



# Lease Renegotiation

## Report

*November 1, 2020*



Ron DeSantis, Governor  
Jonathan R. Satter, Secretary

# Florida Lease Renegotiation Status Report

## Executive Summary

The Department of Management Services (DMS), in accordance with section 66 of Chapter 2020-114, Laws of Florida, shall use tenant broker services, in cooperation with state agencies, to renegotiate or reprocure all private lease agreements for office or storage space in excess of 2,000 square feet and expiring between July 1, 2021 and June 30, 2023.

DMS, in cooperation with the agencies, seeks to reduce future lease costs and will continue to encourage efficient use of space by working with agencies to minimize square footage allocation.

DMS shall provide a report to the Executive Office of the Governor, President of the Senate, and Speaker of the House of Representatives by November 1, 2020, that lists each lease contract for private office or storage space, status of renegotiations, and the savings achieved.

## Lease Cost Renegotiation

DMS identified 157 office and storage space leases in excess of 2,000 square feet that will be expiring between July 1, 2021 and June 30, 2023. Attachment 1 is a list of agency abbreviations and, as presented in Attachment 2, agencies responded to DMS' request for information and the attachment lists each lease for private or storage space, the status of renegotiation as of August 10, 2020, along with projected cost variance for FY 2021/22 and FY 2022/23, where available. Agencies are projecting an overall cost increase of \$1,483.28 for FY 2021/22 and \$119,274.84 for FY 2022/23 as annotated in Attachment 2.

## Data Collection

To compile this report, DMS leasing staff consolidated lease data, as recorded by agencies, in the FL-SOLARIS database.

The department uses a 24-month projection-tracking query to monitor upcoming lease expirations and review renewal options and initiate new procurements. The query provides analysis to leasing specialists who, in turn, notify agency contacts to ensure the agencies address lease transactions in a timely and efficient manner.

Figure 1 – Chapter 2020-114, Law of Florida (excerpt)

Section 66. In order to implement appropriations used to pay existing lease contracts for private lease space in excess of 2,000 square feet in the 2020-2021 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, 2021, and June 30, 2023, in order to reduce costs in future years. The department shall incorporate this initiative into its 2020 master leasing report required under s. 255.249(7), Florida Statutes, and may use tenant broker services to explore the possibilities of collocating 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 November 1, 2020, which lists each lease contract for private office or storage space, the status of renegotiations, and the savings achieved. This section expires July 1, 2021.



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The query provides early detection of lease expirations, allowing increased opportunities for co-location, space reduction, and other portfolio efficiencies.

## **DMS Outreach Efforts**

In addition to monitoring and tracking progress on lease renegotiations, DMS works with agencies to educate and assist with the renegotiation process. The department also coordinates quarterly leasing liaison meetings to highlight directives, objectives, results, and pending requirements.

## **Conclusion**

DMS continues to work with the state's tenant brokers and partner agencies, as directed by 2020-114, Laws of Florida, to renegotiate or reprocur all private lease agreements for office or storage space expiring between July 1, 2021 and June 30, 2023. DMS will continue to work with agencies to reduce leasing costs.

Should you have any questions about this plan or need additional information, please contact the following individual:

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# Florida Lease Renegotiation Status Report

## Attachment 1 - Abbreviations

Abbreviation	Definition
AG	Auditor General
AHCA	Agency for Health Care Administration
APD	Agency for Persons with Disabilities
CPIC	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
DMS	Department of Management Services
DOAH	Division of Administrative Hearings
DOE	Department of Education
DOH	Department of Health
DOR	Department of Revenue
DOS	Department of State
EOG	Executive Office of the Governor
FDC	Florida Department of Corrections
FDLE	Florida Department of Law Enforcement
FDOT	Florida Department of Transportation
FWCC	Florida Fish and Wildlife Conservation Commission
Lottery	Department of Lottery
FWMD	South Florida Water Management District