



FIRST AMENDMENT TO PROPERTY MANAGEMENT AND LEASE AGREEMENTS WITH INLAND PACIFIC ADVISORS

Community & Economic Development

Successor Agency Board

February 7, 2023

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BACKGROUND

1. **1994:** City Council and the Redevelopment Agency (Agency) Board authorized the purchase of 3737 Main Street (California Tower).
2. **1994:** The Agency entered into lease and leaseback agreements with the State of California, Department of General Services (DGS), making the Agency responsible for the operation, maintenance, repairs and leasing of the ground floor.
3. **Terms of both agreements run concurrently** and may expire, at soonest, on October 1, 2024.



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BACKGROUND



3737 Main Street – California Tower Building



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BACKGROUND

4. **2008:** the Agency entered into two agreements with Inland Pacific Advisors (IPA) to provide management and leasing services.
5. **2017:** When the IPA contract expired, Community & Economic Development Staff issued Requests for Proposals for both services and found IPA's proposals to be the most responsive.
6. **December 19, 2017:** the Successor Agency approved new property management and leasing agreements with IPA through January 7, 2023, which contained options to extend.



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DISCUSSION

1. Although both agreements were approved in their entirety, the 2017 staff report inadvertently omitted language requesting the authorization for the Executive Director, or designee, to execute the first amendments.
2. IPA has longstanding institutional knowledge and experience with Cal Tower and will maintain established relationships with existing tenants for the remainder of the Successor Agency's lease-back agreement with the DGS.



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STRATEGIC PLAN ALIGNMENT

Strategic Priority 3 – Economic Opportunity

Goal 3.3 - Cultivate a business climate welcoming innovation, entrepreneurship and investment.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility

Sustainability &
Resiliency

Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve the First Amendment for the Property Management Agreement and the Exclusive Authorization of Lease Agreement with Inland Pacific Advisors, Inc. through September 30, 2024; and
2. Authorize the City Manager or designee to execute the First Amendment for the Property Management Agreement and the Exclusive Authorization of Lease Agreement with Inland Pacific Advisors, Inc., including making minor and non-substantive changes.



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