



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: June 20, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): Ajo Plaza, LLC an Arizona limited liability company

Project Title/Description:

Ajo branch library First Amendment to Lease.

Purpose:

Approve the First Amendment to Lease which will extend the term for five (5) years. Since Pima County doesn't own any property in Ajo suitable for the library, these same premises have been leased for the past eighteen years.

Procurement Method:

Exempt Policy D 29.4.

Program Goals/Predicted Outcomes:

The Ajo library will continue to provide library services which include: children's reading programs, after school learning programs for children, a book club for adults, civic and cultural engagement for the community, computers, meetings held by various community organizations including the Ajo Garden Club, Ajo Samaritans, and the Tohono O'odham Language Study Group for the next five years.

Public Benefit:

The library which is located in the historical Ajo Plaza, is a vital component of Ajo. The uninterrupted access to books, computers, children's programs and activities in addition to adult speakers, book club and meetings for a variety of Ajo organizations will provide both educational and recreational opportunities and benefits to Ajo and the surrounding area.

Metrics Available to Measure Performance:

Conform with A.R.S Title 48-3901 County free library district.

Retroactive:

yes. The cause of moisture and peeling paint of an interior structural wall that has been evident for over 24 months was being investigated and remedies attempted by the owner. Both parties review of professional opinions and eventual agreement regarding the resolution of the issue delayed the execution of this First Amendment.

To: COB 6-6-17 (1)
Vers.: 25 pp.: 5

Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ _____ Revenue Amount: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: CT Department Code: LIB Contract Number (i.e., 15-123): 12*862

Amendment No.: 1 AMS Version No.: 25

Effective Date: 1-1-17 New Termination Date: 7-31-21

Expense Revenue Increase Decrease Amount This Amendment: \$250,000.00

Funding Source(s): Library District fund 2051

Cost to Pima County General Fund: \$0.00

Contact: Melissa Loeschen

Department: Facilities Management for the Library District Telephone: 724-8230

Department Director Signature/Date: _____

Deputy County Administrator Signature/Date: *Amelia D. Matthews* 5/31/17

County Administrator Signature/Date: *C. Dunkel-Schetter* 5/31/17
(Required for Board Agenda/Addendum Items)

| | |
|--|--|
| PIMA COUNTY DEPARTMENT OF: FACILITIES MANAGEMENT LEASE: 15 WEST PLAZA, SUITE 179, AJO, AZ TENANT: PIMA COUNTY LIBRARY DISTRICT LEASE NO. CT LIB 12*862 LEASE AMENDMENT NO.: One (1) | CONTRACT |
| | NO. <u>CT-LIB-12-862</u> AMENDMENT NO. <u>01</u> This number must appear on all invoices, correspondence and documents pertaining to this contract. |

| | | | |
|--|--------------------------|------------------------------|---------------------|
| ORIGINAL LEASE TERM: | 1/1/11 – 12/31/15 | ORIG. LEASE AMOUNT: | \$250,000.00 |
| TERMINATION DATE PRIOR AMENDMENT: | NA | PRIOR AMENDMENTS: | \$ 00.00 |
| TERMINATION THIS AMENDMENT: | 12/31/21 | AMOUNT THIS AMEND.: | \$250,000.00 |
| | | REVISED LEASE AMOUNT: | \$500,000.00 |

LEASE AMENDMENT #1

RECITALS

This FIRST AMENDMENT, for reference dated the 20th day of June, 2017, is made and entered into by and between AJO PLAZA LLC, an Arizona limited liability corporation (hereinafter called "Landlord") and PIMA COUNTY LIBRARY DISTRICT (hereinafter called "Tenant").

WITNESSETH

WHEREAS, Tenant and Landlord entered into a lease effective January 1, 2011 which expired on December 31, 2015. Since December 31, 2015, Tenant has occupied the premises on a holdover basis and has continued to pay rent to Landlord; and

WHEREAS, Landlord and Tenant desire to modify and extend the term of the Lease;

NOW THEREFORE, the parties agree to the following:

1. **PREMISES.** The address has been changed from 33 W. Plaza Street to 15 W. Plaza Street, Suite 179, in Ajo, Arizona. The physical premises remain the same as in the original Lease and subsequent Amendment dated June 1, 1999 which expanded the premise size.
2. **EXPIRATION.** The parties agree that they will treat the Lease as having been continuously in effect since its effective date. The term is hereby extended through December 31, 2021 (the "Expiration Date").
3. **RENT SECTION 4.1.** Tenant began paying to Landlord the amount of the First Year rent shown below effective January 1, 2017. The rental rate will increase by 3% annually as shown below:

| LEASE YEAR | MONTHLY BASE RENT | ANNUAL BASE RENT |
|------------|-------------------|------------------|
| 2017 | \$2,931.70 | \$35,180.42 |
| 2018 | \$3,019.65 | \$36,235.83 |
| 2019 | \$3,110.24 | \$37,322.91 |
| 2020 | \$3,203.55 | \$38,442.59 |
| 2021 | \$3,299.66 | \$39,595.87 |

- 4. OPERATING EXPENSE ADJUSTMENT SECTION 4.31.** The pro rata share is 7.95%. Subsection (viii) will not exceed the amount of annual operating and maintenance expenses due by Tenant. Subsection (ix) is deleted.
- 5. PAYMENT OF OPERATING EXPENSES. SECTION 4.3.2** If Tenant does not receive an itemized statement of the annual Operating Expenses for the period ending June 30th on or before October 1st, Tenant will not be required to make any monthly operating expense payment until such time as Tenant has reviewed the statement, received and reviewed the documentation for each charge, and approved the amount due.
- 6. NOT TO EXCEED AMOUNT SECTION 4.4.** Total amounts paid under this Lease by Tenant for the entire term, through the new Expiration Date, will not exceed \$500,000.
- 7. MAINTENANCE SECTION 8.1.** Landlord's maintenance responsibilities under Section 8.1 include, specifically: clearing clogged toilets and sinks; replace all HVAC filters in the Premises and the HVAC unit located outside of the Premises every month; and remove the trash from the exterior of the property every Monday, or as Library staff requests. Landlord's employees or contractors will sign the Tenant's log in book every time they enter the Premises provided it is maintained in a location made known to Landlord.
- 8. REPAIRS SECTION 8.2** Landlord is responsible for making the following repairs at their cost to the Tenant's satisfaction, no later than sixty (60) days after this First Amendment is fully executed:
1. Repair water damage to meeting room wall such that meter readings do not detect any sign of moisture in the meeting room wall regardless of the source, that exceeds the ambient humidity.
 2. Remove the temporary sheet rock which covers the meeting room.
 3. Patch all holes or cut block in the meeting room wall.
 4. Paint the meeting room wall to match the adjacent meeting room wall.
- If all of these repairs cannot be completed to the Tenant's satisfaction within 60 (sixty) days, Landlord will work closely with the Tenant's technical staff on a proper resolution to any remaining issues in as timely a manner as possible. The cost of doing the above repairs will not be included in the annual operating expenses for any year during this extended term.
- 9. INSURANCE SECTION 14.** The insurance requirements herein are minimum requirements for this Lease and in no way limits the indemnity covenants contained in this Lease. Tenant and Landlord shall, at their own expense, obtain and maintain during the Lease Term and any renewals thereof, the insurance coverages as outlined in this section.

9.1. TENANT'S INSURANCE SECTION 14.1. Tenant Required Insurance

- a. Commercial Property Insurance: Tenant will insure its personal property brought onto the Premises at full replacement cost of the property insured. Tenant may use a combination of insurance and self-insurance to provide this coverage.
- b. Commercial General Liability: Tenant will provide liability coverage to include bodily injury and property damage coverage with limits of \$1,000,000 Each Occurrence and \$1,000,000 General Aggregate.
- c. Workers' Compensation: Statutory workers' compensation coverage as required by the State of Arizona.

9.2. LANDLORD'S INSURANCE SECTION 14.2. Landlord Required Insurance

- a. Commercial Property Insurance: Landlord will be responsible for insuring building, fixtures, equipment, tenant improvements and betterments for special extended perils (all risk) at full replacement cost of the property insured.
- b. Commercial General Liability: Landlord will provide liability insurance to include bodily injury and property damage coverage with limits of \$1,000,000 Each Occurrence and \$1,000,000 General Aggregate.
- c. Landlord will cause Tenant to be named as an additional insured on the liability insurance policy. Landlord will, upon Tenant's request, provide Tenant with certifies of insurance evidencing the required coverage referenced above.

10. LANDLORD'S COSTS SECTION 7.1. Landlord is responsible for exterior pest control services, including exterior termite treatments, as deemed prudent and necessary by Landlord's pest control contractor.

11. TENANT'S COSTS SECTION 7.2. Tenant is responsible for interior termite treatment of library occupied spaces as deemed prudent and necessary by Tenant's pest control contractor.

12. WAIVER OF SUBROGATION SECTION 14.3. Landlord and Tenant hereby waive any recovery of damages against each other (including their employees, officers, directors, agents, or representatives) for loss or damage to the building, tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance required above.

13. NOTICE TO LANDLORD SECTION 20.14. Landlord's mailing address is: P.O. Box 687, Ajo, Arizona 85321.

SURVIVAL. All terms, conditions and covenants of the Lease, as herein amended, will continue in full force and effect through the Expiration Date.

EFFECTIVE DATE. The terms of this Amendment will go into effect when executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the dates set forth below.

TENANT
PIMA COUNTY LIBRARY DISTRICT

LANDLORD
AJO PLAZA, LLC

BY: _____
Chair, Library District Board

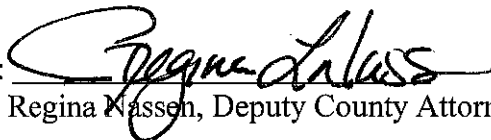
BY: _____ / / 2017
, Manager

ATTEST:

BY: _____
Clerk of the Board

DATE: _____

APPROVED AS TO FORM:


BY: 
Regina Nassen, Deputy County Attorney

DATE: 5/31/2017

APPROVED AS TO CONTENT:

BY: 
Lisa Josker, Director Facilities Management

DATE: 5/31/17

BY: 
Amber Mathewson, Library Director

DATE: 5/31/17

TENANT
PIMA COUNTY LIBRARY DISTRICT

LANDLORD
AJO PLAZA, LLC

BY: _____
Chair, Library District Board

BY: James M. Reiman 5/31/2017
JAMES REIMAN, Manager

ATTEST:

BY: _____
Clerk of the Board

DATE: _____

APPROVED AS TO FORM:

BY: _____
Regina Nassen, Deputy County Attorney

DATE: _____

APPROVED AS TO CONTENT:

BY: _____
Lisa Josker, Director Facilities Management

DATE: _____

BY: _____
Amber Mathewson, Library Director

DATE: _____