

FY 2024/2025
ANNUAL REPORT



MISSION SQUARE BUILDING





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October 13, 2015, the City acquired the Mission Square Office 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 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 Grubb Knight Frank (NKF) to provide broker-leasing services for the Property. 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.



~127,533 sf
of Rentable Office
and Retail Space



Six-Story Building



471 Parking Stall
Garage



~2.5 Acres

BUILDING OPERATIONS UPDATE

The 2024/2025 period was a productive year that also produced mixed results for Mission Square. We successfully completed the construction of tenant improvements for the minor expansion of our largest tenant, Varner & Brandt, along with the reconfiguration of the Morgan Stanley entry area necessitated by that expansion.

In addition, the Museum Department executed a lease for Suite 230 (2,538 RSF), with a term extending through June 30, 2027 and Riverside Gateway to College executed a lease for Suite 560 (1,521 SF), with a term through September 30, 2029.

On the downside, we lost our major restaurant tenant, River Ranch (formerly Slater's 50/50), due to ongoing operational and management challenges.

We currently have four vacant suites at Mission Square that continue to be actively marketed:

- **Suite 110 – 1,185 RSF (former T-Mobile space)**
- **Suite 120 – 1,383 RSF (vacant shell space)**
- **Suite 125 – 5,982 RSF (former River Ranch space)**
- **Suite 225 – 1,938 RSF (office space)**

Despite these vacancies, Mission Square—a premier Class A property in downtown Riverside continues to outperform the broader market. The project is currently 91.6% leased (8.4% vacant), compared to an overall Riverside market vacancy rate of approximately 8.6% and a downtown-specific vacancy rate of approximately 9.0%. Asking lease rates at Mission Square stand at \$2.75 per square foot, full-service gross, exceeding the current Riverside Class A average of \$2.60 per square foot as of June 2025.

LEASING UPDATE

 **91.6%**
CURRENT OCCUPANCY RATE

- **Suite 100 (1,200 sf) – Everytable:** Lease commenced on October 1, 2022 for 5 years with (2) two (5)-five-year renewal options.
- **Suite 110 (1,185 sf) – Vacant:** Space is currently being marketed – some interest from prospective tenants.
- **Suite 120 (1,383 sf) – Vacant:** Space is currently being marketed.
- **Suite 125 (5,982 sf) – Vacant:** Space is currently being marketed. We have multiple parties touring and considering the space.
- **Suite 150 (7,766 sf) - Wells Fargo:** Lease expires on July 31, 2027. Tenant has (2) two (5) five-year options to extend.
- **Suite 175 (2,292 sf) – Urban Drripp:** Lease commenced on November 1, 2019 for 10 years with (2) two (5) five -year options to extend.
- **Suite 190 (1,000 sf) – Fire Up Grill:** Lease commenced on September 1, 2018, for 5 years and was extended for an additional five years through August 31, 2028.
- **Suites 200 (15,826 sf) – City Attorney's Office:** This is an evergreen lease.
- **Suite 225 (1,938 sf) – Fehr and Peers:** Lease expires on August 31, 2025, and tenant has relocated out of the building as we were not able to provide them with their much-needed expansion space. We are currently marketing the space

for rent.

- **Suite 230 (2,534 sf) – Museum Department:** Lease commenced on July 1, 2024 for 3 years through June 30, 2027.
- **Suite 300 (20,972 sf) – Riverside Public Utilities**
- **Suite 400 (20,972 sf) – Riverside Public Utilities**
- **Suite 500 (11,840 sf) – Riverside Public Utilities**
- **Suite 550 (3,188 sf) – Greenberg & Greenburg:** Lease commenced on August 1, 2020, for 10 years with (1) one (5) five-year option to extend.
- **Suite 560 (1,521 sf) – Riverside Gateway to College:** Lease commenced on July 1, 2024 for 5 years and 3 months.
- **Suite 570 (4,488 sf) – Riverside Convention and Visitors Bureau:** Lease commenced on February 16, 2018 for 5 years with (1) one (5) five-year option to renew and was extended for an additional 5 years and 4 months from March 1, 2023, through June 30, 2028.
- **Suite 600 (5,738 sf) – Morgan Stanley:** The tenant downsized from 7,062 SF to 5,738 SF to accommodate the Varner Brandt expansion and extended their lease through February 28, 2027.
- **Suite 610 (15,260 sf) – Varner & Brandt:** Tenant expanded from 13,986 SF to 15,260 SF and extended their lease through December 31, 2028.

TESLA

On September 26, 2017, the City Council approved a Supercharger Agreement with Tesla, Inc. for 24 parking spaces at Mission Square for 5 years, with two (2) 5-year extensions. Downtown residents, business owners and office employees who are Tesla owners living or working in the downtown area can utilize this facility as a convenient location to charge their vehicles.



\$691,971

Revenue generated to RPU for electric usage during FY 2024/25

↑ 19% Increase in revenue compared to FY 23/24

FINANCIALS

REVENUE



\$2,788,691

OPERATING EXPENDITURES

(excludes capital expenditures of \$708,585)



\$1,833,384

CASH BALANCE



\$2,071,768



REVENUE

EXCEEDED 5% OF ESTIMATED BUDGET

due to increased parking revenue and an unutilized budgeted rent contingency.



EXPENDITURES

14% LOWER THAN ESTIMATED BUDGET

due to lower costs related to building maintenance & repairs.

Operating Metrics & Key Performance Indicator

Established in 2016 by Utilities Deputy General Manager

Measure	Actual	Target
Cash Balance	\$2,071,768	\$1,000,000
FY 2024/25 Net Income (Does not include non-operating and capital expenses)	\$916,232	\$416,598
Total Occupancy	91.6%	100%
Vacancy Rate	8.4%	0%
Average Office Rent Rate*	\$2.75	\$2.70

*Average Office Rent Rate - Total monthly rental income for office space divided by leased area (\$/square foot)

BUILDING OPERATION YEAR IN REVIEW

JULY 2024 – JUNE 2025

July 2024

- Annual certification for the roof equipment (davit and socket system)
- Support Tenant Improvement – Riverside Community College Suite #560
- HVAC – 3rd floor fire damper actuator replacement – breakroom
- Support Tenant move-in – Museum Dept. Suite #230
- Initiate City Attorneys – LED lighting retrofit
- Rekeying of Varner and Brandt Suite #610 – completion of the TI
- HVAC – cleaning of VAV re-heat coil- City Attorney's Office
- Urban Dripp Suite#175 – Fire Inspection Final
- Morgan Stanley Suite#600 Final Punch Walk
- HVAC – Quarterly PM
- Updated – Elevator Emergency Phone Number
- Morgan Stanley Suite#600 – exterior sign installed
- HVAC – cleaning of VAV re-heat coil- Wells Fargo
- FLS – Fire Sprinkler Quarterly Inspection
- RFP 2356 – HVAC Cost Analysis
- HVAC – refrigerant leak repair (discharge line)

August 2024

- Landscape – repaired of main sprinkler line
- Plumbing – replacement of main water valve RCC Suite#560
- HVAC – cleaning of 3rd floor VAV re-heat coil (Rick Small Office)
- Listed itemize inventory in the vacant Suite#125
- Elevator#1 – installation and adjusted the new ropes for proper operation
- LED retrofit – Varner and Brandt Suite #610 main conference room
- Addressed Punch List items in Varner and Brandt
- Plumbing – support improvements work in Museum Dept. Suite#230
- HVAC – turned off all the units in vacant Suite#125
- Fire Hose Cabinet replacement – parking garage

September 2024

- LED retrofit for Morgan Stanley reception area
- Disposed all the planter boxes in front of the building
- Glass door replacement – Suite#125
- Window blinds replacement – Varner and Brandt Suite#610

- Electrical - Varner and Brandt Suite#610 Cubicle
- Plumbing – repaired of leaking hot water line in Suite#125
- Access – issued access cards to Museum Dept. Suite#230 employees
- COR access control – assisted Securitas with the issue
- Removal of River Ranch decals and sign in front of the building
- Exterior tile repair
- Access – issued access cards to RCC Suite#560 employees
- Security camera installation – Main lobby elevator landing

October 2024

- Painting of the black gate and fence at the courtyard for FOL
- Backflow testing
- Building Exterior window cleaning
- Replaced missing signage in the parking structure
- Walk-in freezer repair in Suite#125 kitchen
- Installation of signage for Suite#230
- Annual Fire Alarm testing
- Annual Floor warden training
- Plumbing – replaced (warranty) garbage disposal Suite#610
- Parking garage entrance gate repair

November 2024

- Annual Boiler PM and replacement of broken burners
- Tree trimming
- Power-Off all refrigeration system in Suite#125
- SoCal Gas - Flue Gas Analysis - Boilers
- LED – retrofit 6 building exterior lighting
- HVAC – lobby VAV control and hot water valve
- Daylight Savings – time clock adjustments throughout the building

December 2024

- FLS – Fire Pump repair
- Parking Lot – planter fill
- Replacement of booster batteries
- Security Cameras annual cleaning
- HVAC – Annual cleaning and sanitizing of evaporator coils
- Annual perimeter tree trimming

January 2025

- Coordinate furniture delivery and installation- City Attorney's Office
- Exterior window restoration
- 6th floor – carpet clean and shampooed
- Replacement of the UPS for 3rd floor
- HVAC – annual fans vibration analysis
- HVAC – Indoor Air Quality Assessment
- Plumbing – hydro-jet the parking garage sewer
- Fire Pump – consultant verified the pump is good
- HVAC consultant IMEG hired by COR
- FLS – fire sprinkler QPM
- Parking garage – annual pressure washing

February 2025

- HVAC – cooling tower treatment - legionella
- Elevator – state annual compliance
- HVAC – Suite#225 VAV air leak in pneumatic tube and thermostat replacement
- HVAC – replacements of all Air Handling sensors
- FLS – fire sprinkler repair
- V&B construction support
- HVAC – QPM

March 2025

- HVAC – cooling tower belt replacement
- HVAC – refrigerant leak found in compressor 2 shaft seal
- 3rd floor restroom door repair – auto closer replacement
- Pressure washed the parking wall to remove the graffiti
- Electrical – replacement of the occupancy sensor on the 3rd floor
- HVAC – preliminary site visit with IMEG consultant Engineers
- Lobby planters- refreshed
- Elevator – correction repairs
- Parking – repair of the tesla over-hang signage
- Emergency Generator – Annual PM
- HVAC – added oil to compressor#1
- 5th floor – repaired restroom pin pad to access RPU suite
- Repair of the domestic water system expansion tank

April 2025

- Valve OFF all gas-powered equipment in Suite#125 plus the main shut-off
- FLS – Annual testing and certification of the fire extinguishers
- Installation of the replacement server for security camera system
- Inspection of the pollution control unit in Suite#125
- FLS _ fire sprinkler annual inspection
- FLS – installed new wireless communicator for monitoring of the Fire Control Panel
- 3rd floor breakroom faucet replacement
- Irrigation – lateral line repair

May 2025

- HVAC – 5th floor RPU – VAV actuator replacement in employee's office
- HVAC – refrigerant charge the split system unit elevator room
- HVAC – refrigerant charge the compressor #2 (100lbs of 407C)
- HVAC – RPU Board approved the return fan replacement (fan wall)
- HVAC – repaired of the VAV re-heat coil leak – Morgan Stanley Suite#600
- Watersmart – pre-commercial turf inspection
- LED retrofit starts in City Attorney's Suite
- Replacement of combination lockset in the 5th floor MRR
- Maintenance of the grease interceptor in Suite#125 (pumped out and clean all tanks)

June 2025

- Roof inspection - lobby
- Wells Fargo – ATM room VAV calibration
- HVAC – ACCO TAB team to collect all necessary reading for return fan project
- Parking Garage – LED wall pack replacement
- Plumbing - Suite#125 – underground tank float replacement and cleanout drain installation
- Completed the LED retrofit in City Attorney's Office (200+ LED fixtures)
- HVAC – Suite#250 VAV – cleaned re-heat coil and calibrated for proper operation
- HVAC – Suite#600 VAV – cleaned re-heat coil and replaced thermostat
- 5th floor WRR – RPU keypad repair
- HVAC – Suite#560 VAV – cleaned re-heat coil and calibrated for proper operation
- Lobby Directory – replacement in progress

UPCOMING ITEMS – Future Capital Improvement Projects



Evaluation of all major components and equipment of the **Heating, Ventilation and Air Conditioning (HVAC) system** (currently underway).



Turf Removal to Drought Tolerant Landscaping



Installation of eight **Electric Vehicle (EV)** stations on Level 1 and Level 3 of the parking garage.



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