



**Maricopa County Community College District
Governing Board Agenda
August 30, 2017**

vision *A Community of Colleges—Colleges for the Community—working collectively and responsibly to meet the life-long learning needs of our diverse students and communities.*

mission *The Maricopa Community Colleges provide access to higher education for diverse students and communities. We focus on learning through: University Transfer Education, General Education, Developmental Education, Workforce Development, Student Development Services, Continuing Education, Community Education, Civic Responsibility, and Global Engagement.*

SPECIAL BOARD MEETING (Via Teleconferencing)

10:15 a.m.

District Support Services Center | 2411 West 14th Street | Tempe, AZ 85281 | Legal Conference Room — Sixth Floor

CONSIDERATION OF CONSENT ACTION ITEM

Action

1. Approval of Sublease of Papago Reserve Building Space

ADJOURNMENT

AGENDA ACTION ITEM

Governing Board Agenda

Meeting Date: August 30, 2017

Item Number	Item Title	Responsible Agents
1.	Approval of Sublease of Papago Reserve Building Space	Ms. Gaye Murphy

Recommendation

It is recommended that the Governing Board approve a sublease of 15,825 sq. ft. of space of the 19,564 sq. ft. that MCCCDC currently leases in The Papago Reserve Building at 1050 W. Washington St. in Tempe, Arizona to Early Warning Systems, LLC.

Justification

The Maricopa County Community College District (“MCCCDC”) and Phoenix Investors #25, LLC (“Landlord”) entered into a lease in February 2016 for certain space comprising approximately 19,564 square feet (the “Premises”) within The Papago Reserve Building (“Building”) located at 1050 W. Washington in Tempe, Arizona (the “Lease”) for the Maricopa Corporate College. MCCCDC has since vacated the Premises and is seeking to sublease the Premises to mitigate its losses.

Early Warning Services, LLC (“Sublessee”) wishes to sublease approximately 15,825 square feet of space within the Premises (“Sublease Premises”), which is roughly 81% of the Premises. Entering into the Sublease will permit MCCCDC to eliminate approximately \$1.3 million in rent and other costs under its Lease. The major terms of the sublease are as follows:

1. The sublease commences on October 1, 2017 and expires on June 30, 2021, which is the expiration of the Lease.
2. The Base Rental Rate that the Sublessee pays is fixed at \$24.00 per square foot throughout the term; i.e., it would not increase annually, as is the case under the Lease.
3. Sublessee is responsible for its pro rata share of operating expenses.
4. Sublessee has access to the Sublease Premises 24 hours a day, 7 days a week.
5. Sublessee is provided 100 parking spaces of the 117 granted to MCCCDC under its Lease. Of the 17 spaces MCCCDC will retain, 15 are covered spaces and will be made available to the Sublessee at their option as long as the MCCCDC adjacent space is unleased. If the Sublessee exercises their option, the cost of the covered spaces will be billed at \$40/month.
6. The requirement for a security deposit is waived upon MCCCDC’s review of Sublessee’s audited financials.
7. The sublease is subject to Landlord’s prior approval.

MCCCDC’s broker will continue to search for a sublessee for the remaining approximately 3,700 sq. ft. of space under the Lease to an existing tenant in the Building.

Funding	Approvals/Certifications
<p><u>Source:</u></p> <p><u>Account Identification:</u></p>	<p>Chancellor _____</p> <p>Academic & Student Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____ ITS _____</p> <p>Res Dev & Cmty Relations _____</p> <p>College President _____</p>