

By the Committee on Governmental Oversight and Productivity;
and Senator Geller

302-2188-00

1 A bill to be entitled
2 An act relating to public property and
3 buildings; designating the procedure for the
4 sale of public property to the tenants doing
5 the majority of business in the public
6 property; authorizing the Division of Facility
7 Management to procure real estate appraisals on
8 the public property; requiring the Board of
9 Trustees of the Internal Improvement Trust Fund
10 to institute a procedure to negotiate the sale
11 and privatization of certain public property
12 and buildings; providing an effective date.
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14 WHEREAS, the State of Florida currently owns
15 significant public properties and buildings located on those
16 public properties, known as state facilities, and
17 WHEREAS, the Legislature wishes to promote businesses
18 within Florida while upgrading certain state facilities
19 through privatization, and
20 WHEREAS, certain state facilities need substantial
21 capital improvements to continue to provide the services
22 necessary for the Florida businesses, and
23 WHEREAS, it is the Legislature's public policy to
24 promote private industry in areas such as property
25 construction, renovation, and management, and
26 WHEREAS, certain state facilities are operating without
27 substantial capital improvements to fully optimize the use of
28 the state facilities, NOW, THEREFORE,
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30 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. The Board of Trustees of the Internal
2 Improvement Trust Fund shall institute a program of
3 privatization of certain state facilities.

4 (1) The Board of Trustees of the Internal Improvement
5 Trust Fund shall privatize certain state facilities where the
6 majority private business tenants on the facility are private
7 businesses, the majority private business tenants petition the
8 board of trustees, and the facility meets one or more of the
9 following criteria:

10 (a) The state facility is more than 25 years old and
11 is in need of substantial capital improvements;

12 (b) The Office of Program Policy Analysis and
13 Government Accountability has issued a report questioning the
14 long-term viability of the state facility or states that the
15 sale of the state facility is appropriate;

16 (c) The state agency has provided in its budget for
17 substantial capital improvements to the state facility and the
18 budget request has gone unfunded for 2 consecutive years; or

19 (d) The state facility requires asbestos removal from
20 the buildings on the facility and such removal has not been
21 undertaken within 2 years of discovery.

22 (2) For purposes of this section, the term:

23 (a) "Substantial capital improvement" means that the
24 capital improvements' cost would exceed 25 percent of the
25 appraised value of the property, including the cost of removal
26 and replacement of outdated buildings on the public property.

27 (b) "State facility" means public property and
28 buildings consisting of 25 acres or less of state-owned land
29 that is improved with office space and is leased by the state
30 to private tenants that occupy the majority of the square
31 footage of the leased space.

1 (c) "Majority private business tenants" means the
2 nongovernmental lessees of the state facilities which lease
3 the majority of the square footage of state facilities which
4 is for lease.

5 (3) The Board of Trustees of the Internal Improvement
6 Trust Fund shall have 6 months from the date of the receipt of
7 the petition to procure three appraisals of the facility for
8 purposes of negotiating with the petitioning tenants to sell
9 the state facility for the average price of the appraisals.

10 (4) The agreement for purchase shall be executed by
11 the Board of Trustees of the Internal Improvement Trust Fund
12 within 9 months after the date of the receipt of tenant
13 petition and shall be for the average price of the three
14 appraisals.

15 (5) Notwithstanding any other law to the contrary, the
16 majority private business tenants shall have a right of first
17 refusal to purchase the state facility, provided the majority
18 private business tenants have petitioned the state in their
19 petition. Such right of first refusal must be exercised within
20 90 days after notice of the sale to the tenants.

21 Section 2. This act shall take effect upon becoming a
22 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 1902
4 Provides that the Board of Trustees of the Internal
5 Improvement Trust Fund (BOT), rather than the Department of
6 Management Services, must sell a state facility under
7 specified circumstances.
8 Adds definitions.
9 Clarifies that the BOT must obtain three appraisals, rather
10 than "up to" three appraisals.
11 Increases the amount of time the BOT has to execute a purchase
12 agreement from 90 days to 9 months.
13 Deletes the bill's provision concerning how proceeds of the
14 sale would be appropriated.
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