



**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

**Holly M. Johnson**  
SECRETARY

**Charles O. Bush, Jr.**  
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: March 5, 2026

SUBJECT: PR-5856, Christian County  
Department of Public Advocacy  
Annual Rental Exceeding \$100,000.00

Attached please find notification of a lease agreement being processed by the Leased Properties Branch, Division of Real Properties.

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

CTY/sn  
Attachment

CC: Capital Construction Log  
OSBD  
PR-5856 File

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

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: <b>PR-5856</b>		County: <b>Christian</b>	
Using Agency: <b>Department of Public Advocacy</b>			
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary		<b>Phoenix Property Group of WKY, LLC</b>	
Property Location: <b>1002 S Virginia Street, Hopkinsville, KY 42240</b>			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: <b>Office</b>		Cost Per Square Foot: <b>\$25.31</b>	
Annual Rental Cost: <b>\$141,685.40 (rounded)</b>		Average Cost Per Square Foot of Leased-In Space in County: <b>\$11.39</b>	
Utilities Included: <input checked="" type="checkbox"/> Yes <input 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: <b>per the Addendum</b>		Expiration Date: <b>June 30, 2033</b>	
Justification for Lease: Please see attached			
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 (see attached approval memo and modification): Please see attached			

**COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-5856, Christian County	Agency/Department	Department of Public Advocacy
INITIAL ENCUMBRANCE	\$	DIVISION	
ANNUAL ENCUMBRANCE	\$141,685.40 (rounded)	DATE	March 2, 2026
VENDOR #		BUILDING CODE #	

THIS LEASE, entered into between: **Phoenix Property Group of WKY, LLC**, whose address is: **4537 Ft. Campbell Blvd Hopkinsville, KY 42240** (Business Phone: **270-886-0880**), his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

WITNESSETH, that for the consideration hereinafter mentioned, the parties hereto agree as follows:

1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **1002 S Virginia Street, Hopkinsville, KY 42240**, in the County of **Christian**.

1b. Said premises consisting of **5,598** square feet are to be rented at the cost of **\$25.31** per square foot and will be used by the Commonwealth for **Office** space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$35,421.35** payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **Electric, Gas, Water and Sewer**; with **32** reserved parking spaces.

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **as specified in the lease addendum**, and end **JUNE 30, 2026**.

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **Seven (7)** extension period(s) unless the Commonwealth shall give the Lessor written notice **30** days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the leased premises beyond the **30<sup>TH</sup>** day of **June, 2033**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.

5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose, and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.

12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. 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 Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

14. The Lessor agrees to notify the Commonwealth of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.

15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).

16. 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.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

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

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_

SECRETARY, FINANCE & ADMINISTRATION CABINET Date

*When executed by the Secretary, Finance & Administration Cabinet, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Commonwealth of Kentucky. All correspondence and inquiries regarding this Lease are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205.*

ADDENDUM

The following items are to be considered a part of lease agreement PR-5856, Christian County, dated March 2, 2026, and must be completed prior to establishing a lease date:

**SECTION 1**

1. The building shall meet all Kentucky building codes and accessibility specifications in accordance with ADA, as enforced by the Kentucky Department of Housing, Buildings and Construction. The Department may require a set of construction plans from the Lessor. The Lessor is required to submit a copy of these plans, if/as approved by the Department, to the Division of Real Properties. The Lessor shall be responsible for determining/complying with the requirements of the Department. 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 by the Division of Real Properties.
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 Department of Housing, Buildings, and Construction. **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 the Lessor submit an exception to this requirement they shall be solely responsible for any expenses associated with additional requirements as determined by the Department.
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 in accordance with applicable ASHRAE Standards. 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. Central air units, heat pumps, etc. must be ENERGY STAR qualified where available. Alternative systems (e.g., geo-thermal, etc.) may be proposed at the discretion of the lessor but are subject to review and approval by the Division of Real Properties. The Lessor shall ensure that applicable HVAC systems are serviced (e.g., clean and check) not less than twice annually and filters shall be replaced not less than once per quarter. Documentation regarding annual servicing shall be provided to the Division of Real Properties.
4. The Lessor shall insulate exterior walls at a minimum R-13 or equivalent and the ceiling at a minimum R-38 or equivalent. Weather stripping and/or other suitable insulation shall be applied to all doors and windows and all other exterior of the leased space. This shall be inspected on an annual basis and repaired/replaced as necessary. Windows shall be installed or replaced with Low E/ENERGY STAR qualified windows. The lessor shall provide documentation identifying the type/rating of installed windows. The Lessor shall provide mini-blinds for all windows.
5. 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}*.
6. 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**

1. Floor-to-ceiling walls shall be constructed as indicated on the floor plan. Install acoustical insulation (R-11 or equivalent) or soundboard in interior walls if/where indicated on the floor plan. All walls shall be drywalled and painted or repainted a scrubbable neutral color latex enamel paint with either a satin or eggshell finish in conjunction with the floor covering replacement defined in item # 3 below. 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. The Lessor shall install a chair rail at a height of 32" from the floor in the reception area(s).

2. An acoustical tile ceiling installed at a height of 9'. **Replace all stained tiles throughout the facility.**
3. **All floor coverings installed shall be with carpet and luxury vinyl tile/plank with the exception of VCT in bathroom, break room and file rooms.**
4. The Lessor shall provide lockable doors where indicated on the floor plan.
5. Shelving shall be installed if/where shown on the floor plan.
6. Rest rooms must comply with ADA requirements and be furnished with hot and cold water, toilet tissue holders, soap dispensers, paper towel dispensers, and mirrors. Prior to installation, verify with the using agency the type of dispensers required for products currently on Commonwealth of Kentucky price contract. Water fountain(s) shall be installed as shown on the floor plan, or as approved by the Department of Housing, Buildings, & Construction.
7. The Lessor shall provide a sink and counter in the break room, with cabinets above and below, if/as shown on the floor plan.
8. The Lessor shall provide in the janitorial closet, shelving at a height of 54" from the floor, and a built-in floor sink with drain at a height of 10" to 12" from the floor.
9. Water Sense labeled products shall be installed as applicable (i.e. restroom, breakroom fixtures, etc.). (See [www3.epa.gov/watersense/index.html](http://www3.epa.gov/watersense/index.html)). Product information (e.g., maximum flow rates, gallons per flush, etc.) shall be provided to the Division of Real Properties prior to installation. Water heaters may be replaced with point of use/demand heaters where feasible and must be appropriately sized for restroom(s), break room(s), and offices or other spaces supplied with water. Water heaters may alternatively be replaced with ENERGY STAR certified water heaters. Upon completion of renovations or construction, the lessor must supply confirmation of the installation of certified/qualified products to the Division of Real Properties. This requirement may be waived for laboratory facilities subject to specific requirements of the tenant agency and approval from the Division of Real Properties.
10. The Lessor shall provide **32 reserved parking spaces** for agency staff and visitors, plus accessible space(s) as required by the Department of Housing, Buildings, & Construction. 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.
11. The Lessor shall install security lighting around the exterior perimeter of the building and throughout the parking area(s).
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. Adequate recessed fluorescent lighting shall be installed for office use, including telephone/storage rooms, with separate light switches for each room. Light fixtures shall be installed (or all existing fixtures shall be replaced) with T-8 fixtures equipped with direct replacement LED lamps. Alternatively, fixtures may be replaced with LED Contemporary Architectural Troffers or equivalent fixtures. Alternate fixture types may be proposed by the lessor provided that adequate lighting levels are maintained for the proposed facility use and a similar level of efficiency can be documented. The lessor will be responsible for supplying/replacing lamps as required. Sufficient fixtures must be installed to provide adequate lighting levels for the application (e.g., office, storage, clinical/laboratory, etc.). **The tenant agency and lessor acknowledge that existing T-8 type fixtures will remain in operation, however the lessor shall replace lamps fluorescent tubes with LED lamps as individual fixture require repair or replacement.**
2. All exit and directional lights shall be the LED type.
3. Appropriate electrical and telephone outlets are to be installed where indicated on the floor plan. The Lessor shall also 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.** The Lessor shall install a 5/8", 4' x 8' sheet of plywood (painted black) on the wall in the telephone equipment room for each telephone system installed. If space permits, the plywood will be mounted horizontally.
5. 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.**

6. 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.
7. The Lessor shall be responsible for providing and **replacing any broken closable HVAC vents** and cold air returns throughout the building.
8. Conduit, cable tray, or raceway fill rate is to comply with the National Electrical Code.
9. 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.
10. 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.
11. 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 of 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. 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.
5. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupation.

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 Department of Public Advocacy that all renovations have been satisfactorily completed, the lease effective date will be established by signature of the Director, Division of Real Properties, upon the lease document.

**ACKNOWLEDGED BY:**

**ACKNOWLEDGED BY:**

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**Department of Public Advocacy**

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**Phoenix Property Group of WKY, LLC**



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

**Andy Beshear**  
GOVERNOR

**Holly M. Johnson**  
SECRETARY

Bush Building, 3<sup>rd</sup> Floor  
403 Wapping Street  
Frankfort, Kentucky 40601  
Phone: (502) 564-2205

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

**Natalie W. Brawner**  
DIRECTOR

MEMORANDUM

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

**FROM:** Calleen T. Yett, Leasing Manager  
Division of Real Properties

**DATE:** March 2, 2026

**SUBJECT:** PR-5856, Christian County  
Department of Public Advocacy

The Department of Public Advocacy currently occupies 5,286 square feet of space under PR-4320, leased at a rental rate of \$9.02 per square foot (\$47,679.72 annually) which includes water and sewer and excludes all other utilities and janitorial services, with a term expiring June 30, 2026. Due to the need for additional space and the condition of their current building, the Department of Public Advocacy submitted a space request for approximately 5,771 square feet. Per KRS 56.803, a competitive bid project was initiated with two (2) best and final proposal submitted as follows:

Phoenix Property Group of WKY, LLC, proposed the following:

- Existing space at 1002 S Virginia Street, Hopkinsville, KY 42240 with 5,690 square feet of office space and 32 reserved paved parking spaces at \$33.13 per square foot including utilities and excluding janitorial, through June 30, 2033.
- New construction located at 300 S Clay Street, Hopkinsville, KY 42240 with 5,320 square feet of office space and 32 reserved paved parking spaces at \$38.02 per square foot excluding utilities and janitorial, through June 30, 2033.

Per KRS 56.803(15)(b), efforts to negotiate more favorable terms for the agency were successful with the lessor agreeing to lower the proposed rental rate from \$33.13 to \$25.31 per square foot. The lessor originally cited a square footage of 5,690, but upon review of the Commonwealth's calculations, the lessor has agreed with 5,598 square feet as stated on the floor plan. Therefore, the attached lease agreement provides for the use of 5,598 square feet at \$25.31 per square foot (\$141,685.40 rounded annually), with 32 reserved paved parking spaces, including electric, gas, water, and sewer with a term through June 30, 2033. The Department of Public Advocacy has recommended acceptance of the proposed lease terms as defined herein. Per KRS 56.823(2), Capital Projects and Bond Oversight Committee reporting is required prior to execution for the proposed lease agreement. Your approval of same is recommended to secure continued access to suitable office space for benefit of the Department of Public Advocacy.

If you require additional information, please advise.

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

NWB/CTY/sn





**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

**Holly M. Johnson**  
SECRETARY

**Charles O. Bush, Jr.**  
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: March 4, 2026

SUBJECT: PR-5837, Kenton County  
Kentucky Transportation Cabinet, Drivers Licensing  
Annual Rental Exceeding \$100,000.00

As outlined, attached please find notification of a lease agreement being processed by our Division's Leased Properties Branch.

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

NWB  
Attachment

CC: OSBD  
PR-5837 File  
NWB

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

LEASE WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: <b>PR-5837</b>		County: <b>Kenton</b>	
Using Agency: <b>Kentucky Transportation Cabinet, Drivers Licensing</b>			
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary			
		<b>Cornertime LLC</b>	
Property Location: <b>2670 Chancellor Drive, Crestview Hills, KY</b>			
Check One: <input checked="" type="checkbox"/> New Lease <input type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: <b>Office/Clinic</b>		Cost Per Square Foot: <b>\$20.95</b>	
Annual Rental Cost: <b>\$129,408.16 (rounded)</b>		Average Cost Per Square Foot of Leased-In Space in County: <b><u>\$16.87</u></b>	
Utilities Included: <input checked="" type="checkbox"/> Yes <input 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: <b>To be determined</b>		Expiration Date: <b>June 30, 2033</b>	
Justification for Lease: <b>Please see attached</b>			
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 (see attached approval memo and modification): <b>Please see attached</b>			

**COMMONWEALTH OF KENTUCKY LEASE AGREEMENT**

LEASE/PR #	PR-5837, Kenton County	AGENCY/DEPARTMENT	Kentucky Transportation Cabinet
INITIAL ENCUMBRANCE	\$	DIVISION	Drivers Licensing
ANNUAL ENCUMBRANCE	\$129,408.16 (rounded)	DATE	February 26, 2026
VENDOR #	KY0083304	BUILDING CODE #	91920001

THIS LEASE, entered into between: **Cornertime LLC**, whose address is: **2670 Chancellor Drive, Crestview Hills, KY 41017** (Business Phone: **859.414.4289**) his heirs and assigns, hereinafter called the "Lessor", and the COMMONWEALTH OF KENTUCKY, hereinafter referred to as the "Commonwealth";

WITNESSETH, that for the consideration hereinafter mentioned, the parties hereto agree as follows:

1a. The Lessor hereby leases to the Commonwealth and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances; property located at **2670 Chancellor Drive, Crestview Hills, KY**, in the County of **Kenton**.

1b. Said premises consisting of **6,177** square feet are to be rented at the cost of **\$20.95** per square foot and will be used by the Commonwealth for **Office** space.

2. The Commonwealth agrees to pay rent to the Lessor for the leased premises at the rate of **\$32,352.04**, payable **Quarterly**. The Lessor shall provide the Commonwealth with the following services: **electric, gas, water and sewer**; with **64** reserved parking spaces.

3. Subject to the limitations imposed by law and as provided in paragraphs 5 and 6 of this Lease, the term during which the Lease shall be effective shall begin **Per the addendum**, and end **JUNE 30, 2027**.

4. This Lease shall be extended automatically upon the same terms and conditions herein for further periods of 12 months, not to exceed **7** extension period(s) unless the Commonwealth shall give the Lessor written notice **30** days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the leased premises beyond the **30<sup>TH</sup>** day of **June, 2033**. The Lessor understands that the Commonwealth's funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.

5. The Commonwealth shall have the further right to terminate this Lease at any time upon **30** days written notice, time to be computed from date of mailing notice; termination under this paragraph shall not be considered effective until the last day of the month in which the notice period ends.

6. The Commonwealth agrees not to assign this Lease, or to sublet the premises except to a desirable tenant and for a similar purpose, and will not permit the use of the premises by anyone other than the Commonwealth, the Federal Government, or such sub-lessee, and the agents and servants of the Commonwealth, the Federal Government, or such sub-lessee.

7. The Commonwealth shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additional structures or signs in or upon the leased premises, provided such alterations, additions, structures or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the premises are located. Fixtures, additions, structures or signs placed in or upon or attached to the premises shall remain the Commonwealth's property and may be removed by it prior to the termination of this Lease.

8. Unless otherwise specified, the Lessor shall maintain the premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the Commonwealth's agents or employees. For the purpose of maintaining the premises and to make necessary repairs, the Lessor reserves the right to enter and inspect the premises at reasonable times.

9. The Commonwealth agrees to take good care of the premises and to return them at the expiration of their Lease in as good order as received, ordinary wear and tear and natural decay excepted.

10. The Lessor shall be responsible for procuring and continuously maintaining casualty and liability insurance on the leased premises.

11. If the premises are destroyed by fire or other casualty, this Lease shall immediately terminate. In case of partial destruction or damage so as to render the premises untenable, the Commonwealth may terminate or suspend this Lease by giving written notice to the Lessor within 15 days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Lessor after the date of such partial destruction or damage until such damage is repaired and premises are considered tenantable.

12. It is agreed by the parties hereto that if any one of the provisions of this Lease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Lease, but it shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.

13. 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 Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

14. The Lessor agrees to notify the Commonwealth of all persons owning or upon any change or transfer of ownership involving 5% or more in stock, in partnership, business trust, or corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.

15. Lessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA).

16. 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.

IN WITNESS WHEREOF, the parties hereto have subscribed their names:

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 \_\_\_\_\_

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_

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

*When executed by the Secretary, Finance & Administration Cabinet, this instrument constitutes a finding and order, pursuant to KRS Chapters 45A and 56, that the leased property is needed for use by the Commonwealth of Kentucky. All correspondence and inquiries regarding this Lease 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.*

ADDENDUM

The following items are to be considered a part of lease agreement PR-5837, Kenton County, dated February 26, 2026, and must be completed prior to establishing a lease date:

**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 Kentucky Department of Housing, Buildings and Construction. The Department may require a set of construction plans from the Lessor. The Lessor is required to submit a copy of these plans, if/as approved by the Department, to the Division of Real Properties. The Lessor shall be responsible for determining/complying with the requirements of the Department. 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 by the Division of Real Properties.
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). There is a system currently installed in accordance with all applicable provisions/requirements of the Department of Housing, Buildings, and Construction. **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 maintenance of the fire suppression system. The Commonwealth prepares floor plans based on the presence of a suppression system. Should the Lessor submit an exception to this requirement they shall be solely responsible for any expenses associated with additional requirements as determined by the Department.
3. Central heating and air conditioning (HVAC) have been installed throughout. The HVAC system has been installed in conformance with Kentucky building codes, as administered by the Kentucky Department of Housing, Buildings and Construction. 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. Central air units, heat pumps, etc. must be ENERGY STAR qualified where available. Alternative systems (e.g., geo-thermal, etc.) may be proposed at the discretion of the lessor but are subject to review and approval by the Division of Real Properties. The Lessor shall ensure that applicable HVAC systems are serviced (e.g., clean and check) not less than twice annually and filters shall be replaced not less than once per quarter. Documentation regarding annual servicing shall be provided to the Division of Real Properties.
4. The Lessor shall insulate the ceiling at a minimum R-38 or equivalent. Weather stripping and/or other suitable insulation shall be applied to all doors and windows and all other exterior of the leased space. This shall be inspected on an annual basis and repaired/replaced as necessary. Windows shall be installed or replaced with Low E/ENERGY STAR qualified windows. The lessor shall provide documentation identifying the type/rating of installed windows. The Lessor shall provide mini-blinds for all windows.
5. 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}.*
6. 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 (R-11 or equivalent) or soundboard in interior walls if/where indicated on the floor plan. All walls shall be drywalled and painted or repainted a scrubable neutral color latex enamel paint with either a satin or eggshell finish in conjunction with the floor covering replacement defined in item # 3 below. 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.
2. An acoustical tile ceiling installed at a height of 8'6" with new ceiling pads. **Replace all stained tiles throughout the facility.**

3. **All floor coverings installed shall be with carpet and luxury vinyl tile/plank with the exception of VCT in bathroom, break room and file rooms plus carpet in marked areas of floorplan.**
4. The Lessor shall provide lockable doors where indicated on the floor plan.
5. Shelving shall be installed if/where shown on the floor plan.
6. Rest rooms must comply with ADA requirements and be furnished with hot and cold water, toilet tissue holders, soap dispensers, paper towel dispensers, and mirrors. Prior to installation, verify with the using agency the type of dispensers required for products currently on Commonwealth of Kentucky price contract. Water fountain(s) shall be installed as shown on the floor plan, or as approved by the Department of Housing, Buildings, & Construction.
7. The Lessor shall provide a sink and counter in the break room, with cabinets above and below, if/as shown on the floor plan.
8. The Lessor shall provide in the janitorial closet, shelving at a height of 54" from the floor, and a built-in floor sink with drain at a height of 10" to 12" from the floor.
9. Water Sense labeled products shall be installed as applicable (i.e. restroom, breakroom fixtures, etc.). (See [www3.epa.gov/watersense/index.html](http://www3.epa.gov/watersense/index.html)). Product information (e.g., maximum flow rates, gallons per flush, etc.) shall be provided to the Division of Real Properties prior to installation. Water heaters may be replaced with point of use/demand heaters where feasible and must be appropriately sized for restroom(s), break room(s), and offices or other spaces supplied with water. Water heaters may alternatively be replaced with ENERGY STAR certified water heaters. Upon completion of renovations or construction, the lessor must supply confirmation of the installation of certified/qualified products to the Division of Real Properties. This requirement may be waived for laboratory facilities subject to specific requirements of the tenant agency and approval from the Division of Real Properties.
10. The Lessor shall provide **64 reserved parking spaces** for agency staff and visitors, plus accessible space(s) as required by the Department of Housing, Buildings, & Construction. 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.
11. The Lessor shall install security lighting around the exterior perimeter of the building and throughout the parking area(s).
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. Adequate recessed fluorescent lighting shall be installed for office use, including telephone/storage rooms, with separate light switches for each room. Light fixtures shall be installed (or all existing fixtures shall be replaced) with T-8 fixtures equipped with direct replacement LED lamps. Alternatively, fixtures may be replaced with LED Contemporary Architectural Troffers or equivalent fixtures. Alternate fixture types may be proposed by the lessor provided that adequate lighting levels are maintained for the proposed facility use and a similar level of efficiency can be documented. The lessor will be responsible for supplying/replacing lamps as required. Sufficient fixtures must be installed to provide adequate lighting levels for the application (e.g., office, storage, clinical/laboratory, etc.). **The tenant agency and lessor acknowledge that existing T-8 type fixtures will remain in operation, however the lessor shall replace lamps fluorescent tubes with LED lamps as individual fixture require repair or replacement.**
2. All exit and directional lights shall be the LED type.
3. Appropriate electrical and telephone outlets are to be installed where indicated on the floor plan. The Lessor shall also 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.** The Lessor shall install a 5/8", 4' x 8' sheet of plywood (painted black) on the wall in the telephone equipment room for each telephone system installed. If space permits, the plywood will be mounted horizontally.
5. 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.**

6. 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.
7. The Lessor shall be responsible for providing and **replacing any broken closable HVAC vents** and cold air returns throughout the building.
8. Conduit, cable tray, or raceway fill rate is to comply with the National Electrical Code.
9. 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.
10. 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.
11. 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 of 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. 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.
5. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupation.

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 Kentucky Transportation Cabinet that all renovations have been satisfactorily completed, the lease effective date will be established by signature of the Director, Division of Real Properties, upon the lease document.

ACKNOWLEDGED BY:

ACKNOWLEDGED BY:

---

Kentucky Transportation Cabinet      Date

---

Cornertime LLC      Date



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

**Andy Beshear**  
GOVERNOR

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.**  
COMMISSIONER

**Natalie W. Brawner**  
DIRECTOR

MEMORANDUM

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

FROM: Calleen T. Yett, Leasing Manager  
Division of Real Properties

DATE: February 26, 2026

SUBJECT: PR-5837, Kenton County  
Kentucky Transportation Cabinet

The Kentucky Transportation Cabinet currently occupies 803 square feet of space (PR-5684), leased at a rental rate of \$15.00 per square foot (\$12,045.00 annually) including utilities and janitorial services, with a term expiring June 30, 2026. The space request submitted by the agency indicates a need for approximately 5,854 square feet of space. Accordingly, and pursuant to applicable provisions of KRS 56.803, advertisements were placed, and one best & final proposal was received as follows:

1. Cornertime LLC proposed existing space at 2670 Chancellor Drive, Crestview, Kentucky 41017 with 6,402 square feet of office space and 64 reserved paved parking spaces at \$21.95 per square foot including utilities, through June 30, 2033.

Per KRS 56.803(15)(b), efforts to negotiate more favorable terms for the agency were successful with the lessor agreeing to lower the proposed rental rate from \$21.95 to \$20.95 per square foot. Further, the lessor requested a revision to the floor plan to create a common corridor to allow for lease of vacant space on that floor, which resulted in a reduction of square footage from 6,402 to 6,177 square feet. Therefore, the attached lease agreement provides for the use of 6,177 square feet at \$20.95 per square foot (\$129,408.16 rounded annually) with 64 reserved paved parking spaces, including utilities, through June 30, 2033. The Kentucky Transportation Cabinet has recommended acceptance of the proposed terms as defined herein. Per KRS 56.823(2), Capital Projects and Bond Oversight Committee reporting is required prior to execution for the proposed lease agreement. Your approval of same is recommended to secure suitable office space for benefit of the Kentucky Transportation Cabinet.

If you require additional information, please advise.

CTY/sn  
Attachment

**APPROVED:**

Natalie W. Brawner, Director





**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

**Holly M. Johnson**  
SECRETARY

**Charles O. Bush, Jr.**  
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: March 5, 2026

SUBJECT: PR-5910, Jefferson County  
Finance and Administration Cabinet, Department of Revenue

Attached please find notification of a lease modification reflecting an amortization for improvements totaling less than \$50,000 that is being processed by the Leased Properties Branch:

PR-5910, Jefferson County

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

NWB/CTY  
Attachment

Cc: Capital Construction Log  
OSBD  
PR-5910 File

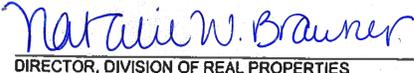
**REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE  
LEASE MODIFICATION AMORTIZATION**

Date Posted: March 5, 2026	
Lease No.: <b>PR-5910</b>	County: <b>Jefferson</b>
Using Agency: <b>Finance and Administration Cabinet, Department of Revenue</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>Hurstbourne Office Park LLC</b>
Property Location: <b>320 Whittington Pkwy, Louisville, KY 40222</b>	
<u>Existing Rental Terms</u>	
Type Space: <b>Office</b>	Square Feet: <b>6,079</b>
Annual Payment: <b>\$71,428.24</b>	Contract Expiration: <b>June 30, 2027</b>
<u>Modified Rental Terms</u>	
Type Space: <b>Office</b>	Square Feet: <b>6,079</b>
Annual Payment: <b>\$71,428.24</b>	New Contract Expiration: <b>June 30, 2027</b>
Total Cost to be Amortized: <b>\$43,875.34</b>	
Projected Period of Amortization – Effective: <b>April 1, 2026 Through June 30, 2027 (15 months)</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):	
<ul style="list-style-type: none"> <li>(1) Jefferson Development Group – Total \$43,875.34</li> <li>(2) Matrix – Total \$48,685.58</li> </ul>	

**COMMONWEALTH OF KENTUCKY LEASE MODIFICATION AGREEMENT**

LESSOR	Hurstbourne Office Park LLC	PR NUMBER, COUNTY	PR-5910, Jefferson COUNTY
ADDRESS	2650 Technology Drive Louisville, KY 40299	VENDOR NUMBER	KY0012994
		AGENCY/DEPARTMENT	Department of Revenue
		DIVISION	
		DATE	December 22, 2025
		ACCOUNT NUMBER	

- Lease Agreement number PR-5910, dated December 22, 2025, is hereby modified as set forth in Paragraph 2.
- This Lease is modified as follows:
  - To amortize the \$43,875.34 cost for renovation of space to meet the agency needs; per estimate submitted by Jefferson Development Group.
  - 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.
- All other terms and conditions of the lease remain unchanged.
- The Lessor is required to sign this document and return all copies for further processing.
- 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	1/13/26 Date	 LESSEE	1/7/26 Date
 ANALYST, LEASING BRANCH, DIVISION OF REAL PROPERTIES	1/21/2026 Date	 ATTORNEY, FINANCE & ADMINISTRATION CABINET	2/18/2026 Date
 MANAGER, LEASING BRANCH, DIVISION OF REAL PROPERTIES	01/27/2026 Date	 DIRECTOR, DIVISION OF REAL PROPERTIES	
 SECRETARY, FINANCE & ADMINISTRATION CABINET	102.23.2026 Date	APPROVED THIS <u>2nd</u> DAY OF <u>March</u> , 20 <u>26</u>	

Contractor:  
**Department of Revenue**

Matrix

320 Whittington Parkway Suite 304 and 305 9.30.2025

<b>Division 1 - General Requirements</b>		
General Conditions	\$	-
Contingency (5.0%)	\$	2,319.12
Demolition-Walls and ceilings	\$	1,120.00
Demolition-Flooring	\$	1,884.78
<b>Division 2 - Site Construction</b>		
	\$	-
<b>Division 3 - Concrete</b>		
	\$	-
<b>Division 4 - Masonry</b>		
	\$	-
<b>Division 5 - Metals</b>		
Frame - Labor & Material	\$	3,192.00
<b>Division 6 - Wood &amp; Plastics</b>		
Frame - Labor & Material		
Trim Material-	\$	-
Casework-		
Miscellaneous Carpentry	\$	-
<b>Division 7 - Thermal &amp; Moisture Protect.</b>		
Insulation -	\$	-
<b>Division 8 - Doors &amp; Windows</b>		
Door Frames Mat.	\$	2,839.98
Door Frames Mat.- Common		
Trim/Cased Openings/Base- Material	\$	-
Conference Room Window		
Doors - Hardware, Stops, Closer	\$	262.35
<b>Division 9 - Finishes</b>		
Finish Carpentry Labor- Doors/Trims/Base	\$	-
Finish Carpentry Labor- Doors/Trim Com.	\$	-
Wood Base Mat- bathrooms/Hall Common	\$	-
Walls- Steel Studs, blocking, Insul. & DW	\$	1,100.00
Skim Wall where wall paper was removed		
Walls- Steel Studs, Insul. & DW- common	\$	-
Blinds (x16)	\$	-
Bathroom Vanities- Men & Women	\$	-
Bathroom Vanity Top- Men & Women	\$	-
Bathroom Vanity Mirror- Men & Women	\$	-
Cabinets - Remove/Re-install	\$	-
Cabinet -Material + Hardware	\$	-

Countertops - Repairs / Installs	\$	356.40
Acoustical Tile Ceilings	\$	550.00
Acoustical Tile Ceilings- Common	\$	-
Vinyl Flooring (LVP) L&M- Common	\$	-
Vinyl Flooring (LVP) L&M-Lobby & Bathroom	\$	-
Carpet Flooring - Materials ( Tiles)	\$	11,926.20
Carpet Flooring - Labor		
Cove Base L&M	\$	2,904.00
Interior Painting	\$	7,810.00
Interior Painting- specialty	\$	-
<b>Division 10 - Specialties</b>		
Glass Transaction Window	\$	902.75
<b>Division 11 - Equipment</b>		
	\$	-
<b>Division 12 - Furnishings</b>		
	\$	-
<b>Division 13 - Special Construction</b>		
	\$	-
<b>Division 14 - Conveying Systems</b>		
	\$	-
<b>Division 15 - Mech. &amp; Plumb</b>		
HVAC	\$	-
Plumbing - Labor & Material	\$	-
Plumbing - Fixtures	\$	-
Fire Protection	\$	-
<b>Division 16 - Electrical</b>		
Electrical	\$	10,528.00
Interior Lighting	\$	330.00
<b>Division 17 - Other</b>		
Final Construction Clean	\$	660.00
<b>Total Uses</b>	<b>\$</b>	<b>48,685.58</b>

Contractor Jefferson Development Group

Borrower: Department of Revenue

Project: 320 Whittington Parkway 304/305 Revised 09.29.2025

Usable Area: 6,079

Item No.	Code	Item Description	Scheduled Value (Budget)	Current Changes	Total Changes	Revised Value (Budget)	Previous Applications	This Application	Total Completed & Drawn to Date	Balance to Finish + Retainage
A	B	C	D	E	F	G	H	I	J	L
			(D + F)				(J prev. draw)	(H + I)		(G - J)
<b>Division 0 - Pre Construction</b>										
	907	Construction Management Fee	\$0.00	0	0	0	0	0	0	0
	921	Architect/Printing/Reproduction	\$0.00	0	0	0	0	0	0	0
	937	Licenses & Permits	\$0.00	0	0	0	0	0	0	0
<b>Division 1 - General Requirements</b>										
	1045	General Conditions	\$0.00	0	0	0	0	0	0	0
	1207	Contingency (5.0%)	\$2,089.30	0	0	2089.3	0	0	0	2089.3
	1250	Demolition-Walls and ceilings	\$1,000.00	0	0	0	0	0	0	0
	1250	Demolition-Flooring	\$1,698.00	0	0	0	0	0	0	0
<b>Division 2 - Site Construction</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 3 - Concrete</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 4 - Masonry</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 5 - Metals</b>										
		Frame - Labor & Material	\$2,800.00	0	0	0	0	0	0	0
<b>Division 6 - Wood &amp; Plastics</b>										
		Frame - Labor & Material	\$0.00	0	0	0	0	0	0	0
		Trim Material-	\$0.00	0	0	0	0	0	0	0
		Casework-	0	0	0	0	0	0	0	0
	6105	Miscellaneous Carpentry	\$0.00	0	0	0	0	0	0	0
<b>Division 7 - Thermal &amp; Moisture Protect.</b>										
		Insulation -	\$0.00	0	0	0	0	0	0	0
<b>Division 8 - Doors &amp; Windows</b>										
	8110	Door Frames Mat.	\$2,558.54	0	0	0	0	0	0	0
	8110	Door Frames Mat.- Common	\$0.00	0	0	0	0	0	0	0
	8211	Trim/Cased Openings/Base- Material	\$0.00	0	0	0	0	0	0	0
	9262	Doors - Hardware, Stops, Closer	\$238.50	0	0	0	0	0	0	0
<b>Division 9 - Finishes</b>										
	9250	Finish Carpentry Labor- Doors/Trims/Base	\$0.00	0	0	0	0	0	0	0
	9250	Finish Carpentry Labor- Doors/Trim Com.	\$0.00	0	0	0	0	0	0	0
		Wood Base Mat- bathrooms/Hall Common	\$0.00	0	0	0	0	0	0	0
	9255	Walls- Steel Studs, blocking, Insul. & DW	\$1,000.00	0	0	0	0	0	0	0
	9255	Walls- Steel Studs, Insul. & DW- common	\$0.00	0	0	0	0	0	0	0
	9261	Blinds	\$0.00	0	0	0	0	0	0	0
		Bathroom Vanities- Men & Women	\$0.00	0	0	0	0	0	0	0
		Bathroom Vanity Top- Men & Women	\$0.00	0	0	0	0	0	0	0
		Bathroom Vanity Mirror- Men & Women	\$0.00	0	0	0	0	0	0	0
	9263	Cabinets - Remove/Re-install	\$0.00	0	0	0.00	0	0	0	0.00
		Cabinet -Material + Hardware	\$0.00	0	0	0.00	0	0	0	0.00
	9275	Countertops - Repairs / Installs	\$324.00	0	0	0	0	0	0	0
	9512	Acoustical Tile Ceilings	\$500.00	0	0	0	0	0	0	0
	9512	Acoustical Tile Ceilings- Common	\$0.00	0	0	0	0	0	0	0
	9666	Vinyl Flooring (LVP) L&M- Common	\$0.00	0	0	0	0	0	0	0
		Vinyl Flooring (LVP) L&M-Lobby & Bathroom	\$0.00	0	0	0	0	0	0	0
	9680	Carpet Flooring - Materials ( Tiles)	\$10,842.00	0	0	0	0	0	0	0
	9680-500	Carpet Flooring - Labor	\$0.00	0	0	0	0	0	0	0
		Cove Base L&M	\$2,640.00	0	0	0	0	0	0	0
	9920	Interior Painting	\$7,100.00	0	0	0	0	0	0	0
	9920	Interior Painting- specialty	\$0.00	0	0	0	0	0	0	0
<b>Division 10 - Specialties</b>										
		Glass Transaction Window	\$785.00	0	0	0	0	0	0	0
<b>Division 11 - Equipment</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 12 - Furnishings</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 13 - Special Construction</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 14 - Conveying Systems</b>										
			\$0.00	0	0	0	0	0	0	0
<b>Division 15 - Mech. &amp; Plumb</b>										
	15050	HVAC	\$0.00	0	0	0	0	0	0	0
	15400	Plumbing - Labor & Material	\$0.00	0	0	0	0	0	0	0
	15440	Plumbing - Fixtures	\$0.00	0	0	0	0	0	0	0
		Fire Protection	\$0.00	0	0	0	0	0	0	0
		Division 16 - Electrical	\$0.00	0	0	0	0	0	0	0
	16001	Electrical	\$9,400.00	0	0	0.00	0	0	0	0.00
	16515	Interior Lighting	\$300.00	0	0	0	0	0	0	0
<b>Division 17 - Other</b>										
		Final Construction Clean	\$600.00	0	0	0	0	0	0	0
		<b>Total Uses</b>	<b>\$43,875.34</b>	0	0	2,089.30	0	0	0	\$2,089.30

NOTE: Quote does not include wiring for low voltage data/phone

NOTE:

NOTE:

NOTE:

**Bold Numbers**

\*\*\*\*\* Represents...selection still needs to be made



**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

**Holly M. Johnson**  
SECRETARY

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

**Natalie W. Brawner**  
DIRECTOR

MEMORANDUM

TO: Holly M. Johnson, Secretary  
Finance and Administration Cabinet

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

DATE: January 6, 2025

SUBJECT: PR-5910, Jefferson County  
Department of Revenue

The Department of Revenue (DOR) currently occupies 12,254 square feet of space leased at a rental rate of \$12.10 per square foot (\$148,273.40 annually), with a term expiring June 30, 2026 (IA-454). The agency recently submitted a request to reduce square footage from 12,254 square feet to 6,962 square feet. DOR has indicated the current location of the Louisville Tax Service Center has had several issues over the years. Most recently, the HVAC has not been working properly, and there has been an undesirable smell. Due to the reduction in staff and unsatisfactory condition of the current building, the using agency requested replacement space in Jefferson County. A review of properties state-owned and currently leased by the Commonwealth indicated that suitable space to accommodate this request was available at a property containing multiple state agencies.

Subsequent to review of plans and specifications for the proposed space, the lessor has consented to lease DOR 6,079 square feet of space at the rental rate applicable to the existing lease agreement under PR-5415, Department of Workers Claims, which is permitted under KRS 56.813(1). Therefore, the attached lease agreement provides for the use of 6,079 square feet of office space at a rental rate of \$11.75 per square foot (\$71,428.24 rounded annually), including water, sewer and janitorial services with a term expiring June 30, 2027.

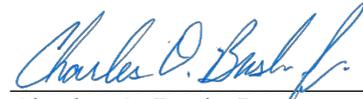
Further, it was determined that renovations are necessary to accommodate the Department of Revenue within the proposed space which requires demo/installation of framing and drywall, upgrade of electrical and HVAC services, and all associated interior finish work. The lessor has provided two estimates for renovations/construction with one from Jefferson Development Group, Louisville, KY for \$43,875.34 and the other from Matrix, Louisville, KY for \$48,685.58. Based on the scope of work and the cost of renovations, the lessor requested that the DOR absorb the renovation cost. The DOR has recommended acceptance of the low bid from \$43,875.34 from Jefferson Development Group.

In accordance with applicable provisions of KRS 56.813(2), the attached lease modification agreement provides for the amortization of \$43,875.34 in renovation expenses over the term of the lease. The anticipated amortization period of sixteen (16) months results in estimated monthly cost of \$2,742.21 (rounded) for 15 monthly payments and one monthly payment of \$2,742.19. This results in an annual amortization cost of \$32,906.52 and an annual rent cost of \$71,428.24 for a total cost of approximately \$104,334.76. Capital Projects & Bond Oversight Committee reporting is required for the proposed lease modification within thirty days of execution. Your approval of the attached lease agreement and lease modification agreement is recommended to secure suitable replacement space as requested by the Department of Revenue.

If you require additional information, please advise.

NWB/SLN/sn  
Attachment

**RECOMMENDED:**



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Charles O. Bush, Jr., Commissioner  
Dept. for Facilities & Support Services



**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.**  
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:** February 23, 2026

**SUBJECT:** PR-5624, Adair County  
Transportation Cabinet  
Lease Modification Above \$50,000

As outlined, 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/BGR/br  
Attachment

**CC:** Capital Construction Log  
OSBD  
PR-5624 File

# REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

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

Date Posted in 30-Day Register: <b>February 23, 2026</b>	
Lease No.: <b>PR-5624</b>	County: <b>Adair</b>
Using Agency: <b>Transportation Cabinet</b>	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	<b>SP Real Estate LLC</b>
Property Location: <b>363 Office Park Drive, Columbia KY 42728</b>	
<b><i>Existing Rental Terms</i></b>	
Type Space: <b>Office</b>	Square Feet: <b>1,839</b>
Annual Payment: <b>\$19,916.36</b>	Contract Expiration: <b>June 30, 2027</b>
<b><i>Modified Rental Terms</i></b>	
Type Space: <b>Office</b>	Square Feet: <b>4,526</b>
Annual Payment: <b>\$49,016.60 (rounded)</b>	New Contract Expiration: <b>June 30, 2027</b>
Total Cost to be Amortized: <b>\$43,942.00</b>	
Projected Period of Amortization – Effective: <b>July 1, 2026 through June 30, 2027</b>	
Reason for Modification (see attached approval memo and modification): <b>Please see attached.</b>	
Estimate Details (see attached copies):	
<ul style="list-style-type: none"> <li>(1) \$43,942.00 from S&amp;P Real Estate</li> <li>(2) \$48,665.00 from South Central Properties, LLC</li> </ul>	



**PR-5624, Adair County  
Transportation Cabinet  
Lease Modification Agreement**

**ADDENDUM**

The following items are to be considered a part of the lease modification agreement PR-5624, Adair County, dated February 16, 2026.

**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 Code Enforcement may 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 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 by the Division of Real Properties.
2. Central heating and air conditioning (HVAC) shall be installed throughout.
3. 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}.*
4. 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.
5. Weather stripping and/or other suitable insulation shall be applied to front oor. This shall be inspected on an annual basis and repaired/replaced as necessary.

**SECTION 2**

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1. **Lessor shall remove four walls, and two doors from the existing breakroom and conference room, and remove the sink and cabinets from the breakroom so that the reception area can be expanded. The lessor shall touch up paint areas where the walls, doors, sink & cabinets where removed from. Replace flooring in this area if needed.**
2. **The Lessor shall install a 6" wide chair rail at a height of 32" from the floor along the back wall of the new expanded reception area.**
3. **The lessor shall remove the door on the new space side where doors lead from new space to existing space.**
4. **The lessor shall replace the existing carpet in the new space with commercial grade carpet tiles in the "Denim culture collection, Indigo Wash".**
5. **The lessor shall paint the walls in the new space to match the walls in the existing space March Wind" color (Sherwin Williams).**
6. **All doorknobs shall be replaced with door levers as required by the State Department of Housing, Buildings and Construction.**
7. **The Lessor shall provide undesignated reserved parking for twenty (20) additional agency staff and visitors for a grand total of thirty-four (34) undesignated reserved parking, plus accessible space(s) as required by the State Department of Housing, Buildings and Construction.**
8. **The new space shall be equipped with LED type exit and directional lights per State Department of Housing, Buildings and Construction requirements.**

9. **The lessor shall install voice/data and electrical outlets as shown on the floor plan, if voice/data and electrical outlets are not already in the room/s and space shown on the floor plan.**
10. 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.
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.

### **SECTION 3**

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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. 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 of work.
3. 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.
4. Subsequent to the receipt of approval to begin renovations/construction from both the Division of Building Code Enforcement and the Division of Real Properties, the lessor shall submit an estimated schedule for completion of the renovations/construction. Any deviations from the original schedule shall be submitted via a revised schedule to the Division of Real Properties as soon as the lessor knows or should have known of the deviation(s).
5. The Division of Real Properties and/or the using agency reserves the right to inspect the facility at any time during construction/renovations/occupation.

**ACKNOWLEDGED BY:**

**ACKNOWLEDGED BY:**

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**Transportation Cabinet**

**Date**

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**SP Real Estate, LLC**

**Date**

# S&P Real Estate

Project: Adair County Drivers License Office Expansion

Matt Calvert Painting	\$	5,275
Ernie's Carpet	\$	13,500
Eric Oller	\$	10,000
JLB Contracting	\$	4,735
Fees & Permits	\$	250
Combining Electric Meters	\$	3,750
Engineering	\$	700
Construction Management Fee	\$	5,732
<hr/>		
	\$	43,942

DATE

1-14-26

YOUR WORK ORDER NO.

OUR BID NO.

BID FOR BID9

DESCRIPTION OF WORK PERFORMED

Patch all holes IN WALLS where  
 Needed, CAULK ALL BASE, DOORS, TRIM  
 where needed. PAINT ALL WALLS viewed  
 IN WALK ~~through~~ through INCLUDING all  
 OFFICES, MAIN AREA, BATHROOMS ETC  
 Touch up ALL DOORS & TRIM where  
 Needed

LABOR & MATERIALS

\$ 5,275.00

1-16

Material is guaranteed to be as specified in the drawings and specifications provided for the

DATE:

12/11/25

• John Begley  
 • 363 Office Park Dr  
 Columbia, Ky 42718  
 270-634-1244

DESCRIPTION	CHARGES	✓	CREDITS	BALANCE
PREVIOUS BALANCE				
Mohawk - Denim Culture	33.95	yd		9,234.00
Quanta Casual - Indigo Wash			tax	554.00
Labor - Carpet tile	6.00	yd		1,632.00
Freight	1.75	yd		476.00
QTY	150.00	yd		600.00
QUANTAS	3.00	yd		120.00
				500.00
				150.00
				240.00
				13,500.00

CUSTOMER'S ORDER NO.	DEPARTMENT	DATE				
NAME		1-12-26				
ADDRESS						
CITY, STATE, ZIP						
Columbia Ky 42128						
SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE RETD.	PAID OUT

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Demo drop wall, walls, doors + trim		\$ 1800.00
2	Removing kitchen, plug-ins + cabinets		
3	Cap off kitchen plumbing		
4	Rewire Electric for ceiling lights		\$2500.00
5	Rewire + Cap off plugs in demo room		
6	Fix all patches in flooring, walls, ceiling		
7	Paint new section of walls + ceiling		\$ 800.00
8	New Brasswood trim		
9	Relocate thermostat to new location		
10	6" Chair Rail in waiting area 32'		\$ 1000.00
11	Put up plastic wall from dust		
12	labor		\$ 3900.00
Total		\$	10000.00



# South Central Properties, LLC

270-634-1244  
southcentralproperties@gmail.com

DATE  
1/14/2026

To: Mike Stephens - Drivers License Office Renovation

<u>ITEM</u>	<u>PRICE</u>
Tear Up, Supply Carpet & Lay Carpet In New Space	
Paint Walls & Partial Trim In New Space	
Demo 2 Existing Offices, Make All Patches To Floor & Walls, Paint	
Replace Door Knobs With Levers	
Includes Permits & Fees	
Includes Dumpster & Cleaning When Completed	
Chair Rail In Lobby	
TOTAL	\$ 48,665



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

**Andy Beshear**  
GOVERNOR

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.**  
COMMISSIONER

**Natalie W. Brawner**  
DIRECTOR

MEMORANDUM

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

**FROM:** Calleen Yett, Leasing Branch Manager  
Division of Real Properties

**DATE:** February 16, 2026

**SUBJECT:** PR-5624, Adair County  
Transportation Cabinet

The Transportation Cabinet currently occupies 1,839 square feet, leased at a rental rate of \$10.83 per square foot (\$19,916.36 annually), including water and excluding all other utilities and janitorial services, with a term expiring June 30, 2027. The agency recently submitted a space request indicating a need for approximately 1,398 square feet of supplemental space to accommodate overcrowding of the existing reception area due to the increase in applicants requiring Real ID since April 2025 and to house the Kentucky State Police Drivers Testing. The lessor has indicated the current facility has 2,687 square feet of available space, but due to the layout, it is not feasible to only lease a portion of the space. Therefore, the attached lease modification increases the square footage from 1,839 square feet to 4,526 square feet.

Further, it was determined renovations in the proposed space are necessary to accommodate the agency which includes painting, replacing carpet, installing six-inch-wide chair rail, replacing doorknobs, removing drywall, rerouting electric, combining electric meters, and installing lighted exit signs. The lessor provided two estimates for renovations with one from S&P Real Estate, Columbia Kentucky for \$43,942.00 and the other from South Central Properties, LLC, Columbia Kentucky for \$48,665.00. Based on the scope of work and the current rent, the lessor requested the agency absorb the cost of renovations. In accordance with applicable provisions of KRS 56.813(2), the Transportation Cabinet recommended acceptance of the low bid from S&P Real Estate for \$43,942.00 which will be amortized over the term of the lease through June 30, 2027.

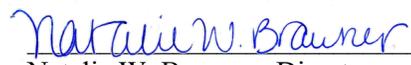
In accordance with applicable provisions of KRS 56.813(1), the attached lease modification agreement provides for the use of 2,687 square feet of supplemental office space from 1,839 square feet to 4,526 square feet; and the associated increase of \$29,100.21 in the annual rental cost; from \$19,916.36 to \$49,016.60 (rounded) with a term expiring June 30, 2027. In accordance with applicable provisions of KRS 56.813(2), the attached lease modification agreement provides for the amortization of \$43,942.00 in renovation expenses with a term through June 30, 2027. The anticipated amortization period of twelve (12) months results in estimated annual amortization costs of \$43,942.00 and a total estimated annual lease cost of \$92,958.60 through the lease term period of June 30, 2027. The agency has recommended approval of the expansion and renovations in order to provide continued services to the public and avoid time and costs associated with relocating. Capital Projects & Bond Oversight Committee reporting is required before execution of the lease modification agreement. Your

approval of the attached lease modification agreement is recommended to secure suitable supplemental space as requested by the Transportation Cabinet.

If you require additional information, please advise.

**APPROVED:**

CTY/BGR/br

  
\_\_\_\_\_  
Natalie W. Brawner, Director

Attachment