



City of Arts & Innovation

Board of Library Trustees

TO: BOARD OF LIBRARY TRUSTEES

DATE: JANUARY 23, 2017

FROM: RIVERSIDE PUBLIC LIBRARY

SUBJECT: UPDATE ON JESUS S. DURAN EASTSIDE LIBRARY LEASE

ISSUE:

Receive an update on the Jesus S. Duran Eastside Library Lease between Sugarbush Properties-L.P., a California limited partnership.

RECOMMENDATION:

That the Board of Library Trustees receive an update on the Jesus S. Duran Eastside Library Lease.

BACKGROUND:

On August 11, 2004, the City entered into a fifteen year lease agreement (Attachment 1) for office space located in the shopping center at 4033 Chicago Avenue, Unit C, Riverside, CA, consisting of 10,816 square feet at a cost of \$12,500 per month. This lease payment is subject to adjust annually by an amount equal to a percentage difference in the Consumer Price Index between the prior year and the current year. Historically, this results in an annual increase of 1.5% to 3.5%.

The City is also required to pay for Common Area Maintenance (CAM) costs. CAM costs are paid directly by the property owner and passed on to the Riverside Public Library.

Examples of these costs are:

1. Electricity and Water utilities
2. Property Taxes
3. Security Services
4. Parking lot maintenance
5. Roofing repair
6. Exterior plumbing
7. Landscape maintenance
8. Fire sprinkler maintenance, etc.

CAM costs amount to 6.4% of the total annual amount, which equates to an additional \$3,500

to \$4,400 added to the monthly lease payment.

The current monthly base lease payment is \$15,515 and the current monthly CAM charge is \$4,326, totaling \$19,841 per month and \$238,092 annually.

In addition to monthly lease payments, the City has invested in various building projects to improve operations, create a more welcome interior environment, and enhance the overall comfort of the library for the benefit of the public. Improvements completed include new public computers, new carpet, enhanced lighting, paint and air conditioning units.

The first amendment was approved by the City Council on December 7, 2004 (attachment 2) and the second lease amendment (attachment 3) were executed on June 25, 2010. A cost summary (attachment 4) provides a description of costs and building improvements.

DISCUSSION:

The current lease agreement for the Jesus S. Duran Eastside Library is due to expire on October 1, 2019. The Jesus S. Duran Eastside Library is the only library location that is not a city owned property. The City will need to decide where to locate a future library location for the residents of this community. The library provides access to materials and resources not freely available anywhere else in the Eastside community and is an important community gathering space. Duran Eastside Library draws approximately 111,406 annual visitors, and has an annual circulation of approximately 74,278 items. It is the third busiest location in the Riverside Public Library System, with programs for children, teens and adults. However, the layout of the 10,816 square feet of building space presents many limitations such as safety and security, public seating, and staff workspace, limiting the ability to maximize programs and services and meet community needs.

FISCAL IMPACT:

There is no fiscal impact associated with this update.

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Approved by: Alexander T. Nguyen, Assistant City Manager

Attachments:

1. City Council Report and Lease Agreement – August 10, 2004
2. City Council Report and First Amendment – December 7, 2004
3. Second Amendment – June 25, 2010
4. Cost Summary