

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: July 21, 2011
To: Harbor Commission
From: Scott Riedman, Interim Waterfront Director
Subject: **Five-Year Lease Agreement with Seacoast of Santa Barbara**

RECOMMENDATION:

That Harbor Commission recommend Council approve a five-year lease agreement with one five-year option with Seacoast of Santa Barbara Inc., for a 562 square foot office at 125 Harbor Way, at a base rent of \$1,817 per month, subject to annual Cost of Living increases.

DISCUSSION:

Seacoast of Santa Barbara, Inc. (Seacoast) has operated a yacht brokerage in Santa Barbara under several ownership configurations since approximately 1971. The current lease commenced in 2001 and expired in February 2011. The corporation is currently owned by Brian Coryat and Vicki Van Hook.

The basic lease terms of the proposed lease are summarized as follows:

- **Term:** Five years, with one five-year option to extend
- **Base Rent:** \$1,817 per month (\$3.23 p.s.f., same as existing lease)
- **Utility surcharge:** \$0.15 per square foot per month
- **Percentage Rent:**
 - **1.05%** - Sales of new and used boats, outboard motors and sea drives
 - **4.2%** - Sales of marine hardware, equipment and sails
 - **10.5%** - Commissions and fees from boat brokerage activities and marine insurance commissions, marine maintenance services, and any other transactions that are not specified above
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Permitted Uses:** Office space for a full-service yacht sales and brokerage business, power and sailboat instruction, and boat leases for periods greater than one month (no change)
- **Personal Guaranty:** Since the lease is with a corporation, Brian Coryat signed the City's standard form personal guaranty.

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There have been no changes to the business terms of the lease. The lease term, format and content is similar to the leases with the Chandlery Yacht Sales and Sunset Kidd Yacht Sales. A copy of the Seacoast lease is available for review at the Waterfront Department administration office.

Attachment: Site plan

Prepared by: Scott Riedman, Interim Waterfront Director