



CONSENT TO ENCUMBRANCE AND ESTOPPEL CERTIFICATE WITH JVE HOLDING, LLC, 1408- 1520 SOUTH E STREET, SAN BERNARDINO

Community & Economic Development Department

Board of Public Utilities
November 28, 2022

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BACKGROUND

1. City, through Riverside Public Utilities (RPU), owns the 5.13-acre parcel of land at 1408-1520 South E Street in San Bernardino (Property).
2. The Property was first developed by a previous tenant in 1985 and has various commercial buildings which are subleased to small businesses.
3. On December 2012, City Council approved a new 55-year ground lease (Lease), with CRE Retail, LLC.



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BACKGROUND

4. On October 15, 2014, CRE Retail, LLC assigned its rights and obligations under the Lease to JVE Holding, LLC (JVE)
5. On October 15, 2015, the Board of Public Utilities recommended approval of a Consent and Estoppel Certificate between JVE and Commonwealth Business Bank (Lender), allowing JVE to refinance their loan in the amount of one million three hundred thousand dollars (\$1,300,000.00). City Council approved the item on November 10, 2015.



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BACKGROUND

6. On July 24, 2017, the Board of Public Utilities recommended approval of a second Consent and Estoppel Certificate between JVE and the Lender allowing JVE to refinance their loan in the amount of two million dollars (\$2,000,000.00). City Council approved this item on August 8, 2017.



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DISCUSSION

1. JVE is requesting approval of a third Consent to Encumbrance and Estoppel Certificate to increase the amount financed to two million eight hundred thousand dollars (\$2,800,000.00).
2. The Lender is requiring the City to consent to the leasehold interest.



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DISCUSSION

3. By executing the Consent to Encumbrance and Estoppel Certificate, the City will be required to provide the Lender with copies of any default notices sent to JVE to allow the Lender to cure JVE's defaults and assume the Lease, and to attest that JVE is not currently in default under the lease.



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STRATEGIC PLAN ALIGNMENT



Priority 6 – Infrastructure, Mobility & Connectivity

Goal 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.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the Consent to Encumbrance and Estoppel Certificate with JVE Holding, LLC and Commonwealth Business Bank; and
2. Authorize the City Manager, or designee, to execute the Consent to Encumbrance and Estoppel Certificate, including making minor and non-substantive changes, and to sign all documents necessary to complete the transaction.



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