



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
403 Wapping Street, Suite 300  
Frankfort, Kentucky 40601-2638  
(502) 564-2205  
Fax: (502) 564-8108


**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Katherine Halloran, Committee Staff Administrator  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager   
Division of Real Properties

**DATE:** April 11, 2018

**SUBJECT:** PR-5497, Marshall County  
Cabinet for Health & Family Services  
Annual Rental Exceeding \$200,000.00

As outlined, attached please find notification of a lease agreement being processed by our Division's Leasing Branch.

If you have any questions or require additional information concerning this matter, please advise.

BSH/bh  
Attachment(s)

CC: Capital Construction Log  
OSBD  
PR-5497 File  
BSH

**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

**LEASE WITH ANNUAL RENTAL EXCEEDING \$200,000.00**

Lease No.: <b>PR-5497</b>		County: <b>Marshall</b>	
Using Agency: <b>Cabinet for Health &amp; Family Services</b>			
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary		<b>William and Deborah Fowler</b>	
Property Location: <b>North Main Street (Address to be assigned), Benton, KY</b>			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: <b>Office</b>		Cost Per Square Foot: <b>\$15.75</b>	
Annual Rental Cost: <b>\$200,922.76</b>		Average Cost Per Square Foot of Leased-In Space in County: <b>\$7.11</b>	
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: <b>30 Days</b>		<input type="checkbox"/> No If no, explain why not:
Effective Date: <b>To be determined</b>		Expiration Date: <b>June 30, 2025</b>	
Justification for Lease: <b>Please see attached</b>			
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:			
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): <b>Please see attached</b>			

**COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-5497, Marshall County	Agency/Department	Cabinet for Health & Family Services
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$200,922.76	DATE	April 11, 2018
VENDOR #	VC 0000172865	BUILDING CODE #	

THIS LEASE, entered into between: **William and Deborah Fowler**, whose address is: **PO Box 2527; Danville; KY; 40423-2527** (Business Phone: **859-324-0007**), his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

WITNESSETH, that for the consideration hereinafter mentioned, the parties hereto agree as follows:

1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **North Main Street (Assigned: )**; **Benton; KY; 40225**, in the County of **Marshall**.

1b. Said premises consisting of **12,757** square feet are to be rented at the cost of **\$15.75** per square foot and will be used by the Commonwealth for **Office** space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$50,230.69** payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **NONE**; with **69** reserved parking spaces.

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **as specified in the lease addendum**, and end **JUNE 30, 2018**.

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **Seven (7)** extension period(s) unless the Commonwealth shall give the Lessor written notice **30** days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the leased premises beyond the **30<sup>TH</sup>** day of **June, 2025**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.

5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose, and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenable.

12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

14. The Lessor agrees to notify the Commonwealth of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.

15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).

16. The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. In the event of a dispute between the contractor and the contracting agency, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order 11-004.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

STATE LEASING AGENCY REPRESENTATIVE \_\_\_\_\_ Date \_\_\_\_\_

LESSOR \_\_\_\_\_ Date \_\_\_\_\_

ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date \_\_\_\_\_

ATTORNEY, FINANCE & ADMINISTRATION CABINET \_\_\_\_\_ Date \_\_\_\_\_

MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date \_\_\_\_\_

DIRECTOR, DIVISION OF REAL PROPERTIES \_\_\_\_\_

SECRETARY, FINANCE & ADMINISTRATION CABINET \_\_\_\_\_ Date \_\_\_\_\_

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_

When executed by the Secretary, Finance & Administration Cabinet, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Commonwealth of Kentucky. All correspondence and inquiries regarding this Lease are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502-564-2205.

**FILE COPY**

BS11



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
403 Wapping Street, Suite 300  
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Fax: (502) 564-8108

**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Scott Aubrey, Director  
Division of Real Properties

**FROM:** Brien S. Hoover, Leasing Manager *B.S.H.*  
Division of Real Properties

**DATE:** April 11, 2018

**SUBJECT:** PR-5497, Marshall County  
Cabinet for Health & Family Services

The Cabinet for Health & Family Services presently occupies 3,456 square feet of space, leased at a rental rate of \$7.10 per square foot (\$24,537.60 annually) excluding utilities and janitorial services, with a term expiring June 30, 2021 (reference PR-3501) and 6,179 square feet of space, leased at a rental rate of \$5.46 per square foot (\$33,737.40 annually) excluding utilities and janitorial services, with a term expiring June 30, 2018 (reference PR-4079). The Cabinet recently submitted a request for space to accommodate additional staff, to allow for incorporation of current design standards, and to consolidate their offices in this county. The space request provided by the agency indicated a need for approximately 12,078 square feet of space. The following proposals were received in response to advertisements:

1. MRBS Development LLC proposed to lease 13,033 square feet of space at a rental rate of \$19.00 per square foot (\$247,627.00 annually), excluding utilities and janitorial services, through June 30, 2025.
2. Lilpax LLC proposed to lease 12,411 square feet of space at a rental rate of \$19.00 per square foot (\$235,809.00), excluding utilities and janitorial services, through June 30, 2025.
3. William and Deborah Fowler proposed to lease 12,757 square feet of space at a rental rate of \$15.75 per square foot (\$200,922.76 annually), excluding utilities and janitorial services, through June 30, 2025.

The proposal offered by Lilpax LLC requested preferential consideration based on the inclusion of self-defined high performance building specifications. We do not have sufficient historical documentation from existing leased facilities to define a value for properties containing the enhanced specifications. Based on the combined statewide average utility cost of \$1.63 per square foot, the proposal from William and Deborah Fowler results in estimated total rent and utility costs of \$221,716.67.



Memo to: Scott Aubrey, Director  
PR-5497, Marshall County  
Cabinet for Health & Family Services  
April 11, 2018  
Page Two

As such, and even if the inclusion of self defined high performance building specifications resulted in a facility with zero utility costs, the William and Deborah Fowler proposal still results in estimated savings of \$112,738.64 over the offered lease term.

Subsequent to review of the offered proposals, the Cabinet for Health & Family Services has recommended the proposal submitted by William and Deborah based on the fact that it represents the lowest cost to the Commonwealth. The Division of Real Properties concurs with the recommended award since it represents the lowest per square foot and annual costs for the Commonwealth and the facility provides expansion space if required in the future.

The attached lease agreement therefore provides for the use of 12,757 square feet of office space at a rental rate of \$15.75 per square foot, excluding utilities and janitorial services, with a term expiring June 30, 2025. Capital Projects and Bond Oversight Committee reporting is required for the proposed agreement and your approval is recommended to secure appropriate replacement office space as requested by the Cabinet of Health and Family Services.

BSH/bh  
Attachments

APPROVED:   
Scott Aubrey, Director



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
403 Wapping Street, Suite 300  
Frankfort, Kentucky 40601-2638  
(502) 564-2205  
Fax: (502) 564-8108

**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Katherine Halloran, Committee Staff Administrator  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager *BSH*  
Division of Real Properties

**DATE:** May 14, 2018

**SUBJECT:** PR-4291, Taylor County  
Department of Corrections  
Lease Modification Exceeding \$50,000

As outlined, attached please find notification of a lease modification reflecting amortization of monies that is being processed by the Leased Properties Branch:

PR-4291, Taylor County

If you have any questions or require additional information concerning this matter, please advise.

BSH/BGR/br

Cc: Capital Construction Log  
OSBD  
PR-4291 File  
BSH

Attachment

**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE  
LEASE MODIFICATION EXCEEDING \$50,000  
LEASE MODIFICATION AMORTIZATION**

Date Posted in 30-Day Register: <b>May 14, 2018</b>	
Lease No.: <b>PR-4291</b>	County: <b>Taylor</b>
Using Agency: <b>Department of Corrections</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>NB Properties (Garry Richards)</b>
Property Location: <b>1311 East Broadway, Campbellville, KY</b>	
<b>Existing Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>3,056</b>
Annual Payment: <b>\$21,055.84</b>	Contract Expiration: <b>June 30, 2019</b>
<b>Modified Rental Terms</b>	
Type Space: <b>Office/</b>	Square Feet: <b>3,056</b>
Annual Payment: <b>\$21,055.84</b>	New Contract Expiration: <b>June 30, 2019</b>
Total Cost to be Amortized: <b>\$54,625.00</b>	
Projected Period of Amortization – Effective: <b>TBD</b> Through: <b>June 30, 2019</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):	
<ol style="list-style-type: none"> <li>1. <b><u>\$57,500.00</u></b> from Gupton Renovations &amp; Exteriors.</li> <li>2. <b><u>\$54,625.00</u></b> from Malco Construction.</li> </ol>	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

<b>LESSOR</b>	<b>NB Properties</b>	<b>PR NUMBER, COUNTY</b>	<b>PR-4291, TAYLOR COUNTY</b>
<b>ADDRESS</b>	<b>PO Box 1117 CAMPBELLSVILLE KY 42719</b>	<b>VENDOR NUMBER</b>	<b>VC 0000160449</b>
		<b>AGENCY/DEPARTMENT</b>	<b>Department of Corrections</b>
		<b>DIVISION</b>	
		<b>DATE</b>	<b>May 14, 2018</b>
		<b>ACCOUNT NUMBER</b>	<b>90840001</b>

1. Lease Agreement number PR-4791, dated April 5, 1999, is hereby modified as set forth in Paragraph 2.
2. This Lease is modified as follows:
  1. To amortize the \$54,625.00 cost for various improvements for reasonable accommodations for additional staff, upgrade electrical in copier area, and upgrade security of facility. Per attached estimate from Malco Construction. (Total: \$54,625.00) same attached and incorporated herein by reference.
  2. The amortization effective date will be established by signature of the Director, Division of Real Properties, upon this modification once verification has been received from the using agency that all renovations have been satisfactorily completed, and will extend through the lease expiration date June 30, 2019. The effective date for the amortization shall be defined as the first day of the month following the effective date defined below unless the effective date established thereby is the first day of a month.
3. All other terms and conditions of the lease remain unchanged.
4. The Lessor is required to sign this document and return all copies for further processing.
5. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

STATE LEASING AGENCY REPRESENTATIVE \_\_\_\_\_ Date \_\_\_\_\_

LESSOR \_\_\_\_\_ Date \_\_\_\_\_

ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date \_\_\_\_\_

ATTORNEY, FINANCE &amp; ADMINISTRATION CABINET \_\_\_\_\_ Date \_\_\_\_\_

MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date \_\_\_\_\_

DIRECTOR, DIVISION OF REAL PROPERTIES \_\_\_\_\_

SECRETARY, FINANCE &amp; ADMINISTRATION CABINET \_\_\_\_\_ Date \_\_\_\_\_

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205. BGR

**FILE COPY**





FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

Matthew G. Bevin  
Governor

Division of Real Properties  
403 Wapping Street, Suite 300  
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William M. Landrum III  
Secretary

Robert M. Burnside  
Commissioner

Scott Aubrey  
Director

MEMORANDUM

TO: Scott Aubrey, Director  
Division of Real Properties

FROM: Brien S. Hoover, Leasing Manager *BS*  
Division of Real Properties

DATE: May 14, 2018

SUBJECT: PR-4291, Taylor County  
Department of Corrections

The Department of Corrections recently submitted a request for various improvements at the subject facility to provide reasonable accommodations for additional staff, upgrade electrical in copier area, and upgrade security of facility. The requests include the following:

1. Convert the existing file room into three (3) professional offices with carpet, independent light switches, voice/data outlets, electrical outlets, and keyed locked doors for each office.
2. Add a professional office (8' 8 1/4" X 10' 4 1/4") with carpet, independent light switch, voice/data outlets, electrical outlets, and keyed locked doors where the copier area is located.
3. Install 110 dedicated electrical outlet and a voice/data outlet, behind the clerical office area for the copier.
4. Install carpet in the existing holding room.
5. Replace the existing sliding receptionist window with a fixed clear polycarbonate sheet (Similar to Lexan), 3/8" or thicker, with 4" voice port and cover, and transfer tray in the counter.
6. Install a keypad on the reception office door, and a buzzer with an automatic door release located in the clerical office area.
7. Replace the motion sensor light switch in the break room with as regular light switch.

In accordance with KRS 56.813, the lessor provided two estimates for the above improvements as follows:

1. \$57,500.00 from Gupton Renovations & Exteriors.
2. \$54,625.00 from Malco Construction.

The Department of Corrections has recommended acceptance of the low bids at a total cost of \$54,625.00. The costs associated with this request would be amortized over the remaining term of the lease with an expiration date of June 30, 2019. A Capital Projects and Bond Oversight Committee report is required prior to execution of the associated lease modification. Your approval of this request is recommended to accomplish the various improvements to this facility as requested by the Department of Corrections Should you require additional information, please advise.

JSA/BSH/BGR/br  
Attachment

APPROVED: *Scott Aubrey*  
Scott Aubrey, Director



ESTIMATE

**Gupton Renovations & Exteriors**

193 Honeysuckle lane  
Campbellsville, Ky 42718

Phone: (270) 469-5417  
Email: chrisgupton15@yahoo.com

**Taylor Co. Probation & Parole**

Estimate # 000018  
Date 03/16/2018

<b>Description</b>	<b>Total</b>
Interior Renovation Project	\$57,500.00
<u>Materials &amp; Labor cost to complete all work per drawings &amp; spec by the Dept of Facilities .</u>	

**Subtotal** \$57,500.00  
**Total** \$57,500.00

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Taylor Co. Probation & Parole

# **MALCO CONSTRUCTION**

**837 Roachville Road**

**Campbellsville, KY 42718**

**270-572-1013**

**February 15, 2018**

**Bid for Interior Improvements at Taylor County Probation and Parole Office**

**Work to be done at: 1323 Broadway, Campbellsville, KY**

**This price is for the interior renovations of the said property above. Shall include all labor and materials to complete the project per drawing and specs provided by Department of Facilities and Support Services Division of Real Properties. Upon approval of price, a full and detailed contract will be provided.**

**Total Price : \$54,625.00**

**Thank You,**

**Mark Lewis**

**Malco Construction**



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

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Director

**MEMORANDUM**

**TO:** Katherine Halloran, Committee Staff Administrator  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager   
Division of Real Properties

**DATE:** May 30, 2018

**SUBJECT:** PR-5387, Franklin County  
Commonwealth Office of Technology  
Lease Modification Exceeding \$50,000.00

As outlined, attached please find notification of a lease agreement modification being processed by our Division's Leasing Branch.

If you have any questions or require additional information concerning this matter, please advise.

BSH/bh

**CC:** Capital Construction Log  
OSBD  
PR-5387 File  
BSH

Attachment

**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

LEASE MODIFICATION EXCEEDING \$50,000.00

Lease No.: <b>PR-5387</b>		County: <b>Franklin</b>	
Using Agency: <b>Commonwealth Office of Technology</b>			
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary		<b>Hanna Family Trust 09-05-03</b>	
Property Location: <b>105 Sea Hero Road, Suite 3, Frankfort, KY</b>			
Check One: <input type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input checked="" type="checkbox"/> Modification			
Type Space: <b>Office/Warehouse</b>		Cost Per Square Foot: <b>\$8.07 and 4,17 (See attached)</b>	
Annual Rental Cost: <b>\$124,317.88</b>		Average Cost Per Square Foot of Leased-In Space in County: <b>\$ 8.41 (office)</b>	
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: <b>30 Days</b>		<input type="checkbox"/> No If no, explain why not:
Effective Date: <b>July 1, 2018</b>		Expiration Date: <b>June 30, 2021</b>	
Justification for Lease: <b>Please see attached</b>			
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:			
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): <b>Please see attached</b>			



FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

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Scott Aubrey  
Director

MEMORANDUM

TO: Scott Aubrey, Director  
Division of Real Properties

FROM: Brien S. Hoover, Leasing Manager  
Division of Real Properties

DATE: May 30, 2018

SUBJECT: PR-5387, Franklin County  
Commonwealth Office of Technology

The Commonwealth Office of Technology currently occupies 14,372 square feet of office space leased at a rental rate of \$8.07 per square foot, and 1,999 square feet of warehouse space leased at a rental rate of \$4.17 per square foot (\$124,317.88 annually), excluding utilities and janitorial services, with a term expiring June 30, 2021. The agency initially contacted our office to request that the lease agreement be terminated; however, subsequent discussions indicated that they have a need to retain the warehouse portion of the facility for approximately six months. Given the timing associated with the requests and the processing requirements for the proposed lease modification, a notice of lease termination was transmitted to the lessor to ensure that the agency would not incur rental expenses on the unnecessary portion of the facility beyond June 30, 2018.

Pursuant to applicable provision of KRS 56.813, the lessor was contact regarding the proposed reduction in the area under lease and has consented to that request subject to the application of a July 1, 2018 effective date. The attached lease modification therefore provides for the rescission of the lease termination notice effective June 30, 2018, for a reduction in the area under lease of 14,372 square feet of office space, for a reduction of 75 parking spaces, and the corresponding reduction of \$115,982.04 in the annual rental cost.

Capital Projects and Bond Oversight Committee reporting is required for the proposed lease prior to execution in accordance with applicable provisions of KRS 56.823. Your approval of the attached lease agreement modification is recommended to reduce the lease expenses incurred by the Commonwealth Office of Technology while retaining sufficient space for agency operations.

Should you require additional information, please advise.

BSH/bh  
Attachment

APPROVED: \_\_\_\_\_

  
Scott Aubrey, Director

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Hanna Family Trust 09-05-03	PR NUMBER, COUNTY	PR-5387, Franklin County
ADDRESS	PO Box 54497 Lexington KY 40555-4497	VENDOR NUMBER	VC 1000003303
		AGENCY/DEPARTMENT	Commonwealth Office of Technology
		DIVISION	
		DATE	May 30, 2018
		BUILDING CODE	90265001

1. Lease Agreement number **PR-5387, Franklin County** dated **October, 2014** is hereby modified as set forth in Paragraph 2.

2. This Lease is modified as follows:

**Effective May 30, 2018:**

To rescind the lease termination effective June 30, 2018 as specified in a notice dated May 29, 2018.

**Effective July 1, 2018:**

To decrease the leased space by 14,372 square feet; from 14,372 square feet of office space and 1,999 square feet of warehouse space to 1,999 square feet of warehouse space; at the same terms and conditions as reflected in the existing lease, resulting in an annual decrease of \$115,982.04 from \$124,317.88 to \$8,335.84.

To reduce the number of reserved parking space by seventy-five; from ninety-seven to twenty-two, further described as twenty space within the fenced parking area providing access to the aforementioned warehouse space and two spaces in the open parking area(s).

3. All other terms and conditions of the lease remain unchanged.

4. The Lessor is not required to sign this document.

5. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

\_\_\_\_\_  
STATE LEASING AGENCY REPRESENTATIVE Date

\_\_\_\_\_  
LESSOR Date

\_\_\_\_\_  
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

\_\_\_\_\_  
ATTORNEY, FINANCE & ADMINISTRATION CABINET Date

\_\_\_\_\_  
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

\_\_\_\_\_  
DIRECTOR, DIVISION OF REAL PROPERTIES

\_\_\_\_\_  
SECRETARY, FINANCE & ADMINISTRATION CABINET Date

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_

*All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2319.*

BSH/bh

FILE COPY



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
Bush Building, 3<sup>rd</sup> Floor  
403 Wapping Street  
Frankfort, Kentucky 40601  
(502) 564-2205  
Fax: (502) 564-8108

**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Katherine Halloran  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager *BSH*  
Division of Real Properties

**DATE:** June 4, 2018

**SUBJECT:** PR-5411, Franklin County  
300 Sower Boulevard  
Leasehold Improvement Report

Attached please find notification of leasehold improvements requested by the tenant agencies occupying space in the 300 Building located at 300 Sower Boulevard, Frankfort, Kentucky. The improvements will be paid for through the tenant improvement fund as provided in the amended and restated lease agreement dated April 29, 2015.

If you have any questions or require additional information concerning this matter, please advise.

BSH/bh

**Cc:** Capital Construction Log  
Office of the State Budget Director  
PR-5411 File  
BSH

Attachment





**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
Bush Building, 3<sup>rd</sup> Floor  
403 Wapping Street  
Frankfort, Kentucky 40601  
(502) 564-2205  
Fax: (502) 564-8108


**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Scott Aubrey, Director  
Division of Real Properties

**FROM:** Brien S. Hoover, Leasing Manager   
Division of Real Properties

**DATE:** June 4, 2018

**SUBJECT:** PR-5411, Franklin County  
Energy and Environment Cabinet  
Education and Workforce Development Cabinet  
Department of Education

The subject agencies have submitted a tenant improvement requests to complete leasehold improvements at the 300 Building located at 300 Sower Boulevard, Frankfort, Kentucky. This building was originally proposed to accommodate approximately 1,500 staff in state offices from Fair Oaks and the Capital Plaza Tower. The staff and offices were not identified until after the design was complete. Therefore, since the agencies have moved, they are now identifying what improvements to the building are required to meet their programmatic needs.

The agencies have submitted the following requests for leasehold improvements at this time.

- TIF 105 - Install voice data outlets in the glass conference rooms in the collaboration areas (total of 38 rooms). This was originally reported in the Capital Projects and Bond Oversight Committee meeting in September of 2017 at a cost of \$8,450.00 however the project was never initiated. At this time, the agencies would like to proceed with the updated cost of \$8,950.00.
- TIF 131 – Installation of badge reader to the entrance of the freight elevator and the stairwell at the east entrance. The lessor obtained two estimates one from InTECHgrated Systems, Inc.in the amount of \$5,990.00, and another quote from Blue Sky Electric in the amount of \$5,200.00.

These estimates do not include the 7% owners management fee. Therefore the total cost of the improvements are \$15,140.50.

Scott Aubrey  
June 4, 2018  
Page 2

The total amount of the improvements as of today including the one listed above is \$210,358.61. Additional improvements will be requested by the agencies in the future. In addressing these needs we are unable to modify the lease due to the bonds that were issued by the developer to fund the project. That is the reason a tenant improvement fund was included in the executed lease document to address these issues. The fund was initially funded through cost savings in the construction of the building and through a savings created on the issuance of the bonds. The agencies will be responsible for any future funding for improvements they require in order to meet their programmatic needs.

Agency requested improvements will not exceed \$600,000 in total. Your approval of this action is recommended to accomplish the improvements to this facility as requested by the agency.

Should you require additional information, please advise.

JSA/BSH/bh  
Attachment

APPROVED:   
Scott Aubrey, Director

**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

**LEASEHOLD IMPROVEMENTS**

Date Posted in 30-Day Register: <b>June 4, 2018</b>	
Lease No.: <b>PR-5411</b>	County: <b>Franklin</b>
Using Agencies: <b>Energy and Environment Cabinet, Education and Workforce Development Cabinet, and the Department of Education</b>	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>CRM/D. W. WILBURN, LLC</b>
Property Location: <b>300 Sower Boulevard, Frankfort, KY</b>	
<b>Existing Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>371,160</b>
Annual Payment: <b>\$4,411,000.00</b>	Contract Expiration: <b>June 30, 2051</b>
<b>Modified Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>371,160</b>
Annual Payment: <b>\$4,411,000.00</b>	New Contract Expiration: <b>June 30, 2051</b>
Cost for Leasehold improvements: <b>\$15,140.50</b>	
Total Cost for Leasehold Improvements to date: <b>\$219,399.61</b>	
Reason for Modification (see attached approval memo): <b>Please see attached</b>	
Estimate Details (see attached copies):	
<ol style="list-style-type: none"> <li>1. InTECHgrated Systems, Inc.: \$9,576.50 (includes 7% management fee)</li> <li>2. Blue Sky Electric: \$5,564.00 (includes 7% management fee)</li> </ol>	

Total Cost Proposal – TIF 105

Proposal Cost from Contractor \$8950.00

CRM 7% Fee \$626.50

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Total \$9576.50



**inTECHgrated Systems, Inc.**

PO Box 23920  
Lexington, KY 40523-3920

# Proposal

Date	Estimate #
4/9/2018	920

Name / Address
CRM 145 Rose Street Lexington, KY 40507-1424

E-mail
mcbrown@inTECHgratedsystems.com

P.O. No.	Project
	CRM - 300 Building

Description	Qty	Cost	Total
<b>300 Building</b> 38 - 2/ CAT6 Plenum Data Drops per Room ICC Cat6 Modular Insert White (qty 76) ICC Single Gang 1 Port Faceplate - White (qty 38) Miscellaneous Materials Installation wiring, in wall, to 38 selected rooms per plan. Termination in nearest Communication closet on each floor to patch panel.  This pricing is fixed and firm and is effective for 60 days from the estimate date. Modifications that occur during actual construction are billed through a Change Order line item that must be approved by the Customer.  This proposal is based on availability of slots to land data drops in the current patch panels in the equipment room. If available slots are not available, there will be an additional charge per above statement.	1	8,950.00	8,950.00
		0.00	0.00

Thank you for the opportunity to present this proposal.

Customer Signature \_\_\_\_\_

<b>Subtotal</b>	\$8,950.00
<b>Sales Tax (6.0%)</b>	\$0.00
<b>Total</b>	<b>\$8,950.00</b>

Total Cost Proposal – TIF 131

Proposal Cost from Contractor \$5,200

CRM 7% Fee \$364

---

Total \$5,564



**BLUE SKY**  
**ELECTRIC**  
 LEXINGTON, KY  
 859-469-8439

**Blue Sky Electric Company**

PO Box 4960  
 Lexington, KY 40544  
 CE 15067  
 Office 859 469 8439  
 Cell 859 595 0545  
 Fax 859 568 8971  
 bbush@blueskyelec.com  
 www.blueskyelectricky.com

**Estimate**

Estimate No: 72  
 Date: 04/09/2018

**For:** CRM PROPERTIES\*  
 tbyrd@crmco.com  
 145 Rose Street  
 Lexington, Ky 40507

**PO Number** EAST STAIRWELL & FREIGHT ELEVATOR DOOR  
**Job Location** 300 BUILDING  
**Job Location** FRANKFORT KY

Description	Quantity	Rate	Amount
BLUE SKY ELECTRIC WILL FURNISH ALL MATERIALS AND LABOR TO INSTALL TWO NEW BADGE READERS. WE WILL INSTALL ALL NEW CABLING, BADGE READERS, REQUEST TO EXITS, MOTIONS, BADGE READER ETC. ALL WORK IS TO BE DONE DURING NORMAL BUSINESS HOURS	1	\$5,200.00	\$5,200.00*

\*Indicates non-taxable item

Subtotal \$5,200.00  
 Total \$5,200.00

**Total \$5,200.00**

**Comments**

Thank you for your business!



**inTECHgrated Systems, Inc.**

PO Box 23920  
Lexington, KY 40523-3920

# Proposal

Date	Estimate #
1/25/2018	977

Name / Address
CRM 145 Rose Street Lexington, KY 40507-1424

E-mail
mcbrown@inTECHgratedsystems.com

P.O. No.	Project
	CRM - 300 Building

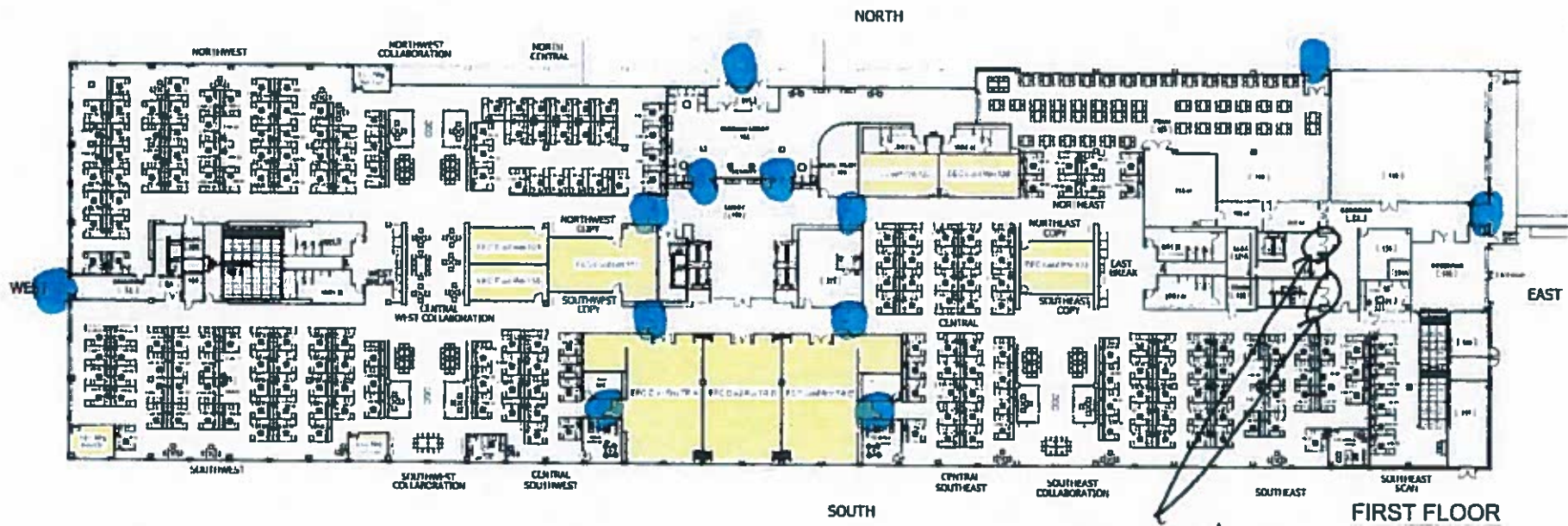
Description	Qty	Cost	Total
300 Building			
Install Readers at East Stairwell and Elevator Door	1	5,990.00	5,990.00
Move existing readers from elevators and wire devices to Access Control panel			
Program existing system to recognize new devices			
This pricing is fixed and firm and is effective for 60 days from the estimate date. Modifications that occur during actual construction are billed through a Change Order line item that must be approved by the Customer.		0.00	0.00
There may be an addition freight charge.			
50% of the contract is due at the signing with Balance due at completion.			

Thank you for the opportunity to present this proposal.	<b>Subtotal</b>	\$5,990.00
Customer Signature _____	<b>Sales Tax (6.0%)</b>	\$0.00
	<b>Total</b>	<b>\$5,990.00</b>



**The 300 Building**  
**Tenant Improvement Fund (TIF) Request**  
**Submit to Real Properties – Leasing Branch Manager**

<b>TIF#:</b>				
R E Q U E S T I N G  A G E N C Y	EWDC, EEC, KDE:			
	FLOOR:1		NEIGHBORHOOD: Freight elevator and stairwell in the east entrance.	
	ROOM #: East entrance hallway			
	AGENCY ACCOUNT NUMBER TO BE USED TO PAY FOR REQUESTED RENOVATIONS OR CURRENT BALANCE IN FINANCE 300 ACCOUNT: TBD		REQUESTED COMPLETION DATE: ASAP	
	REASON FOR ALTERATION OR RELOCATION: security			
	DESCRIBE PROPOSED ALTERATION OR RELOCATION: (Attach floor plan indicating areas of space or partitions involved; floor plan does not have to be drawn to scale. Use RED to show additions, GREEN to indicate removal, and BLACK for existing walls. Also, indicate if HVAC, telephone, computer line or electrical work is required and where.) Request quote to add badge reader to the entrance of the freight elevator and the stairwell (east entrance) at the most cost effective location.			
	If requesting an estimate. The requesting agency will need to re-submit this ESTIMATE request, signed & initialed, noting work request and approval to proceed with work, to Division of Real Properties before work is to begin.			
	ESTIMATE REQUEST(Please Initial): DM	DATE: 12/7/17	WORK REQUEST(Please Initial):	DATE:
	APPROVAL TO PROCEED WITH WORK PER ESTIMATE: (Please SIGN & RETURN Space Alteration Request noting approval to Real Properties)		TITLE:	DATE:
	AGENCY CONTACT FOR INSPECTION OF PROPOSED ALTERATION: Dave Morris		PHONE #:564-2618	
REQUESTED BY: Dave Morris		TITLE: Director	DATE: 9/30/16	
APPROVED BY: Dave Morris		TITLE: Director	DATE: 9/30/16	
R E A L  P R O P	RECOMMENDED? Yes ___ No ___		MANAGER, INVENTORY/COMPLIANCE/UTILIZATION: DATE:	
	ENGINEERING REVIEW? Yes ___ No ___		DIRECTOR, REAL PROPERTIES: DATE:	
	COMMENTS OR LIMITATIONS:			
E N G I N E E R I N G	RECOMMENDED? Yes ___ No ___		BUILDING CODES REVIEW? Yes ___ No ___	
	SUPERVISOR		DIRECTOR, ENGINEERING: DATE:	
	COMMENTS OR LIMITATIONS:			
C R M	APPROVED to Quote: Yes ___ No ___		Received Date:	
	By: _____			
	Quotes Submitted to Real Properties/DECA Date: _____ # of Quotes: _____			
REVIEWED & RECOMMENDED BY DECA Yes ___ No ___ BY: _____ DATE: _____		REVIEWED & RECOMMENDED BY RP Yes ___ No ___ BY: _____ DATE: _____		
REVIEWED & RECOMMENDED BY AGENCY Yes ___ No ___ BY: _____ DATE: _____		Capital Projects Requirements: Reportable: Yes ___ No ___ If so, Prior Approval: Yes ___ No ___ If prior approval required, date approved: _____		
C R M	DATE TIF APPROVED AND SUBMITTED BACK TO BUILDING MANAGER: _____			
	TIF BEGINS: _____			
	TIF COMPLETED: _____		BY: _____ CRM	



Badge readers for these  
2 sets of doors.

PREPARED BY: [illegible]



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
403 Wapping Street, Suite 300  
Frankfort, Kentucky 40601-2638  
(502) 564-2205  
Fax: (502) 564-8108


**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Katherine Halloran, Committee Staff Administrator  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager   
Division of Real Properties

**DATE:** April 18, 2018

**SUBJECT:** PR-5105, Jackson County  
Cabinet for Health & Family Services  
Lease Modification (Amortization) Report

As outlined, attached please find notification of a lease modification reflecting amortization of monies that have been processed by our Leased Properties Branch:

PR-5105, Jackson County

If you have any questions or require additional information concerning this matter, please advise.

**BSH/bh**  
Attachment

**Cc:** Capital Construction Log  
OSBD  
PR-5105 File  
BSH







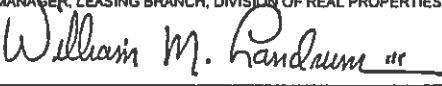
**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE  
LEASE MODIFICATION AMORTIZATION**

<b>Date Posted in 30-Day Register: April 18, 2018</b>	
<b>Lease No.: PR-5105</b>	<b>County: Jackson</b>
<b>Using Agency: Cabinet for Health &amp; Family Services</b>	
<b>Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary</b>	<b>William and Deborah Fowler</b>
<b>Property Location: 1038 McCammon Ridge Road, McKee, KY</b>	
<b>Existing Rental Terms</b>	
<b>Type Space: Office</b>	<b>Square Feet: 7,345</b>
<b>Annual Payment: \$78,518.05</b>	<b>Contract Expiration: June 30, 2020</b>
<b>Modified Rental Terms</b>	
<b>Type Space: Office</b>	<b>Square Feet: 9,250</b>
<b>Annual Payment: \$98,882.52</b>	<b>New Contract Expiration: June 30, 2020</b>
<b>Total Cost to be Amortized: \$\$10,182.04</b>	
<b>Projected Period of Amortization – Effective: May 1, 2018 Through: June 30, 2020</b>	
<b>Reason for Modification (see attached approval memo and modification): Please see attached</b>	
<b>Estimate Details (see attached copies):</b>	
1. Bill Fowler: \$10,182.04	
2. Bray Development Co LLC: \$14,500.00	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Bill Fowler	PR NUMBER, COUNTY	PR-5105, Jackson County
ADDRESS	PO Box 2527 Danville, KY 40423	VENDOR NUMBER	VC 0000159246
		AGENCY/DEPARTMENT	Cabinet for Health and Family Services
		DIVISION	
		DATE	July 17, 2017
		BUILDING CODE	91552001

1. Lease Agreement number PR-5105, Jackson County dated September 15, 2012, is hereby modified as set forth in Paragraph 2.
2. This Lease is modified as follows:
  1. To increase the leased space by 1,905 square feet; from 7,345 square feet to 9,250 square feet; at the same terms and conditions as reflected in the existing lease, resulting in an annual increase of \$20,364.47 from \$78,518.05 to \$98,882.52.
  2. To amortize the \$10,182.04 cost for renovations to five existing offices; per estimate submitted by Bill Fowler for \$10,182.04, same attached and incorporated herein by reference.
  3. The lease modification effective date will be established by signature of the Director, Division of Real Properties once verification has been received from the using agency that all renovations have been satisfactorily completed and shall be defined as the first day of the month following completion of the renovations.
3. All other terms and conditions of the lease remain unchanged.
4. The Lessor is required to sign this document and return all copies for further processing.
5. The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved, and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

 STATE LEASING AGENCY REPRESENTATIVE	8-3-17 Date	 LESSOR	8-1-17 Date
 ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES	8-3-17 Date	 ATTORNEY, FINANCE & ADMINISTRATION CABINET	8/23/17 Date
 MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES	07SEP2017 Date	 DIRECTOR, DIVISION OF REAL PROPERTIES	
 SECRETARY, FINANCE & ADMINISTRATION CABINET	8/23/17 Date	APPROVED THIS 15 <sup>th</sup> DAY OF April, 2018	

**ORIGINAL**



FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

Matthew G. Bevin  
Governor

Robert M. Burnside  
Commissioner

Division of Real Properties  
Bush Building, 3<sup>rd</sup> Floor  
403 Wapping Street  
Frankfort, Kentucky 40601  
(502) 564-2205  
Fax: (502) 564-8108

William M. Landrum III  
Secretary

Scott Aubrey  
Director

MEMORANDUM

TO: William M. Landrum III, Secretary  
Finance and Administration Cabinet

FROM: Scott Aubrey, Director SA  
Division of Real Properties

DATE: August 3, 2017


SUBJECT: PR-5105, Jackson County  
Cabinet for Health and Family Services

The Cabinet for Health and Family Services currently occupies 7,345 square feet of space, leased at a rental rate of \$10.69 per square foot (\$78,518.05 annually) excluding utilities and janitorial services, with a term expiring June 30, 2018. The Cabinet recently submitted a request to obtain supplemental space to accommodate additional staff and to complete renovations within the existing leased area. The request from the agency indicated a need for approximately 2,301 square feet of space. Pursuant to applicable provisions of KRS 56.813, the lessor has consented to complete all necessary renovations in the supplemental space and to lease the space at the same terms and conditions applied to the existing lease agreement. The renovations within the existing leased area create or replace staff offices that are eliminated to extend the interior corridors and create a new copy/storage area. Estimates for the renovations were submitted as follows: \$10,182.04 from Bill Fowler and \$14,500.00 from Bray Development Company LLC and the Cabinet has recommended acceptance of the low bid.

The attached lease modification therefore provides for the addition of 1,905 square feet of space; from 7,345 square feet to 9,250 square feet, and for the associated annual increase of \$20,364.47; from \$78,518.05 to \$98,882.52. It also provides for the amortization of the \$10,182.04 for renovations within the existing leased area. Capital Projects & Bond Oversight Committee reporting is required for the increase in space and for the amortization of leasehold improvements and will be accomplished when an effective date for the modification is established pursuant to KRS 56.823. Your approval of the attached modification is recommended to secure supplemental space and other improvements as requested by the Cabinet for Health and Family Services.

Should you require additional information, please advise.

JSA/BSH/JLB/jlb  
Attachment

RECOMMENDED:   
Robert M. Burnside, Commissioner  
Dept. for Facilities & Support Services



BILL FOWLER  
P O BOX 2527  
DANVILLE, KY., 40422

MATERIALS	\$ 893.91
MATERIALS	248.04
REMOVE AND REPLACE CARPET 2 HALLWAYS 5 OFFICES	2142.00
REVISE AND REPAIR DUCT WORK AND MATERIALS	1470.00
TEAR OUT WIRES AND REWIRE 5 NEW OFFICES	1150.00
PAINT AND LABOR FOR REBUILT OFFICES AND 2 SHORT HALLS	1000.00
LABOR TO DEMO AND REBUILD 5 OFFICES 2 10FT. HALLWAYS	900.00
LABOR AND MATERIALS FOR 600 FT DROP CEILING @ 1.75 PER FT.	1050.00
SUB TOTAL	8853.95
CONSTRUCTION FEE @ 15%	1328.09
TOTAL	\$ 10182.04

**Bray Development Co LLC**

525 Stone Ridge Ln.  
Beaver Dam, KY

**QUOTATION**

Quote Number: 103

Quote Date: Jun 13, 2017

Page: 1

Voice: 270.256.2430

Fax:

**Quoted To:**

Bill Fowler Construction

Customer ID	Good Thru	Payment Terms	Sales Rep
bfc	7/13/17	Net 30 Days	

Quantity	Item	Description	Unit Price	Amount
1.00		tear out and redo five offices		14,500 <sup>00</sup> / <sub>100</sub>

Subtotal	
Sales Tax	
<b>TOTAL</b>	