



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES
DIVISION OF REAL PROPERTIES**

Bush Building, 3rd Floor
403 Wapping Street
Frankfort, Kentucky 40601
Phone: (502) 564-2205
Fax: (502) 564-8108

Holly M. Johnson
SECRETARY

Sam Ruth
COMMISSIONER

Natalie W. Brawner
DIRECTOR

MEMORANDUM

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

FROM: Natalie W. Brawner, Director *NWB*
Division of Real Properties

DATE: April 10, 2024

SUBJECT: Lease Renewals in Excess of \$100,000

During the regular renewal cycle processing, the Division of Real Properties, Leased Properties Branch has secured various lease renewals for an additional year or years at the existing terms of the leases that were previously set to expire June 30, 2024. Pursuant to KRS 56.823(2), since the annual lease cost equals or exceeds \$100,000.00, two leases are being reported to the Committee as follows:

PR LEASE	DEPARTMENT NAME	VENDOR NAME	COST PER SQ FT	SQUARE FT	COUNTY NAME	ANNUAL AMOUNT	YEAR EXTENDED TO
PR-3626	HEALTH AND FAMILY SERVICES	CHANNEL 51, INC	\$8.31	15,257.00	PIKE	\$127,695.36	2032
PR-3689	HEALTH AND FAMILY SERVICES	HIPP PROPERTY GROUP INC	\$8.18	13,914.00	MCCRACKEN	\$113,816.52	2025

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-3626	County: PIKE
Using Agency: Cabinet for Health and Family Services	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	CHANNEL 51, INC
Property Location: 295 HAMBLEY BLVD, PIKEVILLE, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$8.31
Annual Rental Cost: \$127,695.36	Average Cost Per Square Foot of Leased-In Space in County: <u>\$11.67</u>
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, 2024	Expiration Date: June 30, 2032
Justification for Lease: Lease renewal	
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:	
Explain why the Finance & Administration Cabinet chose this lessor: Lease renewal	

COMMONWEALTH OF KENTUCKY LEASE RENEWAL AGREEMENT

1. Subject to the limitations imposed by law and the terms set forth in the original Lease Agreement, and as designated below by signature of the parties (or their representatives), the following described Lease Agreement by and between HEALTH AND FAMILY SERVICES and CHANNEL 51, INC, 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):

2025 T.C.
 2026 TC
 2027 TC
 2028 TC
 2029 TC
 2030 TC
 2031 TC
 2032 TC

The annual base rental rate shall remain \$8.31 per square foot for 15257 rentable square feet.

LEASE NUMBER: PR-3626	LOCATION: 295 HAMBLEY BLVD PIKEVILLE, KY
COUNTY: PIKE	
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 reinspected by the Division of Building Codes Enforcement and must comply with all applicable standards (life safety and ADA accessibility).
- 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 61.878(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.
- The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

Annual Amount \$127,695.36

Astrud Masterson 4/1/2024
Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

[Signature]
LESSOR

606-205-4042
LESSOR'S CURRENT PHONE NUMBER
606-422-1117

NEW ADDRESS Only if the above Address is incorrect

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone (502) 564-2205.

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-3689	County: MCCRACKEN
Using Agency: Cabinet for Health and Family Services	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	HIPP PROPERTY GROUP INC
Property Location: 2855 JACKSON STREET, SUITE 1, PADUCAH, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$8.18
Annual Rental Cost: \$113,816.52	Average Cost Per Square Foot of Leased-In Space in County: <u>\$9.05</u>
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, 2024	Expiration Date: June 30, 2025
Justification for Lease: Lease renewal	
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:	
Explain why the Finance & Administration Cabinet chose this lessor: Lease renewal	

COMMONWEALTH OF KENTUCKY LEASE RENEWAL AGREEMENT

1 Subject to the limitations imposed by law and the terms set forth in the original Lease Agreement, and as designated below by signature of the parties (or their representatives), the following described lease Agreement by and between HEALTH AND FAMILY SERVICES and HIPP PROPERTY GROUP INC. 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):

- 2025 _____
 2026 _____
 2027 _____
 2028 _____
 2029 _____
 2030 _____
 2031 _____
 2032 _____

The annual base rental rate shall remain \$8.18 per square foot for 13914 rentable square feet.

LEASE NUMBER: PR-3689	LOCATION: 2855 JACKSON STREET, SUITE 1 PADUCAH, KY
COUNTY: MCCRACKEN	
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 reinspected by the Division of Building Codes Enforcement and must comply with all applicable standards (life safety and ADA accessibility).
- 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 61 878(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.
- The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

Annual Amount \$113,816.52

Astrud Masterson 4/1/2024

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

 ATTORNEY, FINANCE & ADMINISTRATION CABINET

 SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601 2607 phone (502) 564 2205

Samuel Guest
 LESSOR *Hipp Property Group*
270-217-1203
 LESSOR'S CURRENT PHONE NUMBER

 NEW ADDRESS Only if the above Address is incorrect