



Board of Supervisors Memorandum

April 9, 2020
Special COVID-19 Updates Meeting

**Six-Month Rent, Utility and Operating and Maintenance Cost Delay
for Pima County's Leased Properties**

Background

As you know, the County leases a number of properties to nonprofits as well as startups and businesses in County facilities. Due to the harsh economic conditions now occurring as a result of the COVID-19 pandemic, it would be appropriate to consider rent relief for all of the businesses or organizations that occupy County facilities under a written rent lease.

Attached are the names of the organizations, addresses and the six-month rent delay amounts as well as the utility and operating and maintenance amounts for the same period.

I recommend that at a minimum the County delay the monthly collection of lease rent for the next six months and evaluate, on a case by case basis, whether utility, operating and maintenance expenses should also be delayed even though there are some categories where there is no lease payment but a utility, operating and maintenance payment.

It should be noted that this is a delay in payment, not a forgiveness of payment.

At the end of the six-month period, for the amount that is deferred, we will then determine with each leasee their ability to pay the deferred payments or combination of rent and utility, operating and maintenance. We will then develop an appropriate payment plan such that any of the expenses not repaid at the end of six months can be financed with an interest cost of the local and government investment pool, which is the rate at which the County funds are invested (1.77 percent), plus one percent.

Many of these entities are operating on significantly reduced hours with reduced staffing or may, in fact, be closed. Hence, I believe it is appropriate to offer this financial assistance through rent deferral as well as the option to also defer utility, operating and maintenance expenses. I would prefer to have these organizations continue making payroll for their employees rather than paying Pima County for rent, utility, operating and maintenance expenses. While the aggregate may be as high as \$2.5 million during this six-month period, I do not believe this deferral will cause any financial hardship for the County.

Recommendation

I recommend the Board of Supervisors defer rent, utility and operating and maintenance payments in the amount of up to \$2,489,875.51 for all of the listed organizations leasing space from Pima County for six-months and to develop appropriate repayment plans if the

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Six-Month Rent, Utility and Operating and Maintenance Cost Delay for Pima County's Leased Properties**

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organizations are unable to fully repay the six-month deferral. Interest will be charged on any unpaid amount at the rate of the local government investment pool, which is 1.77 percent, plus one-percent for a total of 2.77 percent.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc – April 6, 2020

Enclosure

c: Jan Leshner, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Diane Frisch, Director, Attractions and Tourism
Lisa Josker, Director, Facilities Management

Non-County Tenant Listing - COVID-19 Rent Delay Estimate

Lin	Tenant Name	Building Location/Address	6-Month Lease Rent	6 Month Utility/O&M	6 Month Total
1	Pima County Community Land Trust, Inc.	17 N Linda Ave	\$ 8,400.00	\$ -	\$ 8,400.00
2	COPE Community Services	32 N Stone	-	450.00	450.00
3	Rural Metro	32 N Stone	-	420.00	420.00
4	Action Communications	33 N Stone Shed C	-	619.00	619.00
5	Bank of America - ATM Room	33 N Stone	9,000.00	1,200.00	10,200.00
6	Baggin's Inc	33 N Stone	32,068.80	3,963.50	36,032.30
7	Dakotacom Internet Partners	33 N Stone Shed B	-	399.00	399.00
8	Drug Enforcement Admin	33 N Stone	-	2,676.00	2,676.00
9	Quick Print (C-Cubed Unltd, Inc)	33 N Stone	33,122.64	-	33,122.64
10	Eleven Café	33 N Stone	6,556.50	-	6,556.50
11	De La Warr Invest. Corp. DBA "AZ Auto Parks, Inc"	33 N Stone	13,804.98	-	13,804.98
12	Level 3	33 N Stone	422.16	-	422.16
13	Simply Bits LLC	33 N Stone Shed C	-	619.00	619.00
14	Sprocket Communications	33 N Stone Shed B	-	399.00	399.00
15	Southern New Hampshire University (SNHU) - Building	97 E Congress	389,175.97	-	389,175.97
16	Southern New Hampshire University (SNHU) - Parking Garage Permits	50 N Scott Avenue	103,840.00	-	103,840.00
17	Metro Tucson Convention and Visitor Center	115 N Church	142,002.00	-	142,002.00
18	University of Arizona (4 month est. start June 1)	115 N Church	48,144.00	-	48,144.00
19	Ajo Community Health Care	120 W Estrella Ajo AZ	7,602.00	-	7,602.00
20	Old Tucson	201 S Kinney Road	32,147.10	-	32,147.10
21	Community Performing Arts Center Foundation	1250 W Continental Dr GV	7,758.00	-	7,758.00
22	Osher Lifelong Learning Institute at UA	1250 W Continental Dr GV	10,000.00	-	10,000.00
23	World View Enterprises Inc.	1805 E Aerospace Parkway	355,000.00	-	355,000.00
24	Southern AZ Community Sports	2110 W Curtis Road	-	37,500.00	37,500.00
25	DCS Arizona Department of Economic Security	2329 E Ajo Way	-	17,381.76	17,381.76
26	Southern Arizona Children Advocacy	2329 E Ajo Way	-	58,043.04	58,043.04
27	Arizona's Children Association Family of Agencies	2329 E Ajo Way	-	1,215.30	1,215.30
28	University of Arizona	3035 W El Camino del Cerro AKA 2947 W Calle Agua Nueva	-	70,031.10	70,031.10
29	Drexel Heights Fire	3434 E 22nd Street	-	28,494.12	28,494.12
30	Impact of Southern AZ	3535 Hawser Street Catalina	-	24,891.30	24,891.30
31	UA College of Medicine	3950 S Country Club	112,514.82	45,277.02	157,791.84
32	UA ASHLine	3950 S Country Club	36,763.98	17,541.66	54,305.64
33	UA Collaborative - Nutrition Ctr	3950 S Country Club	102,876.00	58,044.24	160,920.24
34	Banner Health (UA)	3950 S Country Club	153,954.00	86,861.52	240,815.52
35	Accelerate	3950 S Country Club and 2980 E Ajo Way	250,000.00	114,994.50	364,994.50
36	Pima Air Museum	6000 E Valencia Road	-	50,705.50	50,705.50
37	Crooked Tree Golf Course	9101 N Thornydale Road	3,000.00	-	3,000.00
38	Colossal Cave Mountain Park	16721 E Old Spanish Trail, Vail, AZ	9,996.00	-	9,996.00
Total Delay			\$ 1,868,148.95	\$ 621,726.56	\$ 2,489,875.51

Note:

6 month amounts are approximate depending on the lease terms and effective date of delay.