

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: SEPTEMBER 14, 2020**

**ITEM NO: 6**

**SUBJECT: TEN-YEAR LICENSE AGREEMENT, WITH OPTIONAL EXTENSIONS IN FIVE-YEAR INCREMENTS IN PERPETUITY, WITH QUAIL RUN OWNER, LLC., FOR THE USE OF 17,665 SQUARE FEET, A PORTION OF CITY-OWNED PROPERTY LOCATED AT 599 CENTRAL AVENUE, TO MAINTAIN THE LANDSCAPING, IRRIGATION, ELECTRICAL AND WATER FACILITIES IN LIEU OF FINANCIAL COMPENSATION**

**ISSUE:**

Consider the approval of a ten-year License Agreement with optional extensions in five-year increments in perpetuity, with Quail Run Owner, LLC., for the use of 17,665 square feet, a portion of City-owned property located at 599 Central Avenue, to maintain the landscaping, irrigation, electrical and water facilities in lieu of financial compensation and recommend to City Council for consideration and approval.

**RECOMMENDATIONS:**

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

1. Approve the ten-year License Agreement with optional extensions in five-year increments in perpetuity with Quail Run Owner, LLC., for use of portions of 599 Central Avenue identified by Assessor's Parcel Numbers 253-240-009 and 253-240-029, to maintain the landscaping, irrigation, electrical and water facilities in lieu of financial compensation; and
2. Authorize the City Manager, or designee, to execute the License Agreement, including making minor, non-substantive changes, and to execute the optional five-year extension in perpetuity, and to sign all documents and instruments necessary to complete the transaction.

**BACKGROUND:**

Riverside Public Utilities (RPU) controls the City owned property located at 599 Central Avenue, Riverside, California, also known as Assessor's Parcel Numbers 253-240-009 and 253-240-029. The City uses this property for a substation facility where voltage transformation takes place, commonly known as the La Colina Substation ("Property"). The Property is 2.19

acres or approximately 95,396 square feet and is shown in the aerial photo map below.



*Aerial map of La Colina Substation (Property)*

Quail Run Owner, LLC., with Van Daele Homes (Developer), has built a new housing development adjacent to the Property. The Community & Economic Development Department, in collaboration with RPU, required Quail Run Owner, LLC., to landscape the slope and add an ADA sidewalk on a portion of City-owned property to comply with the City's Building and Safety requirements. The sidewalk and switch back ramping configuration were installed to provide an accessible path of travel from the public right-of-way to the residential development. The Developer installed the sidewalk and landscaped the sloped area which resulted in the encroachment on the Property.

## **DISCUSSION:**

The Developer recently approached RPU offering to take full responsibility for the maintenance of the landscaping, irrigation, electrical and water facilities for the rear and sides of the Property, as well as upkeep and beautification of the open areas in lieu of financial compensation. Having another party take the responsibility of the maintenance cost from RPU benefits the City by eliminating both the maintenance costs and personnel hours that would have to be dedicated to the long-term maintenance of the Property.

The License Agreement (Attached) cumburs the sloped terrain behind the substation, depicted in red in the aerial site map above, consisting of 17,665 square feet. Quail Run Owner, LLC improved the Property with sidewalks along the rear and side areas. Quail Run Owner, LLC will maintain the landscaping and sidewalks in a clean and orderly condition, comply with all applicable governing Municipal Codes, and follow the Land Maintenance Program, attached to the Agreement and labeled as Exhibit "C," established by RPU. The Licensee assumes all liability within the Property area and will cover all costs for all water usage and electrical power

for the irrigation and lighting systems to the Property. The negotiated term of the lease is for an initial ten (10) years that may be extended in perpetuity with optional five (5) year increments with the Licensee providing written notification to the City, with at least six (6) months' notice prior to the expiration of the then current term.

Staff recommends accepting the proposal by the Developer to facilitate the beautification of the licensed area and to eliminate future financial obligations for a portion of the Property by the City for on-going maintenance.

**FISCAL IMPACT:**

In lieu of financial compensation, Quail Run Owner, LLC., has agreed to be responsible for the maintenance, landscaping, and water facilities located at the site. Landscaping costs are estimated at \$2,320 annually and water costs are estimated at \$1,680 annually. Weed abatement and tree maintenance costs are estimated at \$1,300 a year.

Total annual savings to RPU is estimated at approximately \$5,300.

Prepared by:	David Welch, Community & Economic Development Director
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Gary G. Guess, City Attorney

Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
----------------------------------	---

Attachment:	License Agreement
-------------	-------------------