



ADDENDUM MATERIAL

DATE 1-10-23

ITEM NO. ADD 1

BOARD OF SUPERVISORS AGENDA ITEM REPORT AWARDS / CONTRACTS / GRANTS

Award Contract Grant

Requested Board Meeting Date: 01/10/2023

* = Mandatory, information must be provided

or Procurement Director Award:

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

World View Enterprises Inc. ("WVE")

***Project Title/Description:**

Lease-Purchase Agreement ("Agreement")

***Purpose:**

Pima County will enter into a Lease-Purchase Agreement with WVE for improved real property ("Property") located at the Aerospace Research Campus ("ARC"), 1805 E Aerospace Parkway (APN 140-52-001K) in Tucson Arizona, for the purposes of developing, commercializing and manufacturing proprietary high-altitude balloon technology. This new contract replaces in its entirety the prior Lease-Purchase Agreement CTN-FM-16-145 which will terminate upon execution of this new Agreement. The intent of this new Agreement will permit WVE continued use of the Property, provide continuing source of employment for the community, and also provide flexibility and potential recourse for Pima County if necessary.

***Procurement Method:**

Exempt pursuant to Pima County Code 11.04.020

***Program Goals/Predicted Outcomes:**

WVE will lease the Property for a five (5) year term, accompanied by the option to utilize four (4) renewal terms of five (5) years each, as well as an option to purchase the Property within 24 months of the effective date of the Agreement.

***Public Benefit:**

The benefit to the community will be employment of Pima County residents at higher than average annual salaries and increased job opportunities and all the associated economic benefits of job growth.

***Metrics Available to Measure Performance:**

WVE will lease the Property for 90% of the fair market lease rate as authorized by Arizona Revised Statutes in the amounts of \$1,035,180.00 for year one, \$1,060,740 for year two, \$1,087,578 for year three, \$1,114,416 for year four, and \$1,142,532 for year five. The lease payments are increased at rate of 2.5% for years 2-5 of the Initial Term. If WVE exercises their option to acquire the Property before the end of the first 24 month lease period, the sale of the property will be at 90% of the appraised value equal to \$14,400,000.00 as authorized by Arizona Revised Statute. If the lease is extended beyond the five (5) year term, a new appraisal of the property will be performed to determine market lease payments and and fee simple market value for possible purchase terms. The contract stipulates hiring requirements and average salary benchmarks to promote and maintain economic growth within the community. A Right of First Refusal (ROFR) clause for an approximately 6.07 acre vacant parcel (140-52-001H) situated immediately west of the current Property will be included in the agreement to allow for the possible future expansion of WVE. The agreement also provides to World View Enterprises a Purchase Option, with a consideration to Pima County in the amount of \$10,000.00, as well a Right of First Refusal on an adjacent parcel, also in the amount of \$10,000.00. Both of these amounts are to be paid up fron to Pima County by World View, upon the execution of this agreement.

***Retroactive:**

Yes, to 1/1/2023.

140-52-001K-004-PC-CK-01-F-BO

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: CTN Department Code: RPS Contract Number (i.e., 15-123): 23*098
Commencement Date: 01/1/2023 Termination Date: 01/09/2028 Prior Contract Number (Synergen/CMS):
Expense Amount \$ Revenue Amount: \$ 19,860,446

*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: Department Code: Contract Number (i.e., 15-123):

Amendment No.: AMS Version No.:

Commencement Date: New Termination Date:

Prior Contract No. (Synergen/CMS):

Expense Revenue Increase Decrease

Amount This Amendment: \$

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: Jeffrey Teplitsky

Department: Real Property Services

Telephone: 724-6306

Department Director Signature:

Date: 1/9/2023

Deputy County Administrator Signature:

Date: 1/9/2023

County Administrator Signature:

Date: 01/09/2023