



BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS

Award Contract Grant

Requested Board Meeting Date: May 17, 2022

* = Mandatory, information must be provided

or Procurement Director Award:

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

Banner-University Medical Center South Campus, LLC

***Project Title/Description:**

Banner Lease –Amendment 2 –Early Termination

***Purpose:**

Terminate the Banner Lease early to facilitate new Lease with El Rio Santa Cruz Neighborhood Health Center. Pima County and El Rio Santa Cruz Neighborhood Health Center, Inc. an Arizona nonprofit, are entering into a new lease agreement for Suite 130 and a portion of 140, currently occupied by Banner, which will commence July 1, 2022. Per the Banner Lease, the termination date is August 31, 2022, however, given the new Lease arrangement with El Rio, the County and Banner agree to an early termination date of June 30, 2022. (“Termination Date”)

***Procurement Method:**

Exempt per section 11.04.020

***Program Goals/Predicted Outcomes:**

Terminate the Banner Lease early to facilitate new Lease with El Rio Santa Cruz Neighborhood Health Center. This change in tenants will allow El Rio, a federally-qualified community health center, to operate a clinical facility within the Abrams building. El Rio will meet Pima County specified minimum clinical operating requirements, while serving as a site for a broader array of primary health care services to the larger community. Additionally, a portion of the space currently occupied by Banner, will be available for County to utilize for food safety and other public health related programs.

***Public Benefit:**

The early termination will allow new tenant to provide a broader array of primary health care services to the larger community, improve overall continuity of care and better outcomes for the populations that El Rio serves and moves the County closer to its vision of providing a single, regular “health home”. Cost savings and efficiencies are gained by fully utilizing newly available space.

***Metrics Available to Measure Performance:**

Smooth transition between health care providers. Better continuity of care and improved health outcomes for populations served. Improved utilization of space and overall cost savings to County and public.

***Retroactive:**

No.

TO: COB 5-4-22 (1)
Ver: 4
pgs: .

05-04 '22 PM03:49

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): 13*054

Amendment No.: 2 AMS Version No.: 4

Commencement Date: 5/17/2022 New Termination Date: 6/30/2022

Prior Contract No. (Synergen/CMS): _____

Expense Revenue Increase Decrease

Amount This Amendment: \$ (51,318.50)

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

Department: Facilities Management

Telephone: 520-724-8230

Department Director Signature: [Signature]

Date: 6/4/2022

Deputy County Administrator Signature: [Signature]

Date: _____

County Administrator Signature: [Signature]

Date: 5/4/2022

Pima County Department of Facilities Management

Project: Banner Lease –Amendment 2 –Early Termination

Contractor: Banner-University Medical Center South Campus, LLC an Arizona limited liability company (“Tenant”)

Contract No.: CTN-FM-13-054

Lease Amendment No.: Two (2)

Orig. Contract Term: 09/01/2012-08/31/2017	Orig. Amount:	\$2,145,495.00
Termination Date Prior Amendment: 08/31/2022	Prior Amendments Amount:	\$2,352,502.80
Termination Date This Amendment: 06/30/2022	This Amendment Amount:	\$ (51,318.50)
	Revised Total Amount:	\$ 4,446,678.50

**AMENDMENT 2
LEASE TERMINATION**

This Amendment is entered into by and between Banner-University Medical Center South Campus, LLC an Arizona limited liability company (“**Tenant**” or “**Banner**”), and PIMA COUNTY, a political subdivision of the State of Arizona (“**Landlord**” or “**County**”).

1. Background and Purpose.

- 1.1.** County owns a building (the “**Building**”) located at 3950 S. Country Club Road in Tucson, Arizona. Building is situated on Tax Parcel #132-19-1420 shown in **Exhibit A**.
- 1.2.** In September of 2012, County and University Physicians Healthcare, an Arizona non-profit corporation (“**UPH**”), entered into a lease agreement (known internally to the County as contract # CTN-FM-13*54) for Suite 130 and 140 located on the first floor of Building and shown in **Exhibit B**. This lease agreement had an initial term of five years.
- 1.3.** On February 27, 2015, County consented to the assignment of UPH’s right, title and interest to Banner-University Medical Center South Campus, LLC, an Arizona limited Liability company (the “**UAHN Assignee**”). The UAHN Assignee was the sole member limited liability company subsidiary of The University of Arizona Health Network, Inc., an Arizona nonprofit corporation (“**UAHN**”).

- 1.4. In a separate consent document executed January 6, 2015, the County, UPH, Banner-University Medical Center South Campus, LLC, as UAHN Assignee and UAHN effectively merged UAHN and Banner Health, with Banner Health as the surviving entity and bound as if UAHN.
- 1.5. On July 11, 2017 County and Tenant executed Amendment 1 which extended the lease term for an additional five years to August 31, 2022.
- 1.6. Pima County and El Rio Santa Cruz Neighborhood Health Center, Inc. an Arizona nonprofit, are entering into a new lease agreement for Suite 130 and a portion of 140, currently occupied by Banner, which will commence July 1, 2022, commensurate with the termination of the Lease. Per the Lease, the termination date is August 31, 2022, however, given the new lease arrangement, the parties agree to an early termination date of June 30, 2022. ("**Termination Date**")
- 1.7. Tenant has provided timely and appropriate Notice of termination to County, per the lease.

Therefore, in consideration of covenants and agreements hereafter set forth, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

2. **Lease Termination.** County and Banner hereby agree that the Lease will be deemed for all purposes to terminate on June 30, 2022 ("**Termination Date**")
3. **Surrender of the Premises.** County and Banner will conduct a final walk-through on or before June 30, 2022. If Premises are returned in satisfactory condition in accordance with the Lease, County will provide Banner a letter from FM Director, or their designee, confirming the condition and acceptance of the Premises. Parties agree that Banner will have no further right of possession, and County may use, modify and lease the Premises as it may see fit, after the Termination Date.
 - 3.1. **Keys/Security.** On or before June 30, 2022, Banner will provide any relevant keys, access and security information for the Premises to County.
 - 3.2. **Furniture, Fixture, and Equipment.** On the Termination Date, Banner agrees to transfer and convey the all furniture, fixtures and equipment remaining within the premises to the County, with the exception of the items identified in **Exhibit C**, which are property of Banner and will be removed at Banner's sole expense. After the Termination Date, following five-days' notice to Banner, and without payment of any compensation to Banner, County will have the right to sell, destroy or dispose of any personal property or equipment left or abandoned in or on the Premises, with no liability to County or Banner.

- 3.3. **Reconciliation.** Within 90 days after Termination Date, County will provide Tenant an accounting reconciliation of estimated monthly operating and maintenance payments County has already received and will either remit or invoice Tenant any difference accordingly based on Termination Date.
4. **Mutual Release.** Upon Banner satisfying the obligations set forth in the Lease, as amended, County releases, discharges and waives any claims, known or unknown, against Banner, its successors, assigns, officers or directors, arising out of, or in any way connected with, the Lease, and Banner releases, discharges and waives any claims, known or unknown, against County, its successors, assigns, officers or directors, arising out of, or in any way connected with, the Lease.
5. **Remaining Lease Terms Unchanged.** All other terms and conditions of the Lease not specifically modified by this Second Amendment will remain in full force and effect.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day, month and year written below.

PIMA COUNTY, ARIZONA

Banner-University Medical Center South Campus, LLC

By: _____
Sharon Bronson
Chair, Board of Supervisors

By: Sarah Frost
Authorized Signer

Date: _____

Name: Sarah Frost

Title: Chief Executive Officer

Date: May 4, 2022 | 8:40 AM MST

ATTEST:

By: _____
Melissa Manriquez
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

By: 
Lisa Josker, Director
Pima County Facilities Management

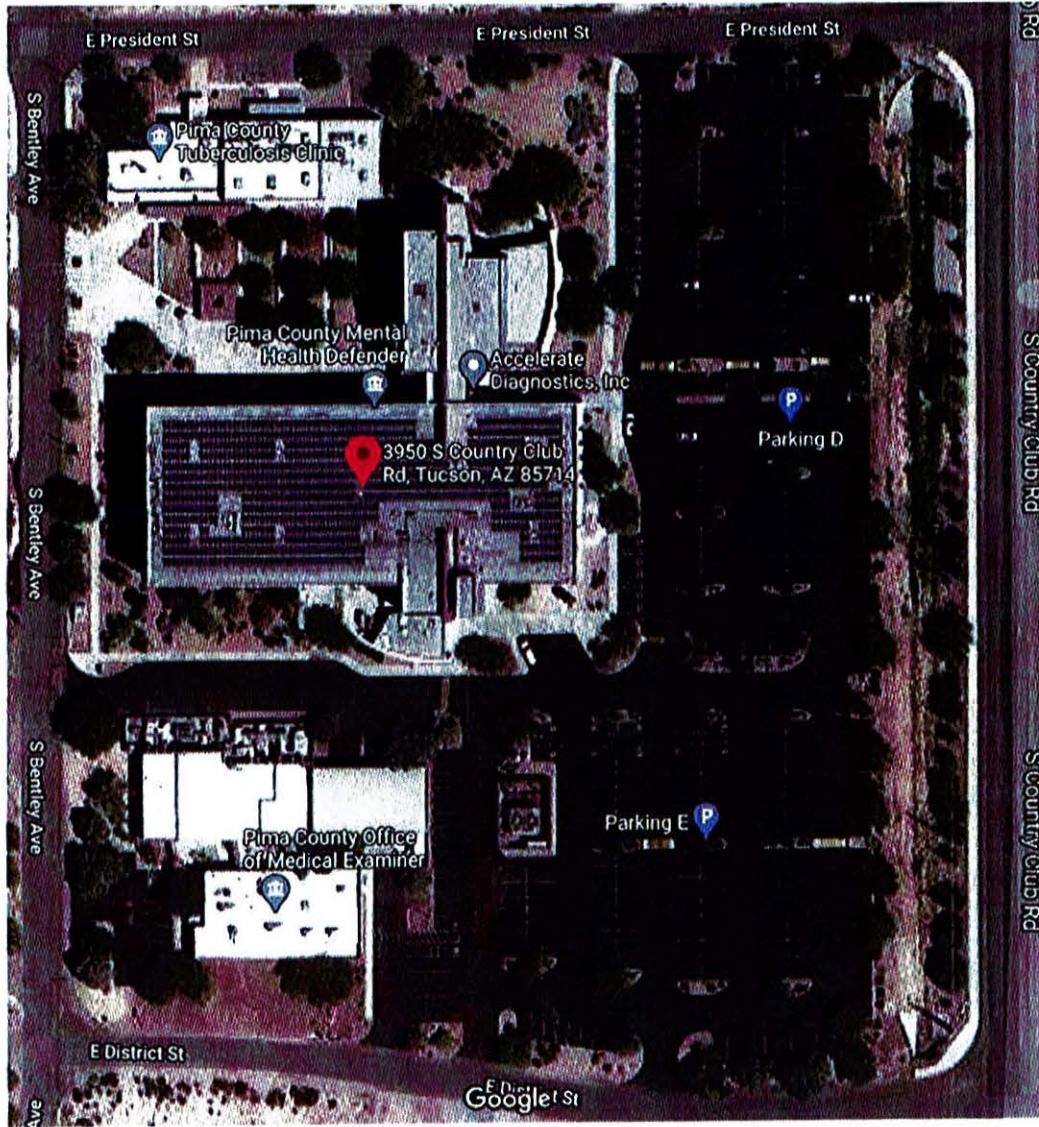
Date: 5/4/2022

APPROVED AS TO FORM:

By: 
Kathryn Ore
Deputy County Attorney

Date: May 4, 2022

EXHIBIT A
SITE PLAN (Parcel shown in blue)

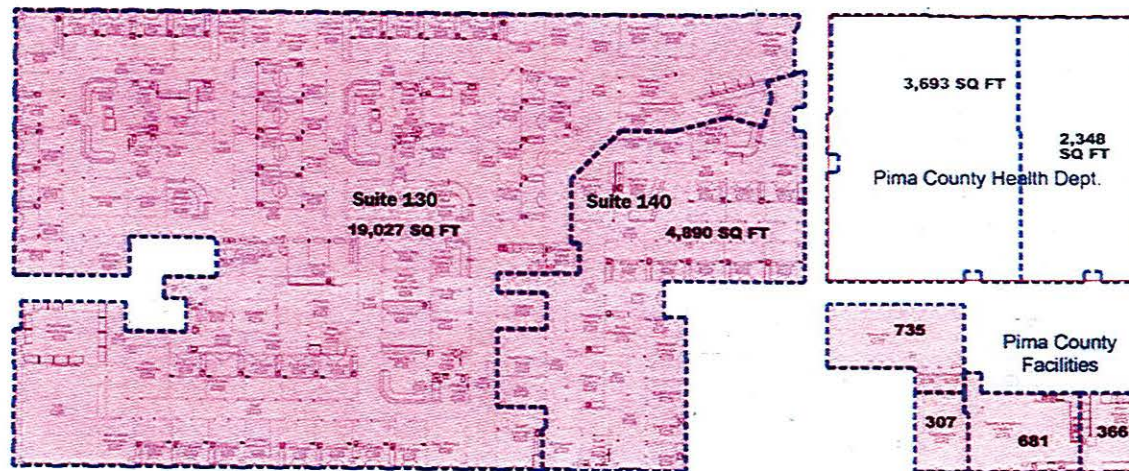


Total Rentable Square feet equals 26,006

Suite 130
19,027 SQ FT

Suite 140
6,979 SQ FT

OFFICE AREA	4890 SQ FT
EXERCISE AREA	735 SQ FT
CLASSROOM	307 SQ FT
DEMONSTRATION KITCHEN	681 SQ FT
PREP KITCHEN	366 SQ FT



**ABRAMS PUBLIC HEALTH CENTER
1ST FLOOR**

EXHIBIT B Suite 130 and 140

Exhibit C.

Personal Property belonging to Banner to be removed prior to Termination

Kitchen Inventory

Coffee pot
Mixer/blenders
All bins
All cooking utensils
All cooking pans
All cooking pots
All serving trays and utensils
Movable wood table and cabinet for cooking demonstration
Rolling rubbermaid cart

Classroom Inventory

7 mesh chairs in classroom

Gym Inventory

Treadmill
Bike
2 benches
Dumbbell stand and dumbbells
Resistance bands
Medicine balls and rack
bench rack and bars
Balance bar
Stability Balls/Bosu Ball