



MEMORANDUM

Date: May 4, 2022

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshar 
County Administrator

Re: **Response to the Board of Supervisors Addendum Agenda Item #17 – Southern New Hampshire University Lease Termination**

Attached is the letter from Southern New Hampshire University regarding termination of their lease agreement, requested by Supervisor Christy during the May 3, 2022 Board of Supervisors Meeting.

Attachment

JKL/mp

c: Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Lisa Josker, Director, Facilities Management



April 20, 2022

Ms. Lisa Josker
Director, Facilities Management
150 W. Congress St #5
Tucson, AZ 85701

Dear Ms. Josker,

Thank you for your creative thinking to help better utilize 97 E Congress Street. We appreciate your partnership and transparent relationship. We were happy to see that it is official and you will be occupying two floors starting in June. We know there are many details to work through, and we are here to support those discussions and decisions.

As part of our transparency with you, we wanted to let you know that SNHU has been evaluating our space needs. Before the pandemic, we thought we would outgrow our Tucson facility. However, we have been surveying our employees and managers throughout the pandemic to understand if remote work is temporary or here to stay. As a non-profit, every dollar we spend needs to be justified because it is a student's tuition dollar. It is important to us that when we lease office space, we are using it efficiently. What we hear from our employees (both in Tucson and here in Manchester) is that the vast majority want to remain remote even after this pandemic is finally over. We have so few employees that are coming into the office now, and so few that want to come in post-pandemic, that we had to look into options for our space. Your creative solutioning for the next two years is very helpful, and our leadership has gone a step further to decide that now is the right time to see what further opportunities are available for downsizing.

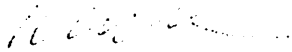
We understand and respect the obligations we have with Pima County, and we want to honor those. As such, we are prepared to offer you a buy-out number. This is the amount we are prepared to pay now, up front, in exchange for releasing us from further lease obligations. Our goal would be to move out of the building before June 1st, understanding that if these conversations take a few weeks we may need until July 1 to fully move out. Our justification is as follows:

1. SNHU is officially giving notice that it seeks to terminate the lease on 8/31/24, and is offering \$900,000 to "buy-out" the remaining term between now and then.
2. Pima County may therefore use the entire building during their construction project, saving expense in retrofitting data closets, security/access, etc.
3. SNHU can pay all up front (preferred) or split payments monthly, quarterly, or yearly through the 8/31/24 end term if that is better for Pima County.

We are available to discuss details and logistics with the move on June 1st on two floors, but in the meantime wanted to get this to you so if we can work something out quickly then you would be able to make the move in plans without us in the middle.

We look forward to hearing back from you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth Lee", written over a horizontal line.

Kenneth Lee
Chief Financial Officer