



Riverside Alive Project Update

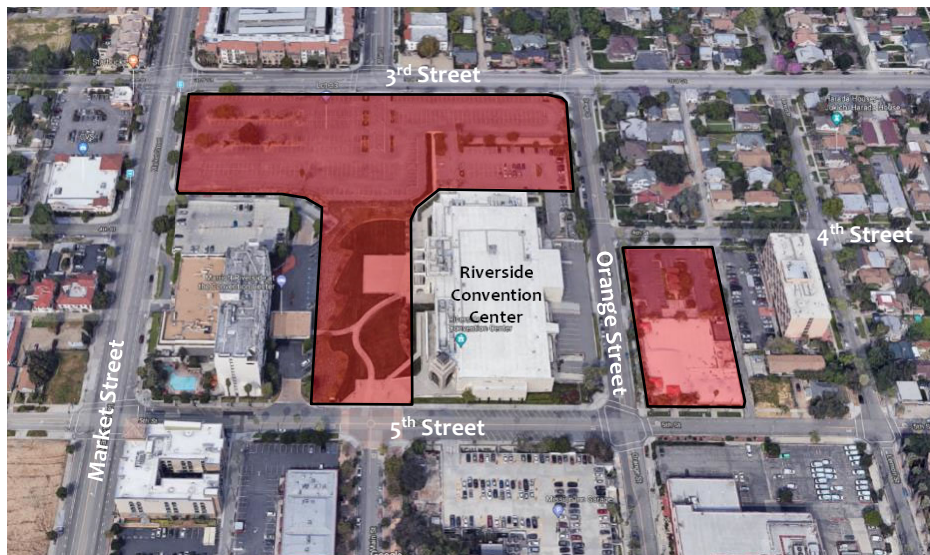
Community & Economic Development

City Council
October 12, 2021

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SITE MAP – LOT 33 AND FORMER UTILITIES PLAZA



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BACKGROUND

- **September 2018**: Staff issued a Request for Proposals (RFP) seeking mixed-use hotel and convention center expansion proposals.
- **January 2019**: staff received two separate development proposals.
- **May 2019**: the City Council:
 1. Selected the joint development proposal from the Greens Group and Griffin | Swinerton to construct a mixed-use hotel, residential, commercial, office, convention center expansion, public amphitheater, and new public parking garage project;
 2. Directed staff to negotiate a Purchase and Sale Agreement (PSA) with the Greens Group for the private portion of the Property; and
 3. Directed staff to negotiate a Lease and Lease-Back Agreement with Griffin | Swinerton for expansion of the Convention Center and construction of a public amphitheater and new public parking garage.



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RIVERSIDE ALIVE ORIGINAL CONCEPT



- **Hotels**: 2 hotels, 376 keys
- **Residential**: 146 units
- **Office**: 220,000 SF
- **Retail**: 63,000 SF
- **Amenities**: Public Amphitheater, Main Street Extension
- **Public Parking**: 1,036 or 1,493 stall garage
- **Convention Center Exp**: 100,000 or 150,000
- **Purchase Price**: \$4 million



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BACKGROUND CONT.

- **September 2019**: City Council approved separate Exclusive Negotiation Agreement's (ENA) with Greens Group and Griffin|Swinerton with a term of 24 months (to September 17, 2021) with one 6-month option to extend (to March 17, 2022) at the City Manager's discretion.
- **May 2020**: City Council, in closed session, directed staff to:
 - Continue negotiations on a project that may not include a convention center expansion (given the Calpers Challenge and COVID economic impacts) and that the City's Chief Financial Officer concurs will not have a negative impact to the General Fund.



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BACKGROUND CONT.

- **February 2021**: Griffin|Swinerton advised staff that the City should consider refinancing the debt associated with the Convention Center, which could result in a reduced cash flow that could be applied towards the construction of a new public parking garage.
- **March 2021**: Staff, in consultation with Finance's Municipal Advisors, determined that the landscaped gulley is part of the Convention Center parcel and cannot be sold for private development until such time as the bond has been paid off in October 2033.



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BACKGROUND CONT.

- **April 27, 2021**: City Council awarded a contract to HR&A Advisors, Inc. to assist staff with strategic planning, project vetting, financial analysis and other matters related to the formulation and execution of the City's first ever potential Public Private Partnership (P3) project.



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HR&A SCOPE OF WORK

- Evaluate the revised parking garage project without the Riverside Convention Center (RCC) expansion and determine whether identified sources of funding align with project costs.
- Identify and assess risks related to each funding source.
- Recommend next steps for the City to take to advance the project.

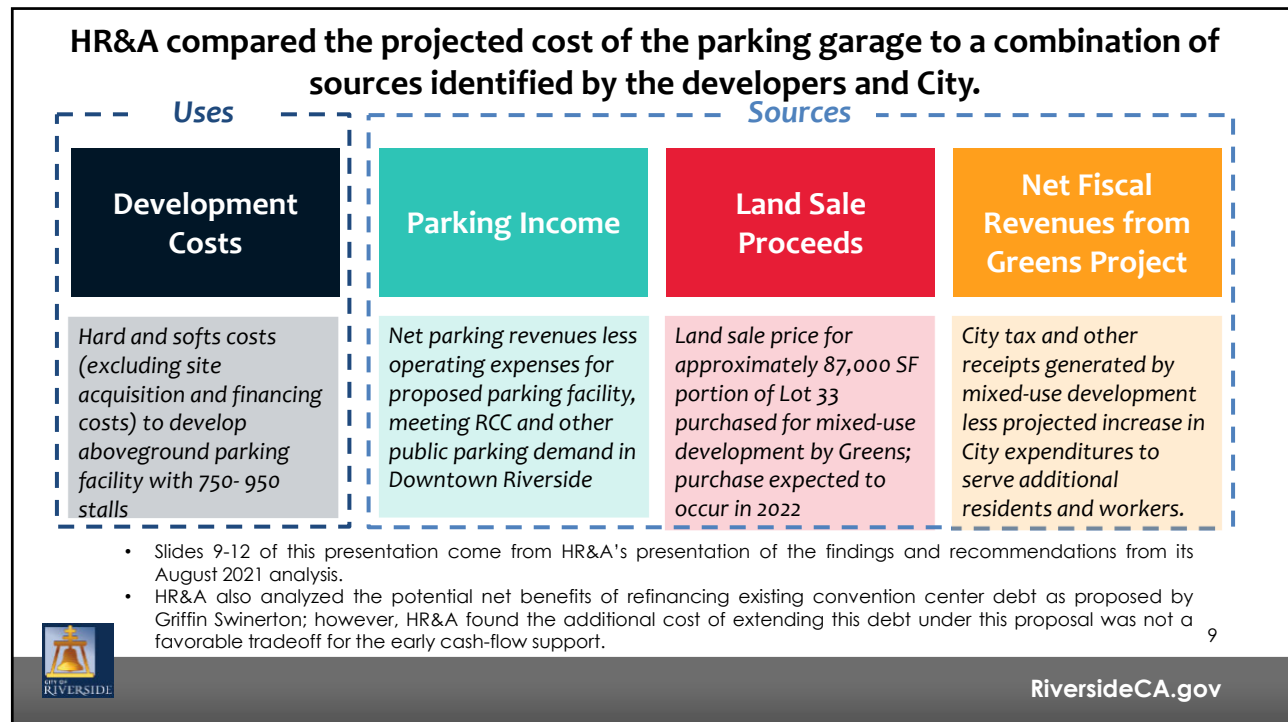
*HR&A completed its analysis in August 2021, prior to the City's conversation with Greens Group about acquiring the entirety of Lot 33 for private development. HR&A's analysis reflected a previous iteration of the mixed-use program (Development Option 1).



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KEY TAKEAWAYS

- Replacement of Lot 33 is required to accommodate development on the site, and the City has identified a need for 750 to 950 parking stalls to meet demand of the RCC and other public parkers.
- Parking income alone is sufficient to fund the estimated cost of a 750-stall parking garage assuming the City commits to (1) operating parking facilities 24/7 and (2) charging competitive, market appropriate rates.
- Fiscal revenues are heavily reliant on inclusion of a hotel as ~80% of ongoing fiscal revenues are related to the proposed hotel, largely through transient occupancy taxes.



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KEY TAKEAWAYS CONT.

- Linking the construction of the parking facility with the mixed-use development project could ensure the appropriate sequence of development and safeguard against the development of a garage without subsequent mixed-use development.
- Estimated garage costs are high-level and do not incorporate desired amenities, such as EV chargers, automated parking guidance system, and solar/green roof (\$22 million for 750 stalls and \$26 million for 950 stalls).



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HR&A RECOMMENDATIONS

- 1. Extend ENAs with both Griffin Swinerton and Greens.** While the City can use these extensions as an opportunity to request additional information from the developers, it should be prepared to extend the ENAs prior to their expiration in September regardless.
- 2. Develop conceptual parking facility scope** as soon as possible to inform the garage's conceptual design, potentially ahead of the ENA extensions, so that Griffin Swinerton can provide a refined and more definitive cost estimate.
- 3. Engage Greens to finalize mixed-use program, phasing, and land disposition terms.** This information is critical to understanding potential net fiscal revenues. The City should also discuss Greens proposed parking program and potential plans for parking some of the mixed-use development within the public garage.



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HR&A Recommendations Cont.

- 4. Advance parking due diligence** and refine the City's long-term parking strategy to prepare to move to 24/7 operations and implement market-appropriate rates. This includes a parking demand study for the new garage that incorporates the future of Garages 1 and 2, as well as long-term plans for Riverside Convention Center (RCC) expansion.
- 5. Assess potential for short-term development of the core and shell of a RCC expansion** to assure Greens of the long-term demand for hotel uses. This includes discussions between the City and Raincross Hospitality Corporation, about the size and makeup of the RCC expansion program and expected scope of work. The City can then consider whether such an offer is needed to shape Greens development program and timing.



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DEVELOPMENT OPTIONS

	Option 1 (Sell Portion of Lot 33)	Option 2 (Sell all of Lot 33)	Option 3	Option 4 (Original Proposal)
Retail:	10,000 SF	16,600 SF	Land Bank for Future Development	63,000 SF
Residential:	195 Units (209,000 SF)	623 Units (585,000 SF)		105 Units
Hotel:	210 Keys - 1 Hotel	210 Keys - 1 Hotel		376 Keys - 2 Hotels
Condominiums:	34 Units (57,000 SF)	34 Units (57,000 SF)		41 Units
Office:	23,000 SF	34,000 SF		220,000 SF
Private Parking:	614 Stalls	1,392 Stalls		
Amenities:	None	None		Amphitheater, Main Street Extension
Purchase Offer:	\$1,916, 640* (2 Acres)	\$3,900,363* (4.07 Acres)		\$3.8 Million (3.8 Acres)
Conv. Center Exp:	Future	Future		100,000 SF or 150,000 SF
Public Parking:	750 stalls in new parking garage	750 stalls in new parking garage		1,036 or 1,493 stalls in new parking garage



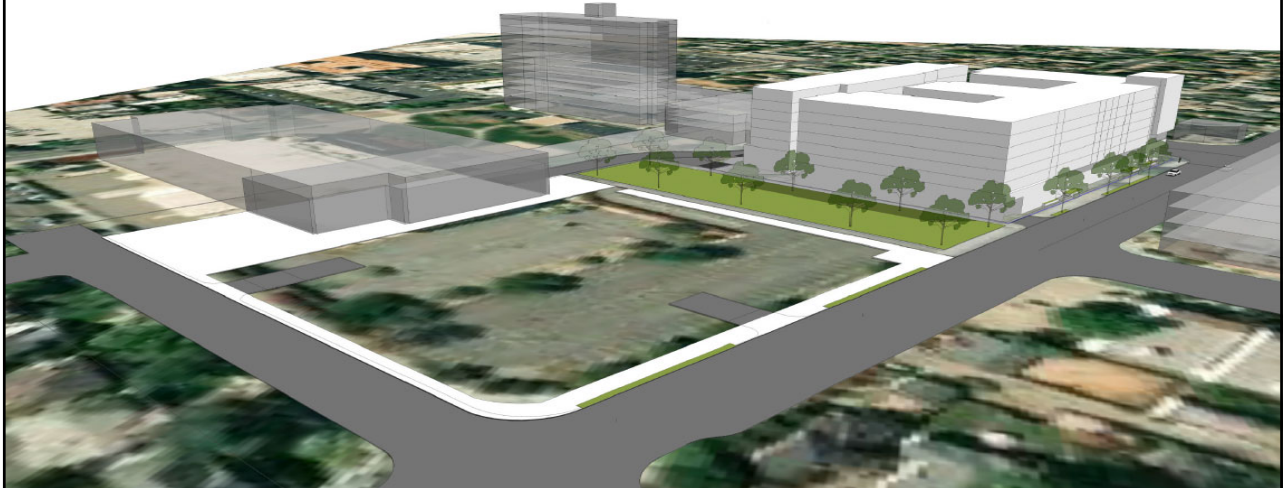
* Subject to Fair Market Appraisal

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DEVELOPMENT OPTION 1 AERIAL/MASSING

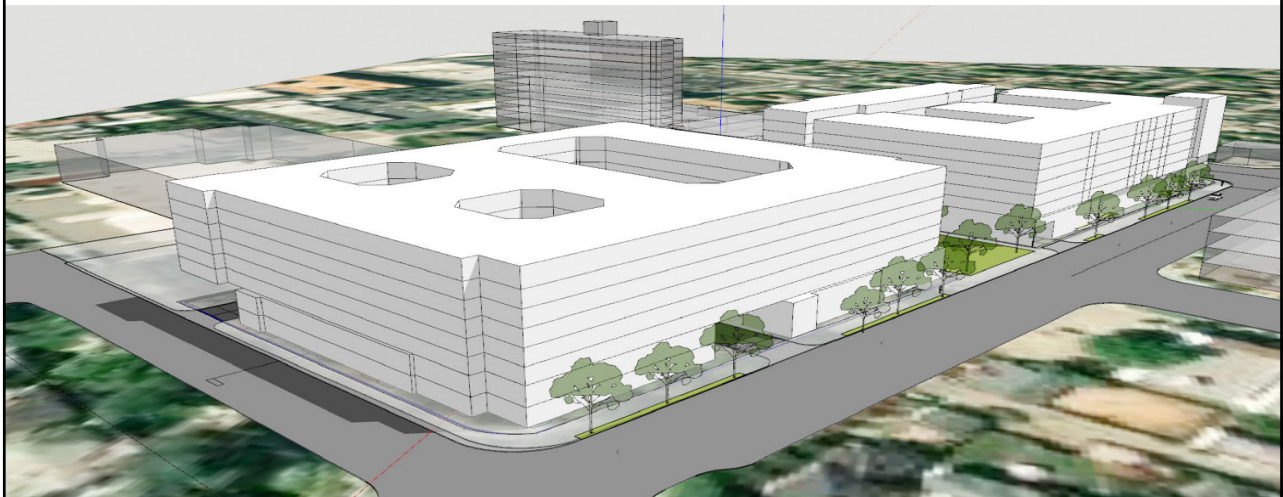


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DEVELOPMENT OPTION 2 AERIAL/MASSING



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Receive an update on the Riverside Alive project;
2. Select Development Option 2 to sell all of Lot 33 to the Greens Group for private development or an alternative project direction;
3. Direct staff to negotiate a Purchase and Sale Agreement with the Greens Group for Development Option No. 2 or an alternative project direction; and
4. Direct staff to negotiate a Lease/Leaseback Agreement with Griffin|Swinerton at the former Utilities Plaza site to construct a 750-stall public parking garage or an alternative project direction.



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