



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 20, 2025

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT WITH RODNEY DANIELSON, STANDING CHAPTER 13 TRUSTEE, FOR THE LEASE OF OFFICE SPACE AT GARAGE 3 LOCATED AT 3750 MARKET STREET, TO EXTEND THE TERM AN ADDITIONAL THREE YEARS, ESTIMATED REVENUE OF \$548,801.

ISSUE:

Approve the Fourth Amendment to Commercial Lease Agreement with Rodney Danielson, Standing Chapter 13 Trustee, for the lease of office space at Garage 3 located at 3750 Market Street, to extend the term an additional three years, estimated revenue of \$548,801.

RECOMMENDATIONS:

That the City Council:

1. Approve the Fourth Amendment to Commercial Lease Agreement, Attachment 1 – Agreement, with the Rodney Danielson, Standing Chapter 13 Trustee, to extend the term for an additional three years, through August 31, 2027; and
2. Authorize the City Manager, or his designee, to execute the Agreement with Rodney Danielson, Standing Chapter 13 Trustee, including making minor and non-substantive changes.

BACKGROUND:

On April 18, 2012, the City of Riverside (City), entered into a 5-year Commercial Lease Agreement with Rodney Danielson, Standing Chapter 13 Trustee (Tenant) for office space in Garage 3 located at 3750 Market Street.

An Amendment was approved on May 22, 2017, extending the agreement for an additional two years to April 2019. Next on August 7, 2019, a Second Amendment extended the agreement for an additional five years to April 2024. Additionally on September 17, 2024, the City Council approved a Third Amendment to the Agreement to revise the termination clause, reduce the rental amount from \$2.70/sf to \$2.25/sf, and reduce the annual increase from 4% to 3%.

DISCUSSION:

Rodney Danielson, Standing Chapter 13 Trustee, has been a tenant in Garage 3 since 2012 and is leasing 6,018 square feet of office space. The lease agreement has been beneficial to both parties and has been extended three times to date. Mr. Danielson recently expressed interest in extending his lease, and following productive discussions, staff successfully negotiated a three-year extension to the agreement.

The proposed Fourth Amendment will extend the Lease Agreement an additional three (3) years retroactively commencing on September 1, 2024, and is set to expire on August 31, 2027.

The Public Works Department/Parking Authority concurs with the recommendations in this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic **Priority No. 3 – Economic Opportunity**, specifically **Goal 3.1** – Facilitate partnerships and programs to develop, attract, and retain innovative business sectors.

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 and inclusive community engagement with timely and reliable information. By approving the Agreement at City Council, the City serves the public interest with benefits to the City's diverse populations that results in greater public good.
2. **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 to ensure every member of the community has equal access to share in the benefits of community progress.
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 allows a long-term tenant to remain in its occupied space and cultivates an atmosphere to negotiate a lease renewal.
4. **Innovation** – The City is inventive and timely in meeting the community's changing needs. By approving the Agreement, it demonstrates that the City prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving the Agreement ensures that the City's capacity to persevere, adapt, and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact of the action is an estimated \$548,801 in revenue over the three-year lease term, to be deposited into the Public Parking Fund - Garage 3 Office Lease Account.

Prepared by: Sheryn Smay, Supervising Real Property Agent
Approved by: Jennifer A. Lilley, AICP, Community & Economic Development
Director

Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Fourth Amendment to Commercial Lease
2. Presentation