



MONETIZATION OF CITY ASSETS – LAND DEVELOPMENT

Finance Department &
Community & Economic Development

Finance Committee
July 11, 2018

RiversideCA.gov

BACKGROUND

1. CA Civil Code, Section 718: Property owned by the City may not be leased for more than 55 years.
2. Riverside City Charter, Section 418: A lease agreement longer than 55 years must be approved by a majority of qualified electors.
3. Finance Committee - February 2018: Chair Adams requested a report on the financial benefits of leasing or selling city-owned property.



2

RiversideCA.gov

DIRECT SALE – HYPOTHETICAL EXAMPLE



Assumptions & Estimates

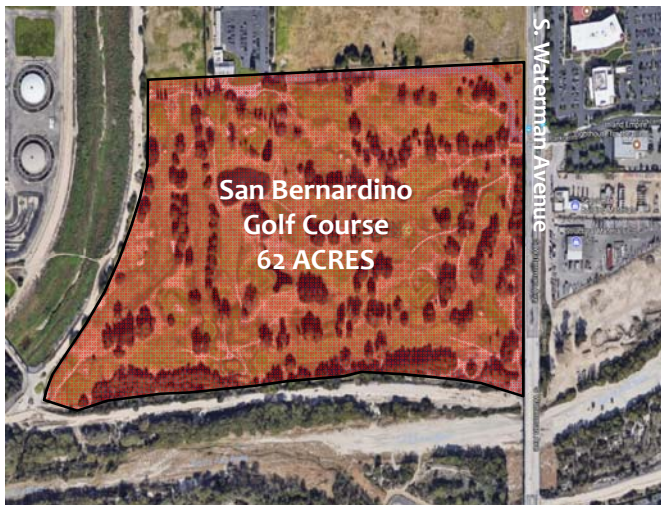
Development:	Hotel, Retail & Residential
Development Value:	\$200 Million
Land Sale Revenue:	\$4.6 Million
Prop. Tax Revenue (over 55 years):	\$15.4 Million
Total Land/Property Tax Revenue:	\$20 Million
Lease Revenue (over 55 years):	\$10.12 Million



3

RiversideCA.gov

GROUND LEASE - ACUTAL EXAMPLE



Assumptions & Estimates

Development:	Industrial Warehouse
Development Value:	\$100 Million
Land Sale Revenue:	\$27 Million
Prop. Tax Revenue (over 55 years):	\$7.7 Million *All revenue to City of San Bernardino
Total Land Revenue:	\$27 Million
Lease Revenue (over 55 years):	\$51.6 Million



4

RiversideCA.gov

RECOMMENDATION

That the Finance Committee review and provide input on land development options for land owned by the City.



5

RiversideCA.gov