



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 10, 2017

ITEM NO: 12

SUBJECT: **FOURTH AMENDMENT TO TEMPORARY REVOCABLE LICENSE AGREEMENT WITH BEST BEST & KRIEGER LLP – MISSION SQUARE OFFICE BUILDING, 3750 UNIVERSITY AVENUE, SUITE 110 – MONTH TO MONTH TEMPORARY LICENSE AGREEMENT FOR \$3,250 PER MONTH**

ISSUE:

Recommend that the City Council approve a Fourth Amendment to Temporary Revocable License Agreement with Best Best & Krieger LLP (BB&K), of Riverside, California for approximately 1,185 square feet of rentable space in the Mission Square Building located at 3750 University Avenue, Suite 110.

RECOMMENDATIONS:

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

1. Approve the Fourth Amendment to Temporary Revocable License Agreement with Best Best & Krieger LLP; and
2. Authorize the City manager, or his designee, to execute the Fourth Amendment to Temporary Revocable License Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

On October 13, 2015, the City acquired the Mission Square Office Building at 3750 University Avenue (Property), which was funded by Riverside Public Utilities (RPU). As such, RPU is now the landlord of the Property. The Property consists of approximately 127,533 square feet of rentable office and retail space in a six-story building, plus a basement level and a 490 parking stall garage situated on approximately 2.5 acres of land.

On January 22, 2016, the Riverside Public Utilities Board approved the Third Amendment to the Temporary Revocable License Agreement for the use of 1,185 square feet of office space designated as Suite 110, which extended the term to March 22, 2017 and increased the base rent to \$2,600 per month.

DISCUSSION:

BB&K has been a tenant in the Property since 2004 and their Temporary Revocable License Agreement for Suite 110 expired on March 22, 2017. BB&K recently requested use of Suite 110 for an undefined time period that is anticipated to be less than one year. Since there was no month-to-month holdover provision contained in the original Temporary Revocable License Agreement or subsequent amendments, staff recommends inclusion of this provision which will allow either party to terminate the Temporary Revocable License Agreement by providing 30 days' notice to the other party.

Staff has reviewed the Fourth Amendment to Temporary Revocable License Agreement (License) and recommends renewal. The proposed revisions of the Fourth Amendment to Temporary License Agreement are summarized below:

- 1) Term: On March 22, 2017, the License shall convert to a month-to-month basis.
- 2) Base Rent (License Fee): The license fee shall be adjusted to \$3,250 per month.

FISCAL IMPACT:

All lease revenue will be deposited into the Mission Square Building Property Management Trust Account managed by RPU and used to pay operating expenses for the Property.

Prepared by:	Kevin S. Milligan, Utilities Deputy General Manager
Approved by:	Girish Balachandran, Utilities General Manager
Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Certifies availability of funds:	Laura Chavez-Nomura, Utilities Assistant General Manager/Finance
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Attachment:	Fourth Amendment to Temporary Revocable License Agreement
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