



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: DECEMBER 9, 2024**

**SUBJECT: MISSION SQUARE FISCAL YEAR 2023/24 YEAR-END UPDATE**

**ISSUE:**

Consider receiving an update on the Mission Square Fiscal Year 2023/24 year-end.

**RECOMMENDATION:**

That the Board of Public Utilities receive and file an update on the Mission Square Fiscal Year 2023/24 year-end.

**BACKGROUND:**

On October 13, 2015, the City acquired the Mission Square Office Building at 3750 University Avenue (Property), which was funded by Riverside Public Utilities (RPU). As such, RPU is now the Landlord of the Property. The Property consists of approximately 127,533 square feet of rentable office and retail space in a six-story building, plus a basement level and a 471-parking stall garage situated on approximately 2.5 acres of land.

On January 26, 2016, the City Council approved an Exclusive Authorization of Lease Agreement with Newmark of Southern California, Inc. dba Newmark Knight Frank (NKF) to provide broker-leasing services for the Property. RPU staff has been coordinating the leasing process for the Property with the Real Property Services Division of the Community & Economic Development Department and NKF as the broker for the Property.

**DISCUSSION:**

As of June 30, 2024, the Mission Square Office Building is 95.9% occupied. Lease negotiations are on-going or executed with the following tenants:

1. Suite 110 (former T-Mobile) & Suite 120 – currently marketing these two spaces.
2. Suite 225 – Fehr & Peers – actively negotiating lease renewal (expires 2/28/25)
3. Suite 230 – City of Riverside Museum Department – leasing space for approximately two years.
4. Suite 560 – David Horton, Esq. – negotiated early termination agreement with tenant (Covid casualty) – City Council approved on 6/25/24.
5. Suite 560 – Riverside Gateway to College Early College High School – new lease to replace David Horton – City Council approved lease on 6/25/24.

On September 26, 2017, the City Council approved a Supercharger Agreement with Tesla for 24 spaces available for charging 24/7. The electric revenue generated in Fiscal Year 2023/24 was \$582,964, a 53% increase in revenue compared to the previous fiscal year. The increase is partially due to the charging stations being non-operational for approximately three months in the previous fiscal year.

As of June 30, 2024, RPU recorded \$2,642,914 in revenue and \$2,000,142 in expenditures with a cash balance of \$2,049,337. Revenue was within 1% of the estimated budget. Expenditures were approximately 10% lower than the estimated budget due to lower costs related to Building Maintenance & Repairs and Utilities expenses.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 5, High Performing Government and the following goals:

**Goal No. 5.3.** Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.

**Goal No. 5.4.** Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** - Riverside is transparent and makes decisions based on sound policy and providing this update ensures that City staff continues to be transparent in their decision making and continues to provide public services to the community.
2. **Equity** – Providing this update ensures every community member access to the information provided on this update and ensures equitable distribution of services.
3. **Fiscal Responsibility** – There is no fiscal impact associated with this update confirming that the City is responsibly managing this property.
4. **Innovation** – Riverside is inventive and timely in providing this update annually and will continue to meet the community’s changing needs.
5. **Sustainability & Resiliency** – This item provides the opportunity to share this City owned building’s capacity to implement best practices while providing public services and improving City owned facilities for our tenants and staff.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this update.

Prepared by: Brian Seinturier, Utilities Assistant General Manager/Finance and Administration

Approved by: David A. Garcia, Utilities General Manager  
Certifies availability  
of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Jack Lui, Interim City Attorney

Attachments:

1. Fiscal Year 2023/24 Annual Report
2. Presentation