



**CITY OF**

---

---

# **NEWPORT BEACH**

## **City Council Staff Report**

August 26, 2025  
Agenda Item No. 14

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Seimone Jurjis, Assistant City Manager/Community Development Director - 949-644-3232, [sjurjis@newportbeachca.gov](mailto:sjurjis@newportbeachca.gov)

**PREPARED BY:** Lauren Wooding Whitlinger, Real Property Administrator - 949-644-3236, [lwooding@newportbeachca.gov](mailto:lwooding@newportbeachca.gov)

**TITLE:** Office Lease Agreement with River Valley Holdings, LLC for Use of Suite 390 at 1201 Dove Street

---

### **ABSTRACT:**

The City of Newport Beach acquired the office building located at 1201 Dove Street, Newport Beach in May 2023. The building currently has 16 tenants and is being marketed for lease. For the City Council's consideration is a new Office Lease Agreement (Attachment A) with River Valley Holdings, LLC, for use of Suite 390 for a term of five and a half years at market rate rent.

### **RECOMMENDATIONS:**

- a) Find this matter is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment; and
- b) Authorize the City Manager and City Clerk to execute the Office Lease Agreement between the City of Newport Beach and River Valley Holdings, LLC for use of City Property, office space Suite 390 located at 1201 Dove Street, in a form substantially similar to the amendment attached to the staff report.

### **DISCUSSION:**

The City of Newport Beach purchased the office building at 1201 Dove Street (Property) in anticipation of developing a new headquarters for the Newport Beach Police Department (NBPD) in approximately 10 years. The early acquisition of the Property, in advance of starting the NBPD facility replacement, will allow the City to continue leasing the office spaces at the Property and recoup a portion of the purchase price with the existing net income stream.

### **Proposed Office Lease Agreement**

River Valley Holdings, LLC (Tenant) is a California-based commercial real estate ownership and management firm of retail, office and industrial properties across the

country. The proposed Office Lease Agreement (Lease) would allow the Tenant to occupy Suite 390, which contains 1,713 square feet, or 2.07% of the building (Premises). City staff and the Tenant have negotiated the terms of the Lease, which reflects current market conditions. Rent abatement and a tenant improvement allowance are included and are consistent with market rate deal terms offered by competitive office properties in the area, and are consistent with recent leases approved by the City Council for this Property.

While not an exhaustive list, the key terms of the proposed Lease are summarized below:

1. The term shall commence on the later to occur of October 1, 2025, or substantial completion of the landlord's work, and will terminate on or about April 1, 2031.
2. Monthly base rent during the term shall be set as follows:

<b><u>Months of Term</u></b>	<b><u>Monthly Base Rent</u></b>	<b><u>Monthly Base Rent Per Rentable Square Foot</u></b>
1-12	\$5,224.65**	\$3.05
13-24	\$5,378.82	\$3.14
25-36	\$5,550.12	\$3.24
37-48	\$5,704.29	\$3.33
49-60	\$5,875.59	\$3.43
61-66	\$6,064.02	\$3.54

\*\*Subject to abatement as set forth in item 3.

3. Base rent shall be abated in its entirety for six months commencing from the second month of the term, which is estimated to be from November 1, 2025, through April 30, 2026.
4. A landlord work allowance in an amount not to exceed \$42,825 (\$25 per square foot of the leased Premises which contains 1,713 square feet) may be used towards the payment of improvements to the Premises, to be performed by the property manager on the City's behalf. The allowance must be used by December 31, 2025, or the allowance will be forfeited.
5. A rider waiving the Tenant's right to relocation benefits after expiration of the Term was included in the Lease.
6. Five unreserved parking spaces have been allocated to the Tenant, with fees commencing and escalating after the first 24 months of the Term and an option to convert up to four parking passes to reserved spaces for a fee.

7. Brokers from CBRE, Inc. represented the property manager and the City, and CBRE, Inc. represented the Tenant in negotiating the transaction and will be paid a commission for this Lease.
8. The Tenant shall provide certificates of insurance to the satisfaction of the City's property manager, naming the City as an additional insured.

The Lease has been reviewed by the City Attorney's Office and has been approved as to form, and the Tenant has reviewed and approved the terms of the Lease.

**FISCAL IMPACT:**

Revenues collected pursuant to the proposed Lease, \$15,673.95 in Fiscal Year 2025-26, increasing annually as prescribed in the Lease, will be posted to the General Fund Real Property accounts in the Community Development Department, 010-01050505-551305. The revenues net of any tenant improvement allowance, rent abatement, or broker fees are included in the budget for Fiscal Year 2025-26.

**ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this matter is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment. The City Council's action authorizes execution of the Lease for the Tenant's use of an existing commercial office space and the Tenant may pursue tenant improvements (i.e., remodeling) pursuant to the Lease.

**NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A – Office Lease Agreement