



SECOND AMENDMENT TO STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE FOR STORAGE LOCATED AT 4049 BURGESS WAY FOR A FOUR-YEAR TERM

Community & Economic Development Department

City Council

October 11, 2022



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BACKGROUND

1. May 30, 2018 - City, on behalf of the then named Riverside Metropolitan Museum (Museum), entered into a Commercial Single-Tenant Lease-Gross agreement with the Stephen and Lisa Campbell Family trust for use of a 3,176 square foot warehouse at 4049 Burgess Way - Riverside
2. June 15, 2019 - City, on behalf of the Museum, entered into a First Amendment extending the term for three (3) additional years



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DISCUSSION

1. Museum leased space to prepare for a Measure Z funded renovation of the downtown museum site
2. 3,176 square foot warehouse used to store furniture, equipment needed during construction and renovation, and other items
3. Due to COVID-19 impacts, Museum was unable to complete the renovations as planned



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DISCUSSION

4. Museum desires to continue the current lease for an additional four years commencing on October 16, 2022.
5. Second Amendment Terms:
 - a) Base rent increased annually at 3% for the first two years
 - b) Rent increased annually at 4% for the remaining two years
 - c) Annual increase shall be prorated for the month of October and payable in November of each anniversary year



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SUMMARY OF BASE RENT

Year 1	2022 - 2023	\$3,129.58 / mo.	3%	Original Option #1	\$0.99 PSF	\$37,554.96
Year 2	2023 - 2024	\$3,223.47 / mo.	3%	Original Option #2	\$1.01 PSF	\$38,681.64
Year 3	2024 - 2025	\$3,352.41 / mo.	4%	Fair Market Value	\$1.06 PSF	\$40,228.92
Year 4	2025 - 2026	\$3,486.51 / mo.	4%	Fair Market Value	\$1.10 PSF	\$41,838.12
TOTAL						\$158,303.64



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TOTAL COST OF LEASE

Lease Type	Term	Amount
Original Lease	June 15, 2018 – October 15, 2019	\$47,648.05
Extension Term #1	October 16, 2019 – October 15, 2022	\$106,221.24
Extension Term #2	October 16, 2022 – October 15, 2026	\$158,303.64
Total Lease Cost	June 15, 2018 – October 15, 2026	\$312,172.93



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



#1 Arts, Culture and Recreation

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve the Second Amendment to the Standard Industrial/Commercial Single-Tenant Lease between the City and the Stephen and Lisa Campbell Trust for use of a storage facility located at 4049 Burgess Way for a four-year term in the amount of \$158,303.64; and
2. Authorize the City Manager, or his designee, to execute the Second Amendment, including making minor, non-substantive changes, and to execute all documents necessary to complete the transaction.



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