

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** August 18, 2016  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Proposed Lease Agreement with Mother Stearns Candy Company**

---

#### RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a five-year lease agreement with one five-year option with Neil and Judi Bruskin, a sole proprietorship, doing business as Mother Stearns Candy Company, at an average rent of \$2,302 per month or 10% of gross sales, whichever is greater, for a 392 square foot retail space located at 219 Stearns Wharf, Suite B.

#### DISCUSSION:

Neil and Judi Bruskin purchased Mother Stearns Candy Company and assumed the lease through an assignment process in May 2006. The existing lease was entered into in December 2006 and expires on November 30, 2016. Neil and Judy Bruskin have made numerous improvements to the retail space and gross sales have gone from \$277,500 in calendar year 2006 to \$481,600 in calendar year 2015, a 74% increase.

The business lease terms of the proposed lease are as follows:

- **Term:** Five-year initial term with one, five-year option
- **Base Rent:** Average base rent of \$2,302 per month (\$5.87 p.s.f.)
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Permitted Uses:** Primary Specialty: Tenant shall use the Premises as a store carrying candy and popcorn. Secondary Specialty: Tenant shall also use the Premises for the sale of film, tobacco (with the exception of electronic cigarettes or vapor products), gift items associated with candy and tobacco, snack foods as defined herein, nuts, dried food snacks and drinks (juices, bottled water, sports drinks, canned and bottled soda, and ice tea) limited to a maximum of twenty percent (20%) of inventory display area. Tenant may carry one model of T-shirt, sweatshirt and hat that carries a design/ logo featuring the name of the shop. The sale of hot coffee and hot coffee drinks is not permitted under this lease. The sale of tobacco will be conducted in strict compliance state and local laws and done at Tenants sole risk.
- **Percentage Rent:** 10% of gross receipts

Proposed Lease Agreement with Mother Stearns Candy Company

August 18, 2016

Page 2

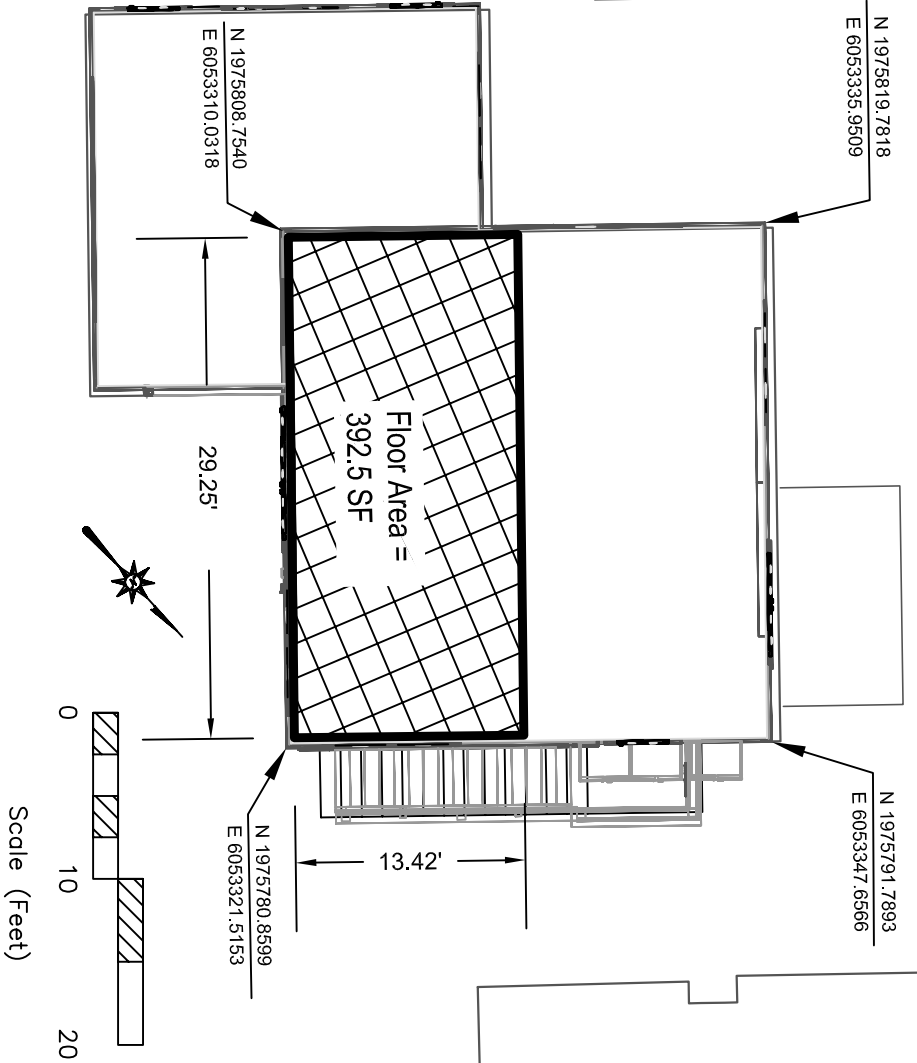
Mother Stearns Candy Company is considered by the Department to be a tenant in good standing as they are always prompt with rent payments, and are an active member of the Stearns Wharf Business Association, and have no lease compliance problems on file.

A copy of the signed lease agreement is available for review at the Waterfront Administration office.

Attachment: Site plan

Prepared by: Brian Bosse, Waterfront Business Manager

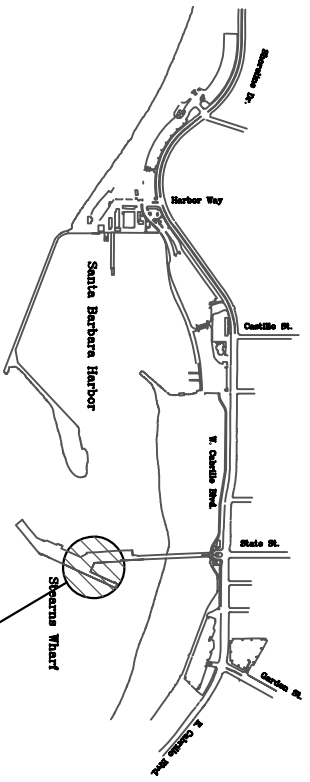
**First Floor Plan  
219 #B Stearns Wharf  
Mother Stearns Candy  
Lease Area - 392.5 S.F.**



**Attachment**



Project North



**HARBOR VICINITY**

NTS

Lease Area

<b>Exhibit A: Lease Area</b>			
<b>Mother Stearns Candy</b>			
<b>REVISIONS</b>		DATE: 04/11/06	APPROVED BY: S. Reidman
		ADDRESS: 219 #B Stearns Wharf	CITY: City of Santa Barbara
			DEPARTMENT: Waterfront Department
		DRAWN BY: JU	
		SHEET NO. 1 of 1	
		DRAWING NO. 2190-014	