



City Council Memorandum

City of Arts & Innovation

.....

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 14, 2026

FROM: MUSEUM DEPARTMENT WARDS: ALL

SUBJECT: USE OF OFFICE SPACE BY THE MUSEUM DEPARTMENT AT THE MISSION SQUARE OFFICE BUILDING, 3750 UNIVERSITY AVENUE, SUITE 230, FOR A TERM NOT-TO-EXCEED THREE YEARS IN THE AMOUNT OF \$276,408

ISSUE:

Approve usage of office space by the Museum Department for a term not-to-exceed three years for approximately 2,534 square feet of rentable space in the Mission Square Office Building located at 3750 University Avenue, Suite 230 in the amount of \$276,408.

RECOMMENDATION:

That the City Council approve the usage of office space by the Museum Department for a term not-to-exceed three years for approximately 2,534 square feet of rentable space in the Mission Square Office Building located at 3750 University Avenue, Suite 230 in the amount of \$276,408.

BOARD RECOMMENDATION:

At the January 22, 2024, Board of Public Utilities meeting, a report was presented to receive and file a recommendation for usage of office space by the Museum Department for a term not-to-exceed three years for approximately 2,534 square feet of rentable space in the Mission Square Office Building located at 3750 University Avenue, Suite 230, in the amount of \$276,408.

BACKGROUND:

On October 13, 2015, the City acquired the Mission Square Building at 3750 University Avenue (Property), which was funded by Riverside Public Utilities (RPU). RPU acts as the Landlord of the Property. The Property consists of approximately 127,533 square feet of rentable office and retail space in a six-story building, plus a basement level and a 471-parking-stall garage situated on approximately 2.5 acres of land.

On January 26, 2016, the City Council approved an Exclusive Authorization of Lease Agreement with Newmark of Southern California, Inc. dba Newmark Knight Frank (NKF) for a five-year term to provide broker leasing services for the Property.

On January 5, 2021, the City Council approved a First Amendment to California Exclusive

Authorization of Lease Agreement with Newmark of Southern California, Inc., dba Newmark Knight Frank (NKF), which extended the Agreement through December 31, 2025.

On January 27, 2026, the City Council approved a Property Management Agreement from RFP No. 2498 for Property Management Services for the Mission Square Office Building at 3750 University Avenue with G&E Real Estate Management Services, Inc. dba Newmark (Newmark) of Irvine, California, for approximately \$958,300 over the five-year term, with one optional five-year extension. RPU staff has been coordinating the leasing process for the Property with the Real Property Services Division of the Community & Economic Development Department.

DISCUSSION:

The downtown Museum site is currently undergoing a renovation and expansion project; work started in June 2025. During the work on the existing downtown Museum site, the building cannot be occupied. Museum staff relocated to Suite 230 in September 2024. The Museum processes an annual purchase order for Newmark, with fiscal year 2026/2027 meeting the \$100,000 Purchasing threshold for City Council approval. Because this is interdepartmental use, a lease agreement is not required. The January 22, 2024, report to the Board of Public Utilities (Board) was provided to the Board for informational and transparency purposes. The occupancy and rent were recorded via a RPU inter-department memorandum on January 24, 2024.

The terms are summarized below:

1. Term: July 1, 2024, to June 30, 2027.
2. Premises: Approximately 2,534 rentable square feet of space located at 3750 University Avenue, Suite 230.
3. Base Rent Schedule:

Lease Term	Monthly Base Rental Rate/Sq. Ft.	Monthly Base Rent	Annual Base Rent
July 1, 2024 – June 30, 2025	\$2.94	\$7,449.96	\$89,399.52
July 1, 2025 – June 30, 2026	\$3.03	\$7,678.02	\$92,136.24
July 1, 2026 – June 30, 2027	\$3.12	\$7,906.08	\$94,872.96

4. Common Area Maintenance Schedule:

Lease Term	Monthly Base Rental Rate/Sq. Ft.	Monthly CAM	Annual CAM
July 1, 2024 – June 30, 2025	\$0.169/sq ft	\$428.25	\$5,138.95
July 1, 2025 – June 30, 2026	\$0.174/sq ft	\$440.92	\$5,290.99
July 1, 2026 – June 30, 2027	\$0.179/sq ft	\$453.59	\$5,443.03

5. Parking: The Museum Department will pay for their unreserved parking spaces/ parking fees based on the monthly parking rates, via annual purchase order with City selected vendor Parking Concepts, Inc.

FISCAL IMPACT:

The revenue over the estimated three-year term is an estimated \$276,408. Funding for the lease is budgeted and available in the Measure Z Fund, Museum Expansion & Renovation project account 9901709-423200. All revenue will be deposited into the Mission Square Building Property Management Trust Account controlled by RPU and used to pay operating expenses for the Property.

Prepared by:	Robyn G. Peterson, Museum Director
Reviewed by:	Julie Nemes, Interim Finance Director
Approved as to form:	Rebecca McKee, Interim City Attorney
Reviewed by:	Kris Martinez, Assistant City Manager

Attachments:	Minutes RPU Board 1-22-2024
	Memo RPU 1-24-2024
	Agreement G&E Real Estate 2-17-2026