

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** March 18, 2010  
**To:** Harbor Commission  
**From:** John N. Bridley, Waterfront Director  
**Subject:** Lease Agreement with Ocean Aire Electronics

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#### RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a one-year lease agreement with six one-year options with Doug Chessmore, doing business as Ocean Aire Electronics at 125 Harbor Way, at an initial base rent of \$980 per month.

#### DISCUSSION:

Doug Chessmore has operated the 339 square foot retail business Ocean Aire Electronics at 125 Harbor Way, #7, since November 1986. The current lease will expire on March 31, 2010. The base rent is currently \$980 per month, (\$2.89 per square foot) subject to annual increases based on the Consumer Price Index (CPI) each May.

Ocean Aire Electronics is a specialty store that provides sales, installation and repairs of marine electronic equipment such as radar, global positioning systems, sonar (fish finders & depth finders), marine radios, autopilots, navigation and safety equipment.

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

- **Term:** One year with six (6) one-year options
- **Base rent:** \$980 per month, subject to annual CPI increases (no change)
- **Percentage rent:**
  - (1) One percent (1%) of sales of marine motors and electronics and customer freight charges;
  - (2) Four percent (4%) of sales of marine hardware;
  - (3) Ten percent (10%) of all Gross Receipts from service for marine motors, electronics and all labor; and
  - (4) Ten Percent (10%) of all other Gross Receipts which are not specifically motors, electronics, hardware, sales or service.

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- **Permitted uses:** Sale and service of marine electronics, and for no other use without the prior written approval of the Waterfront Director.
- **Hours of Operation:** 8:30 through 4:30 Monday- Friday

All other terms of the lease remain unchanged.

Doug Chessmore is considered by the Department to be a tenant in good standing as he is always prompt with rent payments and has no lease compliance problems on file. A copy of the lease agreement is available for review at the Waterfront Administration office.

Attachment: Site Plan

Prepared by: Scott Riedman, Waterfront Business Manager