



Contract Number: CTN-FM-13*055-04
Effective Date: 12-16-14
Term Date: 1-12-16
Cost: _____
Revenue: 371,576.69
Total: _____ NTE: _____
Renewal By: 10-1-15
Term: 1-12-16
Reviewed by: SR

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: December 16, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

This Fourth Amendment to Lease with Accelerate Diagnostics will expand the leased premises at the Abrams Public Health building by an additional 18,481 sq. ft. The expanded premises will be used for demonstrating their products to customers and the offices and conference rooms that are necessary for the additional employees who will be hired. The additional employees that will be hired by Accelerate will provide economic benefits to Pima County. Accelerate is solely responsible for paying the tenant improvement construction costs directly to the general contractor. In addition to paying market rent for the expanded premises beginning on the date the tenant improvements are substantially complete, a monthly payment for utilities will be paid by Accelerate commencing on January 1, 2015.

Procure Dept 11/26/14 AM 10:26

CONTRACT NUMBER (If applicable) CTN FM 13*55

STAFF RECOMMENDATION(S):

Approve this Fourth Amendment to Lease with Accelerate Diagnostics whose expansion will provide construction jobs that benefit the Tucson community. The rent and utility payments Accelerate pays will increase revenue received by Pima County.

CORPORATE HEADQUARTERS:

Page 1 of 2

Ver. 5
Vendor 1
Pgs 17

To: CCB - 12-3-14
Agenda - 12-16-14
(1)

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

COST TO PIMA COUNTY: \$0

REVENUE TO PIMA COUNTY: \$371,516.69

FUNDING SOURCE(S): _____
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium-D Fund, etc.)

Advertised Public Hearing:

| | | | | |
|--|--|------------|----------|-----------|
| | | YES | X | NO |
|--|--|------------|----------|-----------|

Board of Supervisors District:

| | | | | | | | | | | |
|---|--|---|----------|---|--|---|--|---|--|-----|
| 1 | | 2 | X | 3 | | 4 | | 5 | | All |
|---|--|---|----------|---|--|---|--|---|--|-----|

IMPACT:

IF APPROVED: Accelerate Diagnostics, Inc., a scientific engineering and laboratory company will expand their leased premises through a tenant improvement construction project, hire additional employees, and pay both rent and utilities monthly to Pima County.

IF DENIED: The Tucson area will not receive the economic benefit from Accelerate Diagnostics, Inc. expanding their premises or hiring additional employees.

DEPARTMENT NAME: Facilities Management

CONTACT PERSON: Melissa Loeschen TELEPHONE NO.: 724-8230

PIMA COUNTY FACILITIES MANAGEMENT DEPARTMENT**LEASE: 3950 S. COUNTRY CLUB ROAD, 4TH FLOOR
TUCSON, ARIZONA****TENANT: ACCELERATE DIAGNOSTICS, INC.****LEASE NO.: CTN FM 13*55****LEASE AMENDMENT NO.: FOUR (4)****CONTRACT****NO. CTN-FM-13*55****AMENDMENT NO. 04**

This number must appear on all
invoices, correspondence and
documents pertaining to this
contract.

**ORIGINAL LEASE TERM: 01/13/13-01/12/16 ORIG. LEASE AMOUNT: \$418,914.00
TERMINATION DATE PRIOR AMENDMENT: N/A PRIOR AMENDMENTS: : \$253,037.30
TERMINATION THIS AMENDMENT: 01/12/16 AMOUNT THIS AMEND.: \$371,516.69
REVISED AMOUNT: \$1,043,467.99**

FOURTH AMENDMENT TO LEASE

A. Pima County ("Landlord") and ACCEL8 TECHNOLOGY CORPORATION, a Colorado corporation ("Tenant"), entered into a lease agreement for premises located at 3950 S. Country Club Road (the "Building") dated August 20, 2012 and amended on October 15, 2013, whereby Tenant's name was changed to ACCELERATE DIAGNOSTICS, INC. and subsequently amended on April 15, 2014 and June 1, 2014 (the "Lease").

B. The Second Amendment to Lease provides in Section 9 that Tenant may lease two different areas on the fourth floor of the Building known as "First Right of Refusal Space" as shown on Exhibit B to the Second Amendment to Lease and which is attached as Exhibit A to this Fourth Amendment to Lease.

1. **MODIFICATION OF LEASE.** Landlord and Tenant hereby agree to modify the terms of the Lease as set forth in this Fourth Amendment to Lease (the "Fourth Amendment"). Capitalized terms not otherwise defined in this Fourth Amendment have the meanings set forth in the original Lease. This Fourth Amendment will be effective when approved and executed by both parties.

2. **TERM.** The expiration date of this Fourth Amendment will coincide with the Lease expiration date.

3. **EXPANSION OF PREMISES.** The "Premises" under the Lease are hereby expanded to include the large First Right of Refusal Space, which consists of 6,110 usable square feet in Suite #400, the small First Right of Refusal Space and the adjacent space which combined consists of 1,223 useable square feet in Suite # 410, conference room #4108 which consists of 380 useable square feet, conference room #4110 which consists of 404 useable square feet and break room #4115 which consists of 434 useable square feet, (the "Expanded Premises") and all areas which were previously defined as common areas located on the 4th floor of the Building, as shown on Exhibit B to this Fourth Amendment. The addition of the above premises increases the usable square footage of the total leased premises to 45,885 useable square feet. Tenant may occupy any of the Expanded Premises after substantial completion of the Tenant Improvements to each of the respective areas,

which will be paid for solely by Tenant. As used hereafter in this Fourth Amendment, the term "Premises" shall be deemed to include the Premises previously leased to Tenant under the Lease as amended, and the Expanded Premises as Tenant occupies them.

4. TENANT IMPROVEMENTS. Tenant will, at Tenant's sole cost and expense, enter into a written agreement with either Barker Morrissey, W.E. O'Neil or BFL Construction to build out the Expanded Premises in accordance with the plans shown on Exhibit C. Tenant will provide all necessary equipment and furnishings, including chairs.

4.1. All contractors and subcontractors hired by Tenant to perform any Tenant Improvements authorized by this Fourth Amendment must be licensed contractors with the State of Arizona in good standing with the Arizona Registrar of Contractors and must be approved by Landlord prior to any Tenant Improvement work being commenced. Tenant will require all of its contractors to name Landlord as additional insured and additional indemnitee on all insurance policies covering work performed on the Premises. Tenant will require all prime and general contractors to establish and maintain a payment bond for the full amount of the construction contract in favor of all subcontractors and suppliers of labor, services or materials for the Tenant throughout the course of Tenant's Improvements.

4.2. Tenant will pay Landlord for the costs of: 1) disassembling, removing and transporting existing furnishings currently located in the Expanded Premises to any off-site space chosen by Landlord, 2) Landlord's employees' interior design fees, supervision, maintenance and management costs to remove any existing furniture, electrical power supply connections, computer cables or connections, and furnishings from the Expanded Premises that will not be stored in an off-site location, and 3) Landlord's added costs, to supervise and manage the Premises during the construction of the Tenant Improvements to the Expanded Premises.

4.3. Tenant will also be responsible for all costs attributable to any modifications required by the State Fire Marshal or any other governmental entity as a result of Tenant's Improvements to the Expanded Premises. The Tenant Improvement build out of the Expanded Premises will not commence until after this Fourth Amendment is fully executed.

5. **RENT.** Tenant will begin paying rent for the Expanded Premises at the rate of \$17.63 per square foot on the date that Tenant receives a Certificate of Substantial Completion for any of the Expanded Premises Tenant Improvements. If Tenant exercises the right to extend the term in accordance with the Section 3(b) of the Lease, Tenant will pay market rent or \$19.80 for the Expanded Premises in accordance with Section 6(a) of the Lease.

6. **UTILITIES.** Tenant will begin paying for utilities on the Premises (27,404 sq. ft.) currently leased to Tenant at the rate of \$8,333.33 per month on January 1, 2015. Tenant will pay the cost of purchasing and installing four (4) electricity sub meters in the Premises.

7. **FURNISHINGS.** Section 15 of the Lease as modified in the Second Amendment to Lease remains as: Tenant will not remove from the Premises during the term of this Lease any fixtures, furnishings and equipment provided by the Landlord. Tenant will remove any furnishings, fixtures, equipment and plumbing, electrical or heating/ventilation systems paid for and installed by Tenant upon Lease expiration and will restore the Premises to their condition prior to the installation of said

furnishings, fixtures, equipment and plumbing, electrical or heating/ventilation systems prior to Tenant moving out of the Premises. With Landlord's advance approval, Tenant may leave some items in place and they will become the property of the Landlord. Tenant will maintain, repair and replace all furnishings provided and installed by Tenant.

8. RETURN OF PREMISES TO ORIGINAL CONDITION. Upon expiration of the Lease Tenant shall restore the Premises to their pre-Tenant Improvement condition unless this obligation is waived in writing by Landlord. Tenant shall also reimburse Landlord for any costs incurred by Landlord to restore the Premises including, but not limited to: 1) materials and installation of any missing ceiling tile pads and grids; 2) materials and installation of any missing standard light troffers/covers; 3) materials and installation of flooring including carpet tiles, ceramic tiles and baseboard; 4) patching and painting areas where required by Landlord; 5) materials and installation necessary to restore the fire sprinkler system and densities applicable to office use standards; 6) materials and removal of a shower and installation of plumbing fixtures and toilets in the south employee restroom; 7) materials and installation of a building standard entry door into break room #4115; 8) materials and removal of millwork installed in the fourth floor lobby; 9) all other costs of materials and labor to remove any modifications required or requested by Tenant, the Fire Marshal or any other governmental entity during the Term to convert the Premises back to office use.

Photographs of the existing finish conditions of common areas of the first and fourth floors of the Building including corridors, walls, floors, ceilings, freight and passenger elevators, doors and frames which were taken prior to commencement of the tenant improvement construction of the Expanded Premises are attached as Exhibit D. In addition to the interior areas mentioned above, photographs of the exterior sidewalks, ramps, curbs and the designated corridor to be used from the south entry delivery doors to the fourth floor were taken prior to commencement of the tenant improvement construction and are attached as Exhibit E. Within ninety (90) days of the Lease expiration, Tenant will be fully responsible for returning all common areas on both the first and fourth floors and exterior areas of the Building utilized by Tenant to pre-occupancy condition.

9. SECURITY. Tenant will pay Landlord's security contractor directly for additional requested hours beyond the current normal hours of security services for the Abrams building.

10. REMAINING LEASE TERMS UNCHANGED. Except as modified as provided in this Fourth Amendment, all of the terms and conditions of the Lease as previously amended shall remain in full force and effect.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to Lease as of the day, month and year written below.

LANDLORD:

PIMA COUNTY, a political subdivision of the State of Arizona

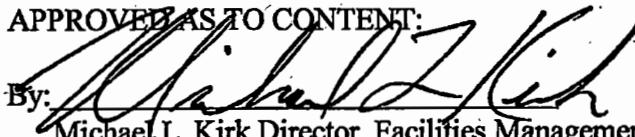
Chair, Board of Supervisors

Date _____

ATTEST:

Clerk of the Board

APPROVED AS TO CONTENT:

By: 

Michael L. Kirk Director, Facilities Management Department

APPROVED AS TO FORM:

By: 

Tobin Rosen, Deputy County Attorney

Exhibits:

- Exhibit A: Option Space "B" from Lease.
- Exhibit B: Premises Floor Plan – Expanded Premises
- Exhibit C: Tenant Improvement Floor Plan
- Exhibit D: Photograph of interior common areas on the first and fourth floors
- Exhibit E: Photographs of exterior sidewalks, ramps and curbs.

Exhibit A

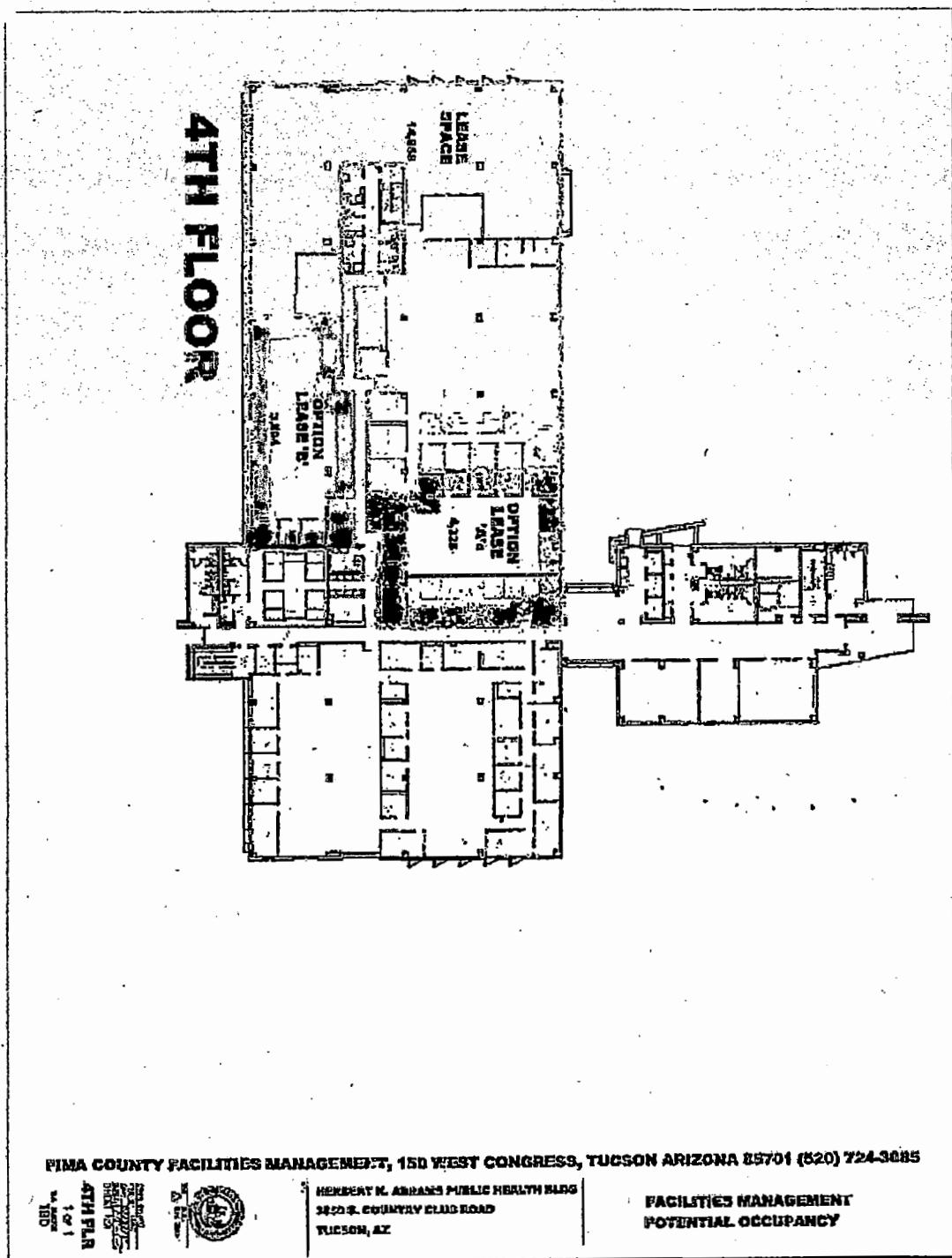
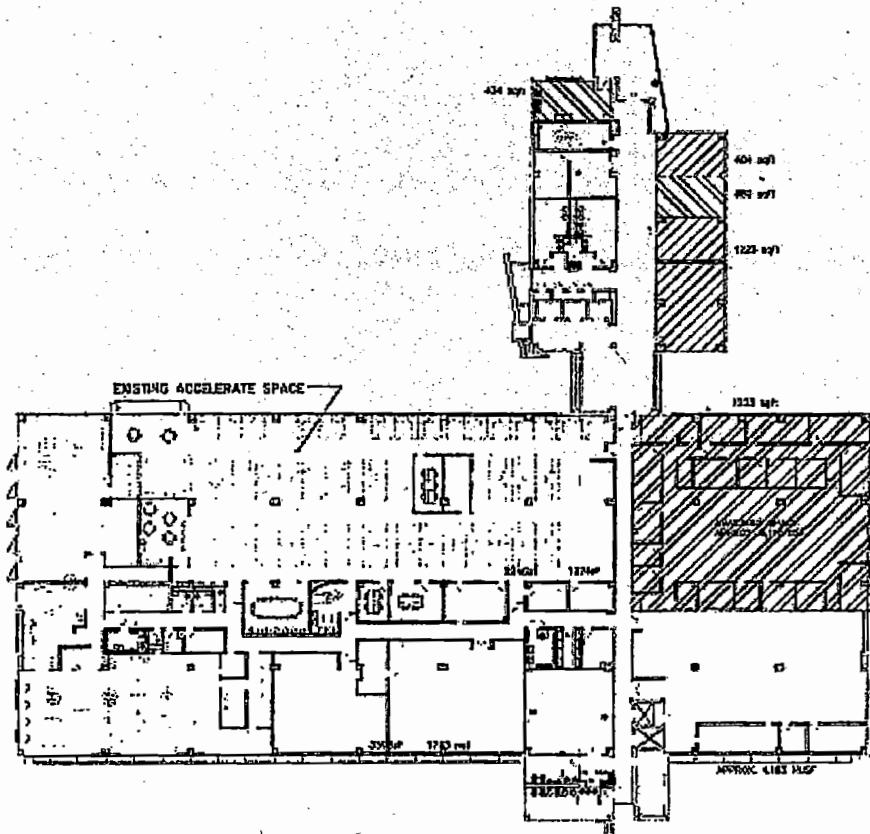


Exhibit B



PIMA COUNTY FACILITIES MANAGEMENT, 150 WEST CONGRESS, TUCSON ARIZONA 85701 (520)740-3086



Herbert K Abrams Building
Accelerate Option Space
4th Floor
3950 S Country Club Rd
Tucson, AZ

| | |
|---|-----------|
| DATE | SCALE |
| 10-21-14 | NTS |
| RECORDS OF | OWNER OR |
| CAC | CAC |
| WORK AUTHORIZATION | REPAI |
| Proj. # | Rev. Date |
| SEARCHED | INDEXED |
| SERIALIZED | FILED |
| THIS DOCUMENT CONTAINED HEREIN IS THE PROPERTY OF PIMA COUNTY, FOR OFFICE USE ONLY. | |
| OF | |

Exhibit C

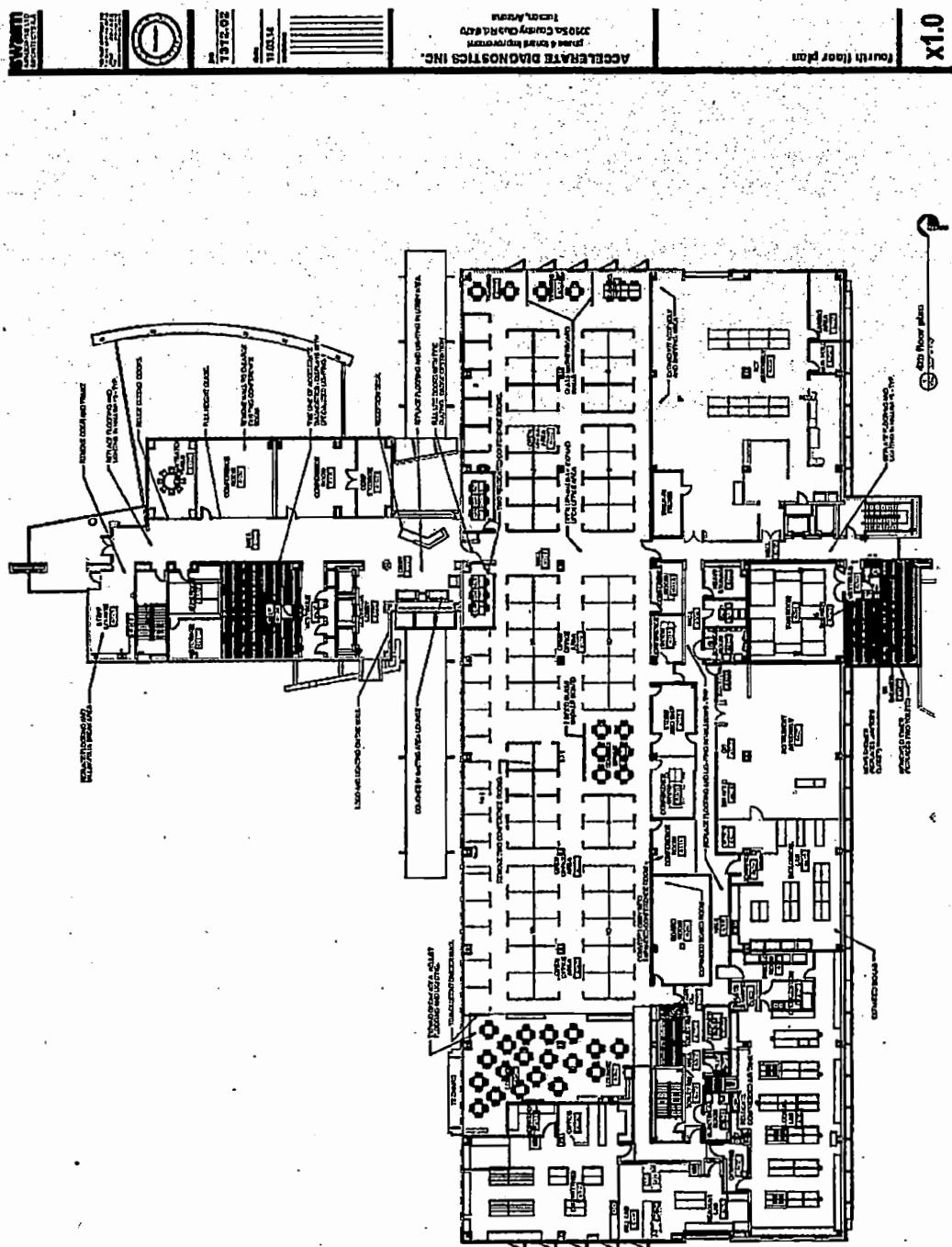
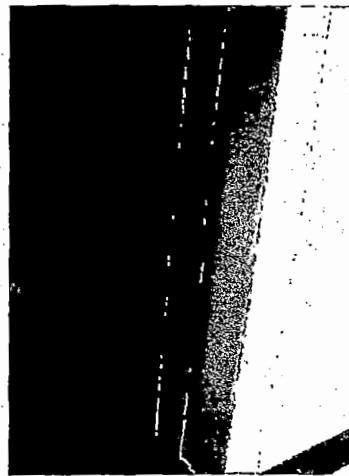


Exhibit D
Photographs of the interior common areas of the 1st floor



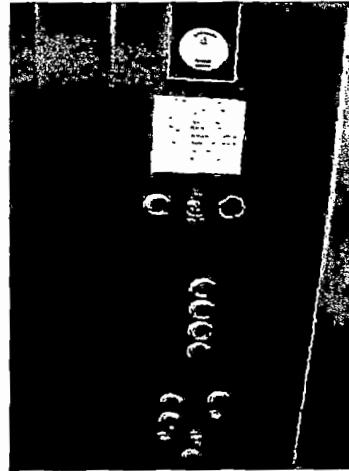
corner wall next to elevator E



wall between two elevators



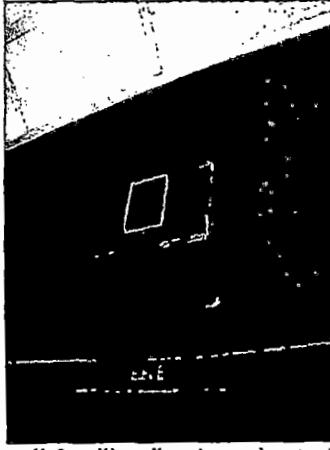
exterior buttons passenger elevator



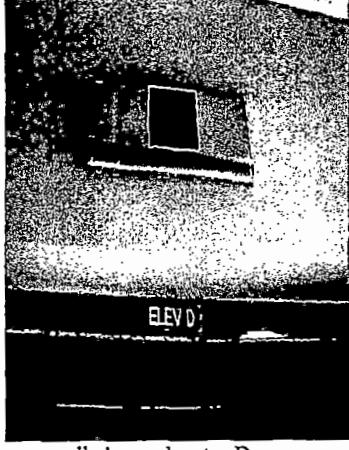
interior buttons passenger elevator



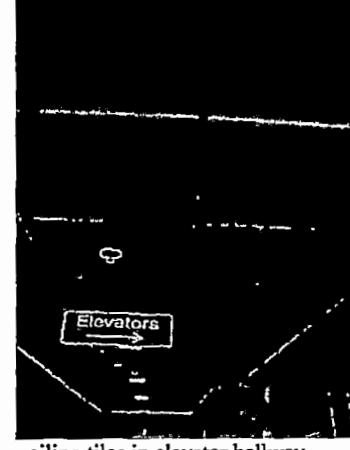
wall to the left of service elevator



wall & ceiling tiles above elevator E



wall above elevator D



ceiling tiles in elevator hallway

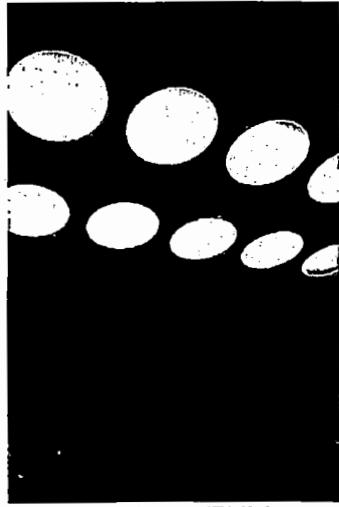
Photographs of the interior common areas of the 1st floor



Passenger elevator 'D' floor



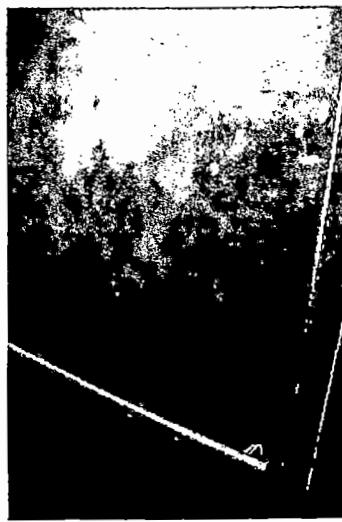
Passenger elevator 'D' lights



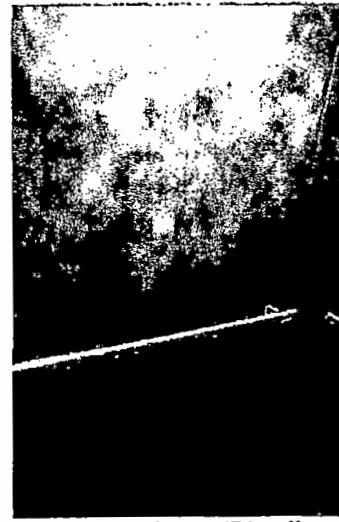
Service elevator 'E' lights



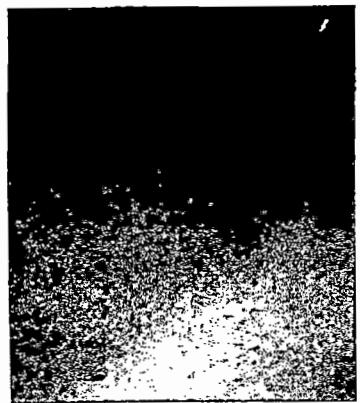
Passenger elevator 'D' wall



Passenger elevator 'D' wall



Passenger elevator 'D' wall



Service elevator 'E' floor

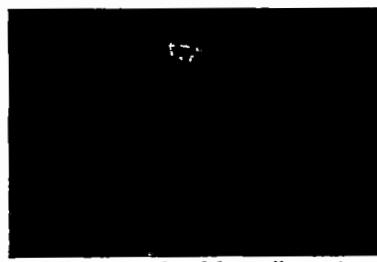
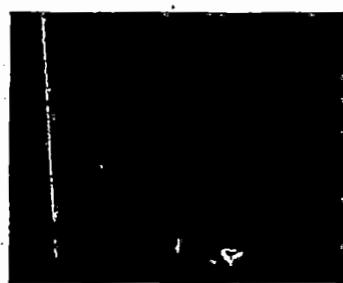


Service elevator 'E' floor

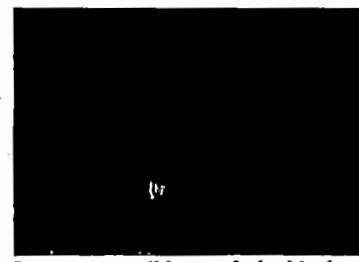


Exterior door service elevator 'E'

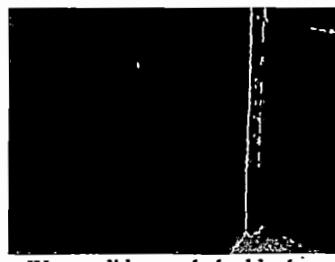
Photographs of the interior common areas of the 1st floor



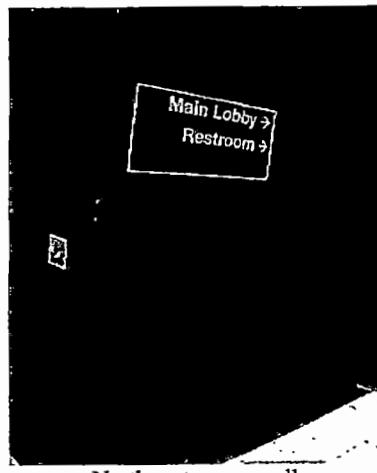
Wall to the right of the mail room



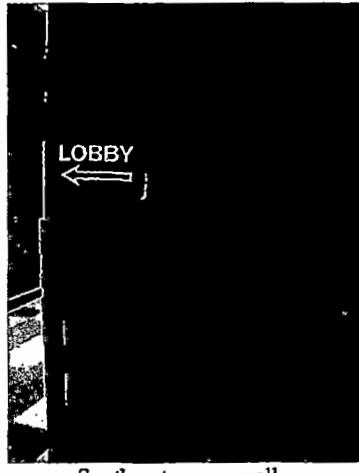
Lower east wall by south double doors



West wall by south double doors



Northwest corner wall



Southeast corner wall

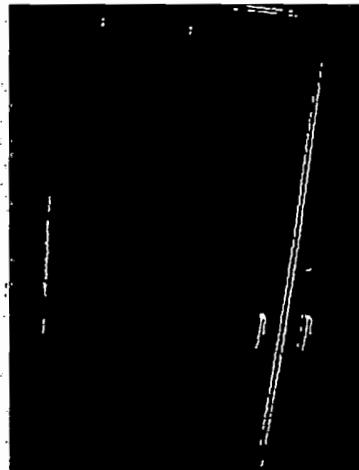


SE wall next to east Diabetes hall

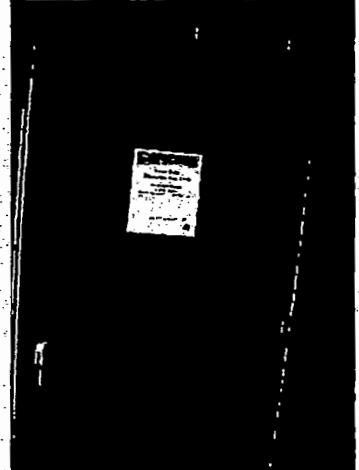
Photographs of the interior common areas of the 1st floor



North side of double doors by south entry



Close up east door to Diabetes center



Close up west door to Diabetes center



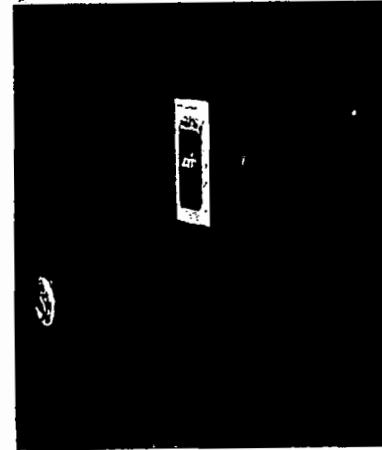
Floor scar by doors to Diabetes center



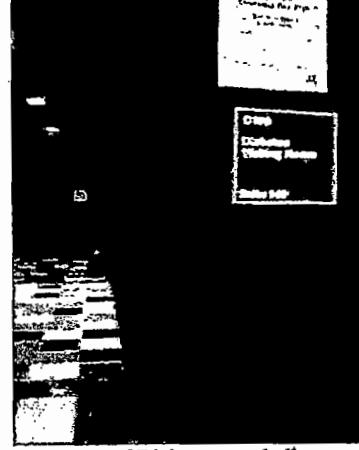
Floor scar by doors to Diabetes center



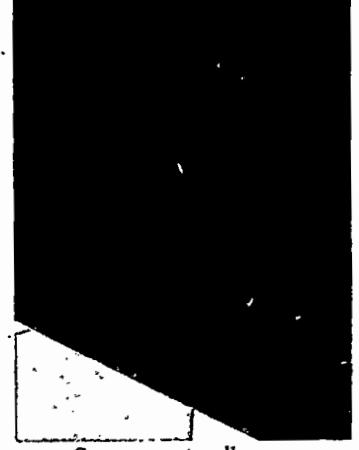
Floor scar by doors to Diabetes center



Two scrapes on west wall by card reader



Corner of Diabetes east hallway



Scar on west wall

Photographs of the interior common areas of the 1st floor



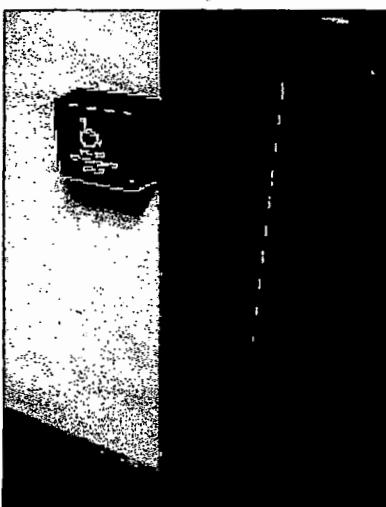
North hallway floor leading to lobby



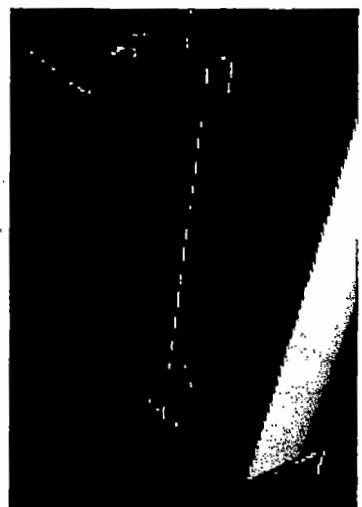
Hallway floor by Vital Records



Hallway floor & lobby double doors



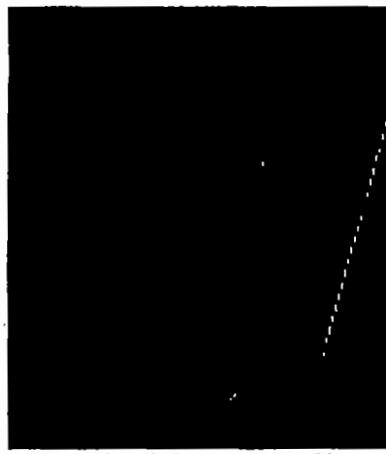
North wall west door leading to lobby



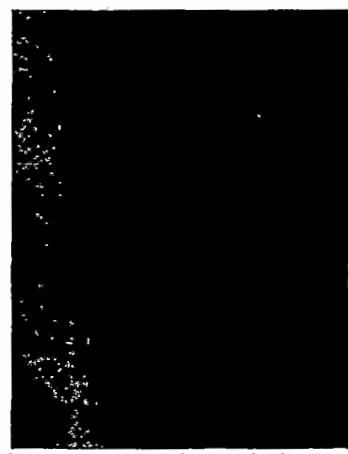
North wall east door leading to lobby



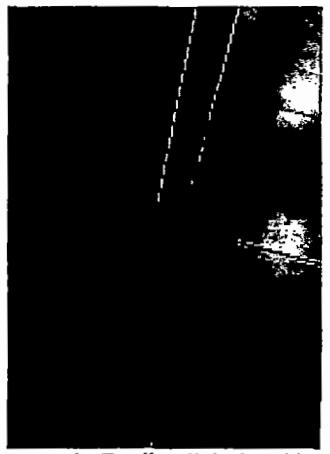
NW corner lobby by double doors



Corner by Vital Records & Lobby

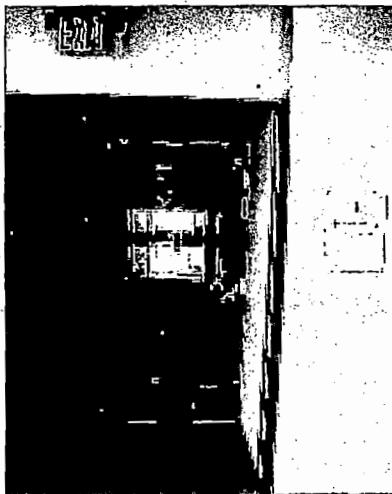


Close up north wall by east lobby door

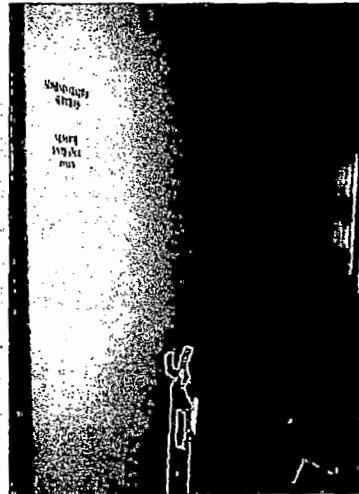


Corner by Family Clinic & Lobby

Photographs of the interior common areas of the 4th floor



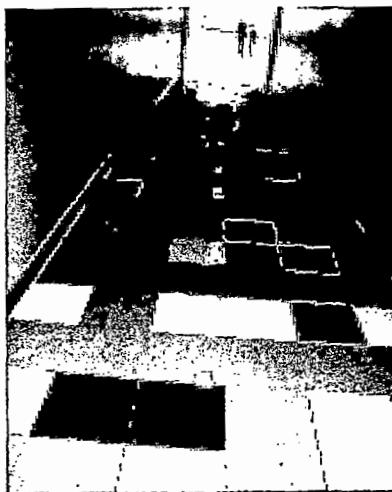
South view from lobby to main hallway



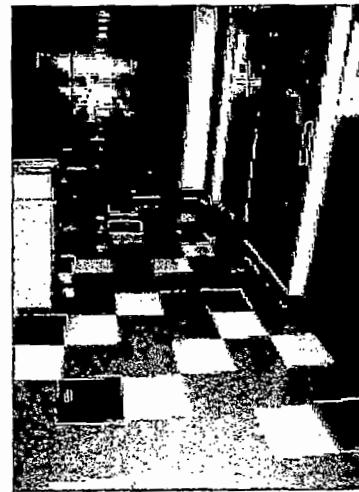
East wall 4220A by Vendor Entry



Corner of west hallway



Main hallway floor south view



Hallway floor by elevators



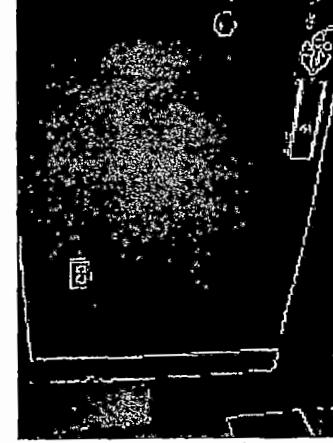
Ceiling & east wall by elevators



East wall by south elevators

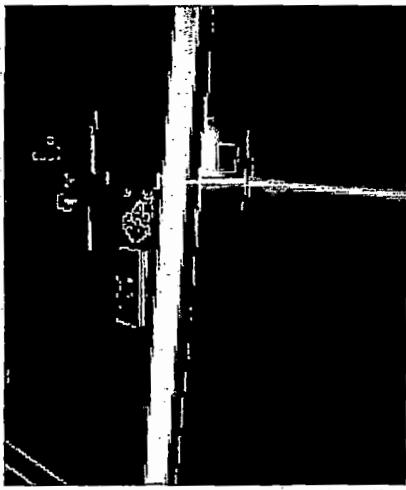


Close up of wall/floor by south elevators



Wall between south elevators

Photographs of the interior common areas of the 4th floor



Exterior of freight elevator door & wall



Exterior passenger elevator door & wall



North view hallway ceiling tiles



Marks on west wall across from elevators



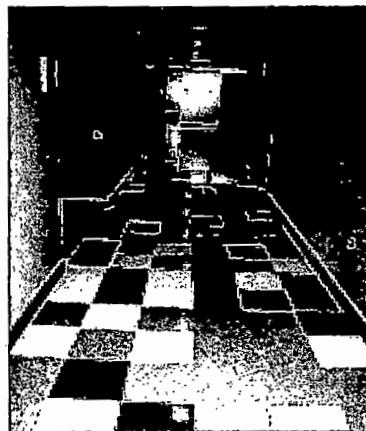
Marks on middle of hallway west wall



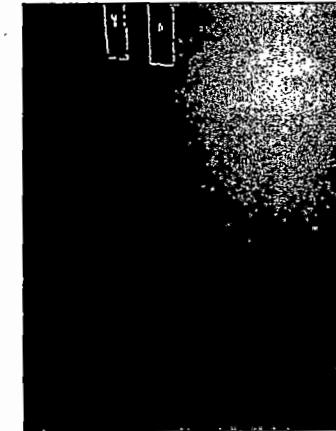
NW corner of main hallway



West view from main north/south hallway

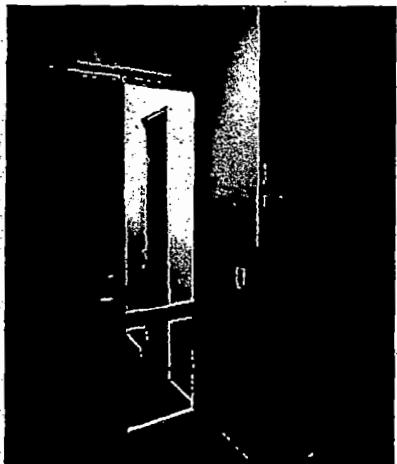


West view from employee entry 4420A



Hallway wall

Photographs of the interior common areas of the 4th floor



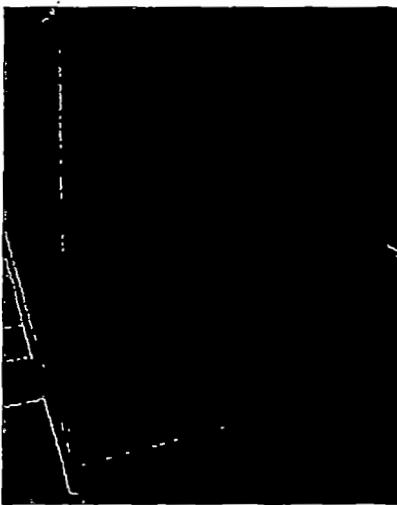
Exterior door to 4440



Exterior wall to 4420A



Exterior door to 4420A



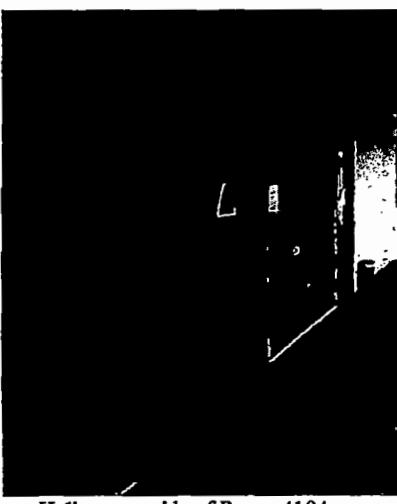
Corner outside exterior door to 4420A



Damaged ceiling tiles next to exit sign



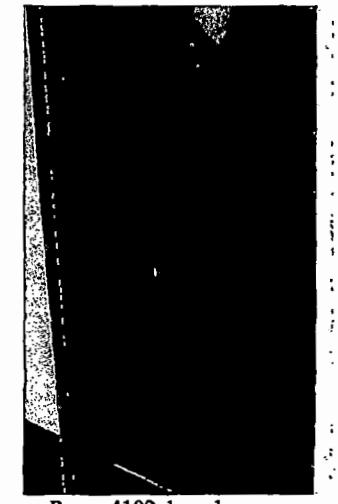
Close up of scratched ceiling tiles



Hallway outside of Room 4104



Hallway outside of Room 4102

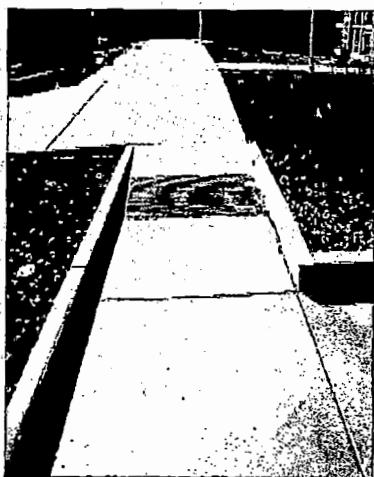


Room 4102 door damage

Exhibit E
Photographs of the exterior sidewalks, ramps and curbs



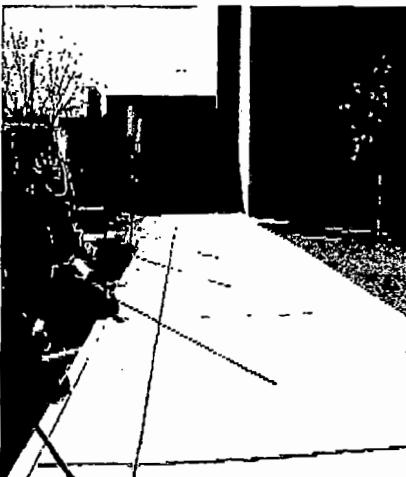
South curb at SE handicap walkway to ramp



SE handicap ramp to south sidewalk



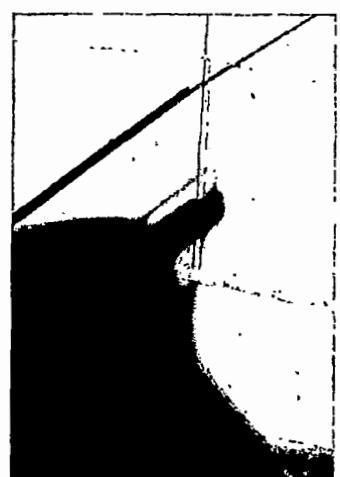
SE sidewalk



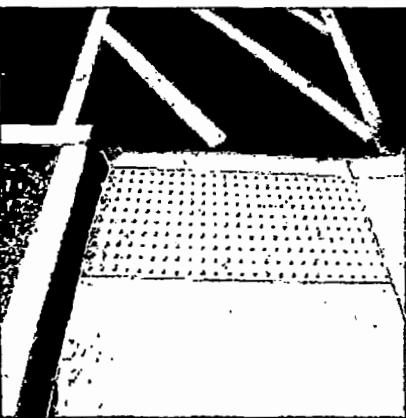
South sidewalk in front of delivery parking



Crack in south sidewalk to SE door



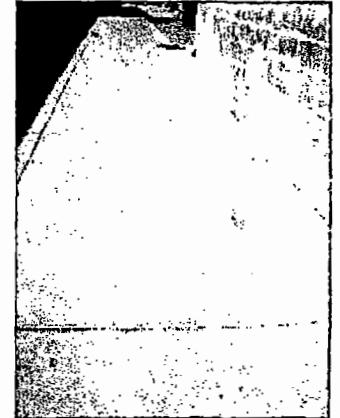
Crack in south curb



Ramp to south delivery parking at curb

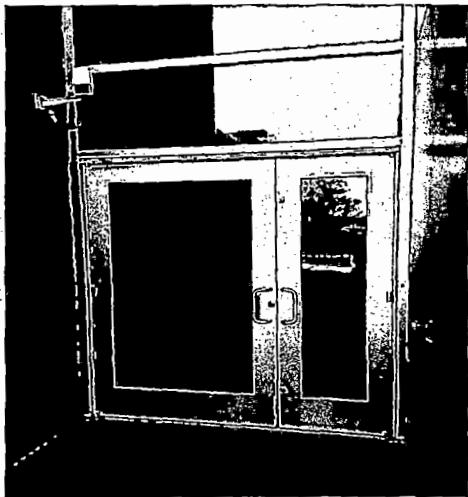


Curb at south delivery parking area



West view of south sidewalk

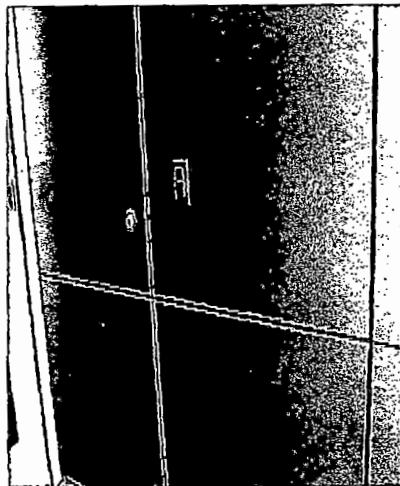
Photographs of the exterior sidewalks, ramps and curbs



South entry exterior



Close-up of west wall by south entry



East wall with card reader south entry



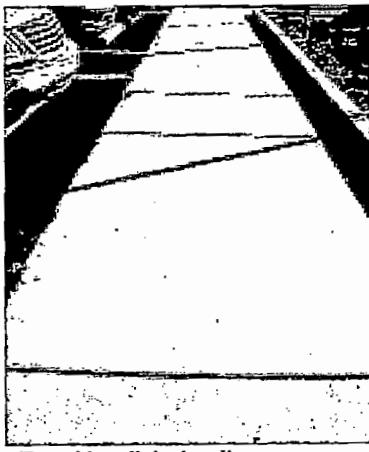
Scratches on east wall by south entry



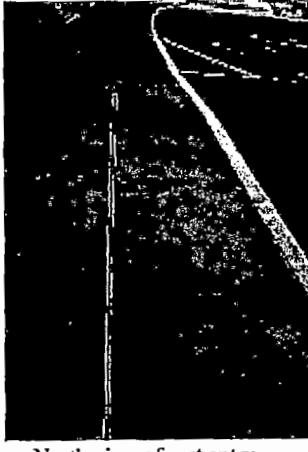
Damage on east wall south entry



South end of east parking lot curb



East sidewalk by handicap spaces



North view of east entry