



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: February 16, 2016

or Procurement Director Award ☐

Contractor/Vendor Name (DBA): Accelerate Diagnostics, Inc.

Project Title/Description:

Accelerate Diagnostics, a tenant in the Herbert K. Abrams Public Health building lease extension.

Purpose:

This Sixth Amendment will extend the term of the lease for premises located on the entire fourth floor of the Abrams Public Health building for one additional year. The rental rate for 41,722 sq. ft. will increase from \$9.25 sq. ft. to \$19.80 as stipulated in section 6a of the lease dated August 20, 2012. Tenant has expanded from 30 employees to over 100 employees in the past three years and wants to continue operating their science based bio-tech business in Tucson at the current location for another year.

Procurement Method:

Board of Supervisors Contracts Policy D 26.4.

Program Goals/Predicted Outcomes:

Accelerate Diagnostics, Inc. will continue to lease premises in Tucson which will provide over \$899,489.29 in revenue from rent. With this amendment, tenant will also be responsible to pay the cost of electricity for the premises estimated at \$141,204.

Public Benefit:

The continuing presence of Accelerate Diagnostics employees will positively benefit businesses in Tucson and Pima County through monetary expenditures on housing, restaurants, entertainment, retail stores and special events.

Metrics Available to Measure Performance:

This Sixth Amendment to Lease will promote positive economic development in Tucson and Pima County.

Retroactive:

Retroactive approval of this amendment effective date is requested for the following reason(s): Tenant was out of town in December and did not sign the document until January 4, 2016. By time the amendment was received and processed it was after the deadline for Board of Supervisors meeting of January 5th and due to time restrictions we were unable to meet the subsequent deadlines for the January 19th Board of Supervisor's meeting.

Td: COB - 2.3-16 - (2)
Pgs - 2

Procure Dept 01/26/16 PM 11:10

Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____
☐ Expense Amount: \$ _____ ☐ Revenue Amount: \$ _____
Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No ☐ Not Applicable to Grant Awards
Were insurance or indemnity clauses modified? ☐ Yes ☒ No ☐ Not Applicable to Grant Awards
Vendor is using a Social Security Number? ☐ Yes ☒ No ☐ Not Applicable to Grant Awards
If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: CTN Department Code: FM Contract Number (i.e., 15-123): 13*55
Amendment No.: Six AMS Version No.: Seven
Effective Date: January 13, 2016 New Termination Date: January 12, 2017
☐ Expense ☒ Revenue ☒ Increase ☐ Decrease Amount This Amendment: \$ 1,040,693.29
Funding Source(s): _____

Cost to Pima County General Fund: none

Contact: Melissa Loeschen

Department: Facilities Management

Telephone: 724-8230

Department Director Signature/Date: [Signature] 1/25/2016

Deputy County Administrator Signature/Date: [Signature] 1-26-16

County Administrator Signature/Date: [Signature] 1/26/16
(Required for Board Agenda/Addendum Items)

PIMA COUNTY FACILITIES MANAGEMENT DEPARTMENT**LEASE: 3950 S. COUNTRY CLUB ROAD, ENTIRE 4th FLOOR
TUCSON, ARIZONA****TENANT: ACCELERATE DIAGNOSTICS, INC.****LEASE NO.: CTN FM 13*55 - REVENUE****LEASE AMENDMENT NO.: SIX (6)****CONTRACT****NO. CTN-FM-13*055****AMENDMENT NO. 06**This number must appear on all
invoices, correspondence and
documents pertaining to this
contract.

ORIGINAL LEASE TERM:	01/13/13-01/12/16	ORIG. LEASE AMOUNT:	\$418,914.00
TERMINATION DATE PRIOR AMENDMENT:	NA	PRIOR AMENDMENTS:	\$624,553.99
TERMINATION THIS AMENDMENT:	01/12/17	AMOUNT THIS AMEND:	\$1,040,693.29
		REVISED AMOUNT:	\$2,084,161.28

SIXTH AMENDMENT TO LEASE

Pima County ("Landlord") and ACCEL8 TECHNOLOGY CORPORATION, a Colorado corporation ("Tenant"), entered into a lease agreement for premises located at 3550 S. Country Club Road (the "Building") dated August 20, 2012 and amended on October 15, 2013, whereby Tenant's name was changed to ACCELERATE DIAGNOSTICS, INC. and subsequently amended on April 15, 2014, June 1, 2014, December 16, 2014 and January 13, 2015 (the "Lease").

1. The First Amendment to Lease dated October 15, 2013, Second Amendment to Lease dated April 16, 2014 and the Fourth Amendment to Lease dated December 16, 2014 expanded Tenant's premises to include the entire fourth floor of the Herbert K. Abrams Public Health Building which contains 45,885 useable square feet.

2. Landlord has received Tenant's written notice to exercise the first option to extend the term "Extension Term" as allowed in Section 3b of the Lease.

3. **MODIFICATION OF LEASE.** Landlord and Tenant hereby agree to modify the terms of the Lease as set forth in this Sixth Amendment to Lease. Capitalized terms not otherwise defined in this Sixth Amendment to Lease have the meanings set forth in the original Lease unless otherwise revised by prior amendments. This Sixth Amendment to Lease will be effective when approved and executed by both parties.

4. **TERM.** The expiration date of the Lease is extended to January 12, 2017.

5. **RENT.** In accordance with Section 6a of the Lease, and Section 5 of the Second Amendment to Lease, Tenant will begin paying the following rent commencing on January 13, 2016:

<u>Premise Size</u>	<u>Rent per Square Foot</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
41,722	\$19.80	\$826,095.60	\$68,841.30
4,163	\$17.63	\$ 73,393.69	\$6,116.14

6. **UTILITIES.** As a result of electricity sub-meters being installed in the Premises, Tenant will pay the actual cost of electricity based on the actual usage determined by the sub meters that have been installed.

REMAINING LEASE TERMS UNCHANGED. Except as modified as provided in this Sixth Amendment, all of the terms and conditions of the Lease will remain in full force and effect.

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

LANDLORD:

PIMA COUNTY, a political subdivision of
the State of Arizona

TENANT:

ACCELERATE DIAGNOSTICS, INC.
a foreign corporation

Sharon Bronson, Chair, Board of Supervisors

Steve Reichling, Chief Financial Officer

Date _____

Date 1/4/16

ATTEST:

Robin Brigode, Clerk of the Board

APPROVED AS TO CONTENT:

By: _____
Michael Kirk, Director, Facilities Management Department

APPROVED AS TO FORM:

By: _____
Tobin Rosen, Deputy County Attorney