



Governor Kim Reynolds  
Lt. Governor Adam Gregg

Adam Steen, Director

Date: December 29, 2022

To: Xavier Leonard, Legislative Services Agency

From: Adam Steen, Director

RE: Lease Renewal by and between Des Moines Area Community College and Iowa Department of Administrative Services on behalf of and for the benefit of the Iowa Department of Inspections and Appeals, Iowa Racing & Gaming Commission, 1300 Des Moines Street, Des Moines, Iowa 50319

Leased Premises: Approximately, 5,030 Square Feet of office space located at 1300 Des Moines Street, Des Moines, Iowa 50319

Term of Lease: The lease shall commence on February 1, 2023 and shall end on January 31, 2028.

Cost of the Lease: For the lease term commencing on February 1, 2023 through January 31, 2028 the annual cost of this lease will be \$82,995.00 or approximately, \$16.50 per square foot per year payable in equal monthly installments of \$6,916.25 per month. The total cost of this lease contract is \$414,975.00.

Source of Funding: The Iowa Racing and Gaming Commission (IRGC) receives no general fund money. The source of money is a revolving fund made up of regulatory fees paid by the industry.

Consequences of delaying or abandoning the lease: Not renewing this lease would result in considerable disruption and expense for IRGC. IRGC has spent over \$100,000 in the last 5 years to update the existing office space. This included purchasing cubicles and furniture specific to that space. At the time those costs were expended it was with the understanding that IRGC had two automatic additional five-year terms on the current lease at fair market value. IRGC did view other office space with a DAS representative. However, the space was not conducive to the existing furniture and would have resulted in significant expense for remodeling of the space or acquiring additional furnishings or both. In addition, the lease costs, not including buildout, were higher than the proposed amount from the current landlord.

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).