

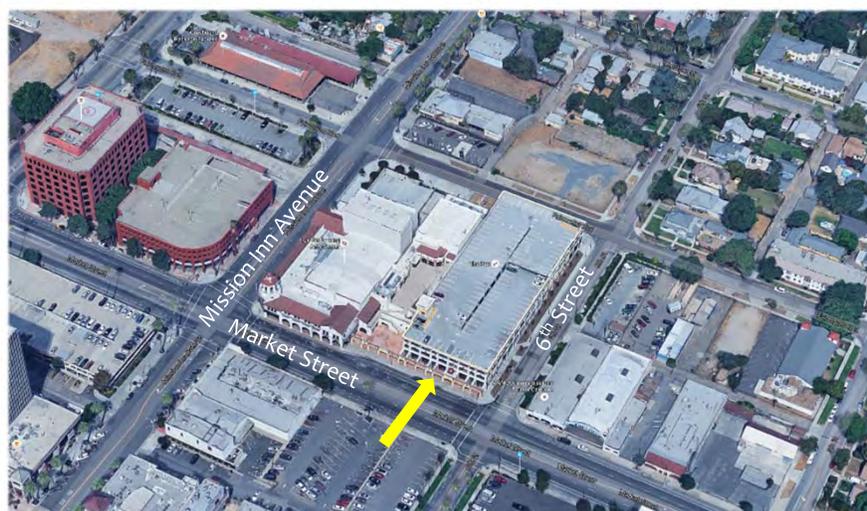
Riverside Food Hall, LP Lease Agreement

Community & Economic
Development Department

City Council
October 4, 2016

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Site Map



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Background

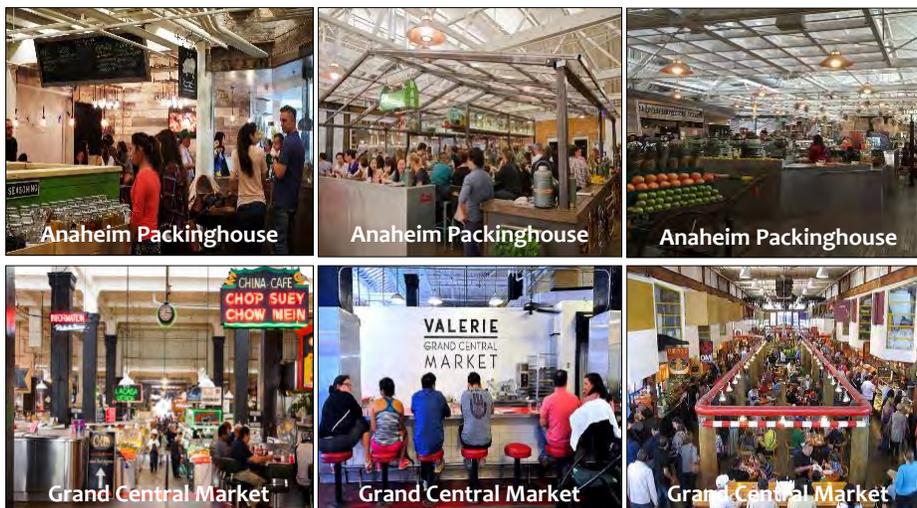
1. Completed in late 2013, the Fox Entertainment Plaza (FEP) includes a 12,000 square foot restaurant space
2. October 2015: staff received Letter of Interest (LOI) from Arteco Partners (now Riverside Food Hall, LP) for development of a food and beverage market
3. December 2015: the Development Committee approved a 1-year ENA with Arteco for the potential long-term lease of the vacant FEP restaurant space



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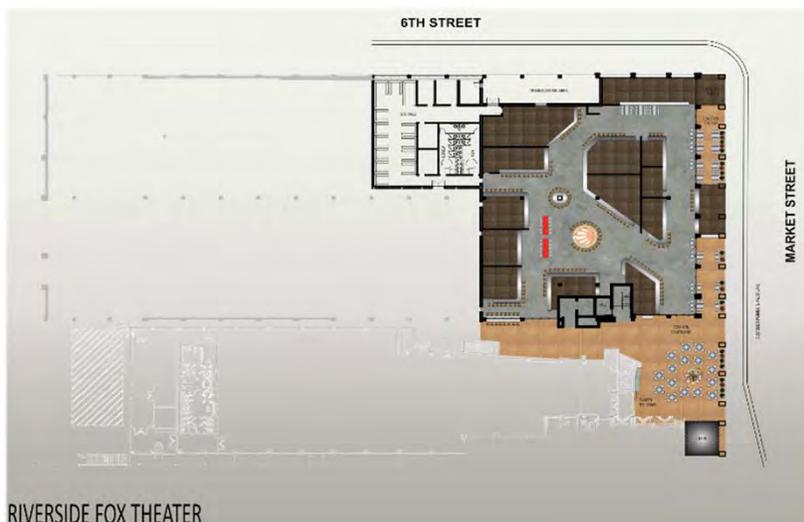
Precedent Projects



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Draft Site Plan



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Lease Terms

Use:	Food and beverage Market
Term:	55 years
Base Rent:	\$60,000 annually, commencing on the 49th month of the lease
Rent Credit:	48 months free rent
Percentage Rent:	Commencing in the 13th month of the lease, Lessee shall pay 3% of on-site gross sales for sales in excess of \$2 million
Percentage Rent Abatement:	Commencing in the 13th month of the lease, Lessee shall credit Lessee against percentage rent due until such time as total credit equals amount of Shell and TI work



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Lease Terms Cont.

Lessee's Shell Work:	Work required to bring the Premises to a "grey shell" condition with all utilities - shall not exceed \$550,000
Lessee's TI Work:	Lessor to provide Lessee with rent abatement in the amount of \$479,480 for Lessee's TI work
Designated Parking:	Lessor to designate 40 parking stalls in the FEP garage for the non-exclusive use of Lessee
Exclusive Parking:	Lessee shall rent, at a minimum, 30 parking stalls in the FEP garage for its exclusive use
Completion Guarantee:	Arteco Partners has guaranteed completion of the shell and TI work
Estimated Lease Value:	Approximately \$4.2 Million



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Recommendation

That the City Council:

1. Approve a Lease Agreement with Riverside Food Hall, LP to facilitate the development of a food and beverage market; and
2. Authorize the City Manager, or his designee, to execute the Lease Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction



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