



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

A Special Board Meeting of the Maricopa County Community College District Governing Board was scheduled to be held beginning at 10:15 a.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to ARS §38-431.07, notice having been duly given.

GOVERNING BOARD

Via Teleconferencing:

Laurin Hendrix, President
Linda Thor, Vice President
Johanna Haver, Member

In Person:

Jean McGrath, Member
Dana Saar, Member

Absent:

Alfredo Gutierrez, Member
Tracy Livingston, Member

ADMINISTRATION

Maria Harper-Marinick
Gaye Murphy
Maggie McConnell, Legal
Leslie Cooper, Legal

Others in Attendance:

David Martin, Purchasing
Darren Straughter

CALL TO ORDER OF SPECIAL BOARD MEETING

President Hendrix requested an attendance roll call. Having established that a quorum was in attendance either via telephone or in person, President Hendrix called to order the Special Board Meeting of the Maricopa County Community College District Governing Board for August 30, 2017 at 10:15 a.m.

President Hendrix explained that there was one item for consideration during this meeting which was the Approval of Sublease of Papago Reserve Building Space. He called for a motion and a second relating to this item.

MOTION

MOTION 10524

Board Vice President Thor motioned for approval and Board Member McGrath seconded. Prior to discussion taking place, President Hendrix asked Vice Chancellor of Business Services Gaye Murphy to provide information about the item.

Ms. Murphy stated that after receiving notification that the Governing Board would not approve the terms of the Papago Reserve Building Sublease, the CFO of Early Warning Systems (EWS) contacted Maricopa directly. Working with the Purchasing Office and Legal Department, EWS made it clear that they must have space by October 1 and proceeded to renegotiate terms. The most significant changes included no rent abatement, a savings of

\$220,000; a limit to 100 of the 117 parking spaces available with an option to rent 15 of the spaces which are covered. In the event that a tenant is found for the remaining 3,700 square feet of building space, there would be 17 parking spaces for that sublease. The total lease value recovery including both the subleased and unsubleased space will increase from 60 to 72%. For just the subleased portion, our value recovery will increase from 70 to 84%.

DISCUSSION

Board Discussion:

Board Member Haver commented that this was a much better deal now. There is a need to be more careful about the process of leasing and buying. There is a need to get an agent that is more hard-nosed. She suggested that this is a lesson to make changes.

Board Member Saar asked if we made a counteroffer? Was there a counteroffer of no abatement and not all parking spots? Are we still working with brokers?

Ms. Murphy explained that we still have to pay them although we have negotiated lower fees to Collier. \$221,000 in abatement would have given them \$16,000 in additional commission. Fee is \$80,775 (5% sublessee and 2 1/2 % to agent).

Board Member Saar commented that the seller has the right to say yes or no. Seller must make counteroffer. In the future Governing Board should be involved in every back and forth. We are the owners and should be involved in negotiation.

Board Member McGrath commented that the way we have been doing this is the easiest path.

President Hendrix stated that there could be no counteroffer without Board approval. He felt 7 1/2% was too stiff for listing broker. Similar to Colliers representing us. 3 & 5% to them. The person who brings more gets more. President Hendrix commented that 7 1/2% very high.

Board Member McGrath suggested using another agent in the future.

The Chancellor summarized by stating that Board has been pretty clear and will make sure that we have a different process.

VOTE

There being no further discussion, President Hendrix requested a Roll Call Vote on this item:

Saar: Yes
Haver: Yes
McGrath: Yes
Thor: Yes
Hendrix: Yes

Gutierrez and Livingston: Not in attendance

The action item calling for Approval of Sublease of Papago Reserve Building Space was approved 5-0 (Gutierrez and Livingston not in attendance).

ADJOURNMENT

Board Member Saar motion for adjournment of the special board meeting and Board Member McGrath seconded. Adjournment approved. The special board meeting adjourned at 10:27 a.m.

Dr. Linda M. Thor
Governing Board Vice
President