City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: FEBRUARY 25, 2025**

FROM: **COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT** **WARD: 1**

SUBJECT: **ENTER INTO AN EXCLUSIVE NEGOTIATING AGREEMENT WITH ADRENALINE SPORTS RESORTS COLLABORATIVE FOR THE ACQUISITION AND DEVELOPMENT OF 126 ACRES OF CITY-OWNED PARCELS (APN 246-060-011, 206-070-002 AND 206-070-003) FOR DEVELOPMENT OF THE RIVERSIDE ADVENTURE CENTER AND MIXED-USE TOWN CENTER DEVELOPMENT FOR PROPERTY WITHIN THE NORTHSIDE SPECIFIC PLAN**

ISSUE:

Approve the Exclusive Negotiating Agreement with Adrenaline Sports Resorts Collaborative for the acquisition and development of 126 acres of City-owned property for development of the Riverside Adventure Center and Mixed-Use Town Center Development for property within the Northside Specific Plan.

RECOMMENDATIONS:

That the City Council:

1. Approve the Exclusive Negotiating Agreement with Adrenaline Sports Resorts Collaborative for the acquisition and development of 126 acres of City-owned property; and
2. Authorize the City Manager, or his designee, to execute the Agreement with Adrenaline Sports Resorts Collaborative, including making minor and non-substantive changes.

BACKGROUND:

The Northside Specific Plan (NSP) is the policy document developed by the City, in conjunction with the local community, to guide future development in the Northside neighborhood. The NSP is a community-driven vision that concluded with the City Council adopting both the Specific Plan and the Program EIR in 2020. The Specific Plan sets the vision, principles and goals for future land use decisions to improve the area's physical and economic environment while meeting City goals for the Northside community. The NSP has been designed to accommodate a safe, healthy, and balanced community celebrating the history and culture of the greater Riverside area. Significant community outreach was done to ensure the community's vision and priorities were included in the NSP. This included a total of three community workshops from June 2017 to June 2018. Below is a partial listing of the robust public outreach plan that occurred, including key dates and deliverables:

• June 7 and June 10, 2017 – The project team held public workshops to explain the project objectives, process, and obtain feedback from the community. Approximately 80 community members attended these events. To provide more opportunity for one-on-one conversations, the team held a "meet the planners" event on Monday, June 12.

• June to July 2017 – A draft "baseline" analysis of the Northside Neighborhood was completed in May and revised in June/July 2017 to be more responsive to comments received at the first community workshops. The Draft Baseline Analysis was posted on-line for public viewing in late July.

• September 11, 2017 – A status update was provided to the Board of Riverside Public Utilities.

• October 11, 2017 – The project team held a second public workshop to share three potential options of the Northside Neighborhood, with focus given to the of City/RPU owned properties. Approximately 32 people attended this event. A second presentation was provided on October 13 at the Breezewood Apartments; a "meet the planners" event was held on October 14; and a booth was set up at the Northside's Halloween Carnival event on October 27.

• November 3, 2017 – The project team compiled the data received from an on-line survey, which asked for community comment on the three concepts.

• February 2018 – The project team completed a single draft land use concept for the NSP. The draft concept was presented to the economic development sub-consultant (Keyser Marston) to evaluate. The draft concept consolidated community input, discussions with city staff, and existing City Council policies. The draft "Consolidated Concept" was subsequently refined based on Keyser Marston's initial feedback.

• June 25, 2018 – A Draft Framework Plan and Draft Land Use Concept were presented at a community workshop (Workshop #3). The workshop had 110 attendees, including leaders from 14 distinct community organizations.

In April 2015, City Council directed staff to develop a Specific Plan and Program Environmental Impact Report (PEIR) for the Northside Neighborhood.

Between June 2017 to June to 2018, a series of Community workshops and public outreach efforts were held to engage the local community in the development of the NSP and the PEIR.

On November 17, 2020, The NSP and the Final Program Environmental Impact Report was approved at City Council.

In Fall 2023, a Master Developer RFP for the Northside Neighborhood & Pellissier Ranch was issued. However, no responses were received in this process.

On October 7, 2024, the City issued a Notice of Availability for 126 acres of City-owned property pursuant to the Surplus Land Act, Government Code sections 54220 et seq.

On December 6, 2024, Adrenaline Sports Resorts Collaborative and Lewis Homes responded to the Notice of Availability with proposals to acquire and develop said Property.

On January 15, 2025, both Adrenaline Sports Resorts Collaborative and Lewis Homes presented their respective proposals for the site. City staff met both teams and had the opportunity to clarify components of each proposed development. Following interviews with both groups, staff conferred and scored each proposal.

On January 28, 2025, the Notice of Availability issuance, proposals received, interviews held, scoring methodology and results and a recommendation were presented to City Council in Closed Session. The Adrenaline Sports Resorts Collaborative proposal earned more points through the

evaluation process, which evaluated the development narrative, development experience, financial capacity and project timeline.

Staff recommended the City enter into an Exclusive Negotiation Agreement (ENA) with Adrenaline Sports Resorts Collaborative, negotiate terms and conditions of the ENA including the price and terms for sale of the property and inclusion of performance measures, milestones and remedies in the subsequent disposition and development agreement. The City Council approved the and directed staff to return with the ENA for City Council consideration, ensuring off-ramps and performance measures.

DISCUSSION:

The Northside Specific Plan (NSP) focuses on future development of both publicly and privately-owned properties and identifies future development potential to create a balanced community. The Ab Brown Sports Complex and the former Riverside Golf Course, approximately 179-acres of vacant or underutilized City-owned property in the heart of the Northside Neighborhood, are an important feature of the Northside Neighborhood. Residents recognize these properties are an opportunity to define the future of the Northside Neighborhood and promote investment on nearby properties.

The 126-acre project site is home to the former Riverside Golf Course but is currently blighted and costs the City $1.6 million annually to maintain the existing landscape. The plan provides an opportunity to create an open space/recreational area and establish a mixed-use village development within the project site that creates a distinct sense of place and represents a destination for the Northside. The project site consists of three parcels – the northerly parcel is zoned for open space, parks, and trails and the two southerly parcels are zoned Northside Village Center. The ASR proposal has provided a conceptual design that aims to activate the property and meet the policies and objectives of the NSP while adding tremendous economic development opportunity to the City.

ASR Project Overview

The Adrenaline Sports Resorts Collaborative is led by Adrenaline Sports Resorts (ASR) in partnership with Overland Development Company. Together they presented an ambitious project for the 126-acre site consistent with the Northside Specific Plan (NSP) vision, which is designed to accommodate a safe, healthy and balanced community that celebrates the history and culture of the greater Riverside Area. The project, representing a capital investment from the master developer of $200 million, is anticipated to create:

- 722 housing units with 25% reserved as affordable housing in compliance with the Surplus Land Act and Notice of Availability;
- Four-story, 150 room, 91,500 square foot Adventure Center Hotel and Conference Center;
- 20,000 square foot athlete hostel;

- Town Center with commercial and 360,000 square feet retail uses including a 45,000 square foot grocery store, restaurants and Main Street retail;
- A sports adventure center that serves as a highly amenitized public park with programs that will drive job creation and bring benefits to the community. This will include biking, hiking, trails, climbing, kids play areas, open space and connection to Reid Park and open to the public.
- The Riverside Adventure Center will be open to the public and will become a community gathering place rooted in healthy living, sharing the goals of the City's Blue Zones pursuit;
- Create 2,800 jobs; and
- Yield an estimated cost savings of $3.9 million annually for the City.

This is a catalytic economic development project for the City of Riverside that is estimated to attract 500,000 visitors per annum as a preliminary figure.

About the Adrenaline Resorts Sports (ASR) Collaborative

The Adrenaline Sports Resorts Collaborative is led by Adrenaline Sports Resorts (ASR) in partnership with Overland Development Company. ASR Collaborative is a partnership that consists of a robust roster of highly regarded firms led by Adrenaline Sports Resorts (ASR), an outdoor adventure sports resort developer and management company, together with Overland Development, a Riverside based developer. ASR is also currently in partnership discussions with leading commercial, hotel and market rate and affordable housing developers. The ASR Collaborative has assembled a team of experienced real estate professionals with the expertise to establish a vibrant, much needed, project focused on 21st Century lifestyle, recreation, destination-created revenue, employment opportunities, high quality housing, and a community serving destination food court, all while leveraging and enhancing local neighborhood and regional assets. The team has a combined 100 years of experience and extensive track records of successfully delivering a variety of public and private developments, including U. S. National Whitewater Center in Riversport, Oklahoma City, and Montgomery Whitewater in Alabama. The team has the expertise to create a transformative, vibrant and synergistic village focused on high-quality recreational experience, attainable housing, affordable single-family for-sale housing, and a resort style hotel, all while leveraging and enhancing local neighborhood and regional assets to enrich this area within the City of Riverside.

Adrenaline Sports Resorts Collaborative will serve as Master Developer of the 126-acre project and is committed to pay fair market value for the property and requires no financial contributions from the City. A non-refundable, one-time $75,000 deposit will be required from the Developer team to offset city expenses on the implementation of the project.

The ASR Plan

ASR presented a very detailed plan with a programmatic site plan and clear vision of the proposal, including expected job creation, preliminary visitor count, and renderings of the concepts. Their team included members with Olympic competition experience and expertise and provided detailed overview of adventure park elements.

ASR has proven experience developing and operating outdoor adventure parks, with former Olympians and current international sports figures on the team to ensure top quality outdoor park is developed. They team with retail, housing, and hotel developers who are experienced in their development verticals as well.

ASR was found to have a large portfolio of interested investors including a letter of interest from an experienced developer for the Single-Family, Market-rate, Residential development. Financing consists of traditional commercial lending. ASR presented a revenue generating plan, necessary for long-term maintenance and upkeep of facilities without City contribution.

ASR has a solid timeline for development, particularly for the Riverside Adventure Center to meet Olympic timelines. ASR is committed to moving forward with housing, retail and hotels at roughly the same time.

The conceptual design envisions the northerly 85-acre open space as the Riverside Adventure Center that includes world-class aquatic recreation facilities featuring a whitewater course, wave lagoon with a surf park and boathouse. The Riverside Adventure Center features zip-line and rope courses, sport climbing walls, a dog park, amphitheater, and passive recreation areas. The southerly 41-acre Northside Village Center consists of a high-quality and pedestrian-oriented mixed-use hub, which includes a variety of housing types, a grocery store, restaurants, retail shops and a hotel. The design promotes connectivity and integration into the Northside neighborhood that incorporates the Springbrook Arroyo and a network of trails throughout the property. This system of meandering throughfares compliment navigation, public access and well-being.

World-Class Adventure Park for Active Lifestyle and Community Wellness

The Riverside Adventure Center is open to the public and does not have an admission fee, with the exception of some sports activities. The Adventure Center promotes healthy and accessible outdoor activities for all age groups, including hiking, biking, bouldering, picnicking, and skateboarding. Visitors will have the option to safely engage in adventure sports that require a fee for such as white-water rafting, surfing and zip lining. The Riverside Adventure Center will be the largest, most sophisticated water-centric adventure park developer to date. A discount program will be devised and available for local users. The Riverside Adventure Center will also serve as a sports training facility for competitive sports in the youth, collegiate, national and international levels. Additionally, the center can be utilized by the Riverside Fire Department and other Urban Search and Rescue groups as a local training facility that would otherwise require them to travel to Blythe.

Passive recreation areas/Amphitheatre

In addition to the active recreation and adventure sports activities, the Riverside Adventure Park features passive recreational areas where residents can walk along the Springbrook Arroyo trail, ride their bike, walk the dog, or simply enjoy leisure at the park. The development will include an amphitheater to serve as a venue for live music and/or performances.

Programming and Educational Development for the Youth

The development anticipates creating a not-for-profit foundation to provide access to programming for Riverside's underserved constituents. These programs include yoga instruction,

performing arts, concerts, film series, fitness instruction, dining, as well as STEAM-based afterschool program, summer camp, and field trip programs for kids.

Training Facilities

The Riverside Adventure Center hosts corporate team building events, group retreats, and offer training grounds for emergency personnel and first responders. The proposed trail within the project site that connects to the Springbrook Arroyo trail system facilitates a safe environment for community events promoting an active lifestyle and wellness, such as 5k's, cross country running, and walkathons. The development will include an Adventure Center Hotel for athletes and park guests to enjoy nearby accommodations.

Los Angeles 2028 Olympic Connection

Adrenaline Sports Resorts Collaborative is designing the Riverside Adventure Center to Olympic standards, in order to apply as a potential host to several LA28 Olympic Game competitions. These Olympic sports include whitewater canoe/kayaking, sport climbing, skateboarding, BMX Cycling, Surfing and Biathlon. These venues will be designed in collaboration with the respective International and National Sport Governing Bodies and will be available for World Cups, World Championships, X-Games, training camps and events leading up to LA28. Successful implementation and development of the project is not dependent on securing the LA28 Olympic Games.

A Village Center For the Community

The project includes a mixed-use development on the southerly portion of the 126-acre site, which provides commercial, hotel/conference and residential uses that bring economic vitality to the City. Consistent with the NSP, the project includes a neighborhood commercial grocery store within the Northside Village Center, which will contribute to the selection of whole and healthy foods available to the local community. The residential component includes affordable units that add to the diversity of Riverside's housing stock and aid in the state's housing crisis. The development is designed for pedestrian-oriented retail uses that will be available to existing and future residents and visitors.

A Development with Sustainability As a Priority

The Riverside Adventure Center is projected to reduce water demand on the project site, compared to that of maintaining the existing turf on the open space area. The technology used for the water features employs a patented moveable obstacle system that allows the operator to change each channel's rapids for different uses. Headgates scale water release volume allowing for more efficient operations, lowering operation costs to coincide with the day's customer base. The development will be required to address the flood hazard challenges, FEMA flood mapping revisions, and the need to align with the draft Northside Master Drainage Plan through the development of a robust drainage plan.

Summary of Exclusive Negotiating Agreement (ENA) terms

The purpose of the ENA is to establish a framework for the negotiation of the Disposition and Development Agreement ("DDA"). The term of the ENA shall be six months with two possible 6-month options to extend upon the request of the developer. Within fifteen business days following execution of the ENA by Developer and City, Developer is required to provide a $75,000 deposit for use by the City for costs incurred by the environmental and financial/economic consultant and outside counsel expenses as well for dedicated planning staff assistance. The ENA requires that

the deposit amount be replenished though subsequent deposits in the amount of $50,000 whenever the amount on deposit with the City falls below $25,000 due to payment of authorized expenses. The City shall deposit such funds in an interest-bearing account. Within forty-five days of the effective date of the agreement, the Developer is required to provide a timeline of all relevant milestones for the Potential Project, including obtaining entitlements, utility permitting, and construction phasing. If the Developer is unable to perform, there are off-ramps listed in the ENA which may result in the termination of the agreement. The ENA also provides a process for the exchange of information between the City and Developer during the negotiation process so that the City and Developer have access to relevant necessary information during the negotiation process.

The ENA authorizes the Developer to access the property during the ENA period to conduct necessary studies as part of the Developer's due diligence process and also requires that the Developer indemnify the City for damage or claims arising from the Developers due diligence actions.

The ENA reserves to the City to either approve or deny the proposed DDA and related land use entitlements and likewise does not obligate the Developer to accept the terms of the proposed DDA. Any such determinations will only occur after completion of CEQA and City Council consideration of the proposed project and DDA.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council **Strategic Priorities and Goals**:

1. **Strategic Plan No. 2** – **Community Well-Being**, specifically **Goal 2.3** – Strengthen neighborhood identities and improve community health and the physical environment through amenities and programs that foster an increased sense of community and enhanced feelings of pride and belonging citywide.
2. **Strategic Priority No. 3** – **Economic Opportunity**, specifically **Goal 3.1** – Facilitate partnerships and programs to develop, attract, and retain innovative business sectors;
3. **Strategic Priority No. 4** – **Environmental Stewardship**, specifically **Goal 4.2** – Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable and affordable water to our community.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City is transparent and makes decisions based on sound policy and inclusive community engagement with timely and reliable information. By approving the Agreement at City Council, the City serves the public interest with benefits to the City's diverse populations that results in greater public good.
2. **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the Agreement demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to shar in the benefits of community progress.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all. Approving the Agreement allows a long-term tenant to remain in its occupied space and cultivates an atmosphere to negotiate a lease renewal.
4. **Innovation** – The City is inventive and timely in meeting the community's changing needs.

By approving the Agreement, it demonstrates that the City prepares for the future through collaborative partnerships and adaptive processes.

5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving the Agreement ensures that the City's capacity to persevere, adapt, and grow during good and difficult times alike.

FISCAL IMPACT:

There is no fiscal impact to the City as a result of approving this action. The Exclusive Negotiating Agreement (ENA) with Adrenaline Sports Collaborative will require a $75,000 deposit from the Developer team to be placed in a special deposit account identified by City Finance at a later date and to be used to offset any cost incurred by the City.

Prepared by:	Regine Kennedy, Senior Planner
Approved by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachments:

1. Exclusive Negotiating Agreement
2. Adrenaline Sports Collective Proposal
3. PowerPoint Presentation