



City of Huntington Beach
City Mayor - Kim Carr
2000 Main Street
Huntington Beach, CA 92648

Dear Mayor Kim Carr,

Approving Magnolia Tank Farm Project The Right Choice For HB City Council

Like communities across the nation, Huntington Beach has suffered through the COVID-19 pandemic - impacting not only the physical health of many residents but also wreaking havoc on our local economy and municipal finances. At this challenging crossroads, we should embrace opportunities to repair and renew our city's economic and financial health.

The Huntington Beach City Council has such an opportunity on January 19 when it considers a proposal to re-develop the Magnolia Tank Farm into a vibrant, jobs-and-revenue producing, mixed-use development.

The Magnolia Tank Farm, at intersection of Magnolia Street and Banning Avenue, derives its name from three above-ground oil storage tanks built in the early 1970s and demolished several years ago. What remains is essentially a vacant lot which contributes little to the well-being and progress of the city.

This project before the City Council represents an opportunity to convert an unsightly, nonproductive parcel into a valuable community asset that will provide Huntington Beach with more jobs, more tax revenue for public services, and more community amenities.

We have studied this project carefully. Huntington Beach is a unique and wonderful community, and we firmly believe new development should enhance our community, respects the environment, and moves the city forward. We firmly believe the Magnolia Tank Farm project meets those standards and strongly urge the city council to approve this balanced, sustainable project.

Council-approval will clear the way for an exciting mixed-use development of 250 for-sale homes, a 215-room luxury boutique eco-friendly lodge and 19,000 square feet of retail and dining space that will create needed jobs and generate vital property, sales and hotel bed tax revenues to fund city services. The hotel will feature meeting facilities available for use by the community.

Beyond the obvious economic benefits, the proposed development agreement obligates the developer to deliver a range of community benefits, including 2.9 acres of new public parks, trails and viewpoints.

Land from the site will be set aside as a new public park, Marsh Park, offering public views of the Magnolia Marsh and the ocean, recreation areas, and an amphitheater. An elevated public coastal trail providing ocean views will be built along the western edge of the site, next to the marsh.

Furthermore, the existing privately-owned greenbelt known as "Squirrel Park" will become Magnolia Park: owned by the city, open to the public but maintained by the new community's homeowners association.



Other community benefits include millions of dollars in developer contributions to fund improvements to the Banning Branch Library and Edison Park, as well as traffic improvements and beautification on Banning Avenue and Magnolia Street.

Equally important is the ongoing contribution the Magnolia Tank Farm will make to the economic and fiscal health of the city. The 4-star eco-friendly lodge and retail/dining venues mean more jobs and business opportunities, and increased property, sales and bed tax revenues for the city. The project itself will contribute millions of dollars in developer fees to city and school district.

The project has been the subject of a few critics about possible project impacts – but to date, there have been no substantiated claims. Indeed, the Huntington Beach Planning Commission evaluated all aspects of the project and voted overwhelmingly for approval.

The Magnolia Tank Farm’s balanced nature and panoply of economic and community benefits has garnered broad-based support from business leaders, civic organizations, community leaders, residents and housing advocates.

The choice before the City Council is clear: seize this opportunity to create jobs, economic vitality, new businesses, for-sale housing, expanded environmental access and millions in new and ongoing tax revenues to support vital public services. We think the right choice is obvious, and urge the City Council to approve the Magnolia Tank Farm.

Sincerely,

Bruce Berman

Bruce Berman
Chairman of the Board
Huntington Beach Chamber of Commerce

Johnny A. Villa

John Villa
Interim CEO & Chair Elect
Huntington Beach Chamber of Commerce