



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 28, 2015**

**FROM: INNOVATION AND TECHNOLOGY DEPARTMENT** **WARDS: ALL**

**SUBJECT: PROPOSED LICENSE AGREEMENT WITH SMARTRIVERSIDE FOR USE OF OFFICE SPACE AT CITY HALL – 3900 MAIN STREET**

## **ISSUE:**

The issue for City Council consideration is approval of a License Agreement with SmartRiverside for use of approximately 375 square feet of office space in the Basement of City Hall.

## **RECOMMENDATION:**

That the City Council:

- 1) Approve a License Agreement with SmartRiverside for the use of office space in the Basement of City Hall; and
- 2) Authorize the City Manager, or designee, to execute all documents pursuant to the License Agreement, including making minor non-substantive changes, including annual renewals.

## **BACKGROUND:**

SmartRiverside is a nonprofit 501(c)3 organization, focused on retaining local high tech graduates, bringing high tech companies to Riverside, and bridging the digital divide. SmartRiverside mentors and provides training for at-risk youth and operates several successful community outreach efforts, including the Digital Inclusion and Code to Careers programs. In addition, SmartRiverside serves as a fiscal agent for various initiatives including the Riverside Hack-a-thon and Inland Empire Regional Broadband Consortium (IERB), administers a tenant improvement program aimed at helping to offset tenant improvement costs of small technology companies, and honors local technology and innovation leaders within the community through its Innovation Honorees program.

The Digital Inclusion program is a multi-faceted initiative, which includes the refurbishment of computers that are given out to low income families at no cost. Before the families receive their free computer, they receive eight hours of free computer training. Since 2006, more than 7,500 City residents have participated in the Digital Inclusion program. By providing the Digital Inclusion program, SmartRiverside assists low-income families that do not have the available resources allowing them to take advantage of new technologies that can assist in improving their education, communication and overall quality of life.

On May 25, 2010, the City Council approved a Lease Agreement between SmartRiverside and the City to lease a 5,000 square-foot commercial building, situated on a 10,890 square-foot lot at 2801 Hulen Place. The lease was for \$1 per year, commencing on June 1, 2010. As part of the lease agreement, SmartRiverside was responsible for covering all maintenance and utility costs at the facility.

One of the main reasons the commercial building at 2801 Hulen Place made an ideal location for SmartRiverside, was its capacity to house the Digital Inclusion e-waste collection center. In order to help fund the Digital Inclusion program, SmartRiverside collected e-waste that it recycled to purchase refurbished computers. However, with the combination of commodity prices decreasing and a large percentage of staff time spent on e-recycling program, the SmartRiverside Board voted to end the e-waste program on March 19, 2015. The elimination of the e-waste program will allow SmartRiverside's Digital Inclusion Program to refocus efforts on training and providing computers to low-income families, while becoming more cost effective. SmartRiverside is able to raise adequate funding through private donations and its annual golf tournament to eliminate the e-waste program.

With a much smaller footprint needed to continue to provide services to the local community, Innovation and Technology staff recommends leasing approximately 375 square feet of office space in the Basement of Riverside's City Hall to SmartRiverside through a License Agreement. The proposed lease would be \$1 per year, renewable 30 days prior to July 1 of each fiscal year. The lease would be inclusive of utilities and provide two parking spaces to be assigned on an as needed basis by the appropriate City department.

The General Services Director and Interim Community & Economic Development Director agree with the recommendations in this report.

#### **FISCAL IMPACT:**

The annual revenue from the License Agreement with SmartRiverside for the use of office space located in the Basement of City Hall will be \$1, due on July 1 of each fiscal year. In return for the space and discounted rent, SmartRiverside will continue to provide various community outreach programs.

Prepared by:	Adam Raymond, Deputy Chief Innovation Officer
Certified as to	
availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney
Attachment:	License Agreement