



City of Huntington Beach

File #: 20-1696

MEETING DATE: 6/15/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Marie Knight, Director of Organizational Learning and Engagement

Subject:

Approve and authorize execution of a 3-year License Agreement with 444 Unlimited for the use of the Servicemark/Trademark and Logos associated with "oneHB" and approve appropriation

Statement of Issue:

The City Council is asked to approve a three (3) year License Agreement with a one five (5) year extension between the City of Huntington Beach and 444 Unlimited for the use of the Servicemark/Trademark and Logos associated with "oneHB".

Financial Impact:

Throughout the term of the agreement, the City will receive a percentage of gross revenues from the sale of all "oneHB" items, as follows:

- Twenty percent (20%) of the gross revenues collected on all retail sales of merchandise bearing the Servicemark/Trademark/Logo
- Ten percent (10%) of the gross revenues collected on all wholesale sales

Merchandise produced under this agreement will include t-shirts, hats, car window stickers, tote bags, beach towels, and other miscellaneous items. These revenues will be dedicated to the oneHB Business Support Fund until the City decides that the funds should be utilized elsewhere.

Recommended Action:

A) Approve and authorize the Mayor and City Clerk to execute the "License Agreement Between the City of Huntington Beach and 444 Unlimited, LLC, for the Use of the Servicemark/Trademark and Logos Associated With 'oneHB';" and,

B) Approve the budget appropriation in the oneHB Business Support Fund as the City

receives revenues from the sale of “oneHB” items.

Alternative Action(s):

Do not approve the license agreement, and direct staff accordingly.

Analysis:

Several months ago, members of City staff began working on a business support program with the goal of rallying our community in support of our businesses who have been negatively affected by the COVID-19 pandemic. Staff and members of the community felt that “oneHB” was the perfect unifying theme for this program. On June 1, 2020, the City Council approved a Memorandum of Understanding for this business support program that laid the groundwork for community and philanthropic support of our business community.

While in the creation stage of the business support program, staff reached out to several community members to begin a dialogue as to ways in which we can promote the program and the concept that we are oneHB as a community. As part of the that process, staff reached out to their contacts at Hurley, a long-standing business in HB, and avid supporter of “HB Life,” for assistance with design concepts for a unifying logo to be used. The logo seen on attachment A was selected, along with another logo created by one of our City team members for the campaign.

Our contact at Hurley has also donated 100 blank t-shirts to be screened with the logos and utilized to begin to create a buzz in the community for the campaign. During this process, our contact at Hurley brought in one of their screen printers 444 Unlimited LLC (AKA Inkwright), also a local Huntington Beach based business, to assist with the printing of the donated merchandise. The owners of Inkwright have been very involved in many programs here in HB, such as Operation Surf, Free Wheelchair Mission, Heifer International, and Operation Open Water. They were immediately excited to be a part of this project, and understand the long term unifying value that the oneHB message can have for our community.

Through a series of conversations, staff and the owners of Inkwright developed an agreement that would provide a licensing percentage of gross receipts of the sale of merchandise with the oneHB logos going to the Business Support Fund. Inkwright will work with local retailers to supply high-end products with the oneHB logos on a wholesale basis for sale in stores, such as Huntington Surf & Sport and Jack's Surfboards, as well as host their own pop-up retail sales to promote the sale of the merchandise. Staff will be working with the Chamber of Commerce to host pop-up events, where allowed, at the location of some of our businesses who have been affected by the COVID-19 pandemic, to also help bring customers to their locations.

The License Agreement is for a three (3) year term with an option for a one five (5) year extension. Throughout the term of the agreement, 444 Unlimited will pay into the Business Support Fund, or at a certain time in the future, if decided, to the City, twenty percent (20%) of the gross revenues collected on all retail sales of merchandise bearing the Servicemark/Trademark/Logo, and ten percent (10%) on all wholesale sales. Merchandise produced under this agreement will include t-shirts, hats, car window stickers, tote bags, beach towels, and other miscellaneous items.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. License Agreement between the City of Huntington Beach and 444 Unlimited, LLC
2. oneHB Merchandise Samples