



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 24, 2022

SUBJECT: MISSION SQUARE FISCAL YEAR 2020/21 YEAR-END UPDATE

ISSUE:

Consider receiving an update on the Mission Square Fiscal Year 2020/21 year-end operations.

RECOMMENDATION:

That the Board of Public Utilities receive and file an update on the Mission Square Fiscal Year 2020/21 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 461-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:

On June 30, 2021, RPU recorded \$2,378,689.91 in revenue and \$1,828,605.47 in expenditures with a cash balance of \$1,268,227.97. Revenue was within 8% of estimated budget. Expenditures were approximately 24% lower than estimated, which is a direct result of decreased operating costs due to the Statewide stay at home orders.

As of June 30, 2021, the current occupancy rate at the Property is 98.9%.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the 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.

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 – The annual report on Mission Square revenue and expenditures provides transparency in the management of Real Properties within the City and serves as a checks and balance to revenue and expenditure projections.
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, Chief Financial Officer/City Treasurer

Attachments:

1. Fiscal Year 2020/21 Annual Report
2. Presentation