



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 2/1/2022

*= Mandatory, information must be provided

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

***Title:**

AMENDMENT (#7) TO THE DEVELOPMENT AGREEMENT BETWEEN PIMA COUNTY, ARIZONA AND TNR&S ACQUISITIONS, INC. REGARDING OMNI TUCSON NATIONAL RESORT AND SPA

***Introduction/Background:**

Omni Tucson National Resort and Spa requests to extend the time frame to begin using reclaimed water to irrigate their golf course to December 31, 2023.

***Discussion:**

The Board of Supervisors previously approved similar extensions in order for the Omni Tucson National Resort and Spa to be better positioned to secure a GA event. The event has been secured and will occur on site in 2022.

***Conclusion:**

Another amendment is required to extend the terms of the development agreement.

***Recommendation:**

Staff recommends approval of the amendment to the development agreement.

***Fiscal Impact:**

N/A

***Board of Supervisor District:**

1 2 3 4 5 All

Department: Development Services, Planning Division Telephone: 520-724-8800

Contact: Thomas Drzazgowski, Chief Zoning Inspector Telephone: 520-724-6675

Department Director Signature: _____

Date: 1/25/22

Deputy County Administrator Signature: _____

Date: 1/25/2022

County Administrator Signature: _____

Date: 1/26/2022

JAN 27 2022 11:57 CCK/DJ DD CC



PIMA COUNTY

DEVELOPMENT SERVICES

TO: HONORABLE BOARD OF SUPERVISORS

FROM: Chris Poirier, Planning Official

DATE: January 12, 2022

SUBJECT: **AMENDMENT (#7) TO THE DEVELOPMENT AGREEMENT BETWEEN PIMA COUNTY, ARIZONA AND TNR&S ACQUISITIONS, INC. REGARDING OMNI TUCSON NATIONAL RESORT AND SPA**

The above referenced Development Agreement is scheduled for the Board of Supervisors' **TUESDAY, FEBRUARY 1, 2022** hearing.

Amendment (#7) to the Development Agreement between Pima County, Arizona and TNR&S Acquisitions, Inc. regarding Omni Tucson National Resort and Spa

Background

In 2005, the Board of Supervisors entered into a development agreement with TNR&S Acquisitions, Inc. and Stewart Title Trust of Tucson T-3526 and T-3527 regarding the development of rezoned land adjacent to Omni Tucson National Resort and Spa. The agreement includes terms for dedication of lands along the Canyon del Oro Wash and requires that Omni Tucson National Golf Course utilize reclaimed water. The agreement requires that Tucson National purchase and use reclaimed water within 180 days after Metropolitan Water constructs a delivery line. The delivery line is currently in place.

Omni Tucson National Resort and Spa is requesting an extension from September 25, 2020 to December 31, 2023 for the obligation to begin using reclaimed water. An agreement between the Tucson Conquistadores and OMNI Tucson to continue the PGA event has occurred. PGA Tour Champions Tournaments are scheduled to occur in 2022.

The first two amendments to the development agreement were in regards to the wash dedication and trail construction. The third, fourth, fifth and sixth amendments provided flexibility (time extension) to the golf course requirement to hook up to reclaimed water.

Recommendation

Staff recommends that the Board of Supervisors approve the amended development agreement as presented. Continuing and expanding the PGA event would provide a significant economic development boost to the region.

Sincerely,

Chris Poirier
Planning Official

CP/ep

Attachments

c: Jan Leshar, Acting County Administrator
Carmine DeBonis Jr., Deputy County Administrator for Public Works
Carla Blackwell, Director, Development Services

Thomas Drzazgowski

From: Leo Percopo <Leo.Percopo@Omnihotels.com>
Sent: Monday, January 17, 2022 5:12 PM
To: Carmine DeBonis
Subject: ATTN Jan Leshar, Acting County Administrator
Attachments: 3749_001.pdf

Dear Jan,

Attached is the signed amendment; with the support of the Development Services team, we are hopeful the Board will approve in the 2/1/22 board meeting.

We are requesting an extension through December, 31st of 2023, along with our commitment to completing the work necessary to start the purchase of reclaimed water

We have and continue to be a proud partner of the Tucson Championship Tournament, knowing that while it comes at a cost to us, we recognize the value and exposure it has for Tucson, and we are happy to do so.

Covid has impacted the lives of so many and continues to this day, it has also impacted the travel and tourism industry and again continues to well into 2022. I bring this up simply to thank you for your understanding, and to let you know that even with these difficulties, we plan to start a renovation of the resort which includes the planning and execution to allow us to purchase and use reclaimed water by end of 2023.

We greatly appreciate your efforts and partnership and look forward to better times ahead.

LEO PERCOPO

Vice President, Operations
Omni Hotels & Resorts

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leo.percopo@omnihotels.com

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When recorded, return to:

County Administrator's Office
115 N. Church Ave.
2nd Floor, Suite 231
Tucson, AZ 85701

For Recorder's Use

**AMENDMENT SEVEN TO
DEVELOPMENT AGREEMENT**

between

PIMA COUNTY, ARIZONA

and

TNR&S ACQUISITION, INC.

AMENDMENT SEVEN TO DEVELOPMENT AGREEMENT

This Amendment Seven to Development Agreement (“Amendment Seven”) is by and between PIMA COUNTY, ARIZONA, a body politic and corporate (“County” or “Pima County”) and TNR&S ACQUISITION, INC., an Arizona corporation (“TNR&S” or “Developer”).

RECITALS

- A. County and Developer are parties to the Development Agreement recorded on September 27, 2005, in Docket 12647, Page 636, and re-recorded to insert documentation for Exhibit E in Docket 12740, Page 1447, of the Official Records of the County Recorder, Pima County, Arizona (the “Development Agreement”); and amended by Amendment One, recorded on May 22, 2008, in Docket 13312, Page 916 of the Official Records of the County Recorder, Pima County, Arizona; and amended by Amendment Two, recorded on July 14, 2009, in Docket 13599, Page 3111, in the Official Records of the County Recorder, Pima County, Arizona; and further amended by Amendment Three, recorded on October 28, 2014, at Sequence 20143010255, in the Official Records of the County Recorder, Pima County, Arizona; and further amended by Amendment Four, recorded on September 22, 2016, at Sequence 20162660599 in the Official Records of the County Recorder, Pima County, Arizona; and further amended by Amendment Five, recorded on January 23, 2018, at Sequence 20180230447 in the Official Records of the County Recorder, Pima County, Arizona; and further amended by Amendment Six, recorded on September 19, 2019, at Sequence 20192620725 in the Official Records of the County Recorder, Pima County, Arizona. Except as otherwise expressly provided in this Amendment Seven, all capitalized terms used in this Amendment Seven have the same meanings given to those capitalized terms in the Development Agreement and prior amendments.
- B. Paragraph 2.5 of the Development Agreement establishes the terms, conditions, and timing of Developer’s obligation to purchase and use reclaimed water on the Development Property. Paragraph 2.5.1.2 of the Development Agreement requires Developer to purchase and use reclaimed water commencing no later than a “Commencement Date” that is defined as one hundred and eighty (180) days after completion of a New Line to the boundary of the Dedication Property.
- C. The New Line has been satisfactorily completed. Therefore the contingency set forth in Section 2.5.1.1 of the Development Agreement has been satisfied.
- D. Developer has asked to extend the Commencement Date. It is agreed to extend the Commencement Date to December 31, 2023 because Developer is in discussions with the Professional Golf Association (PGA) to host a PGA Champions Tour Event at the Resort through at least 2023.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. **Recitals Incorporated.** Each of the Recitals set forth above is hereby incorporated into this Amendment Seven by reference. Each party acknowledges the accuracy of the statements in the Recitals.

2. **Extension of Commencement Date.** The "Commencement Date" defined in Paragraph 2.5.1.2 of the Development Agreement is hereby changed to December 31, 2023.

3. **Effect of Amendment.** The Development Agreement, as amended by Amendment One, Amendment Two, Amendment Three, Amendment Four, Amendment Five, Amendment Six and this Amendment Seven, hereby ratified, affirmed, and approved and shall remain in full force and effect. County and Developer each acknowledge that, as of the date of this Amendment Seven, the other party is not in default under the Development Agreement.

4. **Authority of Developer.** Developer represents and warrants that TNR&S is the same entity identified in the Development Agreement as "TNR&S Acquisition, Inc., a Delaware corporation," and that TNR&S currently holds fee title to the entire Resort and the entire Development Property, except any subdivided lots that are no longer subject to the Development Agreement as described in paragraph 12.14 of the Development Agreement.

5. **Counterparts.** This Amendment Seven may be executed in counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument.

6. **Recordation.** Promptly upon the full execution of this Amendment Seven by the Parties, County will cause this Amendment Seven to be recorded in the Official Records of the County Recorder, Pima County, Arizona.

PIMA COUNTY

Chair, Pima County Board of Supervisors

Date: _____

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM:



Deputy Pima County Attorney
Lesley M. Lukach

TNR&S ACQUISITION, INC., an Arizona corporation

By: [Signature]
Title: Senior Vice President
Date: 1/21/22
Printed Name: Paul A. Jursel

STATE OF Texas)
COUNTY OF Dallas) ss.

The foregoing instrument was acknowledged before me this 21 day of January, 2022, by Paul Jursel, Senior Vice President of TNR&S Acquisition, Inc., an Arizona corporation, on behalf of the corporation.

[Signature]
Notary Public

My Commission Expires:
09/05/2022



RESOLUTION 2022-_____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA; APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDED DEVELOPMENT AGREEMENT BETWEEN PIMA COUNTY AND TNR&S ACQUISITION, INC.

The Board of Supervisors of Pima County, Arizona finds that:

1. Pima County (the "County") may, pursuant to A.R.S. § 11-1101, enter into development agreements relating to property located in unincorporated Pima County.
2. The County and TNR&S Acquisition Inc., an Arizona corporation ("Developer"), previously entered into a development agreement, and subsequently amended six times (the "Development Agreement").
3. Section 2.5 of the Development Agreement establishes a deadline by which Developer must begin purchasing and using reclaimed water on certain resort property owned by Developer.
4. Developer has asked to extend that deadline, for financial reasons, the Developer has secured a Professional Golf Association tournament for Calendar Year 2022 at the resort.
5. The Board of Supervisors supports Developer's efforts to operate a PGA Champions Tour event because it would bring an economic benefit to the region.
6. Under A.R.S. § 11-1101, the Development Agreement may be amended by mutual consent of the parties.

NOW, THEREFORE, IT IS RESOLVED:

1. Amendment Seven to the Development Agreement, in the form presented to the Board of Supervisors, is approved.
2. The Chairman of the Board is authorized and directed to sign Amendment Seven on behalf of the County.
3. The various officers and employees of the County are authorized and directed to perform all acts necessary and desirable to give effect to this Resolution and the amended Development Agreement.


Passed and adopted, this _____ day of _____, 2022.

Chair, Pima County Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board



Deputy County Attorney

APPROVED:



Executive Secretary
Planning and Zoning Commission