



## INFORMATION ON POTENTIAL SALE OF CITY ASSETS TO AID IN THE CALPERS CHALLENGE

Finance Department

Finance Committee  
July 10, 2019

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## CITY ASSETS OVERVIEW

1. The City is the owner of substantial real property used for municipal purposes
2. Process of disposing of City owned property is governed by Administrative Manual Policy No. 08.003.00
3. It's City's Policy to manage its real estate for municipal needs



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## GENERAL FUND REAL PROPERTY

Several Properties in the City's portfolio can be considered high value assets

1. The Fox Entertainment Plaza (including the Fox Theater, Box, The Showcase, the Food Lab and Garage 7)
2. The Riverside Convention Center
3. The Riverside Municipal Auditorium



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## REAL PROPERTY VALUES

The Fox Entertainment Plaza

1. Estimated Value of \$12 million
2. Improved as part of Riverside Renaissance
  - a. Tax Exempt Financing 2008 COP current debt outstanding at approximately \$28.4 million
  - b. Includes an Interest Rate Swap
3. Any potential sale would not result in immediate savings.
  - a. City would be required to pay off excess debt of \$16.4 million
  - b. Other costs considerations potentially eliminated with a sale such as capital maintenance and insurance



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## REAL PROPERTY VALUES

### The Riverside Municipal Auditorium (RMA)

1. Estimated Value of \$6 million
  - a. Improved as part of Riverside Renaissance
  - b. Four sources of Tax-Exempt and Tax Increment Financing of approximately \$11 million
  - c. Approximately \$1 million debt outstanding
2. Any potential sale has potential for one-time revenue
  - a. Landmark registered with National Register of Historical Places
  - b. Sale of bond financed facilities to an entity that is not a state or local government might result in "private use" issues



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## REAL PROPERTY VALUES

### The Riverside Convention Center

1. Estimated Value of \$19 million
  - a. Transformed in 2014 at a cost of \$40 million
  - b. Direct Placement debt currently outstanding \$36 million
  - c. Underlying interest rate swap
2. Any potential sale would not result in immediate savings - debt exceeds estimated value by \$17 million



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## RECOMMENDATION

That the Finance Committee:

1. Receive information and provide input on the sale of the City's high value assets as a potential solution to address the City's CalPERS Challenge ;  
and
2. Direct staff as to recommended strategies and next steps.

