



Andy Beshear
GOVERNOR

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

Bush Building, 3rd Floor
403 Wapping Street
Frankfort, Kentucky 40601
Phone: (502) 564-2205
Fax: (502) 564-8108

Holly M. Johnson
SECRETARY

Charles O. Bush, Jr.
COMMISSIONER

Natalie W. Brawner
ACTING DIRECTOR

MEMORANDUM

TO: Katherine Halloran, Committee Staff Administrator
Capital Projects and Bond Oversight Committee

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

DATE: August 11, 2026

SUBJECT: PR-5826, Grayson County
Transportation Cabinet

As outlined, attached please find notification of a lease modification reflecting amortization of monies that is being processed by the Leased Properties Branch:

PR-5826, Grayson County

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

NWB/CTY/BGR/br
Attachment

Cc: Capital Construction Log
PR-5826 File

REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE
LEASE MODIFICATION AMORTIZATION

Date Posted in 30-Day Register: July 1, 2026	
Lease No.: PR-5826	County: Grayson
Using Agency: Transportation Cabinet	
Lessor (identify all parties having 5% or more ownership): Attached extra sheet if necessary	Grayson County Fiscal Court
Property Location: 1904 Elizabethtown Road, Leitchfield, Kentucky 42754	
<i>Existing Rental Terms</i>	
Type Space: Office	Square Feet: 3,597
Annual Payment: \$61,149.00	Contract Expiration: June 30, 2034
<i>Modified Rental Terms</i>	
Type Space: Office	Square Feet: 3,597
Annual Payment: \$61,149.00	New Contract Expiration: June 30, 2034
Total Cost to be Amortized: \$219,450.00	
Projected Period of Amortization – Effective: TBD Through June 30, 2034	
Reason for Modification (see attached approval memo and modification): Please see attached.	
Estimate Details (see attached copies): (1) \$313,500.00 from Decades Properties (2) \$350,000.00 from Rick Howard Construction The lessor agreed to absorb \$94,050.00 of the \$313,500.00 total for renovation cost leaving \$219,450.00 to be amortized.	

LESSOR	Grayson County Fiscal Court	PR NUMBER, COUNTY	PR-5826, Grayson County
ADDRESS	130 East Market Street, Leitchfield, Kentucky 42754	VENDOR NUMBER	KY0033814
		AGENCY/DEPARTMENT	Transportation Cabinet
		DIVISION	Division of Drivers Licensing
		DATE	July 1, 2026
		BUILDING CODE #	91900001

1. Lease Agreement number **PR-5826, Grayson County** dated **July 6, 2026**, is hereby modified as set forth in Paragraph 2.

2. This Lease is modified as follows:

1. To amortize the \$219,450.00 cost for construction/renovations to the leased premises per attached estimate from Decades Properties, same attached and incorporated herein by reference.
2. 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 construction/renovations have been satisfactorily completed and will extend through the lease expiration date June 30, 2034. 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, BushBuilding, 3rd Floor, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2205. BGR

Decades Properties
Estimate #1
Construction/Buildout
of
Grayson County
Regional Drivers Licensing Office

- Demolition - \$15,000
- Farming/Carpentry - \$40,000
- Electric - \$40,000
- HVAC - \$25,000
- Plumbing \$20,000
- Drywall (Material and Labor) \$35,000
- Flooring - \$35,000
- Ceiling - \$15,000
- Painting \$20,000
- Door/Glass - \$15,000
- Sprinkler \$25,000
- General Contractor Fee \$28,500

Total = \$313,500

Rick Howard Construction
Estimate #2
Construction/Buildout
of
Grayson County
Regional Drivers Licensing Office

- Demolition - \$16,930
- Farming/Carpentry - \$44,430
- Electric - \$44,450
- HVAC - \$27,930
- Plumbing \$22,430
- Drywall (Material and Labor) \$38,500
- Flooring - \$38,950
- Ceiling - \$16,500
- Painting \$22,950
- Door/Glass - \$16,500
- Sprinkler \$28,680
- General Contractor Fee \$31,750

Total = \$350,000



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Natalie W. Brawner
ACTING DIRECTOR

MEMORANDUM

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

FROM: Calleen Yett, Leasing Manager
Division of Real Properties

DATE: July 1, 2026

SUBJECT: PR-5826, Grayson County
Transportation Cabinet

The Transportation Cabinet, Division of Drivers Licensing is currently leasing 2,400 square feet at a rate of \$17.00 per square foot (\$40,800.00 annually), excluding all utilities and janitorial services, with a lease term expiring June 30, 2027 under PR-5863, which was offered by the Grayson County Fiscal Court as temporary space until permanent space could be established. The agency submitted a space request indicating a need for 3,237 square feet of space.

Subsequent to inspection of the facility, pursuant to KRS 56.805(2), and review of plans and specifications with the county's lessor, resulted in a proposal to lease 3,597 square feet and the attached lease agreement provides for the use of office space at a rental rate of \$17.00 per square foot (\$61,149.00 annually), excluding all utilities and janitorial services, with a lease term expiring June 30, 2034. The Transportation Cabinet has accepted the proposed lease terms with the understanding renovations are necessary to accommodate the operational needs of the agency.

The renovations necessary within the proposed space require demolition and construction (e.g., demo/installation of framing and drywall, upgrade of electrical services, all associated interior finish work, and creation of a new primary entrance for the Kentucky State Police drivers testing area). Based on the scope of work and the cost, the lessor has requested that the agency absorb approximately seventy (70) percent of the construction/renovation cost. Two estimates have been provided with one from Decades Properties for \$313,500.00 and the other from Rick Howard Construction for \$350,000.00. With reference to the estimate from Decades Properties, the lessor has agreed to absorb \$94,050.00 of the total cost with the agency's remaining cost of \$219,450.00. The

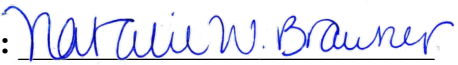
PR-5826,
Grayson
Transportation Cabinet
July 1, 2026

Transportation Cabinet has recommended approval of the proposal with the \$219,450.00 to be amortized over the lease term in accordance with applicable provisions of KRS 56.813(2) as defined below.

In accordance with applicable provisions of KRS 56.805(2), and KRS 56.813(2), the attached lease modification agreement provides for the amortization of \$219,450.00 in construction/renovation expenses per estimates submitted by Decades Properties. The anticipated amortization period of eighty-six (86) months results in estimated annual amortization costs of \$30,620.88 and a total estimated annual lease cost of \$91,769.88. Pursuant to KRS 56.823(11)(a), Capital Projects & Bond Oversight Committee reporting is required for the proposed lease modification, and your approval of the attached lease agreement and lease modification agreement is recommended to secure suitable permanent space as requested by the Transportation Cabinet.

If you require additional information, please advise

CTY/BGR/br
Attachment

APPROVED: 
Natalie W. Brawner, Acting Director