

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** May 21, 2015  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Proposed Lease Agreement with Santa Barbara Sailing Club**

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#### RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a five-year lease agreement with Santa Barbara Sailing Club for 8,677 square feet of dry boat storage area in the Santa Barbara Harbor.

#### DISCUSSION:

The Santa Barbara Sailing Club has maintained dry boat storage space in the Santa Barbara Harbor for many years. The Club itself was established in 1959 as the Santa Barbara Sailing Association and in 1969, was incorporated and officially changed their name to the Santa Barbara Sailing Club. The 8,677 square feet of leased storage space (see Attachment) can accommodate up to approximately 20 sail boats that range in size from ten feet to 27-feet.

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

- **Term:** Five-year term.
- **Base Rent:** The lease rate will be \$1,600 at lease commencement and will increase by 2.5% the first two years or by the Consumer Price Index, whichever is the greater of the two numbers. In the final two years of the lease term the rate will increase by 3% or by the Consumer Price Index, whichever is the greater of the two numbers. The lease structure is as follows:

Initial Rate:	\$1,600 per month
April 1, 2016:	\$1,640 - a 2.5% increase or by CPI, whichever is greater
April 1, 2017:	\$1,681 - a 2.5% increase or by CPI, whichever is greater
April 1, 2018:	\$1,731 - a 3.0% increase or by CPI, whichever is greater
April 1, 2019:	\$1,783 - a 3.0% increase or by CPI, whichever is greater

- **Site:** Lease site shall be an 8,677 square feet of dry boat storage area in the Santa Barbara Harbor.
- **Insurance:** Lessee shall maintain a general liability insurance policy in the amount of \$2,000,000.

All other terms and conditions are similar to the previous license agreement. For example, the proposed agreement includes a clause that will permit the City to relocate the dry boat storage area to a comparable location in the harbor, provided that such relocation shall be at Landlord's expense and the new site shall be of similar size and configuration necessary for its intended uses. However, staff does not foresee a situation that would require relocation of the yard.

The Santa Barbara Sailing Club has been prompt with payments and has successfully operated at the current dry boat storage yard for many years. The tenant is in good standing with the Department and holds many successful community sailing events each year. A copy of the lease agreement is available for review at the Waterfront Administration office.

Attachment: Site Map of Lease Space

Prepared by: Brian J. Bosse, Waterfront Business Manager

