



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 *NWB*
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			
<i>Existing Rental Terms</i>			
Type Space: Office		Square Feet: 5,758	
Annual Payment: \$46,064.00		Contract Expiration: June 30, 2027	
<i>Modified Rental Terms</i>			
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			



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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*
Natalie W. Brawner, Director