



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

ANDY BESHEAR
Governor

SAM RUTH
Commissioner


Division of Real Properties
Bush Building, 3rd Floor
403 Wapping Street, Suite 300
Frankfort, Kentucky 40601
(502) 564-2205
Fax: (502) 564-8108

HOLLY M. JOHNSON
Secretary

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: January 30, 2020

SUBJECT: PR-4454, Warren County
Department of Public Advocacy

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

PR-4454, Warren County

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

BSH/BGR/br
Attachment

Cc: Capital Construction Log
OSBD
PR-4454 File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE MODIFICATION AMORTIZATION

Date Posted in 30-Day Register: January 30, 2020	
Lease No.: PR-4454	County: Warren
Using Agency: Department of Public Advocacy	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	Warren County Fiscal Court
Property Location: 1001 Center Street, Bowling Green KY	
Existing Rental Terms	
Type Space: Office	Square Feet: 3,490
Annual Payment: \$57,585.00	Contract Expiration: June 30, 2020
Modified Rental Terms	
Type Space: Office	Square Feet: 4,758
Annual Payment: \$78,507.00	New Contract Expiration: June 30, 2020
Total Cost to be Amortized: \$17,022.50	
Projected Period of Amortization – Effective: February 1, 2020 Through: June 30, 2020	
Reason for Modification (please see attached):	
Estimate Details (see attached copies): 1. <u>\$17,022.50</u> from C & P Construction. 2. <u>\$22,758.00</u> from Coates Construction, LLC.	



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

Matthew G. Bevin
Governor

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

Paul McPherson
Acting 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 17, 2019

SUBJECT: PR-4454, Warren County
Department of Public Advocacy

The Department of Public Advocacy currently occupies 3,490 square feet of space leased at a rental rate of \$16.50 per square foot (\$57,585.00 annually), including utilities and janitorial services, with a term expiring June 30, 2020. The agency recently submitted a request for supplemental space, same indicating a need for approximately 2,488 square feet. The Warren County Fiscal Court advised that they could only provide 1,268 square feet of additional space in the Warren County Judicial Center, and that they were willing to lease the additional space at the existing terms and conditions provided that the Department absorb costs associated with the renovations necessary to accommodate the agency.

In accordance with KRS 56.813(2), the lessor provided two estimates for the renovations as follows: \$17,022.50 from C & P Construction and \$22,758.00 from Coates Construction, LLC and the Department has recommended acceptance of the low bid. We recommended a term extension of one or more years in conjunction with the proposed modification of the lease; however, the Fiscal Court advised that they intended to request an escalating rental rate increase in the course of renewal processing for Fiscal Year 2020 since the current rate has been in effect since 2012. The Department of Public Advocacy also advised that funding was identified for this expansion and they preferred to retire those costs during the current fiscal year. The potential rental rate increase will be address during the regular renewal processing cycle.

Based on the negotiations defined herein, the attached lease modification provides for an increase of 1,268 square feet in the area under lease; from 3,490 square feet to 4,758 square feet, the corresponding increase of \$20,922.00 in the annual rental cost; from \$57,585.00 to \$78,507.00, and for the amortization of \$17,022.50 in renovation expenses. Capital Projects and Bond Oversight Committee reporting is required for both the change in square footage and the amortization and will be accomplished in accordance with the provisions of KRS 56.823. Your approval of the attached lease modification is recommended to resolve the request for supplemental space by the Department of Public Advocacy.



JSA/BSH/BGR/br
Attachment

RECOMMENDED: *Paul McPherson*
Paul McPherson, Acting Commissioner
Dept. for Facilities & Support Services

COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT

LESSOR	Warren County Fiscal Court	PR NUMBER, COUNTY	PR-4454, Warren County
ADDRESS	429 East 10 th Street Bowling Green KY 42101	VENDOR NUMBER	KY0035825
		AGENCY/DEPARTMENT	Department of Public Advocacy
		DIVISION	
		DATE	August 28, 2019
		BUILDING CODE	90947001

1. Lease Agreement number PR-4454, Warren County, dated September 22, 2000, is hereby modified as set forth in Paragraph Two.
2. This Lease is modified as follows:
 1. To increase the leased space by 1,268 square feet; from 3,490 square feet to 4,758 square feet; at the same terms and conditions as reflected in the existing lease, which expires June 30, 2020, resulting in an annual increase of \$20,922.00 from \$57,585.00 to \$78,507.00.
 2. To amortize the \$17,022.50 cost for improvements per attached estimate from C & P Construction. (Total: \$17,022.50) same attached and incorporated herein by reference.
 3. The 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, 2020. 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 9/16/19 LESSOR Date 9/16/19




 ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date 1/25/2019 ATTORNEY, FINANCE & ADMINISTRATION CABINET Date 9/23/19




 MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date 1/25/2019 DIRECTOR, DIVISION OF REAL PROPERTIES Date



 William M. Pandrum Date 9-25-19

APPROVED THIS 1st DAY OF February, 2020

SECRETARY, FINANCE & ADMINISTRATION CABINET Date
 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.

BGR

ORIGINAL

C & P Construction
P.O. BOX 189
Scottsville, KY 42164
Phone/Fax: 270-237-0488

INVOICE

DATE: 1/9/2019

TO:

FOR:

Warren County Courthouse

3rd Floor Renovation

DESCRIPTION	AMOUNT
Framing	
Dry-wall	
Trim	
Paint	
Electrical	
Carpet Patching	
Demo	
	\$15,475
O&P	\$1,547.50
TOTAL	\$17,022.50

Make all checks payable to Company Name

Thank you for your business!

Coates Construction, LLC
P.O. BOX 189
Scottsville, KY 42164
Phone/Fax: 270-237-0488

ESTIMATE

1/15/2019

TO:
Warren County Courthouse

FOR:
3rd Floor Renovation

DESCRIPTION	AMOUNT
Work to be performed to include:	
<ul style="list-style-type: none">• Carpet Repairing• Demolition• Adding Trim• Painting• Electrical Work• Dry wall	\$20,483
Overhead & Profit	\$2,275.00
TOTAL	\$22,758.00

Thank you for your business!



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

ANDY BESHEAR

Governor

SAM RUTH

Commissioner

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HOLLY M. JOHNSON


Secretary

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: February 10, 2020

SUBJECT: PR-5635, Casey County
Transportation Cabinet
Emergency Lease Agreement

As outlined, attached please find notification of an emergency lease agreement being processed by our division's Leased Properties Branch.

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

BSH/bh
Attachment(s)

Cc: Capital Construction Log
OSBD
PR-5635 File
BSH

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

EMERGENCY LEASE AGREEMENT

Lease No.: PR-5635		County: Casey	
Using Agency: Transportation Cabinet			
LESSOR (identify all parties having 5% or more ownership): Attach extra sheet if necessary		Hoskins and Cundiff LLC	
Property Location: 289 South Wallace Wilkinson Blvd, Liberty, KY			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: Office/Highway Maintenance Garage		Cost Per Square Foot: \$6.25 (effective)	
Annual Rental Cost: \$90,000.00		Average Cost Per Square Foot of Leased-In Space in County: 10.69	
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: February 10, 2020		Expiration Date: June 30, 2021	
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			



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

ANDY BESHEAR
Governor

SAM RUTH
Commissioner


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HOLLY M. JOHNSON
Secretary

SCOTT AUBREY
Director

MEMORANDUM

TO: Scott Aubrey, Director
Division of Real Properties

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

DATE: February 10, 2020

SUBJECT: PR-5635, Casey County
Transportation Cabinet

The Transportation Cabinet recently submitted a request emergency replacement space for the Department of Highways Casey County Maintenance Garage. The Cabinet certified that the requested space qualified for an emergency lease agreement pursuant to applicable provisions of KRS 56.805(3)(d) due to fire damage on the evening of February 7th, that rendered the state owned garage untenable. It is our understanding that the leased space will be utilized for that period necessary to evaluate the damaged facility, complete repairs if feasible, or obtain suitable state owned replacement space. Further consultation with the agency indicated that the requested space must provide appropriate space to accommodate sixteen (16) employees, and the associated vehicles and equipment necessary for roadway maintenance.

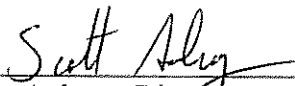
Based on the aforementioned certification, and using publicly available information (e.g., LoopNet), the Division of Real Properties determined that no suitable facilities were listed for sale or lease and no alternate state owned property is available. District Eight Transportation Cabinet staff advised that two potential facilities were identified, however further investigation of one of the locations indicated that a significant portion of the warehouse section of the space did not provide partial climate control (i.e., heating), access to water, and the electrical capacity necessary for agency operations (e.g., equipment maintenance, etc.). The facility did offer two overhead doors with unpaved access however the width and height of the overhead doors would not accommodate all displaced equipment. A physical tour of the City of the Liberty by Division of Real Properties staff did not identify any other suitable available facilities for the proposed use. A facility under contract to Hoskins and Cundiff LLC located at 289 South Wallace Wilkinson Boulevard offered more than sufficient space with a mix of office, garage, and storage areas that would satisfy all of the initial requirements (i.e., multiple extended size overhead doors, full drive through capability and forced air heating in the garage area, access to sufficient water and electrical services, etc.) identified by the agency. A site evaluation was conducted with representatives from the Transportation Cabinet on the above date and the agency confirmed that the property is suitable for the proposed use.

Memo to: Scott Aubrey, Director
PR-5635, Casey County
Transportation Cabinet
February 10, 2020
Page Two

Negotiations with Hoskins and Cundiff LLC subsequently resulted in a proposal to lease approximately 14,400 square feet of office, garage, and storage space at a flat rental rate of \$7,500.00 per month (\$90,000.00 annually) excluding utilities and janitorial services with a term expiring beginning February 10, 2020 and expiring June 30, 2021. The negotiated terms result in an effective rental rate of \$6.25 per square foot and provide the Transportation Cabinet with sole occupancy of one of three buildings located on the offered property. The proposed facility provides direct access to US Highway 127 and is located in reasonable proximity to the state owned maintenance facility for access to materials (e.g., salt) that will at that site.

Capital Projects and Bond Oversight Committee reporting is required for the proposed lease agreement pursuant to KRS 56.823. The required agency certification is attached for review and your approval of the proposed lease agreement is recommended to secure appropriate maintenance garage operations space for benefit of the Transportation Cabinet.

BSH/bh
Attachments

APPROVED: 
Scott Aubrey, Director



COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
transportation.ky.gov

Andy Beshear
GOVERNOR

Jim Gray
SECRETARY

February 10, 2020

Ms. Holly M. Johnson, Secretary
Finance and Administration Cabinet
702 Capital Avenue, Room 383
Frankfort, KY 40601

Dear Secretary Johnson:

On Friday, February 7, 2020, property owned and occupied by the Kentucky Transportation Cabinet (KYTC), Department of Highways in Liberty, Kentucky (SO-23-530) was severely damaged by a structural fire. The steel beams, roof, walls, and equipment were all affected by the fire and the space is no longer tenable. As a result of the damage, I would like to request permission for the Division of Real Properties to locate and negotiate temporary replacement space for our displaced agency, pursuant to KRS 56.805, Section 3(a).

Should additional information be needed, please contact Jon Wilcoxson, Assistant State Highway Engineer, at 502-782-5615 or Tamra Wilson, Chief District Engineer/District 8, at 606-677-4017.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gray".

Jim Gray
Secretary

COMMONWEALTH OF KENTUCKY LEASE AGREEMENT

LEASE/PR #	PR-5635, Casey County	AGENCY	Transportation Cabinet
INITIAL ENCUMBRANCE	\$	DEPARTMENT	Department of Highways
ANNUAL ENCUMBRANCE	\$90,000.00	DATE	February 10, 2020
VENDOR #		BUILDING CODE #	

THIS LEASE, entered into between: **Hoskins and Cundiff LLC**, whose address is: **100 Fairway View Drive; Liberty; KY; 42539** (Business Phone: **859/583-5300**), 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 **289 South Wallace Wilkinson Blvd, Liberty, KY; 42539**, in the County of **Casey**.
- 1b. Said premises consisting of **Approximately 14,400** square feet are to be rented at the cost of **\$7,500.00 Flat Fee Monthly** and will be used by the Commonwealth for **Maintenance Garage Operations** space.
2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$7,500.00**, payable **Monthly**. The Lessor shall provide the Commonwealth with the following utility and/or janitorial services: **None**.
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 **February 10, 2020**, 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 **One (1)** 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, 2021**. 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 and the Lessor shall have the further right to terminate this lease at any time upon **90** 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 property/other taxes as applicable and 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

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.

BGR