

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

Division of Real Properties

DATE: December 12, 2024

SUBJECT: PR-3567, Perry County

Energy and Environment Cabinet, Department for Natural Resources

KRS 56.823 (11)(a) Lease Modification Report

As outlined, attached please find notification of a pending lease modification in excess of \$50,000:

PR-3567, Perry County

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

NWB Attachment

Cc: Capital Construction Log

OSBD

PR-3567 File



REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE MODIFICATION IN EXCESS OF \$50,000

Lease No.: PR-3567		County: Perry		
Using Agency: Energy and Environment Cabinet, Department for Natural Resources				
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	DrinkRH PO Box 996 Cullman AL 35056-0996			
Property Location: 300 Village Lane, Hazard, Kentucky 41701				
Existing Rental Terms				
Type Space: Office		Square Feet: 5,758		
Annual Payment: \$46,064.00		Contract Expiration: June 30, 2027		
Modified Rental Terms				
Type Space: Office		Square Feet: 13,061		
Annual Payment: \$104,488.00		New Contract Expiration: June 30, 2027		
Total Cost to be Amortized: n/a Reason for Modification (see attached approval memo and modification): Please see attached				

COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT

DrinkRH	PR NUMBER, COUNTY	PR-3567, Perry County
PO Box 996	VENDOR NUMBER	KY0021559
	AGENCY/DEPARTMENT	Energy & Environment
Cullman AL 35056-0996		Cabinet
	DIVISION	
ADDRESS	DATE	November 12, 2024
	BUILDING CODE	90285001
	PO Box 996	PO Box 996 Cullman AL 35056-0996 Division Date

- 1. Lease Agreement number PR-3567, Perry County, dated April 10, 1991 is hereby modified as set forth in Paragraph Two.
- 2. This Lease is modified as follows:
 - 1) To increase the leased space by 7,303 square feet; from 5,758 square feet to 13,061 square feet; at the same terms and conditions as reflected in the existing lease, resulting in an annual increase of \$58,424.00 from \$46,064.00 to \$104,488.00.
 - 2) The agency requests new carpet/tile, paint, and replace damaged ceiling tiles throughout the entirety of the space.
 - 3) The effective date will be established by signature of the Director, Division of Real Properties, once verification has been received from the using agency that all renovations have been satisfactorily completed, and all requirement of the Division of Building Codes Enforcement have been met.
- 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 in 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	LESSOR	Date
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES	Date	ATTORNEY, FINANCE & ADMINISTRATION CABINE	ET Date
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES	Date	DIRECTOR, DIVISION OF REAL PROPERTIES	Date
SECRETARY, FINANCE & ADMINISTRATION CABINET	Date	APPROVED THIS DAY OF	_, 20

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.



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Holly M. Johnson
SECRETARY

Sam Ruth
COMMISSIONER

Natalie W. Brawner

MEMORANDUM

TO: Natalie W. Brawner, Director

Division of Real Properties

FROM: Tim W. Driskell, Leasing Manager

Division of Real Properties

DATE: November 12, 2024

SUBJECT: PR-3567, Perry County

Energy & Environment Cabinet

The Energy & Environment Cabinet currently occupies 5,758 square feet, leased at a rental rate of \$8.00 per square foot (\$46,064.00 annually) including utilities and excluding janitorial services, with a term expiring June 30, 2027. The Cabinet recently submitted a space request for 7,328 more square feet of office space to accommodate additional staffing. The lessor was contacted to determine the availability of suitable space. After reviewing the plans and specifications for the proposed additional space, the lessor agreed lease an additional 7303 square feet of space at the same terms and conditions of the existing lease agreement in accordance with the provisions of KRS 56.813(1), and the lessor has consented to complete all requested renovations including new flooring, paint, and replacement of damaged ceiling tiles.

The attached lease modification therefore provides for an increase of 7,303 square feet; from 5,758 square feet to 13,061 square feet, and for the corresponding increase of \$58,424.00 in the annual rent; from \$46,064.00 to \$104,488.00 and the requested renovations. Per KRS 56.823(11)(a), Capital Projects and Bond Oversight Committee reporting is required prior to execution. Your approval of the attached modification is recommended to secure supplemental space as requested by the Energy & Environment Cabinet.

Should you require additional information, please advise.

NWB/TWD/er Attachment

APPROVED: Natalie W. Brawner, Director

