



TERMINATION AGREEMENT WITH DAVID L. HORTON ESQ. & ASSOCIATES

Riverside Public Utilities

City Council
June 25, 2024

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BACKGROUND

1. On October 13, 2015, the City acquired the Mission Square Building at 3750 University Avenue, which was funded by RPU. 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 in downtown Riverside.
2. Staff coordinates 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.



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BACKGROUND

3. On October 1, 2019, the City Council approved a Lease Agreement with David L. Horton Esq. and Associates for 1,561 square feet of rentable space in the Mission Square Building.
4. On October 18, 2022, the City Council approved a First Amendment with David L. Horton Esq. and Associates extending the original lease agreement for a three-year term expiring on September 30, 2025



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DISCUSSION

1. The Tenant was unable to fully recover financially after Covid-19. The Tenant relied heavily on walk in business and was unable to obtain new clients and has decided to cease his current operations.
2. The Termination Agreement will recover the past due rent which the Tenant has agreed to pay and has surrendered the premises on or about April 1, 2024.



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DISCUSSION

1. A replacement Tenant has been identified for Suite 560 with a desired move in date of July 1, 2024.
2. It is expected that the Board of Public Utilities and the City Council will receive both the Termination of the Lease with the former Tenant and the new Lease with the new Tenant at the same respective public meetings for review and approval.



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STRATEGIC PLAN ALIGNMENT

This item contributes to the Envision Riverside 2025 City Council Strategic:



Priority 5 – High Performing Government; and

Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve Termination Agreement with David L. Horton Esq. and Associates effective April 1, 2024 and;
2. Authorize the City Manager, or designee, to execute the Termination Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.



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