

*FY 2021-2022*

# FLORIDA LEASE RENEGOTIATION STATUS REPORT



*THE FLORIDA DEPARTMENT OF MANAGEMENT SERVICES*

## Table of Contents

Executive Summary .....	1
Lease Cost Renegotiation .....	3
Data Collection.....	3
DMS Outreach Efforts.....	3
Conclusion and Contact Information.....	4
Attachment 1 - Abbreviations.....	5
Attachment 2 - Private Leases Greater Than 2,000 SF Expiring Between 7/1/2022 and 6/30/2024....	6, 7, 8, 9

## Executive Summary

The Florida Department of Management Services (DMS), in accordance with section 34 of Chapter 2021-37, 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. DMS identified 137 office and storage space leases in excess of 2,000 square feet that will be expiring between July 1, 2022 and June 30, 2024.

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 Nov. 1, 2021, that lists each lease contract for private office or storage space, the status of renegotiations, and the savings achieved.

## Florida Lease Renegotiation Status Report

### **Lease Cost Renegotiation**

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 Aug. 4, 2021, along with projected cost variance for FY 2022/23 and FY 2023/24, where available. Agencies are projecting an overall cost decrease of \$437,976.34 for FY 2022/23 and an overall increase of \$117,555.89 for FY 2023/24 as annotated in Attachment 2.

Note: The totals listed above include the "approx. \$19,000" for FY 2022/23 and FY 2023/24 as reported by DEA for lease 6500066.

### **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.

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 one or two monthly agency leasing liaison meetings and one annual meeting for all agency liaisons to highlight directives, objectives, results, and pending requirements.

## Florida Lease Renegotiation Status Report (continued)

### Conclusion

DMS continues to work with the state’s tenant brokers and partner agencies, as directed by 2021-37, Laws of Florida, to renegotiate or reprocure all private lease agreements for office or storage space expiring between July 1, 2022 and June 30, 2024. DMS will continue to work with agencies to reduce leasing costs.

DMS requested an analysis by one of the state’s tenant brokers that determined the State of Florida could avoid leasing expenses by funding agency lease build-out costs up front as opposed to amortizing build-out costs over the term of the lease. This will provide multiple benefits to the State of Florida, including:

- Reduction of agency’s effective rent expense and of cost of capital improvements into their leased facilities
- Increased competition. More landlords will respond to state agency procurements if the risk of tenant improvements/right to terminate clause is no longer a factor
- Ability to competitively bid and collectively bundle multiple construction build outs, leveraging the purchasing power of the state

#### Sample Deal for Agency

#### Cost avoidance if the Agency pays for its own build-out costs upfront

Deal Terms	
Square Feet	5,000
Lease Length	7 Years
Base Rent	\$20.00
Agency Build-Out Cost	\$70/Square Foot
Landlord’s Interest Rate	8%

	Effective Rent	Total Cost	Savings	% Savings
Landlord pays for Tenant Improvements	\$34.99	\$1,224,481	\$82,872	7%
State of Florida pays for Tenant Improvements	\$32.62	\$1,141,609		

Deal Terms	
Square Feet	20,000
Lease Length	10 Years
Base Rent	\$20.00
Agency Build-Out Cost	\$85/Square Foot
Landlord’s Interest Rate	8%

	Effective Rent	Total Cost	Savings	% Savings
Landlord pays for Tenant Improvements	\$35.30	\$7,060,635	\$598,008	8%
State of Florida pays for Tenant Improvements	\$32.31	\$6,462,626		

Deal Terms	
Square Feet	20,000
Lease Length	10 Years
Base Rent	\$20.00
Agency Build-Out Cost	\$110/Square Foot
Landlord’s Interest Rate	10%

	Effective Rent	Total Cost	Savings	% Savings
Landlord pays for Tenant Improvements	\$40.37	\$8,074,331	\$1,059,624	13%
State of Florida pays for Tenant Improvements	\$35.07	\$7,014,707		

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

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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
DMA	Department of Military 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
PERC	Public Employees Relations Commission
PSC	Public Service Commission
SFWMD	South Florida Water Management District

**Attachment 1 - Abbreviations**

**Attachment 2 – Private Leases Greater Than 2,000 SF Expiring Between 7/01/2022 and 6/30/2024**

Agency	Lease Id	Expiration Date	Primary Use	Square Feet	Amount per Year	Action Status*	FY 22/23 Cost Variance*	FY 23/24 Cost Variance*
AG	1140070	6/30/2023	Office	2,283	\$41,527.77			
AHCA	6800075	4/30/2023	Office	13,739	\$336,605.50	Pending	\$0.00	\$0.00
DACS	4200464	8/14/2022	Office	2,495	\$47,829.15	Renegotiation	unknown	unknown
DACS	4200459	9/30/2022	Office	11,290	\$425,971.70	Reprocurement	unknown	unknown
DACS	4200432	6/30/2023	Office	4,378	\$88,260.48	Renegotiation	unknown	unknown
DACS	4200488	6/30/2023	Office	4,817	\$91,246.32	Renegotiation	unknown	unknown
DACS	4200482	12/31/2022	Office	4,844	\$0.00	Renegotiation	unknown	unknown
DACS	4200466	10/31/2023	Office	3,394	\$71,070.36	Renegotiation	unknown	unknown
DACS	4200440	10/31/2022	Office	3,645	\$58,939.65	Renegotiation	unknown	unknown
DACS	4200485	8/31/2022	Office	2,943	\$64,010.25	Renegotiation	unknown	unknown
DACS	4200437	11/30/2023	Office	3,525	\$69,301.50	Renegotiation	unknown	unknown
DCF	5903129	8/31/2022	Office	2,059	\$28,826.04	Renegotiation	TBD	TBD
DCF	5903140	8/31/2023	Office	2,150	\$45,042.50	Renegotiation	TBD	TBD
DCF	5903044	11/30/2022	Office	2,600	\$48,099.99	Renegotiation	TBD	TBD
DCF	5903050	10/31/2022	Office	2,700	\$58,725.00	Renegotiation	TBD	TBD
DCF	5903102	5/31/2024	Office	2,761	\$63,972.37	Renegotiation	TBD	TBD
DCF	5903086	10/31/2023	Office	2,809	\$21,432.67	Renegotiation	TBD	TBD
DCF	5903142	5/31/2024	Office	3,189	\$90,089.25	Renegotiation	TBD	TBD
DCF	5903065	5/31/2024	Office	3,500	\$91,945.00	Renegotiation	TBD	TBD
DCF	5903074	8/31/2023	Office	3,507	\$116,081.70	Renegotiation	TBD	TBD
DCF	5902993	7/31/2023	Office	4,418	\$137,399.80			
DCF	5903085	3/31/2024	Office	4,756	\$76,096.00	Renegotiation	TBD	TBD
DCF	5902973	7/31/2023	Office	5,020	\$156,122.00			
DCF	5903064	1/28/2023	Office	5,456	\$116,267.40	Renegotiation	TBD	TBD
DCF	5902539	3/31/2024	Office	7,422	\$165,436.38	Renegotiation	TBD	TBD
DCF	5903084	5/31/2023	Office	7,518	\$148,856.40	Renegotiation	TBD	TBD
DCF	5903082	1/31/2024	Office	7,700	\$161,546.00	Renegotiation	TBD	TBD
DCF	5903083	3/31/2023	Office	7,886	\$225,539.60	Renegotiation	TBD	TBD
DCF	5903068	4/30/2023	Office	8,372	\$138,138.00	Renegotiation	TBD	TBD
DCF	5903100	5/14/2023	Office	9,520	\$225,624.00	Renegotiation	TBD	TBD
DCF	5903125	1/31/2024	Office	9,702	\$207,622.80	Renegotiation	TBD	TBD
DCF	5903113	3/31/2023	Office	11,948	\$301,687.00	Renegotiation	TBD	TBD
DCF	5903143	3/31/2024	Office	15,000	\$330,000.00	Renegotiation	TBD	TBD
DCF	5903045	11/30/2022	Office	21,047	\$474,820.32	Renegotiation	TBD	TBD
DCF	5903150	3/31/2024	Office	26,600	\$479,864.00	Renegotiation	TBD	TBD
DEA	6500057	3/31/2023	Office	3,387	\$77,731.65	No Action	\$0.00	\$0.00

\*Data as reported by agencies

**Attachment 2 – Private Leases Greater Than 2,000 SF Expiring Between 7/01/2022 and 6/30/2024**

Agency	Lease Id	Expiration Date	Primary Use	Square Feet	Amount per Year	Action Status*	FY 22/23 Cost Variance*	FY 23/24 Cost Variance*
DEA	6500043	12/31/2023	Office	3,150	\$69,205.56	No Action	\$0.00	\$0.00
DEA	6500066	8/31/2023	Office	3,102	\$72,214.56	Pending	Approx \$19,000	Approx \$19,000
DEP	3700223	9/30/2022	Office	27,612	\$579,852.00	Renegotiation	Unknown - TBD	Unknown - TBD
DEP	3700226	10/31/2022	Office	3,200	\$38,720.00	Renegotiation	Unknown - TBD	Unknown - TBD
DFS	4300184	7/31/2022	Office	3,000	\$22,680.00	Renegotiation	TBD	TBD
DFS	4300193	5/31/2024	Office	3,572	\$133,771.40	Renegotiation	TBD	TBD
DFS	4300181	3/31/2023	Office	28,792	\$719,800.00	Renegotiation	TBD	TBD
DFS	4300191	12/31/2023	Office	19,285	\$332,666.25	Renegotiation	TBD	TBD
DFS	4300192	10/31/2023	Conditioned Storage	4,000	\$44,560.00	Renegotiation	TBD	TBD
DFS	4300158	1/31/2024	Office	7,976	\$136,309.84	Renegotiation	TBD	TBD
DHSMV	7600532	10/30/2023	Office	10,943	\$371,624.28	No Action	\$0.00	\$0.00
DHSMV	7600504	8/19/2023	Office	6,236	\$186,019.88	No Action	\$0.00	\$0.00
DHSMV	7600526	2/28/2023	Office	16,006	\$694,020.16	No Action	\$0.00	\$0.00
DHSMV	7600423	7/31/2022	Office	2,458	\$49,405.80	Pending	\$0.00	\$0.00
DHSMV	7600521	5/31/2024	Office	4,999	\$199,960.00	No Action	\$0.00	\$0.00
DJJ	8000426	5/31/2024	Office	11,362	\$222,695.20	No Action	\$0.00	\$0.00
DJJ	8000396	7/31/2023	Office	2,967	\$68,092.68	No Action	\$111.27	\$0.00
DJJ	8000377	8/31/2022	Office	4,457	\$60,971.76	Renegotiation	\$1,526.80	\$0.00
DJJ	8000417	1/31/2023	Office	10,695	\$193,686.45	Renegotiation	\$0.00	\$0.00
DJJ	8000409	9/30/2022	Office	3,000	\$53,250.00	Renegotiation	\$62.50	\$0.00
DJJ	8000376	10/31/2022	Office	6,529	\$146,902.50	Renegotiation	\$0.00	\$0.00
DJJ	8000380	3/31/2023	Office	11,499	\$261,027.30	Renegotiation	\$0.00	\$0.00
DJJ	8000421	1/31/2024	Office	6,626	\$194,936.92	No Action	\$7,349.51	\$0.00
DJJ	8000418	9/30/2023	Office	2,951	\$73,775.00	No Action	\$2,705.08	\$0.00
DJJ	8000293	7/31/2023	Office	4,999	\$120,875.82	No Action	\$2,245.32	\$0.00
DJJ	8000350	2/28/2023	Office	7,179	\$153,056.28	Renegotiation	\$0.00	\$0.00
DJJ	8000349	10/31/2023	Office	2,200	\$52,734.00	No Action	\$704.00	\$1,789.33
DJJ	8000309	10/31/2027	Office	2,994	\$65,568.60	No Action	-\$5,788.40	-\$6,544.88
DLA	4100095	9/30/2022	Office	13,385	\$291,659.15	Pending	\$20,712.24	\$21,428.38
DMA	6200062	7/31/2023	Office	7,088	\$59,512.92		\$1,785.39	\$1,838.95
DMA	6200065	9/24/2022	office	6,688	\$119,982.72		\$0.00	\$0.00
DOAH	7200168	5/31/2023	Office	3,973	\$99,325.00	No Action	TBD	TBD
DOAH	7200132	3/31/2023	Office	3,827	\$72,713.00	No Action	TBD	TBD
DOAH	7200122	3/31/2024	Office	2,909	\$53,932.86	No Action	TBD	TBD

\*Data as reported by agencies



**Attachment 2 – Private Leases Greater Than 2,000 SF Expiring Between 7/01/2022 and 6/30/2024**

Agency	Lease Id	Expiration Date	Primary Use	Square Feet	Amount per Year	Action Status*	FY 22/23 Cost Variance*	FY 23/24 Cost Variance*
DOAH	7200163	3/31/2023	Office	7,989	\$279,615.00	No Action	TBD	TBD
DOAH	7200109	11/30/2022	Office	3,919	\$76,420.50	No Action	TBD	TBD
DOE	4800852	6/30/2024	Office	3,818	\$106,904.00	Pending	\$0.00	\$0.00
DOE	4800880	5/31/2023	Office	2,160	\$46,591.20	Pending	\$0.00	\$0.00
DOE	4800773	9/30/2022	Office	2,922	\$88,390.50	Pending	\$0.00	\$0.00
DOE	4800778	2/28/2023	Office	3,500	\$91,000.00	Pending	\$0.00	\$0.00
DOE	4800790	7/31/2023	Office	6,233	\$121,543.50	Pending	\$0.00	\$0.00
DOE	4800827	9/30/2022	Office	2,739	\$55,519.53	Pending	\$0.00	\$0.00
DOE	4800782	6/30/2024	Office	3,500	\$101,500.00	Pending	\$0.00	\$0.00
DOE	4800797	5/31/2024	Office	3,451	\$79,234.96	Pending	\$0.00	\$0.00
DOE	4800794	2/29/2024	Office	3,420	\$76,163.40	Pending	\$0.00	\$0.00
DOE	4800877	5/31/2023	Office	14,561	\$214,774.80	Pending	\$0.00	\$0.00
DOE	4800769	7/31/2023	Office	2,265	\$58,890.00	Pending	\$0.00	\$0.00
DOE	4800786	1/31/2024	Office	8,629	\$293,386.00	Pending	\$0.00	\$0.00
DOE	4800774	3/31/2024	Office	3,402	\$78,620.22	Pending	\$0.00	\$0.00
DOH	6400308	9/30/2022	Office	43,576	\$960,850.80		TBD	TBD
DOH	6400406	7/31/2023	Conditioned Storage	4,988	\$76,416.16	Pending	TBD	TBD
DOH	6400336	2/29/2024	Office	4,862	\$177,949.20	Pending	TBD	TBD
DOH	6400405	7/31/2023	Office	4,800	\$66,960.00	Pending	TBD	TBD
DOR	7300405	8/31/2023	Office	36,591	\$786,706.50	Pending	TBD	TBD
DOR	7300312	8/31/2022	Office	9,730	\$244,028.40	Pending	TBD	TBD
DOR	7300370	6/30/2023	Office	4,999	\$123,725.25	Renegotiation	TBD	TBD
DOR	7300396	3/31/2024	Office	3,574	\$98,999.76	Pending	TBD	TBD
DOR	7300374	8/31/2023	Office	21,723	\$695,136.00	Pending	TBD	TBD
DOR	7300362	3/31/2023	Office	33,399	\$1,015,997.00	Reprocurement	TBD	TBD
DOR	7300392	6/30/2024	Office	27,660	\$784,161.00	Pending	TBD	TBD
DOR	7300267	6/30/2024	Office	4,981	\$139,468.00	Pending	TBD	TBD
DOR	7300341	4/30/2023	Office	26,744	\$625,542.10	Renegotiation	TBD	TBD
DOR	7300262	2/28/2023	Office	34,809	\$598,714.80	Renegotiation	TBD	TBD
DOR	7300270	6/30/2023	Office	5,242	\$156,001.92	Renegotiation	TBD	TBD
DOR	7300351	10/31/2023	Office	11,863	\$248,529.85	Pending	TBD	TBD
DOR	7300379	9/30/2022	Office	20,250	\$488,278.17	Renegotiation	TBD	TBD
DOR	7300371	9/30/2023	Office	8,882	\$168,758.00	Pending	TBD	TBD
FDC	7001131	6/30/2024	Office	7,537	\$201,614.75	No Action	\$0.00	\$0.00
FDC	7001137	5/31/2023	Office	5,598	\$172,082.52	No Action	\$0.00	\$0.00

\*Data as reported by agencies

**Attachment 2 – Private Leases Greater Than 2,000 SF Expiring Between 7/01/2022 and 6/30/2024**

Agency	Lease Id	Expiration Date	Primary Use	Square Feet	Amount per Year	Action Status*	FY 22/23 Cost Variance*	FY 23/24 Cost Variance*
FDC	7001134	12/31/2023	Office	4,102	\$102,550.00	No Action	\$0.00	\$0.00
FDC	7001142	5/31/2024	Office	5,540	\$0.00	No Action	\$0.00	\$0.00
FDC	7001156	4/30/2024	Office	2,943	\$57,388.50	No Action	\$0.00	TBD
FDC	7000964	9/22/2022	Office	9,773	\$172,004.80	Renegotiation	TBD	TBD
FDC	7001140	5/31/2024	Office	4,870	\$109,575.00	No Action	\$0.00	\$0.00
FDC	7000963	10/7/2022	Office	7,053	\$124,132.80	No Action	-\$71,491.46	-\$124,132.80
FDC	7001009	8/31/2022	Office	3,246	\$68,717.82	Pending	TBD	TBD
FDC	7001135	5/31/2024	Office	9,757	\$195,140.00	No Action	\$0.00	\$0.00
FDC	7001036	12/31/2023	Office	4,300	\$85,011.00	No Action	\$0.00	TBD
FDC	7001113	8/31/2022	Office	5,882	\$117,345.90	Renegotiation	-\$16,536.67	-\$19,844.00
FDC	7001062	10/24/2022	Office	6,351	\$133,371.00	Renegotiation	TBD	TBD
FDC	7001119	5/31/2023	Office	3,212	\$70,503.40	Pending	TBD	TBD
FDC	7000935	1/31/2024	Office	2,340	\$49,140.00	No Action	\$0.00	TBD
FDC	7001129	1/31/2023	Office	2,607	\$43,015.50	Renegotiation	\$0.00	TBD
FDC	7001132	8/31/2022	Office	7,337	\$157,745.50	Renegotiation	\$2,445.66	\$14,674.00
FDC	7001128	7/31/2023	Office	4,475	\$120,153.75	No Action	\$0.00	\$0.00
FDC	7001183	4/30/2024	Office	4,584	\$165,024.00	No Action	\$0.00	\$0.00
FDC	7001101	9/30/2022	Office	9,300	\$166,377.00	Renegotiation	TBD	TBD
FDLE	7100255	11/30/2022	Unconditioned Storage	26,000	\$0.00	Pending	Unknown	Unknown
FDLE	7100265	1/31/2023	Office	30,620	\$1,140,595.00	Reprocurement	-\$479,075.40	\$0.00
FDLE	7100257	8/31/2023	Office	4,257	\$134,180.64	Pending	Unknown	Unknown
FDLE	7100260	10/31/2022	Office	4,800	\$89,040.00	Pending	Unknown	Unknown
FDLE	7100259	9/30/2022	Unconditioned Storage	3,500	\$33,285.00	Reprocurement	-\$7,988.40	\$0.00
FWCC	7700218	12/31/2022	Unconditioned Storage	6,777	\$62,483.94	Reprocurement	\$33,817.23	\$68,989.86
FWCC	7700211	3/31/2023	Office	4,642	\$95,114.58	Reprocurement	\$25,217.67	\$104,749.53
FWCC	7700237	3/31/2023	Office	4,995	\$98,301.60	Renegotiation	\$0.00	\$0.00
FWCC	7700208	6/30/2024	Office	4,558	\$59,755.38	Pending	\$0.00	\$0.00
Lottery	3600690	11/18/2022	Office	6,195	\$105,315.00	Reprocurement	\$6,195.00	N/A
Lottery	3600693	4/30/2024	Office	9,998	\$239,752.04	No Action	\$7,198.56	\$15,896.82
Lottery	3600691	1/31/2023	Office	7,438	\$241,065.58	Reprocurement	\$9,669.40	\$19,710.70
PERC	7200167	6/30/2024	Office	11,560	\$157,447.20	No Action	\$0.00	\$0.00
PSC	6100025	7/31/2022	Office	2,779	\$81,230.17	Pending	\$2,158.36	Pending
<b>Total Projected Cost Variance:</b>							<b>-\$437,976.34</b>	<b>\$117,555.89</b>

Note: The totals listed above include the “approx. \$19,000.00” for FY 22/23 and FY 23/24 as reported by DEA for lease 6500066.

\*Data as reported by agencies



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