



Agenda Item No: 1.k

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 3, 2025

Submitted by: Jeannette Ortega

From: Administrative Services

Subject:

Termination of Lease Agreement and Cooperation Agreement Between the City of Placentia and the Placentia Chamber of Commerce for Real Property Located at 120 S. Bradford Avenue (APN 339-052-29)

Financial Impact:

Fiscal Impact:

Terminating these agreements will result in the City no longer receiving annual lease revenue of \$3,349.56 associated with the Chamber's office space. Additionally, the City will discontinue the annual payment of \$25,000 to the Chamber for services outlined in the Cooperation Agreement.

Summary:

The City of Placentia ("City") owns real property at 120 S. Bradford Avenue (Assessor Parcel Number 339-052-29) ("Property") located in Old Town Placentia. The Property is more commonly referred to as Old City Hall. On November 7, 2023, the City Council approved a Lease of Real Property Agreement ("Lease Agreement") and Cooperation Agreement with the Placentia Chamber of Commerce ("Chamber") for a term ending on November 7, 2028. The Lease Agreement and Cooperation Agreement can terminate within sixty (60) days written notice by either party. In light of the City's current budgetary constraints and the City's ongoing efforts to ensure long-term fiscal sustainability, all existing agreements with partner agencies and consultants are under review. As part of this process, the City intends to terminate both the Lease Agreement and the Cooperation Agreement with the Chamber.

Recommendation:

Recommended Actions: It is recommended that the City Council take the following actions:

1. Approve the termination of the Lease of Real Property Agreement between the City of Placentia and the Placentia Chamber of Commerce for real property located at 120 S. Bradford Avenue for a term ending on November 7, 2028; and
2. Approve the termination of the Cooperation Agreement between the City of Placentia and the Placentia Chamber of Commerce for a term ending on November 7, 2028; and
3. Authorize the City Administrator and/or her designee to issue notices of termination on behalf of the City, in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved 5-Year Strategic Goal to ensure long-

term fiscal sustainability, under Objective Number 1.5 to continue to seek ways to diversify the City's revenue sources to prevent overreliance on any one source.

Discussion:

The City has an ongoing, collaborative relationship with the Chamber, partnering on several special events that support economic development and enhance business engagement within the community. The Chamber has consistently demonstrated its commitment to fostering a supportive business environment through advocacy, education, and networking opportunities.

In light of current budgetary constraints and the City's continued efforts to achieve long-term fiscal sustainability, all existing agreements with partner organizations and consultants are being carefully reviewed.

As part of this review, the City plans to terminate both the Lease Agreement and the Cooperation Agreement with the Chamber. This decision is aimed at maintaining a balanced budget while continuing to meet the needs of the community.

According to Section 3 of both agreements, "this Agreement may be terminated by either party, with or without cause, and without liability to either party, on sixty (60) days prior written notice to either party."

Fiscal Impact Summary:

Terminating these agreements will result in the City no longer receiving annual lease revenue of \$3,349.56 associated with the Chamber's office space. Additionally, the City will discontinue the annual payment of \$25,000 to the Chamber for services outlined in the Cooperation Agreement.