



CITY OF HUNTINGTON BEACH

City Council Meeting – Council Member Items Report

To: City Council
From: Don Kennedy, Councilman
Casey McKeon, Mayor
Pat Burns, Councilman
Date: April 21, 2026
Subject: **Create a City Council Lease Review Ad-hoc Committee to review and make recommendations on City leases.**

ISSUE STATEMENT

The City maintains a diverse portfolio of assets, including numerous properties leased for a variety of uses throughout the community. The City Council has undertaken ongoing efforts to ensure these assets are managed strategically to maximize their value and deliver intended amenities that benefit residents, visitors, and the City's overall financial position. These efforts have resulted in several key initiatives, including the centralization of lease administration, improved management of lease revenues, updating outdated agreements, and aligning lease terms with current market conditions. There are additional areas of improvement that should be considered, including the implementation of an open-bid leasing process in which prospective tenants compete in a transparent and competitive environment.

Given the scope and importance of the City's lease portfolio, establishing a dedicated forum for focused review will enhance oversight and strategic alignment. An ad hoc committee composed of City Council Members would provide the opportunity to review lease agreements, evaluate terms and conditions, review market alignment, participate in or provide input on lease negotiations, evaluate open bid leasing, and develop recommendations for city Council consideration.

RECOMMENDED ACTION

Establish a City Council Lease Review Ad Hoc Committee, consisting of three Council Members, through December 31, 2026, to review City leases and provide recommendations for City Council consideration.