

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

← Award ← Contract ← Grant	Requested Board Meeting Date: 10/18/2022
* = Mandatory, information must be provided	or Procurement Director Award:
*Contractor/Vendor Name/Grantor (DBA):	
Mount Lemmon Domestic Water Improvement District	
*Project Title/Description:	
Lease of Former Zimmerman Accommodation School	
*Purpose:	
and Pima County ("Landlord") expired on June 1, 2022. The	e Agreement dated June 2, 2016, and Amended on June 2, 2019, between Tenant ne Tenant will continue leasing the property and the building, which are located o AZ, Pima County, parcel number 205-14-7310. RPS File: LCP-0099
*Procurement Method:	
Exempt pursuant to Pima County Code 11.04.020	
*Program Goals/Predicted Outcomes:	
Staff recommends that the Board of Supervisors approve	the Lease Agreement.
*Public Benefit:	
The Lease will provide the Tenant with an additional three water education and planting for erosion control.	(3) years in which to conduct classes for the local community, which include CPR,
*Metrics Available to Measure Performance:	
The County will continue to collect rental income in the arthe appraisal section in Real Property Services.	mount of $\$1,130.00$ per month, which is supported by the evaluation completed by
*Retroactive:	

No

TO: COB 10/3/22 (1) Vers: 1 Pgs:13

SEP30°22PM0342P0

# 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: <u>CTN</u>	Department Code: RPS	Contract Number (i.e., 15-123): <u>23*0050</u>	
Commencement Date: 10/18/2022	Termination Date: <u>10/17/2025</u>	Prior Contract Number (Synergen/CMS):	
Expense Amount \$*	⊠ Rev	enue Amount: \$ <u>40,680.00</u>	
*Funding Source(s) required:	_		
Funding from General Fund?	s 🕝 No If Yes \$		
Contract is fully or partially funded with If Yes, is the Contract to a vendor or			
Were insurance or indemnity clauses m If Yes, attach Risk's approval.	odified? C Yes • No		
Vendor is using a Social Security Number If Yes, attach the required form per Admir			
Amendment / Revised Award Inform	ation		
Document Type:	Department Code:	Contract Number (i.e., 15-123):	
Amendment No.:	AM	IS Version No.:	
Commencement Date:	Nev	w Termination Date:	
	Prio	or Contract No. (Synergen/CMS):	
C Expense C Revenue C Incre	ase C Decrease	ount This Amendment: \$	
Is there revenue included? Yes	C No If Yes \$	oute mis Amenament. \$	
*Funding Source(s) required:			
Funding from General Fund?  Yes	C No If Yes \$	%	
Grant/Amendment Information (for		C Award C Amendment	
Document Type:	Department Code:	Grant Number (i.e., 15-123):	
Commencement Date:	Termination Date:		
Match Amount: \$		ue Amount: \$	
*All Funding Source(s) required:			
*Match funding from General Fund?	C Yes C No If Yes \$		
*Match funding from other sources?  *Funding Source:	C Yes C No If Yes \$	<u> </u>	
*If Federal funds are received, is fund	ling coming directly from the Federa	al government or passed through other organization(s)?	
Contact: Rita Leon	1		
Department: Real Property Services	L ILHIII	Telephone: <u>724-6462</u>	
Department Director Signature:	of property	Date: 9/38/2027	
Deputy County Administrator Signature:	CO - 06	Date: 9/30/2027	
Ounty Administrator Signature:	Car	Nate: 9 2017177	

### PIMA COUNTY BOARD OF SUPERVISORS

PROJECT: Lease of Former Zimmerman Accommodation School

TENANT: Mount Lemmon Domestic Water Improvement District

**REVENUE CONTRACT** ADV Contract Number: CTN-RPS-23\*0050

AMOUNT: \$1,130.00 per month

TERM: Three Years

#### LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between PIMA COUNTY, a political subdivision of the State of Arizona ("Landlord"), and the MOUNT LEMMON DOMESTIC WATER IMPROVEMENT DISTRICT, a special taxing district ("Tenant"). The parties to this Lease may at times be referred to herein, singularly, as a "Party" or, collectively, as the "Parties."

#### WITNESSETH

WHEREAS, Landlord owns that certain real property legally described as the south half of that part of block 40 of Summerhaven Subdivision, Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in book 4 of Maps and Plats at page 99, lying southerly of the north 76 feet of said block 40 ("the Property"); and

**WHEREAS**, Tenant will not use the Mobile Home at the South end of the Property, building two (2) shown on Exhibit "A". Landlord will remove the Mobile Home at a future date. The Mobile Home must remain empty of any/all Tenant's personnel, materials, and equipment, and

**WHEREAS,** Tenant desires to lease the Property from Landlord in order to provide space for water district offices, public meetings and other public purpose functions of Tenant, and

**WHEREAS**, pursuant to A.R.S. §11-256.01, Landlord may lease real property to other political subdivisions of the state; and

**WHEREAS,** Tenant is a political subdivision of the State of Arizona pursuant to Arizona Constitution Article XIII section 7; and

WHEREAS, Landlord has provided notice of this Lease in accordance with A.R.S. section 11-256.01(B) and has received no other bids therefor.

**NOW, THERFORE**, in consideration of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Incorporation by Reference</u>: The Parties hereby incorporate the foregoing recitals of this Lease as though fully set forth herein, agreeing that such recitals are material, true and correct.
- 2. <u>Purpose of Lease</u>: The purpose of this Lease is based on the benefits accruing to the public as a result of Tenant's proposed use of the Property, which benefits include but are not limited to Tenant's service to Summerhaven and Mount Lemmon, and its maintenance, improvement, conservation and care of the Property.

Tenant will provide programs consistent with its current operations as a domestic water improvement district of the State of Arizona (the "Permitted Activities"). Tenant will not use the Property for any other purpose nor engage in or permit any other business activity on the Property

3. <u>Lease and Term</u>: Landlord hereby leases to Tenant and Tenant leases from Landlord, the Property for the term of three (3) years which will commence as of the date Landlord executes this Lease (the "Commencement Date"). Provided that the Tenant is in full compliance with all the terms and conditions of this lease, Tenant has the option of renewing this lease for an additional (2) year term (the "Renewal Term"), which option may be exercisable by Tenant in writing.

## 4. Termination:

- 4.1 <u>Right to Terminate on Notice.</u> Either Party may terminate this lease at any time upon thirty (30) days' written notice to the other party.
- 4.2 <u>Termination for Breach.</u> In the event of a material breach by either Party of any of the conditions of this Lease, the non-breaching Party may elect to terminate this Lease if the breaching Party fails to correct the breach within fifteen (15) days after receipt of written notice of the breach. Provided the breaching Party takes reasonable measures to correct the material breach within the fifteen (15) day period, the non-breaching Party will allow the breaching Party additional time to correct the material breach if the material breach cannot be fully corrected within the initial fifteen (15) day period
- 5. <u>Rent</u>: Tenant will pay monthly rent to Landlord, on or before the first day of each month of the term hereof, in the amount of One thousand one hundred thirty dollars (\$1,130.00) or an annual fee of \$13,560.00 annually.

5.1 Revision of Rent. The annual rent will be increased by 3% each year. The adjustment will be effective on each anniversary of the commencement date of this lease as described in Exhibit "B" graduated payment table.

## 6. Obligations of Tenant:

- 6.1 No outside loud speakers will be installed or used from which sound travels beyond the boundaries of the Property.
- 6.2 Tenant will take reasonable steps to insure that no traffic moves on the Property in excess of five (5) miles per hour and will make all reasonable attempts to mitigate dust caused by the use of the Property.
- 6.3 Tenant will allow no commercial use of the Property or use of the Property by any other person or organization without the consent of the Pima County Board of Supervisors.
- 6.4 Tenant must comply with the Pima County Floodplain and Erosion Hazard Management Ordinance adopted June 3, 2010 by the Board of Directors of Pima County Flood Control District, as it may, from time to time, be amended. Any existing improvements to be removed, modified or replaced must comply with said ordinance.
- 6.5 Tenant will cause a Class III cultural resources inventory, to be conducted and reported by a professional AAA permitted archaeologist, to be completed before any improvements are made to the Property or to any existing facility on the Property.
- 7. <u>Alterations and Improvements to Property</u>: Tenant will provide all furnishings, equipment and personal property necessary to conduct the Permitted Activities on the Property.
  - 7.1 <u>Landlord's Consent.</u> Tenant will not make any physical improvements, alterations, additions, or changes to the Property without notifying Pima County.
  - 7.2 <u>Indemnification by Tenant</u>. Tenant will indemnify, hold Landlord harmless, and defend Landlord against liability for any damage to property or injury to persons occasioned by any construction by Tenant at the Property.
  - 7.3 <u>Property of Landlord</u>. All improvements placed upon the Property will become the property of Landlord at the time they are placed thereon, and will be surrendered to Landlord upon termination of this Lease free and clear of all liens and encumbrances of every kind and in good and operable condition, excluding reasonable wear and tear.
- **8.** Repairs and Maintenance: Tenant will, at all times, bear the obligation to maintain, repair and keep the Property in good, secure and safe order and condition as provided for herein.

- 8.1 Tenant accepts the existing structure in "as-is" condition with no warranties expressed or implied and understands that Landlord has no obligation to provide any maintenance or repair to the existing structure or systems associated with the existing structure except for the limited partial reimbursements of rent pursuant to Section 6. Tenant will maintain the improvements located on the Property in their existing condition, reasonable wear and tear excepted, at the sole expense of Tenant, shall conduct all reasonable preventative maintenance tasks associated with the improvements and their structural, electrical, mechanical, and plumbing systems, including the septic system, and shall pay all utilities, maintenance and repair costs associated with the Property.
- 8.2 Landlord reserves the right to enter the Property at reasonable times to inspect the Property or for any other reason deemed necessary. Landlord will provide Tenant with reasonable notice of Landlord's intent to enter upon the Property.
- 8.3 Tenant will conduct Firewise clean up at the property semi-annually. All hazardous fuels to be removed from the property.
- 9. <u>Insurance</u>: Tenant will procure and maintain for the duration of the Lease, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Lease.

The insurance requirements herein are minimum requirements for this Lease and in no way limits the indemnity covenants contained in this Lease. Landlord in no way warrants that the minimum limits contained herein are sufficient to protect Tenant from liabilities that might arise out of this Lease. Tenant is free to purchase such additional insurance as Tenant determines necessary. Landlord may review and reasonably adjust the types or limits of insurance required under this Lease as it deems reasonably necessary.

- A) Commercial General Liability: Tenant will provide a policy to include bodily injury, products completed operations, personal and advertising injury and property damage coverage with limits of \$1,000,000 Each Occurrence and \$2,000,000 General Aggregate. The policy must be endorsed to include Pima County as additional insured with respect to liabilities arising out of the use and/or occupancy of the property subject to this Lease.
- B) Property Insurance: Tenant will provide and keep in force during the term of this agreement a policy of insurance covering loss or damage to the Property in the amount of the full replacement value thereof, providing protection against all vandalism, malicious mischief, special extended perils (all risk). Pima County must be named as a loss payee and Policy must contain a waiver of subrogation against Pima County. Tenant will provide to Landlord a Certificate of Property Insurance.
- C) Additional Insurance Related Requirements:
  - 1. Each insurance policy must contain a severability of interests provision and must waive subrogation against Pima County.

- 2. Tenant will provide Landlord with current certificates of insurance. All certificates of insurance must provide for guaranteed thirty (30) days written notice to Landlord of cancellation or non-renewal.
- 3. Tenant's liability insurance must be primary insurance and non-contributory with respect to all other available sources.
- 4. Coverage provided by Tenant must not be limited to the liability assumed under the indemnification provisions of this Lease.
- 5. Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than B+ VI. Landlord in no way warrants that the above-required minimum insurer rating is sufficient to protect Tenant from potential insurer insolvency.
- 6. All certificates and endorsements are to be received and approved by Landlord before the Lease term commences. Each insurance policy required by this Lease must be in effect at or prior to the commencement of the Lease and must remain in effect for the duration of the Lease. Failure to maintain the insurance policies as required by this Lease or to provide timely evidence of renewal will be considered a material breach of the Lease.
- 7. Lease agreement number and location description are to be noted on the certificate of insurance. Landlord reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Lease at any time.
- 10. <u>Indemnification</u>: To the fullest extent permitted by law, Tenant will defend, indemnify and hold Landlord harmless from and against all claims arising out of or relating (directly or indirectly) to (i) the conduct or management of the Property or of any business therein, or any work or thing whatsoever done, or any condition created in or about the Property during the Lease term; (ii) any act, omission, breach of any provision of this Lease or negligence of Tenant or any of Tenant's subtenants or licensees; and (iii) any accident, injury or damage whatsoever occurring in or at the Property. Tenant hereby expressly indemnifies Landlord for the consequences of any negligent act or omission of Landlord, its agents, servants and employees, unless the claim is caused by the sole negligence of Landlord. The foregoing indemnity, hold harmless and defend obligations shall survive the expiration of the term of this Lease, including any renewal thereof, and/or any other termination of this Lease.

The Parties will comply with all applicable county, state and federal laws, ordinances, rules, applicable regulations and statutes regarding the construction, use and occupancy of the Property as same pertains to each of them individually.

12. **Resource Protection**: In the best interest of resource and improvement protection, Tenant agrees to:

- A. Neither discharge nor stockpile waste or byproducts or materials onto leased property nor into any water channels that might possibly result in harm to human water supplies. All waste materials or byproducts of Tenant's operations on the Property will be disposed of by commercially reasonable methods at the sole expense of Tenant.
- B. Take all reasonable measures to protect the scenic, aesthetic values of the area; prevent soil erosion and gullying that might be caused by construction or improper utilization of resources; and discourage vandalism or disorderly conduct, including the calling in of appropriate law enforcement officers when necessary and assisting in subsequent prosecution.
- C. Take appropriate action to prevent fire damage to improvements and natural resources by complying with approved building and electrical wiring codes, butane installations, chimneys, spark arresters, fire extinguishers, and area closures and use restrictions imposed by federal, state or county laws, ordinances or regulations.
- D. Comply with all present and hereinafter enacted laws and regulations regulating the environment, hazardous or toxic substances or waste, ambient air, ground water, surface water and land use, including sub-strata land.
- 13. <u>Use of Property</u>: Nothing in this Lease implies permission to conduct any business, allow any other occupancy or use, or build or maintain any facility except for the purposes stated. Gambling or gambling machines are not authorized. Disorderly or objectionable conduct by Tenant, or those operating or occupying the Property with the permission of Tenant, upon proof thereof and failure to remedy within a reasonable period of time, is cause for immediate termination of this Lease. Advertisements, signs, brochures, and promotional publicity must not misrepresent in any way the services provided or the terms or status of this Lease.

The Property shall be operated for the stated water district purposes without discrimination as to race, sex, age, religion, political affiliation, or physical handicap. Tenant must hire employees without discrimination as to race, sex, age, religion, political affiliation, or physical handicap. Tenant will comply with the provisions of Arizona Executive Order 75-5 as amended by Arizona Executive Order 2009-09. Should such executive order be supplemented or superseded by a subsequent statute, executive order or other directive, Tenant shall also comply with such superseding item.

The sale, possession, or use of alcoholic beverages on the Property shall be prohibited without the written permission of Landlord and the Arizona Department of Liquor Licenses and Control.

14. Environmental Responsibility: As owner of the Property, Landlord will be responsible for, and will indemnify and save Tenant harmless from and against and defend Tenant with respect to any and all liability, damages, losses, claims, actions, investigations and other costs (including expert's and advisor's fees and costs and reasonable attorney's fees) arising out of,

or in connection with the presence on, in, or under the Property of, and/or the generation, treatment, storage, transportation or disposal of, any asbestos, PCB's, or any other hazardous or toxic substance, waste, chemical, contaminant, pollutant or material (including petroleum and petroleum products) in connection with the Property, existing and/or occurring prior to Tenant's occupation of the Property. Tenant shall be responsible for, and will indemnify and save Landlord harmless from and against, any and all liability, damages, losses, claims, actions, suits, investigations and other costs (including expert's and advisor's fees and costs and reasonable attorney's fees) arising out of, or connected with any hazardous or toxic substance, waste, chemical, contaminant, pollutant or material (including petroleum and petroleum products) introduced to the Property during the term of this Lease.

The provisions of this paragraph survive the expiration of the term of this Lease, including any renewal thereof, and/or any other termination of this Lease.

- 15. <u>Damage or Destruction of Property</u>: In the event of (a) fire or other casualty damage to the Property during the term of this Lease or any renewal thereof that requires repair to the Property, or (b) the Property being declared unsafe or unfit for occupancy by any authorized public authority for any reason, which declaration requires repairs to the Property, then the Parties will immediately undertake repairs to the Property in accordance with their obligations therefor under Section 9, and will diligently act to complete such repairs as soon as possible. Landlord may, at its own discretion, elect to demolish any damaged improvements in their entirety should damages be significant and may terminate this Lease or reduce the leasehold created hereby at Landlord's sole discretion.
- 16. Assignment and Subletting: Tenant will not transfer, assign or in any manner alienate this Lease or any interest therein, and will not sublet the Property or any part thereof or any right or privilege appurtenant thereto, without first receiving the advance written consent of Landlord. Any subletting (not including occasion or event-specific uses) must be strictly limited to a nonprofit or governmental entity and any rents received by Tenant from the subletting must be paid to Landlord. Any attempt to transfer, assign, sell, sublet or otherwise convey any interest not in compliance with the provisions of this paragraph will be null and void.
- 17. <u>Negotiated Resolution</u>: Nothing in this Lease precludes the Parties from agreeing upon alternate terms pertaining to the foregoing contingencies, obligations, duties and provisions in light of the circumstances in existence at the time of any such subsequent agreement, provided, however, that no Party will be compelled to negotiate for or accept any such alternate terms. Any such negotiated terms must be in writing and will serve as a formal amendment to this Lease.
- 18. <u>General Provisions</u>: This Lease is subject to the provisions of Arizona Revised Statutes §38-511 regarding the cancellation of contracts involving conflict of interest, which is incorporated herein by reference.

This Lease will be construed in accordance with the laws and regulations of the state of Arizona and venue for resolution of any dispute arising under this Lease will be Pima County, Arizona.

If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof will remain in full force and effect and will in no way be affected, impaired or invalidated.

The various headings and numbers herein and the groupings of the provisions of this Lease into separate articles and paragraphs are for the purposes of convenience only and will not be considered or construed otherwise.

Time is of the essence of this Lease.

This Lease will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

No covenant, term or condition of this Lease may be waived except by a writing signed by the Party against whom such waiver is sought, and the forbearance or indulgence by a Party in any regard whatsoever will not constitute a waiver of any provision.

19. **Notices**: All notices, demands or other communications required or permitted to be given hereunder must be in writing and must be served upon the other Party by personal delivery (including by any messenger or courier service) or by first class, registered or certified U.S. mail postage prepaid, with return receipt requested, addressed to the Parties as follows:

To Landlord: County Administrator

120 West Congress Street, 10th Floor

Tucson, Arizona 85701

With a copy to: Property Management Division

Pima County Real Property Services 201 North Stone Avenue, Sixth Floor

Tucson, Arizona 85701

To Tenant: Mt Lemmon Water District

P.O. Box 706

Mt. Lemmon, AZ 85619

or to such other address as any Party notifies the other Party of by advance writing. Such notices or communications will be deemed effective, if by personal delivery, on the date of such delivery, against receipt therefore (or upon refusal of acceptance), of if by first class mail, on the earlier of three days after the date of such mailing or the signature date of the return receipt.

20. <u>Force Majeure</u>: If either Party hereto is delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor trouble, civil disorder, inability to procure materials, restrictive governmental laws or regulations or other unforeseen

circumstance without fault and beyond the control of the Party obligated, performance of such act will be excused for the period of delay, and then for a period of time reasonably necessary to perform the act.

21. <u>Sustainability</u>. Tenant will haul away all materials and/or prepare and implement an integrated waste management plan to re-use, recycle, and/or compost any consumable materials utilized in the performance of this Lease, and will submit the plan for Landlord review at least annually. Tenant may comply with the requirements of this paragraph through a contract with a qualified waste hauler for the provision of commercial refuse service to the Property.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

LANDORD: Pima County, a political subdivision of the State of Arizona		
Sharon Bronson, Chairman, Board of Supervisors	Date	AND CONTRACTOR OF THE
ATTEST:		
Melissa Manirquez, Clerk of the Board		
Dated:		
APPROVED AS TO CONTENT:  Jeffrey Teplitsky, Director Pima County Real Property Services  Jackson Jenkins, Director, Regional Waste Water		
APPROVED AS TO FORM:		
my of		
Kyle Johnson Deputy County Attorney, Civil Division		
TENANT:		
MOUNT LEMMON DOMESTIC WATER IMPR A Special Taxing District	OVEMENT	
*Signed in counter parts		
Ву:	Date	•

IN WITNESS WHEREOF, the Parties have duly executed this Lease as of the day and year first above written.

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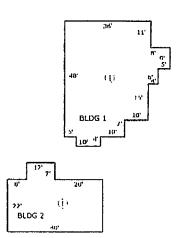
LANDORD: Pima County, a political subdivision of the State of Arizona		
Sharon Bronson, Chairman, Board of Supervisors	Date	MARIOT ACMIN TO SEPPLAN
ATTEST:		
Melissa Manriquez, Clerk of the Board		
Dated:		
APPROVED AS TO CONTENT:		
Jeffrey Teplitsky, Director Pima County Real Property Services		
Jackson Jenkins, Director, Regional Waste Water		
APPROVED AS TO FORM:  Kýle Johnson Deputy County Attorney, Civil Division		
TENANT:		
MOUNT LEMMON DOMESTIC WATER IMPROA Special Taxing District	DVEMENT	
	, ,	

91459/01016311/ v.t

# EXHIBIT "A"



205-14-731 12601 N SABINO CANYON PARK



91459/01016311/v1

Exhibit "B"

Lease Year	3% Annual Increase	Monthly Base Rent	Annual Base Rent
1	0%	\$1,130.00	\$13,560.00
2	3%	\$1,164.00	\$13,967.00
3	3%	\$1,199.00	\$14,386.00
4	3%	\$1,235.00	\$14,817.00
5	3%	\$1,272.00	\$15,262.00