



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 18, 2023

FROM: PUBLIC UTILITIES DEPARTMENT WARD: 1

SUBJECT: COMMERCIAL ACCOUNT RIGHT OF ENTRY AGREEMENT WITH CHARTER COMMUNICATIONS OPERATING, LLC OPERATING AS CHARTER – MISSION SQUARE OFFICE BUILDING LOCATED AT 3750 UNIVERSITY AVENUE – FOR A FIVE-YEAR TERM

ISSUE:

Consider approval of a Commercial Account Right of Entry Agreement with Charter Communications Operating, LLC operating as Charter – Mission Square Office located at 3750 University Avenue – for a five-year term.

RECOMMENDATIONS:

That the City Council:

1. Approve a Commercial Account Right of Entry Agreement with Charter Communications Operating, LLC operating as Charter for a five-year term; and
2. Authorize the City Manager, or designee, to execute the Commercial Account Right of Entry Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BOARD RECOMMENDATION:

On June 12, 2023, the Board of Public Utilities, with seven members present, voted unanimously to recommend that the City Council approve the Commercial Account Right of Entry Agreement with Charter Communications Operating, LLC operating as Charter – Mission Square Office Building Located at 3750 University Avenue, for a five-year term.

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). As such, RPU is now 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 490-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. RPU staff has been coordinating the leasing process for the Property with the Real Property Services Division of the Community & Economic Development Department and NKF as the broker for the Property.

DISCUSSION:

In November 2022, Charter contacted Newmark Knight Frank requesting to access the Mission Square Office Building for the installation, maintenance, and removal of any equipment, facilities, and other communications accessories to provide any of Charter's services to any customers in the building.

Staff has reviewed the proposed Commercial Account Right of Entry Agreement and recommends the terms summarized below:

1. **Term:** Five years after the Effective Date or the date that is six months after the date that Charter is no longer providing Services to any customer in the building.

The Community and Economic Development Department Director concurs with the recommendations in this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility & Connectivity** and **Goal 6.2 - Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.**

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

1. **Community Trust** – The Agreement confirms that the City is a good steward of real property assets for the benefits of RPU's ratepayers.
2. **Equity** – The Agreement demonstrates that Riverside is equitable in distribution of services, which ensures that every member of the community has equal access to share the benefits of community progress.
3. **Fiscal Responsibility** – The Agreement demonstrates that Riverside is a prudent steward of public funds and ensures responsible management of the City's financial and property resources.

4. **Innovation** – The Agreement demonstrates that Riverside is innovative by partnering with Charter to offer internet and connectivity solutions to the customers at Mission Square.
5. **Sustainability & Resiliency** – The Agreement will ensure present and future reliability, resiliency, and sustainability for this City-owned property.

FISCAL IMPACT:

There is no fiscal impact report associated with this agreement.

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| Prepared by: | Todd M. Corbin, Utilities General Manager |
| Certified as to availability of funds: | Edward Enriquez, Assistant City Manager/Chief Financial Officer |
| Approved by: | Rafael Guzman, Assistant City Manager |
| Approved as to form: | Phaedra A. Norton, City Attorney |

Attachments:

1. Commercial Account Right of Entry Agreement – Charter Communications Operating, LLC operating as Charter
2. Presentation