

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

SUBMITTAL DATE:
June 2, 2011

SUBJECT: Public Hearing - Resolution No. 2011-141, Approval of the Ground Lease Agreement between Redevelopment Agency for the County of Riverside (Agency) and Cardenas Market - 2nd District

RECOMMENDED MOTION: That the Board of Directors:

1. Conduct a joint public hearing with the County of Riverside Board of Supervisors pursuant to Section 33431 and 33433 of the Health and Safety Code;
2. Approve RDA Resolution 2011-141, Approval of the Ground Lease Agreement between the Redevelopment Agency for the County of Riverside (Agency) and Cardenas Market and authorize the Chairman of the Board of Directors to execute said Lease Agreement; and

(Continued)

Robert Field

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED BY COUNTY COUNSEL
BY: *Anita C. Willis*
ANITA C. WILLIS
DATE: 6-2-11
Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: N/A

District: 2

Agenda Number:

4.6

RECOMMENDED MOTION: (Continued)

3. Authorize the Executive Director of the Redevelopment Agency, or designee, to execute and take all necessary steps to implement the Ground Lease Agreement including signing subsequent, necessary related documents to complete this transaction.

BACKGROUND: On April 1, 2008, the Redevelopment Agency for the County approved the "Authorization to Purchase Real Property" resolution granting the Redevelopment Agency the authority to acquire the property known as the "Mission Plaza Shopping Center," located at 5696 - 5770 Mission Boulevard, in the unincorporated area of Rubidoux.

The Redevelopment Agency acquired the property which is within the Agency's Jurupa Valley Project Area and plans to redevelop the shopping center in order to eliminate blight. The Agency plans to demolish most of the existing shopping center, renovate a portion of the center, and construct a new shopping center. In addition, the Agency is in the process of planning to acquire the property on the southeast corner of Mission Boulevard and Riverview Drive consisting of approximately 12,251 square feet, which will become part of the new shopping center property which will comprise a total of approximately 13.8 acres. The proposed site plan of the new shopping center includes approximately 130,000 square feet of retail shopping center space of which 50,000 square feet will be leased to an anchor tenant for the center. The Agency has prepared a Request for Qualifications to be distributed to retail developers to redevelop the center.

The Agency has entered into lease negotiations with Cardenas Markets to occupy the space on a long term ground lease. The Cardenas Market will be the anchor tenant for the center, construct their building and tenant improvements at their expense, and pay the Redevelopment Agency ground rent. The Agency plans to market the remaining retail space in the shopping center to tenants which compliment the Cardenas Market and bring a benefit to the community.

The terms of the Ground Lease are as follows:

Location: 5714 – 5740 Mission Boulevard, Rubidoux
a portion of APN's 181-020-028 and 181-020-029

Square Footage: Approximately 50,000 square feet

Term: Twenty-Five (25) Years, with six (6) options to renew

Rent: \$.33 per square foot, plus operating expenses

Rental Adjustments: Ten (10%) percent every five years

Improvement Costs: Lessee to construct building and improvements at their expense.
Agency to construct shopping center and off-sites at Agency expense.

The use and lease were set forth in the CEQA document as referenced in Resolution No. 2011-015 and approved by the Redevelopment Agency on May 24, 2011. Notice of Intent to Lease was published under Section 6066 of the Government Code.

FINANCIAL DATA: There are no costs associated with this transaction.

1 **BOARD OF DIRECTORS**

REDEVELOPMENT AGENCY

2
3 **RESOLUTION NO. 2011-141**

4 **AUTHORIZATION TO LEASE REAL PROPERTY FROM THE**
5 **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE TO CARDENAS**
6 **MARKET**
7 **(Second District)**
8

9 **WHEREAS**, the Redevelopment Agency for the County of Riverside (the
10 "Agency") is a redevelopment agency duly created, established and authorized to
11 transact business and exercise its powers, all under and pursuant to the provisions of
12 the Community Redevelopment Law which is Part 1 of Division 24 of the California
13 Health and Safety Code (commencing with Section 33000 et seq.); and

14 **WHEREAS**, the Riverside County Board of Supervisors adopted redevelopment
15 plans for Redevelopment Project Area Nos. 1-1986, Jurupa Valley, Mid-County, Desert
16 Communities and the I-215 Corridor, as amended, (the "Project Areas"); and

17 **WHEREAS**, pursuant to Section 33670 of the Health and Safety Code, the
18 Agency began receiving tax increment from the Project Areas in January 1988, and
19 continues to receive annual tax increment revenue; and

20 **WHEREAS**, pursuant to Section 33430 of the Health and Safety Code, the
21 Agency may within the survey area or for purposes of redevelopment sell, lease,
22 exchange, subdivide, transfer, assign, pledge or otherwise dispose of any real or
23 personal property or any interest in property; and

24 **WHEREAS**, the Agency owns real property located at 5714-5740 Mission
25 Boulevard, Riverside, CA 92509, in the unincorporated area of the County of Riverside
26 in the community of Rubidoux within the Jurupa Valley Project Area, which will be
27 improved with a new shopping center ("Property"); and

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1 **WHEREAS**, the Agency wishes to lease a portion of the Property to Cardenas
2 Market; and

3 **WHEREAS**, the consideration is not less than the fair reuse value at its
4 proposed use, when considered with covenants, conditions, and restrictions imposed
5 on the Property; and

6 **WHEREAS**, the leasing of the Property will assist in the elimination of blight and
7 is consistent with the implementation plan adopted pursuant to Health and Safety Code
8 Section 33490 by providing much needed community facilities to the Jurupa Valley
9 Project Area and surrounding communities within the County of Riverside; and

10 **WHEREAS**, the project was studied and the Environmental Assessment
11 referenced in Resolution No. 2011-015 ("Mitigated Negative Declaration") was adopted
12 by the Board of Directors on May 24, 2011; and

13 **WHEREAS**, the uses contemplated in the lease were studied in the
14 Environmental Assessment and set forth in Resolution 2011-015 ("Mitigated Negative
15 Declaration") which was adopted by the Board of Directors on May 24, 2011, and there
16 are no impacts or changes requiring study.

17 **NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by
18 the Board of Directors of the Redevelopment Agency for the County of Riverside, State
19 of California, as follows:

20 1. That the Board of Directors hereby finds and declares that the above
21 recitals are true and correct.

22 2. That the Redevelopment Agency for the County of Riverside is
23 authorized to lease the Property located at 5714-5740 Mission Boulevard, Riverside,
24 located in the unincorporated area of Riverside County to Cardenas Market.

25 3. That the lease between the Agency and Cardenas Markets, Inc. is hereby
26 approved and the Chairman of the Board of Directors is authorized to execute the
27 lease agreement, which is attached as Exhibit A and incorporated herein by reference.

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4. That the Executive Director of the Redevelopment Agency or designee is hereby authorized to take necessary steps to complete this transaction including executing any other subsequent, relevant and necessary documents, subject to County Counsel approval.

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