



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: DECEMBER 12, 2022**

**SUBJECT: MISSION SQUARE FISCAL YEAR 2021/22 YEAR-END UPDATE**

**ISSUE:**

Consider receiving an update on the Mission Square Fiscal Year 2021/22 year-end.

**RECOMMENDATION:**

That the Board of Public Utilities receive and file an update on the Mission Square Fiscal Year 2021/22 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, 2022, the Mission Square Office Building is 95.9% occupied. Lease Negotiations are underway or executed with the following tenants:

1. Suite 120 (between Slater's 50/50 and T-Mobile)
2. Varner and Brandt – currently in negotiations for renewal.
3. Morgan Stanley – currently in negotiations for renewal.
4. October 18, 2022, the City Council approved a three-year extension with David Horton.
5. On October 18, 2022, the City Council approved a new lease agreement with T-Mobile for a five-year term.

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 2021/22 was

\$347,725, a 36% increase in revenue compared to the previous year.

As of June 30, 2022, RPU recorded \$2,391,971.23 in revenue and \$1,714,173.95 in expenditures with a cash balance of \$1,843,831.80. Revenue was within 4% of estimated budget. Expenditures were approximately 19% lower than the estimated budget due to lower costs related to Building Maintenance & Repairs and Utilities expenses.

A notable significant accomplishment for this reporting period is the July 21, 2021, City-funded project to install the RISE! Mural on the Mission Square Parking Garage, facing Market Street. The RISE! Mural is a mosaic art installation that was created to promote diversity, inclusion, and equity while also celebrating black excellence in the City of Riverside.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 5 - High Performing Government** and **Goal 5.3** - Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making and **Goal 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 continuing 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, which confirms the City is a Stewardship of maintaining transparency.
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: Carlie Myers, Utilities Assistant General Manager/Business and Customer Service  
Approved by: Todd M. Corbin, Utilities General Manager  
Approved by: Kris Martinez, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

**Certifies availability**

**of funds:**

Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

**Attachments:**

1. Fiscal Year 2021/22 Annual Report
2. Presentation