



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 11, 2024

SUBJECT: **APPROVE THE 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 AT 21801 BARTON ROAD, CITY OF GRAND TERRACE, FOR A TWENTY-FIVE-YEAR TERM AND TOTAL REVENUE OF \$270,824.51**

ISSUE:

Approve the 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 at 21801 Barton Road in the City of Grand Terrace, for a twenty-five-year term and total revenue of \$270,824.51.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that City Council:

1. Approve the License Agreement (Attachment 1) 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.

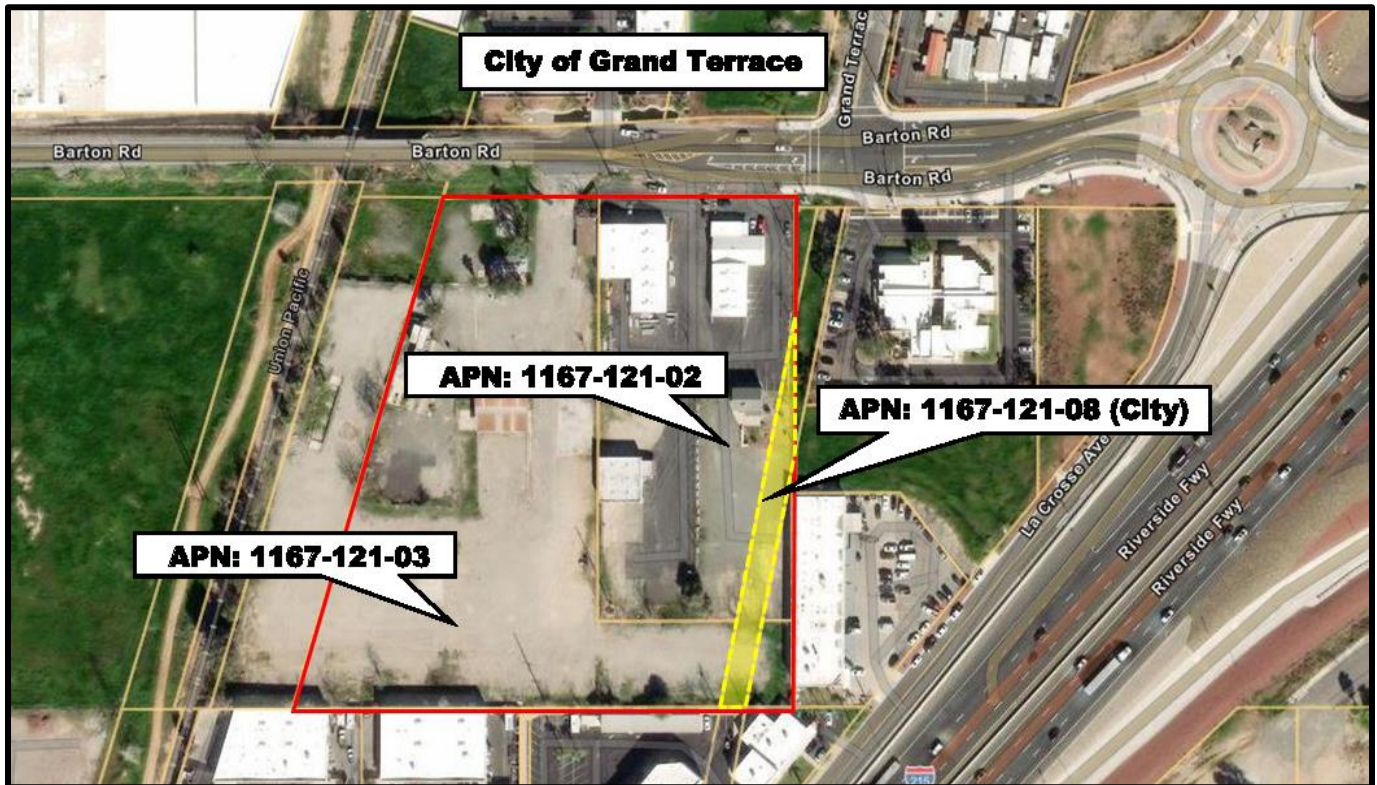
BACKGROUND:

On May 23, 1961, a Final Order of Condemnation was hereby ordered, adjudged and decreed in favor of the City of 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. Currently, the City utilizes this property for the operation and maintenance of an underground pipeline that conveys non-potable water.

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.

DISCUSSION:

The portion of the Riverside Canal to be licensed is part of the canal areas which traverse beyond Riverside's city limits and is approximately 12,811 square feet. The primary use of the Riverside Canal area is for parking and some landscaping. The Utility will retain access to the leased area



for maintenance purposes if needed.

The Item is being brought before City Council due to revisions to the approved license agreement for which the Licensee is seeking a term for a period of twenty-five (25) years and under Section 18 – Assignments, the Licensee is requesting the option to assign the license with City approval. In addition, the Licensee is requesting to extend the term for termination to 180 days' notice in writing to Licensee. The proposed license agreement will provide annual revenue in the amount of \$8,455.26 with a 2% annual increase for twenty-five years, based on the RPU Board approved rate of \$0.66 per square foot.

The Utilities General Manager concurs with the recommendations in this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Plan Priority No. 5 – High Performing Government, specifically 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.

The item also aligns with each of the five Cross-Cutting Threads as follows:

- **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards and Commissions, and

timely and reliable information. Approving the License Agreement demonstrates that the City serves the public interest with benefits to the City's diverse population that results in the greater public good.

- **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the License Agreement demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services.
- **Fiscal Responsibility** – The City is a prudent steward of public funds. Approving the License Agreement ensures the responsible management of the City's financial resources in a manner consistent with the prudent stewardship of public funds while facilitating beneficial investments in all areas that the canal lies.
- **Innovation** – The City is inventive and timely in meeting the community's changing needs. Approving the License Agreement is consistent with the community's changing needs and prepares for the future through adaptive processes.
- **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving the License Agreement encourages development to meet the needs of the future and ensures the City's capacity to preserve, adapt and grow.

FISCAL IMPACT:

The total fiscal impact is estimated to be \$270,824.51 over a twenty-five-year term. The proceeds will be deposited in the Public Utilities Land and Building Rental Account No. 000520-374200.

Prepared by:	Jennifer A. Lilley, AICP, Community & Economic Development Director
Approved by:	Todd M. Corbin, Utilities General Manager
Certifies availability of funds:	Kristie Thomas, Assistant Chief Financial Officer/Finance Director
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. License Agreement, W-H GT Owner IX, L.P.
2. Presentation