



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

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

**DATE:** March 29, 2019

**SUBJECT:** PR-4578, Boyd County  
Cabinet for Health & Family Services  
Statutory Lease Modification 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-4578, Boyd County

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

BSH/bh  
Attachment

Cc: Capital Construction Log  
OSBD  
PR-4578, File  
BSH

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

**LEASE MODIFICATION AMORTIZATION**

Date Posted in 30-Day Register: March 29, 2019	
Lease No.: <b>PR-4578</b>	County: <b>Boyd</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>Gliding Swan Properties LLC</b>
Property Location: <b>1529 Greenup Avenue, Ashland, KY</b>	
<b>Existing Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>30,879</b>
Annual Payment: <b>\$331,022.88</b>	Contract Expiration: <b>June 30, 2025</b>
<b>Modified Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>30,879</b>
Annual Payment: <b>\$331,022.88</b>	New Contract Expiration: <b>June 30, 2025</b>
Total Cost to be Amortized: <b>\$22,604.08</b>	
Projected Period of Amortization: <b>April 1, 2019 Through: June 30, 2025</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):	
1. Tony Fife: \$22,604.08	
2. E.H. Clark & Sons: \$28,528.07	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Gliding Swan Properties LLC	PR NUMBER, COUNTY	PR-4578, Boyd COUNTY
ADDRESS	Suite 201 207 15 <sup>th</sup> Street Ashland KY 41101-7904	VENDOR NUMBER	Ky 0026220
		AGENCY/DEPARTMENT	Cabinet for Health & Family Services
		DIVISION	
		DATE	August 30, 2018
		ACCOUNT NUMBER	

1. Lease Agreement number PR-4578, dated June 1, 2013, is hereby modified as set forth in Paragraph 2.

3. This Lease is modified as follows:

3. To amortize the \$22,604.08 cost for security improvements; per estimate submitted by Tony Fife, same attached and incorporated herein by reference.

4. 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, 2025.

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  
9.21.18  
Date

  
LESSOR  
9-10-18  
Date

  
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES  
9.26.18  
Date

  
ATTORNEY, FINANCE & ADMINISTRATION CABINET  
10/2/18  
Date

  
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES  
26 SEP 2018  
Date

  
DIRECTOR, DIVISION OF REAL PROPERTIES

  
SECRETARY, FINANCE & ADMINISTRATION CABINET  
10/3/2018  
Date

APPROVED THIS 1<sup>st</sup> DAY OF April, 20 19

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

**ORIGINAL**



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

FROM: Scott Aubrey, Director SA  
Division of Real Properties

DATE: September 26, 2018

SUBJECT: PR-4578, Boyd County  
Cabinet for Health & Family Services  
Amortization

The Cabinet for Health & Family Services recently submitted a request for security improvements at the subject facility to replace doors and install safety glass in their reception windows at the subject leased facility.

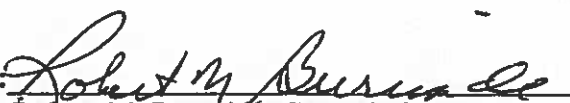
In accordance with KRS 56.813, the lessor provided two estimates for the security improvements. They are as follows:

1. \$22,604.08 from Tony Fife.
2. \$28,528.07 from E. H. Clark & Sons

The using agency has recommended acceptance of the lower bid from Tony Fife in the amount of \$22,604.08. The costs associated with this request would be amortized over the remaining term of the lease with an expiration date of June 30, 2025. A Capital Projects and Bond Oversight Committee report is required and will be completed when an effective date for the modification is established in accordance with applicable provisions of KRS 56.813. Your approval of this request is recommended to accomplish the various improvements to this facility as requested by the Cabinet for Health & Family Services. Should you require additional information, please advise.

JSA/BSH/MBF/mf  
Attachment

RECOMMENDED:

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

# Tony FIFO Estimate

$$\$679.22 / \text{door} + \$500 \text{ labor} = \$1179.22 / \text{door}$$

$$\$3013.55 / \text{window} + \$650 \text{ labor} = \$3663.55 / \text{window}$$

Trim work + framing \$1000

$$9 \text{ doors} = \$1179.22 \times 9 = \$10613.43$$

$$3 \text{ windows} = \$3663.55 \times 3 = \$10990.65$$

$$\text{Trim + Framing} = ~~\$1000.00~~ \$1000.00$$

\$22604.08

Total

E.H. Clark & Sons  
1008 Norwood Avenue  
Ashland, KY 41102  
(606) 922-1928

Quote for:  
Gliding Swan Properties  
1539 Greenup Avenue  
Ashland, KY 41101

05/21/2018

Quote to include all labor, materials and clean up for 1539 Greenup Avenue (Ben Williamson Building) for the replacement of nine (9) doors, including trim work and framing and three (3) reception windows, including trim work and framing.

<b>Materials</b>	<b>Price</b>	<b>Quantity</b>	<b>Total</b>
Doors	\$839.56	9	\$7,556.04
Windows	\$3,208.00	3	\$9,624.53
Trim and Framing	\$2,575.00		\$2,575.00
			<b>\$19,755.57</b>

<b>Labor</b>	<b>Price</b>		<b>Total</b>
Doors	\$5,725.00		\$5,725.00
Windows	\$3,047.50		\$3,047.50
			<b>\$8,772.50</b>

<b>Materials Cost</b>			<b>\$19,755.57</b>
<b>Labor Cost</b>			<b>\$8,772.50</b>
<b>Total</b>			<b>\$28,528.07</b>





**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:** March 4, 2019

**SUBJECT:** PR-4764, Shelby County  
Department of Corrections

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

PR-4764, Shelby 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 \$10,000 BUT LESS THAN 50,000  
LEASE MODIFICATION AMORTIZATION**

Date Posted in 30-Day Register: <b>March 4, 2019</b>	
Lease No.: <b>PR-4764</b>	County: <b>Shelby</b>
Using Agency: <b>Department of Corrections</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>Bellyacres, LTD</b>
Property Location: <b>859 Taylorsville Road, Shelbyville, KY</b>	
<b>Existing Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>2,599</b>
Annual Payment: <b>\$32,097.64</b>	Contract Expiration: <b>June 30, 2022</b>
<b>Modified Rental Terms</b>	
Type Space: <b>Office</b>	Square Feet: <b>2,599</b>
Annual Payment: <b>\$32,097.64</b>	New Contract Expiration: <b>June 30, 2022</b>
Total Cost to be Amortized: <b>\$17,465.00</b>	
Projected Period of Amortization – Effective: <b>March 1, 2019 Through: June 30, 2022</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>\$18,671.00</u></b> from Larry Hedges Contracting.</li> <li>2. <b><u>\$17,465.00</u></b> from Waldrige Renovations Inc.</li> </ol>	





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

**Matthew G. Bevin**  
Governor

Division of Real Properties  
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Frankfort, Kentucky 40601-2638  
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Fax: (502) 564-8108

**William M. Landrum III**  
Secretary

**Robert M. Burnside**  
Commissioner

**Scott Aubrey**  
Director

MEMORANDUM

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

FROM: Scott Aubrey, Director SA  
Division of Real Properties

DATE: September 5, 2018

SUBJECT: PR-4764, Shelby 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:

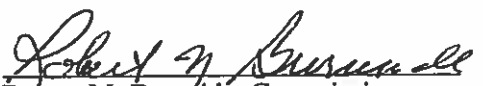
1. Convert the existing file room into four (4) professional offices with carpet, independent light switches, voice/data outlets, electrical outlets, heating & air vents, LED lighting as needed and keyed locked doors for each office.
2. Replace the existing sliding receptionist window with a fixed clear polycarbonate sheet (Similar to Lexan), 3/8" or thicker, with 4" voice port and cover, and transfer tray in the counter.
3. Install a door latch guard on the door leading from the reception room to the office area.
4. Install one (1) 110 dedicated electrical outlet and one (1) voice/data outlet on the front wall in the Cler-2 area.

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

3. **\$18,671.00** from Larry Hedges Contracting.
4. **\$17,465.00** from Waldridge Renovations Inc.

The Department of Corrections has recommended acceptance of the low bids at a total cost of **\$17,465.00**. The costs associated with this request would be amortized over the remaining term of the lease with an expiration date of June 30, 2022. A Capital Projects and Bond Oversight Committee report is required no later than 30 days after the Lease Modification Agreement effective date. 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

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

Waldrige Renovations LLC.  
144 Kings Hwy  
Waddy, KY 40076

# Estimate

Date 6/11/2018  
Estimate # 339

**Name / Address**

Belly Acres  
Betty Burge

REAL PRDP PM 2:29 27 JUN'18

P.O. #  
Terms

Due Date 6/11/2018  
Other

Description	Qty	Rate	Total
Labor and material to provide and install 3' x 4' leel 3 bullet proff glass window with speaking tube and pass thru tray.	1	4,300.00	4,300.00
Labor and material to build out four office spaces as per specs provided by owner. Shelby Co. PR 4754	1	13,165.00	13,165.00
Subtotal			\$17,465.00
Sales Tax (0.0%)			\$0.00
Total			\$17,465.00

Waldrige Renovations LLC.  
jeffwaldrige@bellsouth.net

Larry Hedges Contracting

4595 Bagdad Road  
 Bagdad, KY 40003

# Invoice

Date	Invoice #
4/10/2018	130

**Bill To**  
 Billy Acres LTD

**Ship To**  
 Estimate  
 Probation Office  
 Shelbyville, KY

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			4/10/2018			

Quantity	Item Code	Description	Price Each	Amount
1	Labor	As per plan 4 rooms framing insulation between walls.drywall priming and painting,install new moulding around celing.Install two new doors to match other two.	7,550.00	7,550.00
1	Labor	Install heating and air vents in each room	1,240.00	1,240.00
1	Labor	Electrical install plugs as planned and put in led lights	2,481.00	2,481.00
1	Materials	Materials	2,693.00	2,693.00
1	Labor	Labor & materials electrician install security lock buzzer entry from receptionist desk.	375.00	375.00
1	Labor	As per Ryan glass install 48x36 bullet resistant glass with 4" speaker hole with level 3 bullet 1 bullet resistant tray 16x11 install with aluminum sash on 3 sides.	4,332.00	4,332.00

REAL PROP AM 2:29 27 JUN'18

**Total** \$18,671.00

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Bellyacres LTD	PR NUMBER, COUNTY	PR-4764, SHELBY COUNTY
ADDRESS	PO Box 1396 SHELBYVILLE KY 40066	VENDOR NUMBER	KY0041178
		AGENCY/DEPARTMENT	Department of Corrections
		DIVISION	
		DATE	August 6, 2018
		ACCOUNT NUMBER	

1. Lease Agreement number PR-4764, dated December 1, 2006, is hereby modified as set forth in Paragraph 2.
2. This Lease is modified as follows:
  1. To amortize the \$17,465.00 cost for various improvements for reasonable accommodations for additional staff, upgrade electrical in copier area, and upgrade security of facility. Per attached estimate from Waldridge Renovations LLC. (Total: ~~\$17,564.00~~ <sup>17,465.00</sup>) 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, 2022. 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.

[Signature]  
STATE LEASING AGENCY REPRESENTATIVE Date

Bellyacres LTD Betty G. Dunlap Mgr.  
LESSOR Date 8-13-18

[Signature] 9/4/2018  
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

[Signature] 10/1/18  
ATTORNEY, FINANCE & ADMINISTRATION CABINET Date

[Signature] 045682018  
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

[Signature]  
DIRECTOR, DIVISION OF REAL PROPERTIES

William M. Raudum 02/02/2018  
SECRETARY, FINANCE & ADMINISTRATION CABINET Date

APPROVED THIS 1<sup>st</sup> DAY OF March, 20 19

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

**ORIGINAL**



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

**Matthew G. Bevin**  
Governor

**Division of Real Properties**  
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**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 1, 2019

**SUBJECT:** PR-3974, Jefferson County  
Transportation Cabinet  
Annual Rental Exceeding \$100,000.00

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

**CC:** Capital Construction Log  
OSBD  
PR-3974 File  
BSH

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

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: <b>PR-3974</b>		County: <b>Jefferson</b>
Using Agency: <b>Transportation Cabinet</b>		
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>Louisville Underground LLC</b>	
Property Location: <b>1841 Taylor Avenue, Louisville, KY</b>		
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification		
Type Space: <b>Storage (salt)</b>	Cost Per Square Foot: <b>\$2.25</b>	
Annual Rental Cost: <b>\$340,076.24</b>	Average Cost Per Square Foot of Leased-In Space in County: <b>\$N/A – Statewide Storage Space Average: 2.54</b>	
Utilities Included: <input checked="" type="checkbox"/> Yes <input 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, 2019</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: <b>Please see attached</b>		



FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

Matthew G. Bevin  
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Robert M. Burnside  
Commissioner


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William M. Landrum III  
Secretary

Scott Aubrey  
Director

MEMORANDUM

TO: Scott Aubrey, Director  
Division of Real Properties

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

DATE: April 1, 2019

SUBJECT: PR-3974, Jefferson County  
Transportation Cabinet

The Transportation Cabinet presently utilizes 151,145 square feet of salt storage space, leased at rental rates of \$2.08 per square foot for 47,850 square feet and \$1.97 for the remaining square footage (\$303,019.16 annually) including utilities, with a term expiring June 30, 2019. During regular renewal processing the lessor advised that they would require a rental rate increase, specifically to \$2.25 per square foot for the entire leased premises, including utilities, with a five year term. As reviewed with the Office of General Counsel in 2007, and pursuant to applicable provisions of KRS 45A.095(1), the lease agreement is defined as "sole source" since no other known property can provide features comparable to those at the existing location. This writing is intended to serve as the determination and finding specified in the aforementioned statute. The features referenced above include but are not limited to stable temperature and humidity levels, a central location in Jefferson County with convenient access to Interstate Highways, the ability to store greater volumes of salt due to ceiling height of 25 to 30 feet, the ability to expand as necessary and the lessors historical approval of reductions in the leased premises due to changes in storage requirements, the security associated with underground storage, and the elimination of environmental concerns with water run-off. Efforts to negotiate more favorable terms for the agency did not result in changes to the proposed rental rate; however, the lessor did consent to extend the proposed lease term from five to six years.

The attached lease agreement therefore provides for the use of 151,145 square feet of storage space at a rental rate of \$2.25 per square foot (\$340,076.24 annually), including electrical service, with a term expiring June 30, 2025. Capital Projects and Bond Oversight Committee reporting is required for the proposed agreement and your approval of same is recommended to secure continued access to central salt storage space for benefit of the Transportation Cabinet.

BSH/bh

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

  
Scott Aubrey, Director



**COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-3974, Jefferson County	Agency/Department	Transportation Cabinet
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$340,076.24	DATE	April 1, 2019
VENDOR #	KY0018942	BUILDING CODE #	90410001

THIS LEASE, entered into between: **Louisville Underground LLC**, whose address is: **PO Box 35174; Louisville: KY: 40232** (Business Phone: **502-458-0545**), 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 **1841 Taylor Avenue, Louisville, KY, 40232**, in the County of **Jefferson**.

1b. Said premises consisting of **151.145** square feet are to be rented at the cost of **\$2.25** per square foot and will be used by the Commonwealth for **Salt Storage** space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$85,019.06** payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **Electrical Service**.

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 **July 1, 2019**, and end **JUNE 30, 2020**.

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **Five (5)** 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 tenantable 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 tenantable.

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	Date

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

SECRETARY, FINANCE & ADMINISTRATION CABINET Date

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

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

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

**DATE:** March 14, 2019

**SUBJECT:** PR-5500, Campbell County  
Department of Corrections  
Annual Rental Exceeding \$200,000.00

As outlined, attached please find notification of a lease agreement being processed by the 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-5500 File  
BSH

Attachment

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

LEASE WITH ANNUAL RENTAL EXCEEDING \$200,000.00

Lease No.: <b>PR-5500</b>		County: <b>Campbell</b>
Using Agency: <b>Department of Corrections</b>		
Lessor (identify all parties having 5% or more ownership):  Attached extra sheet if necessary	<b>Lessor: 103 Landmark Drive LLC</b>	
Property Location: <b>103 Landmark Drive, Bellevue KY 41073</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>\$20.95</b>	
Annual Rental Cost: <b>\$308,006.92</b>	Average Cost Per Square Foot of Leased-In Space in County: <b>\$17.65</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, 2026</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**

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

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

**DATE:** March 14, 2019

**SUBJECT:** PR-5500, Campbell County  
Department of Corrections

The Department of Corrections presently occupies 8,262 square feet of space, leased at a rental rate of \$16.89 per square foot (\$139,531.00 annually), including partial utilities and excluding janitorial services, with a term expiring June 30, 2020. The Department recently submitted a request to obtain supplemental space that indicated a need for approximately total 13,168 square feet. Supplemental space to accommodate the agency was not available in the existing facility therefore advertisements were placed and the following proposal was received as a result of two separate invitations.

1. Colliers International Incorporated, representing 103 Landmark Drive LLC, proposed to lease 14,786 square feet of space at a rental rate of \$19.95 per square foot (\$294,980.70 annually), excluding utilities and janitorial services, with a term expiring June 30, 2026. The proposal was submitted with exceptions (e.g., use of existing first floor staff offices, use of common second floor restrooms, etc.) limiting the overall scope of the original specified renovations to the facility.

In the course of attempting to resolve the aforementioned exceptions and attempting to negotiate more favorable terms for the agency, the prospective lessor advised that the rental rate was not negotiable based on initial projected renovation costs of exceeding \$300,000.00. The agency consented to a slight waiver (i.e., 10-15 square feet) of normal space standards relative to the first floor professional offices but requested additional design changes in the second floor space, including renovation of the restrooms located within the leased premises. The plan revisions resulting from the various negotiations reduced the proposed lease space to 14,702 square feet, and the prospective lessor requested that the Department absorb the estimated \$110,000.00 renovation costs for the design changes to the second floor space.



Memo to: Scott Aubrey, Director  
PR-5500, Campbell County  
Department of Corrections  
March 14, 2019  
Page Two

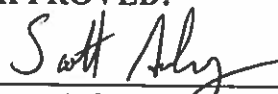
Recognizing that proposed space would be obtained via applicable provisions of KRS 56.803 as opposed to KRS 56.813(1), that KRS 56.803(11) requires the prospective lessor be informed "...of the steps necessary to bring the property up to general and specific requirement specifications.", and that KRS 56.803(15)(b) allows for negotiations with a potential lessor when they are the only responsive and responsible potential lessor who submitted a proposal, the request from prospective lessor and the Department of Corrections to address the costs via amortization as described under KRS 56.813(2) was declined. The prospective lessor subsequently proposed to lease space in the offered facility at a rental rate of \$20.95 per square foot, with all other terms to remain as originally proposed, and the Department of Corrections has recommended acceptance of the proposal at the modified terms defined herein.

In accordance with applicable provisions of KRS 56.803, the attached lease agreement therefore provides for the use of 14,702 square feet of space at a rental rate of \$20.95 per square foot (\$308,006.92 annually), excluding utilities and janitorial services, with a term expiring June 30, 2026. Capital Projects & Bond Oversight Committee reporting is required prior to execution in accordance with applicable provisions of KRS 56.823 and KRS 48.111. Your approval of the attached lease agreement is recommended to obtain suitable replacement space as requested by the Department of Corrections.

Should you require additional information, please advise.

JSA/BSH/BGR/br  
Attachment

**APPROVED:**

  
\_\_\_\_\_  
Scott Aubrey, Director

**COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-5500, Campbell County	Agency/Department	Department of Corrections
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$308,006.92	DATE	March 7, 2019
VENDOR #		BUILDING CODE #	

THIS LEASE, entered into between: **103 LANDMARK DRIVE LLC** whose address is: **103 Landmark Drive, Suite 220, Bellevue KY 41073** (Business Phone: **513-259-9697**) 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 **103 Landmark Drive, Bellevue, KY 41073** in the County of **Campbell**.
- 1b. Said premises consisting of **14,702** square feet are to be rented at the cost of **\$20.95** 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 **\$77,001.73**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **NONE**; with **85** 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, 2019**.
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, 2026**. 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.

1. 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, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205. BGR

**FILE COPY**