



**LICENSE AGREEMENT WITH W-H GT OWNER IX, L.P.,
FOR USE OF CITY-OWNED LAND ON A PORTION OF
THE RIVERSIDE WATER COMPANY CANAL LOCATED
IN THE CITY OF GRAND TERRACE**

Community & Economic Development

Board of Public Utilities

March 11, 2024

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1

BACKGROUND

1. On May 23, 1961, a Final Order of Condemnation was hereby ordered, adjudged and decreed in favor of the City for the Riverside (City) for the Riverside Water Company Canal (Riverside Canal). This included Assessor's Parcel Number 1167-121-08 formerly used for the purpose of conducting, storing, supplying and distributing water to and for the use of the city.
2. Currently, the City utilizes this property for the operation and maintenance of an underground pipeline that conveys non-potable water.



2

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2

BACKGROUND

3. On March 28, 2022, W-H GT Owner IX, L. P. (Licensee) purchased the surrounding property which is adjacent to the Riverside Canal property. A majority of the Licensee's property is on the westerly side of the Riverside Canal with a small portion on the easterly side of the canal.



3

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3

DISCUSSION

1. The portion of the Riverside canal to be licensed is part of the canal areas which traverse beyond Riverside's city limits.
2. Licensee proposes to use a portion of the canal's surface for landscaping and parking.



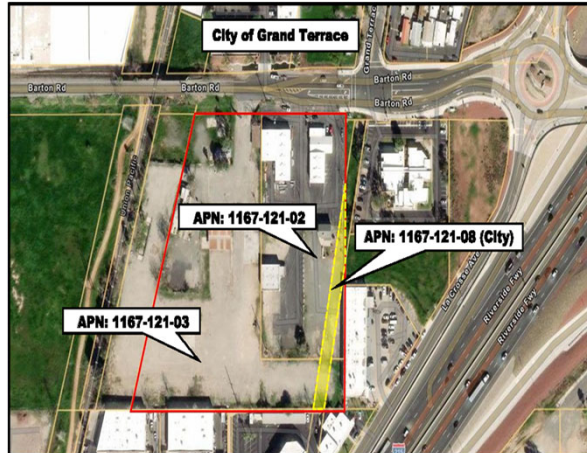
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4

DISCUSSION

3. Subject Property is approximately 12,811 square feet and is located in the City of Grand Terrace, San Bernardino.



5

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5

DISCUSSION

4. The Licensee is seeking a term of twenty-five (25) years, the ability to assign the license with City approval, and an extension to the notification for termination to 180 days.
5. The proposed license agreement will provide annual revenue in the amount of \$8,455.26 with a 2% annual increase for each of the 25 years.



6

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6

DISCUSSION

6. The revisions to the approved template for which the Licensee is asking to be modified and which have been approved by Riverside Public Utilities and City Attorney's Office are as follows:

- Approximately 12,811 square feet
- Term: Twenty-five (25) years
- Consideration: \$0.66 per square foot with 2% annual increase every year
- Assignments: Licensee was given the option to assign the license in the future with City approval
- Termination: 180 days' notice in writing to Licensee notwithstanding, the City may terminate this license without notice if termination is required in connection with maintenance and operation of the City's canal.



7

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7

STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 5 – High Performing Government

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.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



8

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8

RECOMMENDATIONS

That the Board of Public Utilities recommend that City Council:

1. Approve the License Agreement with W-H GT Owner IX, L. P., for use of a portion of the Riverside Water Company Canal, also known as Assessor's Parcel Number 1167-121-08, for a twenty-five-year term – total revenue of \$270,824.51; 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.



9

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