

# Executive Summary

Board of Governors Meeting, March 12, 2025

## Jacksonville Office Space Lease

### Topic

This Consent Item requests Board approval to enter a lease agreement with Jacksonville IV FGF, LLC for office space in Jacksonville. The full-service lease will provide approximately 214,998 square feet of usable office space and approximately 5,000 square feet of warehouse space.

### History

The Department of Management Services (DMS) oversees the procurement and approval of all office space leases by Citizens, as set forth in Chapter 255, Florida Statutes, and accompanying rules. Consistent with the DMS property leasing process, Citizens utilized the DMS approved tenant broker CBRE Group, Inc. to represent Citizens and facilitate the leasing process.

With the assistance of CBRE, Citizens issued ITN 24-0031, wherein the stated intent of the ITN is to secure professional office space that aligns with the following goals:

- To provide a safe and secure work environment for Citizens' employees and visitors.
- To prioritize the overall impact of the office location on Citizens' employees.
- To obtain an office facility that supports team collaboration, professional development, operational efficiency, and policyholder service.
- To the extent practical, expedite the relocation of Citizens' operations to a space that meets Citizens' overall needs.
- To ensure the overall cost of the selected lease is reasonable and appropriate for the property that is determined to best meet Citizens' overall needs.

With Citizens' advice and counsel, CBRE conducted negotiations with the top four ranked properties, including completing a space test fit activity. After receiving best and final offers from the top four ranked properties, Citizens determined the best leasing value to be 8787 Baypine Road based on factors including alignment with the above referenced goals and the factors enumerated in s. 255.248(1) Florida Statutes (i.e., rental rate, renewal rate, operational and maintenance costs, tenant-improvement allowance, location, lease term, condition of facility, landlord responsibility, amenities, and parking).

### Recommendation

The recommendation is listed in the attached Consent Item.

## Jacksonville Office Space Lease

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other** \_\_\_\_\_

**CONSENT ITEM**

**Contract Amendment**

**Existing Contract Extension**

**Existing Contract Additional Spend**

**Previous Board Approval**

**Other Lease Agreement**

**Action Items:** Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

**Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

**Consent Items:** Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

<b>Purpose/Scope</b>	This Consent Item requests Board approval to enter a lease agreement with Jacksonville IV FGF, LLC for office space in Jacksonville. The full-service lease will provide approximately 214,998 square feet of usable office space and approximately 5,000 square feet of warehouse space.
<b>Contract ID</b>	25-24-0012-00 Jacksonville Office Space Lease
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes, lease expenses are included in the annual budget. <input type="checkbox"/> No
<b>Procurement Method</b>	The Department of Management Services (DMS) oversees the procurement and approval of all office space leases by Citizens, as set forth in Chapter 255, Florida Statutes, and accompanying rules. Consistent with the DMS property leasing process, Citizens utilized the DMS approved tenant broker CBRE Group, Inc. to represent Citizens and facilitate the leasing process. With the assistance of CBRE, Citizens issued ITN 24-0031.
<b>Contract Amount</b>	\$24.94 per square foot (Average Annual Occupancy Cost), inclusive of tenant improvements, utilities, janitorial services, and on-site security.
<b>Contract Terms</b>	10-year initial term with two 5-year renewal options

## Jacksonville Office Space Lease

<b>Board Recommendation</b>	Staff recommends the Board of Governors: <ul style="list-style-type: none"><li>a) Approve and authorize staff to finalize the lease process with the awarded vendor; and</li><li>b) If a lease cannot be finalized with the awarded vendor, approve and authorize staff to finalize the lease process with the next ranked vendor; and</li><li>c) Upon receipt of approval from the Department of Management Services, approve and authorize staff to execute a final lease for a 10-year initial term, with two 5-year renewal terms, for the initial 10-year term, as set forth within the Consent Item; and</li><li>d) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li></ul>
<b>CONTACTS</b>	Jeremy Pope, Chief Administrative Officer  Brian Newman, Chief Legal Officer and General Counsel