



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JANUARY 6, 2026

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT **WARD:** 1

SUBJECT: REQUEST FOR PROPOSAL NO. 2438 - RIVERSIDE ARMORY ADAPTIVE REUSE AND LONG-TERM LEASING OPPORTUNITY: LEASE AGREEMENT WITH THOMPSON BREWING CO. LLC, FOR THE ARMORY AT FAIRMOUNT PARK, FOR A FIVE-YEAR TERM, WITH THE OPTION TO EXTEND FOR FOUR ADDITIONAL FIVE-YEAR TERMS; IN THE AMOUNT OF \$12,000 PER MONTH WITH RENT PAYMENTS COMMENCING IN YEAR THREE FOLLOWING A TWO-YEAR RENT CREDIT PERIOD FOR TENANT IMPROVEMENTS

ISSUE:

Approve a Lease Agreement with Thompson Brewing Co., LLC for the Armory at Fairmount Park, for a five-year term with four optional five-year extensions, pursuant to Request for Proposal No. 2438. The agreement establishes a base rent of \$12,000 per month, with rent payments beginning in year three after a two-year rent credit period for tenant improvements.

RECOMMENDATIONS:

That the City Council:

1. Approve the Lease Agreement with Thompson Brewing Co. LLC, for a five-year term with the option to extend for four additional five-year terms; and
2. Authorize the City Manager, or designee, to execute necessary documents for the Lease Agreement and future amendments with the Lessee, including making minor, non-substantive changes.

BACKGROUND:

The Armory, built in 1959 as a military maintenance facility, sits on 4.67 acres and features a 12,000-square-foot mid-century modern building with a large, vaulted interior space, exposed beams, a kitchen, and restrooms. The building is surrounded by a large, flat lawn and a parking lot. The building is strategically located at one of the main entries into Fairmount Park. This historical park was designed by the Olmsted Brothers landscape architectural design firm, founded by the two sons of famed landscape architect, Frederick Law Olmsted. The northern boundary overlooks Springbrook Arroyo/University Wash, a tributary to the Santa Ana River that is currently undergoing renovation to beautify the tributary.

Located at a key entrance to both the City and Fairmount Park, the Armory is just a four-minute drive or a 20-minute walk from Riverside's vibrant downtown, with direct public bus access available. This adaptive reuse of the Armory is part of a broader effort to invest in this area of Riverside, including the master planning and revitalization of this historic park, investment in the Fairmount Golf Course, and the development of a River District public realm.

Due to the former presence of underground fuel storage tanks, a railroad track, and military vehicles, the city commissioned Environmental Phase I and II Site Assessments, prior to this proposal. In 2024, the City of Riverside successfully secured \$2.5 million in federal funding committed toward environmental remediation, building code upgrades, and other building and site renovations.

On March 14, 2024, a community meeting was held to get input on the Armory renovations and the River District.

On December 4, 2024, the City issued Request for Proposal (RFP) No. 2438 to identify a private entity to reactivate this historic Armory site and enhance the vibrancy of Fairmount Park and the Santa Ana River Area.

The National Guard still occupies the land north of the Armory but is planning to vacate that property in the coming years. The City may decide to lease that property once it is vacated by the National Guard.

DISCUSSION:

Substantial funding has been secured to bring this project to life, with \$2.5 million in federal funding committed towards environmental remediation, building code upgrades, and other essential renovations. Additionally, the Parks, Recreation and Community Services Department has allocated \$1 million in Regional Park Funds to grade the property behind the Armory and install concrete slabs, fencing, and lighting for future pickleball courts.

Currently, the City is in the process of hiring a design-build entity to complete all these building and site improvements. Department will be collaborating closely with Thompson Brewing Co. to ensure all remediation and renovation work aligns seamlessly with the end use of the building and site.

On December 4, 2024, Request for Proposal (RFP) No. 2438 was posted on the City's online bidding system, Planet Bids, seeking prospective bidders to enter a public/private partnership and long-term lease in support of the successful adaptive reuse of the Armory to reactivate this historic site and enhance the vibrancy of the Fairmount Park and Santa Ana River Area.

One proposal was received that showcased the combined efforts of Thompson Brewing Co. and iTennis. However, after further discussions and negotiations, it was decided that each entity will enter into separate lease agreements, independently. Thompson Brewing Co. will proceed alone with the lease of the Armory Building and the landscape area facing Market Street, while the City continues negotiations separately with iTennis for the lease of the land behind the Armory to develop and operate a Pickleball Complex.

The parking lot south of the Armory is not included in either lease agreement and will remain under the control of the City. However, each entity may build additional parking on their leased land with the City's approval.

Thompson Brewing Co. has an inspiring vision for their space. They intend to create a family-friendly, multicultural, and multigenerational environment that encourages outdoor activities and community connections. Their proposed complex will feature a beer garden, event spaces with live music, art events, cornhole, and other recreational and community-oriented activities. The Thompson Brewing Co. team is well-equipped to bring this vision to life with their extensive experience in hospitality, local engagement, and a proven track record of successful community-focused initiatives. They are also committed to completing tenant improvements, including brewing and kitchen FF&E, signage, and technology.

The solicitation notification is summarized in the table below:

Action	Number of Vendors
External Vendors Notified	500
City of Riverside Vendors Notified	859
Vendors who downloaded the RFP	40
Proposals received	1

Three (3) non-mandatory site visits were held on December 12 and 18, 2024, and January 9, 2025, with a total of seven (7) vendors in attendance throughout the three sessions. RFP No. 2438 closed on February 14, 2025, with one response received. The response was found to be responsive and responsible. Under the guidance of the purchasing department, three (3) City staff evaluated the proposal. The evaluation criteria, total points are summarized in the tables below.

Round 1

Evaluation Criteria	Total Points
Compliance with proposal requirements	20%
Alignment of proposed project with City goals	20%
Overall community benefit of the proposal	20%
Experience of the Development Team	20%
Financial Feasibility	15%
Timeline	5%

Evaluation Results

Vendor	Location	Aggregate Points	Average Points	Rank
Thompson Brewing Co. LLC	Riverside, CA	2,480.00	826.67	1

Purchasing Resolution No. 24101, Section 508 Awards states, “Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible, except that... (c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications.”

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution No. 24101.

FISCAL IMPACT:

The total fiscal impact of the rental agreement for the five-year term will be \$458,442.24. Upon commencement of the agreement, the City will not begin to collect rental payments until the beginning of year three of the agreement. Rent payments will begin in year three at \$12,360 per month, increasing annually by up to 3%. The chart below summarizes the rent schedule and projected revenue for the first five years of the agreement. Rent payments will be deposited into the General Fund, Parks & Recreation, Land and Building Rental Revenue Account No. 5205000-373100.

Months	Month Base Rent	Annual Base Rent	Revenue net of Credits
1 – 12 (Year 1)	\$12,000.00*	\$144,000.00*	-
13 – 24 (Year 2)	\$12,000.00*	\$144,000.00*	-
25 – 36 (Year 3)	\$12,360.00	\$148,320.00	\$148,320.00
37 – 48 (Year 4)	\$12,730.80	\$152,769.60	\$152,769.60
49 – 60 (Year 5)	\$13,112.72	\$157,352.64	\$157,352.64
Total Rent Collected Per Agreement			\$458,442.24

**Signifies rental credits to the lessee that will not be collected by the City per lease agreement to offset tenant improvement costs.*

Approved by: Pamela M. Galera, Parks, Recreation and Community Services Director
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Agreement
2. RFP Award Recommendation
3. Presentation