



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 24, 2023

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT**

**SUBJECT: SIXTH AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT WITH
GREENS DEVELOPMENT, INC. FOR THE RIVERSIDE ALIVE PROJECT,
BEARING PORTIONS OF ASSESSOR PARCEL NUMBERS 213-113-001, 213-
111-011, -012, -013, -015, -016 AND -017, GENERALLY LOCATED ALONG
ORANGE STREET BETWEEN 3RD AND 5TH STREETS**

ISSUE:

Approve the Sixth Amendment to the Exclusive Negotiating Agreement with Greens Development, Inc. for the Riverside Alive project to extend the contract term an additional eighteen months.

RECOMMENDATIONS:

That the City Council:

1. Approve the Sixth Amendment to the Exclusive Negotiating Agreement with Greens Development, Inc. for the Riverside Alive project to extend the contract term from December 22, 2023, through June 22, 2025; and
2. Authorize the City Manager, or designee, to execute the Sixth Amendment to the Exclusive Negotiating Agreement with Greens Development, Inc., including making minor and non-substantive changes.

BACKGROUND:

On September 18, 2018, the City issued a Request for Proposal (RFP) for a 7.6-acre site in downtown Riverside for mixed-use development, now known as Riverside Alive. The project includes expansion of the Riverside Convention Center, hotels, retail, residential, office, public amenities, and parking.

On May 7, 2019, the City Council selected the proposal of Greens Development Inc. and on September 23, 2019, authorized entering into an Exclusive Negotiating Agreement (ENA) to negotiate the terms and conditions for the private development portion of Riverside Alive to include hotel rooms, residential units, retail space, commercial offices, a public amphitheater, and other amenities as well as parking to support these uses. As this process has continued to

be refined and defined, there have been several amendments to the agreement to allow for time for these conversations and communication to take place. The timeline for these amendments is as follows:

- First Amendment - September 2021 – March 2022
- Second Amendment - March 2022 – September 2022
- Third Amendment - September 2022 – March 2023
- Fourth Amendment – March 2023 – June 2023

DISCUSSION:

In June 2023, the City Council directed staff to extend the negotiations for the Riverside Alive project to allow for final negotiations on deal points and to facilitate the environmental analysis and clearance for the project. The timing for this amendment was determined to be for a period of two years to allow adequate time for the environmental review to be conducted while finalizing the negotiations of deal points and terms.

The benefit of completing the environmental review at this time allows technical studies and evaluation of the broadest possible aspects of the project to be completed. The studies will identify potential environmental impacts early in the process and analyze options for the City Council to consider during this discussion phase. This proactive approach allows the City Council to have as much information ahead of a final plan for the development, entitlement, and construction phases. This strategy allows the City to move forward in a streamlined fashion while obtaining important information on options for consideration early.

Staff anticipates the environmental process to take up to eighteen months to complete and has built in the few months needed for the proposal, selection, and procurement of an environmental consultant. To ensure continuity and avoid any gap in the ENA, a Fifth Amendment was prepared to cover the first six months, from June 2023 to December 2023. The proposed Sixth Amendment will cover the remainder of the expected contract term to complete the overall directed timeframe of two years and is set to expire June 2025.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council **Strategic Priority 3 – Economic Opportunity**, and **Goal 3.3:** Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust:** The Riverside Alive Project has incorporated public involvement by way of an open session/community forum.
2. **Equity:** The Riverside Alive Project is designed to benefit the community and promote economic growth and development within the City.
3. **Fiscal Responsibility:** Riverside is a prudent steward of its property and public resources.
4. **Innovation:** Riverside is committed to collaborative partnerships, such as those with Greens Development, Inc., to ensure potential successful development of the Riverside Alive project.

5. Sustainability and Resiliency: The private development of the Riverside Alive Project and partnership with Greens Development Inc. demonstrates the City's commitment to a sustainable and resilient built environment for City-owned properties that will comply with the latest green building standards and demonstrate a carbon-neutral impact on the environment.

FISCAL IMPACT:

There is no fiscal impact associated with the action to extend the contract term for two additional years.

Prepared by: Jennifer Lilley, Community & Economic Development Director
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Sixth Amendment to Exclusive Negotiating Agreement with Greens Development, Inc.