



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 2, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: RIVERSIDE ALIVE PROJECT UPDATE – PUBLIC PARKING LOT 33, THE
LANDSCAPE PLAZA FRONTING THE RIVERSIDE CONVENTION CENTER,
AND THE FORMER UTILITIES PLAZA BUILDING

ISSUE:

Receive and file a presentation on the original Riverside Alive project proposed at Public Parking Lot 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building.

RECOMMENDATION:

That the City Council receive and file the presentation on the Riverside Alive project located at Public Parking Lot 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building, identified as Assessor Parcel No.'s 213-111-011, -012, -013, -014, -015, -016, -017 and 213-113-001, generally located along Orange Street between 3rd and 5th Streets.

BACKGROUND:

On September 18, 2018, staff from the Community & Economic Development Department issued a Request for Proposals (RFP) seeking a mixed-use hotel and Convention Center expansion project on the site identified (in red) on the map below.

In January 2019, staff received separate development proposals from the Greens Group and Griffin|Swinerton (jointly) and Sonnenblick Development.

In May 2019, the City Council: 1) selected the joint development proposal from the Greens Group and Griffin|Swinerton to construct a mixed-use hotel, residential, commercial, office, convention center expansion, public amphitheater, and new public parking garage project; 2) directed staff to negotiate a Purchase and Sale Agreement (PSA) with the Greens Group for the private portion of the Property; and 3) directed staff to negotiate a Lease and Leaseback Agreement with Griffin|Swinerton for expansion of the Convention Center and construction of a public amphitheater and new public parking garage.

In September 2019, the City Council approved separate Exclusive Negotiation Agreements (ENA) with the Greens Group and Griffin|Swinerton with a term of 24 months (to September 17, 2021) with one 6-month option to extend (to March 17, 2022) at the City Manager's discretion.

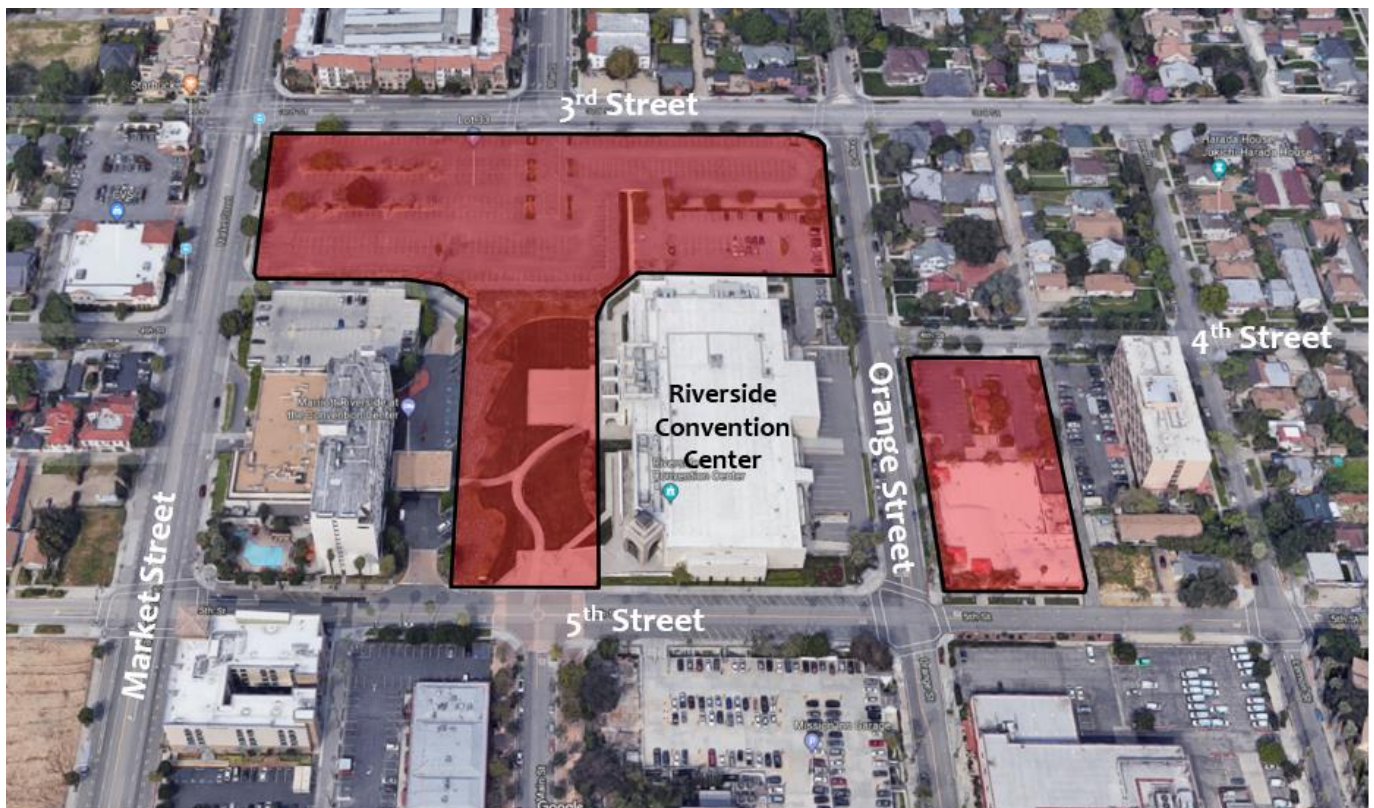
In May 2020, the City Council directed staff to continue negotiations on a project that may not include a convention center expansion (given the CalPERS Challenge and COVID-19 economic impacts) and that the City's Chief Financial Officer (CFO) concurs that it will not have a negative impact to the General Fund.

In February 2021, Griffin|Swinerton advised staff that the City should consider refinancing the debt associated with the Convention Center, which could result in a reduced cash flow with significant savings that could be applied towards the construction of a new public parking garage.

In March 2021, staff, in consultation with Finance's Municipal Advisors, determined that the landscaped gully (located between the Marriott Hotel and the Convention Center) is part of the Convention Center parcel and could not be sold for private development until such time as the bond has been paid off in October 2033.

In April 2021, the City Council awarded a contract to HR&A Advisors, Inc. to assist staff with strategic planning, project vetting, financial analysis, and other matters related to the formulation and execution of the City's first ever potential Public Private Partnership (P3) project.

On October 12, 2021, the City Council directed staff to return to City Council on October 26, 2021 to provide an update on Development Option 4 for the Riverside Alive project. The Agenda Report for October 26, 2021, recommends to City Council an open session presentation on November 2, 2021, of the original Riverside Alive project proposed at Public Parking Lot 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building; and, a closed session discussion on November 9, 2021, on price and terms pertaining to the original Riverside Alive project proposed at Public Parking Lot 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building.



DISCUSSION:

The following programming dimensions were part of the original Riverside Alive project proposed at Public Parking Lot 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building.

Option 4 (Original Proposal)
63,000 SF
105 Units
376 Keys - 2 Hotels
41 Units
220,000 SF
Amphitheater, Main Street Extension
\$3.8 Million (3.8 Acres)
100,000 SF or 150,000 SF
1,036 or 1,493 stalls in new parking garage

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council **Strategic Priority 3 – Economic Opportunity** and, more specifically, **Goal 3.3:** Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

1. **Community Trust** – Approving the revised Riverside Alive project demonstrates that the City is a good steward of real property assets.
2. **Equity** – Approving the revised Riverside Alive project demonstrates that Riverside is equitable in distribution of services, which ensures that every member of the community has equal access to share the benefits of community progress.
3. **Fiscal Responsibility** – Approving the revised Riverside Alive project demonstrates that Riverside is a prudent steward of public funds and ensures responsible management of the City’s financial and property resources.
4. **Innovation** – Approving the revised Riverside Alive project demonstrates that Riverside is innovative in meeting the community’s changing needs and prepares for future collaborative partnerships and developments.
5. **Sustainability & Resiliency** – Approving the revised Riverside Alive project ensures present and future reliability and resiliency for these City-owned properties.

FISCAL IMPACT:

There is no fiscal impact related to this report.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation