



DRAFT MINUTES ECONOMIC DEVELOPMENT COMMITTEE MEETING

Wednesday, June 11, 2025

3:30 PM

2000 Main Street, 4th Floor, CR2
Huntington Beach, CA 92648

Mayor Pat Burns called the meeting to order at 3:30 PM.

ROLL CALL

MEMBERS PRESENT: Mayor Pat Burns
Mayor Pro Tem Casey McKeon
Council Woman Gracey Larrea - Van Der Mark

MEMBERS ABSENT: None

STAFF PRESENT: Travis Hopkins, City Manager
Ashley Wysocki, Director of Community & Library Services
Jennifer Villasenor, Director of Community Development
Steve Holtz, Deputy Director of Community Development
Tom Herbel, Deputy PW Director/City Engineer
Kriss Casanova, Economic Development Manager
Chris Cole, Community & Library Services Manager
Charles Kovac, Housing Manager
Bob Milani, Principal Civil Engineer
Steve Bogart, Senior Civil Engineer
Chris Kennedy, Economic Development Project Manager

PUBLIC COMMENTS

None

APPROVAL OF MINUTES

Motion by Council Woman Gracey Van Der Mark to approve the Minutes of the Economic Development Committee special meeting of February 26, 2025, as submitted. Second by Mayor Pat Burns. Carried by unanimous vote (3-0).

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

Presentations were provided on the following topics and open discussion was conducted with the Committee Members in response to individual questions and requests for additional information.

**Affordable Housing Agreement Amendment – The Paxton (18750 Delaware Street)
Charles Kovac, Housing Manager**

The Committee reviewed a proposed amendment to the Affordable Housing Agreement for the Paxton project at 18750 Delaware Street. The original agreement, executed on November 1, 2022, with Nash-Holland 18750 Delaware Investors, LLC, covers a 4.09-acre site with 346 rental units in a five-story wrap-style building. Seventy units are designated as affordable housing for lower-income households ($\leq 60\%$ AMI) with a 55-year covenant.

The original unit mix included 12 studios, 32 one-bedrooms, 19 two-bedrooms, and 7 three-bedrooms. Staff was notified by Holland Partners of a misclassification in the original agreement, where two-bedroom lofts were incorrectly categorized as three-bedrooms. To comply with the Inclusionary Housing Ordinance, which requires proportional distribution of affordable units, the revised mix proposes 12 studios, 32 one-bedrooms, 23 two-bedrooms, and 3 three-bedrooms.

The City Council is scheduled to consider the amendment on July 1 or July 15, 2025. If approved, the change will be incorporated into the project's final Affordable Housing Plan. Completion of the project is anticipated in October 2025, with lease-up for both affordable and market-rate units expected in August or September.

During the meeting, Mayor Burns asked why the change was being introduced at the last minute. Charles Kovac responded that he had just received the updated information and was presenting it promptly to Council. Mayor Pro Tem McKeon further inquired about the reason for the change. Mr. Kovac clarified that the developer requested the amendment to better align the unit mix with market demand and support the project's overall success.

**License Agreement for Outdoor Dining in the Public Right-of-Way
Bob Milani, Principal Civil Engineer**

Staff provided an update on the current state of outdoor dining operations along Main Street and in surrounding areas. Many restaurants are currently operating with expired or no License Agreements, while others—particularly those located outside the downtown core—are utilizing temporary encroachment permits. No rent is being collected at this time, and there is no formal program management or oversight in place.

To address these issues, staff presented a proposed update intended to formalize the License Agreement process, establish clear operating standards, and introduce consistent oversight by Community Development, Public Works, and Real Estate staff.

The proposed framework would include annual renewals, insurance requirements, and provisions allowing for rent and fee adjustments

Mayor Pro Tem McKeon inquired why License Agreements were not currently in place. Community Development Director Jennifer Villasenor explained that a License Agreement program was initiated nearly two decades ago but needs to be updated. Principal Civil Engineer Bob Milani emphasized that having a valid agreement in place is essential for updating code requirements.

The Committee expressed support for moving forward with the implementation of the new License Agreement framework. Councilmembers expressed interest in meeting directly with affected tenants, phasing in rent payments to ease the financial transition, and exploring the potential for seasonal lease structures. Council also requested a review and possible update of existing operational guidelines, with a specific focus on outdoor dining standards and elements such as patio umbrellas.

City Council will take the lead on conducting outreach with individual outdoor dining operators to better understand how the proposed program would be received. Based on that feedback, Council will provide further direction on next steps. Public Works will continue to collaborate with staff to develop the necessary fees, procedures, and operating standards. The completed program will be brought forward for City Council approval prior to implementation.

Central Library Coffee Cart License Agreement Transfer **Chris Cole, Community & Library Services Manager**

The Committee reviewed a request to transfer the Central Library coffee cart License Agreement from the current operator, One Fine Blend, to a new vendor, “Books & Blends.” The existing agreement, which began in May 2023, includes a three-year term with two optional one-year extensions. It provides for a base rent of \$850 per month, plus 3% of gross revenue exceeding \$12,000.

The current vendor offers coffee, snacks, sandwiches, and smoothies to library patrons and was the sole respondent to the most recent RFP. The proposed new operator intends to retain the existing agreement’s terms and conditions through its expiration on May 1, 2026, while updating the cart’s branding and menu.

The Committee discussed two options: assign the agreement as-is to the new operator or continue with the current vendor. No objections to the reassignment were raised during the meeting, and the Council expressed support for moving forward with the transfer.

Huntington Beach Sports Complex (HBSC) – Operations & Management Agreement Extension **Chris Cole, Community & Library Services Manager**

The Committee considered a request from HBSC for a 10-year extension of its current operations and management agreement. The Huntington Beach Sports Complex, opened in 2004 following voter approval of Measure L in 1996, spans 45 acres and features softball and soccer fields, batting cages, turf arenas, concession areas, a team room, and over 800 parking spaces. The existing agreement, initiated in 2021, includes a three-year term with two optional three-year extensions. The second term was exercised in 2024, extending the agreement through 2027.

The Committee evaluated whether to approve the extension to facilitate capital investment or to continue under the current agreement without modification.

21 Main Street Update – Huntington’s on the Pier
Kriss Casanova, Economic Development Manager

An update was provided on 21 Main Street, referencing Huntington’s on the Pier and the temporary pop-up establishment proposed by Surf City Partners LLC for the summer. An overview of the projects permit approval status was also provided.

MEMBER COMMENTS

None

ADJOURNMENT

Burns adjourned the meeting at 4:20 P.M. to the next regularly scheduled meeting on Wednesday, August 13, 2025, at 3:30 p.m. in Room B-8, Huntington Beach City Hall, 2000 Main Street, Huntington Beach, CA 92648.