



Staff Report

File #: 23-0653

REQUEST FOR CITY COUNCIL ACTION

DATE: 08/16/2023

TO: Honorable Mayor and City Council Members

FROM: Utilities Department

SUBJECT:

FIRST AMENDED AND RESTATED LICENSE AGREEMENT FOR USE OF CITY REAL PROPERTY BETWEEN THE CITY OF CORONA AND PACIFIC UTILITY INSTALLATION, INC.

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a First Amended and Restated License Agreement for Use of City Real Property between the City of Corona and Pacific Utility Installation, Inc. for the property located at 715 West Rincon Avenue.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the First Amended and Restated License Agreement for the Use of City Real Property Located at 715 West Rincon Avenue between the City of Corona and Pacific Utility Installation, Inc.
- b. Authorize the City Manager, or his designee, to execute the First Amended and Restated License Agreement for the Use of City Real Property with Pacific Utility Installation, Inc.
- c. Authorize an estimated revenue increase in the amount of \$91,390 in the Greenfield Electric Utility Fund 578 for the remainder of FY 2024.

BACKGROUND & HISTORY:

On September 5, 2018, the City Council approved a License Agreement for Use of City Real Property between the City of Corona and Pacific Utility Installation, Inc. for the property located at 715 W. Rincon Avenue. The City owns approximately 61,320 square feet of land and Pacific Utility Installation, Inc. (PUI) had a desire to use the land for the sole purpose of storing electrical equipment, trucks, and spare electrical parts, including, but not limited to, transformers and cabling.

The City and PUI negotiated the original 2018 agreement which included improvements to the licensed land by the PUI. Those improvements were completed, and the original agreement will expire on August 31, 2023.

ANALYSIS:

The City is still willing to allow PUI to continue using the property for storing equipment, trucks, etc. Therefore, the City and PUI desire to enter into a First Amended and Restated License Agreement for City Real Property (Agreement) under the same basic terms and conditions. The initial term of the Agreement will be extended through August 31, 2025, with three optional one-year renewals.

FINANCIAL IMPACT:

The revenue generated from the initial two-year term is \$219,336, which will be received by the Greenfield Electric Utility Fund 578. Under the terms of the Agreement, PUI will pay a base rent of \$9,139 per month or \$109,668 for a 12-month period starting September 1, 2023. The rent will increase by 4% each year after the initial term. Approval of the recommended actions will result in an estimated revenue increase of \$91,390 in the Greenfield Electric Utility Fund 578 for the remainder of FY24.

		Monthly	Annual
9/1/2023	8/31/2024	\$ 9,139.00	\$ 109,668.00
9/1/2024	8/31/2025	\$ 9,139.00	\$ 109,668.00
9/1/2025	8/31/2026	\$ 9,504.56	\$ 114,054.72
9/1/2026	8/31/2027	\$ 9,884.74	\$ 118,616.91
9/1/2027	8/31/2028	\$ 10,280.13	\$ 123,361.59

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves a lease of land, and there is no possibility that approving this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KATIE HOCKETT, ASSISTANT DIRECTOR OF UTILITIES

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - First Amended and Restated License Agreement for Use of City Real Property