



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

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

**ANDY BESHEAR**  
Governor

**SAM RUTH**  
Commissioner

**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 *BSH*  
Division of Real Properties

**DATE:** March 1, 2021

**SUBJECT:** PR-5642, Jefferson County  
Transportation Cabinet  
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-5642, Jefferson County

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

BSH/bh  
Attachment

**Cc:** Capital Construction Log  
OSBD  
PR-5642 File  
BSH

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

**LEASE MODIFICATION AMORTIZATION**

Date Posted in 30-Day Register: <b>March 1, 2021</b>	
Lease No.: <b>PR-5642</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>Hurstbourne Office Park LLC</b>
Property Location: <b>9112 Leesgate Road, Louisville, KY</b>	
<i>Existing Rental Terms</i>	
Type Space: <b>Office</b>	Square Feet: <b>4,937</b>
Annual Payment: <b>\$58,009.76</b>	Contract Expiration: <b>June 30, 2028</b>
<i>Modified Rental Terms</i>	
Type Space: <b>Office</b>	Square Feet: <b>4,937</b>
Annual Payment: <b>\$58,009.76</b>	New Contract Expiration: <b>June 30, 2028</b>
Total Cost to be Amortized: <b>\$34,755.00</b>	
Projected Period of Amortization – Effective: <b>March 1, 2021</b> Through: <b>June 30, 2028</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):	
1. John Waters Incorporated - \$29,305.00, RKR Incorporated - \$30,665.00	
2. Bradley Boroughs Incorporated - \$5,450.00, Leedco Incorporated - \$6,025.00	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

<b>LESSOR</b>	<b>Kevin D. Cogan Db a Hurstbourne Office Park LLC</b>	<b>PR NUMBER, COUNTY</b>	<b>PR-5642, JEFFERSON COUNTY</b>
<b>ADDRESS</b>	<b>2650 Technology Drive Louisville KY 40299</b>	<b>VENDOR NUMBER</b>	<b>KY0012994</b>
		<b>AGENCY/DEPARTMENT</b>	<b>Transportation Cabinet</b>
		<b>DIVISION</b>	
		<b>DATE</b>	<b>September 17, 2020</b>
		<b>BUILDING CODE</b>	<b>90758003</b>

1. Lease Agreement number PR-5642, Jefferson County, dated September 17, 2020, is hereby modified as set forth in Paragraph 2.

2. This Lease is modified as follows:

1. To amortize the \$34,755.00 cost for specified renovation expenses; per estimates submitted by John Waters Incorporated (\$29,305.00) and Bradley Boroughs Incorporated (\$5,450.00), same attached and incorporated herein by reference.

2. The amortization effective date will be established by signature of the Director, Division of Real Properties, upon this modification once verification has been received that all renovations have been satisfactorily completed, and will extend through the lease expiration date of June 30, 2028. The effective date shall be further defined as the first day of the month following the completion of renovations unless that date is otherwise 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.

 9/18/2020  
 STATE LEASING AGENCY REPRESENTATIVE Date

 9/17/2020  
 LESSOR Date

 01OCT2020  
 ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

 10/14/2020  
 ATTORNEY, FINANCE & ADMINISTRATION CABINET Date

 01OCT2020  
 MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

  
 DIRECTOR, DIVISION OF REAL PROPERTIES

 11/8/2020  
 SECRETARY, FINANCE & ADMINISTRATION CABINET Date

APPROVED THIS 1st DAY OF March, 2021

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. BSH

**ORIGINAL**



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

**ANDY BESHEAR**  
Governor

**SAM RUTH**  
Commissioner

**Division of Real Properties  
Bush Building, 3<sup>rd</sup> 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:** Holly M. Johnson, Secretary  
Finance and Administration Cabinet

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

**DATE:** September 18, 2020

**SUBJECT:** PR-5642, Jefferson County  
Transportation Cabinet

The Transportation Cabinet recently submitted a request to obtain space to accommodate implementation of the Real ID Act, same indicating a need for approximately 3,371 square feet. It should be noted that our space allocations are based on the employee classification and count; however, the Cabinet will utilize specially designed license issuance workstations. Space planning considerations relative to efficient functionality are therefore expected to result in square footage deviations that would warrant additional review in regular lease projects. We are noting the deviation herein in lieu of attempting to define a workstation specific space standard that will vary based on the actual dimensions of each proposed property. A review of properties currently leased by the Commonwealth indicated that suitable space to accommodate this request was available in a facility containing a multiple lease agreements. Subsequent to review of plans and specifications for the proposed space except as noted below, and in accordance with applicable provisions of KRS 56.813(1), the lessor consented to lease the space at terms that exceed those applied to PR-5543, Jefferson County. Specifically they have agreed to extend the proposed lease term to the maximum permitted under KRS 56.806(1) as opposed to the current expiration date of June 30, 2026.

The renovations necessary to accommodate the Transportation Cabinet require near complete demolition and reconstruction of all of the space proposed for use by the Cabinet. Based on the scope and resulting cost (i.e., \$143,975.00) of the renovations, the fact that they have maintained the applicable rental terms for approximately eighteen years, and the fact that they have consented to maintain that rate through 2028, the lessor has requested that the Department absorb a portion of the renovation expenses. Subsequent negotiations with the lessor produced an agreement to allow the agency to absorb costs not to exceed approximately twenty-four percent of the total renovation cost, more specifically a total amortization amount of \$34,755.00.

Memo to: Holly M. Johnson, Secretary  
PR-5642, Jefferson County  
Transportation Cabinet  
September 18, 2020  
Page Two

In accordance with applicable provisions of KRS 56.813(2), the lessor has provided two estimates for electrical changes (\$29,305.00 from John Waters Incorporated and \$30,665.00 from RKR Incorporated), and interior painting (\$5,450.00 from Bradley Boroughs Incorporated and \$6,025.00 from Leedco Interior Systems Incorporated). The Cabinet has recommended acceptance of the low bids for each item from John Waters Incorporated and Leedco Interior Systems Incorporated.

Based on the negotiations defined herein, the proposed lease agreement provides for the use of 4,937 square feet of space at a rental rate of \$11.75 per square foot (\$58,009.76 annually), including partial utilities, with a term expiring June 30, 2028. The proposed lease modification provides for the amortization of \$34,755.00 in improvement expenses necessary to accommodate the agency as described above. Capital Projects and Bond Oversight Committee reporting is not required for the proposed lease agreement; however it is required for the amortization and that will be accomplished upon completion of the renovations in accordance with applicable provisions of KRS 56.823. Your approval of both the attached lease agreement and modification is recommended based on the following:

1. The proposed location satisfies the agency's request for space located in the eastern portion of Jefferson County and is the only facility in which space is available under the provisions of KRS 56.813(1). The proposed location provides convenient access from both Interstate 64 and Shelbyville Road.
2. The anticipated amortization period of eighty-one months results in an estimated annual amortization cost of \$5,148.84 and a total annual estimated cost of \$63,158.60, which results in an effective total rental rate of \$12.79 per square foot. When adjusted for the inclusion of partial utilities the effective base rental rate is \$12.63 per square foot. The most recent competitive bid project completed in Jefferson County resulted in the receipt of one late proposal offering space at a rental rate in excess of \$29.00 per square foot.
3. The proposed lessor presently holds a number of leases for various agencies and has repeatedly demonstrated that they are a responsive and responsible property owner.

Should you require additional information please advise.

JSA/BSH/bh  
Attachment

RECOMMENDED: \_\_\_\_\_

  
Sam Ruth, Commissioner  
Dept. for Facilities & Support Services



**JOHN WATERS INC.**

ELECTRICAL ♦ HEATING ♦ COOLING ♦ CONTRACTING ♦ SERVICE

TELEPHONE 502.896.0850 FAX 502.896.8662 WWW.JWATERS.COM

Jefferson Development Group  
2650 Technology Drive  
Louisville, KY 40299  
Attn: James Krampe

Proposal:  
August 31, 2020

**Project: Transportation – Vehicle Regulation**  
9112 Leesgate Road

Dear James,

Per your request the following electrical quote is submitted for the above referenced project.

- 1) Furnish and install electrical work per plans dated 7-22-2020 and scope letter dated 8-19-2020, with qualifications noted below.

**Total Electrical Quote:            \$ 29,305.00**

1. Utility metering to be left as is. Alteration to electrical metering is not included in above quoted price.
2. Quoted price includes re-lamping building mounted recessed lighting. Additional exterior lighting is not included at this time.
3. Parking lot lighting to be left as is, no work to lot lighting included at this time.
4. Service Entrance conduit for phone/data systems not included at this time.

**DALE KULWICKI, VICE PRESIDENT**  
**JOHN WATERS INC.**



Phone 812-284-0212 Fax 812-284-4312  
www.rkrinc.net kevin@rkrinc.net

Customer <u>Jefferson Development Group</u>	
Contact: <u>James Krampe</u>	Bid Number: _____
Project: <u>Vehicle Regulation Leesgate Road</u>	
Bid Due Date: <u>8/31/2020</u>	Completion: _____
Project: Start Date: _____	

Shift = Regular Standard

John, per your request we submit the following quote.

**Scope of Work**

- Provide electrical work in accordance with plans and scope of work dated 8/19/2020.
- Notes /Exclusions:
- LG&E metering to be left as is.
- Quote includes relamping of building recessed fixtures only no other fixtures are included.

Notes:

Total Base Quote \$ 30,665.00

Released By: Kevin Dickman

Date: 8/31/2020

**Bradley Boroughs, Inc.**

P.O. Box 22083  
Louisville, KY 40252  
p: 502-419-6010

**Proposal**

Date	Estimate No.
7/31/2020	5201

**Name / Address**

Jefferson Development Group  
9505 Williamsburg Plaza, Ste. 200  
Louisville, KY 40222  
Attn: James Krampe

**Project / Job**

Leesgate (9112)

Description	Amount
Leesgate	
Paint new and existing walls after demo. Paint 12 Doors	4,750.00
Materials	1,200.00

BRAD PRODUCED PROPOSAL  
TO \$ 5450.00

Total

~~\$5,950.00~~

Thank you for the opportunity to quote your paint and wallcovering needs!

\$5,450.00

PER BRAD B.  
9/11/20





**Leedco**  
interior systems, inc.

342 LENNOX AVENUE  
LOUISVILLE, KENTUCKY 40209

PHONE (502) 634-8052  
FAX (502) 634-8054

PROPOSAL SUBMITTED TO Jefferson Development Group		PHONE 502-896-2888	DATE 9/01/2020
STREET		JOB NAME 9112 Leesgate - Dept. of Transportation	
CITY, STATE AND ZIP CODE		JOB LOCATION	
ARCHITECT	DATE OF PLANS 7/22/2020	JOB PHONE	

We hereby submit specifications and estimates for:

Paint new and existing walls per plans dated 7/22/2020.  
Paint 12 doors.

\$ 6,025.00

The Proposer hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

See Above

Payment to be made as follows:

\_\_\_\_\_ dollars (\$ \_\_\_\_\_)

Work completed by EOM Duo by 10th of following month, Balance due upon completion.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon license, accidents or injuries beyond our control. Owner to carry his liability and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature: Mark Bowling  
Mark Bowling  
Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date of Acceptance \_\_\_\_\_