

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: December 17, 2009
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Business Services Report - General Update**

Tenant Sales Update- Calendar Year 2008 /2009

A comparison of Waterfront Department tenant gross sales reported for the period January 1 through October 31 for calendar year 2009 compared to calendar year 2008 is shown on the following table:

	January- October 2009	January- October 2008	Variance \$	Variance %
Harbor Food Service	10,003,700	10,297,076	-293,376	-2.85%
Harbor Commercial	2,979,230	3,977,097	-997,867	-25.09%
Harbor Charter Boats	4,429,130	4,707,095	-277,965	-5.91%
<i>Harbor Subtotal</i>	<i>17,412,060</i>	<i>18,981,268</i>	<i>-1,569,208</i>	<i>-8.27%</i>
Wharf Food Service	9,608,676	10,767,831	-1,159,155	-10.76%
Wharf Commercial	3,116,814	3,385,264	-268,450	-7.93%
Wharf Charter Boats	78,549	170,559	-92,010	-53.95%
<i>Wharf Subtotal</i>	<i>12,804,039</i>	<i>14,323,654</i>	<i>-1,519,615</i>	<i>-10.61%</i>
Total	30,216,099	33,304,922	-3,088,823	-9.27%

Although nine Waterfront businesses reported increased sales, the remaining 32 businesses included in the above table reported a decrease in sales when compared to January-October 2008.

The decrease in Harbor Commercial gross sales is largely due to a decline in boat sales by the yacht brokerages (\$797,000). The decrease in Wharf food service is primarily due to a downturn of sales from two major restaurants (\$1,103,000).

The decrease in Wharf charter boat business is due to the fact that Captain Don's Cruises was limited to the 49-passenger *Harbour Queen* throughout 2009. Captain Don's Cruises had access to a second vessel and conducted whale watching trips aboard the *Speed Twin* for four months from March 2008 to mid-July 2008. The *Speed*

Twin left the harbor in July 2008 and the future of a second vessel for coastal cruising and whale watching from Stearns Wharf is unknown at this time.

Fiscal Year 2010 Revenue

The attached spreadsheet shows year-to-date revenue figures for the first five months of Fiscal Year 2010 (July 1, 2009 - November 30, 2009). The spreadsheet also compares revenue figures to last year for the same July-November time period (Attachment 1).

Property Management revenue is within 1.4% of last year (\$29,000) due in part to three cruise ship visits generating \$55,000 in the miscellaneous revenue line item. Parking revenue is up 25% (\$196,000) compared to last year due to fee increases affecting all Waterfront lots. Marina management revenue is up 8.6% (\$173,000) due to slip fee and visitor slip fee increases. Interestingly, slip transfer fee revenue is up 61% for a total year-to-date revenue of \$232,000. While significantly better than FY09 revenue of \$144,000, slip transfer revenue is still tracking below the FY08 level of \$291,000 for the July- November time period

Overall, year-to-date revenue is up by 5.9% or \$295,000 compared to the same period last year. A comprehensive report on the Department's mid-year revenues and expenditures will be presented at the January 2010 Harbor Commission meeting.

Fiscal Year 2011 Budget Development Timeline

Wednesday, January 13, 2010: City Departments receive budget instructions from City Administration and Finance Department, including salary and benefit figures, Overhead Allocation and Inter-City Services (ICS) charges.

Thursday, January 21: Harbor Commission will receive a report on FY 2010 mid-year review of revenue and expenses and year-end revenue projections.

January/February TBD: Harbor Commission Budget Committee (Commissioners Kelly and Cramer) will meet with staff to discuss budget changes/challenges.

Thursday, February 18: Harbor Commission will receive a FY 2011 budget overview.

Thursday, March 18: Harbor Commission will receive a staff report and make a recommendation to City Council.

May/June TBD: Waterfront presents proposed FY 2011 budget to Council.

Stearns Wharf Christmas Tree

For the second year, the Department worked with Stearns Wharf Business Association to bring a 30 foot tall Christmas tree to the shoreward finger of the Wharf this holiday season (adjacent to Ty Warner Sea Center). The Wharf Association voted to pay for the tree and Department staff coordinated the purchase, installation, lighting and decorating for the tree.

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Attachments: Waterfront Department FY 2010 Revenue 11/30/2009

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