

# COB - BOSAIR FORM

11/05/2025 9:26 AM (MST)

Submitted by Lupe.Fimbres@pima.gov



## BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

**\*All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.\***

Record Number: CT RPS CTN-RPS-2300000000000000081

**Award Type:** Contract

**Is a Board Meeting Date Requested?** Yes

**Requested Board Meeting Date:** 11/18/2025

**Signature Only:**

NO

**Procurement Director Award / Delegated Award:** • N/A

**Supplier / Customer / Grantor / Subrecipient:** American Battery Factory, Inc.

**Project Title / Description:** Lease Purchase Agreement

**Purpose:** Amendment No. 3 of the Lease-Purchase Agreement ("Amendment") approved on December 6, 2022 for the construction of a battery manufacturing facility at the Aerospace Research Campus ("ARC"). This Amendment will extend timelines to commence and complete construction, as well as extend the Primary Term of the agreement. The Amendment is needed because of delays related to a longer-than-anticipated timeframe for acquisition of manufacturing machinery, as well as other complexities as a result of overall economic and market conditions.

**Procurement Method:** Other

**Insert additional Procurement Method info, if applicable:** Exempt pursuant to Pima County Code 11.04.020

**Program Goals/Predicted Outcomes:** Pima County is currently leasing land to ABF for Phase 1 development. By amending the original Lease-Purchase Agreement and revising other necessary timelines, ABF will be able to meet Phase 1 construction benchmarks and then proceed with Phase 2 and Phase 3 development.

**Public Benefit and Impact:** The public benefits include the employment of an estimated 1,000 Pima County residents at an average salary threshold of \$65,000 USD/year in a newly-developed manufacturing facility. The sale of Economic Development-designated land will lead to providing funds to the general fund account as well as the future collection of real property taxes as a result of the sale and construction. ABF will pay Pima County \$10,000 for the right to extend the Option Exercise deadline as part of the Amendment to the original Lease-purchase Agreement.

TO: COB, 11/5/25 (1)

VERSION: 1

PAGES: 4

<b>Budget Pillar</b>	<ul style="list-style-type: none"> <li>Critical infrastructure &amp; economic growth</li> </ul>
<b>Support of Prosperity Initiative:</b>	<ul style="list-style-type: none"> <li>12. Improve Financial Capability</li> </ul>
<b>Provide information that explains how this activity supports the selected Prosperity Initiatives</b>	By creating new, well-paying jobs in the region, that will allow for Pima County residents to achieve upward economic mobility and increase their financial stability by having access to jobs that earn them more money.
<b>Metrics Available to Measure Performance:</b>	Commencement and completion of Phase 1 Construction of a battery manufacturing facility, as well as identification of Phase 2 and Phase 3 site areas for subsequent development and employment of up to 1,000 residents of Pima County.
<b>Retroactive:</b>	NO

Amendment / Revised Award Information

Record Number: CT RPS CTN-RPS-23000000000000000081

<b>Document Type:</b>	CT
<b>Department Code:</b>	RPS
<b>Contract Number:</b>	CTN-RPS-23000000000000000081
<b>Amendment Number:</b>	3
<b>Commencement Date:</b>	11/18/2025
<b>Termination Date:</b>	12/05/2028

<b>Is the Termination Date new?</b>	YES
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<b>Classification:</b>	Revenue
<b>Adjust Level:</b>	Increase
<b>Prior Contract Number (If Applicable):</b>	N/A

Amount This Amendment:

\$524,780.00

**Funding Source(s) required:** N/A

<b>Funding from General Fund?</b>	NO
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<b>Contract is fully or partially funded with Federal Funds?</b>	NO
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**Department:** Real Property Services

**Name:** Jeff Teplitsky

**Telephone:** 520-724-6306

**Add GMI Department Signatures**

No

Department Director Signature:  Date: 10/30/2025

Deputy County Administrator Signature:  Date: 11/5/2025

County Administrator Signature:  Date: 11/5/2025

Pima County Department of Real Property

Project: Lease Purchase Agreement

Contractor: American Battery Factory, Inc.

Contract No.: CTN-RPS-2300000000000000081

Contract Amendment No.: 03

Orig. Contract Term: 12/06/2022 – 12/05/2027  
Termination Date Prior Amendment: 12/05/2027  
Termination Date This Amendment: 12/05/2028

Orig. Amount: \$ 23,316,690.00  
Prior Amendments Amount: \$ 10,000  
This Amendment Amount: \$ 524,780  
Revised Total Amount: \$ 23,851,470

### CONTRACT AMENDMENT

The parties agree to amend the above-referenced contract as follows:

**I. Background and Purpose.**

1.1. Background. On December 6, 2022, Pima County ("Landlord") and American Battery Factory, Inc. ("Tenant") entered into the above referenced Ground Lease Agreement ("Lease"). On September 5, 2023 and December 3, 2024, Landlord and Tenant executed the First and Second Amendments to the Lease.

1.2. Purpose. Tenant requires additional time to commence and complete construction, and Landlord concurs that the additional time is appropriate.

**2. REPLACE Section 1.1 in its entirety:**

From:

Lease Year	Per Acre Base Rent	Annual Base Rent (based upon 70 acres)	Monthly Base Rent (based upon 70 acres)
1	\$6,500	\$455,000	\$37,916.67
2	\$6,663	\$466,410	\$38,867.50
3	\$6,829	\$478,030	\$39,835.83
4	\$7,000	\$490,000	\$40,833.33
5	\$7,175	\$502,250	\$41,854.17

To:

Lease Year	Per Acre Base Rent	Annual Base Rent (based upon 70 acres)	Monthly Base Rent (based upon 70 acres)
1	\$6,500	\$455,000	\$37,916.67
2	\$6,663	\$466,410	\$38,867.50

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Revised 1/14/24

3	\$6,829	\$478,030	\$39,835.83
4	\$7,000	\$490,000	\$40,833.33
5	\$7,175	\$502,250	\$41,854.17
6	\$7,354	\$514,780	\$42,898.00

3. **REPLACE Section 1.3 in its entirety:**

**From:** Construction Commencement Date: February 1, 2025.

**To:** Construction Commencement Date: April 1, 2026.

4. **REPLACE Section 1.4 in its entirety:**

**From:** Construction Completion Date: March 1, 2027.

**To:** Construction Completion Date: June 1, 2028.

5. **REPLACE Section 1.12 in its entirety:**

**From:** Option Exercise Deadline: June 1, 2027.

**To:** Option Exercise Deadline: July 1, 2028.

6. **REPLACE Section 1.13 in its entirety:**

**From:** Option Exercise Deadline: \$50,000.00 paid by Tenant to Landlord upon execution of this Lease by Tenant, \$10,000.00 paid by Tenant to Landlord prior to 30 months after the Effective Date (June 6, 2025) to extend the Option Exercise Deadline to June 1, 2027.

**To:** Option Exercise Deadline: \$50,000.00 paid by Tenant to Landlord upon execution of this Lease by Tenant, \$10,000.00 paid by Tenant to Landlord prior to 30 months after the Effective Date (June 6, 2025) to extend Tenant's Option Exercise Deadline to June 1, 2027, and \$10,000.00 paid by Tenant to Landlord prior to July 1, 2027 to extend Tenant's Option Exercise Date to June 1, 2028.

7. **REPLACE Section 1.20 in its entirety:**

**From:** Primary Term: the period commencing on the Effective Date and expiring at 5:00 pm MST on the day immediately prior to the 5th anniversary of the Effective Date.

**To:** Primary Term: the period commencing on the Effective Date and expiring at 5:00 pm MST on the day immediately prior to the 6<sup>th</sup> anniversary of the Effective Date.

8. **REPLACE Section 7.1 in its entirety:**

**From:** **Employees & Salaries:** As material consideration for Landlord entering into this Lease, on or before March 1, 2027, Tenant shall satisfy the following requirements (collectively, the "**Phase I Employment Requirements**"): (a) at all times employ at least 300 FTE Employees working full-time at the Premises; (b)

the average base salary of FTE Employees working full-time at the Premises must be at least \$65,000.00 (U.S.) per year; and (c) all such FTE Employees must be full-time residents of Pima County, Arizona.

**To:** **Employees & Salaries:** As material consideration for Landlord entering into this Lease, on or before June 1, 2028, Tenant shall satisfy the following requirements (collectively, the "**Phase I Employment Requirements**"): (a) at all times employ at least 300 FTE Employees working full-time at the Premises; (b) the average base salary of FTE Employees working full-time at the Premises must be at least \$65,000.00 (U.S.) per year; and (c) all such FTE Employees must be full-time residents of Pima County, Arizona.

**9. REPLACE Section 18 in its entirety:**

**From:** **Determination of Phase II and Phase III Parcels:** No later than November 1, 2026, Tenant and Landlord will mutually agree in writing on: (a) the number and location of contiguous acres of real property within the Project Property that will comprise the "**Phase II Parcel**"; and (b) the number and location of contiguous acres of real property within the Project Property that will comprise the "**Phase III Parcel**".

**To:** **Determination of Phase II and Phase III Parcels:** No later than July 1, 2028, Tenant and Landlord will mutually agree in writing on: (a) the number and location of contiguous acres of real property within the Project Property that will comprise the "**Phase II Parcel**"; and (b) the number and location of contiguous acres of real property within the Project Property that will comprise the "**Phase III Parcel**".

All other provisions of the Lease not specifically changed by this Amendment remain in effect and are binding upon the parties.

**SIGNATURES ON NEXT PAGE**



COUNTY

\_\_\_\_\_  
Rex Scott, Chair, Board of Supervisors

\_\_\_\_\_  
Date

ATTEST

\_\_\_\_\_  
Melissa Manriquez, Clerk of the Board

\_\_\_\_\_  
Date

APPROVED AS TO FORM

Bobby Yu  
Deputy County Attorney

Bobby Yu  
Print DCA Name

10/27/2025  
Date

AMERICAN BATTERY FACTORY, INC.

[Signature]  
Authorized Officer Signature

JOHN S. KEM, PRESIDENT ABF  
Printed Name and Title

27 OCT 2025  
Date

APPROVED AS TO CONTENT

[Signature]  
Department Head

10-27-2025  
Date