



Economic Development Committee Memorandum

City of Arts & Innovation

TO: HONORABLE ECONOMIC DEVELOPMENT COMMITTEE MEMBERS DATE: FEBRUARY 19, 2026

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF RIVERSIDE AND LAHTI REGION DEVELOPMENT LADEC, LTD. FOR COLLABORATION ON ECONOMIC DEVELOPMENT, SUSTAINABILITY, AND CLEAN TECHNOLOGIES

ISSUE:

Receive a report and recommend that the City Council authorize Mayor Lock Dawson, or her designee, to execute the Memorandum of Understanding between the City of Riverside and Lahti Region Development LADEC, Ltd.

RECOMMENDATIONS:

That the Economic Development Committee:

1. Receive a report regarding the proposed Memorandum of Understanding between the City of Riverside and Lahti Region Development LADEC, Ltd.; and
2. Recommend that the City Council approve the Memorandum of Understanding and authorize Mayor Lock Dawson, or her designee, to execute the Memorandum of Understanding, including making minor and non-substantive changes.

BACKGROUND:

Lahti Region Development LADEC, Ltd. (LADEC) is a regional development company primarily owned by the City of Lahti and other municipalities in the Päijät-Häme region of Finland. LADEC supports business growth, competitiveness, innovation, internationalization, and investment attraction across the Lahti Region, with a strong emphasis on sustainability, circular economy, clean technologies, and advanced manufacturing.

The City of Riverside is actively pursuing international partnerships that align with its economic development, sustainability, and innovation priorities, including business attraction, green technology commercialization, workforce development, and foreign direct investment. Riverside and LADEC have conducted exploratory discussions to assess opportunities for collaboration

that would strengthen economic ties between Southern California and Finland, support environmentally sustainable industries, and create pathways for companies in both regions to access new markets.

These discussions resulted in a proposed non-binding Memorandum of Understanding (MOU) to establish a collaborative framework for cooperation between Riverside and the Lahti Region.

DISCUSSION:

The proposed Memorandum of Understanding establishes a non-binding framework for collaboration between the City of Riverside and LADEC to support mutual economic growth, innovation, and sustainable development. The MOU is intended to serve as a foundation for relationship-building and future project development, while preserving flexibility for both parties.

The collaboration focuses on advancing environmentally friendly business practices, green innovations, and international market access, while positioning Riverside as a potential U.S. soft-landing and expansion location for Finnish companies and a gateway for Riverside-based companies seeking opportunities in Europe.

The MOU does not create any legal or financial obligations. Any future projects, investments, or agreements arising from this collaboration would be subject to separate negotiations and, where applicable, City Council approval.

Overview of Memorandum of Understanding

The proposed MOU includes the following key provisions:

- The MOU is non-binding and does not create any legal or financial obligations for either party.
- The MOU becomes effective upon execution and will remain in effect through December 31, 2027, unless earlier terminated by either party or extended by mutual written agreement.
- The parties will collaborate to identify potential funding, investment, and market-entry strategies that support international business expansion and U.S. market entry opportunities.
- Areas of collaboration include sustainability and circular economy, e-mobility and smart city solutions, green building and sustainable construction, research and development, startups and digital technologies, soft-landing and market entry support, workforce and talent development, and pilot or demonstration projects.
- Each party shall bear its own costs associated with activities under the MOU.

City Role and Scope of Collaboration

Under the proposed MOU, the City's role would include coordination and facilitation activities, including:

- Identifying and facilitating connections to potential sites for demonstration, testing, or business expansion activities;
- Coordinating with regional, state, and utility partners where appropriate; and
- Providing interdepartmental guidance and concierge-style coordination related to permitting, land use, and infrastructure approvals.

Following execution of the MOU, staff will continue engagement with LADEC to identify potential pilot projects, business leads, and partnership opportunities consistent with Riverside's economic development and sustainability objectives. Any future proposals involving City resources will be brought forward for City Council consideration.

FISCAL IMPACT:

There is no fiscal impact to the General Fund associated with the approval of the Memorandum of Understanding with LADEC.

Prepared by:	Carlos Aguilera, Project Manager Miranda Evans, Deputy Community & Economic Development Director
Approved by:	Jennifer Lilley, Community & Economic Development Director
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Draft Memorandum of Understanding