as tenants continue to impact the overall availability of space in Fort Lauderdale. Demand from industries such as law firms and banks should continue as the local economy improves.

Figure 13 – Fort Lauderdale Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Fort Lauderdale	**11.5%**	↓	**$28.58**	↑	↓

Source: Savills Studley Occupier Services and Costar

Palm Beach Market Area

Marketwide, rents have continued to increase to $29.86 per square foot compared to $27.20 per square foot two years ago. The increased asking rents are a sign that the market is strengthening and that the economic atmosphere has improved. The unemployment rate in Palm Beach County has also decreased over the past year to 5.2 percent.

The overall Palm Beach office market is less of a tenant's market compared to this time last year, and landlords continue to feel more confident as the market becomes tighter and rents continue to rise. There is also continued and increasing interest by institutional owners to make strategic acquisitions in the market.

Figure 14 – Palm Beach Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Palm Beach	**13.5%**	↓	**$29.86**	↔	↓

Source: Savills Studley Occupier Services and Costar

Southwest Florida (Fort Myers/Naples) Market Area

The Southwest Florida (Fort Myers/Naples) economy has improved considerably as seasonal residents and tourism growth have continued in record-breaking numbers. As a result, the unemployment rate in Lee County has decreased over the past year to 5.2 percent and has also decreased in Collier County to 5.3 percent.

The overall office vacancy rate for Southwest Florida has decreased over the past year to 11.5 percent at the end of the second quarter of 2015 compared to 13.7 percent two years ago. Southwest Florida's office market has seen increased rental rates while rent concessions have trended downward. Additionally, this market maintains high real estate taxes and insurance costs that property owners will pass through to their tenants in rental rates. The overall average asking rental rate for full-service office space increased over the past year, closing the second quarter of 2015 at $20.43 per square foot compared to $16.02 per square foot two years ago.

Figure 15 – Southwest Florida Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Southwest Florida	**11.5%**	⇩	**$20.43**	⇧	⇩

Source: Savills Studley Occupier Services and Costar

Pensacola Market Area

The Pensacola economy is driven primarily by the military and tourism. Because of the military's significant presence in this region, the Pensacola economy has remained more consistent than the economies of its other Florida coastal counterparts. Now, with increased tourism, the Pensacola economy has picked up even more, decreasing its unemployment rate to 5.7 percent (not seasonally adjusted) as of June 2015.

The Pensacola office market has also remained consistent with a 6.8 percent office vacancy rate as of the second quarter of 2015, a rate which is slightly higher than the office vacancy rate of 6.3 percent from the same time two years. There has been little change in rental rates, with an overall average of $19.86 per square foot, a minor increase from the rate of $19.75 two years ago.

Though construction for new office buildings is not anticipated, Pensacola continues to redevelop some of its historic buildings and warehouses to convert to trendy office space in the downtown area.

Figure 16 – Pensacola Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Pensacola	**6.8%**	⇔	**$19.86**	⇔	⇩

Source: Savills Studley Occupier Services and Costar

Daytona Market Area

Although Daytona has long been known for its beautiful beaches and NASCAR, the recent emphasis on the diversification of the economy has continued to have a favorable impact on the commercial real estate market. The unemployment rate in the Daytona area as of June 2015 was 5.8 percent (not seasonally adjusted), which reflects a decrease over the past year.

The overall office vacancy rate for the Daytona area has decreased over the past year and, at the end of the second quarter of 2015, stands at 8.3 percent compared to 11 percent two years ago. Daytona's office market has continued to experience rent growth while rent concessions have trended downward. The overall average asking rental rate for full-service office space increased over the past year, closing the second quarter of 2015 at $19.52 per square foot compared to $14.10 per square foot two years ago.

One of the state's largest projects—One Daytona—is being developed by the International Speedway Corporation and is expected to have a major impact on the area's economy. The $800-million-plus investment includes retail, dining, hotels and apartment locations and an additional 567,000 square feet of office space.

Figure 17 – Daytona Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Daytona	**8.3%**	⬇	**$19.52**	⬆	⬇

Source: Savills Studley Occupier Services and Costar

Gainesville Market Area

Similar to the significant impact the State of Florida's real estate portfolio has in Tallahassee, the impact of the University of Florida in Gainesville is quite similar. Unlike many other markets throughout Florida, the Gainesville commercial real estate market has remained relatively steady and is well-positioned for significant growth in future quarters, thanks largely to the continued growth of research and innovation from the University of Florida.

The unemployment rate in the Gainesville area as of June 2015 was 5.0 percent (not seasonally adjusted), which reflects a decrease over the past year. According to the Gainesville's Council for Economic Outreach, the city's key industries for targeted additional job creation include advanced manufacturing, technology, life sciences, healthcare, logistics and agriculture.

The overall office vacancy rate for Gainesville has steadily decreased over the past year and, at the end of the second quarter of 2015, stands at 10.6 percent compared to 12 percent two years ago. The Gainesville market has started to experience more rent growth while rent concessions have trended downward. The overall average asking rental rate for full-service office space increased over the past year, closing the second quarter of 2015 at $19.86 per square foot compared to $17.50 per square foot two years ago. Rental rates are expected to continue to climb as the quantity of space becomes scarcer as a result of companies expanding because of improved economic conditions.

Figure 18 – Gainesville Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Gainesville	**10.6%**	⬇	**$19.86**	⬆	⬇

Source: Savills Studley Occupier Services and Costar

Panama City Market Area

As is the case with other coastal communities throughout Florida, tourism is a major factor that greatly impacts coastal economies. Although this market has two distinct submarkets—Panama City and Panama City Beach—each is no different from other coastal communities. As the state's tourism numbers continue to reach record levels, the effects will continue to create a more favorable impact on the area's commercial real estate market.

The unemployment rate in the Panama City area as of June 2015 was 5.2 percent (not seasonally adjusted), which reflects a decrease over the past year. Additionally, Panama City is home to the only major airport built in the country in the last 20 years. This airport is expected to continue diversifying the economy as new industries beyond tourism and hospitality look to relocate to the area.

The overall office vacancy rate for Panama City has remained steady over the past year and, at the end of the second quarter of 2015, stands at 10.5 percent. The Panama City market has started to experience rent growth while rent concessions have trended downward. The overall average asking rental rate for full-service office space increased over the past year, closing the second quarter of 2015 at $21.06 per square foot. Rental rates are expected to continue to climb as the quantity of space becomes scarcer as a result of companies expanding because of improved economic conditions.

Panama City/Bay County is also home to the largest number of State of Florida leased square feet in an area in which DMS does not have an FFP facility. Given the amount of space being leased by state agencies, discussions will continue regarding the viability of the construction of a new DMS FFP facility.

Figure 19 – Panama City Market Area Data

Market Area	Overall Vacancy Rate at Mid-Year 2015	Current Trend in Overall Vacancy	Average Asking Full-Service Rental	Current Trend in Asking Rental Rate	Current Trend in Unemployment Rate
Panama City	**10.5%**	↔	**$21.06**	↑	↓

Source: Savills Studley Occupier Services and Costar

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Cost-Benefit Analyses of Acquisition, Build and Consolidation Opportunities

A cost-benefit analysis of acquisition, build and consolidation opportunities must consider all relevant factors such as future demand for services in the area, private market rental capacity and cost of capital. Preliminary data analysis may indicate markets in which acquisition or construction of a facility may be feasible; however, further research to support a business case and legislative funding will be required. Areas with larger concentrations of private leases at higher rates per square foot present the best opportunities for savings and will be further analyzed for buying/building feasibility.

Paragraph 255.249(7)(g), Florida Statutes:

(g) Cost-benefit analyses of acquisition, build, and consolidation opportunities, recommendations for strategic consolidation, and strategic recommendations for disposition, acquisition and building.

To assist in the effort of evaluating state-owned and state-leased facilities, DMS would benefit from a comprehensive study with detailed recommendations to address current and developing real estate requirements in downtown Tallahassee.

During the upcoming decade, the state will need to make long-term strategic decisions regarding what the landscape of downtown Tallahassee should look like. Some things to be taken into consideration include:

- How the buildings should be kept and repaired
- Which buildings should be replaced and what the costs for doing so are
- How to accommodate additional parking downtown to alleviate the existing parking deficiency
- Which buy/build/lease recommendations should accommodate the expiring master lease space
- What recommended funding sources for construction or other work required are
- What the proposed timelines and scheduling of actions are

The DMS believes that a comprehensive study will allow the Florida Legislature and DMS to consider a range of options in order to implement an effective plan to address and resolve the existing and upcoming issues affecting the real estate portfolio in the downtown Tallahassee area.

Recommendations for Using Capital Improvement Funds for Consolidation into State-Owned Space

The DMS FFP facilities currently have an occupancy rate of 97.15%, leaving little room for additional backfill opportunities without making significant financial investments to reconfigure currently occupied space. However, there are some challenges that, if resolved, would assist DMS in backfilling the remaining FFP space.

There is a critical shortage of parking in the downtown Tallahassee area. Over the past several years, with the reversion of numerous parcels and the development of Cascades Park, the state has lost 947 parking places downtown. Currently, the FFP buildings in downtown Tallahassee have a total vacancy of approximately 62,150 square feet. Much, if not all, of this vacant space is not rentable because of the lack of parking to accommodate the tenants. Assuming agencies could occupy the available spaces without any modifications, filling these vacancies could result in an increase in FFP revenue of $1 million per year.

Paragraph 255.249(7), Florida Statutes:

(h) Recommendations for using capital improvement funds to implement the consolidation of state agencies into state-owned office buildings.

(i) The updated plan required by section 255.2 5(4)(c).

Additionally, the limited availability of tenant improvement funds is a challenge for backfilling existing FFP space. Many state agencies have configuration requirements for existing FFP space, and without the funds to accommodate these requests, state agencies must look to private landlords for space that meets their business needs. Private landlords typically amortize the cost to reconfigure their existing space into the lease rental rate, a situation which sometimes leads to agencies having to pay higher-than-average market rates for their space needs. Additional funds for tenant improvements that allow for larger buildouts in existing FFP space would help DMS backfill the remaining vacant space in FFP facilities.

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2015 Strategic Leasing Plan and Update to Five-Year Plan

The department has developed the 2015 Strategic Leasing Plan to outline its goals and initiatives over the next five years for improving the performance of the state's real estate portfolio. The updated five-year plan required in section 255.25, Florida Statutes, is a component of the Strategic Leasing Plan.

Current Oversight of the State's Real Estate Portfolio

The state derives the greatest value for its investment in real estate assets when it employs a comprehensive real estate portfolio management strategy. Currently, the State of Florida has a decentralized model for staffing, owning and managing owned and leased real estate assets. Such results in wide redundancies, differing service delivery methods and inconsistent facility maintenance levels. Agencies divert key personnel and fiscal resources from core mission responsibilities to manage and support individual real estate portfolios, making space and management-related decisions on a case-by-case basis. This approach leaves no collaborative, statewide oversight of the real estate portfolio. Individual agencies have a high degree of autonomy over the acquisition and administration of workspaces, but because of diverse agency missions and the lack of a holistic real estate management strategy, the state has been left with a portfolio that varies dramatically in cost, age, location, usage and condition. This disjointed operational model leaves wide gaps in the comprehensive understanding of spend, best practices and utilization of the state's assets.

While DMS is responsible for overseeing private, other government and public-leased (FFP) facilities, the lack of an equally comprehensive framework for the oversight and management of the entire state-owned portfolio makes it difficult for Florida to realize many of the potential benefits of its significant real estate investments.

Subsection 255.249(6), Florida Statutes:

(6) The department shall develop and implement a strategic leasing plan. The strategic leasing plan must forecast space needs for all state agencies and identify opportunities for reducing costs through consolidation, relocation, reconfiguration, capital investment, and the renovation, building, or acquisition of state-owned space.

Paragraph 255.25(4)(c), Florida Statutes:

Because the state has a substantial financial investment in state-owned buildings, it is legislative policy and intent that when state-owned buildings meet the needs of state agencies, agencies must fully use such buildings before leasing privately owned buildings. By Sept. 15, 2006, the Department of Management Services shall create a five-year plan for implementing this policy. The department shall update this plan annually, detailing proposed departmental actions to meet the plan's goals, and shall furnish this plan annually as part of the master leasing report.

The department is the only state agency tasked, as part of its core mission, with facility leasing, operations, maintenance and construction. In this role, DMS has the fiduciary responsibility to provide

FFP with facilities that meet the various business and operational needs of state agencies at optimal pricing. Accordingly, it is the goal of DMS to deliver, whenever possible, the best value for taxpayer dollars by maintaining high occupancy levels in FFP buildings.

Forecasting Agency Space Needs

Many factors impact agency space needs. Business process efficiencies and evolving service delivery needs of the citizens of Florida are changing the way that agencies do business. Population migration, workforce reductions and agency funding also impact how and where an agency operates. Agencies each have unique nuances to their service delivery that can impact current and future space needs that are not easily discernible.

As required in section 255.249, Florida Statutes, agencies communicate annually to DMS all information regarding agency programs affecting the need for or use of agency space. Agencies are asked to include a clear analysis of the current and future status of the agency's leasing portfolio; the anticipated timing of events to facilitate co-location recommendations; the financial costs associated with the recommendations; justification as to why the recommendations are in the best interest of the state; and any statutory, administrative rule or regulatory restrictions that prevent the consolidation of agency programs into the same space.

Information submitted by the agencies provides the foundation data used to identify the opportunities outlined in this report. The data helps DMS to develop backfill scenarios for FFP vacancies, to identify co-location opportunities and to prioritize leases with the most potential for lease cost savings. The opportunities proposed in the plan consider agency goals, anticipated next lease actions and business requirement justifications (business cases) as to why some leases can or cannot be consolidated or co-located.

Fiscal year 2014-15 was the fourth year that agencies submitted facility information to the FITS component of the FL-SOLARIS. The department is using the data from fiscal years 2012-13, 2013-14 and 2014-15 to benchmark fluctuations in agency needs to better forecast changes in space needs and occupancy costs.

Subsection 255.249(8), Florida Statutes:

(8) Annually, by June 30:

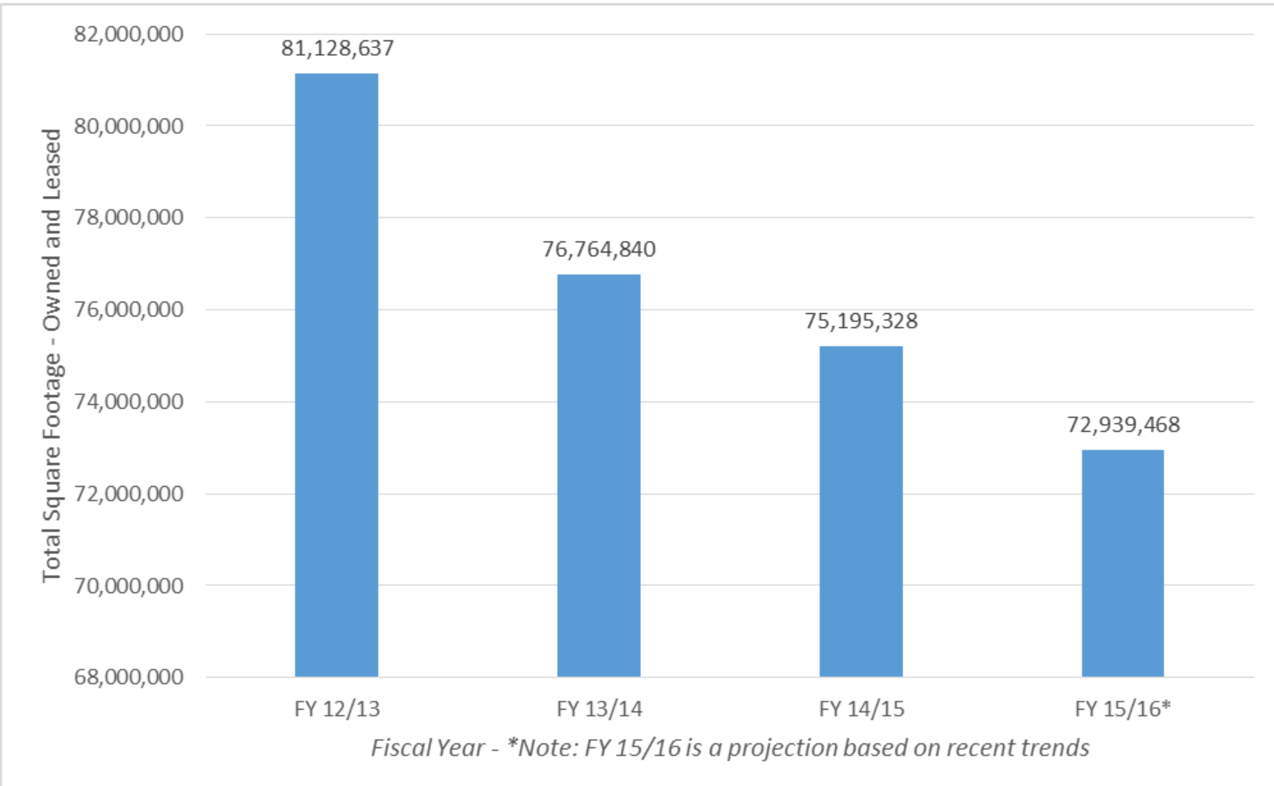
(a) Each state agency shall provide to the department all information regarding agency programs affecting the need for or use of space by that agency, reviews of lease-expiration schedules for each geographic area, active and planned full-time equivalent data, business case analyses related to consolidation plans by an agency, a telework program under section 110.171, and current occupancy and relocation costs, inclusive of furnishings, fixtures and equipment, data, and communications. State agencies may use the services of a tenant broker in preparing this information.

(b) The title entity or managing agency shall report to the department any vacant or underutilized space for all state-owned buildings and any restrictions that apply to any other agency occupying the vacant or under-utilized space. The title entity or managing agency shall also notify the department of any significant changes to its occupancy for the coming fiscal year. The Department of Legal Affairs, the Department of Agriculture and Consumer Services, and the Department of Financial Services are excluded from this subsection. However, the Department of Legal Affairs, the Department of Agriculture and Consumer Services, and the Department of Financial Services may elect to comply with the provisions of this subsection in whole or in part.

Because historical data for multiple years are needed to establish a trend effectively, forecast results are expected to improve with time. The department will continue to benchmark data for several years, increasing its ability to forecast individual agency needs in future years.

Figure 20 illustrates the change in space needs for all agencies between fiscal years 2012-13 and 2014-15 and, based on the percentage net change during the three-year period, forecasts the space needs (owned and leased) for all agencies for fiscal year 2015-16. This forecast suggests that, should the recent trend continue, space needs for all agencies may decrease by 3% in fiscal year 2015-16.

Figure 20 – Space Needs for All Agencies



Opportunities for Cost Reductions Through Consolidation, Relocation, Reconfiguration, Capital investment, Renovation, Building or Acquisition of State-Owned Space

The State of Florida has an expansive portfolio of state-owned facilities and private-leased facilities, as seen in Figures 21 and 22.

Figure 21 – Distribution of State-Owned Facilities

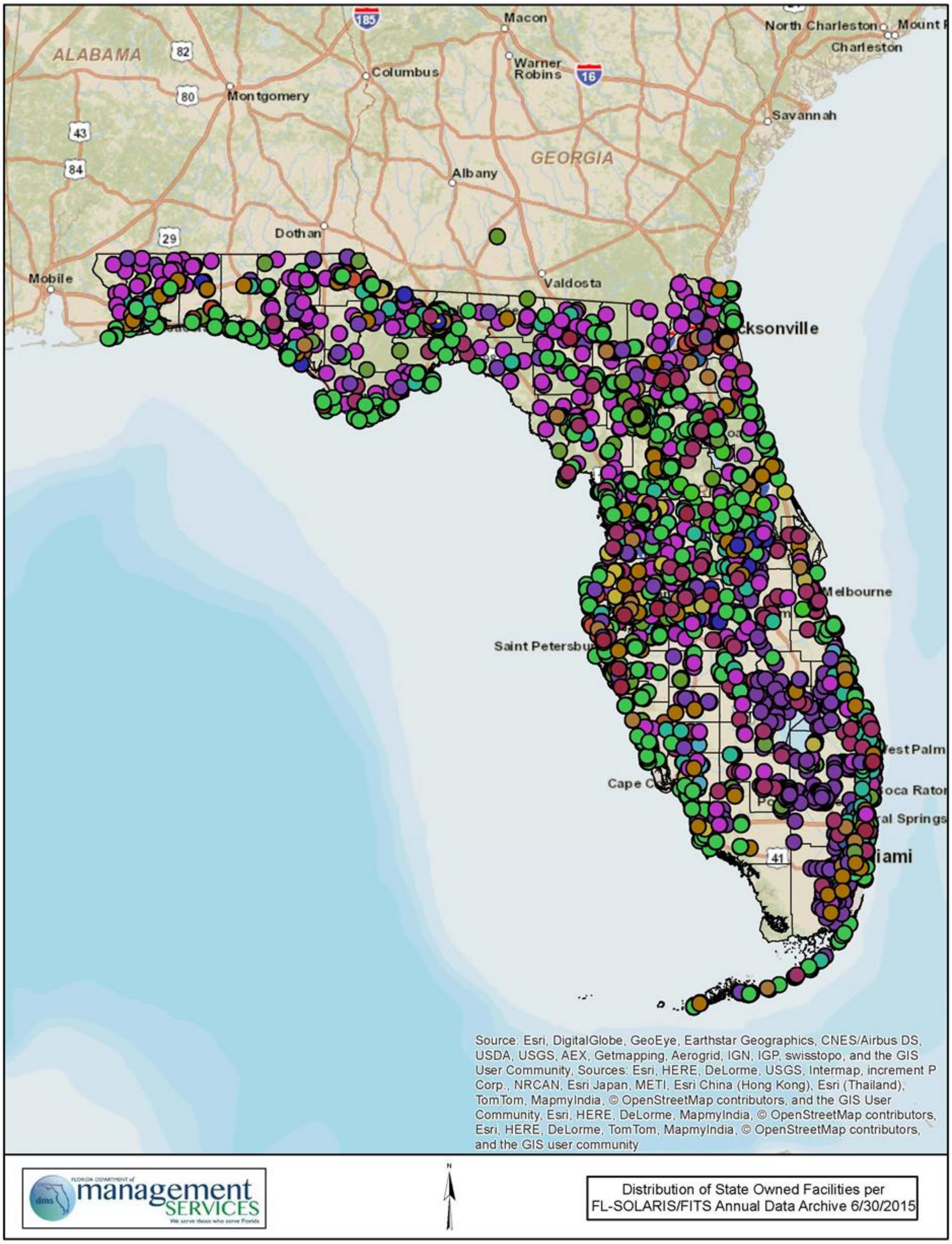
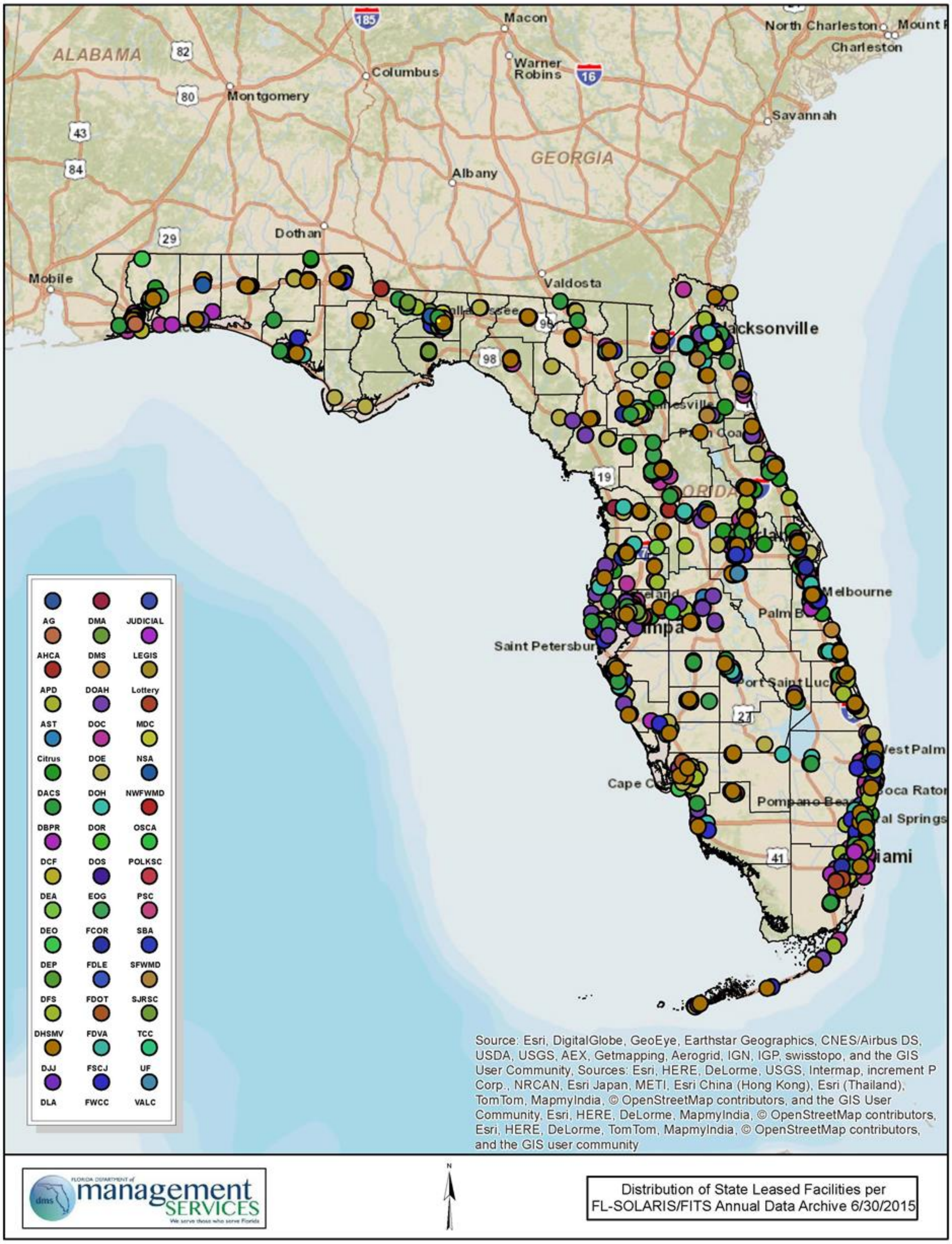


Figure 22 – Distribution of Private-Leased Facilities within the State of Florida



The DMS has identified a series of opportunities to reduce the cost of occupancy and increase utilization of the state-owned FFP. These opportunities focus on ways to renegotiate, reconfigure, relocate or consolidate state-occupied space within the FFP and the state's lease portfolio within other government and private space. The five opportunities include the lease renegotiation effort, optimization of state-owned space in the FFP, implementation of an integrated facilities management system (IFMS), real estate optimization and the downtown Tallahassee comprehensive study. Figure 23 delineates the five opportunities that are described in the next section.

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Figure 23 – Overview of Initiatives and Strategies Included Within the 2015 Strategic Leasing Plan

2015 Strategic Leasing Plan Initiatives & Strategies

2015	2016	2017	2018	2019

1. Lease Renegotiation Effort

As required in Chapter 2015-222, Laws of Florida

2. Optimization of State-Owned Space in the FFP

Current DMS Backfill Process

3. Integrated Facilities Management System

Implementation of the TRIRIGA Software Solution

4. Real Estate Optimization

Consolidation of Oversight and Operations

Enhance Occupancy Management

Leverage Spend on Operations and Maintenance Procurements

Reduce Energy Consumption

Maximize the Value of State-Owned Assets

5. Downtown Tallahassee Comprehensive Study

Long-term strategies for resolving existing and future issues in the downtown Tallahassee marketplace

Lease Renegotiation Effort

The department is working with state agencies and tenant brokers to renegotiate or reprocure all private leases for office and storage space that is in excess of 2,000 square feet and that expires between July 1, 2016, and June 30, 2018, with the goal of achieving cost savings in future years, as directed in Chapter 2015-222, Laws of Florida.

Tenant brokers are assisting DMS and state agencies with this effort by helping to explore the possibilities of co-location by reviewing the space needs of each agency and the length and terms of potential renewals or renegotiations. The department continues to work with state agencies and tenant brokers to identify, review and renegotiate existing lease contracts that meet the criteria of the law and to monitor and report savings that the state achieves.

The following page offers a snapshot of private-lease costs and total square footage for office and storage space by agency for fiscal year 2014-15. As depicted in Table 6, total square footage decreased slightly from fiscal year 2013-14 to fiscal year 2014-15 (-0.71 percent), and overall leasing costs increased slightly over the same time period (0.76 percent).

Going forward, as a result of rising rents in all major markets in Florida (explained in further detail in the Market Analysis in the Master Leasing Report), there are diminishing returns from renegotiating leases at this time. Landlords are in a better position financially and are less likely to lower rates in a renegotiation of a lease.

The DMS expects the trend of rising leasing rates to continue as the economy improves across Florida. The department will continue to encourage state agencies to minimize their square footage per FTE allocations and, when feasible, to co-locate with agencies that provide a similar mission in order to offset the rising rental rates across the state.

Chapter 2015-222, Laws of Florida:

Section 39. In order to implement appropriations used for the payments of existing lease contracts for private lease space in excess of 2,000 square feet in the 2015-2016 General Appropriations Act, the Department of Management Services, with the cooperation of the agencies having the existing lease contracts for office or storage space, shall use tenant broker services to renegotiate or reprocure all private lease agreements for office or storage space expiring between July 1, 2016, and June 30, 2018, in order to reduce costs in future years. The department shall incorporate this initiative into its 2015 Master Leasing Report required under section 255.249(7), Florida Statutes, and may use tenant broker services to explore the possibilities of co-locating office or storage space, to review the space needs of each agency, and to review the length and terms of potential renewals or renegotiations. The department shall provide a report to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by Nov. 1, 2015, which lists each lease contract for private office or storage space, the status of renegotiations, and the savings achieved. This section expires July 1, 2016.

Table 6 – Private-Lease Cost Savings Snapshot

	Gross Square Footage Change			Private Lease Cost Change		
Agency	6/30/2014	6/30/2015	% Change	6/30/2014	6/30/2015	% Change
AG	18,590	18,590	0.00%	$303,567.00	$304,685.26	0.37%
AHCA	339,073	334,473	-1.36%	$7,174,475.99	$7,247,634.77	1.02%
APD	9,889	9,889	0.00%	$178,387.68	$183,060.14	2.62%
AST		69,005			$1,500,168.70	
DACS	116,995	140,914	20.44%	$2,089,629.70	$2,260,844.10	8.19%
DBPR	276,322	279,678	1.21%	$4,251,437.61	$4,433,533.43	4.28%
DCF	887,444	898,799	1.28%	$16,882,572.48	$17,142,815.39	1.54%
DEA	40,834	36,664	-10.21%	$812,426.12	$736,187.72	-9.38%
DEO	155,990	115,206	-26.15%	$2,778,145.92	$2,100,039.06	-24.41%
DEP	152,428	107,140	-29.71%	$2,880,466.55	$1,985,477.00	-31.07%
DFS	266,001	266,001	0.00%	$5,242,648.24	$5,387,379.79	2.76%
DHSMV	134,512	137,672	2.35%	$3,479,012.77	$3,542,928.20	1.84%
DJJ	330,074	327,204	-0.87%	$6,760,729.80	$6,713,025.66	-0.71%
DLA	197,831	202,830	2.53%	$5,022,978.38	$5,298,326.97	5.48%
DMA	38,588	38,588	0.00%	$517,092.48	$533,920.48	3.25%
DMS	154,405	55,395	-64.12%	$2,849,845.96	$967,787.20	-66.04%
DOAH		102,419			$2,028,195.19	
DOC	526,738	523,992	-0.52%	$10,919,004.59	$11,015,697.51	0.89%
DOE	248,383	268,153	7.96%	$5,062,183.30	$5,520,997.09	9.06%
DOH	526,259	556,653	5.78%	$10,140,005.96	$10,708,975.18	5.61%
DOR	625,596	597,863	-4.43%	$13,454,488.29	$13,364,567.81	-0.67%
DOS	36,502	36,502	0.00%	$796,838.66	$822,025.04	3.16%
EFSC	8,824			$10,765.28		
EOG	189,740	189,740	0.00%	$2,166,724.80	$2,172,525.12	0.27%
FDLE	79,405	82,236	3.57%	$1,625,383.15	$1,695,063.40	4.29%
FDOT	91,546	87,946	-3.93%	$1,916,572.14	$1,924,923.03	0.44%
FWCC	84,749	84,749	0.00%	$1,671,729.91	$1,723,751.01	3.11%
Lottery	213,271	213,271	0.00%	$3,701,026.78	$3,731,274.30	0.82%
NSA	363,863	291,700	-19.83%	$5,543,565.56	$4,154,018.64	-25.07%
NWFWMD	4,600	4,600	0.00%	$88,550.00	$88,550.00	0.00%
PSC	5,566	2,779	-50.07%	$134,443.89	$70,141.96	-47.83%
SFWMD	13,689	13,689	0.00%	$177,787.73	$177,787.73	0.00%
Grand Total	6,137,707	6,094,340	-0.71%	$118,632,486.72	$119,536,306.88	0.76%

(Note: AST and DOAH, who administratively report to DMS, began reporting their own private-lease space separately in fiscal year 2014-15. This explains the large reduction in DMS space and the large increase in space for AST and DOAH over this time period.)

Optimization of State-Owned Space in the FFP

The State of Florida owns 20,199 facilities, including facilities owned by state agencies, the Florida College System, Statewide Board of Governors and Water Management Districts. With the implementation of FL-SOLARIS, the state has better information on the details of these facilities. Currently, DMS has management authority and responsibility for only 114 facilities, of which 109 are in the FFP. The department will continue to focus resources on maximizing the occupancy and usage of the FFP prior to approving the execution of private leases for similar spaces. The department will also continue to provide guidance to agencies on increasing the usage of office buildings they own, understanding that the guidance is non-binding until the statutory responsibility of DMS is expanded beyond the FFP.

To best manage leasing costs, DMS must ensure that available and suitable state-owned space takes precedent over an agency's request to lease private-sector space. Renovating or remodeling FFP facilities to backfill vacancies and optimize state-owned space is constrained by the limited availability of funding for the space refresh and/or reconfiguration modifications typically required. Unlike the current private-sector environment in which upfront funding for necessary tenant improvements are added into the rental rate and amortized over the term of the lease, the current model for tenant improvement to FFP office space requires either agencies or DMS to fund the reconfigurations and modifications prior to occupancy. Lack of available funding for space reconfiguration frequently prevents agencies that would otherwise occupy space in the FFP from doing so.

The strategies for improving vacant FFP space for occupancy are categorized in three types indicating the amount of change needed in the space to prepare it for occupancy: turnkey, space reconfiguration (renovation) and space alteration (remodel). The turnkey category does not involve major modification to or improvement of the building and is considered space that is ready for occupancy. The other two categories involve improvements to the building layouts.

These types are often used interchangeably as "tenant improvements" but have distinct characteristics from a state budgeting perspective:

- Type I: Turnkey: Space that is ready for occupancy in the backfill scenarios, meaning the space might require no modifications or minimal modifications such as fresh paint, carpet, possibly modular furniture and associated electrical/low voltage cabling. Funding for this scenario may go through either DMS or agency budgets.

- Type II: Space Reconfiguration (Renovation): Replace existing finishes (install new floor finishes, repaint walls, replace lay-in ceiling tile) with limited reconfiguration of interior partitions (wall) or ceilings. This also includes rearrangement of modular furnishings that do not adversely impact life safety ingress/egress.

  Renovation-type improvements are most commonly referred to as tenant improvements. Some appropriations for these projects within the FFP are funded through a portion of the DMS rental rate (Agency Space Refurbishment totals 25 cents per square foot of the full-service uniform rental rate) in the Supervision Trust Fund.

The fiscal year 2015-16 appropriations include $557,185 for master lease improvements in the Koger Center located in Tallahassee and $1.4 million for tenant improvements in FFP facilities.

- Type III: Space Alteration (Remodel): Reconfigure existing walls, lighting fixtures, ceiling tiles and/or mechanical systems.

  Remodel projects are longer-term strategies that include the reconfiguration and remodeling of FFP assets to improve space usage, house more state employees and further shrink the overall footprint of the state's private-lease portfolio. Improvements may require major system upgrades or updates such as heating, ventilation, air conditioning or electrical panels. Appropriations for these projects within the FFP are also funded through a portion of the DMS rental rate (e.g., $1.38 per square foot or 8 percent for Capital Depreciation) in the Supervision Trust Fund.

  The fiscal year 2015-16 appropriations for Type III improvements include a Fixed Capital Outlay appropriation for approximately $26.5 million to address building deficiency projects such as facility code compliance, life safety or environmental deficiencies, Americans with Disabilities Act compliance, mechanical; component or structural failures, and projects that impact a building's operations, integrity or habitability. The deficiency projects backlog as of June 30, 2015, is nearly $307 million.

The pie chart in Figure 24 demonstrates how the uniform rental rate of the FFP ($17.18 per square foot for full-service office space) is used to support FFP maintenance and operations.

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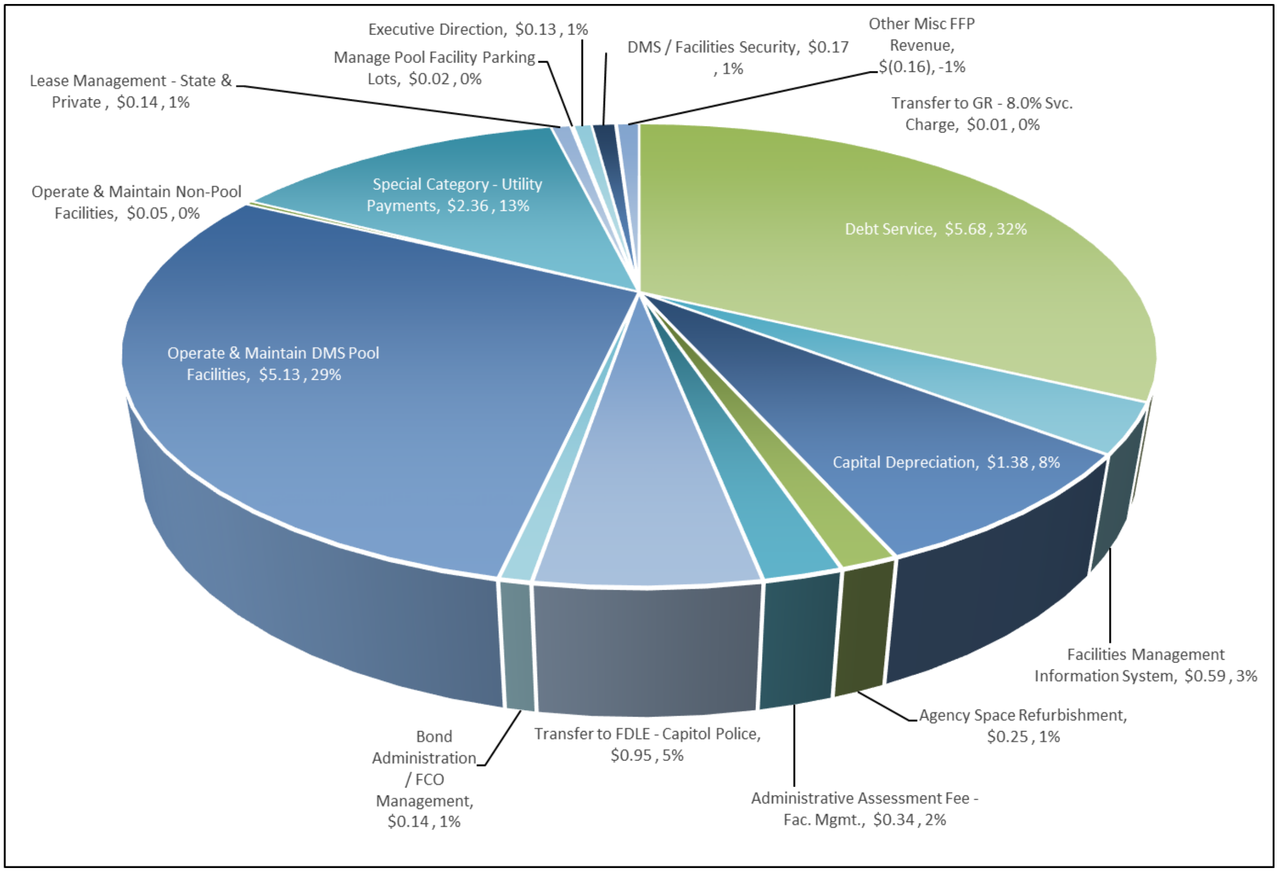
Figure 24 – Breakdown of Expenditures for the Uniform Rental Rate for Full-Service Office Space ($17.18 per SF) in the FFP



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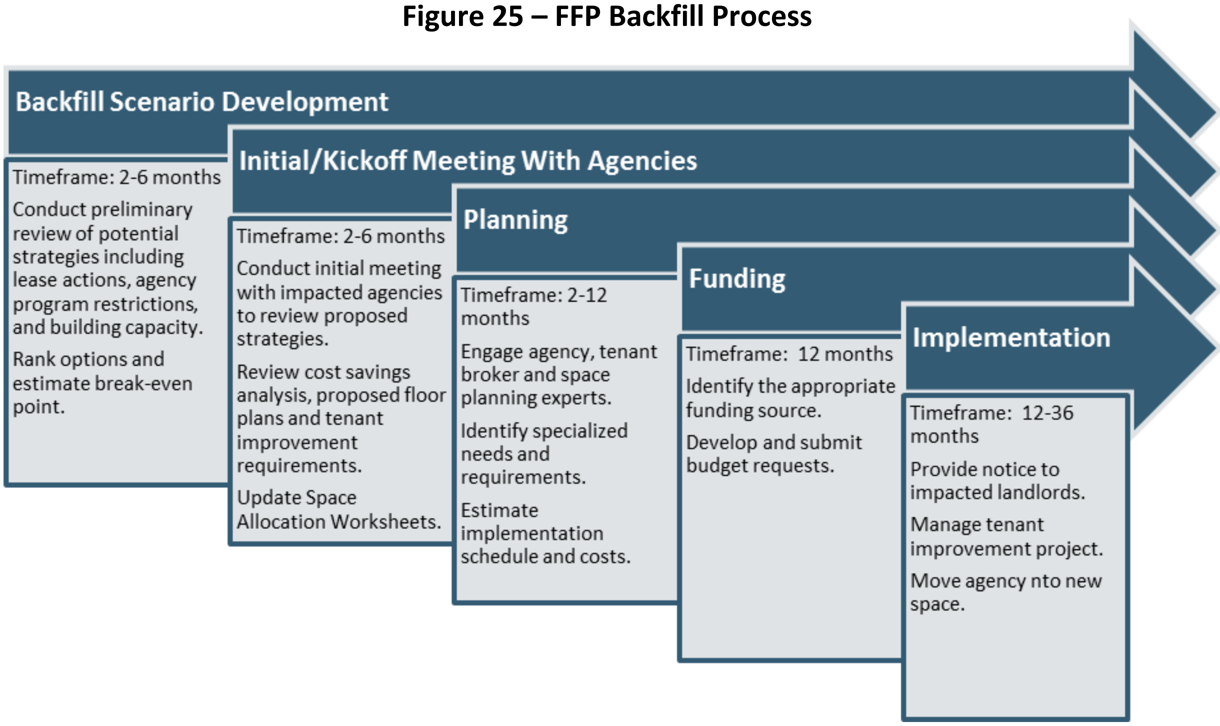
Florida Facilities Pool Backfill Process

The backfill process for the FFP involves gathering and validating data, conducting an environmental scan of the FFP occupancy and surrounding lease information and prioritizing potential lease actions that can potentially maximize savings. Depending on the complexity of the building modifications needed, the special needs of the agencies and the volume of available space, the process can take anywhere from 18 to 60 months. Figure 25 illustrates the process, which includes five basic steps:

Figure 25 – FFP Backfill Process



Backfill Scenario Development: Structural limitations to a facility can impede progress on maximizing lease savings through the densification of its occupants. Conducting a preliminary review of the potential strategies against building capacity helps to further vet the viability of the proposed strategies. An estimated break-even point is gauged by fully understanding the remodel or renovations necessary to make the proposed changes. Depending on the size of the vacancy, the volume of restacking needed and the complexity of the agency needs, the preliminary review can take up to six months.

Initial/Kickoff Meeting with Agencies: Once leases are ranked based on a financial analysis and determination of break-even point, an initial meeting is scheduled with the agency. The department and the agency review the proposal with the supporting cost savings analysis, proposed floor plans and tenant improvement adjustments the agency would require, if any. Updated Space Allocation Worksheets are prepared to include current information on the number of personnel and space requirements. On occasion, information is presented in the kickoff meeting that eliminates a targeted lease from the backfill scenario. In that case, the alternative leases identified in the backfill scenario will be substituted. This phase can take up to six months.

Planning: The planning phase includes engaging the agency, tenant broker and space-planning subject matter experts to identify specialized needs and requirements. An agency's reconfigured space is made as contiguous and efficient as possible. Space plans are aggregated for inclusion in a master stacking plan for the building, and phased implementation timelines and costs are estimated. This phase can take up to 12 months.

Funding: In order for all parties to implement each of the strategies, additional funding is often required, funding that goes beyond the DMS FFP-generated revenue. The funding phase can run parallel to the planning phase as components and specifics are solidified. The department and agencies work together to find the most appropriate funding source to minimize the impact to the State of Florida's limited budget dollars. Funding requests should be timed for inclusion into the annual Legislative Budget Request (LBR). This phase can take up to 12 months.

Implementation: Implementation of the tenant improvement and transition plan is the final step. If the lease is terminated prior to the expiration date, the prospective tenant agency must give six months' advance written notice of cancellation to the lessor, in accordance with Article XXI of the lease and section 255.249, Florida Statutes. The agency must also notify DMS 90 days before the termination. The department is statutorily required to make a reasonable effort to place another state agency in vacated private-leased space. Once the tenant improvement process is completed, the agency moves into the FFP space. Implementation timelines for a building may cascade across multiple agencies when moves are contingent on another agency's tenant improvement and/or relocation within the building. The period from implementing the tenant improvement plan until the agency moves in is approximately 12-36 months, depending on the scope of the project.

Integrated Facilities Management System

The DMS is in the process of implementing an integrated facilities management system (IFMS), known as TRIRIGA, to replace its Facilities Accountability and Communications Tool (FACT) system. The FACT system lacked defined standards in architecture, security, integration, documentation and data organization, omissions which resulted in gaps in data and issues with data integrity. The replacement system will interface with FL-SOLARIS (FITS).

TRIRIGA is a Web-based system that combines long-term management, tracking and reporting functions. Other components include, but are not limited to:

- facilities inventory tracking (portfolio)
- lease administration
- preventive and work order maintenance (O&M)
- paid parking administration
- budget management and tracking
- project management for capital/construction projects

The robust capabilities of the TRIRIGA system will enhance DMS' ability to monitor and track State of Florida leases in private facilities. This enhanced capability will increase DMS' capacity to forecast agencies' space needs and future costs.

The TRIRIGA project began on March 2, 2015, and is scheduled to be completed on May 30, 2016.

Real Estate Optimization

Twenty-one different state agencies own and manage 13,132 facilities totaling 63,197,917 square feet. State agencies have also entered into 1,056 private-sector or other governmental leases for a total of 6,755,329 square feet. The state's real estate portfolio is decentralized and managed differently across agencies, creating little consistency relating to the staffing, management or operations of their real estate programs. This decentralization limits the state's ability to realize strategic goals and cost-savings initiatives.

The sections below provide some high-level benefits of a more centralized approach to managing the State of Florida's real estate property assets. These benefits include:

A. Consolidation of oversight and operations
B. Enhanced occupancy management
C. Leveraged spend on operations and maintenance procurements
D. Reduced energy consumption
E. Maximization of the value of state-owned assets

A. Consolidation of Oversight and Operations

Standardization of the oversight and management of the state's real estate portfolio would fully maximize savings through its real estate assets. Having a single, comprehensive real estate portfolio management service for all state-owned facilities would support the establishment of a consistent, holistic approach to managing, maintaining and protecting state-owned real estate assets beyond the private, FFP, and other government lease portfolio. Standardized oversight and management increases efficiencies and lowers costs through several mechanisms such as leveraged spend, densification of state buildings and reduced energy costs. Building maintenance, repairs and investments can be assessed for long-term cost effectiveness and prioritized to ensure that the expenditure benefits the state and further maximizes efficiencies. Best practices that create optimal work environments should be applied across the portfolio to create well-maintained, efficient buildings.

The state's portfolio would ultimately include better-quality assets because buildings would be assessed, maintained, monitored and measured consistently. Inefficient and under-utilized assets would be removed from the inventory, lowering the cost and reducing the backlog of deferred maintenance and potentially providing some funding to the state from the liquidation of the asset. Vacant space would be cross-referenced with agency needs to fill state-owned space and further reduce the need for private leases. Where possible, space could be consolidated to reduce private-sector lease costs even more.

B. Enhanced Occupancy Management

The real estate portfolio could be further optimized through a standard, holistic approach to managing occupancy in all state-owned and state-leased facilities beyond those for which DMS currently has oversight authority. The portfolio footprint could be reduced further by standardizing space allocation metrics within all agency-occupied space and providing recommended space configurations. Vacancies in state-owned facilities beyond the FFP can be included in the development of backfill strategies to further decrease private-lease costs.

One long-term strategy for efficient, dynamic workplaces is exploring options for various alternative office concepts. Long-standing, historical space-allocation methodologies have frequently resulted in a maze of private, hard-walled offices that are counter to industry trends of a more open and collaborative office environment. Creative solutions are becoming popular in both private and public sectors in reaction to constricted funding, the viability of technology to support mobility, changing workforce preferences and the versatility of space necessary to meet rapidly changing business needs. Several primary alternative workplace strategies include the following:

- Telecommuting — mobile work in which employees consistently use multiple spaces both inside and outside the office
- Hoteling — temporary workspace assignments in which employees reserve their spots for a specified period of time through a manual or automated reservation system
- Satellite offices — smaller geographically dispersed business offices located for greater employee and customer convenience
- Results-Oriented Work Environment (ROWE) – flexible work environment that extends beyond traditional telecommuting to one that is solely performance based, not time based

Agencies have begun pilot programs to explore the impact of alternative office solutions. Full implementation of a statewide alternative office solution would significantly reduce the need for office space. To be successful, the initiative would require full support from the areas of human resources, information technology and facilities/lease management. Implementing a strategy to optimize and reconfigure state-occupied space to be more open, collaborative and flexible ensures that agencies fully utilize existing assets prior to entering into additional private leases.

C. Leveraged Spend on Operations and Maintenance Procurements

Citizens viewing the Tallahassee landscape from the Capitol Building's observation deck might be surprised to learn that eight different agencies manage more than two dozen state-owned buildings that are visible within plain sight. This example depicts how real estate is currently managed within state government. The eight agencies each have contracts for various operations and maintenance services such as elevator, landscaping, and custodial services and heating, ventilation and air conditioning (HVAC) systems. The decentralized model also means that the eight agencies independently purchase supplies for the maintenance of those buildings, supplies such as air filters, light bulbs and paper towels. Aggregating the purchasing power of facilities-related procurements across the state's entire real estate portfolio would create economies of scale.

D. Reduced Energy Consumption

The department has a core function of making public buildings energy efficient, functional, durable and maintainable. Several strategies, when applied across the state's portfolio, could significantly reduce significantly energy costs:

- streamlining performance contracting and developing shared savings contracts;
- reducing utility rates through structure, analysis and oversight; and
- re-prioritizing capital-improvement requests to maximize energy savings. (life-cycle costs).

The department has adopted the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system for FFP construction and renovation projects but goes even further by evaluating life-cycle costs. Through the Florida Life-Cycle Cost Analysis Program, state agencies can now easily separate fact from perception when evaluating potential building design options.

Enhanced energy efficiency can often dramatically improve the cost effectiveness of a building, but it takes a life-cycle cost analysis to prove which options are truly cost effective. Determining the total cost to own, operate, maintain and replace building systems over the long term (i.e., the total life-cycle cost) is crucial to making good decisions. The department applies this technique to all construction projects, including renovation projects that address major energy-consuming equipment in existing buildings.

Examples of such sustainable improvements in the management of real estate assets include the following:

- The department's project oversight of the Al Lofton Building renovation in Miami helped the Department of Highway Safety and Motor Vehicles reduce annual building energy costs by 35 percent while achieving a break-even point in fewer than three years for the added cost of maximizing energy efficiency.
- The new Department of Revenue buildings located at the Capital Circle Office Complex (CCOC) in Tallahassee added 38.7 percent in total square footage to the DMS-managed campus but added only 10.5 percent in annual campus electrical consumption. Private rent costs were reduced by $1 million annually, and operational expenses such as copiers, faxes, postage meters and other soft costs were reduced as well.
- The replacement of two 450-ton centrifugal chillers operating since 1987 at the DMS-managed Florida Department of Law Enforcement (FDLE) building in Tallahassee reduced the facility's annual electrical consumption by approximately 20 percent. The new chiller units at FDLE were selected based upon an analysis of total life-cycle costs from a process that was developed exclusively by DMS engineers. This project demonstrated a break-even point of fewer than 1.5 years for the added cost of maximizing energy efficiency.

E. Maximizing the Value of State-Owned Assets

Real estate assets are a significant investment for the State of Florida. Assets that are underutilized or inefficient or ones that have exceeded their useful life should be considered for disposition. Assets that are considered sustainable should be renovated as needed to increase and maximize operational and space configuration efficiencies.

More research is required to develop a business case that supports any recommendation to purchase assets in areas where the state has a high volume of privately leased square footage. Preliminary data analysis indicates that the counties shown in Table 7 are candidates for further market research to determine the availability and cost of a potential acquisition.

Table 7 – Six Largest Counties for Private-Leased Space by Space Type

Office	Square Footage
Leon	2,088,614
Duval	484,752
Miami-Dade	405,114
Hillsborough	385,661
Broward	318,742
Orange	292,592
Unconditioned Storage	**Square Footage**
Orange	197,469
Leon	51,304
Escambia	33,910
Pinellas	7,077
Miami-Dade	6,665
Sumter	5,244

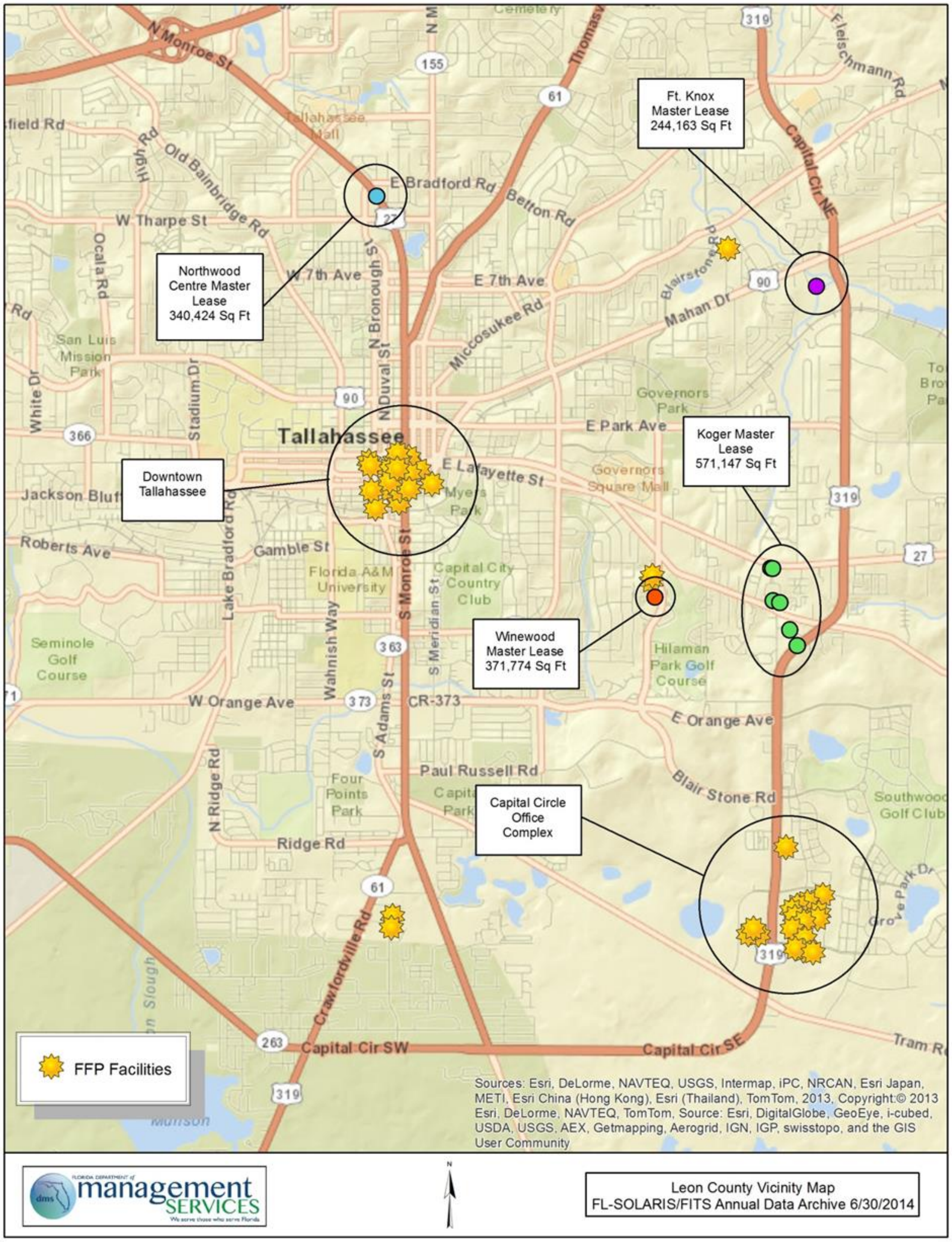
Downtown Tallahassee Comprehensive Study

The State of Florida real estate portfolio in Leon County has reached full maturity and needs a long-term strategic plan. The department has identified a critical need to contract with a consultant for the production of a comprehensive study that includes detailed recommendations that address current and developing real estate needs in Tallahassee.

Although the FFP facilities in downtown Tallahassee have a total vacancy of approximately 62,150 square feet, most of the vacant space is not rentable because of the lack of available parking for prospective tenants. Another consideration affecting the Tallahassee market is that the master leases will expire in fiscal year 2019-20, and the state will need to provide approximately 1.5 million square feet of office space in Tallahassee by building, buying and/or leasing space. It will be important to use the methods that provide the most benefit for the State of Florida. Many agencies will be competing against each other for prime office space in Tallahassee, potentially driving up rental costs. The comprehensive study will consider the age of the FFP facilities, the cost of needed repairs, parking constraints and the need to replace the master leases and will provide recommended strategies for resolving the existing and upcoming issues affecting the real estate portfolio in the downtown Tallahassee area.

Figure 26 is a map of Tallahassee locations with a majority of state-owned and state-leased facilities, ones that would be addressed in a comprehensive study.

Figure 26 – Leon County Vicinity Map



Conclusion

The DMS, other agencies and tenant brokers continue to develop innovative ways to reduce space and create greater flexibility in the state's lease portfolio. Combining similar operational programs and/or back-office functions when appropriate enables agencies to lessen their space needs and reduce costs. The co-location between agencies allows the opportunity for even more reduced space because agencies are able to share common, non-secure spaces such as lobbies, rest rooms, break rooms and conference/training rooms. Agency cooperation is a key factor in the success of greater reductions in leased space.

The comprehensive data, provided by FL-SOLARIS FITS, allows the state's decision-makers to see the state's lease portfolio from a new perspective because it provides all-inclusive information on state-owned and state-leased structures. By assessing leased space systematically, the state is aggressively looking for ways to further reduce space through co-location within and between agencies. Agencies are thinking strategically about the future landscape of their lease portfolio and about how it will reflect changes in service delivery and staffing models and are evaluating the cost-benefit analysis for proposed lease actions.

The opportunities outlined in the Strategic Leasing Plan will require productive partnerships among DMS, agencies, tenant brokers and the Legislature. State-owned data collected through FL-SOLARIS, TRIRIGA, agency co-location plans, cost-benefit analyses and business case analyses are leading the state toward a more complete view of its real estate portfolio. The collection of these key data elements improves the ability of both DMS and agencies to make decisions that are in the best interest of the State of Florida and sets the stage for a comprehensive real estate management strategy that goes beyond leasing.

For additional information, or for answers to questions you have about this report, please contact:

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I. Definitions

Florida Facilities Pool (FFP) – The DMS has statutory oversight of the construction, leasing and operations of 109 buildings in the FFP. The FFP includes both revenue-producing facilities in which space is leased, and special-purpose, non-revenue-producing facilities such as parking structures, central energy plants, monuments and the Historic Capitol.

Other Government Leases – State agency leases for space with other governmental entities. These are typically with federal or local government organizations.

Other Government Lease Examples: The lease between the Department of Military Affairs and the United States Army National Guard for Camp Blanding or the lease between the Department of Agriculture and Consumer Services with Columbia County for an aircraft hangar.

Private Leases – Leases for space by the state agencies in privately owned buildings. These leases are subject to DMS leasing oversight. State agencies and organizations not under DMS purview include the Florida College System, the Statewide Board of Governors, and the Water Management Districts.

Private Lease Example: The lease between DCF and Midtown Centre, LLC, for office space in Jacksonville.

Public Leases – Leases between DMS and state agencies for space in the FFP.

Example: Lease between DMS and DCF for space in the Rohde Building in Miami.

Tenant Broker – A private real estate broker or brokerage firm licensed to do business in this state, one that is under contract with the department to provide real estate transaction, portfolio management and strategic planning services for state agencies.

II. Common Acronyms and Abbreviations

Abbreviation	Definition
AG	Auditor General
AHCA	Agency for Health Care Administration
APD	Agency for Persons with Disabilities
AST	Agency for State Technologies
Citizens	Citizens Property Insurance Corporation
DACS	Department of Agriculture and Consumer Services
DBPR	Department of Business and Professional Regulation
DCF	Department of Children and Families
DEA	Department of Elder Affairs
DEO	Department of Economic Opportunity
DEP	Department of Environmental Protection
DFS	Department of Financial Services
DHSMV	Department of Highway Safety and Motor Vehicles
DJJ	Department of Juvenile Justice
DLA	Department of Legal Affairs
DMA	Department of Military Affairs
DMS	Department of Management Services
DOAH	Division of Administrative Hearings
DOC	Department of Corrections
DOE	Department of Education
DOH	Department of Health
DOR	Department of Revenue
DOS	Department of State
EOG	Executive Office of the Governor
EFSC	Eastern Florida State College
FCOR	Florida Commission on Offender Review
FDLE	Florida Department of Law Enforcement
FDOC	Florida Department of Citrus
FDOT	Florida Department of Transportation
FDVA	Florida Department of Veterans' Affairs
FFP	Florida Facilities Pool
FL-SOLARIS	Florida State Owned Lands and Records Information System
FWCC	Florida Fish and Wildlife Conservation Commission
JUDICIAL	Judicial Branch
LEGIS	Florida Legislature
Lottery	Department of Lottery
MTM	Month-to-month lease
NOC	Not otherwise classified
NSA	Non-State Agency (example: Avis or Embarq)
PSC	Public Service Commission
SAW	Space Allocation Worksheet