



**Andy Beshear**  
GOVERNOR

**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  
Phone: (502) 564-2205  
Fax: (502) 564-8108

**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:** August 15, 2025

**SUBJECT:** PR-3920, Franklin County  
Auditor of Public Accounts  
Lease Modification Exceeding \$50,000 with Improvement Amortization

Pursuant to KRS 56.823 (11), attached please find notification of a lease agreement being processed by the Leased Properties Branch.

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

NWB/CTY  
Attachment

CC: OSBD  
PR-3920 File

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

**LEASE MODIFICATION IN EXCESS OF \$50,000**

Lease No.: <b>PR-3920</b>	County: <b>Franklin</b>
Using Agency: <b>Auditor of Public Accounts</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>RAINIER FRANKFORT ACQUISITIONS LLC</b>
Property Location: <b>209 ST CLAIR ST      FRANKFORT      KY</b>	
<b><i>Existing Rental Terms</i></b>	
Type Space: <b>Office</b>	Square Feet: <b>23,538</b>
Annual Payment: <b>\$211,842.00</b>	Contract Expiration: <b>June 30, 2029</b>
<b><i>Modified Rental Terms</i></b>	
Type Space: <b>Office</b>	Square Feet: <b>32,266</b>
Annual Payment:	New Contract Expiration: <b>June 30, 2031</b>
Total Cost to be Amortized: <b>\$95,516.88</b>	
<b>Two estimates</b> <b>1. GrassMasters for \$151,844.00 with an additional cost of \$6100.00 for HVAC rework and a management fee of 2% for a total of \$161,102.88</b> <b>2. Central KY Roofing &amp; Contracting for a total of \$167,600.00 with an additional cost of \$6100.00 for HVAC rework and a management fee of 2% for a total of \$177,174.00.</b> <b>The lessor has agreed to absorb \$65,586.00.00 of that cost with the agency's remaining cost of \$95,516.88.</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached</b>	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

<b>LESSOR</b>	<b>Rainier Frankfort Acquisitions LLC</b>	<b>PR NUMBER, COUNTY</b>	<b>PR-3920, Franklin County</b>
<b>ADDRESS</b>	<b>C/O Paul Ray Smith, Receiver 771 Corporate Drive, Suite 500 Lexington KY 40503</b>	<b>VENDOR NUMBER</b>	<b>KY0047311</b>
		<b>AGENCY/DEPARTMENT</b>	<b>Auditor of Public Accounts</b>
		<b>DIVISION</b>	
		<b>DATE</b>	<b>August 12, 2025</b>
		<b>BUILDING CODE</b>	<b>90030001</b>

1. Lease Agreement number **PR-3920, Franklin County** dated **June 13, 1995**, is hereby modified as set forth in Paragraph 2.

2. **This Lease is modified as follows:**

- To increase the leased space by 8,728 square footage from 23,538 square feet to 32,266 square feet at the same terms and conditions as reflected in the existing lease, resulting in an annual increase of \$78,552.00 from \$211,842.00 to \$290,394.00.**
- To amortize the \$95,516.88 portion of cost for renovations to the leased premises per attached estimate from GrassMasters and NAI Isaac, same attached and incorporated herein by reference and as shown on the floor plan.**
- To add two (2) automatic extension periods, at the modified terms and conditions defined herein, resulting in a new final lease expiration date from 6/30/2029 to 6/30/2031.**
- 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. The amortization payment will begin the 1<sup>st</sup> of the month following the effective date.**

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.

\_\_\_\_\_  
STATE LEASING AGENCY REPRESENTATIVE Date

\_\_\_\_\_  
LESSOR Date

\_\_\_\_\_  
ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

\_\_\_\_\_  
ATTORNEY, FINANCE & ADMINISTRATION CABINET Date

\_\_\_\_\_  
MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES Date

\_\_\_\_\_  
DIRECTOR, DIVISION OF REAL PROPERTIES

\_\_\_\_\_  
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, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205. CTY

## ADDENDUM

The following items are to be considered a part of lease modification agreement PR-3920, Franklin County, dated August 12, 2025.

### SECTION 1

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1. The building shall meet all Kentucky building codes and accessibility specifications in accordance with ADA, as enforced by the Department of Housing, Buildings and Construction, Division of Building Code Enforcement. The Division of Building Codes Enforcement will require a set of construction plans from the property owner. The Lessor is required to submit a copy of these plans, as approved by the Division of Building Code Enforcement, to the Division of Real Properties. The using agency will provide all ADA signage required. The Lessor (i.e., architect, contractor, etc.) shall be responsible for determining/complying with the requirements of the Division of Building Code Enforcement. Issues such as fire rated corridors, fire suppression systems (if applicable), HVAC installation, etc. are not addressed in the space planning information (i.e., floor plans and specifications) provided with Best & Final solicitations.
2. All facilities with a total leased square footage of 3,000 square feet or more shall be equipped with automatic fire suppression systems (sprinklers). The system shall be installed in accordance with all applicable provisions/requirements of the Division of Building Codes Enforcement. **NOTE: Access to an underground water main with a minimum diameter of six (6) inches is required for sprinkler systems serving spaces that exceed 3,000 square feet.** The Lessor shall be responsible for installation and maintenance of the fire suppression system. The Commonwealth prepares floor plans based on the presence of a suppression system. Should a Lessor submit an exception to this requirement, then the Lessor shall be solely responsible for any expenses associated with additional requirements as determined by the Division of Building Code Enforcement.
3. Central heating and air conditioning (HVAC) shall be installed throughout. The HVAC system shall be installed in conformance with Kentucky building codes, as administered by the Kentucky Department of Housing, Buildings and Construction. The Lessor shall also install an adequate fresh air handling system according to ASHRAE Standard 62
4. The Lessor shall insulate exterior walls with a minimum 3½" of fiberglass batt or blanket insulation, R-11 or equivalent value. The ceiling shall have a minimum of 12" of fiberglass batt or blanket insulation, R-36 or equivalent value.
5. All new or replacement windows shall be insulated / thermo panes to provide energy conservation. The Lessor shall provide mini-blinds for all windows.
6. Separate utility meters are needed if the using agency is to pay utilities, with service to be established in the name of the using agency. *{Agencies that are billed directly by a local utility should contact the utility company to identify their agency as "tax exempt"}.}* If a separate meter is not feasible, the Lessor shall bill the using agency on a pro-rated basis. If this method is used, the Lessor shall provide the using agency sufficient documentation to justify the percentage of the total bill to be charged to the using agency. *{Agencies that receive utility invoices from the Lessor (based on the percentage of space occupied) should reimburse the Lessor for the full amount of the invoice including any applicable taxes}.*
7. Electronic thermostats with programmable functions shall be installed for new or existing HVAC systems. A standard locking cover shall be installed on the thermostat. The local supervisor, in conjunction with the Lessor, will determine appropriate settings (i.e.: daytime/evening temperature settings, set back timer settings as required by regular office hours, etc.) for each property.
8. On existing buildings weather stripping and/or other suitable insulation shall be applied to all doors and windows and all other exterior penetrations (vent ducts, smoking room exhaust fan, etc.) of the leased space. This shall be inspected on an annual basis and repaired/replaced as necessary to minimize air seepage.
9. If a plenum ceiling is to be used, all wiring shall be housed in conduit, or plenum cable shall be used. The Lessor shall advise the Division of Real Properties as soon as possible when it is determined that plenum or a ducted ceiling is to be used. This will ensure that the agency's appointed electricians will be prepared with the right cabling. **Failure to notify the Division of Real Properties of a plenum ceiling, prior to award of a lease, shall be considered grounds for termination of the lease.**

### SECTION 2

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1. Floor-to-ceiling walls shall be constructed as indicated on the floor plan. Install acoustical insulation or soundboard in interior walls (if indicated on floor plan).
2. An acoustical tile ceiling shall be installed at a height of 9' (if not structurally feasible, please notate on the Best & Final as an exception).

3. **All walls shall be drywalled and painted a scrubbable neutral color latex enamel paint with either a satin or eggshell finish.** New walls require a primer coat (sprayed or rolled) and two finish coats (rolled). **Existing walls require one finish coat (rolled) if same color is being used or two finish coats (rolled) if changing color or patching is required. Subject to the general requirements of this section the tenant agency shall be provided with an opportunity to select colors.**
4. Luxury Vinyl tile shall be installed where indicated on the floor plan. Neutral color commercial grade 28 oz. carpet shall be installed in all other areas.
5. **The Lessor shall provide lockable doors for all office room door and where indicated on the floor plan.**
6. **The lessor shall install ADA automatic push button/pad door operator on both entry doors.**
7. The agency plans to install their own electronic access control devices on the entry doors to their suite. **However, the lessor needs to install generic electronic strikes for the entry doors during construction.**
8. Adequate recessed LED lighting shall be installed for office use, including telephone/storage rooms, with separate light switches for each room. It is the lessor responsibility to replace all non-working/damaged lights within the office space.
9. The lessor shall provide cabinets (upper and lower) and sink in the break room with a laminated counter top and also an additional laminated counter top with lower cabinets.
10. The Lessor shall provide **non designated parking for twenty-three (23) additional agency staff and clients**, plus accessible space(s) as required by the Division of Building Codes Enforcement.
11. The parking lot shall be asphalted and striped with all spaces clearly marked and identified. All holes and other damage shall be repaired on a timely basis. All spaces shall be a minimum of 9' x 18' with the exception of ADA accessible spaces.
12. The Lessor shall be responsible for the maintenance and upkeep of the grounds surrounding the property, to include mowing/trimming grass and raking leaves. The Lessor shall also be responsible for maintenance and cleaning of the parking lot, including snow removal from the parking lot and snow & ice removal from the sidewalks.

### **SECTION 3 - Telephone/Computer Access/Electrical Fit Up**

1. All exit and directional lights shall be the LED type.
2. A dedicated circuit is required for copier(s) and other equipment as noted on floor plan.
3. Appropriate electrical and telephone outlets are to be installed where indicated on the floor plan. Existing electrical outlets in substantially similar locations are acceptable. The Lessor shall provide access to phone outlets by conduit. Electrical circuits in the electrical panel box shall be labeled and identified. Lessor shall install electrical surge protection for the main electric service.
4. The Lessor shall install a three-wire, 117 volt, 60 Hz single phase, 20 AMP dedicated 4-plex AC outlet in the wall located within 4' of the telephone system for each telephone system installed in building. NOTE: The third wire, or ground wire, in this circuit shall be connected to earth/ground.
5. The Lessor shall install a 5/8", 4' x 8' sheet of plywood (painted black) on the wall in the file/storage room as shown on the floor plan, If space permits, the plywood will be mounted horizontally.
6. The Lessor shall install an entrance conduit with pull string with a minimum diameter of 4", or other size as recommended by the local telephone service provider (the lessor shall contact the local telephone service provider to determine service entrance requirements and conduit size), through the foundation or building wall to facilitate the incoming telephone service cable to a predetermined telephone company "network access unit" (demarcation point) location within the building. If the "network access unit" does not terminate in the telephone equipment room, the Lessor shall install conduit from the "network access unit" location to the telephone equipment room. Note: The number and size of this conduit depends on the terminal devices served on a floor, the type of cable used, and the need to use one cable or a cable per floor. At least one spare conduit of the same size with a pull wire should be installed for future expansion. We suggest the current Building Industries Consulting Services (BICSI), Telecommunications Distribution Methods Manual as an excellent technical source to supply independent expertise on the standards to be followed on the proper sizing of conduit and other associated requirements.

7. On multi-story buildings, the Lessor shall install conduit with pull string from the "network access unit" to each designated telephone equipment room (see note for proper sizing of conduit). If telephone closets rooms are vertically aligned, sleeves through the floor may be used instead of conduit. The number of sleeves per floor may be determined by utilizing information contained in above note.
8. The existing HVAC equipment and rack(s) in the network room may remain however the lessor shall ensure that it is proper operating condition or repair/replace the unit as appropriate.
9. Conduit, cable tray, or raceway fill rate is to comply with the National Electrical Code.
10. The Lessor shall obtain basic phone service, including at a minimum the installation of a network access unit (demarcation point), for newly constructed buildings and those facilities not already equipped with a network access unit. The using agency may assume responsibility for the ongoing costs associated with the aforementioned basic phone service, or the Lessor may cancel service, upon occupancy.
11. The Lessor shall contact the Division of Real Properties at a point when the agency's electricians can install computer cables and telephone wiring through conduit.
12. The Lessor shall provide empty conduit with pull string within the walls from the ceiling on locations shown on the floor plan as voice/data outlets. Install a cut-in box where conduit symbols are shown on the floor plan, the conduit should have smooth edged bushings at the box and above the ceiling. One inch (1") conduit shall be provided for data terminals, printers, and telephone instruments from each designated outlet location. *NOTE:* In most instances, voice/data cables (from individual office conduits) merge above the ceiling and should be supported by cable trays or pass through conduits (sized by number of outlets in the building) to the telephone equipment room or controller location.

## **SECTION 4**

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1. Due to the continuing development of new office technology the Lessor authorizes competent agency personnel to install additional security and/or access control equipment, telephone wiring, computer cabling, and conduit or wire molding (as required) to accommodate such technology during the term of the agency's occupancy. Agency will notify the Division of Real Properties for approval before commencing any of this type work.
2. The office shall be thoroughly cleaned after renovation/construction and before occupancy, including vacuuming all carpeted areas, spot-cleaning carpet, mopping and waxing vinyl tile, dusting, cleaning rest rooms, washing windows, etc.
3. The exterior front of the building shall have a professional office appearance; with street number(s) of subject building displayed prominently.
4. All floor plan notations are incorporated herein by reference.
5. Subsequent to the receipt of approval to begin renovations/construction from both the Division of Building Codes Enforcement and the Division of Real Properties, the lessor shall submit an estimated schedule for completion of the renovations/construction. Written progress reports, and a revised completion schedule, if appropriate, shall be submitted to the Division of Real Properties not less than once per month until complete.
6. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupancy.

Upon verification from the Department of Housing, Buildings, and Construction, Division of Building Codes Enforcement that all life safety regulations and all accessibility specifications (in accordance with ADA) have been satisfactorily met and verification from the Auditor of Public Accounts that all renovations have been satisfactorily completed, the lease agreement effective date will be established by signature of the Director, Division of Real Properties, upon the lease agreement document.

**ACKNOWLEDGED BY:**

**ACKNOWLEDGED BY:**

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**Auditor of Public Accounts**

**Date**

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**Rainier Frankfort Acquisitions LLC**

**Date**

Subject to the terms of the Lease Modification, addendum, and floor plan, the APA Lease Modification includes the 4th floor renovation: demolition, ceiling work, framing and insulating, door hardware, electrical, drywall, upgraded window treatments, new interior door hardware modifications, sprinkler work, plumbing and HVAC. In addition, for floors 1-3 and 5, the following items: replacement of door handles to match 4th floor, upgraded window treatments, upgrade IT room flooring, the addition of a door on the 5th floor copy room and the pass-through window removed from the 5th floor and installed on the first floor.

PR-3920 Auditor of Public Accounts

4th Floor

**GrassMasters**  
**Revised Floor Plan 06.20.25**

**Central KY Roofing & Contracting**  
**Revised Floor Plan 06.20.25**

Demo	\$	21,944.00	\$	24,138.00
Electrical	\$	12,000.00	\$	13,200.00
Framing/Insulation Drywall	\$	13,100.00	\$	14,410.00
Ceiling	\$	17,200.00	\$	18,920.00
Dumpster	\$	3,000.00	\$	3,300.00
Cabinets	\$	9,000.00	\$	9,900.00
Grab Bars	\$	400.00	\$	440.00
Painting	\$	13,700.00	\$	15,070.00
Flooring (Carper/Base)	\$	17,200.00	\$	19,492.00
Door Hardware (Key all doors alike)	\$	3,900.00	\$	4,290.00
Clean Up	\$	2,000.00	\$	2,200.00
Lighting	\$	22,000.00	\$	24,200.00
Plumbing	\$	6,900.00	\$	7,590.00
Sprinkler Allowance	\$	9,500.00	\$	10,450.00
HVAC Rework	\$	6,100.00	\$	6,100.00
Door Operator	\$	-	\$	-
SubTotal LL		\$64,300.00		\$71,302.00
SubTotal Tenant		\$93,644.00		\$102,398.00
CM LL		\$1,286.00		\$1,426.04
CM Tenant		\$1,872.88		\$2,047.96
Total		\$161,102.88		\$177,174.00
Total				
Landlord Portion	\$	65,586.00	\$	72,728.04
Tenant Portion/Amortized	\$	95,516.88	\$	104,445.96
	\$	161,102.88	\$	177,174.00
Highest Current Rent		\$9.00 PSF		
07/01/25-06/30/31 (6)				
Rent				
Amortization thru 06/30/31				
Total				



**Andy Beshear**  
GOVERNOR

**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  
Phone: (502) 564-2205  
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**Holly M. Johnson**  
SECRETARY

**Charles O. Bush, Jr.**  
INTERIM COMMISSIONER

**Natalie W. Brawner**  
DIRECTOR

**MEMORANDUM**

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

**FROM:** Calleen T. Yett, Property Management Branch Manager  
Leased Properties Branch, Division of Real Properties

**DATE:** August 15, 2025

**SUBJECT:** PR-3920, Franklin County  
Auditor of Public Accounts

The Auditor of Public Accounts presently occupies 23,538 square feet, leased at a rental rate of \$9.00 per square foot (\$211,842.00 annually), excluding utilities and janitorial services with a term expiring June 30, 2029. The Department submitted a space request that indicated a need for 6,211 square feet of additional space for staff working in the office as a result of the reorganization as stated in Senate Bill 25 from the 2025 session which increased staff by 14 positions, and it allows for relocation of other staff in building. Subsequent to review of plans and specifications for the proposed space, the lessor has consented to lease an additional 8,728 square feet of space at the rental rate applicable to the existing lease agreement, which is permitted under KRS 56.813(1). With the addition of the 4<sup>th</sup> floor, the agency will lease the entire building, and it requires the rentable space to be calculated pursuant to KRS 56.806 (2), which is reflected in the 8,728 square foot total.

It was determined that renovations were necessary to accommodate the Auditor of Public Accounts on the 4<sup>th</sup> floor which includes demolition, ceiling work, framing and insulating, door hardware, electrical, drywall, upgraded window treatments, new interior door hardware modifications, sprinkler work, plumbing and HVAC. In addition, for floors 1-3 and 5, the following items were needed: replacement of door handles to match 4<sup>th</sup> floor, upgraded window treatments, upgrade IT room flooring, the addition of a door on the 5<sup>th</sup> floor copy room, and relocation of a pass-through window from the 5<sup>th</sup> floor to the 1st floor. Two estimates have been provided with one from GrassMasters for \$151,844.00 with an additional cost of \$6100.00 for HVAC rework and a management fee of 2% for a total of \$161,102.88 and the other one from Central KY Roofing & Contracting for a total of \$167,600.00 with an additional cost of \$6100.00 for HVAC rework and a management fee of 2% for a total of \$177,174.00. The lessor has agreed to absorb \$65,586.00.00 of that cost with the agency's remaining cost of \$95,516.88 to be amortized over the lease term as outlined below.

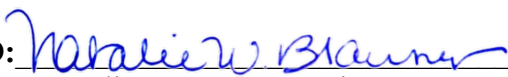


In accordance with applicable provisions of KRS 56.813(1), the attached lease modification provides for an 8,728 increase in square footage from 23,538 to 32,266 square feet which increases the rent by \$78,552.00 from \$211,842.00 to \$290,394.00 annually. Further, the modification provides for amortization of \$95,516.88 in renovation expenses. KRS 56.813(2), the anticipated amortization period of sixty-eight (68) months results in estimated monthly cost of \$1404.66. This results in an annual amortization cost of \$16,855.92 and an annual rent cost of \$290,394.00 for a total annual lease and amortization cost of approximately \$307,249.92 with a new term through June 30, 2031. Per KRS 56.823(11), Capital Projects & Bond Oversight Committee reporting is required for the proposed lease modification. Your approval of the attached lease and lease modification is recommended to secure suitable space as requested for the Auditor of Public Accounts.

If you require additional information, please advise.

NWB/CTY

Attachment

**APPROVED:**   
Natalie W. Brawner, Director



**LAWN & LANDSCAPE**

GrassMasters, Inc.  
2080 Mercer Road, Unit F  
Lexington, KY 40511

Tel: (859) 309-9808  
Fax: (859) 309-9808  
Accounting@GrassMastersKY.com

Submitted: 209 St. Claire, Frankfort C/O Nai Isaac Commercial  
Properties

Service Start: TBD  
Service End: TBD

SERVICE	DETAILS	Price
Demo work	All demo work per the revised plan sent on 6/20/25	\$21,944.00
Electical Clean up	Clean up electical from demo work and ceiling work. Relocate light switches from demo work, install new exit lights and directional lights as needed	\$12,000

Framing, Insulation and drywall	Framing with metal studs, new insulation and new ½ drywall finished per the new plan sent on 6/20/25	\$13,100.00
Ceiling Repair	Repair all ceiling from wall movement and replace any damaged ceiling tiles	\$17,200.00
Dumpster Rental (2)	Dumpster Rental (2)	\$3,000.00
Cabinet install	Install cabinets in breakroom as plan shows and finish cabinets to match first floor.	\$9,000.00

Grab bars	Install Ada grab bar (2)	\$400.00
Painting	Prime and paint all offices, bathrooms and lobby areas to the requested paint color, paint door casings black	\$13,700.00
Flooring	Install carpet per plan \$12,300.00 - \$270 credit Install black cove base per plan- Install LVP in elevator lobby (Change order) + \$790.00 Install VCT in bathrooms	\$17,720.00
Door Hardware	Replace all office door hardware with keyed locks. Replace all passage door handles. New hardware will match door hinge color	\$3,900.00

Site Cleaning	Clean entire space after construction to include elevator. We will have to constrution wrap the elevator during this work and put flooring protection down on the first floor.	\$2,000.00
Light Fixtures	Remove and replace 101 LED light fixtures	\$22,000.00
Plumbing work	Plumbing work allowace for break room and bathrooms	\$6,900.00
Sprinkler Work	Central Kentucky sprinkler will complete all sprinkler work	\$9,500.00

Exclusions	We will run conduits only for badge entry. No hvac work	
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Customer Initials: \_\_\_\_\_

Terms and Conditions

**CONDITIONS**

During the Term, GrassMasters, Inc. shall provide, or arrange for the provision of, the Services. The “Services” consist of the maintenance, construction, or other general contracting services, as described in the specifications and listed in the Proposal.

GrassMasters, Inc. shall perform the Services in accordance with applicable professional standards using trained, uniformed, and properly maintained equipment.

GrassMasters, Inc. shall promptly remove all tools, equipment, surplus materials, waste materials, and rubbish from the Site after rendering Services. Any regulated substances required to be applied as part of the Services shall be applied in accordance with applicable regulations by properly licensed personnel. Other materials shall be applied in accordance with the manufacturer’s directions.

Late Payment Charges: Amounts not paid according to terms will be charged a service fee of 10.5% per month, or the maximum allowable by law, until paid in full. GrassMasters, Inc. shall also be entitled to recover all reasonable costs, charges, expenses, and attorney fees expended or incurred therein.

**TERM**

The “Term” of this Agreement shall begin on, TBD, and end on, TBD, as identified on the Contract Billing Sheet. Either party may terminate the Agreement giving a written notice of at least thirty (30) days.

GrassMasters, Inc. agrees to accept payment for the Service(s) on the Contract Billing Sheet, for the Term of this Agreement. Invoices are sent at the end of each month. Payment is to be made no later than fifteen (15) days from date posted on invoice.

## Acceptance of Agreement

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Client Signature

---

Date

---

Contractor Signature

---

Date

Central Kentucky Roofing & Contracting

Estimate #1002

Date: 8/11/2025

2417 Regency Road  
Suite D  
Lexington, Ky 40503  
270-401-6896

To:  
209 St. Claire 4<sup>th</sup> Floor, Frankfort  
c/o Nai Isaac Commercial Properties

Expiration Date: 9/11/2025


			Line total
	Demo Work-All demo work per the revised plan sent \$24,138.00	\$24,138.00	
	<p>*Electrical Clean up-Clean up all electrical from demo &amp; ceiling work. Relocate light switches from demo work, install new exit and directional lights as needed \$13,200.00</p> <p>*Framing/Insulation/Drywall-Framing with metal studs, new insulation and new ½ drywall finished per the new plans sent \$14,410.00</p> <p>*Ceiling Repair-Repair all ceiling from wall movement and replace any damaged ceiling tiles \$18,920.00</p> <p>*Dumpster Rental (2)-Will need (2) dumpsters \$3,300.00</p> <p>*Cabinet Install-Install cabinets in breakroom as plan shows and finish cabinets to match first floor \$9,900.00</p> <p>*Grab Bars-Install Ada grab bar (2) \$440.00</p> <p>*Painting-Prime and paint all offices, bathrooms and lobby areas to the requested paint color, paint door casings black \$15,070.00</p> <p>*Flooring-Install carpet per plan \$13,530.00-\$270.00 credit. Install black cove base per plan Install LVP in elevator lobby (Change order)+\$869.00 Install VCT in bathroom Total Flooring \$19,492.00</p> <p>*Door Hardware-Replace all office door hardware with keyed locks. Replace all passage door handles. New hardware will match door hinge color \$4,290.00</p> <p>*Site Cleaning-Clean entire space after construction to include elevator, We will have to construction wrap the</p>		



	elevator during the work and put flooring protection down on the first floor \$2200.00 *Light Fixtures-Remove and replace (101) LED light fixtures \$24,200.00 *Plumbing Work-Plumbing work allowance for break room and bathrooms \$7,590.00  *Sprinkler Work-Central Kentucky sprinkler will complete all sprinkler work \$10,450.00  *Exclusions-We will run conduits "only" for badge entry. No HVAC work		
		<b>Subtotal</b>	
		<b>Sales Tax</b>	
		<b>Total</b>	<b>\$167,600.00</b>

Thank you for your business!



**Andy Beshear**  
GOVERNOR

**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  
Phone: (502) 564-2205  
Fax: (502) 564-8108

**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: August 15, 2025

SUBJECT: PR-5904, Franklin County  
Kentucky Worker's Compensation Funding  
Lease Modification Exceeding \$50,000

Pursuant to KRS 56.823 (11), attached please find notification of a lease agreement being processed by the Leased Properties Branch.

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

NWB/CTY  
Attachment

CC: OSBD  
PR-5904 File

**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE  
LEASE MODIFICATION AMORTIZATION**

Lease No.: <b>PR-5904</b>	County: <b>Franklin</b>
Using Agency: <b>Kentucky Worker's Compensation Funding</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<div style="border: 1px solid black; padding: 2px;"><b>Rainier Frankfort Acquisitions, LLC</b></div> <div style="border: 1px solid black; height: 20px; margin-top: 2px;"></div> <div style="border: 1px solid black; height: 20px; margin-top: 2px;"></div>
Property Location: <b>42 Millcreek Park, Frankfort, Kentucky 40601</b>	
<u>Existing Rental Terms</u>	
Type Space: <b>Office</b>	Square Feet: <b>6,929</b>
Annual Payment: <b>\$42,890.52</b>	Contract Expiration: <b>June 30, 2026</b>
<u>Modified Rental Terms</u>	
Type Space: <b>Office</b>	Square Feet: <b>4,731</b>
Annual Payment: <b>\$30,751.52</b>	New Contract Expiration: <b>June 30, 2030</b>
Total Cost to be Amortized: <b>\$60,000</b>	
Projected Period of Amortization – Effective: <b>TBD Through June 30, 2030</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):  <div style="margin-left: 40px;">           (1) Olympic Construction for \$111,300.00             (2) Koller Warner Construction for a total of \$104,877.00                With construction management fee, the total renovation cost is \$125,079.54, and the Lessor has agreed to absorb \$65,079.54 of the cost of the low estimate, leaving the remaining \$60,000.         </div>	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Rainier Frankfort Acquisitions, LLC	PR NUMBER, COUNTY	PR-5904 FRANKLIN COUNTY
ADDRESS	C/O Paul Ray Smith 771 Corporate Drive, Suite 500 Lexington Kentucky 40503	VENDOR NUMBER	KY0047311
		AGENCY/DEPARTMENT	Education & Labor Cabinet
		DIVISION	Kentucky Worker’s Compensation Funding
		DATE	August 15, 2025
		BUILDING CODE #	90556001

1. Lease Agreement number **PR-5904 Franklin County** (document) dated **August 15, 2025**, is hereby modified as set forth in Paragraph 2.

2. This Lease is modified as follows:

1. To amortize the \$60,000.00 portion of cost for renovations to the leased premises per attached estimate from NAI Isaac/Koller Warner Construction, same attached and incorporated herein by reference and as shown on the floor plan, which includes but is not limited to installing new glass door, adding office doors, removal of some existing walls, making the front restroom ADA compliant, create storage room, new paint and new carpet throughout.
2. To add three (3) automatic extension periods, at the modified terms and conditions defined herein, resulting in a new final lease expiration date of June 30, 2030.
3. The amortization effective date will be established by signature of the Director, Division of Real Properties, upon this modification once verification has been received from the using agency that all renovations have been satisfactorily completed. The effective date for the amortization shall be defined as the first day of the month following the effective date defined below unless the effective date established thereby is 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.

STATE LEASING AGENCY REPRESENTATIVE \_\_\_\_\_ Date

LESSOR \_\_\_\_\_ Date

ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date

ATTORNEY, FINANCE & ADMINISTRATION CABINET \_\_\_\_\_ Date

MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES \_\_\_\_\_ Date

DIRECTOR, DIVISION OF REAL PROPERTIES \_\_\_\_\_

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, Bush Building, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205.

Subject to the terms of the lease, lease modification, and floor plan, renovations include the following: 1. Installation of a new glass door in the reception room with a doorbell installed on the wall next to the door; 2. Construction of a glass wall in the clerical area, an office door installed and removal of the reception window to be replaced with drywall; 3. Addition of an office door at the front of the conference room area. 4. Painting of walls in a satin eggshell Sherwin Williams Super Paint in the "March Wind" color and trim paint in "Pewter Cast". If an alternate source of paint is proposed the lessor shall provide appropriate identifying information and/or samples for review. Two finish coats (rolled) are required; 5. Replacement of carpet with Shaw Carpet tiles in color-00400 Bunch Style 54920 Stack. If an alternate source of carpet tiles is proposed the lessor shall provide appropriate identifying information and/or samples for review; 6. Installation of tile flooring in the front reception area, the front middle employee entrance, landing area only; the first back door entrance all the way to kitchen area and the second back door entrance to extend 8 feet into the hallway and the three bathrooms in the space. The tile should be waterproof vinyl composition tile in the "Arcadia" color (Pro Care Plus Luxury Vinyl Tile: Item Number 2414461 Model #LSS1012ORCC). Flexco Vinyl wall base in color 093-Graphite SKU: FLEVC40C81P093 shall be installed for the new wall base as needed. If an alternate source for floorcoverings is proposed the lessor shall provide appropriate identifying information and/or samples for review.

**Koller Warner  
Per Revised Plan**

PR-5904 Workers Compensation Funding		PSF	4,731
General Conditions	\$5,000.00		\$ 5,000.00
Glass	\$6,380.00		\$ 6,380.00
Doors and Hardware	\$4,450.00		\$ 4,600.00
Drywall Partitions	\$8,800.00		\$ 9,300.00
Painting	\$16,742.00		\$ 16,742.00
Carpet	\$41,230.00		\$ 41,230.00
Plumbing/HVAC	\$3,400.00		\$ 7,200.00
Electric	\$3,391.00		\$ 3,391.00
Sprinkler	\$1,500.00		\$ 1,500.00
Contractor Fee	\$9,089.00		\$ 9,534.00
Lighting	\$17,750.00		\$ 17,750.00
SubTotal	\$117,732.00		\$122,627.00
Construction Management	\$2,354.64		\$2,452.54
Total	\$120,086.64	\$25.38	\$125,079.54
Landlord Portion	\$60,086.64	\$12.70	\$65,079.54
Tenant Portion/Amortized	\$60,000.00	\$12.68	\$60,000.00
Total	\$120,086.64	\$25.38	\$125,079.54
Highest Current Rent		\$6.50 PSF	
07/01/25-06/30/30 (4)	Monthly	Annually	PSF
Rent 4,731 SF	\$2,562.63	\$30,751.50	\$6.50
Amortization thru 06/30/30	\$1,250.00	\$15,000.00	\$3.17
Total	\$3,812.63	\$45,751.50	\$9.67



TO: Anne Kilcoyne  
FR: DeWayne J. Koller  
RE: Millcreek # 42 Workers Comp Funding Commission  
DATE: August 11, 2024

.....

**Koller Warner Construction** proposes to perform the Scope of Work identified in the Proposal Request PR-5904 dated July 24, 2025, for the lump sum cost of **One Hundred Four Thousand Eight Hundred Seventy-Seven Dollars (\$104,877.00)**.

The proposed Scope of Work and associated costs are as follows:

General Conditions	5,000
Glass	6,380
Doors & Hardware	4,600
Drywall Partitions	9,300
Painting	16,742
Carpet	41,230
Plumbing	3,800
HVAC	3,400
Electric	3,391
Sprinkler	1,500
Contractor's Fee	9,534
<b>Total Cost</b>	<b>104,877</b>

**Alternates:**

- Extend partitions to create demising walls

**Add 7,480****Qualifications:**

- Doors in Reception and Clerical are full glass wood doors
- No telephone or data cable work
- Work to be performed during normal business hours

If you have any questions or require additional information, please contact me at 859-333-9105.







# OLYMPIC CONSTRUCTION, LLC

111 Olympic Dr  
Nicholasville, KY 40356

george@olympiconstruction.com  
(859) 797-2487

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## Workers Compensation Funding Commission

Millcreek Park  
Frankfort, KY  
August 12<sup>th</sup>, 2025

### SCOPE OF WORK

*Based on drawing dated 7/25/25*

- *Remove / Install drywall partitions*
- *Repair ceilings*
- *Install one glass wall*
- *Add doors*
- *Repaint the walls*
- *Replace the flooring*
- *Rework plumbing, electric and sprinkler*

**TOTAL: \$111,300.00**


### Exclusions:

- Payments/Performance Bonds excluded.
- Engineering and design.
- Prevailing wage rates excluded.

### Notes:

- Adequate access to job site and work area to be provided by others.
- Any additional mobilizations/demobilizations that are required due to schedule or work delays will be charged to customer.
- If construction issues are discovered during or after the performance of our work, Olympic Construction shall be given first opportunity to address, resolve, and/or mitigate such issues.
- 6% Sales tax included.
- Notice of two weeks required before start of our work.
- This quote is valid for 30 days from the date of this proposal.
- All prices quoted herein are subject to increases in the cost of materials due to market fluctuations beyond our immediate control.

Contractor: Olympic Construction Representative: George W. Wakim

Signature:  Date: 08/12/2025

Owner/Representative: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Andy Beshear**  
GOVERNOR

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

Bush Building, 3<sup>rd</sup> Floor  
403 Wapping Street  
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Phone: (502) 564-2205

**Holly M. Johnson**  
SECRETARY

**Charles O. Bush, Jr.**  
INTERIM COMMISSIONER

**Natalie W. Brawner**  
DIRECTOR

**MEMORANDUM**

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

**FROM:** Calleen T. Yett, Property Management Branch Manager  
Leased Properties Branch, Division of Real Properties

**DATE:** August 15, 2025

**SUBJECT:** PR-5904 Franklin County  
Kentucky Worker's Compensation Funding  
Lease and Lease Modification

Kentucky Worker's Compensation Funding currently occupies 6,929 square feet, leased at a rental rate of \$6.19 per square foot (\$42,890.52 annually) including water service, but excluding all other utilities and janitorial services, with a term expiring June 30, 2026. The agency submitted a space request to reduce its space, which indicated a need for approximately 5,186 square feet of office space. A review of state owned and leased space was conducted, and it was determined the most suitable space to accommodate the agency was at its current location which is also occupied by the Kentucky Occupational Safety & Health Review Commission (reference PR-3356, Franklin Co). Upon review of the floor plans and specifications for the proposed space, the lessor has consented to lease 4,731 square feet of space at the same terms and conditions of PR-3356, which is permitted under KRS 56.813(1). Therefore, the attached lease agreement provides for the use of 4,731 square feet of office space at a rental rate of \$6.50 per square foot (\$30,751.52 annually rounded), including water service, but excluding all other utilities and janitorial services with a term expiring June 30, 2027.

Further, it was determined that renovations are necessary to accommodate the Kentucky Worker's Compensation Funding within the proposed leased space which includes demolition, ceiling work, framing and insulating, doors and hardware, creation of an ADA restroom, electrical, drywall, sprinkler work, carpet and HVAC and plumbing. Two estimates have been provided with one from Olympic Construction for \$111,300.00 and low bid from Koller Warner Construction for a total of \$104,877.00 with an additional upgrade to LED lighting by the Lessor at a cost not to exceed \$17,750.00. Once the construction management fee is added, the total renovation cost is \$125,079.54, and the lessor has agreed to absorb \$65,079.54 of the cost of the low estimate, leaving the remaining \$60,000 to be covered by the using agency.

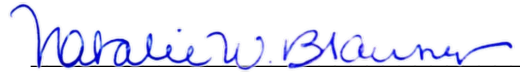
The Kentucky Worker's Compensation Funding has recommended approval of the proposal with \$60,000.00 to be amortized over the lease term in accordance with applicable provisions of KRS 56.813(2) as defined below and requested a three (3) year extension to the lease term.

In accordance with applicable provisions of KRS 56.813(2), the attached lease modification provides for the amortization of \$60,000.00 in renovation expenses, along with a three (3) year lease term extension. The anticipated amortization period of fifty-eight (58) months results in estimated monthly cost of \$1,034.48 rounded for 57 monthly payments and one monthly payment of \$1,034.64. This results in an annual amortization cost of \$12,413.76 and an annual rent cost of \$30,751.52 for a total annual lease and amortization cost of approximately \$43,165.28 with a new term through June 30, 2030. Per KRS 56.823(11), Capital Projects & Bond Oversight Committee reporting is required for the proposed lease modification. Your approval of the attached lease and lease modification is recommended to secure suitable space as requested for the Kentucky Worker's Compensation Funding.

If you require additional information, please advise.

**APPROVED:**

NWB/CTY  
Attachments

  
Natalie W. Brawner, Director