



Staff Report

TO: City Council

FROM: Kirk Pelser, Economic Development Director
Laura James, Economic Development Manager

DATE June 17, 2025

SUBJECT: Approval of Lease Agreements with County of Riverside and Riverside County Office of Economic Development for Pass Area Biz Hub – 514 California Avenue

Description Presentation of lease agreements with County of Riverside and Riverside County Office of Economic Development for offices within the Pass Area Biz Hub, a regional business innovation center located at 514 California Avenue.

Background and Analysis:

The Pass Area Biz Hub is intended to serve as a central resource for workforce development, entrepreneurship, and small business support throughout the Pass region.

The City acquired the property at 514 California Avenue in January of 2024 and has completed several site readiness milestones, including:

- Roof replacement;
- HVAC system replacement;
- Vacancy preparation, including the removal of remaining tenant property;
- Identification and execution of required ADA upgrades;
- Completion of interior and exterior painting;
- Ongoing janitorial and maintenance services; and
- Regular coordination meetings with regional partners, which began on a bi-weekly basis and increased to weekly as the anticipated launch date approaches

As a central hub for small business, entrepreneurship, and workforce support, numerous partner organizations will occupy and provide services from the Biz Hub, including the California Family Life Center and Mount San Jacinto College, whose

agreements were presented to the City Council for consideration at the June 3, 2025, meeting.

The lease agreement in Attachment A represents a formal commitment from Riverside County Office of Economic Development. County Economic Development staff will have a presence at the facility, and the Coachella Valley Small Business Development Center (CVSBDC), a program which is hosted by the Riverside County Office of Economic Development, will offer business advising services from the Biz Hub location.

The lease agreement in Attachment B represents a formal commitment from the County of Riverside to lease one office for Fifth District Supervisor Yxstian Gutierrez and associated staff members

Additional agreements with other partner organizations will be presented to the City Council in the future as they are submitted to the City.

The County of Riverside and Riverside County Office of Economic Development will lease space for a nominal rental fee of one dollar each (\$1) per year. The City will cover basic operational expenses to support collaborative service delivery. The initial lease term allows the City to evaluate long-term tenancy models while establishing the center as a stable, multi-agency service hub. This lease agreement formalizes the terms of occupancy, defines mutual operational responsibilities, and outlines expectations for collaborative service delivery and program integration.

The City has preserved flexibility in the facility layout to accommodate additional partners, short-term activations, such as pop-up services, drop-in office use, and potential rental of hoteling or coworking spaces in response to future demand.

Fiscal Impact:

There is no immediate fiscal impact associated with execution of the initial lease and affiliation agreements. The City will continue to cover base operational expenses at the Pass Area Biz Hub, totaling \$64,924, as part of its investment in regional economic and workforce development. These costs will be absorbed within the current budget and have been incorporated into the adopted FY 2025-2026 budget. Future updates may propose nominal cost-recovery fees for long-term office use or private activation of shared spaces. Any proposed changes to the financial model will be brought to the City Council for review.

The cost to prepare this staff report is estimated at \$150.

Recommended Action:

Authorize the City Manager to execute the lease agreements with the County of Riverside and Riverside County Office of Economic Development for the use of office space within the Pass Area Biz Hub and to take all necessary actions to facilitate operations.

Attachments:

- A. Lease Agreement – Riverside County Office of Economic Development
- B. Lease Agreement – County of Riverside