



Successor Agency to the Redevelopment Agency of the City of Riverside

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 27, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: THIRD AMENDMENT TO STANDARD COMMERCIAL MULTI-TENANT LEASE- MODIFIED NET BY AND BETWEEN THE CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE AND ROUTE 30 BREWING COMPANY, LLC FOR CALIFORNIA TOWER LOCATED AT 3720 & 3740 MISSION INN AVENUE FOR APPROXIMATELY 3,336 SQUARE FEET OF RENTABLE SPACE

ISSUE:

Approve the Third Amendment to the Standard Commercial Multi-Tenant Lease – Modified Net by and between the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside and Route 30 Brewing Company, LLC for California Tower – 3720 & 3740 Mission Inn Avenue for approximately 3,336 square feet of rentable space.

RECOMMENDATIONS:

That the Successor Agency Board:

1. Approve the Third Amendment to the Standard Commercial Multi-Tenant Lease – Modified Net for California Tower with Route 30 Brewing Company, LLC for approximately 3,336 square feet of rentable space located at 3720 & 3740 Mission Inn Avenue; and
2. Authorize the City Manager, or his designee, to execute the Third Amendment to the Standard Commercial Multi-Tenant Lease – Modified Net for California Tower with Route 30 Brewing Company, LLC, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

On September 27, 2011, the Successor Agency to the former Redevelopment Agency of the City of Riverside (Successor Agency) entered into a ten-year lease agreement with two five-year options to extend at fair market value with Suthida Patanasak dba Elephant Thai for 3720 Mission Inn Avenue.

On October 10, 2012, City Council approved a First Amendment to the Standard Commercial

Multi-Tenant Lease – Modified Net with Suthida Patanasak dba Elephant Thai for 3720 Mission Inn Avenue to add 3740 Mission Inn Avenue to the existing lease for Mission Martini.

On August 22, 2019, Staff received a Consent to Assignment and Assumption of the existing lease from Suthida Patanasak dba Elephant Thai & Mission Martini to Route 30 Brewing Company.

On September 11, 2019, the Successor Agency consented to the assignment and assumption of lease for 3720 & 3740 Mission Inn Avenue from Suthida Pantansak dba Elephant Thai and Mission Martini to Route 30 Brewing Company, LLC.

On November 11, 2019, the Successor Agency executed a Second Amendment to Lease Agreement for 3720 & 3740 Mission Inn Avenue to the change the permitted usage from Thai Food Restaurant and Full-Service Bar to a satellite taproom, full-service bar and Nashville-style Barbeque kitchen for both spaces.

On April 3, 2020, the Successor Agency executed a Consent of Landlord to Sublease agreement approving the sublease of 3720 Mission Inn Avenue from Route 30 Brewing (Sub-landlord) to Hotz Kitchen | Cocktails (Sub-tenant) in an as-is condition.

On July 6, 2020, Route 30 Brewing Company, LLC issued a letter to the Successor Agency to request a repayment plan for past due rent in the total amount of \$29,906.40.

DISCUSSION:

Staff has reviewed the proposed Third Amendment and recommends approval to amend the Lease to include an amortization schedule of past due rent in the amount of \$29,906.40 for the months of September, October, November and December 2019.

The basic deal points of the proposed Third Amendment are summarized below:

- 1) Rent Amortization Schedule: Tenant shall make additional monthly payments in months August 2020 to July 2021 to repay past due rent from September 2019 to December 2019.

Repayment Plan:

2019 Back Rent			
Month	Rent	CAM	Total
September	\$ 4,979.00	\$ 2,497.60	\$ 7,476.60
October	\$ 4,979.00	\$ 2,497.60	\$ 7,476.60
November	\$ 4,979.00	\$ 2,497.60	\$ 7,476.60
December	\$ 4,979.00	\$ 2,497.60	\$ 7,476.60
Totals	\$ 19,916.00	\$ 9,990.40	\$ 29,906.40

12 Month Amortization: Beginning Aug 2020

Month	Rent	CAM	Total
August	\$ 1,659.66	\$ 832.53	\$ 2,492.19
September	\$ 1,659.66	\$ 832.53	\$ 2,492.19
October	\$ 1,659.66	\$ 832.53	\$ 2,492.19
November	\$ 1,659.66	\$ 832.53	\$ 2,492.19
December	\$ 1,659.66	\$ 832.53	\$ 2,492.19
January	\$ 1,659.66	\$ 832.53	\$ 2,492.19
February	\$ 1,659.66	\$ 832.53	\$ 2,492.19
March	\$ 1,659.66	\$ 832.53	\$ 2,492.19
April	\$ 1,659.66	\$ 832.53	\$ 2,492.19
May	\$ 1,659.66	\$ 832.53	\$ 2,492.19
June	\$ 1,659.66	\$ 832.53	\$ 2,492.19
July	\$ 1,659.74	\$ 832.57	\$ 2,492.31
Totals	\$ 19,916.00	\$ 9,990.40	\$ 29,906.40

- 2) Other: All other terms of the Lease between the parties which are not inconsistent with the terms of this Third Amendment, shall remain in full force and effect as if fully set forth herein.

FISCAL IMPACT:

All lease revenues are deposited into the property management trust account with Inland Pacific Advisors and used for Successor Agency repairs and maintenance of the California Tower property. Route 30 Brewing, LLC will be on a payment plan to pay the past due rent from September 2019 to December 2019 which will be an additional amount owed above the monthly base rent that will be amortized from August 2020 to July 2021.

Prepared by: David Welch, Community & Economic Development Director
 Certified as to availability of funds: Edward Enriquez, Chief Financial Officer / City Treasurer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Gary G. Guess, City Attorney

Attachment: Third Amendment to the Standard Commercial Multi-Tenant Lease – Modified Net California Tower