



MEMORANDUM

Date: August 12, 2019

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

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Final Concept Approvals for the First Floor of the Historic Courthouse**

I am enclosing documents showing the final configuration of the first floor of the Pima County Historic Courthouse (Attachment 1) that will house both the Visitor Center as well as The University of Arizona (UA) Mineral Museum. In addition, plans have advanced to the point a final construction manager risk contract for this final phase of the Historic Courthouse renovation will be presented to the Board for approval.

The estimated cost of the Mineral Museum completion has risen from \$10 million to \$13.5 million, primarily due to price escalation in the construction market as well as exhibit case cost. The University has agreed to pay this additional cost. As the Board recalls, in the original lease agreement with the University, the County would initially pay for a portion of this cost or approximately \$4 million and to be repaid by The UA over a 36-month period. This agreement with the University is to be amended to increase the additional amount of improvements to be reimbursed by The UA, from \$4 million to \$7.5 million. The \$3.5 million increased cost will be repaid over a longer period from 36 months to 60 months. This lease amendment will be on the Board of Supervisors Meeting Agenda of August 19, 2019.

For the Board's information, I am enclosing a copy of the BOS-AIR (Attachment 2) for this agenda item along with the concept drawings for final development of both the Visitors Center and Mineral Museum.

CHH/lab

Attachments

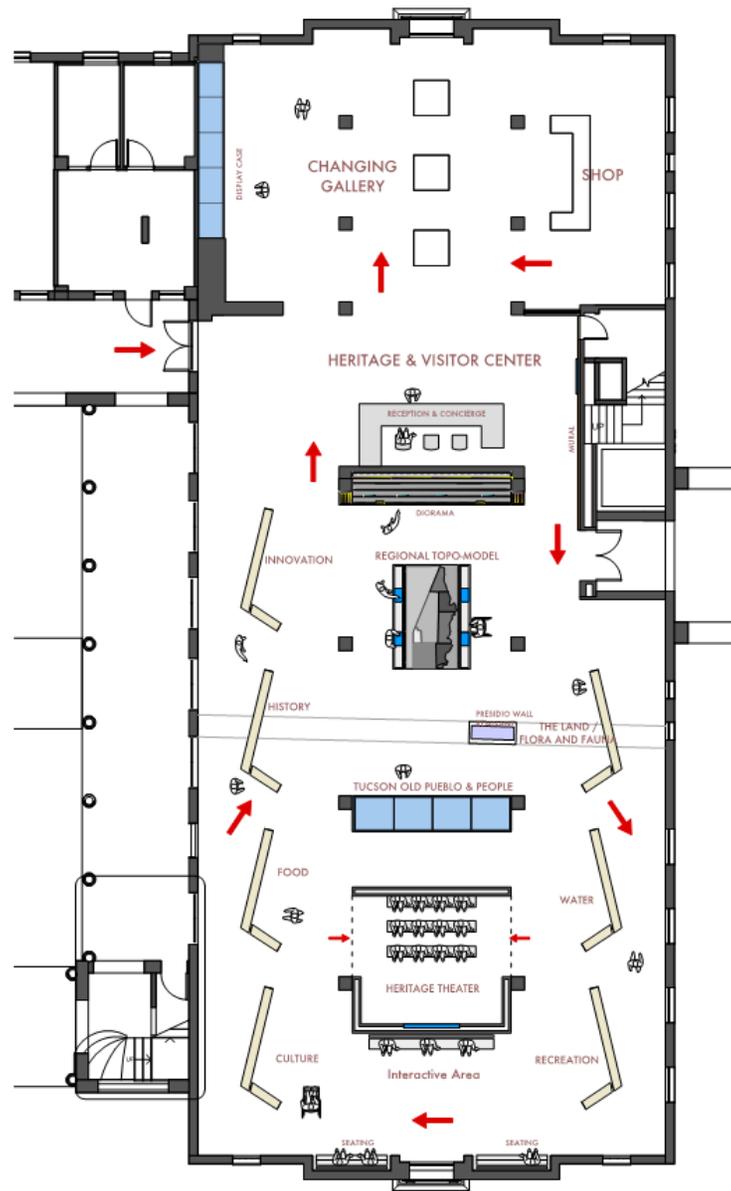
c: Jan Leshar, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Lisa Josker, Director, Facilities Management
Diane Frisch, Director, Attractions and Tourism
Nicole Fyffe, Executive Assistant to the County Administrator

ATTACHMENT 1



The Story Portals:

- 1. Nature
- 2. Water
- 3. Recreation
- 4. Culture
- 5. Food
- 6. History
- 7. Innovation



First Floor

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center



Entrance/Gift Shop/Changing Gallery/Info Desk

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center



Regional Topo Model and Diorama

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center



Regional Topo Model and Tucson the Old Pueblo Case

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center

ARTS & CULTURE



ARTS & CULTURE

Culture Comes Alive...Tucson Style

From Mexican crafts to our biggest festivals, you can find something art and culture in every corner of Tucson. From the historic downtown to the desert mountains, there's always something new to see and do.

Larger than Life

Experience the largest murals in the world, including the iconic 'The Wall' and 'The People's Choice' murals. These large-scale artworks tell stories of community and culture.

Handmade Crafts

Discover the artistry of local artisans and their handmade crafts. From pottery to jewelry, these items are a testament to the rich cultural heritage of Tucson.

Culture of Ages

Experience the culture of ages through our diverse community. From traditional Mexican cuisine to modern art, there's something for everyone.



Art Galleries

Explore the vibrant art scene in Tucson, featuring a variety of galleries and exhibitions. From contemporary to traditional, there's always something new to see.

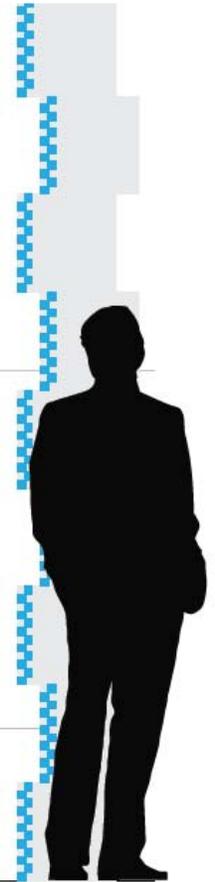
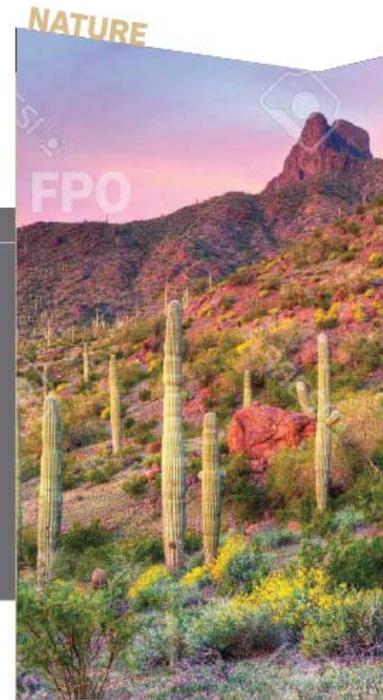


Green Our School

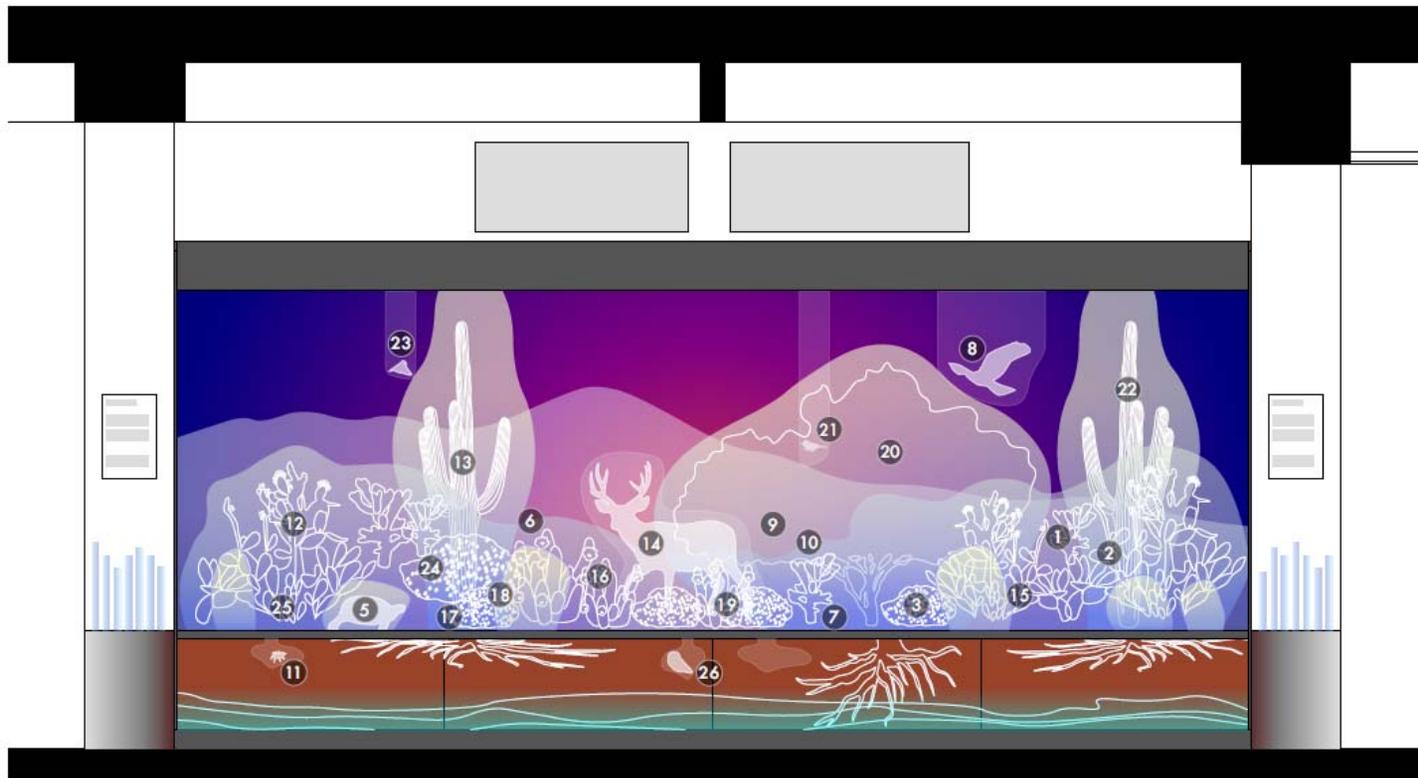
Learn about the importance of environmental education and how we can all contribute to a greener future.











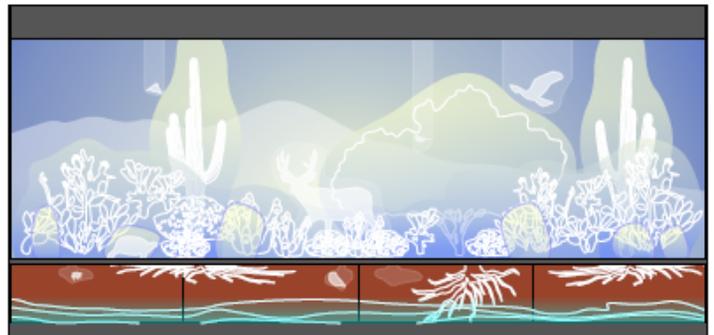
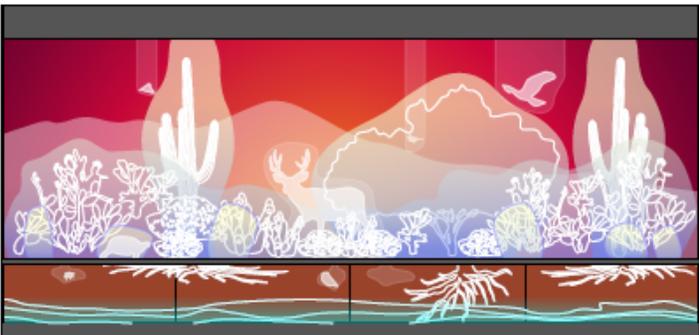
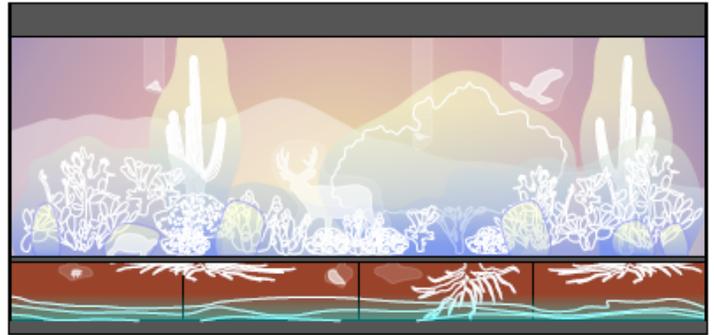
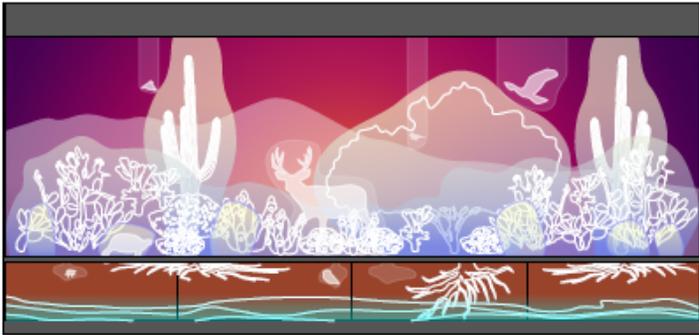
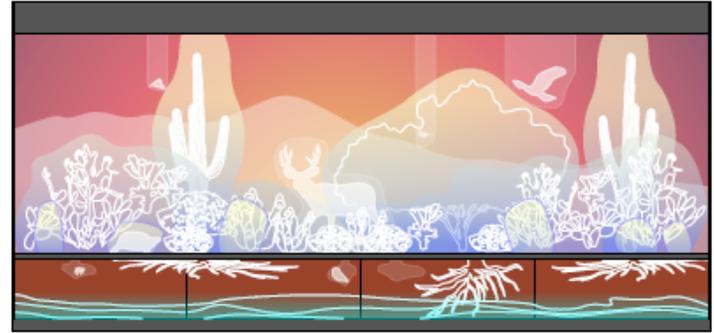
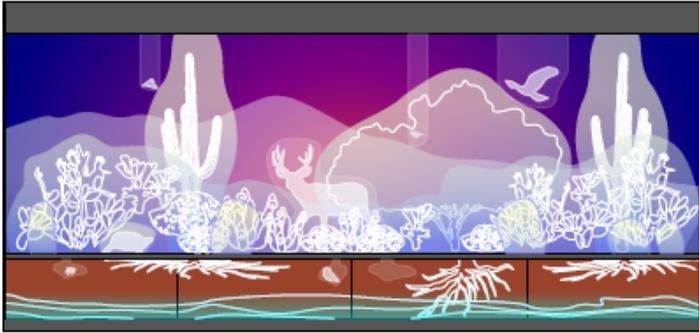
- | | | |
|----------------------|--|---------------------|
| 1. TEDDY BEAR CHOLLA | 10. GAMBEL QUAIL | 19. GILA MONSTER |
| 2. CACTUS WREN | 11. TARANTULA | 20. BLUE PALOVERDE |
| 3. BRITTLEBUSH | 12. PRICKLY PEAR | 21. VERDIN |
| 4. BANDED GECKO | 13. SAGUARO | 22. ELF OWL |
| 5. DESERT TORTOISE | 14. DESERT MULE DEER | 23. GILA WOODPECKER |
| 6. COLLARED PECCARY | 15. DESERT COTTONTAIL | 24. CREOSOTE BUSH |
| 7. TARANTULA HAWK | 16. HEDGEHOG CACTUS | 25. BARK SCORPION |
| 8. HARRIS' HAWK | 17. CACTUS MOUSE | 26. BURROWING OWL |
| 9. WHITE-WINGED DOVE | 18. WESTERN DIAMONDBACK
RATTLESNAKE | |

Interactive Diorama

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center



Interactive Diorama Lighting – Day to Night

Pima County Historic Courthouse

*Image by RAA

Heritage & Visitor Center

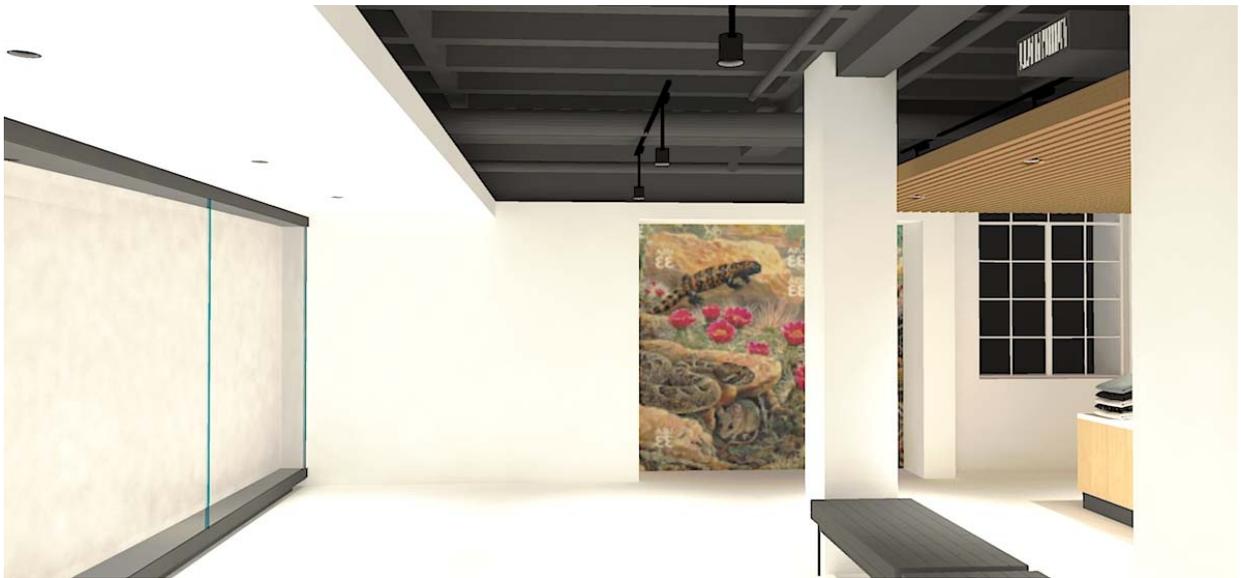


Gift Shop and Changing Gallery

Pima County Historic Courthouse

*Image by Poster Frost Mirto

Heritage & Visitor Center



Gift Shop and Changing Gallery

Pima County Historic Courthouse

*Image by Poster Frost Mirto

Heritage & Visitor Center



EXHIBIT KEY LEGEND

- WALL DISPLAY CASE
- TALL 2 SIDE DISPLAY CASE
- LOW DISPLAY CASE
- THUMB/MINI/FLUOR DISPLAY CASE
- DISPLAY PLATFORM
- MEDIA
- TOUCH SPECIMEN

First Floor

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum



Entry Lobby

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum



Mineral Evolution Gallery

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum



Azurite Stope

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum



Crystal and Mining

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum



Gem Vault

Pima County Historic Courthouse

*Image by RAA

UA Gem and Mineral Museum

ATTACHMENT 2



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Award Contract Grant

Requested Board Meeting Date: August 19, 2019

* = Mandatory, information must be provided

or Procurement Director Award

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

The Arizona Board of Regents, for and on behalf of the University of Arizona ("University")

***Project Title/Description:**

Lease agreement amendment for certain terms associated with Tenant Improvements for the 20,789 sq.ft. of exhibit and storage space at the historic courthouse, located at 115 N. Church Avenue, for the lease entered into on April 6, 2018 between Pima County ("County") and the University.

***Purpose:**

This amendment increases the amount that County will spend and the University will reimburse for Tenant Improvements from \$4,000,000.00 plus interest to \$7,500,000.00 plus interest. The amortization period will be increased from 36 months to 60 months. Since the Lease Agreement was executed, the Parties have learned that the estimated cost for the Tenant Improvements was, due to unanticipated market factors, insufficient to complete the Tenant Improvements as originally agreed upon. Finance and Risk Management would be authorized to make the necessary operating transfers from the General Fund to implement the provisions of the lease.

***Procurement Method:**

Exempt pursuant to Pima County Code section 11.04.020 D; lease pursuant to ARS §11-256.01

***Program Goals/Predicted Outcomes:**

Tenant's gem and mineral museum will be located in a historically prominent building in downtown Tucson that is currently occupied by the Metropolitan Tucson Convention & Visitors Bureau and will in the future be occupied by Pima County's Visitor Center.

***Public Benefit:**

The County will receive revenue during the lease term, while the University operates the museum in downtown Tucson that will continue to provide recreational, educational and community events to County visitors and residents.

***Metrics Available to Measure Performance:**

Pima County will benefit from the University's gem and mineral museum being conveniently located near the County's Visitor Center and the Metropolitan Tucson Convention & Visitors Bureau in the historic courthouse.

***Retroactive:**

No

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): 18-124

Amendment No.: 1 AMS Version No.: 2

Effective Date: 9/1/2019 New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ 3,652,752

Is there revenue included? Yes No If Yes \$ 3,652,752

*Funding Source(s) required: not applicable

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: Tina Tellez

Department: Facilities Management Telephone: 724-3393

Department Director Signature/Date: [Signature] 8/5/19

Deputy County Administrator Signature/Date: [Signature] 8-5-19

County Administrator Signature/Date: [Signature] 8/5/19

(Required for Board Agenda/Addendum Items)

Pima County Department of Facilities Management

Project: UA Mineral Museum – Historic Courthouse Lease

Lessee: ARIZONA BOARD OF REGENTS
On behalf of the University of Arizona
Director, UA Real Estate Administration
220 W. 6th Street
Tucson, AZ 85721

Lease Agreement No.: CTN-FM-18-124

Lease Amendment No.: One (1)

AMENDMENT TO LEASE AGREEMENT

1. BACKGROUND AND PURPOSE.

1.1. Background.

- 1.1.1. On April 6, 2018, Pima County (“County”) and the Arizona Board of Regents for and on behalf of the University of Arizona (“University”), entered into the above-referenced Lease Agreement for the operation of a gem and mineral museum (the “Museum”) and for ancillary uses related to the Museum, including community events and/or classes, in the Historic Courthouse, located at 115 N. Church Avenue, Tucson, AZ, owned by Pima County.
- 1.1.2. Under the Lease Agreement, County agreed to make certain Tenant Improvements, and University agreed to reimburse County for the costs of those improvements over a 3-year period, with interest accruing from the Rent Commencement Date, at the effective rate of interest actually paid by the County on the certificates of participation sold to fund the construction.
- 1.1.3. Since the Lease Agreement was executed, the Parties have learned that the estimated cost for the Tenant Improvements was, due to unanticipated market factors, insufficient to complete the Tenant Improvements as originally agreed upon.
- 1.1.4. Costs for labor and materials have increased at approximately 6% per year, much higher than historic cost escalation figures, and are exacerbated by an industry-wide labor shortage and nation-wide increase in the costs of materials.

- 1.2. **Purpose.** To insure that the Project stays on schedule and move toward the Grand Opening goals planned by the Parties, County and University agree that County will increase its expenditure of funds for Tenant Improvements, and University will repay all Tenant Improvement expenditures over a five-year period, on the terms set forth in this Amendment.

2. TENANT IMPROVEMENTS, Section 5) is amended as follows:

- 2.1. **Payment; Reimbursement,** paragraph c) is deleted in its entirety and replaced with the following:

County will spend up to \$7,500,000.00 for the Tenant Improvements (including design services, construction, and any included furniture, fixtures and equipment), but University will reimburse County for the cost of the Tenant Improvements, plus interest, over a 5-year period. Interest will be at the net effective interest rate actually paid by the County on the certificates of participation issued by the County as authorized by the Board of Supervisors on December 19, 2017, in Resolution 2017-100. Interest will begin accruing on the Rent Commencement Date. University will pay the amount due in 60 equal monthly installments (but with first and

last months prorated if necessary), at the same time that it pays Rent, commencing on the Rent Commencement Date.

2.2. Excess Costs, paragraph d) is deleted in its entirety and replaced with the following:

If the Tenant Improvements cost more than \$7,500,000.00 maximum amount, then, after County's payments have reached that maximum amount, County will periodically, no more often than monthly, as additional costs are incurred by County, invoice University for those excess costs. County will provide back-up documentation to substantiate those costs. University will pay the County within 30 days after receipt of the invoice. University may inspect the Premises to verify that the work for which it is being charged has been completed.

The effective date of this Amendment is September 1, 2019.

All other provisions of this Lease Agreement, including the provisions set forth in the Exhibits and attachments, not specifically changed by this Amendment, shall remain in effect and be binding upon the parties.

IN WITNESS THEREOF, the parties have affixed their signatures to this Amendment to the Lease Agreement on the dates written below.

THIS AMENDMENT MAY BE SIGNED IN COUNTERPARTS

ARIZONA BOARD OF REGENTS FOR
THE UNIVERSITY OF ARIZONA

PIMA COUNTY, a political subdivision of the State
of Arizona

By: _____
Lisa Rulney, SVP for Business Affairs & CFO

By: _____
Richard Elias
Chairman, Board of Supervisors

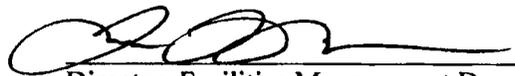
Date: _____

Date: _____

ATTEST:

Julie Castaneda
Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:



Director, Facilities Management Department

APPROVED AS TO FORM:



Karen S. Friar, Deputy County Attorney Date