



SEVENTH AMENDMENT TO LEASE AGREEMENT– RAINCROSS HOSPITALITY CORPORATION

Public Utilities Department

City Council
May 23, 2023

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BACKGROUND

1. On February 12, 2018, the City Council approved the Sixth Amendment to Lease Agreement with Raincross Hospitality Corporation doing business as Raincross Convention & Visitors Bureau for a five-year term with one five-year option to extend.
2. Raincross Hospitality Corporation has requested to exercise the option to extend the Lease Agreement for an additional 64-month term.



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PROPOSED 64-MONTH LEASE TERMS

1. Term: March 1, 2023 through June 30, 2028.
2. Premises: Approximately 4,466 rentable square feet of space located at 3750 University Avenue, Suite 570.
3. Base Rent Schedule (Modified Gross Lease):

Period	Monthly Base Rent
March 1, 2023 – February 29, 2024	\$13,175.00
March 1, 2024 – February 28, 2025	\$13,570.00
March 1, 2025 – February 28, 2026	\$13,977.00
March 1, 2026 – February 28, 2027	\$14,397.00
March 1, 2027 – February 29, 2028	\$14,829.00
March 1, 2028 – June 30, 2028	\$15,273.00

4. Tenant Improvements: None. Tenant is leasing the space in "as is" condition.



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PROPOSED 64-MONTH LEASE TERMS CONT.

5. Base Year: Will be amendment to Calendar Year 2023.
6. Options to Renew: None.
7. Parking: Lessee will be entitled to a total up to 18 parking space to be either reserved or unreserved.
8. Broker: Pursuant to the existing Exclusive Authorization to Lease Agreement with NKF, City to pay NKF a leasing commission equal to 2.5% of the lease consideration in the amount of \$22,671.50.
9. Storage: Tenant will pay \$100 per month for storage space of approximately 71 square feet.



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 3 – Economic Opportunity

Goal 3.3 – Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve a Seventh Amendment to the Lease Agreement with Raincross Hospitality Corporation doing business as Riverside Convention & Visitors Bureau, of Riverside, California, to extend the lease for an additional 64-month term from March 1, 2023 through June 30, 2028; and
2. Authorize the City Manager, or designee, to execute the Seventh Amendment to the Lease Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.



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