



# City Council Memorandum

City of Arts & Innovation

---

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: NOVEMBER 19, 2024**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARD: 3**  
**DEPARTMENT**

**SUBJECT: LICENSE AGREEMENT WITH STAFFORD, LLC FOR USE OF A PORTION OF**  
**CITY-OWNED LAND KNOWN AS THE RIVERSIDE WATER COMPANY CANAL**  
**FOR A TWENTY-YEAR TERM WITH THREE FIVE-YEAR OPTIONS TO EXTEND**  
**– ESTIMATED TOTAL REVENUE OF \$213,490.78**

**ISSUE:**

Consider approving the License Agreement with Stafford, LLC for use of a portion of City-owned land known as the Riverside Water Company Canal for a twenty-year term with three five-year options to extend – estimated total revenue of \$213,490.78.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the License Agreement with Stafford, LLC for use of a portion of the Riverside Water Company Canal, also known as Assessor's Parcel Number 225-350-070, for a twenty-year (20) term with three (3) five-year options to extend – estimated total revenue of \$213,490.78; and
2. Authorize the City Manager, or his designee, to execute the License Agreement, including making minor and non-substantive changes, and to sign all documents necessary to complete the transaction.

**BOARD RECOMMENDATION:**

On October 28, 2024, the Board of Public Utilities will hear this item for consideration to recommend to City Council to approve the license agreement with Stafford, LLC.

If the Board of Public Utilities approves to forward this to City Council, we respectfully request the City Council consider the item at the November 12, 2024, City Council meeting.

**BACKGROUND:**

On May 23, 1961, a Final Order of Condemnation was hereby ordered, adjudged and decreed in favor of the City of Riverside (City) for the Riverside Water Company Canal (Canal). This included Assessor’s Parcel Number 225-350-070.

On August 1, 2013, City entered into a license agreement with Cole LA Riverside, LP, for ingress and egress over the canal to access their parking.

**DISCUSSION:**

The Canal was formerly used for conducting, supplying and distributing irrigation water to and for the use of the city. Currently, the City utilizes this property for the operation and maintenance of an underground pipeline conveying irrigation water.

Public Utilities received a notice from Cole LA Riverside, LP, requesting termination of their License Agreement due to the sale of the property to Stafford, LLC, However, a termination agreement is not needed since the License Agreement (Agreement) is personal to the Licensee and was automatically terminated upon the sale of the property.

The new Agreement will allow for the continuation of vehicular ingress and egress, traffic circulation and parking for Stafford, LLC. The licensed area covers approximately 13,313 square feet of the Canal. This portion of the Canal is shared with Tava Center’s parking at Arlington Avenue and the 91 Freeway.



Licensee is seeking a twenty-year (20) term with three (3) five-year options to extend, for a total term not to exceed thirty-five (35) years. The Agreement also includes a minimum of 180-day notice, in writing, prior to termination. The consideration for the proposed Agreement is \$8,786.58,

based on the approved canal rental rate of \$0.66 per square foot in annual revenue, with a 2% annual increase over the entire term of the agreement.

The Utilities General Manager concurs with the recommendations in this report.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Plan Priority No. 5 – High Performing Government, specifically Goal 5.4:** Achieving and maintaining financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

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

- **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards and Commissions, and timely and reliable information. Approving the Agreement demonstrates that the City serves the public interest with benefits to the City’s diverse population that results in the greater public good.
- **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the Agreement demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services.
- **Fiscal Responsibility** – The City is a prudent steward of public funds. Approving the Agreement ensures the responsible management of the City’s financial resources in a manner consistent with the prudent stewardship of public funds while facilitating beneficial investments in all areas that the canal lies.
- **Innovation** – The City is inventive and timely in meeting the community’s changing needs. Approving the Agreement is consistent with the community’s changing needs and prepares for the future through adaptive processes.
- **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving the Agreement encourages development to meet the needs of the future and ensures the City’s capacity to preserve, adapt and grow.

### **FISCAL IMPACT:**

The total fiscal impact is estimated to be \$213,490.78 over a twenty-year term. The proceeds will be deposited in the Electric Fund, Land and Building Rental Account No. 000520-373100.

Prepared by: Ron Duran, Real Property Agent  
Approved by: David A. Garcia, Utilities General Manager  
Certified as to  
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Mike Futrell, City Manager  
Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. License Agreement, Stafford LLC
2. Presentation

RD:  
09/24/2024  
G:\Real\_Property\Documents\Ward 3\2024\24-3-043-council-staff-report-stafford-cc.docx