



City of Santa Barbara
Airport Department

Meeting 2/19/2020
Agenda Item No. 11

DATE: February 19, 2020
TO: Airport Commission
FROM: Henry Thompson, Airport Director
SUBJECT: Lease Agreement – Wow Gear LLC

RECOMMENDATION:

That Airport Commission approve and authorize the Airport Director to execute a two (2) year Lease Agreement with one, 1-year option to extend with Wow Gear LLC (“Wow Gear”), a California LLC, for approximately 2,300 square feet of Building 4, unit 4B at 6100 Hollister Avenue effective February 1, 2020, for a monthly rental of \$3,795, exclusive of utilities and common area maintenance charges.

DISCUSSION:

The subject Premises are located north of Hollister Avenue in an Airport Industrial zone (A-I-1).

Wow Gear is a drinkware product company that develops, manufactures, and distributes patented drinking products. Founded in Santa Barbara in 2012, they patented the 360 WOW Cup, which was the start of a line of spill-free, functional and fashionable drinking cups for adults and children. The company’s special 360-valve technology prevents spills and messes, which ultimately drove the name for this unique product – the “WOW Cup.” The cups success resulted in an entire product line of WOW Gear. WOW Gear is now sold in over 50 countries, with business growing as they are now in Target and other mass retailers. The products are also sold online.

Wow Gear occupied their existing space in Santa Barbara on Ward Drive since 2012. Their expanded operations, which include warehousing and distribution, required a larger space. They will be relocating their entire operation to unit 4B, as 6100 Hollister was identified as the perfect location for their growing business.

The proposed monthly rental is based on a rate of \$1.65 per square foot for the building, which is within the Airport Commission approved rates for a combined R&D/administration use. An annual CPI increase with a floor of 3% and a ceiling of 8% will commence on the first anniversary date of the lease commencement date. In addition, Wow Gear will pay monthly utility charges of \$22.51 for water and \$15.01 for sewer, or the metered amount, and metered rate for electrical service. Additionally, tenant will pay proportionate share of common area maintenance charges, currently at \$.08 per square foot.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business Development/Properties

ATTACHMENT: Map

6100 HOLLISTER AVE

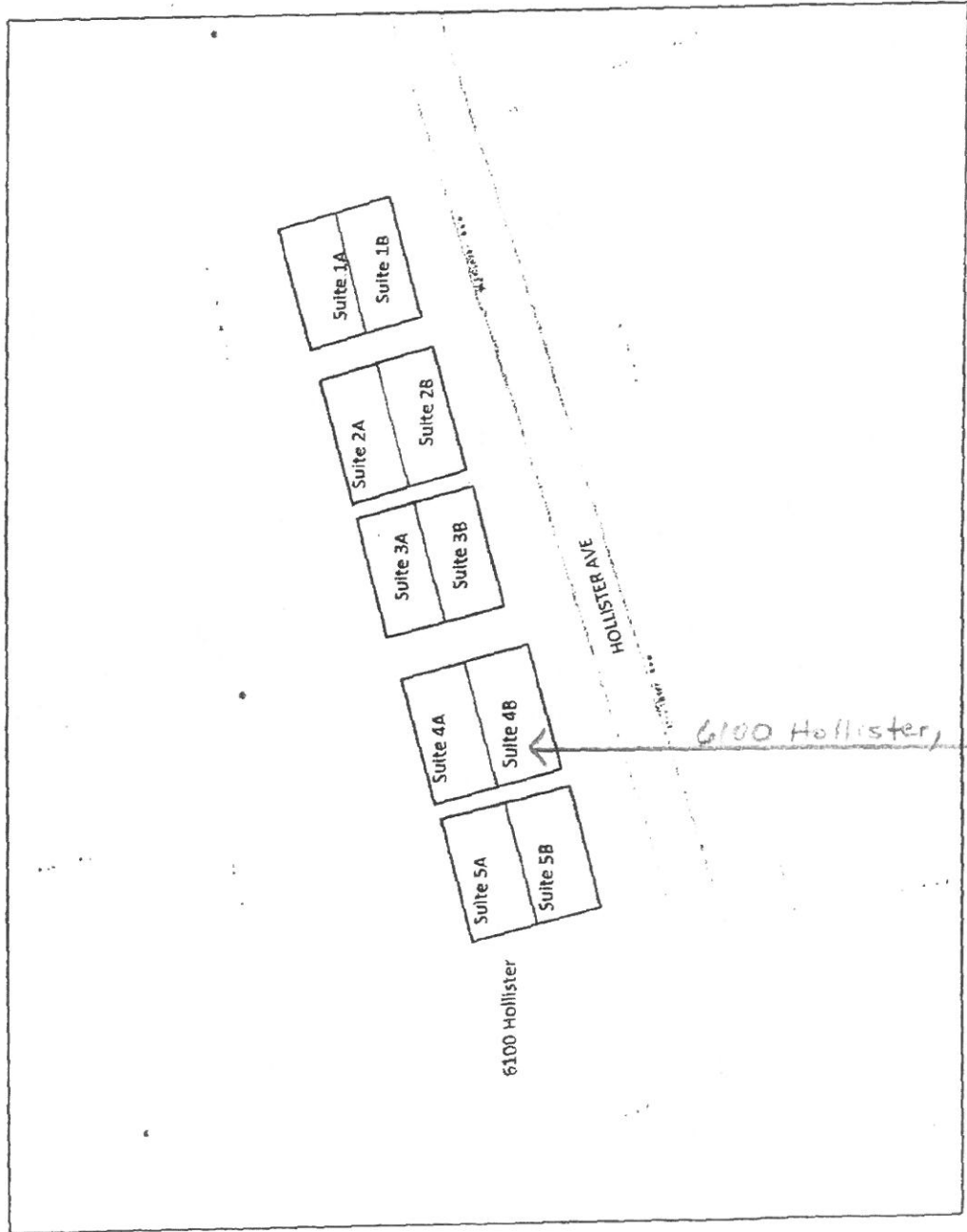


EXHIBIT A