



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 12, 2023

SUBJECT: FIRST AMENDMENT TO LICENSE AGREEMENT FOR USE OF 10 ACRES OF PELLISSIER RANCH WITH CITICASTERS CO., TO EXTEND THE TERM BY 18 MONTHS TO MAY 30, 2026

ISSUE:

Recommend that the City Council approve the First Amendment to License Agreement for use of 10 acres of Pellissier Ranch with Citicasters Co., to extend the term by 18 months to May 30, 2026.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Approve the First Amendment to License Agreement for use of 10 acres of Pellissier Ranch with Citicasters Co., to extend the term by 18 months to May 30, 2026; and
2. Authorize the City Manager, or designee, to execute the First Amendment, including making minor non-substantive changes, and to sign all documents necessary to complete the transaction.

BACKGROUND:

On December 1, 1994, the City of Riverside (City) entered into a 20-year lease with Hispanic Radio Broadcasters, owner of radio station KDIF, for the construction and operation of a radio broadcasting tower/facility on ten acres of land within Pellissier Ranch (located in San Bernardino County, bearing Assessor's Parcel Number 0277-022-75). Hispanic Radio Broadcasters sold the radio station to Jacor Communications, Inc./Citicasters Co. On August 11, 1998, the City Council (Council) approved an assignment of the lease with Hispanic Radio Broadcasters to Citicasters Co. with all terms remaining the same.

On July 8, 2014, Council approved a First Amendment to Lease with Citicasters Co. to extend the lease an additional five years, to November 30, 2019, and to increase the rent to \$1,335 per month with an annual Consumer Price Index escalator. Additionally, the insurance requirements were revised to meet the City's standards.

On April 10, 2017, the Board of Public Utilities voted to recommend establishing uniform rental rates for the issuance of canal license agreements. City Council approved this on May 9, 2017.

On January 13, 2020, the Board approved a five-year license with Citicasters Co. with no option to extend. At that time, the approval of the Northside Inter-jurisdictional Specific Plan was pending, so a long-term agreement for the continued use of the site by Citicasters Co. was not desirable. Council approved the item on February 4, 2020.

DISCUSSION:

On July 11, 2022, Citicasters Co. contacted staff requesting to renew the license agreement since the current agreement is due to expire on November 30, 2024. With the approval of the Northside Specific Plan, and with the Request for Proposal pending for a master developer, staff agreed to extend the current agreement for 18 months, to May 30, 2026. All other terms and conditions will remain the same. The extension will allow Citicasters Co. to arrange for the removal of the radio tower and associated facilities.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the **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.

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

1. **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. By approving the Agreement, the City serves the public interest and benefit the City's diverse populations which results in greater public good.
2. **Equity** – The City supports racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress. Approving the Agreement shows that the City is fair and equitable.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all. Approving the Agreement will generate revenue to the City while the facilities are being removed.
4. **Innovation** – The City is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes. Approving the Agreement ensures that the property will be available for the future development of the site.
5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike. As stated above, approving the Agreement ensures that the property will be available for the future development of the site.

FISCAL IMPACT:

The license revenue over the 18-month extension is estimated to be \$54,466.19. All revenue will be deposited into the Public Utilities' Land and Building Rental Account No. 0000520-373100

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Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Certifies availability
of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Attachments:

1. First Amendment to License Agreement
2. Presentation