



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

Contact: David A. Vaudt
515/281-5835
or Tami Kusian
515/281-5834

FOR RELEASE _____ December 20, 2004 _____

Auditor of State David A. Vaudt today released a report on a review conducted in accordance with Chapter 11 of the *Code of Iowa* on the State's leased space. Vaudt reviewed the procedures used by General Services and other State agencies for leasing space and compliance with relevant laws and procedures for selected leases during fiscal years 1999 through 2003.

Vaudt reported the State of Iowa spent approximately \$11.3 million during fiscal year 2003 to lease space for 21 State agencies. Of that amount, approximately \$7 million was spent to lease space in the Des Moines area, while the balance was spent to lease space in other locations throughout Iowa. At June 30, 2003, the State held 273 leases for over 1 million square feet of office space. In addition to office space, the State also leased space for parking and storage. The following table summarizes the cost of leasing space and the number of leases and State employees for fiscal years 1999 through 2003.

Fiscal Year	Number of Leases	Total Cost of Leased Space	Number of Full-Time Equivalent Employees
1999	243	\$ 10,377,228	19,617
2000	255	10,381,097	20,246
2001	280	11,717,687	20,359
2002	273	11,526,571	18,953
2003	273	11,292,060	18,977

Vaudt reported the *Code of Iowa* provides General Services the authority to lease buildings and space necessary for the proper functioning of any State agency at the seat of government, except for specific agencies given statutory exemptions. However, the *Code* does not provide specific authority to General Services to lease facilities for State agencies' field offices located throughout the State. Vaudt recommended General Services be given clear authority for leasing buildings and space throughout the State. A centralized leasing authority would help ensure competitive lease rates and consistent lease terms. Vaudt also recommended General Services develop a consistent lease reporting process requiring all State agencies to report lease information and corresponding staff numbers.

Vaudt's report also includes information from a space utilization and building study conducted by a consultant hired by General Services. The consultant concluded leasing is more costly than ownership. Vaudt concurred it is important to continue emphasizing reduction of the amount of leased space. Vaudt recommended the General Assembly continue to work with General Services in the implementation of the recommendations made in the study or other alternatives to reduce the number of leases.

In addition, Vaudt reported several state agencies did not consistently share lease information with General Services for leases outside of the Des Moines area. Vaudt recommended the agencies comply with statutory leasing requirements. Vaudt also reported the Board of Regents elected to discontinue using leases established by General Services. In addition, Vaudt reported some State agencies have not consistently complied with the statutory requirement for Executive Council approval of leases and have not consistently complied with leasing rules, procedures, standards and guidelines established by General Services. In addition, State agencies did not always use General Services' standard lease agreement for establishing leases.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at www.state.ia.us/government/auditor/reports.

#

**A REVIEW OF THE STATE'S LEASED SPACE
AND THE LEASING PROCESS**

**GENERAL SERVICES ENTERPRISE OF THE
DEPARTMENT OF ADMINISTRATIVE SERVICES**

JULY 1, 1998 THROUGH JUNE 30, 2003

Table of Contents

	<u>Page</u>
Auditor's Transmittal Letter	3
Executive Summary	4-6
Introduction	7-8
Scope and Methodology	9
State of Iowa Leasing Process	10-17
Examination of Leases	17
Collocation of State Agencies	17
Space Utilization and Building Study Highlights	18-21
Standard Lease Agreement Terms and Conditions	21-22
Recent Developments	22-23
Findings and Recommendations:	
1. Expand General Services' Leasing Authority	23-25
2. Leasing Versus Building Considerations	25-27
3. Leases Executed Prior to Executive Council Approval	27
4. Required Lease Clauses Not Included	27-28
<u>Schedules:</u>	<u>Schedule</u>
Des Moines Area Leases	1 30-35
Leases Outside the Des Moines Area	2 36-51
Leases Outside the Des Moines Area By County	3 52-57
Des Moines Area Leases By Collocation	4 58-63
Leases Outside the Des Moines Area By Collocation	5 64-79
Staff	80
<u>Appendices:</u>	<u>Appendix</u>
Leasing Procedures for Offices Located in Des Moines	A 82-85
Leasing Procedures for Offices Located Outside of the Des Moines Area	B 86-89
Space Utilization and Building Study Recommendations and Scenario Costs	C 90-92



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Governor, Members of the General Assembly and the
Director of the Department of Administrative Services:

In accordance with Chapter 11 of the *Code of Iowa*, we have conducted a review of the State's leased space primarily established by the Department of General Services (now the General Services Enterprise of the Department of Administrative Services) and other State agencies. In conducting our review of General Services' leasing of buildings and space for State agencies between fiscal years 1999 and 2003, we performed the following procedures:

1. Reviewed relevant laws, administrative rules, procedures and guidelines.
2. Reviewed past space utilization and building studies conducted by the Legislative Fiscal Bureau and a consultant under contract with General Services.
3. Interviewed various personnel and reviewed related information to obtain an understanding of the leasing processes established by General Services.
4. Examined selected leases entered into for various State agencies to determine whether:
 - a. Leasing practices complied with significant aspects of leasing laws, administrative rules and procedures.
 - b. Required lease terms were included in selected leases.
 - c. A current lease was in effect for space being used.
 - d. Lease terms were reasonably consistent with similar leases.
5. Compiled amounts paid to property owners.
6. Observed leased space at SW 7th and SW 8th Streets in Des Moines.
7. Reviewed and analyzed trends in total lease costs and square footage for fiscal years 1999 through 2003.

Based on these procedures, we have developed certain recommendations and other relevant information we believe should be considered by the Department of Administrative Services, the Governor and the General Assembly.

We extend our appreciation to the management and staff at the Department of Administrative Services for the courtesy, cooperation and assistance provided to us during this review.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

July 9, 2004

EXECUTIVE SUMMARY

At June 30, 2003, the State of Iowa held 273 leases covering over 1 million square feet of office space for 21 State agencies. In addition to office space, the State also leased space for parking and storage. The leased space included 503,965 square feet in the Des Moines area with the balance leased throughout Iowa. The total cost for leased space was approximately \$11.5 million for fiscal year 2002 and \$11.3 million during fiscal year 2003. The total cost of leasing space and the number of leases for fiscal years 1999 through 2003 is as follows:

State-wide Lease Totals		
Fiscal Year	Annual Cost	Number of Leases
1999	\$ 10,377,228	243
2000	10,381,097	255
2001	11,717,687	280
2002	11,526,571	273
2003	11,292,060	273

Section 18.12 of the *Code of Iowa* authorized the Department of General Services to lease all buildings and office space necessary for the proper functioning of any State agency at the seat of government except for elected State officials, the Legislative Branch, the Judicial Branch, Board of Regents institutions, Legislative Council and the Iowa Public Employees' Retirement System.

Leasing is generally done in the Des Moines area when a State agency located on the Capitol Complex expands a program, establishes a new program or must temporarily relocate because of planned renovation or restoration of a building. If no space is available on the Capitol Complex for such State agencies, leases are executed for or by the State agencies. General Services has established office space procedures and standards for the purpose of standardizing office space management in order to effectively plan and utilize space and to promote connectivity and reuse of modular office systems.

Our review focused on the State agencies' leases and the leasing processes and procedures used by General Services and other State agencies. We also selected certain leases of State agencies for a detailed review of the leases and related activity for fiscal years 1999 through 2003 and reviewed overall leasing expenditures through fiscal year 2003. We did not review leases of elected State officials, the Legislative Branch, the Judicial Branch, the Iowa Lottery Authority, institutions governed by the Board of Regents, the Legislative Council and the Iowa Public Employees' Retirement System because those entities have their own authority under the *Code of Iowa* for leasing space.

General Services maintains a lease database for State agencies' office space, storage and parking leases in the Des Moines area. The annual cost, square feet and number of leases in the Des Moines area by lease type for fiscal years 1999 through 2003 is as follows:

Des Moines Area Leases								
Fiscal Year	Office Space			Storage			Parking	
	Annual Cost	Square Feet	# of Leases	Annual Cost	Square Feet	# of Leases	Annual Cost	# of Leases
1999	\$ 6,654,480	519,529	44	\$ 14,527	2,767	1	\$ -	-
2000	6,248,080	475,165	44	14,527	2,767	1	-	-
2001	7,449,243	564,770	50	19,507	4,237	4	26,400	3
2002	7,154,392	516,017	44	19,507	4,237	4	18,000	2
2003	7,032,924	503,965	38	33,018	6,660	6	22,800	2

Source: General Services

A Review of the State's Leased Space and the Leasing Process

General Services also assists State agencies with leasing property when a State agency needs to operate a "field" office at a location outside Des Moines. During this process, General Services offers collocation opportunities, if possible. General Services was able to provide us a listing of leases outside the Des Moines area for fiscal year 2002. However, there were no assurances the listing was complete. The Department of Natural Resources (DNR) and Iowa Workforce Development (IWD) did not report annual lease cost, square feet and number of leases to General Services. Information collected by General Services was also incomplete for additional agencies. Therefore, we obtained information for leases outside the Des Moines area directly from various State agencies for fiscal years 1999 through 2003. The cost of the leases is summarized as follows:

Leases Outside the Des Moines Area						
Department	Fiscal Years					Total
	1999	2000	2001	2002	2003	
Blind	\$ 27,808	29,071	33,400	37,176	36,225	163,680
Education – Vocational Rehabilitation	226,886	241,665	231,342	263,279	267,027	1,230,199
Human Services	857,575	1,128,918	1,212,319	1,190,084	985,512	5,375,408
Inspections and Appeals	418,400	470,296	488,586	514,614	526,000	2,417,896
Natural Resources	185,143	195,245	212,629	251,500	295,619	1,140,136
Public Safety	42,992	42,069	41,131	29,468	30,931	186,591
Revenue and Finance	265,831	305,111	314,375	322,474	327,955	1,535,746
Secretary of State	-	-	-	-	1,260	1,260
Workforce Development	1,683,586	1,706,115	1,687,755	1,726,077	1,732,789	8,536,322
Total Cost	<u>\$ 3,708,221</u>	<u>4,118,490</u>	<u>4,222,537</u>	<u>4,334,672</u>	<u>4,203,318</u>	<u>20,587,238</u>
Total Number of Leases	<u>198</u>	<u>210</u>	<u>223</u>	<u>223</u>	<u>227</u>	

Source: General Services and various State agencies

During the last few years, General Services and other State agencies have collocated some State services in the Des Moines area and throughout the State. Some State agencies, such as Vocational Rehabilitation Services and Iowa Workforce Development, provide services to similar clients and it works well to be at the same location. It is important to continue pursuing collocation opportunities when possible and practical for State services in the Des Moines area and throughout the State to help reduce costs and facilitate accessibility of service to the citizens of the State by having as many services available at the same location.

Finding Highlights

The findings we identified during our review of the State's leased space and the leasing process, include the following:

- ◆ The *Code of Iowa* allows General Services to establish leases for most State agencies needing additional space in Polk County and contiguous counties. However, the *Code of Iowa* does not provide specific authority to General Services to establish leases for State agencies' field offices located throughout the State. A centralized leasing authority would help ensure competitive lease rates and consistent lease terms.

It is also important for a central authority, such as General Services, to have leasing authority for all State agencies throughout the State so collocation opportunities may be maximized and a consistent reporting process for leases may be established. It is essential General Services be provided information for all leases, regardless of lease location, to allow more effective management of State agencies' space.

A Review of the State's Leased Space and the Leasing Process

- ◆ The Space Utilization and Building Study report completed by RDG Bussard Dikis Architects, a consultant under contract with General Services, concluded leasing is more costly than ownership. It is important for the State to continue emphasizing reduction of the amount of leased space and consolidate services as much as possible and practical. The State could effectively reduce the amount of leased space in the Des Moines area by half if a building similar to the Lucas Building was constructed or purchased.
- ◆ Some State agencies have not consistently complied with the *Code of Iowa* requirement for Executive Council approval of leases.
- ◆ Some State agencies do not consistently comply with the rules, procedures, standards and guidelines established by General Services to help ensure leasing costs are minimized and to avoid unnecessary leased space.
- ◆ State agencies did not consistently use General Services' standard lease agreement for establishing necessary leases or ensure all required lease clauses, attachments and signatures were appropriately included.

Introduction

To the extent possible, State agencies are located in buildings on the State Capitol Complex. However, there has not been enough space available at the State Capitol Complex to house all State employees located in the Des Moines area. Therefore, space has been leased by the State at various locations in the Des Moines area. In addition, space has been leased throughout the state to house various agencies' field operations and personnel.

At June 30, 2003, the State held 273 leases covering over 1 million square feet of office space for 21 State agencies. In addition to office space, the State also leased space for parking and storage. The leased space included 503,965 square feet in the Des Moines area with the balance leased throughout Iowa. The total cost for leased office space was approximately \$11.3 million for the fiscal year ended June 30, 2003. **Table 1** summarizes the cost of leasing space and the number of leases and State employees for fiscal years 1999 through 2003.

Table 1

Fiscal Year	Number of Leases	Total Cost of Leased Office Space	Number of Full-Time Equivalent Employees
1999	243	\$ 10,377,228	19,617
2000	255	10,381,097	20,246
2001	280	11,717,687	20,359
2002	273	11,526,571	18,953
2003	273	11,292,060	18,977

Source: General Services, various State agencies and "Just the Facts 2003" published by the Iowa Department of Administration Services. Excludes Board of Regents institutions during fiscal year 1999 through 2003 and the Board of Regents Office for fiscal year 2003.

We have reviewed the State's processes and procedures for leasing space. We have also reviewed specific leases and compiled the costs associated with leasing space.

Code Authority – Section 18.12 of the *Code of Iowa* established General Services' responsibility for leasing buildings and office space necessary for the proper functioning of any State agency at the seat of government except for entities given leasing authority under the *Code of Iowa*, including elected State officials, the Legislative Branch and the Judicial Branch from the definition of State agency. Also, the Board of Regents institutions, Legislative Council and Iowa Public Employees' Retirement System have their own authority for leasing. According to personnel from General Services, the seat of government includes space at the Capitol, other State buildings and elsewhere in the City of Des Moines for applicable Executive Branch State agencies. In accordance with the *Code of Iowa*, if no specific appropriation has been made for the lease of a building or space, the proposed lease must be submitted to the Executive Council for approval.

Effective September 1, 2003, the Iowa Lottery Division became the Iowa Lottery Authority. The Authority is deemed to be a public authority and instrumentality of the State and now has statutory authority found in Chapter 99G of the *Code of Iowa* to enter into its own leases.

Process – General Services leases buildings and space necessary for State government to carry out its work. Space is generally leased when a State agency located on the Capitol Complex expands a program or establishes a new program and sufficient space is not available on the Capitol Complex. Also, leases may be established in the event of planned renovation or restoration of a building that temporarily requires an agency to relocate off the Capitol Complex.

Staff from General Services also assist State agencies with other needs related to obtaining adequate space, such as selecting an appropriate vendor to design a floor plan that will comply with applicable federal and state laws and regulations and demonstrates efficient utilization of space.

To standardize office space management, General Services has established office space procedures and standards. The standards allow effective planning and utilization of office space and promote connectivity and reuse of modular office systems. The procedures outline the responsibilities of State agencies' use of office space assigned to them and General Services' responsibilities to manage and coordinate changes to a State agency's use of its assigned space.

The Office Space Standards developed by General Services are based on employee staff levels and apply to office space in the Des Moines area and throughout the state. **Table 2** summarizes office space standards by type.

Table 2

Office Space Type	Office Size (in square feet)	Size of walls/system furniture
Department Director	300	Floor to ceiling office walls
Governor's Appointee other than a Department Director	160	80" or lower
Division Administrator	140	80" or lower
Bureau Chief	100	62" or lower
Support Personnel (Professional/Technical)	80	62" or lower
Support Personnel (Technical/Clerical)	64	62" or lower
Data Entry, Field Support Office, etc.	25 to 48	62" or lower
Conference Room Space	18 x 20 for 20 to 25 people 15 x 18 for 12 to 15 people	-

Reorganization of General Services – The 2003 Regular Session of the 80th General Assembly of the State of Iowa enacted House File 534 which provided for the reorganization of certain State agencies by establishing a Department of Administrative Services. Effective July 1, 2003, several agencies were renamed as a result of the reorganization. The Department of General Services was included as part of the reorganization and has been renamed the General Services Enterprise within the Department of Administrative Services. The Department of General Services and the General Services Enterprise will both be referred to as General Services for the remainder of this report.

Also as result of the organizational changes, regulations and rules found in the *Code of Iowa* and the Iowa Administrative Code referred to in this report have been moved from the Department of General Services to the Department of Administrative Services. Effective July 1, 2003, Chapter 18 of the *Code of Iowa* has been rescinded and comparable language is now found in Chapter 8A. Additionally, administrative rules previously found in Iowa Administrative Code [401] Chapter 3 for General Services are now located in [11] Chapter 100. The *Code* sections in effect at July 1, 2003 will be referred to in the recommendations of this report.

In addition to the administrative rules contained in the Iowa Administrative Code, General Services had detailed lease procedures in place, such as space standards, leasing procedures for space in the Des Moines area and leasing procedures for field offices located outside of the Des Moines area. General Services' lease procedures are still in effect even with the change in location of the administrative rules.

Scope and Methodology

Our review included leases and the processes and procedures used by General Services and other State agencies when establishing leases. We also selected certain leases for a detailed review of the lease terms, conditions and related activity for fiscal years 1999 through 2003. In addition, we reviewed total expenditures by State agencies for fiscal years 1999 through 2003. We did not review the Board of Regents institutions' leases or leases for the Legislative Council or the Iowa Public Employees' Retirement System because they have their own authority under the *Code of Iowa* for leasing space.

During our review we:

1. Reviewed relevant sections of the *Code of Iowa*, administrative rules, procedures and guidelines.
2. Reviewed past space utilization and building studies conducted by the Legislative Fiscal Bureau and consultants under contract with General Services, including the:
 - a. Office Space Needs for State Agencies in the Des Moines Area – Issue Review dated September 21, 1993 by the Iowa Legislative Fiscal Bureau. The Issue Review provided information from a historical perspective.
 - b. Capitol Complex Master Plan – Dated April 19, 2000 and prepared by Brooks Borg Skiles Architecture Engineering in association with Zimmer Gunsul Frasier Partnership. The Iowa General Assembly appropriated funds to General Services for preparation of a master plan for physical facilities on the Capitol Complex. The plan was created for use as a resource for making decisions concerning the restoration and preservation of existing buildings and additional buildings.
 - c. State of Iowa Space Utilization and Building Study for the Department of General Services – Dated October 9, 2000 and prepared by RDG Architects. The purpose of the study was to recommend the most logical and economical options to address State government space needs in the Des Moines area to the year 2010. The study includes building square footage, location, phasing, financing, method of project delivery and estimated cost.
3. Interviewed various personnel and reviewed related information to obtain an understanding of the leasing processes used by General Services.
4. Examined selected leases entered into for various State agencies to determine whether:
 - a. Leasing practices complied with significant aspects of leasing laws, administrative rules and procedures.
 - b. Required lease terms were included in selected leases.
 - c. A current lease was in effect for space being used.
 - d. Lease terms were reasonably consistent for similar leases.
5. Compiled the amounts paid to property owners.
6. Observed leased space at SW 7th Street and SW 8th Street in Des Moines
7. Reviewed and analyzed trends in total lease costs and square footage for fiscal years 1999 through 2003.

State of Iowa Leasing Process

General Services' leasing services are composed of three elements:

- ❖ Lease all buildings and space at the seat of government.
- ❖ Coordinate leasing throughout the state for agencies.
- ❖ Promote the collocation of State agencies.

General Service's website includes leasing contact information, procedures, space allocation forms and other information regarding the procedures State agencies need to follow for requesting space on the Capitol Complex, leased space in the Des Moines area and leased space outside of the Des Moines area.

Des Moines Area Leased Space

Leasing procedures – State agencies on the Capitol Complex and in the Des Moines area are required to follow procedures established by General Services when requesting a change in space in the Des Moines area. The procedures help ensure State agencies' needs are addressed in an efficient manner.

If work is required to prepare leased space for occupancy, an agency must notify General Services in writing at least 45 days prior to expected completion of the work. State agencies must provide General Services the following information:

- a. Name of the department and division making the request and the contact person's name, title and phone number.
- b. Reason for the request, including changes in full-time equivalent employees or programs, special equipment and any special needs to be considered with the request.
- c. The groups proposed to be moved and the number of employees in each group. The individuals must be identified as permanent, temporary or contract employees.
- d. A statement confirming funds for the project are available, including the source of funding and the estimated budget amount.
- e. Desired completion date of move and required date of occupancy. The agency is to include any known time constraints.

General Services has established "Leasing Procedures for Offices Located in Des Moines and Metropolitan Area". A copy of the procedures is included in **Appendix A**. The following steps summarize the process for leasing space in the Des Moines area.

Step 1: Decision factors – Reasons for leasing should be identified, such as program requirements and number of employees.

Step 2: Guidelines and Standards – General Services has developed guidelines and standards to be used to assist an agency in determining the amount of square footage required for personnel space and special facilities within the space.

Step 3: Factors and Criteria Considered for Locating Lease Space – General Services' staff meet with the agency's representative to discuss facility requirements, agency programmatic objectives, timeframes and deadlines and to encourage collocation opportunities.

Step 4: Selection Criteria – Representatives from General Services and the agency select the location of the leased facility based on the program requirements of the agency. Factors such as urban redevelopment, federal, county or state program requirements, proximity to critical facilities and location of customers are considered. When possible, an attempt to collocate State agencies is pursued in an effort to reduce costs.

Step 5: Lease Negotiations – General Services negotiates for the required space and general lease terms with the prospective landlord.

Step 6: Americans with Disabilities (ADA) Act – When negotiating a lease, lease renewal or lease addendum, an ADA assessment is performed. Representatives of General Services and the Department of Human Rights conduct a physical site inspection to ensure compliance with federal and state accessibility laws.

Step 7: Preparation and Execution of Lease Contract – The lease agreement, lease renewal or lease amendment is prepared using the standard lease agreement format with applicable minor modifications.

Step 8: Supervise and Manage Build-out/Tenant Improvements of Lease Facility – General Services coordinates and manages the build-out and tenant improvement process from the initial planning stages of construction until the tenant's occupancy of the newly constructed space.

General Services' Responsibilities – Once a lease has been established, General Services assumes the following duties and responsibilities:

- ◆ Track, update and maintain all original lease agreements and files.
- ◆ Prepare and execute amendments to the lease agreement, as necessary.
- ◆ Review and approve justifiable requests for modifications to leased premises, including tenant improvements and work orders.
- ◆ Supervise and manage remodeling projects, tenant improvements and work orders for leased facilities.
- ◆ Update and maintain database for all leases.
- ◆ Review proposed annual increases in operating expense costs.
- ◆ Year end reconciliations of Annual Operating Expenses (utilities and taxes).
- ◆ Audit landlord's financial documentation pertaining to the leased space, as necessary.
- ◆ Payments of lease invoices when the space is leased to facilitate a renovation.
- ◆ GAAP reporting requirements, when General Services is paying the lease.

Agency Responsibilities – Additional lease duties and responsibilities assumed by the leasing agency include:

- ◆ Maintain and track the agency's lease agreement and files.
- ◆ Timely execution of amendments to the lease agreement, as necessary.
- ◆ Contact General Services for requests to modify the leased premises, including tenant improvements and work orders.
- ◆ Year end reconciliations of Annual Operating Expenses (utilities and taxes).
- ◆ Review proposed annual increases in operating expense costs.
- ◆ Payments of lease invoices, if appropriate.
- ◆ GAAP reporting requirements, when the agency is paying the lease.

Lease Database – Table 3 summarizes information from General Services' lease database. The table categorizes office space into "regular leases" and "Infrastructure/Innovative Fund."

The "regular leases" include recurring leases entered into by General Services in cooperation with State agencies. "Infrastructure leases" for fiscal years 2001 through 2003 consist of leases primarily executed for relatively short time periods that will not be needed once construction or renovation of space is completed for affected State agencies. However, leased space has been included in the "Infrastructure leases" since December 15, 1998 for the Department of Corrections, Board of Parole and Iowa Prison Industries. According to a representative of General Services, there are no plans to move these agencies from the leased space in the near future due to a lack of funding. These leases should be categorized as "regular leases."

A Review of the State's Leased Space and the Leasing Process

The Infrastructure lease category also includes 19,396 square feet of office space being leased at a cost of \$226,572 to house the Public Health Medical Examiner and the Public Safety (Division of Criminal Investigation) Dry Labs during fiscal year 2003. Space will continue to be leased until the construction of a new lab facility located on the Des Moines Area Community College campus in Ankeny is completed. The remaining 34,858 square feet, costing \$570,582 for fiscal year 2003, is space leased for the Department of Corrections, Board of Parole and Iowa Prison Industries.

The total cost and square feet for space leased for State agencies in the Des Moines area is presented in **Table 3** for fiscal years 2001 through 2003.

Table 3

Lease Category	Fiscal Year					
	2001		2002		2003	
	Cost	Square Feet	Cost	Square Feet	Cost	Square Feet
Office Space:						
Regular	\$ 6,457,927	493,476	\$ 6,152,963	444,723	\$ 6,235,770	449,711
Infrastructure/ Innovative Fund	991,316	71,294	1,001,429	71,294	797,154	54,254
Total	7,449,243	564,770	7,154,392	516,017	7,032,924	503,965
Other:						
Storage	19,507	4,237	19,507	4,237	33,018	6,660
Parking Lot	26,400	-	18,000	-	22,800	-
Grand Total	\$ 7,495,150	569,007	\$ 7,191,899	520,254	\$ 7,088,742	510,625

Source: General Services

Table 3 includes costs incurred for leasing space for the Board of Regents during fiscal years 2001 and 2002 while space for them on the State Capitol Complex was renovated. However, when General Services prepared to move the Board back to the Capitol Complex, the Board chose to enter into its own lease for space claiming authority found in section 262.9(14) of the *Code of Iowa*. Therefore, costs for the Board's lease costs incurred during fiscal year 2003 are not included in **Table 3**.

From fiscal year 2001 to 2003, the total square feet of office space leased in the Des Moines area decreased by 10.8%, from 564,770 square feet to 503,965 square feet. During this time, some State agencies moved back to the Capitol Complex after office space renovation was completed. In addition, the number of leases in the Des Moines area was reduced from 50 to 38 from fiscal year 2001 to 2003. During the same time period, the total office space lease cost for Des Moines area State agencies decreased by 5.6%, from \$7,449,243 to \$7,032,924.

Table 4 summarizes the annual cost, square feet and number of leases in the Des Moines area by lease type for fiscal years 1999 through 2003.

Table 4

Fiscal Year	Des Moines Area Leases							
	Office Space			Storage			Parking	
	Annual Cost	Square Feet	Number of Leases	Annual Cost	Square Feet	Number of Leases	Annual Cost	Number of Leases
1999	\$ 6,654,480	519,529	44	\$ 14,527	2,767	1	\$ -	-
2000	6,248,080	475,165	44	14,527	2,767	1	-	-
2001	7,449,243	564,770	50	19,507	4,237	4	26,400	3
2002	7,154,392	516,017	44	19,507	4,237	4	18,000	2
2003	7,032,924	503,965	38	33,018	6,660	6	22,800	2

Source: General Services

Schedule 1 summarizes each lease held in the Des Moines area by various State agencies during fiscal year 2003. The schedule includes the base rent, charges for operating expenses and ancillary charges.

Cost Per Square Foot – For fiscal years 1999 and 2000, the lowest lease rate for office space was \$9.00 per square foot for the Environmental Protection Division of the Department of Natural Resources' lease of 19,836 square feet at 7900 Hickman Road in Des Moines. That lease increased to \$9.81 for fiscal years 2001 and 2002. For fiscal year 2003, the lowest lease rate was \$8.28 per square foot for the Refugee Services Training Center of the Department of Human Services for 4,222 square feet located at 1200 University Avenue in Des Moines. **Schedule 1** illustrates the lease rates for the Des Moines area leases for fiscal year 2003.

Schedule 1 also illustrates the highest cost per square foot for leases for the Insurance, Administrative Services and Utilities Divisions of the Department of Commerce and the Department of Justice. These agencies leased 61,402 square feet at 300 East Maple Street in Des Moines during fiscal years 2001 through 2003 with a cost per square foot ranging from \$16.43 to \$16.65, depending on parking costs. The Banking and Credit Union Divisions of the Department of Commerce, the Department of Economic Development and the Iowa Finance Authority leased 67,674 square feet of office space at an East Grand location in Des Moines. The total cost per square foot for the East Grand location during fiscal years 2001 through 2003 was \$16.30, consisting of base rent of \$8.50 and operating costs of \$7.80 per square foot.

Table 5 summarizes the average cost per square foot for office space leased in the Des Moines area (including base rent, operating expenses and other costs) for fiscal years 1999 through 2003.

Table 5

Fiscal Year	Total Cost per Square Foot for Recurring Office Space Leases		
	High	Low	Average
1999	\$ 18.14	9.00	12.77
2000	18.14	9.00	13.10
2001	16.54	9.81	13.09
2002	16.43	9.81	13.84
2003	16.65	8.28	13.87

Source: General Services

Operating Expenses – Operating expenses are included in some leases and may consist of utility costs, janitorial services, snow and ice removal and general maintenance costs. If parking is included, it is generally paid for monthly with the lease payment. Operating costs may vary somewhat from year to year.

Property Owners – **Schedule 1** illustrates a number of Des Moines area lease agreements in effect at June 30, 2003 are with a limited number of property owners. The total cost of leased space in the Des Moines area for fiscal year 2003 was \$7,088,742. **Table 6** identifies twelve of the property owners and the amounts paid to them during fiscal years 2001 through 2003. The twelve property owners were paid \$6,835,102 during fiscal year 2003, which is over 96 percent of the total cost for space leased in the Des Moines area during the year.

Table 6

Landlord	Fiscal Year		
	2001	2002	2003
Principal Mutual Life Insurance Co.	\$1,669,133	1,539,068	1,507,660
Hubbell Realty Company	1,384,601	1,462,002	1,357,601
East Grand Office Park, L.P.	909,432	979,679	1,103,086
HPM Investment, Inc.	597,530	638,231	638,231
Holmes Murphy and Associates, Inc.	529,366	529,366	570,582
General Growth Companies, Inc.	614,483	409,852	409,852
Grand Avenue Associates	323,610	325,004	325,004
Jann Realty LP	257,783	260,852	260,852
1000 Walnut Management Company	204,435	198,900	198,900
Ingram Entertainment, Inc.	194,591	194,591	194,591
Graham Group, Inc.	136,520	135,016	134,533
City View Partners, Ltd.	200,933	101,817	134,210

Source: General Services' Des Moines area lease databases for fiscal year 2001 through 2003. Complete lease databases were not available prior to 2001.

Build-out Costs – We reviewed a lease established by General Services in 2000 for office space at 401 S.W. 7th Street in Des Moines to be occupied by staff from the Information Technology Department (ITD), Human Services, Natural Resources and Revenue and Finance.

In June 2000, the Chief Financial Officer (CFO) of the Information Technology Department (ITD) submitted a request to General Services for leased space in addition to space the Department occupied in the Hoover Building. The request included plans to create a new unit within the Department, the Office of IT Innovation, which was to “conduct research and operate a laboratory for the exploration and deployment of new and emerging technologies.” According to the request, ITD planned to “dramatically increase the number of interns and qualified seasonal employees working with ITD staff” to address new responsibilities assigned to the Department. In July 2000, representatives of General Services met with ITD’s CFO. According to a memorandum to General Services’ personnel, the CFO estimated ITD “would need new and additional office space for approximately 80 – 100 employees” as a result of new and expanding programs. General Services was able to confirm the estimate of personnel with the Department of Management (DOM).

Subsequently, General Services assisted ITD, along with several other State agencies, in securing leased office space at 401 SW 7th Street in Des Moines. Leased space usually consists of a “shell” which requires build-out costs to prepare the space as a workable area. Typically, the landlord negotiates an amount it will pay for the build-out costs. The negotiated build-out cost amounts may vary from location to location. For the space leased at 401 SW 7th Street, Des Moines, the lease agreement stated the following regarding build-out costs.

“Landlord shall pay the first \$20.00 per square foot of leasable area in the Leased Premises (the “Tenant Improvement Allowance”) of such costs of construction of the Tenant Improvements. Tenant shall pay any costs of construction of such Tenant Improvements approved by Tenant and incurred by Landlord that are in excess of the Tenant Improvement Allowance.”

As ITD and General Services, along with the other State agencies moving into the same location, prepared to ready the building for occupancy, ITD made several requests for items that would be considered build-outs. Due to the unique nature of the build-outs requested by ITD and their related cost, General Services requested guidance from the Governor’s Office and DOM prior to approving the requests. While DOM approved the requests directly related to the “functionality of the Department,” other requests determined not to be related to ITD’s function were denied.

Table 7 presents a summary of the build-out costs at 401 SW 7th Street in Des Moines for ITD and the Departments of Human Services, Revenue and Finance, and Natural Resources.

Table 7

State Agency	Square Feet Leased	Build-out Costs			Per Square Foot
		Landlord Costs	Tenant Costs	Total	
ITD	6,351	\$ 127,020.00	38,575.00	165,595.00	26.07
Human Services	4,819	93,380.00	17,457.00	110,837.00	23.00
Revenue and Finance	8,379	167,580.00	16,758.00	184,338.00	22.00
Natural Resources	13,183	263,660.00	9,879.44	273,539.44	20.75
Total	32,732	\$ 651,640.00	82,669.44	734,309.44	

Source: General Services

The build-out costs incurred by the Departments of Human Services and Revenue and Finance were to meet HVAC requirements. ITD's total build-out costs of \$165,595 exceeded the tenant allowance for build-out costs by \$38,575, or by \$6.07 per square foot. ITD's build-out costs included electrical specifications that required breaking up the existing concrete floor, an 8 x 8-foot aluminum and glass overhead door for the innovation lab and a retractable electrical projection screen.

As stated previously, in June 2000, ITD planned to fill the leased space with new and existing staff members. In ITD's request for leased space, ITD stated the intent to hire 22 interns and locate them at the leased office. However, the interns were never hired by ITD. The request shows ITD intended to locate 40 staff members in the leased space. It is not clear why this number is less than the estimate of 80-100 new employees ITD gave to General Services.

The number of actual ITD staff at the SW 7th Street location as of June 30, 2001 was 37. By June 30, 2002, the number of staff located in the office on SW 7th Street had been reduced to 29. During fiscal year 2003, ITD incurred additional staff reductions. After the end of the fiscal year the new Chief Operating Officer of Information Technology Enterprise (ITE) decided to move the staff from the leased location to the Enterprise's area within the Hoover Building. (As of July 1, 2003, ITD is now the Information Technology Enterprise within the Department of Administrative Services.)

We observed the leased space prior to the staff's move to the Hoover Building. Much of the furniture was freestanding and not similar to the standard modular type furniture typically used in State agencies. The walls and workstations used in the leased office were kept in storage. Following unsuccessful attempts to sell the walls and workstations, ITE chose to give the items to Iowa Prison Industries. According to ITE staff, the chairs, freestanding desks and files were moved to the Hoover Building and are being used.

After reviewing ITD's leasing arrangements, it does not appear locating ITD staff at the office on SW 7th Street was necessary or in the best interest of the State. ITD occupied this office from late December 2000 to July 2003 and paid \$239,014.34 to the landlord for rent. Currently, the State Fire Marshal occupies the space.

Current Leased Space – As of February 2004, General Service's database for leased space in the Des Moines area included anticipated total lease cost of \$7,086,646 for the fiscal year ending June 30, 2004. The February 2004 lease database included the following:

- ◆ \$6,197,250 for 435,005 square feet of office space,
- ◆ \$847,978 for 60,605 square feet for infrastructure leases,
- ◆ \$33,018 for 6,660 square feet for storage leases, and
- ◆ \$8,400 for parking leases.

It was anticipated the final cost for fiscal year 2004 would be similar to the total for fiscal year 2003. General Services' personnel indicated there were no plans to significantly reduce the amount of space leased for fiscal year 2004.

Leasing Throughout the State

General Services also assists State agencies with property leasing when a State agency needs to operate a “field” office at a location outside the Des Moines area. During this process, General Services offers collocation opportunities, if possible. The following procedures are excerpted from General Services’ *Statewide Leasing Procedures for Field Offices Located Outside the City of Des Moines*. A complete version of the procedures is included in **Appendix B**. General Services’ role in leasing properties outside the Des Moines area consists of the following:

- ◆ Review to ensure compliance with the ADA.
- ◆ Legal review of lease agreements and addenda.
- ◆ Submittal of lease agreements or addenda to Executive Council.
- ◆ Consolidate, maintain and provide lease data and costs to agencies.
- ◆ Maintain standard State of Iowa lease agreement.
- ◆ Develop and maintain space allocation standards/guidelines.
- ◆ Develop and maintain space allocation form.
- ◆ Provide State agencies with leasing assistance, as requested.
- ◆ Coordinate collocation activities throughout the state.

The leasing process for properties outside the Des Moines area is similar to that for leasing space in Des Moines. However, the State agencies have more authority and responsibility for executing and managing the leases. When leasing properties outside the Des Moines area, representatives of the State agencies perform the same initial steps General Services performs for leasing office space in the Des Moines area. Steps 1 through 6 were listed previously on pages 10 and 11.

Step 7: Lease Submittal – The State agency representative submits the lease with the landlord’s signature and ADA compliance letter, along with a cover letter, to General Services.

Step 8: Executive Council Approval – A representative from General Services is to be present at the Executive Council meeting to answer any questions regarding the proposal. However, General Services does not advocate on behalf of the agency before the Executive Council. For leases with complicated issues or “excessive” costs, an agency representative is also to attend the Executive Council meeting. Additionally, if the lease has already begun, a representative of the agency must attend the Executive Council meeting to explain the delay in processing the lease.

Upon Executive Council approval, General Services forwards a copy of the approval letter to the State agency’s leasing liaison.

Step 9: Execution of Lease – Upon receipt of the Executive Council approval letter, the State agency’s designated representative signs the lease agreement, keeps one signed original and sends the other original to the Landlord. Additionally, one copy of the executed agreement is sent to General Services for the centralized lease file.

State agencies are also responsible for the following:

- ◆ Maintain and track agency’s lease data and paper contract files.
- ◆ Payment of lease invoices.
- ◆ Year end operating expenses (utilities and taxes) reconciliation.
- ◆ GAAP reporting requirements.
- ◆ Work order agreements for remodeling or modifications to the leased premises.

Because the Department of Natural Resources (DNR) and Iowa Workforce Development (IWD) have not consistently shared leasing information with General Services for leases outside the Des Moines area, General Services has not been able to maintain an all-inclusive listing of leases. General Services was able to provide us a listing of leases for fiscal year 2002. However, the information provided by General Services was incomplete for some agencies. Therefore, we obtained information for leases outside the Des Moines area directly from various State agencies. The listing is presented in **Schedule 2. Table 8** summarizes the annual cost by agency for leases outside the Des Moines area for fiscal years 1999 through 2003. **Schedule 3** summarizes the number of state employees and amount spent for leases in each County during fiscal years 1999 through 2003.

Table 8

Leases Outside the Des Moines Area						
Department	Fiscal Years					Total
	1999	2000	2001	2002	2003	
Blind	\$ 27,808	29,071	33,400	37,176	36,225	163,680
Education – Vocational Rehabilitation	226,886	241,665	231,342	263,279	267,027	1,230,199
Human Services	857,575	1,128,918	1,212,319	1,190,084	985,512	5,375,408
Inspections and Appeals	418,400	470,296	488,586	514,614	526,000	2,417,896
Natural Resources	185,143	195,245	212,629	251,500	295,619	1,140,136
Public Safety	42,992	42,069	41,131	29,468	30,931	186,591
Revenue and Finance	265,831	305,111	314,375	322,474	327,955	1,535,746
Secretary of State	-	-	-	-	1,260	1,260
Workforce Development	1,683,586	1,706,115	1,687,755	1,726,077	1,732,789	8,536,322
Total	\$ 3,708,221	4,118,490	4,222,537	4,334,672	4,203,318	20,587,238

Source: General Services and various State agencies

Examination of Leases

We examined 195 leases from selected State agencies to determine if the leases were appropriately approved by the Executive Council in accordance with requirements established by the *Code of Iowa*. The leases were for space throughout the state, including the Des Moines area. Using available information, we identified 23 of the 195 leases were established prior to obtaining approval from the Executive Council. In addition, none of the 50 IWD leases examined followed the required Executive Council approval process.

Collocation of State Agencies

During the last few years, General Services and other State agencies have collocated some services in the Des Moines area and throughout the State. Some State agencies, such as the Department of Education - Vocational Rehabilitation and Iowa Workforce Development, provide services to similar clients and it works well to be at the same location. It is important to continue pursuing collocation opportunities when possible and practical to help reduce costs and facilitate accessibility of service to citizens. **Schedule 4** presents the Des Moines area lease information by collocation for fiscal year 2003. Leases outside the Des Moines area that have been collocated are included in **Schedule 5**.

Space Utilization and Building Study Highlights

During the last few years, the State has periodically reviewed its space and building needs. General Services contracted with some consultants for assistance with detailed analyses of Capitol Complex space and leased space for State agencies in the Des Moines area. A Capitol Complex Master Plan was developed and a space utilization and building study was completed to further develop the Capitol Complex Master Plan.

The 78th General Assembly passed Senate File 2453 during the 2000 regular session to appropriate funds for infrastructure and capital projects. For fiscal year 2001, \$3,200,000 was appropriated from the Rebuild Iowa Infrastructure Fund to General Services for facility utilization review services, including a program statement, site recommendations, schematic designs and other design development for additional facilities meeting laboratory, office and interim or long-term leasing and relocation needs of State agencies. The appropriation was used for the items identified in **Table 9**.

Table 9

Purpose	Actual Cost
Division of Criminal Investigation (DCI) building design	\$ 2,038,357.50
DCI moving expenses	571,501.55
DCI rent expense	141,947.00
Department of Public Health moving expenses	148,183.32
Department of Public Health rent expense	73,004.00
Space Utilization and Building Study	153,798.11
Total	<u>\$ 3,126,791.48</u>

Source: General Services

Under a contract with General Services, RDG Bussard Dikis Architects completed the Space Utilization and Building Study (the Study) at a cost of \$153,798.11 and issued their report on October 9, 2000. The purpose of the study was to analyze and recommend the most efficient and economical options to address State agencies' space needs in the Des Moines area to the year 2010, including building size, location, phasing, financing, method of project delivery and estimated cost. The study addressed the past and present amount and location of owned and leased space, types of space, whether best located on or off the Capitol Complex, the current utilization of space, the number of workstations for State employees and the history of staff levels to predict future staff growth.

Also, a purpose of the study was to develop a software tool to compare costs of leasing versus ownership of space. According to a General Services representative, the software will be used in the near future to evaluate a lease/purchase scenario.

One of the recommendations included in the study was to build an off-complex technical laboratory center to include State Medical Examiner Morgue and Autopsy Suites, Forensic Science Crime Lab, Agriculture Lab and Hygienic Lab. The estimated total cost for the new laboratory center is \$62.6 million for 225,360 gross square feet and 169,000 usable square feet. Approximately \$2 million of the \$3.2 million initial appropriation was spent for building design. The remainder was spent for DCI and Department of Public Health moving and rent expenses.

Capitol Complex Space

The study showed ten State-owned buildings on the Capitol Complex had a gross area of 1,464,834 square feet and a departmental net area of 990,592 square feet as of June 2000. Also, the study indicated an additional 477,932 of net usable square feet was leased by State agencies to house personnel in the Des Moines area. Net area consists of net square feet used by an agency, measured from the inside face of exterior walls to the centerline dividing it from other agencies or common areas. **Table 10** summarizes the Capitol Complex buildings square footage identified in the study.

Table 10

Capitol Building Complex ⁽¹⁾	Gross Square feet	Net Square feet
State Capitol	252,146	114,116
Grimes	106,700	81,312
Hoover	271,905	204,449
Lucas	235,050	153,658
Wallace	225,059	161,843
Workforce Development – 1000 East Grand	102,997	71,922
Ola Babcock Miller	81,654	49,495
Ombudsman Building ⁽²⁾	8,916	7,139
Jesse M. Parker	114,243	89,517
Records and Property Center	66,164	57,141
Total	1,464,834	990,592

(1) Buildings located on the Capitol Complex but not included above because they were not used for office and support purposes were Building and Grounds Maintenance (Capitol Complex Maintenance), Central Energy Plant, Executive Hills East and West (demolished to provide space for the new Judicial Building), Historical Building and the Motor Pool/Vehicle Dispatcher Building.

(2) Demolished in March, 2004.

Source: "Space Utilization and Building Study" completed by RDG Bussard Dikis Architects under contract with General Services.

General Services contracted with a consultant for assistance with developing a master plan for the Capitol Complex prior to the Space Utilization and Building Study. The Capitol Complex Master Plan, dated April 1999, recommended construction of a new Judicial Building. Construction of the new Judicial Building started in November of 2000 and was completed during the spring of 2003 at a total cost of \$31.2 million. The Judicial Building has approximately 124,000 square feet with five floors and is under the jurisdiction of the Judicial Branch of State government. The new building is not available for use by other agencies.

The Space Utilization and Building Study completed by RDG Bussard Dikis Architects under contract with General Services included guidance regarding leasing versus ownership of space. The study contained the following excerpt regarding leasing versus ownership:

"This report concludes that leasing is more costly than ownership of space. However, an accurate lease vs. own or purchase analysis is a complex calculation that depends on extensive detailed information for each particular situation. A hypothetical example may explain in simple terms why leasing is more expensive. Consider two office buildings, built side by side, one state-owned, the other leased to the state by a developer, both of the same quality, inside and out. For this situation, land cost, land appreciation, building construction costs, site development costs, depreciation cost (that is, the actual deterioration of the building over time, not the taxable consideration), residual value (the value remaining at the end of any particular period of time) and operational costs (maintenance, repairs, custodial, utilities, security, etc.) will be identical.

The absolute differences in cost, with the lease being the more costly, arise primarily from 4 considerations:

- 1. Cost of financing (lower for large public agencies)*
- 2. Property taxes (the state pays none)*
- 3. Return on investment/risk (the state seeks none)*
- 4. Insurance (the state self-insures).*

While it can be politically and managerially expedient to make year-to-year decisions to lease, an analysis for equivalent circumstances over time will always indicate that

ownership is more economical for the State. A major conclusion of this study is that most state government space should be owned in the best economic interests of taxpayers. However, some leased space is usually appropriate and desirable for large users of space to achieve flexibility in managing facilities. Additionally, some services of state agencies are best located in distributed locations around the community (and around the state). While there is no "right" proportion, this study concludes that 10% to 15% of the total space needs could be leased."

Figure 6 of the study included the recommendations made by RDG Bussard Dikis Architects. A copy of Figure 6 is included in **Appendix C**. Estimated costs (expressed in year 2000 dollars) are included with each recommendation. According to representatives of General Services, the State has been trying to adhere to the recommendations included in the study for its current and future building plans. However, factors such as funding constraints due to State budget reductions and resulting changes in priorities have limited what recommendations will actually be implemented. According to General Services' personnel, the current status of the study's recommendations is as follows:

- ◆ **6-1 Build Technical Laboratory Center to Include Morgue and Autopsy Suites** – This facility is under construction on the Des Moines Area Community College campus. The recommended building, intended to house the State Medical Examiner Morgue and Autopsy Suites, Forensic Science Crime Lab, Agriculture Lab and Hygienic Lab, was estimated by RDG Bussard Dikis to cost \$62.6 million. The Division of Criminal Investigation is leasing 14,400 square feet at a cost of \$150,912 per year until the construction is completed. The lease term is scheduled to end on August 28, 2006.

Construction is scheduled to be completed by December 1, 2004. The project cost is expected to be at or under the appropriated amount of \$52,084,023.

- ◆ **6-2 Renovate the Wallace Building** – During the 2003 legislative session, \$50,000 was appropriated to plan for vacating and demolishing the Wallace Building. Although only 40% of the appropriation was initially released for use, full funding has been made available as authorized during the 2004 Legislative session.

In addition, because of recent ventilation and plumbing problems in the building, an appropriation transfer of \$180,000 from the Capitol Building exterior renovation appropriation was authorized to allow for a detailed evaluation including recommendations on (1) short term renovation needs to allow continued use of the building through 2005, (2) long term renovation and (3) demolition.

- ◆ **6-3 Moving Agriculture and Natural Resources to New Off-complex "Showcase" Facility** – Pending resolution of the status of the Wallace Building, a final determination on this recommendation has not been made and cost estimates have not been updated.

- ◆ **6-4 Move Records Functions to Alcoholic Beverage Warehouse in Ankeny** – According to a representative of General Services, alternatives to the move to the warehouse are under consideration. The Alcoholic Beverages Division has quoted a rental rate of \$5.00 per square foot, which was not anticipated at the time of the study. While renting space for the Records functions from another State agency would have no overall impact on State finances, it would impose an additional cost on one budgetary function while providing additional revenue to a Charter Agency, one purpose of which is to raise additional revenue for the State. Receipt of rent from another State agency would not result in additional revenue for the State. During the 2004 legislative session, estimated costs of \$393,602 for relocation of records from the Records and Property Building to the Alcoholic Beverages Division warehouse, or other suitable locations, were included in an appropriation for relocation costs and facility lease payments.

- ◆ **6-5 Remodel Records and Property Building** – This recommendation is in process. The building will be remodeled to accommodate the needs of the Department of Public Safety. The current estimate for the project is \$16,050,000. Over \$6.3 million was appropriated for fiscal years 2003 and 2004. An additional \$5 million has been appropriated for fiscal year 2005 and \$4.7 million has been approved for fiscal year 2006. In addition, estimated costs of \$1,020,360 to relocate the Department of Public Safety from the Wallace Building to the Records and Property Building were included in fiscal year 2005 for relocation costs and facility lease payments.

- ◆ **6-6 Remove Parking on Capitol West Front and Restore to Landscaping** – During fiscal year 2003, \$93,000 was appropriated to design the West Capitol Terrace Project. The design has been completed. Appropriation requests of approximately \$1.3 million and \$2 million for fiscal years 2004 and 2005, respectively for construction were not approved.
- ◆ **6-7 Conference and Training Facility** – Because of funding limitations, there are no plans to implement this recommendation.
- ◆ **6-8 Childcare Facility** – Because of funding limitations, there are no plans to implement this recommendation.
- ◆ **6-9 Fitness Center** – Because of funding limitations, there are no plans to implement this recommendation.

According to a General Services' representative, the Public Employment Relations Board lease for 4,501 square feet at an annual cost of \$55,510 will not be renewed. Also, the Ethics and Campaign Disclosure Board lease for 3,260 square feet at an annual cost of \$40,302 will not be renewed. Both of the Boards will be relocated to the Vocational Rehabilitation Building.

The renovations and construction identified in recommendations 6-1 through 6-9 will have minimal affect on the amount of space and dollars spent by the State for leases. The State will still be leasing approximately 470,000 square feet of office space in the Des Moines area at an estimated annual cost of \$6.7 million.

Standard Lease Agreement Terms and Conditions

General Services has established a standard lease agreement form to be used for executing leases. The terms and conditions in the standard agreement have been approved by the Attorney General's Office. Additional lease terms and conditions may be necessary under certain circumstances. Iowa Workforce Development uses its own lease agreement form to establish leases for office space throughout the State.

The General Services' standard lease agreement is available for use by all State agencies and includes the following required terms and conditions:

- ◆ Section 1 – Parties executing the agreement.
- ◆ Section 2 – Leased premises.
- ◆ Section 3 – Term of lease.
- ◆ Section 4 – Use of leased premises.
- ◆ Section 5 – Assignment and subletting.
- ◆ Section 6 – Rental.
- ◆ Section 7 – Covenant of quiet enjoyment.
- ◆ Section 8 – Landlord's duty of care and maintenance.
- ◆ Section 9 – Tenant's duty of care and maintenance.
- ◆ Section 10 – Landlord obligations.
- ◆ Section 11 – Tenant obligations.
- ◆ Section 12 – Compliance with applicable laws, such as the Americans with Disabilities Act.
- ◆ Section 13 – Insurance.
- ◆ Section 14 – Landlord's right of access and confidentiality.
- ◆ Section 15 – Signs.
- ◆ Section 16 – Possession.
- ◆ Section 17 – Tenant improvements.
- ◆ Section 18 – Parking.
- ◆ Section 19 – Damage to leased premises.

- ◆ Section 20 – Eminent domain.
- ◆ Section 21 – Termination of lease.
- ◆ Section 22 – Hazardous waste.
- ◆ Section 23 – Miscellaneous, such as amendments, third party beneficiaries, assignment, etc.
- ◆ Section 24 – Reference to Exhibits.
- ◆ Section 25 – Document execution.
- ◆ Section 26 – Signatures.

Recent Developments

As part of the legislation establishing the Department of Administrative Services, General Services is authorized to bill other State agencies for services. Effective July 1, 2004, General Services started billing other State agencies for space used at the Capitol Complex. The fees collected from State agencies will be accounted for in an internal service fund and will help pay for costs associated with building maintenance and other services. General Services must submit annual business and financial plans showing what services are being provided at what cost.

To ensure State agencies are billed for the correct amount of space, in April 2004, General Services' staff completed an assessment of the square footage occupied by Executive Branch agencies in each building on the Capitol Complex. According to a representative of General Services, the majority of space in the State Capitol, the Ola Babcock Miller Building and the State Historical Building is considered ceremonial space because they are mainly occupied by the Judicial and Legislative branches of State government.

Table 11 summarizes the amount of office space General Services identified for each building in April 2004. The "square feet" information in the table represents the space occupied by Executive Branch agencies. The "common area" shown is the portion of the building that is shared by the occupants and includes areas such as restrooms and lobbies. The "rentable square feet" is the basis that will be used to charge association fees. The square feet included for the State Capitol, Ola Babcock Miller Building and the State Historical Building only includes the office and storage space used by Executive Branch agencies.

Building	Square Feet		
	Office	Storage	Rentable
State Capitol	25,102	-	25,102
Capitol Complex Maintenance Building	7,204	19,050	26,254
Grimes	108,468	4,215	112,683
Hoover	273,305	1,247	274,552
Workforce Development – 150 Des Moines Street	18,782	-	18,782
Workforce Development – 1000 E. Grand	107,722	-	107,722
Lab Building	175,956	-	175,956
Lucas	224,490	1,512	226,002
New Historical	32,509	-	32,509
Ola Babcock Miller	28,096	-	28,096
Vehicle Dispatch	8,120	17,672	25,792
Wallace	154,038	43,696	154,038
Total	1,163,792	102,769	1,207,488 *

Source: General Services

* - General Services is currently working to obtain responsibility for assignment of office space in the Jesse M. Parker Building.

General Services entered into a lease for office space with Nelson Development for Iowa Workforce Development effective July 1, 2004. The ten-year lease is for space located at 430 East Grand Avenue in Des Moines. This lease replaced two Workforce Development leases that expired on June 30, 2004. According to General Services, those leases were not renewed in an attempt to collocate the offices and improve and expand the delivery of services to Workforce Development customers. **Table 12** presents a comparison of the past and current leases for Workforce Development. In addition to the costs identified in the **Table**, General Service hired three custodians to care for the building. Estimated janitorial costs of \$100,000 per year will be incurred for the custodians. Janitorial costs were included in the previous leases' cost per square foot.

Table 12

Department	Lease Term	Annual Cost	Square Footage	Cost per Square Foot
<u>Past Leases</u>				
Workforce Development	7/1/1993 – 6/30/2004	\$ 409,852	33,720	12.15
Workforce Development	7/1/1993 – 6/30/2004	62,623	6,000	10.44
Total		<u>\$ 472,475</u>	<u>39,720</u>	
<u>Current Lease</u>				
Workforce Development	7/1/2004 – 6/30/2014	\$ 800,000	50,000	16.00 *

* - Effective 7/1/2009 the annual cost per square foot is scheduled to increase to \$17.00. At that time the annual cost will be \$850,000.

Findings and Recommendations

We reviewed the General Services leasing procedures and practices from fiscal year 1999 through 2003 and judgmentally selected State agency leases to review for compliance with relevant laws, rules, procedures and guidelines. We also identified the square footage of building and space leased by State agencies in the Des Moines area and throughout the State and analyzed trends and collocation progress. In addition to reviewing General Services leasing activity, we obtained and examined leasing information from the Departments of Human Services, Inspections and Appeals, Natural Resources, Public Safety, Revenue, including Lottery, Vocational Rehabilitation and Workforce Development. As a result, we identified the following findings and recommendations that should be considered by the General Services Enterprise of the Department of Administrative Services, the Governor and the General Assembly.

FINDING 1 – Expand General Services' Leasing Authority

As authorized by Chapter 18 of the *Code of Iowa*, General Services has the responsibility for leasing all buildings and office space necessary for the proper functioning of any State agency at the seat of government, except for elected State officials, the Legislative Branch, the Judicial Branch and any other State entity specifically given leasing authority under the *Code of Iowa*. In addition, the *Code of Iowa* allows General Services to lease buildings and office space in Polk County or in a county contiguous to Polk County for state agencies at the seat of government. Several State agencies located at the seat of government operate field offices throughout the State to deliver services. However, the *Code of Iowa* does not provide specific authority to General Services to lease the buildings and office space necessary to house the field offices.

The *Code of Iowa* also directs General Services to coordinate the leasing of buildings and office space by State agencies throughout the state and develop cooperative relationships with the Board of Regents in order to promote collocation of State agencies. General Services has developed procedures for leasing field offices. A copy of the procedures is included in **Appendix C**.

While assisting State agencies establish leases outside Des Moines, General Services offers collocation opportunities, if possible. Some agencies, such as the Department of Vocational Rehabilitation and Iowa Workforce Development, have chosen to collocate field offices because the agencies provide services to similar clients. However, the Department of Natural Resources (DNR) and Iowa Workforce Development (IWD) have established leases for field offices without consulting with General Services. According to personnel from DNR and IWD, the agencies have their own authority to establish leases. As a result, collocation opportunities have been missed or have not been consistently pursued even when many agencies have offices within the same city.

DNR - Based on a review of applicable sections of the *Code of Iowa*, DNR does not have its own authority to execute lease agreements for office space. Section 455B.108 of the *Code of Iowa* states: *"The department of administrative services shall provide the department with appropriate office facilities."*

As established by the *Code of Iowa*, General Services, not DNR, has been given the authority for providing DNR with necessary office space.

IWD - During our fieldwork, IWD personnel initially stated they had authority under the *Code of Iowa*, section 96.25, which states:

"The department may acquire for and in the name of the state of Iowa by purchase, or by rental purchase agreement, such lands and buildings upon such terms and conditions as may entitle this state to grants or credits of funds under the Social Security Act or the Wagner-Peyser Act to be applied against the cost of such property, for the purpose of providing office space for the department at such places as the department finds necessary and suitable."

After discussions with IWD personnel, representatives of IWD's Administrative Services Division concurred section 96.25 of the *Code of Iowa* does not give IWD all-inclusive authority to enter into its own leases.

In addition, General Services leased space for the Board of Regents (the Board) when its office space on the State Capitol Complex needed renovation. General Services had planned to move the Board back to the Capitol Complex upon completion of renovation. However, the Board chose to enter into its own lease for space claiming authority to lease properties and facilities under section 262.9(14) of the *Code of Iowa*, which states the following:

"Lease properties and facilities, either as lessor or lessee, for the proper use and benefit of said institutions upon such terms, conditions, and considerations as the board deems advantageous, including leases with provisions for ultimate ownership by the state of Iowa, and to pay the rentals from funds appropriated to the institution for operating expenses thereof or from such other funds as may be available therefor."

Section 262.7 of the *Code of Iowa* identifies specific institutions governed by the Board of Regents. The Board itself is not one of the identified institutions. In addition, the Board is included in the definition of a State agency for purposes of Chapter 18 of the *Code of Iowa*. Therefore, General Services, not the Board, appears to have authority and responsibility to lease space for the Board.

In some circumstances, there may be reasons for not collocating agencies in the same facility, such as confidentiality and safety concerns. However, it is important all potential collocation opportunities be evaluated and pursued when possible. If one agency, such as General Services, is responsible for overseeing all leases throughout the State, it would help maximize collocation opportunities, ensure consistent lease agreement terms and conditions and help obtain better lease rates.

Recommendation -

The General Assembly should provide authority and oversight responsibility for the leasing of buildings and space outside the Des Moines area to General Services. General Services has been given the responsibility of promoting collocation, but currently does not have the authority to require collocation, when appropriate. One agency should be responsible for maintaining lease information for the State of Iowa. A centralized leasing authority would help ensure competitive lease rates were obtained, consistent lease terms were established and productive use of leased space with maximization of common areas was obtained.

Additionally, all State agencies leasing space should periodically report leases and staff numbers at each leased location using the process established by General Services. This is essential to allow the preparation and maintenance of an all-inclusive Statewide lease database, comparison of square foot per staff ratios to the Office Space Standards and more effective and coordinated leasing throughout the State and Des Moines area.

Also, the Department of Natural Resources, Iowa Workforce Development and Board of Regents should comply with the *Code of Iowa* by more closely coordinating with General Services when seeking office space and allow General Services to procure leased space as necessary.

Department of Administrative Services' Response -

DAS agrees the goals of the leasing program are to promote collocation when possible and maintain a consistent reporting process regarding leased property, inside and outside the seat of government.

We also agree that one centralized leasing authority would help ensure competitive lease rates were obtained in lease negotiations as well as ensure standard lease terms were consistently applied in all state leases. However, DAS currently has one staff member who manages the leasing program and without additional resources to monitor and manage the additional leasing activities, the work load could not be absorbed with existing resources.

One of our current challenges is obtaining lease data information from all departments, especially from agencies that may have independent authority to lease space. Currently, none of the departments report staff numbers located in leased spaces either inside or outside the seat of government.

Conclusion – Response acknowledged. General Services currently has a process in place to track and monitor leasing activities for certain agencies. General Services could use this process to maintain lease information for all State agencies. Minimal additional resources would be required to maintain lease data provided by other agencies.

FINDING 2 – Leasing Versus Building Considerations

General Services consulted with an architectural firm for an evaluation of space utilization and recommendations regarding future office space needs. The firm's resulting report concluded leasing is more costly than ownership and constructing facilities should be considered. The State of Iowa Space Utilization Study was issued on October 9, 2000 and included guidance regarding leasing versus ownership decisions.

Specifically, the study stated the differences in cost between leasing and owning, "with the lease being the more costly, arise primarily from 4 considerations:

1. Cost of money – the developer must finance the capital investment from more costly private loan sources for both construction and permanent financing, while the state can borrow money less expensively due to its size and bond rating.
2. Property taxes – the developer must pay annual property and income taxes, while the state pays no taxes. It is possible that local property tax abatement may alleviate some of the difference, but this will be for no more than a few years at most.
3. Return on investment/risk – the developer must include a profit as part of the lease rate that compensates him for his risk and equity.
4. Insurance – the state self-insures (which has some actuarial cost), while the developer must purchase insurance at commercial rates from insurance companies who also must make a profit.

While it can be politically and managerially expedient to make year-to-year decisions to lease, an analysis for equivalent circumstances over time will always indicate that ownership is more economical for the State."

While we agree owning is a more economical use of State resources over the long term, there are additional factors besides those mentioned above that should be considered by the General Assembly, as follows:

- While it is true the State can borrow money at a lower interest rate than most parties, it is not the State's practice to incur debt for the construction of infrastructure. Rather, funds that would otherwise be invested are used, so resulting investment income is forgone. Because investment interest is typically earned at rates lower than the rates paid on borrowed funds, this is the more economical method for the State to use.
- If the State builds or purchases a building, consideration should be given to the potential loss of property tax revenues at the local level.
- Facilities can be constructed to suit the identified needs of State government. This may allow for more effective use of space. Leased space often has inherent constraints and limits on how the space may be used and reconfigured.
- Buildings owned by the State become an investment in the long-term assets of the State. While there are on-going costs associated with building ownership, such as utilities, maintenance and capital improvements, the landlord of leased space pays the same type of costs and recovers them through lease costs paid by the State. Therefore, the State is already paying these on-going costs.
- If most or all Des Moines area State agencies are located on or near the Capitol Complex, there may be more opportunities for consolidation of services and resulting cost savings.

As discussed previously, the State is currently spending approximately \$7 million annually to lease approximately 500,000 square feet of office space in the Des Moines area. According to General Services, the Lucas Building has 224,490 square feet of rentable space (see **Table 11**). The State could effectively reduce the amount of leased space in the Des Moines area by nearly half if a similar building was constructed or purchased. We have not estimated the cost to purchase or construct such a building since the cost would depend on a variety of factors, such as location, design for intended use, and type of construction materials used. While the cost to purchase or construct and then operate an additional State building would be significant, the State would also save a substantial amount presently being paid in lease costs which could be used to offset the costs of acquiring and operating the building. Using the average cost of \$13.87 per square foot for leased space in the Des Moines area (see **Table 5**), a 224,490 square footing building would save approximately \$3.1 million per year currently being paid in lease costs.

Recommendation -

At least annually, General Services should obtain and verify State agencies space allocation and staff numbers for the buildings and office space occupied. This will help General Services more effectively manage space and be able to determine whether space utilization is optimized and costs are minimized. The information will also provide current information to the General Assembly to aid in decisions regarding continued leasing and plans for construction.

In addition, the General Assembly should continue to work with General Services in the implementation of the recommendations made in the study or other alternatives, such as buying an existing building.

Department of Administrative Services' Response -

Again, given the limited resources to request, monitor and track departments' staffing levels, departments should be required to report the staffing numbers to DAS on an annual basis rather than require DAS to obtain this information from the departments.

Conclusion –

We concur departments should report pertinent information to General Services. As stated in the previous recommendation, General Services should establish a consistent reporting process for leasing which requires all State agencies to report leases and staff numbers at each leased location.

FINDING 3 – Leases Were Executed Prior to Executive Council Approval

Section 18.12(9)(a) of the *Code of Iowa* states in part: “If no specific appropriation has been made, the proposed lease shall be submitted to the executive council for approval.” General Services has established procedures based on the *Code of Iowa* regarding the process required for executing lease agreements outside of the Des Moines area.

We examined 195 leases for selected State agencies to determine if the leases were appropriately approved by the Executive Council prior to lease execution. Based on available documentation, we identified 23 of the 195 leases were executed prior to obtaining approval from the Executive Council. The primary cause appears to be lack of timely planning and action on the part of the agencies. In addition, none of the 50 IWD leases included in the 195 examined followed the required Executive Council approval process.

Recommendation –

All State agencies should consistently follow the established procedures to ensure all leases are presented to the Executive Council for approval prior to lease execution as required by the *Code of Iowa*. Requirements are currently found in section 8A.321 of the *Code*. Additionally, Iowa Workforce Development should begin complying with the requirement for obtaining Executive Council approval prior to executing any lease.

Response – We did not receive a response from the Department of Administrative Services or request one from other State agencies.

FINDING 4 - Required Lease Clauses Not Included

General Services has established a standard State of Iowa Lease Agreement for use by State agencies to establish leases for necessary office space. Representatives of the Attorney General’s office have reviewed and approved the standard lease agreement for State agencies’ use.

We judgmentally selected and examined 195 lease agreements to determine if significant clauses required by General Services’ standard lease agreement were appropriately included in lease agreements. The results of our testing are summarized in **Table 13**.

Table 13

State agency	Number of leases examined	Required lease clause or document not included			
		Division of Persons with Disabilities letter	Termination clause	Non-appropriation clause	Not properly signed
Human Services	82	1	-	-	-
Inspections and Appeals	22	1	1	-	-
Iowa Lottery	6	2	-	-	-
Natural Resources	9	8	-	1	1
Public Safety	9	-	-	1	-
Revenue	11	6	-	-	-
Vocational Rehabilitation	6	-	-	-	1
Workforce Development	50	-	-	-	-
Total	195	18	1	2	2

Recommendation –

State agencies should implement procedures to ensure General Services' standard lease agreement is used, as appropriate, and all required clauses, attachments and signatures are appropriately included.

Response – We did not receive a response from the Department of Administrative Services or request one from the agencies identified in **Table 13**.

**A REVIEW OF THE STATE'S LEASED SPACE
AND THE LEASING PROCESS**

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases

For the fiscal year ended June 30, 2003

Type	Department / Division	Lease Start	Lease End	Square Footage	Base rent / Sq. Ft.	Operating Expenses / Sq. Ft.
<u>Regular Leases:</u>						
Agriculture:						
	Agricultural Development Authority	01/01/01	12/31/05	1,735	\$ 13.25	-
	Civil Rights Commission	05/01/98	04/30/03	11,015	7.30	5.17
Commerce:						
	Credit Union	10/01/96	09/30/06	2,267	8.50	7.80
	Banking	10/01/96	09/30/06	7,307	8.50	7.80
	Insurance, Administration and Utilities	12/01/97	11/30/07	51,878	10.12	6.03
				61,452		
	Economic Development	10/01/96	09/30/06	36,218	8.50	7.80
Education:						
	College Student Aid Commission	09/01/01	11/30/05	9,000	13.00	-
	Elder Affairs	12/01/00	11/30/05	6,300	13.00	-
	Ethics and Campaign Disclosure Board	07/01/99	06/30/04	3,260	9.90	1.46
Human Services:						
	Bureau of Collections	10/01/01	09/30/06	8,575	7.25	6.22
	Child Support Recovery Unit	10/01/01	09/30/08	20,459	12.75	-
	Governor's Developmental Disabilities Council	07/01/98	06/30/03	1,864	7.75	5.54
	Collection Services	07/01/98	06/30/03	11,160	7.30	5.17
	ICAR, ICER, Bureau of Collections and Foster Care Recovery Unit	09/01/99	08/31/04	24,386	9.75	5.16
	Income Training Academy	09/01/00	08/31/05	4,819	9.75	5.15
	Field Office and Refugee Services	08/01/99	06/30/10	8,846	5.79	5.43
	Refugee Services Training Center	01/15/03	12/31/03	4,222	5.79	2.49
				84,331		
Inspections and Appeals:						
	Adult Public Defender's Office	07/01/01	06/30/08	5,320	13.00	0.26
	Juvenile Public Defender's Office	07/01/01	06/30/08	2,873	13.00	0.39
	Racing and Gaming Commission	12/01/01	11/30/06	4,600	15.74	-
				12,793		

Schedule 1

Janitorial/ Yr.	Parking/ Yr.	Increase in CAM/Taxes/Base Yr.	Other Rent/Yr.	Annual rent	* Total Cost per Sq. Ft.	Landlord
-	-	-	-	22,989	13.25	The Graham Group, Inc.
-	-	-	-	137,357	12.47	Principal Mutual Life Insurance Co.
-	-	-	-	36,952	16.30	East Grand Office Park L.P.
-	-	-	-	119,104	16.30	East Grand Office Park L.P.
-	25,938.96	-	-	863,769	16.65	Principal Mutual Life Insurance Co.
				<u>1,019,825</u>		
-	-	-	-	590,353	16.30	East Grand Office Park L.P.
-	-	-	-	117,000	13.00	1000 Walnut Mgmt. Company d/b/a Hotel Fort Des Moines
-	-	-	-	81,900	13.00	1000 Walnut Mgmt. Company d/b/a Hotel Fort Des Moines
3,268.56	-	-	-	40,302	12.36	MPI, Inc.
-	3,999.96	-	-	119,505	13.94	Principal Mutual Life Insurance Co.
-	-	-	-	260,852	12.75	Jann Realty L.P.
-	-	-	-	24,773	13.29	Principal Mutual Life Insurance Co.
-	-	-	-	139,165	12.47	Principal Mutual Life Insurance Co.
-	-	-	-	363,590	14.91	Hubbell Realty
-	-	-	-	71,803	14.90	Hubbell Realty
-	-	-	-	99,252	11.22	City View Partners, LTD
-	-	-	-	34,958	8.28	City View Partners, LTD
				<u>1,113,899</u>		
-	-	-	1,110.00	71,653	13.47	The Graham Group, Inc.
-	-	-	1,422.00	39,891	13.88	The Graham Group, Inc.
-	-	-	-	72,404	15.74	IA Motor Truck Assoc., Inc.
				<u>183,949</u>		

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases

For the fiscal year ended June 30, 2003

Type	Department / Division	Lease Start	Lease End	Square Footage	Base rent / Sq. Ft.	Operating Expenses / Sq. Ft.
	Iowa Finance Authority	10/01/96	09/30/06	21,882	8.50	7.80
	Information Technology	12/15/00	12/31/05	6,351	9.75	5.77
	Iowa Workforce Development:					
	Job Services	07/01/93	06/30/04	33,720	10.65	-
	Job Services	07/01/93	06/30/04	6,000	9.18	-
				<u>39,720</u>		
	Justice/Attorney General:					
	Consumer Advocate	12/01/97	11/30/07	9,524	10.12	5.96
	Natural Resources:					
	Environmental Protection Division	07/01/00	06/30/05	19,836	9.81	-
	Water Supply and FO5	12/01/00	11/30/05	13,183	9.75	5.39
				<u>33,019</u>		
	Public Employment Relations Board	07/01/99	06/30/04	4,501	9.90	1.43
	Public Health:					
	Medical, Dental, Pharmacy & Dental Boards	09/01/99	08/31/04	16,296	9.75	5.15
	Public Safety	09/01/95	08/31/05	4,428	6.44	5.00
	Revenue and Finance:					
	Collections Unit	07/01/00	06/30/05	8,848	9.75	5.64
	Iowa Lottery	09/01/00	08/31/05	30,000	10.75	-
				<u>38,848</u>		
	Transportation:					
	Motor Vehicle (Driver Services)	02/17/92	06/30/04	16,094	6.79	6.61
	Motor Vehicle (Administration)	02/17/92	06/30/04	29,370	6.00	6.61
	Aviation	02/17/92	06/30/04	3,574	8.00	6.61
				<u>49,038</u>		
	Subtotal of Regular Leases			<u>449,711</u>		

Schedule 1

Janitorial/ Yr.	Parking/ Yr.	Increase in CAM/Taxes/Base Yr.	Other Rent/Yr.	Annual rent	* Total Cost per Sq. Ft.	Landlord
-	-	-	-	356,677	16.30	East Grand Office Park, L.P.
-	-	-	-	98,568	15.52	Hubbell Realty
21,600.00	-	29,134.00	-	409,852	12.15	General Growth Companies Inc., A Delaware Corporation
4,200.00	-	3,343.00	-	62,623	10.44	West University Center Limited Partners
				<u>472,475</u>		
-	4,761.96	-	-	157,908	16.58	Principal Mutual Life Insurance Co.
-	-	-	-	194,591	9.81	Ingram Entertainment Inc.,
-	-	-	-	199,591	15.14	Hubbell Realty
				<u>394,182</u>		
4,513.72	-	-	-	55,510	12.33	MPI, Inc.
-	-	-	-	242,816	14.90	Hubbell Realty
-	-	-	-	50,656	11.44	Principal Mutual Life Insurance Co.
-	-	-	-	136,171	15.39	Hubbell Realty
-	-	2,504.00	-	325,004	10.83	Rich Safris % Grand Ave. Assoc.
				<u>461,175</u>		
-	-	-	-	215,660	13.40	HPM Investment, Inc.
-	-	-	-	370,356	12.61	HPM Investment, Inc.
-	-	-	-	52,216	14.61	HPM Investment, Inc.
				<u>638,231</u>		
				<u>6,235,770</u>		
				Average cost per square foot		\$ 13.87

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases

For the fiscal year ended June 30, 2003

Type	Department / Division	Lease Start	Lease End	Square Footage	Base rent / Sq. Ft.	Operating Expenses / Sq. Ft.
<u>Infrastructure Leases:</u>						
	Corrections, Parole Board, Iowa Prison Industries	01/04/02	01/03/03	34,858	15.00	-
	Public Health:					
	Medical Examiner	09/01/00	08/31/05	4,996	9.75	5.25
	Public Safety:					
	DCI - Dry-Labs	03/01/01	08/28/06	14,400	4.50	6.03
	Subtotal of Infrastructure Leases			54,254		
<u>Storage:</u>						
	Economic Development	04/01/97	12/30/06	2,767	5.25	-
	General Services	11/29/00	06/30/04	240	3.00	-
	General Services	03/12/01	03/11/04	280	2.00	-
				520		
	Natural Resources:					
	Administrative Services	11/29/00	11/30/04	950	3.00	-
	Administrative Services	04/01/03	03/31/05	280	2.00	-
				1230		
	Public Health:					
	Disaster Operations and Response	04/01/03	08/31/05	2,143	3.50	2.94
	Subtotal for Storage Leases			6,660		
<u>Parking:</u>						
	General Services:					
	Fleet and Mail	01/15/00	01/14/03	Parking Lot	-	-
	Fleet and Mail	01/01/03	12/31/04	Parking Lot	-	-
	Subtotal for Parking Leases			-		
	Grand Total			510,625		

Source: General Services lease database for Des Moines metropolitan area

Schedule 1

Janitorial/ Yr.	Parking/ Yr.	Increase in CAM/Taxes/Base Yr.	Other Rent/Yr.	Annual rent	* Total Cost per Sq. Ft.	Landlord
-	47,712.00	-	-	570,582	16.37	Holmes Murphy & Assoc., Inc.
-	-	-	-	74,940	15.00	Hubbell Realty
-	-	-	-	151,632	10.53	Hubbell Realty
				<u>797,154</u>		
				Average cost per square foot	\$ 14.69	
-	-	-	-	14,527	5.25	Principal Mutual Life Ins. Company
-	-	-	-	720	3.00	Hubbell Realty
-	-	-	-	560	2.00	Hubbell Realty
				<u>1,280</u>		
-	-	-	-	2,850	3.00	Hubbell Realty
-	-	-	-	560	2.00	Hubbell Realty
				<u>3,410</u>		
-	-	-	-	13,801	6.44	Hubbell Realty
				<u>33,018</u>		
				Average cost per square foot	\$ 4.96	
-	14,400.00	-	-	14,400		Mark Anderson
-	8,400.00	-	-	8,400		Wesley Investment
				<u>22,800</u>		
				<u>\$ 7,088,742</u>		
				Average cost per square foot	\$ 13.88	

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Blind				
	Cedar Falls	2,160	\$ 12,996.00	12,971.00
	Cedar Rapids	1,236	14,812.00	16,100.00
		<u>3,396</u>	<u>27,808.00</u>	<u>29,071.00</u>
Education:				
Vocational Rehabilitation	Algona	280	2,280.00	2,280.00
Vocational Rehabilitation	Atlantic	170	420.00	1,400.00
Vocational Rehabilitation	Burlington	1,440	8,640.00	9,050.76
Vocational Rehabilitation	Carroll	320	3,900.00	3,900.00
Vocational Rehabilitation	Cedar Rapids	3,464	27,184.60	31,269.96
Vocational Rehabilitation	Clinton	675	4,725.00	4,725.00
Vocational Rehabilitation	Council Bluffs	2,486	19,159.86	21,130.92
Vocational Rehabilitation	Creston	148	1,260.00	1,680.00
Vocational Rehabilitation	Davenport	1,425	12,796.56	11,730.18
Vocational Rehabilitation	Decorah	600	3,468.00	4,320.00
Vocational Rehabilitation	Dubuque	2,050	14,278.44	19,239.74
Vocational Rehabilitation	Fort Dodge	1,927	9,636.00	10,020.00
Vocational Rehabilitation	Iowa City	2,668	25,642.56	25,642.56
Vocational Rehabilitation	Iowa City	466	-	-
Vocational Rehabilitation	Marshalltown	112	4,656.00	5,758.31
Vocational Rehabilitation	Mason City	2,274	13,810.56	13,810.56
Vocational Rehabilitation	Oelwein	100	-	-
Vocational Rehabilitation	Ottumwa	2,440	18,124.80	18,157.30
Vocational Rehabilitation	Sheldon	876	4,250.00	5,100.00
Vocational Rehabilitation	Sioux City	1,277	17,976.00	17,976.00
Vocational Rehabilitation	Spencer	447	2,663.44	2,458.56
Vocational Rehabilitation	Storm Lake	910	1,320.00	1,320.00
Vocational Rehabilitation	Waterloo	2,850	30,694.56	30,694.56
		<u>29,405</u>	<u>226,886.38</u>	<u>241,664.41</u>
Human Services:				
Case Management	Audubon	387	-	-
Child Support Recovery Unit	Burlington	4,892	27,248.40	27,248.40
Field Support	Burlington	-	-	372.00

Year			
2001	2002	2003	Total
17,464.00	19,813.00	19,440.00	82,684.00
15,936.00	17,363.00	16,784.88	80,995.88
33,400.00	37,176.00	36,224.88	163,679.88
2,280.00	2,280.00	2,280.00	11,400.00
1,680.00	1,680.00	1,680.00	6,860.00
10,554.72	9,147.80	9,089.30	46,482.58
3,900.00	3,900.00	3,421.98	19,021.98
32,225.53	35,731.20	36,796.32	163,207.61
4,785.00	5,445.00	5,445.00	25,125.00
10,405.86	21,648.88	23,616.32	95,961.84
1,680.00	1,680.00	1,680.00	7,980.00
12,796.56	12,796.56	12,796.56	62,916.42
4,320.00	3,360.00	3,900.00	19,368.00
20,232.00	21,592.00	21,864.00	97,206.18
1,020.00	10,800.00	10,800.00	42,276.00
30,211.57	40,804.20	35,137.64	157,438.53
-	-	5,666.56	5,666.56
4,951.33	1,008.00	1,008.00	17,381.64
13,810.56	13,810.56	13,810.56	69,052.80
-	600.00	600.00	1,200.00
18,124.80	19,445.64	19,885.92	93,738.46
5,100.00	5,100.00	5,100.00	24,650.00
17,976.00	17,976.00	17,976.00	89,880.00
2,458.56	2,458.56	2,458.56	12,497.68
1,210.00	1,320.00	1,320.00	6,490.00
31,619.56	30,694.56	30,694.56	154,397.80
231,342.05	263,278.96	267,027.28	1,230,199.08
-	1,196.28	3,804.21	5,000.49
27,248.40	27,248.40	35,633.33	144,626.93
558.00	558.00	-	1,488.00

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Human Services:				
Child Support Recovery Unit	Carroll	4,320	20,412.00	22,896.00
Regional Office	Cedar Falls	-	-	73,108.20
Regional Office	Cedar Falls	-	-	23,285.24
Regional Office	Cedar Rapids	-	78,688.00	107,062.00
Regional Office / Quality Control	Cedar Rapids	-	-	41,151.33
Field Support	Cedar Rapids	-	-	-
Child Support Recovery Unit	Cedar Rapids	2,777	12,800.58	13,107.44
ICN Room	Cedar Rapids	1,664	-	-
Child Support Recovery Unit	Centerville	-	1,357.20	1,800.00
Field Support	Chariton	-	1,724.04	1,724.04
Food Stamp Quality Control	Clarinda	-	-	270.00
Child Support Recovery Unit	Clinton	3,646	15,861.72	15,861.72
Child Support Recovery Unit	Council Bluffs	7,077	29,520.00	39,000.00
ICN Room	Council Bluffs	700	-	-
Child Support Recovery Unit	Creston	2,800	14,004.00	14,004.00
Case Management	Davenport	334	2,861.28	2,947.04
Case Management	Davenport	1,750	-	-
Regional Office	Davenport	-	28,209.92	26,003.16
Child Support Recovery Unit	Davenport	9,208	88,523.34	89,778.00
DHS for DIA	Davenport	-	2,250.00	3,000.00
Refugee Services	Davenport	1,575	-	-
Case Management	Decorah	640	-	-
Child Support Recovery Unit	Decorah	3,100	31,620.00	31,620.00
Case Management	Denison	928	-	4,789.29
Case Management	Dubuque	2,340	15,678.00	15,678.00
Child Support Recovery Unit	Dubuque	2,500	20,350.00	20,950.00
Case Management	Elkader	164	-	-
Child Support Recovery Unit	Fort Dodge	4,479	40,311.00	40,311.00
Quality Control	Fort Dodge	155	-	-
Case Management	Fort Dodge	310	-	-
Case Management	Fort Madison	1,300	8,400.00	8,400.00
Case Management	Guthrie Center	-	-	1,600.00
Case Management	Guthrie Center	225	-	-
Case Management	Indianola	388	2,409.48	2,409.48

Year			
2001	2002	2003	Total
22,896.00	22,896.00	22,896.00	111,996.00
79,754.40	79,754.40	-	232,617.00
25,402.08	25,402.08	-	74,089.40
110,673.00	114,409.00	-	410,832.00
44,892.36	44,892.36	-	130,936.05
-	949.00	-	949.00
13,107.44	13,107.44	13,107.44	65,230.34
5,345.60	12,829.44	12,829.44	31,004.48
1,800.00	-	-	4,957.20
1,800.00	1,050.00	-	6,298.08
270.00	-	-	540.00
15,861.72	15,861.72	15,861.75	79,308.63
42,375.00	43,500.00	49,539.00	203,934.00
2,625.00	6,300.00	6,300.00	15,225.00
14,004.00	11,670.00	14,004.00	67,686.00
3,036.08	3,126.28	3,218.68	15,189.36
-	-	17,062.56	17,062.56
26,003.16	15,168.51	-	95,384.75
89,778.00	89,778.00	89,778.00	447,635.34
3,000.00	3,000.00	-	11,250.00
10,360.02	10,360.02	16,397.50	37,117.54
1,680.00	6,720.00	6,720.00	15,120.00
31,620.00	31,620.00	31,620.00	158,100.00
5,224.68	5,224.68	5,224.64	20,463.29
15,678.00	16,146.00	16,146.00	79,326.00
21,575.00	22,225.00	23,575.00	108,675.00
-	-	382.48	382.48
40,311.00	40,311.00	40,311.00	201,555.00
581.25	1,395.00	1,395.00	3,371.25
-	930.00	2,790.00	3,720.00
8,400.00	8,400.00	8,400.00	42,000.00
2,400.00	-	-	4,000.00
450.00	1,800.00	1,800.00	4,050.00
2,409.48	2,409.48	2,409.48	12,047.40

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Human Services:				
Regional Office	Iowa City	-	2,582.16	849.84
Case Management	Jefferson	528	2,400.00	4,325.00
Case Management	Keokuk	96	-	-
Case Management	Knoxville	332	2,758.92	2,758.92
Case Management	LeMars	480	-	-
Case Management	Manchester	525	-	-
Case Management	Marshalltown	-	4,218.00	4,334.28
Case Management	Marshalltown	1,130	-	-
Child Support Recovery Unit	Marshalltown	4,852	33,739.68	33,739.68
Case Management	Mason City	957	5,923.80	5,923.80
Child Support Recovery Unit	Mason City	5,514	33,697.44	33,697.44
Case Management	Newton	723	2,493.48	2,493.48
Case Management	Onawa	245	1,298.40	1,298.40
Case Management	Orange City	774	1,452.00	2,056.67
Case Management	Osceola	180	1,681.20	1,681.20
Child Support Recovery Unit	Ottumwa	9,462	-	50,282.61
Regional Office	Ottumwa	-	38,818.08	38,818.08
Quality Control	Ottumwa	125	-	-
Case Management	Pocahontas	203	1,004.76	1,004.76
Case Management	Rockwell City	338	939.60	939.60
Case Management	Sioux City	1,695	-	-
Case Management	Sioux City	-	92,209.44	92,209.44
Child Support Recovery Unit	Sioux City	6,781	56,678.64	56,678.64
ICN Room	Sioux City	1,160	9,537.24	10,004.64
Child Support Recovery Unit	Spencer	4,800	42,600.00	47,400.00
Targeted Case Mgmt.	Spencer	1,036	8,400.00	8,400.00
Case Management	Vinton	786	3,273.00	4,824.00
Case Management	Waterloo	6,621	43,041.96	43,624.08
Case Management	Waterloo	166	-	-
Employers Partnership and Child Support	Waterloo	13,120	-	-
Quality Control	Waterloo	300	-	-
Child Support Recovery Unit	Waterloo	8,498	26,598.72	53,197.44
		<u>129,085</u>	<u>857,575.48</u>	<u>1,128,918.34</u>

Year			
2001	2002	2003	Total
849.84	495.74	-	4,777.58
4,500.00	4,620.00	4,984.32	20,829.32
-	-	648.00	648.00
2,904.96	2,904.96	2,905.00	14,232.76
-	-	3,072.00	3,072.00
-	-	2,100.00	2,100.00
4,334.28	4,728.24	-	17,614.80
-	-	8,000.40	8,000.40
33,739.68	33,739.68	34,837.32	169,796.04
6,124.68	6,124.68	6,124.68	30,221.64
39,204.00	39,204.00	39,204.00	185,006.88
2,680.44	2,829.72	6,051.96	16,549.08
1,298.40	1,298.40	1,423.44	6,617.04
2,903.20	4,354.80	5,458.78	16,225.45
1,920.60	1,920.60	1,920.60	9,124.20
86,198.76	86,198.76	86,198.76	308,878.89
20,422.99	4,248.79	-	102,307.94
-	-	811.20	811.20
1,004.76	1,004.76	1,004.76	5,023.80
1,722.60	1,879.20	1,879.20	7,360.20
6,513.75	15,633.00	15,633.00	37,779.75
92,209.44	53,788.84	-	330,417.16
56,678.64	56,678.64	56,678.64	283,393.20
12,083.16	13,923.00	6,090.00	51,638.04
47,400.00	47,400.00	47,400.00	232,200.00
8,400.00	8,400.00	8,400.00	42,000.00
4,824.00	5,404.32	6,455.89	24,781.21
46,377.38	48,624.84	49,657.64	231,325.90
-	-	664.00	664.00
-	-	82,262.40	82,262.40
457.50	2,745.00	2,745.00	5,947.50
57,446.46	61,695.48	61,695.48	260,633.58
1,213,319.19	1,190,083.54	985,511.98	5,375,408.53

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Inspections and Appeals:				
Child Advocacy Board	Ames	287	-	-
State Public Defender	Burlington	1,650	8,460.00	6,472.00
State Public Defender	Cedar Rapids	6,015	75,187.40	75,187.40
State Public Defender	Cedar Rapids	1,373	8,238.00	8,238.00
State Public Defender	Cedar Rapids	500	1,000.00	1,000.00
Foster Care Review Board and CASA	Cedar Rapids	1,447	14,081.29	16,755.00
Child Advocacy Board	Council Bluffs	286	3,000.00	3,000.00
Child Advocacy Board	Council Bluffs	-	3,450.04	3,800.04
State Public Defender	Council Bluffs	6,304	40,749.96	45,877.39
Child Advocacy Board	Davenport	1,220	-	-
Foster Care Review Board	Dubuque	-	9,100.00	13,725.00
Foster Care Review Board	Dubuque	1,500	-	-
State Public Defender	Dubuque	2,990	21,570.99	22,114.21
Investigations	Dubuque	160	561.60	1,123.20
State Public Defender	Fort Dodge	5,700	12,033.00	12,033.00
State Public Defender	Fort Madison	1,900	6,420.00	12,648.00
State Public Defender	Iowa City	3,240	33,600.00	34,300.00
State Public Defender	Keokuk	1,812	5,700.00	6,600.00
Investigations	Lucas	256	-	-
State Public Defender	Marshalltown	1,190	5,580.00	5,580.00
State Public Defender	Mason City	2,940	23,160.00	23,580.00
State Public Defender	Muscatine	2,410	12,648.00	8,460.00
State Public Defender	Nevada	2,400	17,280.00	17,280.00
Child Advocacy Board	Ottumwa	628	3,900.00	3,900.00
Public Defender - Adult	Sioux City	4,930	29,665.80	29,711.35
Public Defender - Juvenile	Sioux City	4,070	19,798.25	51,372.00
Child Advocacy Board	Toledo	870	-	-
Child Advocacy Board	Washington	1,430	6,874.00	7,452.00
Public Defender - Adult	Waterloo	3,950	23,700.00	23,700.00
Public Defender - Juvenile	Waterloo	3,308	32,641.17	36,387.96
Public Defender	Waterloo	675	-	-
		<u>65,441</u>	<u>418,399.50</u>	<u>470,296.55</u>

Year			
2001	2002	2003	Total
-	-	2,700.00	2,700.00
8,451.00	8,460.00	9,412.50	41,255.50
76,691.18	78,194.96	79,698.75	384,959.69
8,238.00	8,238.00	8,238.00	41,190.00
1,000.00	1,000.00	1,000.00	5,000.00
16,687.00	17,039.34	18,751.95	83,314.58
3,000.00	3,000.00	3,000.00	15,000.00
3,166.70	-	-	10,416.78
47,322.40	47,280.00	47,991.00	229,220.75
-	-	8,333.76	8,333.76
14,494.32	7,517.75	-	44,837.07
-	14,791.48	14,071.66	28,863.14
22,992.00	23,940.00	24,774.00	115,391.20
1,123.20	1,123.20	561.60	4,492.80
14,250.00	14,250.00	14,250.00	66,816.00
13,252.80	8,040.00	8,040.00	48,400.80
35,700.00	35,700.00	39,400.00	178,700.00
6,600.00	18,165.00	9,060.00	46,125.00
-	-	1,800.00	1,800.00
7,080.00	7,080.00	7,080.00	32,400.00
24,420.00	24,420.00	26,152.00	121,732.00
8,460.00	13,857.60	13,857.60	57,283.20
17,280.00	17,280.00	17,280.00	86,400.00
3,900.00	3,900.00	3,900.00	19,500.00
35,491.72	38,404.68	38,404.68	171,678.23
51,372.00	51,372.00	50,204.00	224,118.25
-	-	4,200.00	4,200.00
7,525.29	7,750.68	7,750.68	37,352.65
23,700.00	24,411.00	25,143.36	120,654.36
36,387.96	39,398.46	36,388.00	181,203.55
-	-	4,556.25	4,556.25
488,585.57	514,614.15	525,999.79	2,417,895.56

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Natural Resources:				
Compliance and Enforcement	Atlantic	5,150	15,528.00	15,528.00
Compliance and Enforcement	Manchester	6,129	39,344.04	45,069.96
Compliance and Enforcement	Mason City	4,400	17,706.00	17,706.00
Compliance and Enforcement	Spencer	5,101	19,704.00	19,704.00
Compliance and Enforcement	Washington	6,000	9,600.00	9,600.00
Compliance and Enforcement	Storm Lake	130	2,400.00	2,400.00
Compliance and Enforcement	Adel	514	4,277.50	4,277.50
Compliance and Enforcement	Anamosa	261	2,896.00	2,896.00
Compliance and Enforcement	Bellevue	NA	-	-
Compliance and Enforcement	Bellevue	NA	21,354.00	21,354.00
Compliance and Enforcement	Boone	173	2,321.03	2,321.03
Compliance and Enforcement	Britt	-	2,400.00	2,400.00
Compliance and Enforcement	Chariton	576	7,464.24	7,464.24
Compliance and Enforcement	Charles City	285	-	-
Compliance and Enforcement	Creston	NA	1,439.78	1,708.08
Compliance and Enforcement	Decorah	250	2,277.47	2,277.47
Compliance and Enforcement	Elkader	225	2,171.61	2,171.61
Compliance and Enforcement	Estherville	NA	1,848.25	1,848.25
Compliance and Enforcement	Fairfield	221	-	-
Compliance and Enforcement	Fayette	NA	-	-
Compliance and Enforcement	Hampton	NA	1,723.92	1,723.92
Compliance and Enforcement	Independence	NA	1,800.00	1,800.00
Compliance and Enforcement	Indianola	NA	900.00	900.00
Compliance and Enforcement	Iowa City	235	2,817.74	2,817.74
Compliance and Enforcement	Iowa City	200	-	-
Compliance and Enforcement	Le Mars	204	1,821.72	2,142.50
Compliance and Enforcement	Maquoketa	NA	-	1,500.00
Compliance and Enforcement	Marshalltown	528	7,034.14	7,034.14
Compliance and Enforcement	Mount Ayr	NA	2,349.20	2,795.42
Compliance and Enforcement	Northwood	NA	1,411.84	1,411.84
Compliance and Enforcement	Oakland	NA	-	-
Compliance and Enforcement	Onawa	250	1,368.41	2,175.92
Compliance and Enforcement	Ottumwa	236	2,067.46	2,067.46
Compliance and Enforcement	Rock Rapids	-	1,673.29	1,673.29

Year			
2001	2002	2003	Total
26,653.00	42,228.00	42,228.00	142,165.00
45,069.96	45,069.96	45,069.96	219,623.88
17,706.00	17,706.00	32,124.00	102,948.00
19,704.00	30,564.40	52,285.20	141,961.60
9,600.00	11,400.00	12,000.00	52,200.00
2,400.00	2,400.00	2,400.00	12,000.00
4,277.50	4,354.32	5,600.96	22,787.78
2,896.00	2,896.00	2,896.00	14,480.00
-	-	1,080.00	1,080.00
21,354.00	21,957.00	22,560.00	108,579.00
2,388.23	2,724.20	2,724.20	12,478.69
600.00	-	-	5,400.00
7,464.24	7,464.24	7,464.24	37,321.20
-	2,810.61	3,448.50	6,259.11
1,708.08	1,708.08	1,708.08	8,272.10
2,277.47	2,277.47	2,277.47	11,387.35
2,171.61	2,171.61	2,171.61	10,858.05
1,980.54	2,007.00	2,007.00	9,691.04
2,550.60	4,080.95	4,080.95	10,712.50
-	-	1,200.00	1,200.00
1,723.92	1,902.70	1,902.70	8,977.16
1,800.00	2,069.00	2,606.95	10,075.95
900.00	900.00	900.00	4,500.00
2,817.74	3,116.29	3,215.81	14,785.32
1,085.00	1,860.00	1,860.00	4,805.00
2,142.50	2,142.50	2,142.50	10,391.72
1,500.00	1,500.00	1,500.00	6,000.00
7,034.14	7,034.14	7,272.21	35,408.77
2,795.42	2,795.42	2,795.42	13,530.88
1,411.84	1,411.80	1,411.80	7,059.12
1,512.00	3,024.00	3,024.00	7,560.00
3,791.00	3,791.00	3,791.00	14,917.33
2,067.46	2,067.46	2,067.46	10,337.30
1,673.29	1,115.53	-	6,135.40

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Natural Resources:				
Compliance and Enforcement	Sidney	168	516.96	1,550.88
Compliance and Enforcement	Spirit Lake	216	-	-
Compliance and Enforcement	Tipton	NA	2,700.00	2,700.00
Compliance and Enforcement	Toledo	180	-	-
Compliance and Enforcement	Wapello	405	4,226.00	4,226.00
Compliance and Enforcement	Webster City	NA	-	-
		<u>32,037</u>	<u>185,142.60</u>	<u>195,245.25</u>
Public Safety:				
Narcotics Enforcement	Ames	-	6,300.00	6,900.00
Narcotics Enforcement	Burlington	416	2,190.00	1,162.50
Narcotics Enforcement	Cedar Falls	-	4,800.00	4,800.00
Narcotics Enforcement	Coralville	576	5,430.00	5,580.00
<i>Not identified</i>	Dubuque	-	4,986.00	4,155.00
Narcotics Enforcement/Criminal Investigation	Dubuque	817	5,872.06	6,204.96
Narcotics Enforcement/Criminal Investigation	Sioux City	<u>1,570</u>	<u>13,413.98</u>	<u>13,266.48</u>
		<u>3,379</u>	<u>42,992.04</u>	<u>42,068.94</u>
Revenue and Finance:				
Iowa Lottery	Cedar Rapids	4,800	52,764.00	52,764.00
Iowa Lottery	Council Bluffs	3,245	22,715.04	22,715.04
Iowa Lottery	Mason City	4,800	39,360.00	39,360.00
Iowa Lottery	Storm Lake	4,800	36,000.00	36,000.00
Region 6	Burlington	1,100	7,947.60	7,947.60
Region 2	Cedar Falls	2,971	-	23,285.24
Region 5	Cedar Rapids	2,373	19,035.00	25,380.00
Region 3	Council Bluffs	2,751	20,357.40	20,357.40
Region 6	Davenport	2,000	15,000.00	15,000.00
Region 2	Dubuque	1,495	11,960.04	11,960.04
Region 1	Fort Dodge	1,387	5,548.00	11,096.00
Region 2	Iowa City	192	-	-
Region 2	Mason City	600	7,263.60	10,895.40
Region 5	Ottumwa	-	9,070.20	9,070.20
Region 5	Ottumwa	103	-	-
Region 1	Sioux City	2,226	18,809.76	18,809.76
Region 1	Spencer	<u>595</u>	<u>-</u>	<u>470.00</u>
		<u>35,438</u>	<u>265,830.64</u>	<u>305,110.68</u>

Year			
2001	2002	2003	Total
1,550.88	1,550.88	1,550.88	6,720.48
-	-	2,673.76	2,673.76
2,700.00	2,700.00	2,700.00	13,500.00
496.26	1,985.00	1,985.00	4,466.26
4,226.00	4,315.12	4,493.28	21,486.40
600.00	2,400.00	2,400.00	5,400.00
212,628.68	251,500.68	295,618.94	1,140,136.15
6,900.00	-	-	20,100.00
4,380.00	4,380.00	4,380.00	16,492.50
4,800.00	-	-	14,400.00
5,580.00	5,580.00	5,115.00	27,285.00
-	-	-	9,141.00
6,204.96	6,241.16	6,678.08	31,201.22
13,266.48	13,266.48	14,757.90	67,971.32
41,131.44	29,467.64	30,930.98	186,591.04
52,764.00	52,764.00	52,752.00	263,808.00
30,871.92	30,871.92	30,827.50	138,001.42
39,360.00	39,360.00	46,560.00	204,000.00
36,000.00	36,000.00	36,000.00	180,000.00
7,947.60	7,947.60	5,995.00	37,785.40
25,402.08	25,402.08	25,402.05	99,491.45
25,380.00	25,380.00	27,882.75	123,057.75
20,357.40	20,357.40	26,134.50	107,564.10
15,000.00	15,000.00	17,000.00	77,000.00
11,960.04	11,960.04	12,842.05	60,682.21
11,096.00	11,096.00	11,789.50	50,625.50
1,920.00	1,920.00	1,920.00	5,760.00
10,895.40	10,895.40	6,000.00	45,949.80
970.20	9,070.20	-	28,180.80
-	-	2,399.90	2,399.90
18,809.76	18,809.76	18,809.70	94,048.74
5,640.00	5,640.00	5,640.60	17,390.60
314,374.40	322,474.40	327,955.55	1,535,745.67

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Secretary of State	Iowa City	105	-	-
Iowa Workforce Development:				
Field Office	Algona	825	7,140.00	7,140.00
Field Office	Ames	3,600	35,556.00	35,556.00
Field Office	Atlantic	2,600	16,718.04	18,061.34
Field Office	Bedford	378	-	-
Field Office	Boone	1,824	17,255.04	13,489.60
Field Office	Burlington	13,722	81,943.44	81,943.44
Field Office	Carroll	4,380	24,900.00	24,900.00
Field Office	Cedar Rapids	NA	140,250.00	153,000.00
Field Office	Centerville	3,100	15,000.00	15,000.00
Field Office	Chariton	NA	2,400.00	2,400.00
Field Office	Charles City	382	3,208.80	3,208.80
Field Office	Clarinda	1,170	3,900.00	3,900.00
Field Office	Clarion	NA	4,380.00	4,380.00
Field Office	Clinton	4,500	45,075.00	45,075.00
Field Office	Council Bluffs	13,486	94,401.96	94,401.96
Field Office	Creston	6,624	44,400.00	44,400.00
Field Office	Davenport	15,125	135,822.48	135,822.48
Field Office	Decorah	3,001	8,400.00	13,201.28
Field Office	Denison	1,140	5,580.00	5,580.00
Field Office	Dubuque	NA	100,743.72	100,743.12
Field Office	Estherville	471	900.00	900.00
Field Office	Fairfield	2,460	19,200.00	19,200.00
Field Office	Forest City	NA	4,500.00	4,500.00
Field Office	Fort Dodge	9,600	82,688.00	86,400.00
Field Office	Fort Madison	3,896	18,600.00	27,696.00
Field Office	Grinnell	NA	22,560.00	19,900.00
Field Office	Harlan	NA	6,707.28	4,117.88
Field Office	Humboldt	1,200	4,500.00	4,500.00
Field Office	Independence	NA	1,044.00	1,044.00
Field Office	Iowa City	5,444	59,339.52	59,339.52
Field Office	Keokuk	2,600	9,600.00	9,600.00
Field Office	Knoxville	1,720	6,900.00	6,900.00

Year			
2001	2002	2003	Total
-	-	1,260.00	1,260.00
7,140.00	7,140.00	7,140.00	35,700.00
35,556.00	35,556.00	35,556.00	177,780.00
18,061.34	18,330.00	18,330.00	89,500.72
-	600.00	1,200.00	1,800.00
13,489.60	10,800.00	10,800.00	65,834.24
81,943.44	81,943.44	81,943.44	409,717.20
24,900.00	24,900.00	24,900.00	124,500.00
153,000.00	153,000.00	153,000.00	752,250.00
15,000.00	15,000.00	15,000.00	75,000.00
2,400.00	2,400.00	2,400.00	12,000.00
3,208.80	3,208.80	3,208.80	16,044.00
3,900.00	3,900.00	3,900.00	19,500.00
4,380.00	4,380.00	4,380.00	21,900.00
45,075.00	45,075.00	45,075.00	225,375.00
94,401.96	114,631.08	114,631.08	512,468.04
44,400.00	44,400.00	44,400.00	222,000.00
135,822.48	145,655.36	150,092.04	703,214.84
13,201.28	15,847.92	15,847.92	66,498.40
5,580.00	5,580.00	5,580.00	27,900.00
100,743.12	100,743.72	100,743.72	503,717.40
900.00	900.00	1,500.00	5,100.00
19,200.00	19,200.00	19,200.00	96,000.00
4,500.00	4,650.00	5,400.00	23,550.00
86,400.00	86,400.00	86,400.00	428,288.00
27,696.00	27,696.00	27,696.00	129,384.00
19,900.00	18,000.00	14,500.00	94,860.00
4,117.88	3,600.00	3,900.00	22,443.04
4,500.00	2,625.00	2,062.50	18,187.50
1,044.00	1,044.00	1,044.00	5,220.00
59,339.52	62,878.20	62,878.20	303,774.96
9,600.00	9,600.00	9,700.00	48,100.00
6,900.00	7,620.00	7,620.00	35,940.00

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area

For fiscal years 1999 through 2003

Department / Division	City	Square Footage at 6/30/03	Fiscal	
			1999	2000
Iowa Workforce Development:				
Field Office	LeMars	1,872	7,200.00	7,260.00
Field Office	Manchester	413	5,700.00	4,135.74
Field Office	Maquoketa	NA	4,521.96	4,521.96
Field Office	Marshalltown	4,110	37,500.00	37,500.00
Field Office	Mason City	NA	88,928.40	88,928.40
Field Office	Missouri Valley	2,500	4,500.00	4,800.00
Field Office	Monticello	NA	1,908.58	1,711.92
Field Office	Mount Pleasant	1,840	14,712.00	14,712.00
Field Office	Muscatine	NA	23,140.08	23,140.08
Field Office	New Hampton	243	1,740.00	1,344.97
Field Office	Newton	2,440	17,400.00	17,400.00
Field Office	Oelwein	2,538	11,400.00	11,400.00
Field Office	Oskaloosa	NA	26,922.24	26,922.24
Field Office	Ottumwa	7,680	63,000.00	63,000.00
Field Office	Pella	NA	2,500.00	3,700.00
Field Office	Perry	1,920	7,200.00	11,025.00
Field Office	Pocahontas	516	6,180.00	6,180.00
Field Office	Red Oak	1,285	7,618.08	9,104.52
Field Office	Sac City	NA	-	1,650.00
Field Office	Sheldon	1,728	11,520.00	11,520.00
Field Office	Shenandoah	3,270	9,600.00	9,600.00
Field Office	Sioux Center	420	3,294.00	4,522.50
Field Office	Sioux City	15,876	136,320.00	136,200.00
Field Office	Spencer	2,637	20,400.00	20,400.00
Field Office	Storm Lake	NA	11,400.00	6,000.00
Field Office	Washington	144	1,824.00	1,152.00
Field Office	Waterloo	NA	120,315.00	120,315.00
Field Office	Waverly	1,260	11,340.00	9,780.00
Field Office	Webster City	1,200	1,888.56	1,888.56
		157,140	1,683,586.18	1,706,115.31
Total		455,426	\$ 3,708,220.82	4,118,490.48

Source: General Services and various State agencies

NA = Square footage information was not readily available from General Services or other State agency.

Year			
2001	2002	2003	Total
7,260.00	7,920.00	7,920.00	37,560.00
4,135.74	2,700.00	2,742.00	19,413.48
4,521.96	4,521.96	6,029.28	24,117.12
37,500.00	37,500.00	37,500.00	187,500.00
88,928.40	88,928.40	88,928.40	444,642.00
4,800.00	4,800.00	4,800.00	23,700.00
1,711.92	1,711.92	1,711.92	8,756.26
14,712.00	14,712.00	14,712.00	73,560.00
23,140.08	23,140.08	23,140.08	115,700.40
1,344.97	1,258.75	2,592.00	8,280.69
17,400.00	17,400.00	18,285.00	87,885.00
11,400.00	11,400.00	11,400.00	57,000.00
26,922.24	21,900.00	21,900.00	124,566.72
63,000.00	63,000.00	63,000.00	315,000.00
3,700.00	6,000.00	6,000.00	21,900.00
11,025.00	12,300.00	12,300.00	53,850.00
6,180.00	1,700.00	1,800.00	22,040.00
9,104.52	9,600.00	9,600.00	45,027.12
1,650.00	1,800.00	1,800.00	6,900.00
11,520.00	11,520.00	11,520.00	57,600.00
9,600.00	10,500.00	10,500.00	49,800.00
4,522.50	5,400.00	5,400.00	23,139.00
136,200.00	136,200.00	136,320.00	681,240.00
2,040.00	14,503.56	14,503.56	71,847.12
6,000.00	6,000.00	6,000.00	35,400.00
1,152.00	1,152.00	1,152.00	6,432.00
120,315.00	120,315.00	120,315.00	601,575.00
9,780.00	9,000.00	9,000.00	48,900.00
1,888.56	1,888.56	1,888.56	9,442.80
1,687,755.31	1,726,076.75	1,732,788.50	8,536,322.05
4,222,536.64	4,334,672.12	4,203,317.90	20,587,237.96

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area By County

For fiscal years 1999 through 2003

County Name	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001	
	Number of Employees	Lease Payments	Number of Employees	Lease Payments	Number of Employees	Lease Payments
Adair	12	\$ -	28	\$ -	28	\$ -
Adams	10	-	11	-	10	-
Allamakee	32	-	34	-	37	-
Appanoose	45	16,357.20	46	16,800.00	45	16,800.00
Audubon	8	-	8	-	7	-
Benton	37	3,273.00	37	4,824.00	32	4,824.00
Black Hawk	396	294,787.41	393	445,368.72	434	469,126.42
Boone	691	19,576.07	701	15,810.63	702	15,877.83
Bremer	28	11,340.00	27	9,780.00	27	9,780.00
Buchanan	389	2,844.00	397	2,844.00	393	2,844.00
Buena Vista	54	51,120.00	55	45,720.00	55	45,610.00
Butler	27	-	28	-	28	-
Calhoun	126	939.60	133	939.60	132	1,722.60
Carroll	93	49,212.00	91	51,696.00	90	51,696.00
Cass	112	32,666.04	108	34,989.34	106	46,394.34
Cedar	28	2,700.00	26	2,700.00	30	2,700.00
Cerro Gordo	207	229,849.80	218	233,901.60	226	240,449.04
Cherokee	278	-	285	-	286	-
Chickasaw	38	1,740.00	42	1,344.97	43	1,344.97
Clarke	124	1,681.20	126	1,681.20	107	1,920.60
Clay	71	93,767.44	70	98,832.56	70	85,642.56
Clayton	35	2,171.61	37	2,171.61	31	2,171.61
Clinton	79	65,661.72	82	65,661.72	86	65,721.72
Crawford	63	5,580.00	62	10,369.29	59	10,804.68
Dallas	48	11,477.50	47	15,302.50	48	15,302.50
Davis	17	-	17	-	18	-
Decatur	29	-	27	-	29	-
Delaware	81	45,044.04	81	49,205.70	84	49,205.70
Des Moines	109	136,429.44	102	134,196.70	107	141,083.16
Dickinson	34	-	33	-	40	-
Dubuque	164	196,000.85	162	202,168.27	165	200,508.32
Emmet	22	2,748.25	22	2,748.25	23	2,880.54
Fayette	56	11,400.00	55	11,400.00	55	11,400.00
Floyd	35	3,208.80	34	3,208.80	35	3,208.80
Franklin	23	1,723.92	24	1,723.92	24	1,723.92
Fremont	22	516.96	23	1,550.88	24	1,550.88

Fiscal Year 2002		Fiscal Year 2003	
Number of Employees	Lease Payments	Number of Employees	Lease Payments
33	\$ -	29	\$ -
9	-	9	-
32	-	27	-
39	15,000.00	39	15,000.00
3	1,196.28	3	3,804.21
37	5,404.32	39	6,455.89
407	478,255.90	381	458,963.74
687	13,524.20	699	16,224.20
29	9,000.00	28	9,000.00
366	3,113.00	334	3,650.95
51	45,720.00	52	45,720.00
24	-	27	-
118	1,879.20	116	1,879.20
84	51,696.00	99	51,217.98
100	62,238.00	99	62,238.00
21	2,700.00	22	2,700.00
209	240,449.04	214	258,903.64
273	-	275	-
34	1,258.75	35	2,592.00
95	1,920.60	95	1,920.60
78	108,966.52	86	130,687.92
30	2,171.61	25	2,554.09
81	66,381.72	78	66,381.75
45	10,804.68	43	10,804.64
50	16,654.32	51	17,900.96
18	-	15	-
26	-	29	-
74	47,769.96	78	49,911.96
97	139,685.24	101	146,453.57
43	-	44	2,673.76
166	218,762.60	168	221,256.11
20	2,907.00	20	3,507.00
57	12,000.00	58	13,200.00
29	6,019.41	36	6,657.30
22	1,902.70	17	1,902.70
18	1,550.88	18	1,550.88

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area By County

For fiscal years 1999 through 2003

County Name	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001	
	Number of Employees	Lease Payments	Number of Employees	Lease Payments	Number of Employees	Lease Payments
Greene	31	2,400.00	30	4,325.00	28	4,500.00
Grundy	9	-	11	-	12	-
Guthrie	42	-	29	1,600.00	30	2,850.00
Hamilton	45	1,888.56	39	1,888.56	43	1,888.56
Hancock	25	2,400.00	27	2,400.00	25	600.00
Hardin	223	-	243	-	241	-
Harrison	37	4,500.00	38	4,800.00	34	4,800.00
Henry	484	14,712.00	518	14,712.00	518	14,712.00
Howard	11	-	11	-	10	-
Humboldt	14	4,500.00	13	4,500.00	12	4,500.00
Ida	11	-	12	-	10	-
Iowa	33	-	30	-	29	-
Jackson	48	25,875.96	48	27,375.96	50	27,375.96
Jasper	422	19,893.48	435	19,893.48	427	20,080.44
Jefferson	72	19,200.00	77	19,200.00	78	21,750.60
Johnson	523	129,411.98	523	128,529.66	524	137,503.67
Jones	446	4,804.58	445	4,607.92	437	4,607.92
Keokuk	17	-	18	-	19	-
Kossuth	29	9,420.00	29	9,420.00	30	9,420.00
Lee	554	48,720.00	570	64,944.00	587	65,548.80
Linn	489	444,040.87	493	541,015.13	494	555,940.11
Louisa	15	4,226.00	18	4,226.00	20	4,226.00
Lucas	56	11,588.28	58	11,588.28	64	11,664.24
Lyon	17	1,673.29	18	1,673.29	18	1,673.29
Madison	13	-	14	-	13	-
Mahaska	39	26,922.24	36	26,922.24	39	26,922.24
Marion	41	12,158.92	40	13,358.92	38	13,504.96
Marshall	786	92,727.82	850	93,946.41	837	94,639.43
Mills	859	-	875	-	857	-
Mitchell	10	-	8	-	8	-
Monona	28	2,666.81	27	3,474.32	28	5,089.40
Monroe	20	-	20	-	20	-
Montgomery	41	7,618.08	40	9,104.52	41	9,104.52
Muscatine	72	35,788.08	75	31,600.08	72	31,600.08
O'Brien	30	15,770.00	28	16,620.00	27	16,620.00
Osceola	12	-	12	-	9	-
Page	439	13,500.00	442	13,770.00	444	13,770.00

Fiscal Year 2002		Fiscal Year 2003	
Number of Employees	Lease Payments	Number of Employees	Lease Payments
27	4,620.00	23	4,984.32
11	-	10	-
23	1,800.00	18	1,800.00
32	1,888.56	30	1,888.56
22	-	23	-
233	-	216	-
30	4,800.00	32	4,800.00
487	14,712.00	478	14,712.00
2	-	1	-
7	2,625.00	5	2,062.50
8	-	9	-
27	-	24	-
49	27,978.96	45	31,169.28
391	20,229.72	408	24,336.96
76	23,280.95	82	23,280.95
490	152,354.43	497	156,453.21
410	4,607.92	418	4,607.92
20	-	19	-
29	9,420.00	29	9,420.00
557	71,901.00	640	63,544.00
423	574,897.74	426	420,841.53
16	4,315.12	10	4,493.28
52	10,914.24	53	11,664.24
16	1,115.53	14	-
8	-	8	-
35	21,900.00	37	21,900.00
39	16,524.96	40	16,525.00
812	91,090.06	823	95,697.93
850	-	855	-
8	-	9	-
26	5,089.40	20	5,214.44
14	-	15	-
36	9,600.00	25	9,600.00
70	36,997.68	79	36,997.68
25	16,620.00	26	16,620.00
3	-	3	-
408	14,400.00	405	14,400.00

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area By County

For fiscal years 1999 through 2003

County Name	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001	
	Number of Employees	Lease Payments	Number of Employees	Lease Payments	Number of Employees	Lease Payments
Palo Alto	17	-	17	-	19	-
Plymouth	32	9,021.72	31	9,402.50	33	9,402.50
Pocahontas	16	7,184.76	16	7,184.76	16	7,184.76
Polk	6,445	-	6,724	-	6,833	-
Pottawattamie	291	233,354.26	282	250,282.75	295	256,038.24
Poweshiek	37	22,560.00	34	19,900.00	31	19,900.00
Ringgold	18	2,349.20	17	2,795.42	17	2,795.42
Sac	24	-	24	1,650.00	23	1,650.00
Scott	312	294,563.58	312	298,005.86	326	310,290.62
Shelby	20	6,707.28	21	4,117.88	22	4,117.88
Sioux	23	4,746.00	25	6,579.17	25	7,425.70
Story	1,308	59,136.00	1,300	59,736.00	1,256	59,736.00
Tama	158	-	163	-	155	496.26
Taylor	15	-	16	-	15	-
Union	71	61,103.78	67	61,792.08	65	61,792.08
Van Buren	20	-	18	-	16	-
Wapello	143	134,980.54	147	185,295.65	157	194,684.21
Warren	44	3,309.48	42	3,309.48	43	3,309.48
Washington	56	18,298.00	55	18,204.00	56	18,277.29
Wayne	8	-	9	-	9	-
Webster	393	150,216.00	525	159,860.00	525	154,258.25
Winnebago	21	4,500.00	18	4,500.00	18	4,500.00
Winneshiek	61	45,765.47	63	51,418.75	61	53,098.75
Woodbury	375	394,409.11	401	426,228.31	403	440,600.95
Worth	15	1,411.84	14	1,411.84	15	1,411.84
Wright	18	4,380.00	20	4,380.00	21	4,380.00
Unidentified	10	-	13	-	15	-
Total	19,607	\$ 3,708,220.82	20,233	\$ 4,118,490.48	20,344	\$ 4,222,536.64

Source: Employee information from "Just the Facts 2003" published by the Iowa Department of Administrative Services.
Lease payments from General Services and various State agencies.

Fiscal Year 2002		Fiscal Year 2003	
Number of Employees	Lease Payments	Number of Employees	Lease Payments
13	-	13	-
31	10,062.50	36	13,134.50
14	2,704.76	11	2,804.76
6,338	-	6,285	-
284	290,613.28	293	305,063.40
29	18,000.00	28	14,500.00
16	2,795.42	12	2,795.42
23	1,800.00	20	1,800.00
313	302,402.48	311	314,679.10
13	3,600.00	8	3,900.00
25	9,754.80	24	10,858.78
1,126	52,836.00	1,126	52,836.00
148	1,985.00	135	6,185.00
15	600.00	10	1,200.00
59	59,458.08	66	61,792.08
11	-	10	-
143	187,930.85	145	178,263.24
37	3,309.48	36	3,309.48
53	20,302.68	55	20,902.68
7	-	4	-
496	167,582.00	504	170,135.50
12	4,650.00	14	5,400.00
59	59,825.39	58	60,365.39
370	416,052.40	389	354,873.92
13	1,411.80	12	1,411.80
19	4,380.00	21	4,380.00
9	-	7	-
18,944	\$ 4,334,672.12	18,970	\$ 4,203,317.90

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases By Collocation

For the fiscal year ended June 30, 2003

Type	Department/Board	Address of Leased Space	City	Lease Start	Lease End	Square Footage
<u>Regular Leases:</u>						
	Iowa Finance Authority	100 E. Grand, 2nd floor, Ste. 250 & 230	Des Moines	10/01/96	09/30/06	21,882
	Transportation:					
	Motor Vehicle	100 Euclid Ave - Lower level	Des Moines	02/17/92	06/30/04	29,370
	Aviation	100 Euclid Ave - Upper level	Des Moines	02/17/92	06/30/04	3,574
	Motor Vehicle	100 Euclid Ave - Upper level	Des Moines	02/17/92	06/30/04	16,094
	Human Services:					
	Field Office and Refugee Services	1200 University	Des Moines	08/01/99	06/30/10	8,846
	Refugee Services Training Center	1200 University	Des Moines	01/15/03	12/31/03	4,222
	CSRU	1901 Bell Ave - 3rd floor	Des Moines	10/01/01	09/30/08	20,459
	Elder Affairs	200 10th St - 3rd floor	Des Moines	12/01/00	11/30/05	6,300
	Education:					
	College Student Aid Commission	200 10th St - 4th floor	Des Moines	09/01/01	11/30/05	9,000
	Economic Development	200 E. Grand Ave	Des Moines	10/01/96	09/30/06	36,218
	Commerce:					
	Banking	200 E. Grand Ave, 3rd floor, Ste. 300	Des Moines	10/01/96	09/30/06	7,307
	Credit Union	200 E. Grand Ave, 3rd floor, Ste. 320	Des Moines	10/01/96	09/30/06	2,267
	Revenue and Finance:					
	Iowa Lottery	2015 Grand Ave	Des Moines	09/01/00	08/31/05	30,000
	Civil Rights Commission	211 E. Maple St.	Des Moines	05/01/98	04/30/03	11,015
	Iowa Workforce Development:					
	Job Services	215 Keo Avenue - 1st & 2nd floors	Des Moines	07/01/93	06/30/04	33,720
	Commerce:					
	Insurance, Administration and Utilities	300 E. Maple Ste. 330	Des Moines	12/01/97	11/30/07	51,878
	Justice/Attorney General:					
	Consumer Advocate	300 Maple Street	Des Moines	12/01/97	11/30/07	9,524
	Human Services:					
	ICAR, ICER, Bureau of Collections and Foster Care Recovery Unit	400 SW 8th Street	Des Moines	09/01/99	08/31/04	24,386
	Public Health:					
	Medical, Dental, Pharmacy and Dental Boards	400 SW 8th Street	Des Moines	09/01/99	08/31/04	16,296

Base Rent/ Sq. Ft.	Operating Expenses/ Square Ft.	Janitorial/ Yr.	Parking/ Yr .	Increase in CAM/Taxes/ Base Yr.	Other Rent/Yr.	Annual rent	Total Cost per Square Foot
\$ 8.50	7.80	-	-	-	-	356,677	16.30
6.00	6.61	-	-	-	-	370,356	12.61
8.00	6.61	-	-	-	-	52,216	14.61
6.79	6.61	-	-	-	-	215,660	13.40
5.79	5.43	-	-	-	-	99,252	11.22
5.79	2.49	-	-	-	-	34,958	8.28
12.75	-	-	-	-	-	260,852	12.75
13.00	-	-	-	-	-	81,900	13.00
13.00	-	-	-	-	-	117,000	13.00
8.50	7.80	-	-	-	-	590,353	16.30
8.50	7.80	-	-	-	-	119,104	16.30
8.50	7.80	-	-	-	-	36,952	16.30
10.75	-	-	-	2,504.00	-	325,004	10.83
7.30	5.17	-	-	-	-	137,357	12.47
10.65	-	21,600.00	-	29,134.00	-	409,852	12.15
10.12	6.03	-	25,938.96	-	-	863,769	16.65
10.12	5.96	-	4,761.96	-	-	157,908	16.58
9.75	5.16	-	-	-	-	363,590	14.91
9.75	5.15	-	-	-	-	242,816	14.90

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases By Collocation

For the fiscal year ended June 30, 2003

Type	Department/Board	Address of Leased Space	City	Lease Start	Lease End	Square Footage
<u>Regular Leases:</u>						
	Human Services:					
	Income Training Academy	401 SW 7th - Suite G	Des Moines	09/01/00	08/31/05	4,819
	Information Technology	401 SW 7th - Suite N	Des Moines	12/15/00	12/31/05	6,351
	Revenue and Finance:					
	Collections Unit	401 SW 7th Street, Ste. C	Des Moines	07/01/00	06/30/05	8,848
	Natural Resources:					
	Water Supply and FO5	401 SW 7th Street, Ste. I & M	Des Moines	12/01/00	11/30/05	13,183
	Agriculture:					
	Agricultural Development Authority	505 5th Ave., Ste 327	Des Moines	01/01/01	12/31/05	1,735
	Inspections and Appeals:					
	Adult Public Defender's Office	505 5th Ave., Ste 510	Des Moines	07/01/01	06/30/08	5,320
	Juvenile Public Defender's Office	505 5th Ave., Ste. 345	Des Moines	07/01/01	06/30/08	2,873
	Ethics and Campaign Disclosure Board	514 E Locust St., Ste. 104	Des Moines	07/01/99	06/30/04	3,260
	Public Employment Relations Board	514 E Locust St., Ste. 202	Des Moines	07/01/99	06/30/04	4,501
	Human Services:					
	Governor's Developmental Disabilities Council	617 E. 2nd Street	Des Moines	07/01/98	06/30/03	1,864
	Public Safety	709 E. 2nd Street	Des Moines	09/01/95	08/31/05	4,428
	Human Services:					
	Bureau of Collections	715 - 719 E. 2nd Street	Des Moines	10/01/01	09/30/06	8,575
	Inspections and Appeals:					
	Racing and Gaming Commission	717 E. Court, Ste. B	Des Moines	12/01/01	11/30/06	4,600
	Human Services:					
	Collection Services	727 E. 2nd Street	Des Moines	07/01/98	06/30/03	11,160
	Iowa Workforce Development:					
	Job Services	7700 University - Suite A	Clive	07/01/93	06/30/04	6,000
	Natural Resources:					
	Environmental Protection Division	7900 Hickman Rd	Windsor Heights	07/01/00	06/30/05	19,836
	Subtotal of Regular Leases					449,711

Base Rent/ Sq. Ft.	Operating Expenses/ Square Ft.	Janitorial/ Yr.	Parking/ Yr	Increase in CAM/Taxes/ Base Yr.	Other Rent/Yr.	Annual rent	Total Cost per Square Foot
9.75	5.15	-	-	-	-	71,803	14.90
9.75	5.77	-	-	-	-	98,568	15.52
9.75	5.64	-	-	-	-	136,171	15.39
9.75	5.39	-	-	-	-	199,591	15.14
13.25	-	-	-	-	-	22,989	\$ 13.25
13.00	0.26	-	-	-	1,110.00	71,653	13.47
13.00	0.39	-	-	-	1,422.00	39,891	13.88
9.90	1.46	3,268.56	-	-	-	40,302	12.36
9.90	1.43	4,513.72	-	-	-	55,510	12.33
7.75	5.54	-	-	-	-	24,773	13.29
6.44	5.00	-	-	-	-	50,656	11.44
7.25	6.22	-	3,999.96	-	-	119,505	13.94
15.74	-	-	-	-	-	72,404	15.74
7.30	5.17	-	-	-	-	139,165	12.47
9.18	-	4,200.00	-	3,343.00	-	62,623	10.44
9.81	-	-	-	-	-	194,591	9.81
						6,235,770	
						Average cost per square foot	\$ 13.87

A Review of the State's Leased Space and the Leasing Process

Des Moines Area Leases By Collocation

For the fiscal year ended June 30, 2003

Type	Department/Board	Address of Leased Space	City	Lease Start	Lease End	Square Footage
<u>Infrastructure Leases:</u>						
	Corrections, Parole Board and Iowa Prison Industries	420 MLK Parkway Dr.	Des Moines	01/04/02	01/03/03	34,858
	Public Health:					
	Medical Examiner	401 SW 7th - Suite D	Des Moines	09/01/00	08/31/05	4,996
	Public Safety:					
	DCI - Dry-Labs	920 Morgan	Des Moines	03/01/01	08/28/06	14,400
	Subtotal of Infrastructure Leases					54,254
<u>Storage:</u>						
	Economic Development	727 E. 2nd Street	Des Moines	04/01/97	12/30/06	2,767
	General Services	323 SW 8th Street, Suite 165	Des Moines	11/29/00	06/30/04	240
	Natural Resources:					
	Administrative Services	323 SW 8th Street Suite 166	Des Moines	11/29/00	11/30/04	950
	General Services	300 SW 7th Street, Suite 355	Des Moines	03/12/01	03/11/04	280
	Natural Resources:					
	Administrative Services	300 SW 7th Street, Suite 405	Des Moines	04/01/03	03/31/05	280
	Public Health:					
	Disaster Operations and Response	401 SW 8th Street, Suite 411	Des Moines	04/01/03	08/31/05	2,143
	Subtotal for Storage Leases					6,660
<u>Parking:</u>						
	General Services:					
	Fleet and Mail	SE 5th Street	Des Moines	01/15/00	01/14/03	-
	Fleet and Mail	SE 5th & Allen Street	Des Moines	01/01/03	12/31/04	-
	Subtotal for Parking Leases					
	Grand Total					510,625

Source: General Services

Base Rent/ Sq. Ft.	Operating Expenses/ Square Ft.	Janitorial/ Yr.	Parking/ Yr	Increase in CAM/Taxes/ Base Yr.	Other Rent/Yr.	Annual rent	Total Cost per Square Foot
15.00	-	-	47,712.00	-	-	570,582	16.37
9.75	5.25	-	-	-	-	74,940	15.00
4.50	6.03	-	-	-	-	151,632	10.53
						797,154	
						Average cost per square foot	\$ 14.69
5.25	-	-	-	-	-	14,527	5.25
3.00	-	-	-	-	-	720	3.00
3.00	-	-	-	-	-	2,850	3.00
2.00	-	-	-	-	-	560	2.00
2.00	-	-	-	-	-	560	2.00
3.50	2.94	-	-	-	-	13,801	6.44
						33,018	
-	-	-	14,400	-	-	14,400	
-	-	-	8,400	-	-	8,400	
						22,800	
						\$ 7,088,742	

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Natural Resources	Compliance and Enforcement	
Education	Vocational Rehabilitation	117 East Call Street
Workforce Development	Field Office	117 East Call Street
Workforce Development	Field Office	120 Kellogg Street
Inspections and Appeals	Child Advocacy Board	525 Kellogg Avenue, Rooms 222 & 222A
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	508 Poplar Street
Education	Vocational Rehabilitation	508 Poplar Street
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	210 North Market Street
Workforce Development	Field Office	307 Main Street
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	704 8th Street
Natural Resources	Compliance and Enforcement	
Education	Vocational Rehabilitation	1000 North Roosevelt
Workforce Development	Field Office	1000 North Roosevelt
Revenue and Finance	Region 6	1000 Roosevelt Road
Inspections and Appeals	State Public Defender	216 North Third
Human Services	Child Support Recovery Unit	409 North 4th Street
Public Safety	Narcotics Enforcement	<i>Address not disclosed</i>
Education	Vocational Rehabilitation	619 North Carroll Street
Workforce Development	Field Office	619 North Carroll Street
Human Services	Child Support Recovery Unit	625 North West Street

City	FY03
Adel	\$ 5,600.96
Algona	2,280.00
Algona	7,140.00
Ames	35,556.00
Ames	2,700.00
Anamosa	2,896.00
Atlantic	18,330.00
Atlantic	1,680.00
Atlantic	42,228.00
Audubon	3,804.21
Bedford	1,200.00
Bellevue	1,080.00
Bellevue	22,560.00
Boone	10,800.00
Boone	2,724.20
Burlington	9,089.30
Burlington	81,943.44
Burlington	5,995.00
Burlington	9,412.50
Burlington	35,633.33
Burlington	4,380.00
Carroll	3,421.98
Carroll	24,900.00
Carroll	22,896.00

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Blind		2915 McClain Drive
Revenue and Finance	Region 2	5109 Nordic Drive
Inspections and Appeals	State Public Defender	215 4th Avenue SE.
Inspections and Appeals	State Public Defender	215 4th Avenue SE.
Inspections and Appeals	State Public Defender	215 4th Avenue SE.
Revenue and Finance	Iowa Lottery	2345 Blairs Ferry Road N.E., Suite E
Revenue and Finance	Region 5	411 3rd Street SE, Suite 111 & 510
Human Services	ICN Room	411 Third Street SE -Suite 400
Human Services	Child Support Recovery Unit	411 Third Street SE -Suite 500
Inspections and Appeals	Foster Care Review Board and CASA	411 Third Street SE, Suite 510, 720, 035 and 710
Blind Commission		411 Third Street SE, Suite 745
Education	Vocational Rehabilitation	4403 1st Avenue SE, Suites L8,10, 14, 15, and 17
Workforce Development	Field Office	
Workforce Development	Field Office	201 North 13th Street
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Workforce Development	Field Office	200 Hardwood Drive
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	121 S. 15th Street
Workforce Development	Field Office	
Human Services	Child Support Recovery Unit	128 6th Avenue South
Education	Vocational Rehabilitation	215 6th Avenue South
Workforce Development	Field Office	2740 South 17th Street
Public Safety	Narcotics Enforcement	<i>Address not disclosed</i>
Education	Vocational Rehabilitation	300 West Broadway, Suite 33
Human Services	Child Support Recovery Unit	300 West Broadway
Inspections and Appeals	Child Advocacy Board	300 West Broadway, Suite 6

City	FY03
Cedar Falls	19,440.00
Cedar Falls	25,402.05
Cedar Rapids	1,000.00
Cedar Rapids	8,238.00
Cedar Rapids	79,698.75
Cedar Rapids	52,752.00
Cedar Rapids	27,882.75
Cedar Rapids	12,829.44
Cedar Rapids	13,107.44
Cedar Rapids	18,751.95
Cedar Rapids	16,784.88
Cedar Rapids	36,796.32
Cedar Rapids	153,000.00
Centerville	15,000.00
Chariton	7,464.24
Chariton	2,400.00
Charles City	3,208.80
Charles City	3,448.50
Clarinda	3,900.00
Clarion	4,380.00
Clinton	15,861.75
Clinton	5,445.00
Clinton	45,075.00
Coralville	5,115.00
Council Bluffs	23,616.32
Council Bluffs	49,539.00
Council Bluffs	3,000.00

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area By Collocation

For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Revenue and Finance	Region 3	300 West Broadway, Suite 31
Revenue and Finance	Iowa Lottery	300 W. Broadway - Suite 8
Workforce Development	Field Office	300 West Broadway
Human Services	ICN Room	417 E. Kanesville Blvd.
Inspections and Appeals	State Public Defender	706 First Avenue
Workforce Development	Field Office	213 North Elm Street
Education	Vocational Rehabilitation	213 North Elm Street
Human Services	Child Support Recovery Unit	215 West Adams
Natural Resources	Compliance and Enforcement	
Human Services	Refugee Services	1706 Brady Street, Suite 208
Inspections and Appeals	Child Advocacy Board	2942 Brady Street, Suite A & B
Revenue and Finance	Region 6	3817 W. Locust Street, Suite 3
Human Services	Case Management	3817 West Locust Street, Suite 1
Human Services	Case Management	3817 West Locust Street, Suite 2
Human Services	Child Support Recovery Unit	3911 West Locust Street
Education	Vocational Rehabilitation	902 West Kimberly Road
Workforce Development	Field Office	902 West Kimberly Road
Workforce Development	Field Office	1111 Paine
Education	Vocational Rehabilitation	305 Montgomery Street
Human Services	Child Support Recovery Unit	317 Washington St., Suite 2
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	204 W. Broadway
Workforce Development	Field Office	1413 Broadway
Human Services	Case Management	1525 Fourth Avenue South
Inspections and Appeals	Foster Care Review Board	3430 Dodge Street - Unit 6
Human Services	Case Management	799 Main Street - 3rd Floor
Inspections and Appeals	Investigation	799 Main Street, Room 315
Education	Vocational Rehabilitation	820 Locust Street
Inspections and Appeals	State Public Defender	909 Main Street, Suite 555
Human Services	Child Support Recovery Unit	960 Main Street
Public Safety	Narcotics Enforcement/Criminal Investigation	Address not disclosed
Revenue and Finance	Region 2	Nesler Center, First Floor, 799 Main Street

City	FY03
Council Bluffs	26,134.50
Council Bluffs	30,827.50
Council Bluffs	114,631.08
Council Bluffs	6,300.00
Council Bluffs	47,991.00
Creston	44,400.00
Creston	1,680.00
Creston	14,004.00
Creston	1,708.08
Davenport	16,397.50
Davenport	8,333.76
Davenport	17,000.00
Davenport	3,218.68
Davenport	17,062.56
Davenport	89,778.00
Davenport	12,796.56
Davenport	150,092.04
Decorah	15,847.92
Decorah	3,900.00
Decorah	31,620.00
Decorah	2,277.47
Decorah	6,720.00
Denison	5,580.00
Denison	5,224.64
Dubuque	14,071.66
Dubuque	16,146.00
Dubuque	561.60
Dubuque	21,864.00
Dubuque	24,774.00
Dubuque	23,575.00
Dubuque	6,678.08
Dubuque	12,842.05

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Workforce Development	Field Office	
Human Services	Case Management	100 Sand Pit Road
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	804 Central Ave.
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	51 W. Washington
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Revenue and Finance	Region 1	1003 Central Avenue, Suite 500
Workforce Development	Field Office	2700 First Ave South
Human Services	Quality Control	300 First Avenue North
Human Services	Child Support Recovery Unit	300 First Avenue North
Education	Vocational Rehabilitation	330 Avenue M
Human Services	Case Management	330 First Avenue North
Inspections and Appeals	State Public Defender	706 Central Avenue
Human Services	Case Management	2621 Avenue L
Workforce Development	Field Office	610 8th Street
Inspections and Appeals	State Public Defender	821 Avenue G
Workforce Development	Field Office	
Human Services	Case Management	200 N. 5th St.
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Workforce Development	Field Office	27 6th Street South
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Human Services	Case Management	901 East Iowa Avenue
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	1700 1st Ave, Eastdale Plaza, Suite 11B

City	FY03
Dubuque	100,743.72
Elkader	382.48
Elkader	2,171.61
Estherville	1,500.00
Estherville	2,007.00
Fairfield	19,200.00
Fairfield	4,080.95
Fayette	1,200.00
Forest City	5,400.00
Fort Dodge	11,789.50
Fort Dodge	86,400.00
Fort Dodge	1,395.00
Fort Dodge	40,311.00
Fort Dodge	10,800.00
Fort Dodge	2,790.00
Fort Dodge	14,250.00
Fort Madison	8,400.00
Fort Madison	27,696.00
Fort Madison	8,040.00
Grinnell	14,500.00
Guthrie Center	1,800.00
Hampton	1,902.70
Harlan	3,900.00
Humboldt	2,062.50
Independence	2,606.95
Independence	1,044.00
Indianola	2,409.48
Indianola	900.00
Iowa City	62,878.20

A Review of the State's Leased Space and the Leasing Process

Leases Outside the Des Moines Area By Collocation

For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Education	Vocational Rehabilitation	1700 South 1st Avenue, Suite 25-D
Education	Vocational Rehabilitation	1700 South 1st Avenue, Suite 25-F
Inspections and Appeals	State Public Defender	725 South Clinton Street, Suite A
Revenue and Finance	Region 2	IWD Center - 1700 1st Avenue, Eastdale Plaza, Suite 11B
Secretary of State		University of Iowa - Room #N324, Oakdale Hall
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	110 East State Street
Workforce Development	Field Office	106 Washinton
Human Services	Case Management	308 Bank Street Room 13
Inspections and Appeals	State Public Defender	801 Main Street, Suite 1B
Workforce Development	Field Office	105 West Main
Human Services	Case Management	RR 1
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	115 Plymouth Street NW
Human Services	Case Management	19 2nd Avenue NW
Inspections and Appeals	Investigation	916 Braden Avenue
Human Services	Case Management	301 E. Main Street
Workforce Development	Field Office	Suite 1-7, Professional Services Building, 223 West Main St.
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Education	Vocational Rehabilitation	3405 S. Center Street
Workforce Development	Field Office	3405 South Center St.
Human Services	Case Management	101 E. Main Street
Human Services	Child Support Recovery Unit	204 1/2 West State
Inspections and Appeals	State Public Defender	30th S. 1st Avenue, Suite 402
Natural Resources	Compliance and Enforcement	
Revenue and Finance	Iowa Lottery	2900 Fourth Street SW
Education	Vocational Rehabilitation	600 South Pierce, Suite 2
Revenue and Finance	Region 2	Mohawk Square - 22 North Georgia
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	
Inspections and Appeals	State Public Defender	103 East State Street, Ste. 210

City	FY03
Iowa City	35,137.64
Iowa City	5,666.56
Iowa City	39,400.00
Iowa City	1,920.00
Iowa City	1,260.00
Iowa City	1,860.00
Iowa City	3,215.81
Jefferson	4,984.32
Keokuk	9,700.00
Keokuk	648.00
Keokuk	9,060.00
Knoxville	7,620.00
Knoxville	2,905.00
Le Mars	2,142.50
LeMars	7,920.00
LeMars	3,072.00
Lucas	1,800.00
Manchester	2,100.00
Manchester	2,742.00
Manchester	45,069.96
Maquoketa	1,500.00
Maquoketa	6,029.28
Marshalltown	1,008.00
Marshalltown	37,500.00
Marshalltown	8,000.40
Marshalltown	34,837.32
Marshalltown	7,080.00
Marshalltown	7,272.21
Mason City	46,560.00
Mason City	13,810.56
Mason City	6,000.00
Mason City	32,124.00
Mason City	88,928.40
Mason City	26,152.00

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Human Services	Child Support Recovery Unit	22 North Georgia
Human Services	Case Management	22 North Georgia Avenue
Workforce Development	Field Office	310 East Erie
Workforce Development	Field Office	
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	217 East Monroe
Inspections and Appeals	State Public Defender	319 East Second Street, Suite 202
Workforce Development	Field Office	
Inspections and Appeals	State Public Defender	1229 South G Avenue
Workforce Development	Field Office	951 North Linn, Suite 4
Workforce Development	Field Office	115 North Third Avenue West
Human Services	Case Management	120 First Street North - Ste. 500
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	400 S. Frederick Ave.
Education	Vocational Rehabilitation	400 South Frederick
Human Services	Case Management	610 Iowa Avenue
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	215 Central Avenue SE
Human Services	Case Management	136 W. Jefferson
Workforce Development	Field Office	
Human Services	Quality Control	101 W. 4th St.
Inspections and Appeals	Child Advocacy Board	107 S. Court #3
Human Services	Child Support Recovery Unit	127 E. Main St.
Workforce Development	Field Office	310 West Main St.
Revenue and Finance	Region 5	345 N. Court
Education	Vocational Rehabilitation	651 Indian Hills Drive, Suite 2
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	

City	FY03
Mason City	39,204.00
Mason City	6,124.68
Missouri Valley	4,800.00
Monticello	1,711.92
Mount Ayr	2,795.42
Mount Pleasant	14,712.00
Muscatine	13,857.60
Muscatine	23,140.08
Nevada	17,280.00
New Hampton	2,592.00
Newton	18,285.00
Newton	6,051.96
Northwood	1,411.80
Oakland	3,024.00
Oelwein	11,400.00
Oelwein	600.00
Onawa	1,423.44
Onawa	3,791.00
Orange City	5,458.78
Osceola	1,920.60
Oskaloosa	21,900.00
Ottumwa	811.20
Ottumwa	3,900.00
Ottumwa	86,198.76
Ottumwa	63,000.00
Ottumwa	2,399.90
Ottumwa	19,885.92
Ottumwa	2,067.46
Pella	6,000.00

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Workforce Development	Field Office	607 South First Ave.
Workforce Development	Field Office	17 Third Avenue NE
Human Services	Case Management	23 3rd Avenue NE
Workforce Development	Field Office	1000 North Broadway
Human Services	Case Management	515 Court Street
Workforce Development	Field Office	
Education	Vocational Rehabilitation	1022 3rd Avenue
Workforce Development	Field Office	1201 Second Avenue, Suite #2
Workforce Development	Field Office	500 North Broad Street
Natural Resources	Compliance and Enforcement	
Workforce Development	Field Office	251 North Main, Suite 102
Workforce Development	Field Office	2508 E. 4th Street
Education	Vocational Rehabilitation	2508 East 4th Street
Human Services	Child Support Recovery Unit	520 Nebraska Street, Suite 211 & 222
Human Services	Case Management	520 Nebraska Street, Suite 237 & 525
Inspections and Appeals	Public Defender -Juvenile	520 Nebraska Street, Suite 300
Inspections and Appeals	Public Defender - Adult	705 Douglas Street, Suite 635
Human Services	ICN Room	822 Douglas Street - 4th Floor
Public Safety	Narcotics Enforcement/Criminal Investigation	Address not disclosed
Revenue and Finance	Region 1	Commerce Building - 520 Nebraska Street, Suite 200
Revenue and Finance	Region 1	20 West 6th Street
Human Services	Child Support Recovery Unit	20 West 6th Street - Suite 200
Human Services	Targeted Case Mgmt.	20 West 6th Street, Suite 305 & 309
Education	Vocational Rehabilitation	217 West 5th Street
Workforce Development	Field Office	217 West 5th Street
Natural Resources	Compliance and Enforcement	
Natural Resources	Compliance and Enforcement	
Revenue and Finance	Iowa Lottery	822 Flindt Drive
Education	Vocational Rehabilitation	824 Flindt Drive
Natural Resources	Compliance and Enforcement	

City	FY03
Perry	12,300.00
Pocahontas	1,800.00
Pocahontas	1,004.76
Red Oak	9,600.00
Rockwell City	1,879.20
Sac City	1,800.00
Sheldon	5,100.00
Sheldon	11,520.00
Shenandoah	10,500.00
Sidney	1,550.88
Sioux Center	5,400.00
Sioux City	136,320.00
Sioux City	17,976.00
Sioux City	56,678.64
Sioux City	15,633.00
Sioux City	50,204.00
Sioux City	38,404.68
Sioux City	6,090.00
Sioux City	14,757.90
Sioux City	18,809.70
Spencer	5,640.60
Spencer	47,400.00
Spencer	8,400.00
Spencer	2,458.56
Spencer	14,503.56
Spencer	52,285.20
Spirit Lake	2,673.76
Storm Lake	36,000.00
Storm Lake	1,320.00
Storm Lake	2,400.00

A Review of the State's Leased Space and the Leasing Process
 Leases Outside the Des Moines Area By Collocation
 For the fiscal year ended June 30, 2003

Department / Division	Division	Address of Leased Space
Workforce Development	Field Office	
Natural Resources	Compliance and Enforcement	
Inspections and Appeals	Child Advocacy Board	211 West High Street
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	303 First Avenue
Natural Resources	Compliance and Enforcement	
Inspections and Appeals	Child Advocacy Board	122 West Second
Workforce Development	Field Office	Kirkwood Community College, 111 Westview Drive
Natural Resources	Compliance and Enforcement	
Human Services	Case Management	1407 Independence Avenue - 4th Floor
Human Services	Case Management	1408 Independence Avenue - 4th Floor
Inspections and Appeals	Public Defender	229 East Park Street, 2nd Floor
Inspections and Appeals	Public Defender -Juvenile	229 East Park Street, 2nd Floor
Education	Vocational Rehabilitation	3420 University Avenue
Human Services	Employers Partnership and Child Support	501 Sycamore Street
Human Services	Child Support Recovery Unit	501 Sycamore Street - Suite 130
Human Services	Quality Control	501 Sycamore Street - Suite 410
Inspections and Appeals	Public Defender - Adult	607 Sycamore Street
Workforce Development	Field Office	
Workforce Development	Field Office	413 West Bremer
Workforce Development	Field Office	1725 Beach
Natural Resources	Compliance and Enforcement	
Total		

Source: General Services and various State agencies.

Note: The address of leased space was not readily available for each lease.

City	FY03
Storm Lake	6,000.00
Tipton	2,700.00
Toledo	4,200.00
Toledo	1,985.00
Vinton	6,455.89
Wapello	4,493.28
Washington	7,750.68
Washington	1,152.00
Washington	12,000.00
Waterloo	49,657.64
Waterloo	664.00
Waterloo	4,556.25
Waterloo	36,388.00
Waterloo	30,694.56
Waterloo	82,262.40
Waterloo	61,695.48
Waterloo	2,745.00
Waterloo	25,143.36
Waterloo	120,315.00
Waverly	9,000.00
Webster City	1,888.56
Webster City	2,400.00
	<u>\$ 4,203,317.90</u>

Department of Administrative Services

A Review of Leasing

Staff

This review was conducted by:

Annette K. Campbell, CPA, Director
Mark C. Moklestad, CPA, Senior Auditor
Billie Jo Heth, Staff Auditor
Kip M. Druecker, Assistant Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Department of Administrative Services

Leasing Procedures for Offices Located in the Des Moines Area

General Services procures leased space for all Executive Branch agencies in the Des Moines area, including boards and commissions, except for the Board of Regents. The Board of Regents has separate leasing authority under the *Code of Iowa*. Also, these procedures do not apply to the Office of Governor and other elected State officials, Iowa Lottery Authority and any other State agency provided specific leasing authority under the *Code of Iowa*, Legislative Branch and the Judicial Branch of State government.

The March 13, 2000 General Services' *Seat of Government Leasing Procedures for Offices Located in the City of Des Moines & Metropolitan Area* (the Des Moines area) included the following information:

Step 1: Decision factors – legislative mandate, customer base, federal, state, and county program driven requirements, or an increase in the agency's FTE's to meet its respective mission.

Step 2: Guidelines and Standards – General Services has developed space allocation and standards and guidelines. These standards assist the department in determining the amount of square footage required for personnel space, as well as, special facilities within the space. Office standards may vary due to space availability, growth potential, acoustics, and specific needs of personnel, program requirements, equipment used, and the type of office furniture used.

Step 3: Factors and Criteria Considered for Locating Lease Space – General Services meets with the agency's representative to discuss and encourage collocation opportunities, facility requirements, agency programmatic objectives, timeframes and deadlines. The method for locating available space varies. The following methods are generally used to obtain lease space: Request for Proposals, referrals by peers or community partners, downtown redevelopment corporations, Realtors, and personal knowledge.

Step 4: Selection Criteria – General Services and the State agencies select the specific office site to be leased based on several factors and criteria. Selecting the geographical location of the leased facility is based on the varied program requirements of each individual department. The following criteria is considered which selecting a location:

- **Collocation Opportunities** – When possible, an attempt to collocate State agencies is pursued in an effort to reduce costs. Costs can be reduced by sharing reception areas, conference rooms, receiving areas, restroom facilities, break rooms, communication systems, computer systems, and fax/copier/mail centers. Also, collocation promotes economy and efficiency by better coordinating the delivery of services to the general public throughout the State and allowing easier centralized public access to the various services offered by state government. These locations are generally in downtown areas and close to mass transit and major highways.
- **Urban Redevelopment Areas or Revitalization Areas** – When possible, the agency considers locating in economically depressed neighborhoods in order to stimulate revitalization of the area.
- **Federal Program Requirements** – Agencies administering federally funded programs may be required to observe specific guidelines and parameters. For example, an agency may be required to collocate in an existing federal facility or locate within a program specified geographical boundary.
- **County Program Requirements** – Agencies administering county funded programs may be required to observe specific guidelines and parameters. Again, an agency may be required to collocate in an existing county facility or locate within a program specified geographical boundary.

Department of Administrative Services

Leasing Procedures for Offices Located in the Des Moines Area

- State Program Requirements – Authorities established under the Code of Iowa, or issued Executive Orders, may play a role in establishing certain criteria for geographical locations. For example, some agencies may be required to locate in large geographical areas.
- Proximity to Critical Facilities – Agencies’ program requirements may mandate locating within a specified boundary to critical facilities, such as, courthouses and other municipal buildings.
- Convenient Location to Customer Base – Certain agencies are often located in specific targeted areas and neighborhoods to better serve their clientele.
- Mass Transit – Due to the nature of certain agencies’ services, those agencies are often required to locate on a public transportation route for convenience and accessibility of their clientele.
- Facility Requirements – All potential leased facilities must meet federal, state and local building codes, the Iowa Occupational Safety and Health Act, Life Safety Codes, and accessibility under the ADA.
- Facility Limitations – Some major factors in determining a potential lease location are fair market value, overall move costs, equitable lease terms and targeted occupancy dates. An equally important factor is the availability and cost consideration of communications to the facility, including both telephone and data. Additionally, leased properties must have adequate security and enough parking to accommodate the general public, as well as, agency staff. Landlords must also be responsive to the agencies needs.

Step 5: Lease Negotiations – General Services negotiates for the required space and general lease terms with the prospective landlord. The following guidelines are used to ensure the State receives the most favorable terms:

- Industry Sources – Quarterly reports indicating the amount and percentage of Class A, B, and C office space leased in the city of Des Moines and the range of costs per square foot.
- Comparison of Similar Facilities and Leases – Review of available and existing properties on the market and conduct site evaluations to ensure the state receives the best available market rate.
- Buy-Down of Lease Rate with Extended Term – A considerable factor in the rate per square foot is based on the length of a lease. Typically, the longer the lease term, the lower the rate.
- Additional Considerations – Other factors evaluated in the cost per square foot of a lease include the Tenant Improvement Allowance or build-out costs, building operating expense costs, the age of the facility, parking availability, and costs.
- Early/Timely Negotiation of Leases – New leases should be negotiated thirty to sixty days prior to commencement of the lease to allow time for design, build-out tenant improvements, installation of modular furniture and installation of communication and data equipment. Negotiations for lease renewals should be completed six months prior to commencement of the lease to allow for relocation if negotiations are unsuccessful.

Step 6: Americans with Disabilities Act (ADA) – When negotiating a lease, lease renewal or lease addendum, an ADA assessment is conducted on the proposed office space. The Department of Human Rights, Division of Persons with Disabilities representative in cooperation with a General Services representative conducts a physical site inspection to ensure compliance with federal and state laws on accessibility. The Department of Human Rights prepares a letter indicating any structural alternations that may be required and

Department of Administrative Services

Leasing Procedures for Offices Located in the Des Moines Area

restrictive time frames of when those alternations are to be completed. Written approval from the Division of Persons with Disabilities is submitted with the lease, lease renewal, or lease addendum indicating that the proposed facility has been inspected and complies with ADA requirements of the State of Iowa. There must be an updated letter attached to any lease, lease renewal, or lease addendum. A current ADA letter ensures that all State agencies' offices meet the Governor's Executive Order number 46 and the Governor's directive that the leased facility be inspected and comply with current State Building code, Division 7.

Step 7: Preparation and Execution of Lease Contract – The lease agreement, lease renewal, or lease amendment is prepared using the standard lease agreement format with minor modifications. The standard lease templates were developed in cooperation with the Attorney General's Office and Department of General Service's Legal Counsel.

- General Services prepares the lease contract and attaches the appropriate exhibits to the lease. The Attorney General's Office or General Service's Legal Counsel reviews the final lease prior to execution of the contract. The contract is reviewed and approved by the agency representative as well as the Landlord. The Landlord, the authorized agency representative, and the Director of General Services execute the lease contract.
- General Services executes leases for space in the Des Moines area with landlords on behalf of State agencies. Each party to the leases maintains a copy of the fully executed leases.

Step 8: Supervise and Manage Build-out/Tenant Improvements of Lease Facility – General Services coordinates and manages the build-out and tenant improvement process from the initial planning states of construction until the tenant's occupancy of the newly constructed space. There are two major components for the process.

The first component involves the coordination and management of the architectural and construction process. General Services' role in the construction process includes the following elements:

- Supervise the architectural preparation of drawing and specifications of the tenant improvements to the lease premises.
- Approve the final floor plans, specifications and construction budget.
- Authorize change orders when absolutely necessary. Change orders are discouraged and only approved in emergency situations.
- Coordinate and manage the construction schedules including, general contractor, subcontractors, electrical, and plumbing.
- Conduct daily physical site visits to monitor construction progress.
- Attend weekly contractors meeting to monitor and discuss status of project.
- Conduct a final inspection of the lease premises to ensure office space was designed according to the approved plans and specifications and identify incomplete punch list items.
- Verify punch list items have been satisfactorily completed.

The second component involves coordination and supervision of the State contractors responsible for final design, furniture procurement, installation of modular furniture, installation of data and communication lines and equipment and the move or physical relocation of the agency. General Services' role in this process includes the following elements:

Department of Administrative Services

Leasing Procedures for Offices Located in the Des Moines Area

- Oversee final floor plan design (modular furniture layout) and assist agency in maximizing space efficiencies and ensure the approved floor plan adheres to the DGS office space standards.
- Coordinate and conduct weekly move meeting with representatives of the agency, design firm, modular office furniture provider, ICN and professional movers, to monitor and discuss the status of the project.
- Prepare and coordinate move schedule and timelines for final floor plan, furniture delivery, modular furniture set up, installation of data and phone lines and equipment, and the physical move schedule.
- Develop keying schematic for lease facility and establish security log for tracking and controlling all keys. Upon vacating premises, the agency is responsible for returning all keys to General Services Lease Manager.

Additional Lease Duties and Responsibilities of General Services

- ◆ Track, update and maintain all original lease contracts and files.
- ◆ Prepare and execute amendments to the lease agreement as necessary.
- ◆ Review and approve justifiable requests for modifications to leased premises, including tenant improvements and work orders.
- ◆ Supervise and management-remodeling projects, tenant improvements and work orders in lease facilities.
- ◆ Track, update and maintain database for all leases.
- ◆ Review proposed annual increases in operating expense costs.
- ◆ Annual Operating Expense (utilities and taxes) end of year reconciliation's.
- ◆ Audit Landlord's financial records and supporting documentation, as necessary.
- ◆ Payments of lease invoices.
- ◆ GAAP reporting requirements – The agency that pays the lease is responsible for GAAP reporting.

Additional Lease Duties and Responsibilities of the Leasing Agency

- ◆ Maintain and track respective agencies' lease contract and files.
- ◆ Timely execution of amendments to the lease agreement as necessary.
- ◆ Contact General Services for requests to modify the leased premises, including tenant improvements and work orders.
- ◆ Payments of lease invoices.
- ◆ Annual Operating Expenses (utilities and taxes) end of year reconciliation's.
- ◆ Review proposed annual increases in operating expense costs.
- ◆ GAAP reporting requirements – The agency that pays the lease is responsible for GAAP reporting.

Department of Administrative Services

Leasing Procedures for Offices Located Outside of the Des Moines Area

General Services also assists State agencies with property leasing when a State agency needs to operate a “field” office at another location other than in the City of Des Moines. During this process, General Services offers collocation opportunities, if such exist in the city or county where the agency wishes to locate. The following procedures were taken directly from General Services’ Statewide Leasing Procedures for Field Offices Located Outside the City of Des Moines.

General Services’ role in leasing properties outside of the Des Moines area consist of the following elements:

- Review lease to ensure letter from Human Rights is attached indicating leased property complies with the Americans with Disabilities Act (ADA).
- Legal review of Lease Agreements and Addenda.
- Submittal of Lease Agreements or Addenda to Executive Council.
- Consolidate, maintain and provide lease data costs to agencies.
- Maintain standard State of Iowa lease agreement.
- Develop and maintain space allocation standards/guidelines.
- Develop and maintain space allocation form.
- Provide State agencies with leasing assistance as requested.
- Coordinate collocation activities throughout the state.

The State agencies’ role in leasing properties outside of the Des Moines area consists of the following elements:

Step 1: Decision Factors – Decision to lease property has been determined by the State agency. The agency’s decision to lease property or to expand/reduce square footage is determined by a multitude of factors. These factors include, but are not limited to: legislative mandate, customer base, federal, state, and county program driven requirements, and an agency’s respective mission.

Step 2: Guidelines and Standards – An agency representative completes a space analysis form to determine appropriate square footage requirements and any special needs requirements.

- General Services has developed space allocation standards and guidelines. These standards assist the department in determining the amount of square footage required for personnel space, as well as, special facilities within the space. Office standards may vary due to space availability, growth potential, acoustics, and specific needs of personnel, program requirements, equipment used, and the type of office furniture used.

Step 3: Locating Space – An agency representative locates potential sites for acceptable office space that best meets their programmatic objectives and time frames.

- The method for locating available lease space varies according to facility requirements, agency program needs, time frames, and deadlines. The following methods are generally used to obtain lease space: Request for Proposal, referrals by peers or community partners, downtown redevelopment corporations, realtors, or commercial advertising.

Department of Administrative Services

Leasing Procedures for Offices Located Outside of the Des Moines Area

Step 4: Selection Criteria – A State agency representative selects a specific office site to be leased, based on a multitude of factors and criteria. Selecting the geographical location of the leased facility is based on the varied program requirements of each individual department. Agencies consider the following criteria when selecting a location:

- **Collocation Opportunities** – Agencies, when possible, attempt to collocate in an effort to reduce costs. Costs can be reduced by sharing reception areas, conference rooms, receiving areas, restroom facilities, break rooms, communication systems, computer systems, fax/copier/mail centers, promotes economy and efficiency by better coordinating the delivery of services to the general public throughout the state and allowing easier centralized public access to the various services offered by state government. These locations are generally in downtown areas and close to mass transit and major highways. During collocation projects, General Services acts as the coordinator in developing request for proposals of rental space, selection of space, negotiations, and move of agencies.
- **Urban Redevelopment Areas or Revitalization Areas** – When possible, the agency considers locating in economically depressed neighborhoods in order to stimulate revitalization of the area.
- **Federal Program Requirements** – Agencies administering federally funded programs may be required to observe specific guidelines and parameters. For example, an agency may be required to collocate in an existing federal facility or locate within a program specified geographical boundary.
- **County Program Requirements** – Agencies administering county funded programs may be required to observe specific guidelines and parameters. Again, an agency may be required to collocate in an existing county facility or locate within a program specified geographical boundary.
- **State Program Requirements** – Authorities established under the Code of Iowa, or issued Executive Orders, may play a role in establishing certain criteria for geographical locations. For example, some agencies may be required to locate in large geographical areas.
- **Proximity to Critical Facilities** – Agencies’ program requirements may mandate locating within a specified boundary to critical facilities, such as, courthouses and other municipal buildings.
- **Convenient Location to Customer Base** – Certain agencies are often located in specific targeted areas and neighborhoods to better serve their clientele.
- **Mass Transit** – Due to the nature of certain agencies’ services, those agencies are often required to locate on a public transportation route for convenience and accessibility of their clientele.
- **Facility Requirements** – All potential leased facilities must meet federal, state and local building codes, the Iowa Occupational Safety and Health Act, Life Safety Codes, and accessibility under the ADA.
- **Facility Limitations** – Some major factors in determining a potential lease location are fair market value, overall move costs, equitable lease terms and targeted occupancy dates. An equally important factor is the availability and cost consideration of communications to the facility, including both telephone and data. Additionally, leased properties must have adequate security and enough parking to accommodate the general public, as well as, agency staff. Landlords must also be responsive to the agencies needs.

Department of Administrative Services

Leasing Procedures for Offices Located Outside of the Des Moines Area

Step 5: Lease Negotiations & Lease Contract – A State agency representative negotiates for the required space and general lease terms with the prospective Landlord. Agencies should refer to the lease data information provided annually by General Services for comparable lease costs of the selected area.

- General Services is responsible for maintaining and providing agencies with lease data information by city, in order to facilitate those negotiations. Lease data information shall be provided to the department’s leasing liaison on a yearly basis, to encourage collocation opportunities and to assist the agencies in determine the fair market cost for that area.
- The lease agreement, lease renewal, or lease amendment shall be prepared using the standard lease agreement format which was developed in cooperation with the Attorney General’s Office and Department of General Services’ Legal Counsel.
- General Services is responsible for maintaining the lease agreement and providing the State agencies with any updated formats.

Step 6: ADA Accessibility – When negotiating a lease, lease renewal or lease addendum, a State Leased/Owned Building Access Survey form must be completed by the prospective landlord and sent to the Department of Human Rights, Division of Person with Disabilities. After the Department of Human Rights has reviewed the form, they will prepare a letter indicating any structural alterations are to be completed. Written approval from the Division of Persons with Disabilities must be submitted with the lease, lease renewal, or lease addendum indicating that the proposed facility has been inspected and complies with the ADA requirements of the State of Iowa.

- There must be an updated letter attached to any lease, lease renewal, or lease addendum. A current ADA letter will ensure all State agencies’ offices meet the Governor’s Executive Order number 46 and the Governor’s directive that the leased facility be inspected and comply with the current State Building code.

Step 7: Lease Submittal – The State agency representative obtains landlord’s signature on lease agreement and submits lease with attached ADA compliance letter, along with a cover letter to General Services. The cover letter shall summarize the transaction (lease, lease renewal, or amendment), square footage, square footage cost, length of lease, and any increase or decrease in square footage, as well as, the cost associated with such increase or decrease in square footage.

- Leases submitted by the agency through General Services must be submitted to the Executive Council a minimum of thirty days prior to execution of lease. This applies to all new leases, lease renewals, and lease addenda.
- To insure a lease submittal thirty days prior to proposed execution of the lease, General Services should receive the lease sixty days prior to contract execution. This time frame will allow General Services to review the agreement for comparable cost, general code compliance (i.e., legal sufficiency, ADA compliance, etc.) and general technical requirements before submittal to the Executive Council.
- General Services prepares a transmittal letter summarizing lease commencement and expiration dates, square footage, cost per square foot, per year, annual cost of lease, and total lease costs. If lease is a renewal, transmittal letter shall also note prior cost per square foot rates. The transmittal letter, the Department of Human Rights letter and the lease agreement are forwarded to the Executive Council for placement on the agenda.

Department of Administrative Services

Leasing Procedures for Offices Located Outside of the Des Moines Area

Step 8: Executive Council Approval – A representative from General Services shall appear at the Executive Council meeting to answer any questions. However, General Services does not advocate on behalf of the agency before the Executive Council. Any leases with complicated issues or excessive costs shall also require a representative from the respective leasing agency to attend the Executive Council meeting. Additionally, if the lease has expired, a representative of the agency must be in attendance at the Executive Council meeting to explain the delay in processing the lease.

Step 8a: After Executive Council approval letter, General Services shall forward a copy of the Executive Council’s approval letter to the respective State agency’s leasing liaison.

Step 9: Execution of Lease – Upon receipt of the Executive Council approval letter, the State agency’s designated representative shall sign the lease agreement, keep one signed original and send the other original to the Landlord. Additionally, one copy of the executed agreement must be sent to General Services for the centralized lease file.

Additional State agencies’ responsibilities include:

- ◆ Maintain and track respective agency’s lease data and paper contract files.
- ◆ Payment of lease invoices.
- ◆ Operating expenses (utilities and taxes) end of year reconciliation.
- ◆ GAAP reporting requirements.
- ◆ Work order agreements for remodeling or modifications to the leased premises.

Department of Administrative Services

Space Utilization and Building Study Recommendations and Scenario Costs

STATE OF IOWA SPACE UTILIZATION STUDY
RECOMMENDATIONS - Scenario Costs
 Estimated Cost Expressed in Year 2000 Dollars

10/7/00

6-1 BUILD TECHNICAL LABORATORY CENTER, TO INCLUDE MORGUE & AUTOPSY SUITES, FORENSIC SCIENCES LAB, AGRICULTURE LAB AND HYGIENIC LAB -- OFF-COMPLEX						
Hygienic Lab:	34,031	NSF	X	\$ 225	/SF =	\$ 7,656,975
Hygienic Admin:	1,980	NFS	X	\$ 115	/SF =	\$ 227,700
Agricultural Lab:	21,651	NSF	X	\$ 225	/SF =	\$ 4,871,475
Forensic Sciences Lab ¹ :	69,639	NSF	X	\$ 225	/SF =	\$ 15,668,775
Medical Exam Autopsy Suites & Morgue ¹ :	11,220	NSF	X	\$ 300	/SF =	\$ 3,366,000
Medical Exam Administrative ¹ :	8,647	NSF	X	\$ 115	/SF =	\$ 994,405
Shared Support:	10,000	NSF	X	\$ 120	/SF =	\$ 1,200,000
Shared Training:	11,852	NSF	X	\$ 120	/SF =	\$ 1,422,240
Net to Gross Conversion:	33.3%	56,340	SF	X	\$ 115 /SF =	\$ 6,479,094
Building Construction Cost:	225,360	GSF	@	\$ 186	/SF =	\$ 41,886,664
Site Development ² :	7%					\$ 2,932,066
Surface Parking (1.5 per 1,000 gsf) ³ :	338		X	\$ 1,750	/car ⁴ =	\$ 591,570
Site Construction Allowance:						\$ 3,523,636
Furnishings & Equipment Allowance:	225,360	GSF	X	\$ 30	/SF =	\$ 6,760,798
Telecommunications ⁵ Allowance :	225,360	GSF	X	\$ 2	/SF =	\$ 450,720
Furnishings, Equipment & Telecommunications Allowance:						\$ 7,211,518
Planning & Development Costs ⁶ :	14%					\$ 7,367,055
Land Acquisition:	12 acres		X	\$ 5	/SF =	\$ 2,613,600
Miscellaneous Costs:						\$ 9,980,655
TOTAL PROJECT COST:	225,360	GSF	@	\$ 277.79	for entire Project	\$ 62,602,473

6-2 RENOVATE THE WALLACE BUILDING						
Exterior and Interior Renovation:	225,000	GSF	X	\$ 75	/SF =	\$ 16,875,000
Building Construction Cost:	225,000	GSF	@	\$ 75.00	/SF =	\$ 16,875,000
Furnishings & Equipment:	225,000	GSF	X	\$ 30	/SF =	\$ 6,750,000
Telecommunications ⁵ :	225,000	GSF	X	\$ 2	/SF =	\$ 450,000
Furnishings, Equipment & Telecommunications Allowance:						\$ 7,200,000
Planning & Development Costs ⁶ :	10%					\$ 2,407,500
Miscellaneous Costs:						\$ 2,407,500
TOTAL PROJECT COST	225,000	GSF	@	\$ 117.70	for entire Project	\$ 26,482,500

6-3 MOVE AGRICULTURE AND NATURAL RESOURCES TO NEW OFF-COMPLEX "SHOWCASE" FACILITY ⁷						
Agriculture:	40,174	NSF	X	\$ 145	/SF =	\$ 5,825,230
Natural Resources:	124,682	NSF	X	\$ 145	/SF =	\$ 18,078,890
Economic Development:	?	NSF	X		/SF =	
Net to Gross Conversion:	33.3%	54,952	SF	X	\$ 145 /SF =	\$ 7,968,032
Building Construction Cost:	219,808	GSF	X	\$ 145	/SF =	\$ 31,872,152
Site Development ² :	5%					\$ 1,593,608
Surface Parking (0.4 cars ⁸ per 1,000 GSF):	100		X	\$ 1,750	/car =	\$ 175,000
Site Construction Allowance:						\$ 1,768,608
Furnishings & Equipment:	219,808	GSF	X	\$ 30	/SF =	\$ 6,594,238
Telecommunications ⁵ :	219,808	GSF	X	\$ 2	/SF =	\$ 439,616
Furnishings, Equipment & Telecommunications Allowance:						\$ 7,033,854
Planning & Development Costs ⁶ :	14%					\$ 5,694,446
Land Acquisition	1.8 acres		X	\$ 35	/SF =	\$ 2,744,000
Miscellaneous Costs:						\$ 8,438,446
TOTAL PROJECT COST	219,808	GSF	@	\$ 223.44	for entire Project	\$ 49,113,060

Option: if the showcase building recommendation is not accepted, these departments can be placed in leased space, or in a constructed or purchased building that is less expensive, or moved back onto the Capitol Complex if space is available.

Department of Administrative Services

Space Utilization and Building Study Recommendations and Scenario Costs

STATE OF IOWA SPACE UTILIZATION STUDY
RECOMMENDATIONS - Scenario Costs

Estimated Cost Expressed in Year 2000 Dollars

6-4	MOVE RECORDS FUNCTIONS (CULTURAL AFFAIRS, REVENUE & FINANCE) TO ALCOHOLIC BEVERAGE WAREHOUSE IN ANKENY						
	High Rack Shelving ⁹	32,000	NSF	X	\$ na	/SF =	\$ na
	One time moving costs						\$ na
	TOTAL PROJECT COST						\$ na
	Note this action will also require leasing about 8,000 RSF of Class C type space for Prison Industries Surplus Property. Annual lease cost would likely be in the range of \$5 to \$12 per RSF.						
6-5	REMODEL RECORDS & PROPERTY BUILDING						
	Remodel existing Records Building:	66,164	GSF	X	\$ 60	/SF =	\$ 3,969,840
	North addition, 5 stories	23,040	GSF	X	\$ 100	/SF =	\$ 2,304,000
	Building Construction Cost:	89,204	GSF	X	\$ 70.33	/SF =	\$ 6,273,840
	Site Development ⁹	10%					\$ 230,400
	Surface Parking (3 spaces per 1,000 GSF):	268		X	\$ 1,750	/car =	\$ 468,321
	Site Construction Allowance:						\$ 698,721
	Furnishings & Equipment:	89,204	GSF	X	\$ 30	/SF =	\$ 2,676,120
	Telecommunications ⁵ :	89,204	GSF	X	\$ 2	/SF =	\$ 178,408
	Furnishings, Equipment & Telecommunications Allowance:						\$ 2,854,528
	Planning & Development Costs:	12%					\$ 1,179,251
	Miscellaneous Costs:						\$ 1,179,251
	TOTAL PROJECT COST	89,204	GSF	@	\$ 123.38	for entire Project	\$ 11,006,340
6-6	REMOVE PARKING ON CAPITOL WEST FRONT AND RESTORE TO LANDSCAPING						
	Remove asphalt paving & concrete curbs	19,636	SY	X	\$ 4	/SF =	\$ 78,543
	Regrading			X			\$ 15,000
	Sod	1,767	SQ	X	\$ 30	/SF =	\$ 53,016
	Modify electric/utility services						\$ 25,000
	Topsoil	3,273	CF	X	\$ 10	/SF =	\$ 32,726
	Interim erosion control						\$ 10,000
	Site Construction Cost:						\$ 214,285
	Planning & Development Costs:	40%					\$ 85,714
	Miscellaneous Costs:						\$ 85,714
	Allowance for Undetermined Improvements: Paving, Lighting, Fountains, Benches, Landscaping, Etc. (Range \$250,000 to \$750,000)						\$ 450,000
	TOTAL PROJECT COST						\$ 750,000

Department of Administrative Services

Space Utilization and Building Study Recommendations and Scenario Costs

STATE OF IOWA SPACE UTILIZATION UTILIZATION STUDY
RECOMMENDATIONS - Scenario Costs

Estimated Cost Expressed in Year 2000 Dollars

OPTIONAL FACILITIES FOR FITNESS, CHILDCARE & CONFERENCE/TRAINING

6-7 CONFERENCE & TRAINING FACILITY						
Conference & Training:	21,000 NSF	X	1.33 net/gros		27,930 GSF	
Building Construction Cost:	27,930 GSF	X	\$ 145 /SF =		\$ 4,049,850	
Site Construction Allowance:	10%				\$ 404,985	
Furnishings & Equipment Allowance:	21,000 NSF	X	\$ 35 /SF =		\$ 735,000	
Miscellaneous Costs:	14%				\$ 726,577	
TOTAL PROJECT COST	27,930 GSF	@	\$211.83	for entire Project		\$ 5,916,412
6-8 CHILDCARE FACILITY						
Child Care Center	6,000 NSF	X	1.33 net/gros		7,980 GSF	
Building Construction Cost:	7,980 GSF	X	\$ 110 /SF =		\$ 877,800	
Site Construction Allowance:	20%				\$ 175,560	
Furnishings & Equipment Allowance:	6,000 NSF	X	\$ 30 /SF =		\$ 180,000	
Miscellaneous Costs:	12%				148,003	
TOTAL PROJECT COST	7,980 GSF	@	\$173.10	for entire Project		\$ 1,381,363
6-9 FITNESS CENTER						
Fitness Center	8,000 NSF	X	1.33 net/gros		10,640 GSF	
Building Construction Cost:	10,640 GSF	X	\$ 110 /SF =		\$ 1,170,400	
Site Construction Allowance:	15%				\$ 175,560	
Furnishings & Equipment Allowance:	8,000 NSF	X	\$ 25 /SF =		\$ 200,000	
Miscellaneous Costs:	12%				185,515	
TOTAL PROJECT COST	10,640 GSF	@	\$162.73	for entire Project		\$ 1,731,475

FOOTNOTES:

- 1 Space requirements are from the 1999 Public Safety Facilities study.
- 2 Site development costs can vary widely, depending on specific site conditions. The figure used is representative only and must be confirmed when the actual site is identified.
- 3 The ratio of square feet to staff is much higher in a lab type facility, therefore reducing the total parking space needed.
- 4 The cost per stall of \$1,750 equates to \$5/sf of paving for an allowance of 350 sf of space per car for surface parking.
- 5 Communications costs represent a holistic cost averaged over all projects. Project budgets for each location must consider variable costs for fiber optics, telecommunications switch gear, equipment, etc. based on specific circumstances.
- 6 Planning and development costs include consultant fees, surveys, testing, legal fees, contingencies, etc. Not included is interest incurred on borrowed funds, if any, for interim and permanent financing for the project.
- 7 The Ag+DNR case is modeled after the Equitable Building located at 10th and Locust. The site is one full downtown block, 280' square, more or less. The 6 story building would occupy 1/2 of the block, surface parking the other 1/2.
- 8 This low ratio of parking per employee is a reflection of available surface space for parking and would likely be available for visitors. Staff parking would be integrated into the downtown parking resources.
- 9 Site development cost includes allowance for demolition of Ombudsman Building.
- 10 Cost of high rack shelving unknown. The 32,000 SF is a rough estimate of the floor area that would be equipped with high rack shelving.

Source: State of Iowa Space Utilization Study prepared by RDG Bussard Dikis Architects.