

Commissioner Provided Items

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

HBSC Partners Agreement Violations

Request For Legal Team Assistance to Enforce Agreements between the
City of Huntington Beach and HBSC Partners

9/16/26

Submitted By Commissioner Dave Chennault

Introduction

- There are many agreements associated with valuable city assets managed by the Community and Library Services department with serious violations that will be made public in the coming months by the finance commission
- Agreements without enforcement are meaningless
- Our city is facing increased economic pressure and budget tightening and proper management and strong contracts and enforcement of our valuable city assets can help avoid tax increases, resident service cut-backs, and staffing cuts

HBSC Partners has three agreements with city

- It appears HBSC Partners is violating portions of all three agreements
- Staff have either been derelict or incompetent enforcing portions of all the agreements with HBSC Partners
- It is believed HBSC Partners are aware of all the issues raised in this presentation and no changes have occurred
- Action by the city legal team is requested
- Details of the violations and requested actions for each agreement follow

Concessions Lease

HBSC Partners is in Violation Concessions Lease

- Talbert Concession Lease Violation –
- The Lease for the concessions between the HBSC Partners and Huntington Beach started on 9/3/2024
- The Lease requires HBSC Partners to have each of the two concessions in the Sports Complex open for business for at least 100 days per calendar year
 - The Talbert location has never opened since signing the current lease on 9/3/24
- Rent
 - Minimum rent for both locations is a total of \$2000 with a 3% increase each year, so rent is now \$2,120 per month in total
 - Revenue based rent is 10% of gross sales in year 2
 - Revenue is significantly decreased (and so is rent paid to city) because Talbert location never opened

Lease Agreement - 100 Days per year – see (b)

SECTION 10. BUSINESS PURPOSES AND USE OF PREMISES.

The Premises are leased for the purpose of operation of two Sports Park food and beverage facilities offering a menu comparable to **Exhibit B**, including use of food carts. Any material alteration of the menu shall be approved by CITY.

At all times, LESSEE shall comply with the following requirements:

(a) LESSEE, at its sole cost and expense shall equip, operate, manage, and maintain the Premises in good safe working condition.

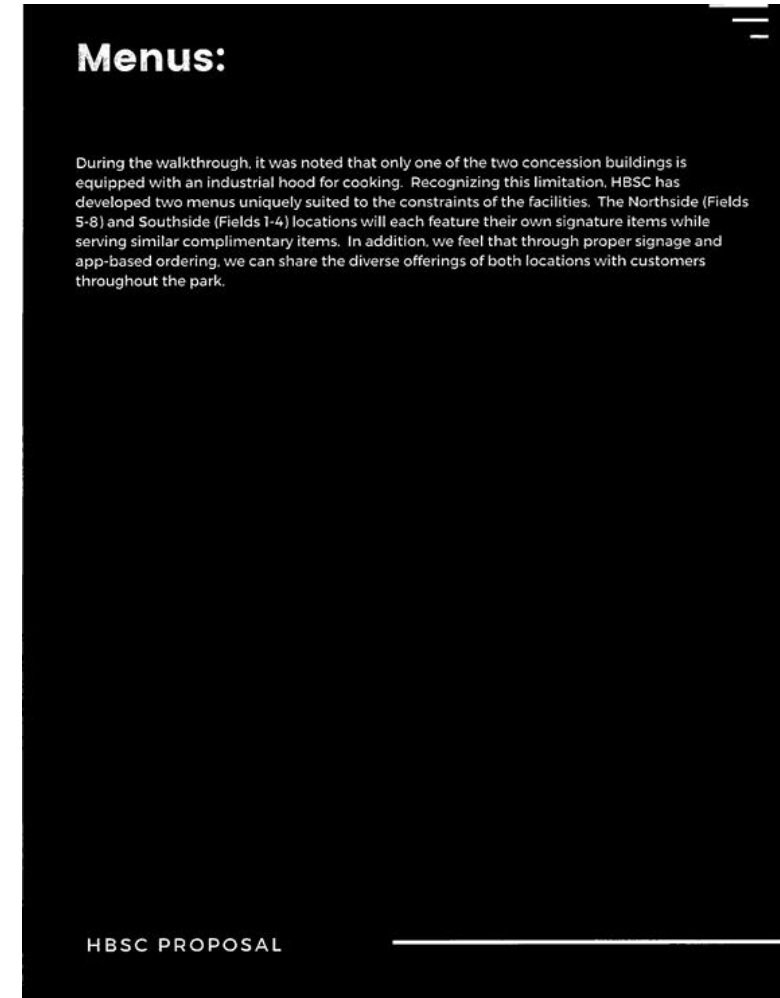
(b) LESSEE shall operate the Premises for a minimum of 100 "Operational Days" during the calendar year, provided the LESSEE may close for up to ten (10) verified rain days. In no case shall the Premises be operating for less than 90 Operational Days per year. An "Operational Day" is defined as the Premises being open for business a minimum of four (4) consecutive hours.

Lessee and City Staff have claimed HBSC Partners did not know the Talbert location was not set-up for cooking

- Not True

- Lessee Was Aware – See the excerpt from their proposal for the concessions
- Note different menus referenced in proposal to overcome limitation on cooking in Talbert location

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Sports Complex Operations Agreement

- HBSC Partners has entered into agreements with 3rd Parties and granted a site license to the Sports Complex on weekends for many of the weekends in 2026
- The operating agreement with our city specifically prohibits HBSC Partners from assigning, delegating, or subcontracting operations to any other person(s) or entity(ies) without permission of the city
- It is believed the city has not granted HBSC Partners permission to offer site licenses to third parties in 2026
 - Request was made of staff if permission was granted and there was no response
- See section 26 of the Operating Agreement below

26. ASSIGNMENT AND DELEGATION

This Agreement is an operation and management agreement and the work hereunder shall not be assigned, delegated or subcontracted by CONTRACTOR to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subcontractors must satisfy the insurance requirements as set forth in Sections 20, 21, 22, 23, and 24 hereinabove.

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Excerpt of two HBSC Partner agreements with 3rd parties in 2026 granting site licenses

HUNTINGTON BEACH SPORTS COMPLEX Site License Agreement

[This AGREEMENT is made and entered into this the 6th day of November, 2025, by and between HBSC Partners, LLC ("HBSC") and:

Premier Girls Fastpitch Inc.
Attn: Dan Hay
16792 Gothard St.
Huntington Beach, CA 92647
PH: (714) 841-8715
dan.hay@pgf-mail.com

HBSC HEREBY AUTHORIZES to the above listed party ("Licensee") a temporary site license at the Huntington Beach Sports Complex located at 18100 Goldenwest Street, Huntington Beach, CA 92647 (hereinafter referred to as "Premises") subject to the terms and conditions of this Agreement.

1. **TERM.** The term of this agreement shall commence on January 1, 2026 and expire on December 31, 2026. Licensee shall be entitled to the use of the following athletic fields at the Huntington Beach Sports Complex (hereinafter referred to as "Site") as follows:

Event Start Date	Event End Date	Fields	Est. Event Cost
1/10/26 (Sat)	1/11/26 (Sun)	Fields 1-8 & F	\$13,205
3/13/26 (Fri)	3/15/26 (Sun)	Fields 1-8 & F	\$19,807.50
5/9/26 (Sat)	5/10/26 (Sun)	Fields 1-8 & F	\$13,205
7/18/26 (Sat)	8/2/26 (Sun)	Fields 1-8 & F	\$103,515
9/19/26 (Sat)	9/20/26 (Sun)	Fields 1-8 & F	\$13,205
10/16/26 (Fri)	10/18/26 (Sun)	Fields 1-8 & F	\$19,807.50
10/23/26 (Fri)	10/25/26 (Sun)	Fields 1-8 & F	\$19,807.50
11/20/26 (Fri)	11/22/26 (Sun)	Fields 1-8 & F	\$19,807.50

2. **LIMITED USE OF FACILITIES.** Licensee shall use the Site for the exclusive purposes of PGF Softball Tournaments. Licensee understands that the use of the Site is not exclusive; the Huntington Beach

HUNTINGTON BEACH SPORTS COMPLEX Site License Agreement

This AGREEMENT is made and entered into this the 6th day of November, 2025, by and between HBSC Partners, LLC ("HBSC") and:

Perfect Game
Attn: Darren Larson
850 Twixt Town Rd NE
Cedar Rapids, IA 52402
PH: (979) 235-0972
dlarson@perfectgame.org

HBSC HEREBY AUTHORIZES to the above listed party ("Licensee") a temporary site license at the Huntington Beach Sports Complex located at 18100 Goldenwest Street, Huntington Beach, CA 92647 (hereinafter referred to as "Premises") subject to the terms and conditions of this Agreement.

1. **TERM.** The term of this agreement shall commence on January 1, 2026 and expire on December 31, 2026. Licensee shall be entitled to the use of the following athletic fields at the Huntington Beach Sports Complex (hereinafter referred to as "Site") as follows:

Event Start Date	Event End Date	Fields	Est. Event Cost
1/17/26 (Sat)	1/19/26 (Mon)	Fields 1-8 & F	\$19,807.50
2/7/26 (Sat)	2/7/26 (Sat)	Fields 1-8 & F	\$6,602.50
3/7/26 (Sat)	3/8/26 (Sun)	Fields 1-8 & F	\$13,205
3/21/26 (Sat)	3/22/26 (Sun)	Fields 1-8 & F	\$13,205
3/28/26 (Sat)	3/29/26 (Sun)	Fields 1-8 & F	\$13,205
4/24/26 (Fri)	4/26/26 (Sun)	Fields 1-8 & F	\$19,807.50
5/23/26 (Sat)	5/25/26 (Mon)	Fields 1-8 & F	\$19,807.50
6/26/26 (Fri)	6/27/26 (Sun)	Fields 1-8 & F	\$19,807.50
8/7/26 (Fri)	8/9/26 (Sun)	Fields 1-8 & F	\$19,807.50
8/15/26 (Sat)	8/16/26 (Sun)	Fields 1-8 & F	\$13,205
9/26/26 (Sat)	9/27/26 (Sun)	Fields 1-8 & F	\$13,205
11/7/26 (Sat)	11/8/26 (Sun)	Fields 1-8 & F	\$13,205
11/14/26 (Sat)	11/15/26 (Sun)	Fields 1-8 & F	\$13,205
11/28/26 (Sat)	11/29/26 (Sun)	Fields 1-8 & F	\$13,205

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HBSC Partners – Field Maintenance Violation

- HBSC has a fixed price contract to maintain 6 sports fields in the city for a set fixed fee of \$9,130 per month
- The maintenance agreement calls for detailed invoices with work broken out into 15 minute increments and who performed the work
- HBSC Partners has never given any detail of the work performed and instead only submitted a single line item

EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

1. CONSULTANT shall be entitled to monthly progress payments toward the fixed fee set forth herein in accordance with the following progress and payment schedules.

\$9,130 per month

HBSC to reduce their fee by \$381 per field, per week, for every week in which the field is out of commission due to maintenance.

2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.

3. CONSULTANT shall submit to CITY an invoice for each monthly progress payment due. Such invoice shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

All billing shall be done monthly in fifteen (15) minute increments and matched to an appropriate breakdown of the time that was taken to perform that work and who performed it.

Each month's bill shall include a total to date. That total shall provide the total fees and costs incurred to date for the project.

A copy of memoranda, letters, reports, calculations, and other documentation prepared by CONSULTANT may be required to be submitted to the CITY to demonstrate progress towards completion of tasks. In the event the CITY rejects or has comments, on any such product, CITY shall identify specific requirements for satisfactory completion.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in Exhibit "A" may at the option of CITY be suspended until the

Sample of Recent and Old Invoices Submitted to City and Approved by Staff for Payment



INVOICE
Huntington Beach Sports Complex
18100 Goldenwest Street
Huntington Beach, California 92647
United States
7142486332
hbsportscomplex.com

BILL TO
City of Huntington Beach
Chris Cole
714-292-5962
ccole@surfcity-hb.org

Invoice Number: 231
Invoice Date: May 3, 2025
Payment Due: June 2, 2025
Amount Due (USD): \$9,130.00

[Pay Securely Online](#)

Items	Quantity	Price	Amount
Field Maintenance Monthly Outer Field Preparation/Maintenance Services	1	\$9,130.00	\$9,130.00
Total:			\$9,130.00
Amount Due (USD):			\$9,130.00

[Pay Securely Online](#)

[Bank Payment](#)

<link.waveapps.com/s94736-n7y5gc>

CH/OC/DIG/JOH/ 24198
Supplier # 75063
Order Co # 0103
2-way or 3-way
Approved # 102454036740
PV # 845411



Invoice
HBSC Partners, LLC
18100 Goldenwest Street
Huntington Beach, CA 92647
(657) 256-8798

Invoice DATE: 11/30/21

Issued To:
Chris Cole
City of Huntington Beach
ccole@surfcity-hb.org
714-536-5265

Invoice #
21113001

Due date
12/30/2021

Description	Total price
Monthly Field Preparation and Maintenance Services (11/1/21 - 11/30/21)	\$7,500.00
Subtotal	\$7,500.00

Total Due: **\$7,500.00**

[Pay Securely Online](#)

[Bank Payment](#)

<link.waveapps.com/s94736-n7y5gc>

CH/OC/DIG/JOH/ 22129
Supplier # 75063
Order Co # 0103
2-way or 3-way
Approved # 102454036740
PV # 845411

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Request of Legal Department and Staff

- Please work with city council and issue a notice to terminate the agreements with a 30 notice within the next 4 weeks
- Have staff work to Finance Commission to get a replacement operator to “fill in” while a new long term solution is realized
- Direct City Manager to report to council and public why the agreement was not enforced by city staff during the public portion of an upcoming city council meeting