



BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS

Award Contract Grant

Requested Board Meeting Date: 4/19/2022

* = Mandatory, information must be provided

or Procurement Director Award:

***Contractor/Vendor Name/Grantor (DBA):**

Southern New Hampshire University

***Project Title/Description:**

County is undertaking a building renovation project and needs temporary space to house a portion of its workforce during the project. SNHU has temporarily reduced its on-premise workforce and has available space within their leased space at 97 E. Congress to accommodate County's needs.

***Purpose:**

For the period from June 1, 2022 through March 31, 2024, SHNU agrees to temporarily vacate floors 2 and 3 within 97 E. Congress, thereby reducing their rentable square footage ("RSF") from 44,341 to 22,496. This reduction allows County full access to floors 2 & 3 for temporary use of office space for its employees during renovations. Parties agree to new terms and conditions which include, among other changes, the reduction in Base Rent for the temporary period.

***Procurement Method:**

Exempt per Section 11.04.020

***Program Goals/Predicted Outcomes:**

Amend lease agreement with current Tenant (SNHU) to provide temporary space (floors 2 and 3) within property located at 97 E. Congress to house a portion of County's workforce during the a renovation project. Temporary space is in close proximity to renovation project and will be convenient to County employees. Tenant, currently has a reduced need for on-premise space and can therefore accomodate County workers and in turn temporarily reduce its rent costs.

***Public Benefit:**

During the temporary renovation project, County can continue to provide all services to public and do so in a cost effective manner.

***Metrics Available to Measure Performance:**

Continued provision of services during restoration. Access to nearby location for County workers. Efficient use of space and funds.

***Retroactive:**

No.

APR 13 22 PM 03:17 PC CLK OF BD
MM

TO: COB 4-13-22 (1)
VERS: 5
PGS: 4 APPENDIX 1

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: Department Code: Contract Number (i.e., 15-123):
Commencement Date: Termination Date: Prior Contract Number (Synergen/CMS):
Expense Amount \$ Revenue Amount: \$

*Funding Source(s) required:

Funding from General Fund? Yes No If Yes \$ %
Contract is fully or partially funded with Federal Funds? Yes No
If Yes, is the Contract to a vendor or subrecipient?
Were insurance or indemnity clauses modified? Yes No
If Yes, attach Risk's approval.
Vendor is using a Social Security Number? Yes No
If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: CTN Department Code: FM Contract Number (i.e., 15-123): 20-032
Amendment No.: 4 AMS Version No.: 5
Commencement Date: 6/01/2022 New Termination Date:
Prior Contract No. (Synergen/CMS):
Expense Revenue Increase Decrease
Amount This Amendment: \$ (1,521,928.14)

Is there revenue included? Yes No If Yes \$
*Funding Source(s) required:
Funding from General Fund? Yes No If Yes \$ %

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: Department Code: Grant Number (i.e., 15-123):
Commencement Date: Termination Date: Amendment Number:
Match Amount: \$ Revenue Amount: \$

*All Funding Source(s) required:
*Match funding from General Fund? Yes No If Yes \$ %
*Match funding from other sources? Yes No If Yes \$ %
*Funding Source:

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Kevin Button Telephone: 520,724-8230
Department: Facilities Management
Department Director Signature: Date: 4/7/2022
Deputy County Administrator Signature: Date:
County Administrator Signature: Date: 4/7/2022

PIMA COUNTY DEPARTMENT OF FACILITIES MANAGEMENT

Project: Fourth Amendment to Lease agreement with SNHU for 97 E. Congress St.

Tenant: Southern New Hampshire University

Lease Contract No.: CTN-FM-20-032

Lease Amendment No.: Four (4)

ORIGINAL LEASE TERM:	08/19/2019 to 08/31/2029	ORIG. LEASE AMOUNT:	\$ 9,630,898.69
TERMINATION DATE PRIOR AMENDMENT:	08/31/2029	PRIOR AMENDMENTS:	\$ 754,645.75
TERMINATION THIS AMENDMENT	08/31/2029	AMOUNT THIS AMEND.:	\$ (1,521,928.14)
		REVISED LEASE AMOUNT:	\$ 8,863,616.30

**FOURTH AMENDMENT TO LEASE
97 EAST CONGRESS STREET
TUCSON, ARIZONA**

1. Background and Purpose.

- 1.1. Pima County, a political subdivision of the State of Arizona (“**County**”) owns a building (the “**Building**”) located at 97 E. Congress Street, Tucson Arizona which contains approximately 44,341 gross square feet of interior space as well as an exterior landscaped courtyard area (the “**Premises**”).
- 1.2. County previously entered into a Lease, with an effective date of August 19, 2019, leasing the Premises to Southern New Hampshire University, a New Hampshire non-profit Corporation (“**SNHU**”).
- 1.3. With the First Amendment, fully executed on November 19, 2019, County and SNHU (“**Parties**”) amended the Lease allowing for Pima County Facilities Management Department (“**FM**”) staff to contract for and oversee the certain improvements allowed under Section 4 of the Lease, with reimbursement from SNHU.
- 1.4. With the Second Amendment, fully executed on February 4, 2020, Parties amended the Lease to increase HVAC hours, modify rental rate accordingly and add a section related to “Alarm Monitoring Service and Notification”.
- 1.5. With the Third Amendment, fully executed on September 21, 2021, Parties revised the terms described in Section 6 of the Lease, and effectively reduced the number of parking spaces allocated to SHNU in the Scott Avenue Garage from 230 to 150 spaces.
- 1.6. County is undertaking a building renovation project and needs temporary space to house a portion of its workforce during the project. SNHU has temporarily reduced its on-premise workforce and has available space to accommodate County’s needs. Additionally, SNHU wishes to reduce the HVAC hours modified by the Second Amendment.

2. **Modification of Lease.** County and SNHU hereby agree to modify the terms of the Lease.
3. **Reduction in Rentable Square Footage.** For the period from June 1, 2022 through March 31, 2024 (“**Interim Period**”), SHNU agrees to temporarily vacate floors 2 and 3 in the Building, thereby reducing their rentable square footage (“**RSF**”) from 44,341 to 22,496. This reduction allows County full access to floors 2 and 3 for temporary use of office space for its employees during renovations.
4. **Transition Period.** Parties agree to cooperate and make all reasonable efforts to minimize disruptions to normal business operations during the transition period.
 - 4.1. **Move-in/Move-out.** County will begin move-in to floors 2 and 3 on June 1, 2022. SHNU will complete any employee relocations before June 1, 2022 to facilitate a smooth transition.
 - 4.2. **Changes to Office Space.** County may need to reconfigure office layout to accommodate the incoming County personnel. Should it be necessary to make changes to the office layout, County will, at its sole cost and expense, remove, store and secure any furniture, fixtures, and equipment (“**FF&E**”) located on floors 2 and 3. At the end of the Interim Period, County will return any FF&E it has moved or removed back to its original location and configuration.
5. **Base Rate.** Beginning on April 1, 2022, SNHU will pay County a Base Rent of \$15.97 per RSF per year. For the period between April 1, 2022 and May 31, 2022, the Base Rent shall be: $\$15.97 \times 44,341 \text{ sf} = \$708,125.77$ annually or $\$59,010.48$ monthly. For the Interim Period, the Base Rent shall be: $\$15.97 \times 22,496 \text{ sf} = \$359,261.12$ annually or $\$29,938.42$ monthly. Beginning September 1, 2022 and each year thereafter, the Base Rent will increase by 1.5%.
6. **Parking.** During the Interim Period, the number of parking spaces available to SNHU will be reduced from 150 to 75, except for the reduction in the number of parking spaces, payment and all other terms and conditions outlined in Section 6 of Amendment 3, remain in full force.
7. **HVAC Hours.** Beginning April 1, 2022 and continuing through the full term of the Lease, County will provide HVAC for 60 hours per week from 8:00a.m. to 8:00p.m., Monday through Friday. Should SNHU request additional heating and cooling beyond the 60 hours per week described above, it will be billed at a rate of \$35.53 per hour (“**Afterhours Rate**”). Beginning September 1, 2022 and each year thereafter, Afterhours Rate will increase by 1.5%.
8. **Telecommunications space.** Parties will mutually agree on the location and size of a telecommunications space for County telecommunications equipment. This space will be securable and accessible only by County authorized personnel, 24 hours per day seven days a week. SHNU will have unfettered access, 24 hours per day seven days a week, to any of their telecommunication spaces and equipment located on the floors 2 and 3 of the Building.
9. **Building Access/Keys.** During the Interim Period, SNHU, through the use of their building access system, agrees to provide key card access to County employees. County will provide SNHU a list of authorized personnel requiring key card access.

10. **Remaining Lease Terms Unchanged.** All other terms and conditions of the Lease not specifically modified by this Fourth Amendment will 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 on the day, month and year written below.

LANDLORD:

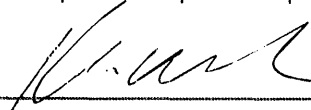
PIMA COUNTY, a political subdivision of the State of Arizona

By: _____
Sharon Bronson
Chair, Board of Supervisors

Date: _____

TENANT:

SOUTHERN NEW HAMPSHIRE UNIVERSITY,
New Hampshire nonprofit corporation

By:  _____

Date: 4/12/2022

ATTEST:

By: _____
Melissa Manriquez, Clerk of the Board of Supervisors

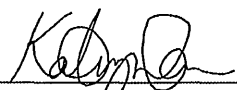
Date: _____

APPROVED AS TO CONTENT:

By:  _____
Lisa Josker, Director, Facilities Management Department

Date: 3/25/22

APPROVED AS TO FORM:

By:  _____ March 25, 2022
Kathryn Ore, Deputy Pima County Attorney

Date: _____