



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 28, 2026**
FROM: GENERAL SERVICES DEPARTMENT **WARD: 4**
SUBJECT: APPROVAL OF LEASE AGREEMENT WITH IWATANI CORPORATION OF AMERICA FOR OPERATION OF THE PUBLIC HYDROGEN FUELING STATION LOCATED AT THE CITY CORPORATION YARD, 3044 ST. LAWRENCE STREET

ISSUE:

Consider approval of a Lease Agreement between the City of Riverside and Iwatani Corporation of America for the operation, maintenance, and management of the public hydrogen fueling station located at the City Corporation Yard, 3044 St. Lawrence Street.

RECOMMENDATIONS:

That the City Council:

1. Approve the Lease Agreement with Iwatani Corporation of America for the operation, maintenance, and management of the hydrogen fueling station located at the City Corporation Yard, 3044 St. Lawrence Street; and
2. Authorize the City Manager, or designee, to execute all documents necessary to effectuate the Lease Agreement, including making minor and non-substantive changes.

BACKGROUND:

On April 5, 2005, the City Council approved an agreement with the South Coast Air Quality Management District (SCAQMD) to participate in a five city vehicle demonstration project that includes construction of public access hydrogen fueling stations and the use of five Toyota Hybrid Prius automobiles. The purpose of the five stations was to stimulate demand for hydrogen fueling, accelerate the expansion of the hydrogen fueling network with new stations in Riverside, Burbank, Santa Monica, Santa Ana, and Ontario, and to educate the public on hydrogen-fueled vehicles.

Construction of Riverside's station at the City Corporation Yard was completed in 2005 and was in operation for nearly a decade until the equipment became obsolete and non-functional.

In 2013, the General Services Department was approached by ITM Power, Inc., requesting City participation in a California Energy Commission (CEC) grant investing \$46.6 million in hydrogen refueling stations. The purpose of the grant was to accelerate construction of 27 new stations

and boost the statewide public hydrogen station network to promote a consumer market for zero-emission fuel cell vehicles.

On June 2, 2015, the City Council approved an agreement with ITM Power, Inc., for the installation and operation of a hydrogen fueling station at the City Corporation Yard, and the station was subsequently installed in time to meet the grant deadline of December 31, 2015. ITM Power then operated the station continuously through late 2024, using Iwatani Corporation of America (Iwatani) as the on-site equipment operator. In early 2025, ITM Power stopped operating the station.

The City assumed ownership of the equipment in late October 2025 and soon thereafter entered into negotiations with Iwatani for operation of the hydrogen fueling station. Iwatani Corporation of America is an established provider of hydrogen fueling services and infrastructure with operational experience throughout California. Partnering with an experienced operator supports the City's goal of maintaining reliable hydrogen fueling infrastructure while ensuring regulatory compliance, operational efficiency, and public access to alternative fueling options.

DISCUSSION:

The proposed Lease Agreement allows the City to lease the hydrogen fueling station and associated premises to Iwatani Corporation of America for operational management and service delivery. The agreement establishes a cooperative partnership in which the City retains ownership of the hydrogen fueling infrastructure while delegating station operation, maintenance, and regulatory compliance responsibilities to a qualified private operator.

Under the terms of the agreement, Iwatani will operate and maintain the hydrogen fueling station and associated equipment, including performing routine inspections, maintenance programs, and necessary repairs to ensure continued safe and reliable station operations. Iwatani is also responsible for implementing safety protocols, providing fueling training for authorized users, and maintaining compliance with all applicable local, state, and federal regulatory requirements governing hydrogen fueling infrastructure.

The Lease Agreement establishes an initial one-year term with five optional one-year extensions. This structure provides operational flexibility while allowing the City to periodically evaluate station performance, service reliability, and evolving alternative fuel infrastructure needs. The agreement also includes provisions allowing either party to terminate the lease with sixty days written notice, providing additional operational and fiscal flexibility.

The hydrogen fueling station equipment will remain City-owned assets. The agreement requires the tenant to maintain the equipment and permits installation of additional improvements necessary for station operation. Any improvements or additional station equipment installed during the lease term may become City property upon lease expiration or termination, subject to the terms of the agreement.

The tenant will assume responsibility for utilities, operational costs, station inspections, environmental compliance, and insurance requirements associated with station operations. The agreement also includes indemnification provisions, environmental protection requirements, and operational safety standards designed to protect the City and the public while ensuring continued regulatory compliance.

Approval of this agreement supports the City's continued commitment to sustainability, alternative energy infrastructure, and regional clean transportation initiatives. The agreement allows the City to leverage specialized private-sector expertise while maintaining ownership and long-term control of hydrogen fueling assets.

FISCAL IMPACT:

The Lease Agreement establishes a nominal rental fee of one dollar (\$1.00) for the lease term. The tenant will be responsible for operational expenses including utilities, maintenance, regulatory compliance, and station operations.

The agreement reduces ongoing operational and maintenance responsibilities for the City while preserving ownership of the hydrogen fueling station and associated infrastructure. The potential transfer of tenant-installed improvements to City ownership may provide additional long-term infrastructure value.

Prepared by:	Joe Vieyra, Deputy General Services Director
Approved by:	Lee Withers, General Services Director
Certified as to availability of funds:	Julie Nemes, Finance Director
Approved by:	Edward Enriquez, Interim City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney
Attachment:	Lease Agreement