

PROPOSED LEASE AGREEMENT WITH WATTEV SB 1, INC. – 1388 SOUTH E STREET, SAN BERNARDINO, CA

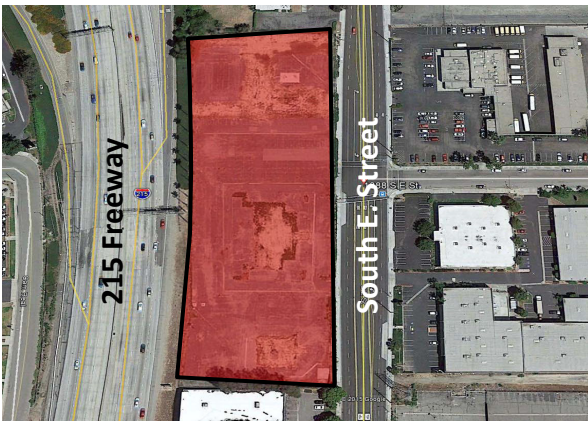
Riverside Public Utilities

Board of Public Utilities
September 13, 2021

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BACKGROUND



- 4.2 Acres of vacant land
- RPU-owned in city of San Bernardino
- Former Center Chevrolet
- Vacant since 2008

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ABOUT WATT EV

- Headquartered in El Segundo, CA
- Medium & heavy-duty electric truck stop developer
- The nation's 1st dedicated truck stop for electric rigs in Bakersfield will be breaking ground in October 2021



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PROPOSED LEASE TERMS

- **Landlord:** City of Riverside (RPU)
- **Tenant:** WattEV SB1, Inc.
- **Use:** Construction & operation of a facility for the leasing and/or renting and operating of a fleet of electrical tractor rigs and all related and ancillary services including an electrical charging facility, rest area, convenience store, office and storage area

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PROPOSED LEASE TERMS CONT.

- **Entitlements:** Tenant shall have 6-months from the Lease “Effective Date” to obtain its entitlements.
 - If Tenant is unable to obtain its entitlements during this timeframe, the Tenant may terminate the Lease or request a three-month extension.
- **Lease Term:** 15-year initial term
- **Options to Extend:** Tenant shall have 3 five-year options to extend the term of the Lease.

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PROPOSED BASE RENT

Initial Term	Mo. Rent	Annual Rent
Months 1-12	\$10,000	\$120,000
Months 13-120	\$12,500	\$1,350,000
Months 121-180	\$15,000	\$900,000
	Total:	\$2,370,000
Option Period	Mo. Rent	Annual Rent
Months 181-240	\$17,500	\$1,050,000
Months 241-300	\$20,125	\$1,207,500
Months 301-360	\$23,143	\$1,388,580
	Total:	\$3,646,080

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PROJECT BENEFITS

- City of Riverside/RPU Benefits:
 - \$2,370,00 in revenue from Base Rent for initial lease term
 - Eliminates costs associated with routine weed abatement, trespassing, and illegal dumping
- City of San Bernardino Benefits:
 - Develops aesthetically pleasing freeway and E Street frontage views
 - Generates City of San Bernardino sales tax revenue

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STRATEGIC PLAN ALIGNMENT

1. This item contributes to Strategic Priority No. 5 High Performing Government and Goal No. 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.
2. This item also contributes to Strategic Priority No. 6 Infrastructure, Mobility and Connectivity and Goal No. 6.2 – Maintain, protect and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

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STRATEGIC PLAN ALIGNMENT

3. This item aligns with EACH of the five Cross-Cutting Threads as follows:

- a) **Community Trust** – The Lease Agreement confirms that the City is a good steward of real property assets for the benefits of RPU’s ratepayers.
- b) **Equity** – The Lease Agreement 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.
- c) **Fiscal Responsibility** – The Lease Agreement demonstrates that Riverside is a prudent steward of public funds and ensures responsible management of the City’s financial and property resources.
- d) **Innovation** – The Lease Agreement demonstrates that Riverside is innovative by partnering with Watt-EV SB 1, Inc. to offer charging stations for medium and heavy-duty electric vehicles, which will reduce the carbon footprint in a neighboring city and demonstrates that Riverside is on the forefront of innovative strategies for clean businesses.
- e) **Sustainability & Resiliency** – The Lease Agreement will ensure present and future reliability, resiliency, and sustainability for this City-owned property. Moreover, the Lease Agreement, as previously noted, also demonstrates the City’s commitment to reducing the carbon footprint in a neighboring city.

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RECOMMENDATIONS

That the Board of Public Utilities:

1. Recommend that City Council approve the initial fifteen-year Lease Agreement including the three optional five-year extensions, with WattEV SB 1, Inc., for the City-owned property located at 1388 South E. Street, San Bernardino, California, to generate approximately \$2,370,000 in revenue during the initial term of the Lease Agreement; and
2. Authorize the City Manager or his designee, to execute all necessary documents, including making minor non-substantive changes and to execute the optional three (3) five-year extensions.

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