



Date: July 27, 2023

To: Xavier Leonard, Legislative Services Agency

From: Adam Steen, Director

RE: Lease renewal by and between 535 SW 7<sup>th</sup> Street, LLC and Iowa Department of Administrative Services on behalf of and for the benefit of the Iowa Department of Inspections, Appeals and Licensing

Leased Premises: Approximately, 36,071 Square Feet of office space located at 535 SW 7<sup>th</sup> Street, Des Moines, Iowa 50309

Term of Lease: The lease shall commence on September 1, 2023 and shall end on February 28, 2025.

Cost of the Lease: For the lease term commencing on September 1, 2023 through February 28, 2025, the annual cost of this lease will be approximately, \$606,714.24. The total cost of this lease is estimated to be \$910,071.36.

Source of Funding: 100% federally funded through the Social Security Administration.

Consequences of delaying or abandoning the lease: Cessation of this contract for space would stop the business of the DDS in processing over 35,000 disability claims per year, including the review of continuing eligibility. There would be a major impact to disabled citizens in delayed decisions, economic security, and access to medical services and coverage. Per CFR 404.1503, State Agencies make disability and blindness determinations for the Commissioner for most persons living in the State. They make these decisions under federal regulation. Failure to provide the funded infrastructure for this program would incur a loss of federal money for the administration of services and withdrawal of over \$32 million/yr. to the State of Iowa. Further, the DDS may be required to reimburse the federal government. Service delivery may be taken over by the Social Security Administration. Finally, Social Security disability benefits may be delayed to the citizens of Iowa, including Medicare, Medicaid, survivors' benefits and disbursements to health care providers.

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).