



Date: September 1, 2022

To: Maria Wagenhofer, Legislative Services Agency

From: Adam Steen, Director

RE: New Lease by and between KC Real Estate, LC and Iowa Department of Administrative Services on behalf of and for the benefit of the Iowa Department of Human Services, Child Support Recovery Unit

Leased Premises: Approximately, 5,341 Square Feet of office space and 1,755 square feet of storage space, conference room and common area located at 420 Watson Powell Jr Way, Suite 150, Des Moines, Iowa 50309

Term of Lease: The lease shall commence on October 1, 2022 and shall end on September 30, 2029.

Cost of the Lease: For the lease term commencing on October 1, 2022 through September 30, 2025, the annual cost of this lease will be \$88,125.12 or \$16.50 per square foot per year for office space and \$15,799.32 or \$9.00 per square foot per year for storage space, payable in equal monthly installments of \$8,660.36 per month.

For the lease term commencing on October 1, 2025 through September 30, 2029, the annual cost of this lease will be \$93,465.96 or \$17.50 per square foot per year for office space and \$16,677.00 or \$9.50 per square foot per year for storage space, payable in equal monthly installments of \$9,178.58 per month.

The tenant will also pay \$17,940.00 per year for parking and a one-time tenant improvement cost of approximately, \$64,482.00. The total cost of this lease with parking and the tenant improvement cost is estimated to be \$942,407.16.

Source of Funding: The funding is split between the State (34%) and Federal (66%) program match.

Consequences of delaying or abandoning the lease: Delaying or abandoning the lease for the Des Moines Child Support office would directly impact nearly 33,925 families in the 14-county area served by the Des Moines Child Support office. As one of the busiest offices in the state, with an average of more than 300 customer visits per month, this would result in reduced or delayed services for the many customers who work and live downtown and appreciate the easy access and convenience this office provides. The Des Moines location in the heart of downtown offers the ability for customers to obtain needed paperwork for going to the Polk County courthouse, and are able to share important legal actions without delay. In addition, the new location is directly accessible by public transportation and will be co-located with Iowa Refugee Services, a clear benefit to our common customers. Other region locations are well outside the downtown metro and would require a 25 to 30 minute drive for customers, especially the many who work and do business downtown.

We are submitting the above information, pursuant to 2021 Iowa Acts, House File 314. If you have questions or comments, please do not hesitate to contact Barbara Bendon at 515-281-8887 or email [Barbara.Bendon@Iowa.gov](mailto:Barbara.Bendon@Iowa.gov).