

Supreme Court of Kentucky

2024-28

ORDER

**IN RE: CAPITOL RELOCATION, PAYMENT OF A DIRECT COURT OF
JUSTICE EXPENSE FOR NECESSARY IMPROVEMENTS OF
TEMPORARY LEASED SPACE**

In 2020, the Finance and Administration Cabinet, Department of Facilities and Support Services (“FAC”), began a State Capitol renovation and restoration project (“Capitol Campus Renovation”) to repair and update significant portions of the State Capitol, including the Capitol Dome and the Capitol Annex. During the 2022 Regular Session, the Kentucky General Assembly appropriated \$260,000,000 in support of Phase II of the Capitol Campus Renovation, including funds to cover expenses for the relocation of all Judicial Branch functions and offices located in the State Capitol.

The Judicial Branch functions and offices located in the State Capitol include a courtroom, conference space, and office space for the Kentucky Supreme Court and its staff, office space and storage for the Supreme Court Clerk and staff, and the State Law Library. FAC has informed the Administrative Office of the Courts (“AOC”) that the Judicial Branch will be required to vacate the State Capitol during Phase II of the Capitol Campus Renovation. As such, there is an urgent need to lease suitable property for these offices and personnel.

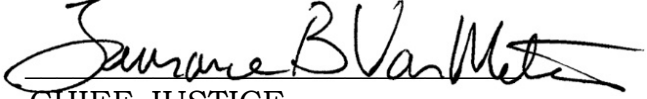
Administrative Procedures for the Court of Justice (AP), Part X, Section V, titled “Real Property Leases,” governs the procedures for leasing property on behalf of the KCOJ. AP Part X, Section V, authorizes the AOC to enter into the lease of real property for the purpose of housing KCOJ offices. The AOC has located a suitable property for the relocation of Judicial Branch functions and offices during the Capitol Campus Renovation which consists of a single, large building located at 669 Chamberlin Avenue, Frankfort, Ky (“Chamberlin Avenue building”). The Chamberlin Avenue building requires improvements in excess of \$1,000.00 to make it suitable for Judicial Branch functions and offices. Under AP Part X, Section V, Sec. 8(2), any improvements to leased space costing \$1,000.00 or more will be made by the lessor and shall be amortized over the life of the lease. The Chamberlin Avenue building is currently owned by Traditional Bank, Inc., which acquired the property as a result of a bankruptcy and foreclosure proceeding, and which is unable or unwilling to finance any improvements requested by the AOC in accordance with AP Part X, Section V. However, FAC has agreed to reimburse the AOC in Fiscal Biennium 2025-2027 for expenses it incurs due to the Judicial Branch’s relocation during the Capitol Campus Relocation, including improvements reasonably necessary to the Chamberlin Avenue building.

Based on the foregoing, under Section 110(5)(b) of the Kentucky Constitution and KRS 26A.160, notwithstanding AP Part X, Section V, Sec. 8(2), it is ORDERED, for purposes of relocation during the Capitol Campus Renovation, the AOC may reimburse the lessor of the Chamberlin Avenue

building prior to occupancy for the cost of the improvements deemed reasonably necessary for KCOJ-occupancy.

Entered this 23rd of August 2024.

All sitting; all concur.


CHIEF JUSTICE