



Contract Number: CTN-FM-CMS139848-05
 Effective Date : 2-1-14
 Term Date : 1-31-17
 Cost : _____
 Revenue : \$135,868.30
 Total : _____ NTE: _____
 Renewal By : _____ Action 11-1-16
 Term : _____
 Reviewed by: WR 1-31-17

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: July 1, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

Authorizes tenant to remain in office space he has occupied since 1999, which will generate \$135,868 rent revenue for Pima County over the three year term.

CONTRACT NUMBER (if applicable): CTN-FM-CMS 139848-05

STAFF RECOMMENDATION(S):

The Facilities Management staff recommends approval of this three (3) year renewal of the revenue lease of 33 N. Stone Ave., # 1800, Tucson.

MSTV
JUN 26 14 PM 01:51 PC CLK OF BD

CORPORATE HEADQUARTERS: _____

Page 1 of 2 Ver. 3

Vendor- 1

Pgs: 8

To: CHH - 6-26-14
 COB - 6-26-14
 Agenda 7-1-14
 Addendum (3)

CLERK OF BOARD USE ONLY: BOS MTG. _____

ITEM NO. _____

PIMA COUNTY COST: \$0.00 and/or REVENUE TO PIMA COUNTY: \$135,868.30 increase

FUNDING SOURCE(S): Tenant's rent payments

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

		YES	X	NO
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Board of Supervisors District:

1		2		3		4		5		All	XX
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IMPACT:

IF APPROVED: PC will receive rent revenue increase of \$135,868 during the three (3) year term.

IF DENIED: PC will not realize the rent revenue increase.

DEPARTMENT NAME: Facilities Management

CONTACT PERSON: Nina Armstrong TELEPHONE NO.: 724-2725

PIMA COUNTY DEPARTMENT OF: FACILITIES MANAGEMENT	CONTRACT
Revenue Lease	NO. CTN-FM-CMS 139848
LANDLORD: PIMA COUNTY, a political subdivision of the State of Arizona	AMENDMENT NO. 05
TENANT: Michael J. Vingelli, P.C.	This number must appear on all invoices, correspondence and documents pertaining to this contract.
LEASE NUMBER: CTN FM CMS 139848	
LEASE AMENDMENT NO.: FIVE (5)	

ORIGINAL LEASE TERM: 01/01/00 – 01/31/05	ORIG.LEASE AMOUNT: \$ 174,708.00
TERMINATION DATE PRIOR AMENDMENT: 01/31/14	PRIOR AMENDMENTS: \$ 488,335.02
TERMINATION DATE THIS AMENDMENT: 01/31/17	THIS AMENDMENT: \$ <u>135,868.30</u>
	REVISED AMOUNT: \$ 798,911.32

LEASE AMENDMENT No. 5
33 NORTH STONE AVENUE, SUITE 1800
TUCSON, AZ

1. **DEFINED TERMS.** For purposes of this Amendment, the following terms have the meanings set forth below; other capitalized terms that are used and not defined have the meanings assigned in the Lease.

1.1. Landlord: Pima County, a political subdivision of the State of Arizona (hereinafter referred to as "Landlord"). Landlord assumed all of the obligations of landlord under the Lease (as defined below) from the Prior Landlord (as defined below).

1.2. Tenant: Michael J. Vingelli, P.C., an Arizona Professional Corporation (hereinafter referred to as "Tenant").

1.3. Lease: That certain Lease Agreement for the below described Premises dated August 18, 1999 between Tenant and 33 North Stone Partners, an Arizona corporation ("Prior Landlord"), as amended by a First Amendment entered into by Tenant and Prior Landlord on January 19, 2005, a Second Amendment entered into by Tenant and Landlord on January 19, 2010, a Third Amendment effective February 1, 2011, and a Fourth Amendment effective February 1, 2013.

1.4. Premises: Pursuant to the existing Lease, Tenant occupies Suite 1800 in the building located at 33 North Stone Ave., Tucson, Arizona, commonly known as the Bank of America Building, currently consisting of approximately 2,786 rentable square feet.

2. **PURPOSE & CONTEXT.** Landlord and Tenant want to extend the Term of the Lease for an additional three (3) years, reduce the size of the Premises, and make other modifications as contained herein.

3. **MODIFICATION OF LEASE.** Landlord and Tenant hereby agree to modify the terms of the Lease as follows:

3.1. Space and Proportionate Share Reductions. As of May 1, 2014, the Premises are reduced from 2,786 rentable square feet ("RSF") to 1,841 RSF, as shown on attached Exhibit "A", and Tenant's proportionate share of Operating Expenses is reduced to 9/10^{ths} of one (1) percent.

All work to reduce the Premises' size will be done by a licensed, bonded and insured contractor pre-approved in writing by Landlord. Pima County will be named as an Additional Insured on Contractor's liability insurance policy and the policy shall have policy limits at least equal to Tenant's coverage shown in the Certificate of Insurance evidencing Tenant's Hartford Casualty Insurance Company Policy No. 65 SBA RZ2872, attached hereto as Exhibit "B". Landlord to review all plans, drawings and change orders no less than ten (10) working days before construction starts and may reasonably disapprove of same in its sole discretion. Landlord reserves the right to post Notices of Non-Responsibility. Tenant will pay all costs of the space reduction and will keep Premises and building free of all contractor and materials liens.

3.2. Extension of Lease. Landlord and Tenant agree to extend the Lease for an additional three (3) years (the "Extended Period"); the Extended Period shall begin at 00:01 AM on February 1, 2014 and end at 11:59 PM on January 31, 2017.

3.3. Basic Rent. Basic Rent for the Extended Period shall be as follows:

<u>Lease Year</u>	<u>RSF</u>	<u>\$/RSF</u>	<u>Monthly</u>	<u>Yearly</u>
02/01/14 - 04/30/14	2,786	\$ 22.22	\$ 5,158.07	\$ 15,474.21
05/01/14 - 01/31/15	1,841	\$ 22.66	\$ 3,476.42	\$ 31,287.80
02/01/15 - 01/31/16	1,841	\$ 23.11	\$ 3,545.46	\$ 42,545.51
02/01/16 - 01/31/17	1,841	\$ 23.58	\$ 3,617.57	\$ 43,410.78

3.3. Option to Extend. Provided Tenant is not in default and subject to Landlord's approval, Landlord grants to Tenant one (1) option to extend the Lease Term for an additional three (3) years (the "Option Period"). The Option Period shall be exercised, if at all, by Tenant giving Landlord written notice of Tenant's election to extend the Lease no less than thirty (30) days before the then-current expiration date. Basic Rent during each year of the Option Period shall increase by two percent (2.0%) of the Basic Rent for the immediately preceding year. Any other option to renew or extend the Lease that is or may be contained in any previous agreement between Landlord and Tenant is hereby extinguished and of no force or effect.

3.4. Late Payment Fees. Paragraph 3. B. of the original Lease is hereby modified as follows:

If any rental payment or other money due hereunder from Tenant to Landlord remains unpaid ten (10) calendar days after said amount is due, a late charge shall be paid to Landlord by Tenant in the amount of the greater of ten (10%) percent of such payment due or fifty (\$50.00) dollars, provided that in no event shall such charge be greater than that permitted by law. Tenant agrees that such amount is a reasonable estimate of Landlord's collection and administrative expenses.

3.5. Parking. Tenant currently leases from Landlord one (1) parking space in the El Presidio Garage, 160 W. Alameda Street, Tucson, at a monthly rate of \$87.50 per space plus applicable taxes. Future monthly rates for each parking space leased by Tenant shall be set by Pima County Parking Operations.

If the Option Period in the above paragraph 3.3 is exercised, the monthly rate per space shall be adjusted to the then-current market rate for parking in the El Presidio Garage. Tenant shall have the right to cancel any or all of its allotted parking spaces by giving thirty (30) days prior written notice to Landlord.

3.6. Elective Termination. Provided the terminating party is not in default nor owing any money to the other party, this Lease may be terminated by either party for any reason and with or without cause, by giving at least ninety (90) days written notice to the other party.

3.7. Applicable Law. Paragraph 6 of Exhibit "A" to the original Lease dated August 18, 1999 is hereby amended to include the following:

The parties will comply with all federal, state and local laws, rules, regulations, standards, Executive Orders, and Pima County Board of Supervisors' policies, including Policy Number C. 3.18 entitled "Tobacco-Free Environment" attached hereto as Exhibit "B", without limitation to those designated within this Lease. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Lease and any disputes hereunder. Any action relating to this Lease shall be brought in a court of the State of Arizona in Pima County. Any changes in the governing laws, rules, regulations, and Board of Supervisor policies during the terms of this Lease shall apply but do not require an amendment.

4. **EFFECTIVE DATE.** This Amendment shall be effective as of February 1, 2014.

5. **REMAINING LEASE TERMS UNCHANGED.** Except as modified by this Amendment, all terms and conditions of the Lease shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amendment on the date written below.

TENANT: Michael J. Vingelli, P.C., an Arizona professional corporation:


Michael J. Vingelli
President and Shareholder

Date May 20, 2014

LANDLORD: PIMA COUNTY, a political subdivision of the State of Arizona:

N/A Date _____
~~Sharon Bronson~~ GEORGE WIDUGIRIS
~~Chair, Board of Supervisors~~ PROCUREMENT DIRECTOR

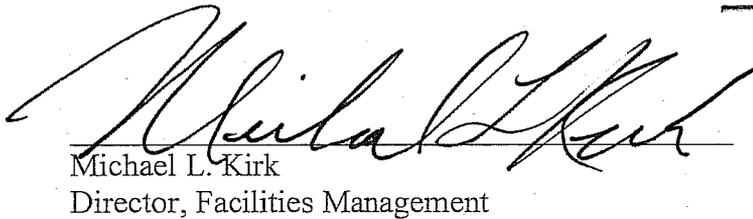
ATTEST:

PIMA COUNTY
BOARD OF SUPERVISORS

N/A Date _____
~~Robin Brigode~~ _____
~~Clerk of the Board~~ _____
Chairman

ATTEST:

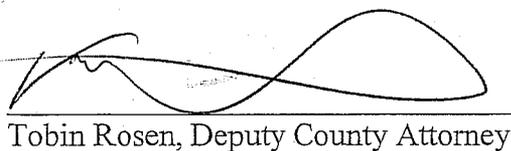
APPROVED AS TO CONTENT:


Michael L. Kirk
Director, Facilities Management

Clerk of the Board

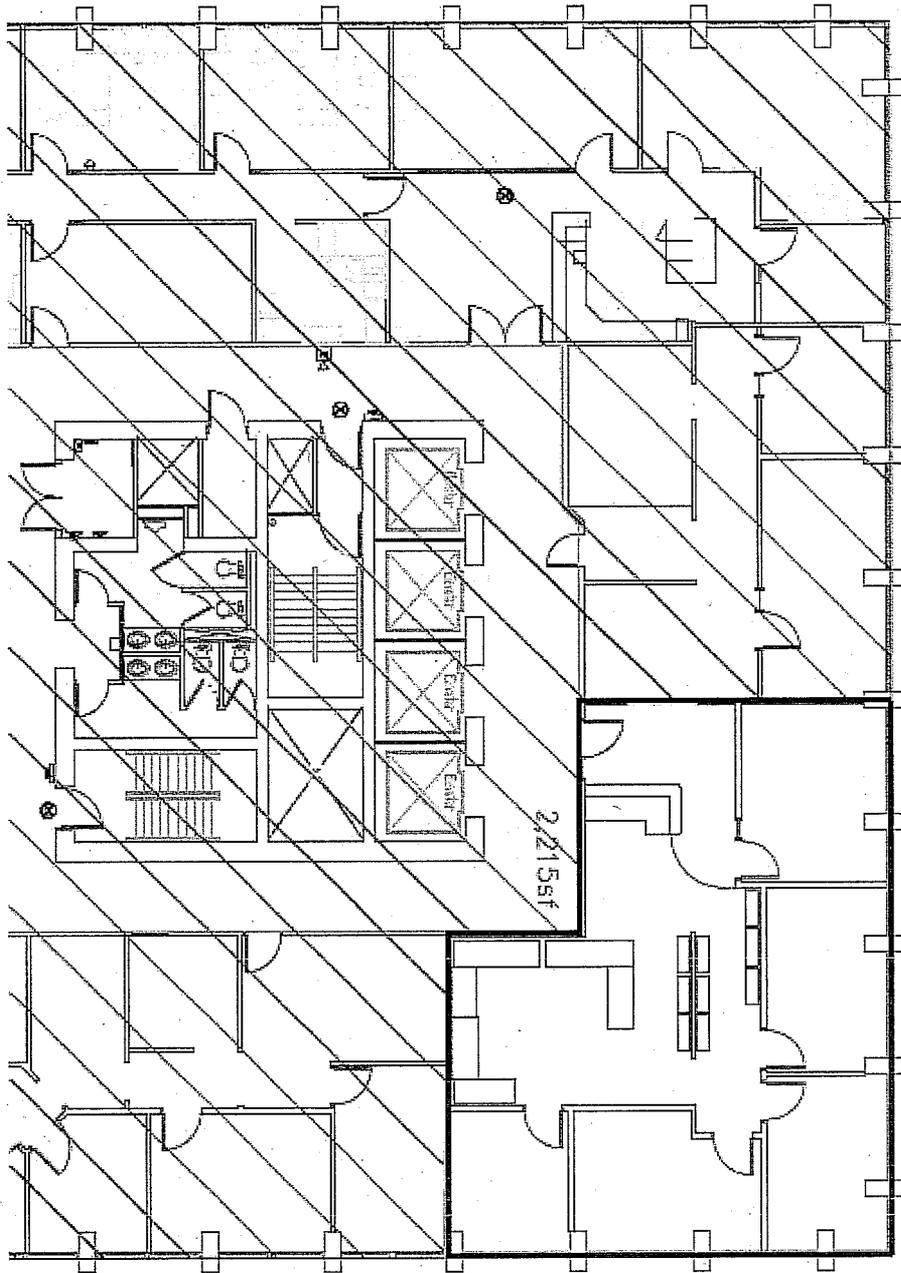
Date 5/22/14

APPROVED AS TO FORM:


Tobin Rosen, Deputy County Attorney

Date 5/19/14

EXHIBIT "A"



PIMA COUNTY FACILITIES MANAGEMENT, 150 WEST CONGRESS, TUCSON ARIZONA 85701 (520)740-3065



B of A Building
33 N Stone Avenue
Tucson, Arizona

TI OPTION 3 (1811 Gross Sq. Ft.)
Suite 1800 Vingelli & Errico

33 N. Stone Ave., Suite 1800, Tucson, AZ 85701

EXHIBIT "B"

Page 1 of 2

PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY
Subject: Tobacco-Free Environment
Policy Number: C 3.18
Page 1 of 2

Purpose:

Smoking and the use of tobacco related products are a major cause of preventable disease and death. As a leading employer and health proponent Pima County is committed to the promotion of health, wellness, and the prevention / treatment of diseases. Pima County also serves as a model for the public influencing attitudes about smoking and the dangers of tobacco products. The purpose of this tobacco-free policy is to create tobacco-free environments for all Pima County facilities, public buildings and adjacent properties, to provide Pima County employees and the public with guidelines for managing and supporting this policy, and to encourage a healthy lifestyle for all personnel and visitors.

Background:

As a major entity involved in the promotion of public health and safety within Pima County, the Board of Supervisors promotes and encourages the establishment of a tobacco-free zone on County facilities, public buildings and adjacent properties. The Board of Supervisors has previously established wellness as a priority for all County employees, by the adoption of the long-range Sustainability Program and employee incentives in the way of premium discounts for health insurance benefits. The establishment of a tobacco-free policy is the natural continuance of those efforts.

Policy:

It is the policy of the Board of Supervisors that to provide a safe and healthy environment for all employees, and the general public.

The Board of Supervisors prohibits the use of tobacco products at all times on County facilities, public buildings and adjacent properties, and in County vehicles. This prohibition applies to all employees, and to all visitors and other persons at any County sponsored activity or event conducted on County facilities, in public buildings or on adjacent properties.

Definitions:

Tobacco Products include cigarettes, cigars, pipes, smokeless tobacco, water pipes, hookah, e-cigarettes, chewing tobacco, snuff and other products containing tobacco.

County Facilities, Public Buildings and Adjacent Properties including County owned or leased properties and a facility occupied or used by any County personnel, visitor, or vendor, and includes but is not limited to buildings, courtyards, walkways, breeze-ways, parking lots, parking structures, County vehicles (owned or leased), loading docks or construction sites.

Compliance:

County personnel are responsible for compliance with the policy. Visitors and vendors observed to violate this policy shall be respectfully informed of the Tobacco-Free Environment Policy and asked to comply. If a visitor or vendor neglects to comply, that neglect to comply may be used as grounds for prohibiting access to premises or facilities by said visitor or vendor.

EXHIBIT "B"

Page 2 of 2

PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY
Subject: Tobacco-Free Environment
Policy Number: C 3.18
Page 2 of 2

If any individual violating the policy appears agitated or otherwise confrontational regarding compliance, then County personnel shall immediately inform the staff responsible for the facility or security personnel if available and shall engage in no further intervention.

All vendors doing business with Pima County shall be notified of the Tobacco-Free policy and shall be expected to comply with the policy. Organizers and supervisors of public events, conferences, meetings and work activities on County facilities, work sites, public buildings and adjacent properties shall be responsible to communicating the requirements of the Tobacco-Free Policy to such events or conferences for attendees.

All new employees of Pima County will be informed on and educated about the Tobacco-Free Policy and the requirement that employees comply with the policy. Additionally, new employees shall be made aware of the availability of tobacco cessation programs sponsored or funded by Pima County.

References:

Pima County Ordinance, Chapter 2.12
Pima County Code, Section 8.50
Adopted Date: November 13, 2012
Effective Date: January 1, 2013

Website: <http://www.pima.gov/cob/POLICY/C3-18.pdf>



CERTIFICATE OF LIABILITY INSURANCE

G2B
R054

DATE (MM/DD/YYYY)
07-19-2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USAA INSURANCE AGENCY INC/PHS 812846 P: (888) 242-1430 F: (877) 905-0457 PO BOX 33015 SAN ANTONIO TX 78265	CONTACT NAME: PHONE: FAX: (866) 242-1430 FAX: (877) 905-0457 E-MAIL: ADDRESS:
INSURERS/AFFORDING COVERAGE	
INSURER A: Hartford Casualty Ins Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
 MICHAEL J VINGELLI PC DBA VINGELLI & ERICCO
 33 N STONE AVE STE 1800
 TUCSON AZ 85701

COVERAGES: CERTIFICATE NUMBER: REVISION NUMBER:
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURER	TYPE OF INSURANCE	POLICY NUMBER	POLICY PERIOD	COVERAGE PERIOD	COVERAGE PERIOD	LIMITS
A	GENERAL LIABILITY	SE 5BA R32872		07/14/2013	07/14/2014	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> General Liab					DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MEDICAL EXP (Per person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - CONSUMER AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECTIONS <input checked="" type="checkbox"/> LOC					COMBINED SINGLE EVENT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> UNOWNED AUTOS					EACH OCCURRENCE \$ AGGREGATE \$ \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPERTY OR PARTNER/EXECUTIVE OFFICER/EMPLOYEE EXCLUDED (Waiver to NY) <input type="checkbox"/> Y/N <input type="checkbox"/> N/A					WC STATE POLY LIMITS <input type="checkbox"/> OFF-STATE <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Those usual to the Insured's Operations.

CERTIFICATE HOLDER Pima County Government C/O Facilities Management 150 W CONGRESS ST FL 3 TUCSON, AZ 85701	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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