

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: May 20, 2010
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Business Services Report**

Stearns Wharf Wine Tasting Concession

The lease with Coastal Winery expired on March 31, 2010, and the former tenant vacated the space at 217-G Stearns Wharf on April 5. Facilities staff is has removed the deteriorated flooring, abandoned electrical conduit, and patched and primed the walls in preparation for showing the 890 square foot vacancy to prospective tenants.

The Department will conduct a two-phase screening and selection process to identify a prospective tenant. The first phase, the Request for Qualifications (RFQ), will enable the Department to get to know the organization, previous experience in the wine industry, financial resources and capabilities to fund the project, and *general* development approach and concept for the lease space. A Selection Committee will review qualifications and recommend to the Department a priority list ("short list") of the top candidates to be invited to participate in the second phase, the Request for Proposals (RFP).

The RFP phase will require the applicant to submit definitive development plans, business plan, merchandising plan, five-year projection of revenue and expenses, timing of the project, financing plans and credit check. The Selection Committee will review the RFP submittals along with the possibility of interviewing prospective tenants. The Committee will then recommend a candidate for lease negotiations. Based on qualifications, the Department may enter into exclusive lease negotiations with a selected business. The Department expects to successfully negotiate a lease with the selected business; however, if negotiations are unsuccessful, the Department will enter in to negotiations with the next selected business, and so on.

A "For Lease" sign was placed on the outdoor public viewing deck adjacent to the tasting room in early April and notices advertising the leasing opportunity were placed on Craig's List, Winebusiness.com and Wine Industry Classifieds on May 10, 2010. As of May 12, the Department had received inquires from 26 interested parties. The RFQ will be released to interested parties by month-end.

Self-Service Parking Equipment

Department staff is researching self-service parking pay stations to upgrade the self-service Honor Fee systems (cash pay boxes) in the Harbor West, Cabrillo East and West, Garden Street and Palm Park parking lots.

The Airport and Downtown Parking enterprise funds have recently acquired equipment that enables their point of sale systems to accept credit/debit cards as well as cash. Waterfront staff contacted Sentry Control Systems, the company that upgraded Downtown Parking's point of sale systems, to discuss a possible upgrade.

Sentry Control Systems recommended self-service payment equipment from Digital Payment Technologies ("DPT") that is capable of accepting cash, coin, and credit/debit cards. DPT provided the equipment currently used at UCSB, but the technology has evolved significantly since its original installation and has subsequently been installed by cities including Glendale, Huntington Beach, Beverly Hills, and Santa Monica. Recently the City of Ventura purchased 75 machines to install on Main Street.

Due to its ability to accept credit/debit cards (up to 25% of sales) and communicate with the Department's computer network, the DPT system has the capability to increase revenue control and significantly increase efficiency in the Waterfront self-service parking lots. The system is compliant with Americans with Disabilities Act (ADA) regulations and Payment Card Industry (PCI) requirements.

DPT demonstrated a machine at the Waterfront Department office and offered to allow the Department to use the machine on a trial basis for 30-60 days in the Harbor West parking lot. The City's Finance Department requested at least four months before it can begin to evaluate the credit card functionality / compatibility with the City's financial system.

Attachment: DPT Brochure

Prepared by: Scott Riedman, Waterfront Business Manager