



Staff Report

TO: City Council

FROM: Kirk Pelser, Economic Development Director
Joseph Cale, Management Analyst

DATE August 19, 2025

SUBJECT: Approval of a Lease Agreement with the Riverside County Workforce Development Division and a Space Use Permit with the Employment Development Department for the Pass Area Biz Hub – 514 California Avenue

Description: Presentation of a lease agreement with the Riverside County Workforce Development Division and a Space Use Permit with the Employment Development Department 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, as well as the County of Riverside and Riverside County Office of Economic Development, whose agreements were presented to the City Council for consideration at the June 17, 2025, meeting.

The lease agreement in Attachment A and the Space Use Permit in Attachment B represent formal commitments from the Riverside County Workforce Development Division and the Employment Development Department, respectively. Their staff will have a presence at the facility and offer workforce services from the Biz Hub location.

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

The Riverside County Workforce Development Division and the Employment Development Department will occupy their respective spaces without fee. 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. The lease agreements formalize the terms of occupancy, define mutual operational responsibilities, and outline 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 uses, and potential rental of hoteling or co-working 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 totaling \$64,924 as part of its investment in regional economic and workforce development. These costs will be absorbed within the current budget. Future updates may propose nominal cost-recovery fees for long-term office use or private activation of shared spaces. Any future proposed changes to the financial model will be presented to the City Council for review and approval.

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

Recommended Action:

Authorize the lease agreement with the Riverside County Workforce Development Division and the Space Use Permit with the Employment Development Department for the use of office space within the Pass Area Biz Hub.

Attachments:

- A. Lease Agreement – Riverside County Workforce Development Division
- B. Space Use Permit – Employment Development Department