



**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 *BH*
Division of Real Properties

DATE: November 27, 2018

SUBJECT: PR-3974, Jefferson County
Transportation Cabinet
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-3974 File
BSH

Attachment



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE MODIFICATION EXCEEDING \$50,000.00

Lease No.: PR-3974		County: Jefferson	
Using Agency: Transportation Cabinet			
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary		Louisville Underground LLC	
Property Location: 1841 Taylor Avenue, Louisville, KY			
Check One: <input type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input checked="" type="checkbox"/> Modification			
Type Space: Storage (Salt)		Cost Per Square Foot: \$2.08 & \$1.97 (See attached)	
Annual Rental Cost: \$303,019.16		Average Cost Per Square Foot of Leased-In Space in County: \$ N/A (No comparable leases)	
Utilities Included: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: 30 Days		<input type="checkbox"/> No If no, explain why not:
	Effective Date: July 1, 2017		Expiration Date: June 30, 2019
Justification for Lease: Please see attached			
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): Please see attached			

COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT

LESSOR	Louisville Underground LLC	PR NUMBER, COUNTY	PR-3974, Jefferson County
ADDRESS	PO Box 35174 Louisville KY 40232	VENDOR NUMBER	KY0018942
		AGENCY/DEPARTMENT	Transportation Cabinet
		DIVISION	
		DATE	November 27, 2018
		BUILDING CODE	90410001

1. Lease Agreement number PR-3974, Jefferson County, dated July 1, 2007, is hereby modified as set forth in Paragraph 2.

2. This Lease is modified as follows:

EFFECTIVE JULY 1, 2018:

To decrease the leased space by 50,280 square feet; from 201,425 square feet to 151,145 square feet. The rental rate for the original 47,850 square feet of space shall remain \$2.08 per square foot. The rental rate of \$1.97 per square foot shall be applied to all additional leased space (103,295 square feet). The total annual rental cost shall decrease by \$99,051.60; from \$402,070.76 to \$303,019.16.

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 & 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, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205.

BSH

FILE COPY



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

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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: November 27, 2018

SUBJECT: PR-3974, Jefferson County
Transportation Cabinet

The Transportation Cabinet presently utilizes a total of 201,425 square feet of underground salt storage space, same leased at rental rates of \$2.08 per square foot (47,850 square feet) and \$1.97 per square foot (153,575 square feet). The combined annual cost of the existing lease is \$402,070.76. The agency recently submitted a request to reduce the area under lease to a total of 151,145 square feet due to reductions in the total amount of salt in storage.

Pursuant to applicable provisions of KRS 56.813, the existing lessor has consented to a voluntary reduction of 50,280 square feet in the area under lease. The original square footage (47,850 square feet) will remain under lease at a rental rate of \$2.08 per square foot (\$99,528.00 annually). The additional area of 103,295 square feet will remain under lease at \$1.97 per square foot, a discount of approximately five percent. The attached lease modification therefore provides for a decrease of 50,280 square feet; from 201,425 square feet to 151,145 square feet, and the corresponding decrease of \$99,051.60 in the annual rental cost; from \$402,070.76 to \$303,019.16. Capital Projects and Bond Oversight Committee reporting is required for this lease modification pursuant to applicable requirements of KRS 56.823(11) and your approval of the attached lease modification is recommended to reduce the area under lease for salt storage space as requested by the Transportation Cabinet.

Should you require additional information, please advise.

JSA/BSH/bh
Attachment

APPROVED: 
Scott Aubrey, Director



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

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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: November 20, 2018

SUBJECT: PR-4849, Clark County
Cabinet for Health & Family Services
Annual Rental Exceeding \$100,000.00

As outlined, attached please find notification of a lease agreement renewal 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-4849 File
BSH

Attachment



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-4849	County: Clark
Using Agency: Cabinet for Health & Family Services	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	August Properties LLC
Property Location: 1113 Pioneer Plaza, Winchester, KY, 40391	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$10.00
Annual Rental Cost: \$109,460.00	Average Cost Per Square Foot of Leased-In Space in County: \$10.00
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: 30 Days
	<input type="checkbox"/> No If no, explain why not:
Effective Date: July 1, 2019	Expiration Date: June 30, 2020
Justification for Lease: Lease renewal	
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: Lease renewal	

COMMONWEALTH OF KENTUCKY LEASE RENEWAL AGREEMENT

1. Subject to the limitations imposed by law and the terms set forth in the original Lease Agreement, and as designated below by signature of the parties (or their representatives), the following described Lease Agreement by and between **HEALTH AND FAMILY SERVICES** and **AUGUST PROPERTIES, LLC 100 MARY LYNN DRIVE, SUITE 16 GEORGETOWN, KY 40324**, by mutual agreement, is hereby renewed at the same terms and conditions for further periods of twelve (12) months not to extend beyond June 30 (please **check and initial** your choice on the appropriate line):

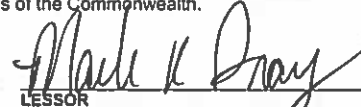
<input checked="" type="checkbox"/>	2020	<input type="checkbox"/>	2021	<input type="checkbox"/>	2022	<input type="checkbox"/>	2023
<input type="checkbox"/>	2024	<input type="checkbox"/>	2025	<input type="checkbox"/>	2026	<input type="checkbox"/>	2027

The annual base rental rate shall remain \$ 10.00 per square foot for 10,946.00 rentable square feet.

LEASE NUMBER: PR04849	LOCATION: 1113 PIONEER PLAZA WINCHESTER, KY 40324
COUNTY: CLARK	
ADDENDUM ATTACHED: NO (Lessor must sign Addendum if attached)	

- The Lessor agrees to notify the Commonwealth of all persons owning, or upon any change or transfer of ownership involving five percent (5%) or more in stock, in partnership, in business trust, or in corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.
- The Lessor acknowledges that his property may be inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- 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.
- 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.

Annual Amount \$ \$109,460.00


 LESSOR
 859-819-7253
 LESSOR'S CURRENT PHONE NUMBER

NEW ADDRESS Only if the above Address is Incorrect

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2319. BSH/RP