

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE

August 14, 2019

2:00 pm

In attendance: Mayor Erik Peterson, Mayor Pro-Tem Lyn Semeta, Dave Kiff, Travis Hopkins, Kellee Fritzal, Antonia Graham, Julie Toledo, Marie Knight, Robert Ramirez, Carlos Marquez, Julie Hall

Public: Kelly Miller, Pete Shaver, Dave Garofalo, Ed Mountford, James O'Malley, Kathryn Levassiur, Dianne Thompson

Call to Order: 2:00 pm

1. Public Comments:

Kathryn Levassiur stated there is a Huntington Harbour Merchant Walk tomorrow (August 15) which will provide a tour of the mall. AirBNB will be providing food and beverages.

2. Minutes – July 10, 2019 approved unanimously.

3. Economic/Business Development

a. Downtown Connectivity Study Review: Kellee Fritzal presented a PowerPoint by RSM Design showing the vision and concepts to connect Hyatt to Downtown:

- A. Consistency along PCH – Allowing people to walk in a safe and fun area, knowing where to go with new signage while keep consistency along PCH.
- B. Capturing Pedestrians from Parking – Enhance the journey from the parking lot by adding landscaping, using banner graphics and artful crosswalks.
- C. Arrival – Simplifying the parking experience. Adding décor.
- D. Artwork – City artwork such as banner graphics, blocks of color on fencing and murals. Adding 'HB' in front of Dairy Queen.
- E. New Local Park Space – Adding a sculpture park.

Kelly Miller, VHB President & CEO, stated that this is perfect timing for the completion of the connectivity feasibility study. VHB just completed a yearlong 2018 visitor intercept survey with over 1500 interviews. It shows the latest research from target audiences about HB. This important survey data, coupled with existing stakeholder input gathered by VHB's ad agency, and wayfinding firm, can be used to help determine a specific look and feel, and a specific color pallet for the connectivity elements. A breakdown of facts from the feedback will eventually be able to be presented to the public.

Marie Knight stated that our logo should be protected. Kelly will review the study and get back to the City by 9/11/19.

b. Sales Tax Sharing Agreement – Hyundai 16751 Beach Blvd.: Kellee Fritzal reported Hyundai was purchased by Pete Shaver. There will be improvements made to the site and he will be bringing in Genesis. Pete asked for a Sales Tax Sharing Agreement. EDC directed staff to negotiate an Agent.

4. Real Estate

- a. Updates on Pier Concessions: Carlos Marquez reported that they are finalizing 2 (two) lease agreements.

The Kite Connection has a base rent of \$1,200 (\$14,400 annually). The lease term is 5 years with one additional 5-year extension. Proposed percentage rent: If 10.5% of their gross sales exceed Base Rent, then they pay a percentage. Years 1-5: 10.5% of all gross receipts, Years 6-10: 11% of all gross receipts.

The Surf City Store has a base rent of \$950/month (\$11,400 annually). The lease term is 5 years with one additional 5-year extension. Proposed percentage rent: If 10.5% of their gross sales exceed Base Rent, then they pay a percentage. Years 1-5: 10.5% of all gross receipts, Years 6-10: 11% of all gross receipts.

Concession RFP Proposals: Staff is reviewing the top three (3) candidates, consisting of Zack's Jr., Let's Go Fishing and Armijos. All (three) 3 vendors have bait elements. The current vendor's contract expires on October 30, 2019.

- b. Review of New Vehicle Storage: Kellee Fritzal stated that Ursula Luna-Reynosa is meeting with the Coastal Commission today and could not be in attendance. The Gothard Landfill site is taking longer than expected to create vehicle storage. A temporary space is needed. There is potential that the 'Tank Farm Site' can be used on a temporary basis for vehicle storage. Staff is recommending a public input process be utilized such as Planning Commission. The CUP will be submitted to planning.

Pete Shaver stated their car dealerships are based on internet marketing concepts that require a large inventory of vehicles. The vehicle storage site will have 24 hour security, will adhere to routes to and from the site to minimize traffic issues, and the vehicles will not be able to be seen. Hyundai has not been a big performer and thinks that Genesis will produce over \$100 million in sales.

5. Housing

- a. Jamboree Proposal for 18431 Beach Blvd.: Kellee Fritzal reported that there is a proposal for Senior Housing for 43 Units, consisting of 33 permanent supportive units, 9 regular senior units and 1 manager unit. EDC recommended staff move forward on the process.

Meeting adjourned at 2:40pm till September 11, 2019.