



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: May 7, 2019

* = Mandatory, information must be provided

or Procurement Director Award ☐

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

Baggin's, Inc.

***Project Title/Description:**

Lease Amendment No. Five (5).

***Purpose:**

Extend lease of 33 N Stone Suite 140 for 5 years, from 6-1-2019 through 5-31-2024. Add two more options to renew for terms of five (5) years each.

***Procurement Method:**

Exempt per Section 11.04.020

***Program Goals/Predicted Outcomes:**

Increase County's rent revenue and retain popular sandwich shop in the 33 N. Stone building.

***Public Benefit:**

Increase rent revenue by \$333,872.89 over five (5) years.

***Metrics Available to Measure Performance:**

Full and timely payment of rent during the lease period.

***Retroactive:**

No.

*To: COB - 5-22-19
18-4
(11)*

Contract / Award 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) 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 22-73.***Amendment / Revised Award Information**

Document Type: CTN Department Code: FM Contract Number (i.e., 15-123): CMS 139840

Amendment No.: Five (5) AMS Version No.: 4 HL

Effective Date: June 1, 2019 New Termination Date: May 31, 2024

Prior Contract No. (Synergen/CMS): _____

☐ Expense or ☒ Revenue ☒ Increase ☐ Decrease Amount This Amendment: \$ 333,872.89Is there revenue included? ☒ Yes ☐ No If Yes \$ 333,872.89***Funding Source(s) required:** Tenant.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): _____

Effective 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: Nina Armstrong

Department: Facilities Management Telephone: 724-2725

Department Director Signature/Date:  4/15/19Deputy County Administrator Signature/Date:  4-18-19County Administrator Signature/Date:  4/19/19
(Required for Board Agenda/Addendum Items)

**PIMA COUNTY
DEPARTMENT OF FACILITIES MANAGEMENT
REVENUE CONTRACT**

LANDLORD: PIMA COUNTY

TENANT: BAGGIN'S, INC.; 4645 S CONTRACTOR'S WAY, TUCSON, AZ, 85714

CONTRACT NO.: CTN - FM - CMS139840

AMENDMENT NO.: FIVE (5)

ORIGINAL TERM:	06/01/94 – 05/31/99	ORIG. AMOUNT:	\$ 95,583.00
TERMINATION DATE PRIOR AMENDMENT:	05/31/19	PRIOR AMENDMENTS:	\$ 863,029.31
TERMINATION DATE THIS AMENDMENT:	05/31/24	THIS AMENDMENT:	\$ 333,872.89
		REVISED AMOUNT:	\$ 1,292,485.20

**AMENDMENT NO. FIVE (5) TO LEASE
33 NORTH STONE AVENUE, SUITE 140
TUCSON, AZ**

1. **DEFINED TERMS.** For purposes of this Amendment, the following terms have the meanings set forth below:

1.1. Landlord: Pima County, a political subdivision of the State of Arizona (hereinafter referred to as "Landlord").

1.2. Tenant: Baggin's, Inc., an Arizona corporation.

1.3. Building: 33 N. Stone Avenue, Tucson, AZ, also known as the Bank of America building.

1.4. Leased Premises: Suite 140 in the Building, consisting of approximately 3,311 rentable square feet.

1.5. Lease: The lease for the Leased Premises naming Tenant as tenant, dated March 16, 1994, and all amendments thereto.

1.6. Effective Date: June 1, 2019.

2. **MODIFICATION OF LEASE.** Tenant timely exercised its Option to Extend contained in Amendment No. 4 at paragraph 2.6., and Landlord accepted Tenant's exercise of that Option. Therefore, Landlord and Tenant hereby agree to modify the Lease as follows:

2.1. Extension of Lease Term. The Lease is hereby extended for an additional five (5) years (the "Extended Period"), from June 1, 2019 through May 31, 2024.

2.2. Rent. Rent for the Premises during the extension period shall be:

<u>Lease Year</u>	<u>\$/Sq Ft/Yr</u>	<u>Monthly</u>	<u>Yearly</u>
6/01/19 - 5/31/20	\$18.99	\$5,240.54	\$62,886.49
6/01/20 - 5/31/21	\$19.56	\$5,397.76	\$64,773.08
6/01/21 - 5/31/22	\$20.15	\$5,559.69	\$66,716.27
6/01/22 - 5/31/23	\$20.75	\$5,726.48	\$68,717.76
6/01/23 - 5/31/24	\$21.38	\$5,898.27	<u>\$70,779.29</u>
Total Base Rent, 5 yrs			\$333,872.89

2.3. Options to Extend. Provided Tenant is neither in default nor owes unpaid monies to Landlord, Tenant may extend the Lease Term for up to two (2) additional five (5) year periods. To exercise an extension option, Tenant must give Landlord written notice of Tenant's election to exercise the option no less than ninety (90) days before the expiration of the immediately preceding lease period. The rent during the option periods will be:

Renewal Option #1 (6/1/24 - 5/31/29)

<u>Lease Year</u>	<u>Rent Increase</u>	<u>\$/SF (full svc.)</u>	<u>Monthly</u>	<u>Yearly</u>
6/01/24 - 5/31/25	0.00%	\$21.38	\$5,898.27	\$70,779.29
6/01/25 - 5/31/26	3.00%	\$22.02	\$6,076.07	\$72,912.86
6/01/26 - 5/31/27	3.00%	\$22.68	\$6,258.35	\$75,100.24
6/01/27 - 5/31/28	3.00%	\$23.36	\$6,446.10	\$77,353.25
6/01/28 - 5/31/29	3.00%	\$24.06	\$6,639.49	<u>\$79,673.85</u>
Total Base Rent, 5 years				\$375,819.48

Renewal Option #2 (6/1/2029 - 5/31/2034)

<u>Lease Year</u>	<u>Rent Increase</u>	<u>\$/SF (full svc.)</u>	<u>Monthly</u>	<u>Yearly</u>
6/01/29 - 5/31/30	0.00%	\$24.06	\$6,638.56	\$79,662.66
6/01/30 - 5/31/31	3.00%	\$24.78	\$6,837.71	\$82,052.54
6/01/31 - 5/31/32	3.00%	\$25.53	\$7,042.84	\$84,514.12
6/01/32 - 5/31/33	3.00%	\$26.29	\$7,254.13	\$87,049.54
6/01/33 - 5/31/34	3.00%	\$27.08	\$7,471.75	<u>\$89,661.03</u>
Total Base Rent, 5 years				\$422,939.88

3. **NOTIFICATION OF NEEDED REPAIRS.** If a repair to the Premises is needed, for which Landlord is responsible, Tenant will notify Landlord by e-mail addressed to FM-TenantRequest@pima.gov, and Landlord will make the needed repairs within a reasonable period of time.

4. **REMAINING LEASE TERMS UNCHANGED.** Except as modified by this Amendment No. Five (5), 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 Amendment on the day, month and year written below.

TENANT: Baggin's, Inc., an Arizona corporation



John Murphy
President

4/8/19
Date

LANDLORD: Pima County, a political subdivision of the State of Arizona

Richard Elias
Chairman, Board of Supervisors

Date _____

ATTEST:

Julie Castaneda
Clerk of the Board

Date _____

APPROVED AS TO CONTENT:



Lisa Josker
Director, Facilities Management

4/5/19
Date

APPROVED AS TO FORM:



Regina Nassen
Deputy County Attorney

4-2-2019
Date

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day, month and year written below.

TENANT: Baggin's, Inc., an Arizona corporation

John Murphy
President

Date

LANDLORD: Pima County, a political subdivision of the State of Arizona

Richard Elias
Chairman, Board of Supervisors

Date

ATTEST:

Julie Castaneda
Clerk of the Board


Date

APPROVED AS TO CONTENT:

Lisa Josker
Director, Facilities Management

Date

APPROVED AS TO FORM:



Regina Nassen
Deputy County Attorney

Date 4-2-2019