



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: DECEMBER 8, 2015**
FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD: 1**
DEPARTMENT
SUBJECT: GROUND LEASE AGREEMENT WITH THE COUNTY OF RIVERSIDE FOR
REAL PROPERTY LOCATED AT 4049-4053 MAIN STREET TO FACILITATE
THE PROPOSED CHOW ALLEY @ COURTHOUSE PIAZZA PROJECT

ISSUE:

The issue for City Council consideration is the approval of a Ground Lease Agreement with the County of Riverside for real property located at 4049-4053 Main Street (Attachment 1) to facilitate the proposed Chow Alley @ Courthouse Piazza project.

RECOMMENDATIONS:

That the City Council:

1. Approve a Ground Lease Agreement (Attachment 2) with the County of Riverside for real property located at 4049-4053 Main Street to facilitate the proposed Chow Alley @ Courthouse Piazza project;
2. Authorize the City Manager, or his designee, to sign all documents and instruments necessary to complete the transaction and to make minor changes to the lease to facilitate and accomplish the transaction; and
3. Direct staff to issue a Request for Qualifications and Proposals for a developer.

UTILITY SERVICES / LAND USE / ENERGY DEVELOPMENT COMMITTEE **RECOMMENDATION:**

On October 15, 2015, the Utility Services / Land Use / Energy Development Committee with Chair Mac Arthur, Vice Chair Soubirous and Member Gardner present, met to consider the conceptual Chow Alley @ Courthouse Piazza concept. Following discussion, the Committee unanimously supported the Chow Alley @ Courthouse Piazza project in concept and directed staff to negotiate a ground lease agreement with the County of Riverside and present the agreement for City Council consideration. The committee directed staff to proceed with a Request for Qualifications and Proposals seeking a developer for the Chow Alley @ Courthouse Piazza project.

BACKGROUND:

One of Riverside's greatest assets, and one that continues to set the City apart from other municipalities in the region, is its downtown area. To ensure that the downtown area continues to be a focal point for the ever-changing community, visitors, and others, it is important to create

new public spaces and activate architectural assets.

With this in mind, a plan has been conceived for the repurposing and activating of the environment surrounding Main Street between 10th and 11th Streets. Currently dubbed Chow Alley @ Courthouse Piazza (Attachment 3 Renderings). The proposed subject site is comprised of Main Street (between 10th and 11th Streets) as well as City and County of Riverside owned properties, which include Public Parking Lot Number 19, an empty commercial building and a County parking lot.

Chow Alley @ Courthouse Piazza can be viewed as a public-private place-making and economic development effort intended to extend the vitality of the Main Street Pedestrian Mall southwest of City Hall by celebrating the unparalleled architecture of the Riverside County Courthouse and activating an otherwise inactive midblock space and auto-oriented street.

The overarching goals of the Chow Alley @ Courthouse Piazza concept are to:

- a. Extend the successful Main Street Riverside Pedestrian Mall to between 10th and 11th Streets as the "Courthouse Piazza" to include cafe tables and areas for public events and potentially including an expansion of Festival of Lights and a farmers market;
- b. Celebrate the Riverside County Courthouse architecture by creating a visual axis from Market Street;
- c. Create a "Chow Alley" active with food vendors, public art and shade elements (which will include the demolition of the empty commercial building located at 4049 Main Street); and
- d. Limit vehicular use for delivery and parking thus emphasizing a pedestrian paseo concept.

Staff estimates a total City investment to improve Main Street and the surface parking areas to be approximately \$1,181,371 including design, permits, demolition, site clearance, pavement, lighting and contingencies.

Furthermore, staff estimates potential annual lease revenue for the combined City and County-owned properties to be approximately \$56,700 generating revenue of \$1,701,000 over thirty years and capacity to service debt of approximately \$1,000,000.

In order to reach the aforementioned goals for the project, a 30-year lease agreement is proposed with the County of Riverside for the County owned portion of the site. The terms of the Ground Lease Agreement include, but are not limited to:

- a. The existing building located on the Premises will be demolished, subject to a cultural resources study to be completed by the City;
- b. The term shall be for thirty (30) years;
- c. Rent shall be one dollar (\$1.00) per year;
- d. City, until such time as the Premises is leased to a developer, shall keep the Premises in good condition; and
- e. Any improvements to the Premises shall be undertaken subject to City standards

Once the Ground Lease Agreement is executed, City staff will seek out a developer and operator via a Request for Proposals. Staff will then draft a ground lease agreement between the City and

the selected developer and operator for City Council consideration.

Staff recommends that the City Council approve the Ground Lease Agreement with the County of Riverside for real property located at 4049-4053 Main Street and bearing Assessor Parcel Numbers 215-092-010 and 011 to facilitate the proposed Chow Alley @ Courthouse Piazza project.

FISCAL IMPACT:

The Ground Lease Agreement requires the City to remit one dollar (\$1.00) per year for the next thirty (30) years to the County of Riverside and pay for the cost of maintaining the Premises until such time as a long-term ground lease with a developer is awarded.

Prepared by:	Rafael Guzman, Community & Economic Development Director
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

Concurs with:



Chris Mac Arthur, Chair
Utility Services/Land Use/Energy Development Committee

Attachments:

1. Site Map
2. Lease Agreement
3. Renderings
4. Presentation