



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

Andy Beshear
GOVERNOR

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Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
INTERIM 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: January 13, 2025

SUBJECT: FY26 Lease Renewal in Excess of \$100,000

During the regular renewal cycle processing for Fiscal Year 2026, 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, 2025. Pursuant to KRS 56.823(2), since the annual lease cost equals or exceeds \$100,000.00, the following leases are being reported to the Committee.

FY26 LEASE RENEWALS GREATER THAN \$100,000 AS OF JANUARY 13, 2025							
PR NUMBER	Department Name	Vendor Name	Cost Per SQ FT	Square FT	County Name	Amount - Annual Rent	Renewal Year
PR-3524	HEALTH AND FAMILY SERVICES	CUNDIFF DEVELOPMENT INC	\$8.07	14625	PULASKI	\$118,023.84	2033
PR-4487	HEALTH AND FAMILY SERVICES	CHILDERS OIL CO INC	\$9.26	19285	LETCHER	\$178,579.12	2026
PR-5410	HEALTH AND FAMILY SERVICES	MARCUM HILL LLC	\$13.39	14326	CLAY	\$191,825.16	2033
PR-5586	CORRECTIONS	LOUISVILLE/JEFFERSON CO METRO GOV	\$106.00 per parking space per month	84 parking spaces	JEFFERSON	\$106,848.00	2026

CC: Capital Construction Log, OSBD, PR Files

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-3524	County: PULASKI
Using Agency: Cabinet for Health and Family Services, Department for Community Based Services	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	CUNDIFF DEVELOPMENT INC
Property Location: 650 N MAIN ST, SOMERSET, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$8.07
Annual Rental Cost: \$118,023.84	Average Cost Per Square Foot of Leased-In Space in County: \$10.46
Utilities Included: <input checked="" type="checkbox"/> Yes: Water, Sewer, Gas <input checked="" type="checkbox"/> No: Electricity	
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, 2025	Expiration Date: June 30, 2033
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 **CUNDIFF DEVELOPMENT INC P O BOX 22594 LEXINGTON, KY 40522** 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):

<input type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028	<input type="checkbox"/>	2029
<input type="checkbox"/>	2030	<input type="checkbox"/>	2031	<input type="checkbox"/>	2032	<input checked="" type="checkbox"/>	2033

The annual base rental rate shall remain \$ 8.07 per square foot for 14625 square feet for office space.

LEASE NUMBER: PR03524	LOCATION: 650 N MAIN ST SOMERSET, KY
COUNTY: PULASKI	
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 inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- 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.
- 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 \$ 118023.84

Astrud Masterson

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

CM
LESSOR

859-619-5454
LESSOR'S CURRENT PHONE NUMBER

ATTORNEY, FINANCE & ADMINISTRATION CABINET

NEW ADDRESS Only If the above address is incorrect

SECRETARY, FINANCE & ADMINISTRATION CABINET

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 502/564-2319. TWD/ER

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-4487	County: LETCHER
Using Agency: Cabinet for Health and Family Services, Department for Community Based Services	
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary	CHILDERS OIL CO INC
Property Location: 415 HWY 2034 WHITESBURG, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$9.26
Annual Rental Cost: \$178,579.12	Average Cost Per Square Foot of Leased-In Space in County: \$11.39
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, 2025	Expiration Date: June 30, 2026
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 **CHILDERS OIL CO INC P O BOX 430, WHITESBURG, KY 41858** 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):

<input checked="" type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028	<input type="checkbox"/>	2029
<input type="checkbox"/>	2030	<input type="checkbox"/>	2031	<input type="checkbox"/>	2032	<input type="checkbox"/>	2033

The annual base rental rate shall remain \$ 9.26 per square foot for 19285 square feet for office space.

LEASE NUMBER: PR04487	LOCATION: 415 HWY 2034 WHITESBURG, KY
COUNTY: LETCHER	
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 inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- 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.
- 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 \$ 178579.12

Astrud Masterson

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

Steph Johnson/Childers Oil
 LESSOR
 606-259-9548 or 606-634-4040
 LESSOR'S CURRENT PHONE NUMBER

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, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2319. TWD/ER


REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-5410	County: CLAY
Using Agency: Cabinet for Health and Family Services, Department for Community Based Services	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	MARCUM HILL LLC
Property Location: 25 MARCUM HILL RD SUITE 1, MANCHESTER, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Square Foot: \$13.39
Annual Rental Cost: \$191,825.16	Average Cost Per Square Foot of Leased-In Space in County: \$18.74
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, 2025	Expiration Date: June 30, 2033
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 **MARCUM HILL LLC 360 NORTH MAIN STREET LONDON, KY 40741** 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):

<input type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028	<input type="checkbox"/>	2029
<input type="checkbox"/>	2030	<input type="checkbox"/>	2031	<input type="checkbox"/>	2032	<input checked="" type="checkbox"/>	2033 

The annual base rental rate shall remain \$ 13.39 per square foot for 14326 square feet for office space.

LEASE NUMBER: PR05410	LOCATION: 25 MARCUM HILL RD SUITE 1 MANCHESTER, KY
COUNTY: CLAY	
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 inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- 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.
- 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 \$ 191825.16

Astrud Masterson


LESSOR

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

LESSOR'S CURRENT PHONE NUMBER

ATTORNEY, FINANCE & ADMINISTRATION CABINET

NEW ADDRESS Only if the above address is incorrect

SECRETARY, FINANCE & ADMINISTRATION CABINET

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 502/564-2319. TWD/ER

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: PR-5586	County: JEFFERSON
Using Agency: Department of Corrections, Division of Probation and Parole	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	LOUISVILLE/JEFFERSON CO METRO GOVERNMENT
Property Location: 523 SOUTH FIFTH STREET, LOUISVILLE, KY	
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification	
Type Space: Office	Cost Per Parking Space, Per Month: \$106.00 (84 spaces total)
Annual Rental Cost: \$106,848.00	Average Cost for Parking Space in County: \$95.03 per parking space, per month
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, 2025	Expiration Date: June 30, 2026
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 **CORRECTIONS and LOUISVILLE/JEFFERSON CO METRO GOVERNMENT, PARKING AUTHORITY OF RIVER CITY INC., 222 S. 1ST STREET, SUITE 400 LOUISVILLE, KY 40202** 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):

<input checked="" type="checkbox"/>	2026	<input type="checkbox"/>	2027	<input type="checkbox"/>	2028	<input type="checkbox"/>	2029
<input type="checkbox"/>	2030	<input type="checkbox"/>	2031	<input type="checkbox"/>	2032	<input type="checkbox"/>	2033

The annual base rental rate shall remain for parking.

LEASE NUMBER: PR05586	LOCATION: 523 SOUTH 5TH STREET LOUISVILLE, KY
COUNTY: JEFFERSON	
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 inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- 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.
- 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 \$ 106848

Libby J. Dailey

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

[Signature] 10-28-24
LESSOR

502.574-3817
LESSOR'S CURRENT PHONE NUMBER

ATTORNEY, FINANCE & ADMINISTRATION CABINET

NEW ADDRESS Only if the above address is incorrect

SECRETARY, FINANCE & ADMINISTRATION CABINET