



Lease Agreement for Parking Lot 38

Community & Economic Development

City Council
July 20, 2021

RiversideCA.gov

1

SITE MAP



2

RiversideCA.gov

2

BACKGROUND

- December 1994: City Council approved a Memorandum of Agreement (MOA) with the former Redevelopment Agency (RDA) and County of Riverside (County) to assist with the construction of the Family Law Court
- 1996 and 1997: RDA entered into agreements with the County and Riverside County Bar Association (RCBA) to facilitate parking for both entities as follows:
 - County: 36 stalls for 30 years (November of 2026)
 - RCBA: 15 parking spaces indefinitely (must be relocated if Lot 38 lease is not renewed)
- March 1996: RDA entered into an 8-year agreement with Market Street Properties I, LLC, owners of Lot 38, to provide parking for the County Family Law Court, which expired on March 15, 2004



3

RiversideCA.gov

3

BACKGROUND CONT.

- March 2004: RDA and Market Street Properties I agreed to a 17-year extension of the agreement, with a new expiration date of March 15, 2021
- March 2021: staff presented the property owner with a five-year lease proposal:
 - \$6,815 per month with 2% annual rent increases and three 1-year options to extend (the proposed term would cover the 30-year parking obligation to the Family Law Court)
- April 2021: City Council directed staff to negotiate a one-year lease term with an option to purchase the property
- March 2021: Market Street Properties I, LLC has agreed to a 22.8% reduction from previous rent amount but is not agreeable to granting the City an option to purchase the property



4

RiversideCA.gov

4

PROPOSED 1-YEAR LEASE TERMS

- Term: 1-year lease to retroactively commence on March 16, 2021
- Base Rent: \$6,815 per month (or \$81,870 for entire lease term)
- Extensions: Month-to-month holdover included (if needed) with a 2% annual rent escalation
- Other Costs: City will be responsible for the operation and maintenance of the property (anticipated to be \$3,000)
- City Lease: since the RDA has been dissolved, the City will be entering into the lease with Market Street Properties I, LLC



5

RiversideCA.gov

5

RECOMMENDATIONS

That the City Council:

1. Approve a Lease Agreement with Market Street Properties I, LLC, for a one-year term, for approximately 86 parking spaces located at 4150 Market Street, with a total lease value of \$81,870; and
2. Authorize the City Manager, or his designee, to execute the Lease Agreement, along with making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction



6

RiversideCA.gov

6