

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: March 15, 2012
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: Lease Agreement with Harbor Market

RECOMMENDATION:

That Harbor Commission review and recommend to City Council approval of a five-year lease with Lisa Clagg, doing business as Harbor Market, for the 676 square foot convenience store located at 125 Harbor Way, Suite 8, at a base rent of \$2,159.75 per month, subject to annual Cost of Living adjustment, or 6% of gross sales, whichever is greater.

DISCUSSION:

Lisa Clagg has operated the Harbor Market on the first floor of the Marine Center Building since 1991. The current lease will expire on April 30, 2012.

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

- **Term:** Five years.
- **Base Rent:** \$2,159.75 per month (\$3.19 p.s.f.)
- **Percentage Rent:** Base rent or 6% of gross sales, whichever is greater.
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Utilities:** Separately metered, paid directly to utility companies.
- **Permitted Use:** Tenant shall use the Premises as a convenience store for the retail sale of food, beverages and sundries to the general public. Tenant may sell any ready-to-eat food items commonly found in convenience stores in Santa Barbara including but not limited to hot dogs, prepackaged sandwiches, and popcorn.

The Harbor Market percentage rent clause is similar to the percentage rent clause at the launch ramp convenience store.

The Harbor Market use is compliant with Harbor Master Plan DEP-3 and Zoning requirements. In 2005, the Market had the only ATM service in the Harbor Commercial area. Now, it is one of four ATM services in the Harbor Commercial area. The other three locations are at Sea Landing, Boat Launch Market and Brophy's Mercantile.

Lisa Clagg is considered by the Department to be a tenant in good standing as she is always prompt with her rent payments and has no lease compliance problems on file.

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A copy of the lease is available for review at the Waterfront Department Administration Office.

Attachment: Site plan

Prepared by: Patrick Henry, Property Management Specialist