



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

Matthew G. Bevin
Governor

Paul McPherson
Acting Commissioner

**Division of Real Properties
Bush Building, 3rd 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 *BSH*
Division of Real Properties

DATE: July 15, 2019

SUBJECT: PR-4861, Franklin County
Department of Agriculture
Annual Rental Exceeding \$100,000.00

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

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

BSH/JLB/jlb

CC: Capital Construction Log
OSBD
PR-4861-File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-4861	County: Franklin
Using Agency: Department of Agriculture	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	Century Investment Group, LLC
Property Location: 111 Corporate Drive, Frankfort KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office/Warehouse	Cost Per Square Foot: \$12.50, 9,639 sq. ft. office/\$3.25, 2,687 sq. ft. warehouse
Annual Rental Cost: \$129,220.24	Average Cost Per Square Foot of Leased-In Space in County: \$7.16 office/\$1.04 warehouse
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, 2027
Justification for Lease: See attached	
Has the Finance & Administration Cabinet complied with statutory requirements: X-Yes <input type="checkbox"/> No If no, explain:	
Explain why the Finance & Administration Cabinet chose this lessor (see attached approval memo and modification): See attached	

COMMONWEALTH OF KENTUCKY LEASE AGREEMENT

LEASE/PR #	PR-4861, Franklin County	AGENCY/DEPARTMENT	Department of Agriculture
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$129,220.24	DATE	July 15, 2019
VENDOR #	KY0025038	BUILDING CODE #	90960004

THIS LEASE, entered into between: **Century Investment Group LLC**, whose address is: **108 West Maple Street, Nicholasville, KY; 40356** (Business Phone: **859-885-4106**/ Home Phone: **N/A**), 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 **111 Corporate Drive; Frankfort; KY**, in the County of **Franklin**.
- 1b. Said premises consisting of **9,639** square feet of **OFFICE** space are to be rented at the cost of **\$12.50** per square foot and **2,687** square feet of **WAREHOUSE** space are to be rented at the cost of **\$3.25** per square foot will be used by the Commonwealth for **Office/Warehouse** space.
2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$32,305.06**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **None**; with **forty-one (41)** 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 **July 1, 2019**, and end **JUNE 30, 2027**.
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 **30TH** day of **June, 2027**. 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(7), 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. Furthermore, any books, documents, papers, records, or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.87B(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency provides the service.

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. J.L.B

FILE COPY



FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES

Matthew G. Bevin
Governor

Paul McPherson
Acting Commissioner

Division of Real Properties
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Frankfort, Kentucky 40601
(502) 564-2205
Fax: (502) 564-8108

William M. Landrum III
Secretary

Scott Aubrey
Director

MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

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

DATE: June 15, 2019

SUBJECT: PR-4861 Franklin County
Department of Agriculture

The Department of Agriculture currently occupies 12,326 square feet of office and warehouse space, leased at a combined rental rate of \$7.07 per square foot (\$87,144.82 annually) excluding utilities and janitorial services, with a term expiring June 30, 2019. During regular renewal cycle processing the lessor advised that they would require a rental rate increase. A competitive bid project was completed with one (1) best and final proposal submitted as follows:

- 1. Century Investment Group, LLC proposed to lease 9,639 square feet of office space at a rental rate of \$12.50 per square foot (\$120,487.50 annually), and 2,687 square feet of warehouse space for \$3.50 per square foot (\$9,404.50 annually) excluding utilities and janitorial services, with a term expiring June 30, 2027.

Efforts to obtain more favorable terms for the Department were initiated and resulted in an offer to reduce the rental rate by \$.25 per square foot for the warehouse space. The Department of Agriculture has recommended acceptance of the proposal from Century Investment Group, LLC based on the fact that the proposal represents the only proposal received. Pursuant to applicable provisions of KRS 56.803, the attached lease agreement therefore provides for the use of 9,639 square feet of office space at a rental rate of \$12.50 per square foot (\$120,487.50 annually), and 2,687 square feet of warehouse space for \$3.25 per square foot (\$8,732.75 annually) for a combined rate of \$129,220.24 annually excluding utilities and janitorial services, with a term expiring June 30, 2027. Capital Projects and Bond Oversight Committee reporting is required for the proposed lease agreement and your approval of same is recommended to resolve the original request for a rental rate increase and to secure appropriate space as requested by the Department of Agriculture.

Should you require additional information, please advise.

APPROVED: *[Signature]*
Scott Aubrey, Director

BSH/JLB/jlb
Attachment





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

Matthew G. Bevin
Governor

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William M. Landrum III
Secretary

Paul McPherson
Acting 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: August 16, 2019

SUBJECT: PR-5180, Fayette County
Department for Workforce Investment
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
Attachment

CC: Capital Construction Log
OSBD
PR-5180 File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-5180	County: Fayette			
Using Agency: Department for Workforce Investment				
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Ken Isaacs Properties LLC</td> </tr> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="height: 20px;"> </td> </tr> </table>	Ken Isaacs Properties LLC		
Ken Isaacs Properties LLC				
Property Location: 141 Leestown Center Way, Suite 300, Lexington, KY				
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification				
Type Space: Office	Cost Per Square Foot: \$16.40			
Annual Rental Cost: \$119,310.00	Average Cost Per Square Foot of Leased-In Space in County: \$14.35			
Utilities Included: <input checked="" type="checkbox"/> Yes (water/sewer only) <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, 2020	Expiration Date: June 30, 2028			
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 WORKFORCE INVESTMENT and KEN ISAACS PROPERTIES, LLC 141 LEESTOWN CENTER WAY, SUITE 220 LEXINGTON, KY 40511, 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 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	<input checked="" type="checkbox"/>	2028 <i>KRAJ</i>

The annual base rental rate shall remain \$ 16.40 per square foot for 7,275.0 rentable square feet.

LEASE NUMBER: PR05180	LOCATION: 141 LEESTOWN CENTER WAY, SUITE 300 LEXINGTON, KY
COUNTY: FAYETTE	
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.

Kenneth A. Isaac
 LESSOR

Annual Amount \$119,310.00

859-253-9988
 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