



SEVENTH AMENDMENT TO LEASE AGREEMENT – WELLS FARGO BANK MISSION SQUARE BUILDING

Riverside Public Utilities

Board of Public Utilities
September 13, 2021

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BACKGROUND

1. Wells Fargo National Bank (WFB) has been a tenant in the Property since 1987
2. Existing lease expires on July 31, 2022, and has two remaining five-year options to renew through July 31, 2032
3. WFB explored the possibility of downsizing but determined it was not viable due to layout and demising of useable space



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PROPOSED 5-YEAR LEASE TERMS

1. Term: August 1, 2022 through July 31, 2027
2. Premises: Approximately 7,776 rentable square feet of space located at 3750 University Avenue, Suite 150
3. Base Rent Schedule (Modified Gross Lease):

Months	Monthly Base Rent/Sq. Ft.	Monthly Base Rent	Annual Base rent
8/1/2022 – 1/31/2025	\$2.75	\$21,357.00	\$256,284.00
2/1/2025 – 7/31/2027	\$2.96	\$22,958.78	\$275,505.36

PROPOSED 5-YEAR LEASE TERMS CONT.

4. Tenant Improvements: Landlord will grant Tenant a one-time tenant improvement allowance of \$10.00 per square foot not to exceed a total amount of \$77,660
5. Options to Renew: Tenant will have two options to extend the lease for an additional five-years each at the prevailing market rent at the time of exercising the options to extend
6. Broker: Pursuant to the existing Exclusive Authorization to Lease Agreement with NKF, City to pay NKF a leasing commission equal to 2.5% of lease consideration in the amount of \$33,236.84, plus 2% of the lease consideration to tenants broker, SVC, in the amount of \$26,589.47 for a total leasing commission of \$59,826.31
7. Other: All other terms of the original lease and subsequent six amendments shall remain unmodified and in full force

STRATEGIC PLAN ALIGNMENT

This item contributes to the Envision Riverside 2025 City Council Strategic:

1. Priority 3 – Economic Opportunity; and
2. Goal 3.3 – Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

STRATEGIC PLAN ALIGNMENT

1. **Community Trust** – The City conducted business with transparency and good faith. By bringing the Agreement before the Board of Public Utilities, the City is providing a space for open dialogue between the Board and community stakeholders regarding all lease terms.
2. **Equity** – The City acted with inclusion and is adhering to lease terms for renewal options. Additionally, the City is ensuring that business conducted by WFB provides equal access and benefits that all members of the community can utilize.
3. **Fiscal Responsibility** – The City being a prudent steward of public funds, negotiated in good faith and the lease rates are consistent with the current fair market value for comparable commercial space.
4. **Innovation** – The City recognizes the need for accessible financial institutions to community stakeholders. This City will continue to be cognizant of the community's changing needs and will continue to be adaptive to the future by engaging in collaborative partnerships.
5. **Sustainability & Resiliency** – Committed to the needs of community stakeholders, the City is devoted to identifying, attracting, and retaining businesses that assist the community to preserve, adapt, and grow during a diverse array of economic cycles.

RECOMMENDATIONS

That the Riverside Public Utilities Board recommend that City Council:

1. Approve the Seventh Amendment to the Lease Agreement with Wells Fargo Bank, National Association to extend the Lease Agreement for an additional five years from August 1, 2022 through July 31, 2027; and
2. Authorize the City Manager, or his designee, to execute the Seventh Lease Amendment, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.