

MEMO

Public Utilities Department

DATE: January 24, 2024

TO: Robyn Peterson, Museum Director

FROM: Todd M. Corbin, Utilities General Manager TMC

CC: Ann Lovell, Administrative Services Manager

Carlie Myers, Assistant General Manager/Business and Customer Services

Staci Sullivan, Utilities Fiscal Manager

Kristie Thomas, Assistant Chief Financial Officer/Finance Director

RE: Mission Square Lease Terms for Suite 230 – FY 2024/25 – 2025/26 Biennial Budget

The Museum Department would like to temporarily lease office space at 3750 University Avenue, Suite 230 with 2,534 square feet while the Museum is under construction.

For purposes of preparing the FY 2024/25 – 2025/26 budget, the annual cost of the rental space over the next three years, with an annual rent increase of 3% effective July 1 of each fiscal year, is as follows:

Lease Term	Square Foot Rent	Base Monthly Rent	Annual Rent
7/1/2024 – 6/30/2025	\$2.94/sq ft	\$7,449.96	\$89,399.52
7/1/2025 – 6/30/2026	\$3.03/sq ft	\$7,678.02	\$92,136.24
7/1/2026 – 6/30/2027	\$3.12/ sq ft	\$7,906.08	\$94,872.96

Lease Rent Payments

On January 26, 2016, the City Council approved an agreement with Newmark Knight Frank as a professional third-party commercial operator of the Mission Square building. Because Public Utilities utilizes the property manager to collect lease rent revenue and pay for all operations and maintenance of the building, all lease tenants are invoiced and remit payment to NKF. Therefore, the City Attorney's Office will be invoiced and be required to set up a Purchase Order to make monthly payments to the property manager.

Parking

The Museum Department will pay for their reserved/unreserved parking spaces based on the monthly parking rates, as provided by the property manager.

Common Area Maintenance (CAM)

The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways within the Premises that are provided and designated by the Landlord from time to time for the general non-exclusive use of Landlord, Tenant and other Tenants of the Project and their respective employees, suppliers, shippers, customers, contractors, and invitees, including loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas.

Common Area Operating Expenses

All costs to operate, maintain, repair, replace, supervise, insure and administer the Common Areas, including, without limitation, any Parking Areas owned by Landlord for the use of tenants, and further including, without limitation, supplies, materials, labor and equipment used in or related to the operation and maintenance of the Common Areas, including Parking Areas (including, without limitation, all costs of resurfacing and restriping Parking Areas), signs and directories on the Building and/or the Property, landscaping (including, without limitation, maintenance contracts and fees payable to landscaping consultants), amenities, sprinkler systems, sidewalks, walkways, driveways, curbs, Property signs, lighting systems and security services, if any, provided by Landlord for the Common Areas, and any charges, assessments, costs or fees levied by any association or entity of which the Property or any part thereof is a member or to which the Property or any part thereof is subject.

The annual CAM cost over the next three years, with an annual increase of 3% effective July 1 of each fiscal year, is as follows:

Term	Per Square Foot	Monthly CAM	Annual CAM
7/1/2024 – 6/30/2025	\$0.169/sq ft	\$428.25	\$5,138.95
7/1/2025 – 6/30/2026	\$0.174/sq ft	\$440.92	\$5,290.99
7/1/2026 – 6/30/2027	\$0.179/ sq ft	\$453.59	\$5,443.03

Signature: 
Email: tcorbin@riversideca.gov






FY 2024-25 - 2025-26 Museum Lease Memo

Final Audit Report

2024-01-24

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