

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: September 15, 2011
To: Harbor Commission
From: Scott Riedman, Interim Waterfront Director
Subject: **Proposed Lease Agreement with The Store at Brophy's**

RECOMMENDATION:

That Harbor Commission review and recommend to City Council approval of a five-year lease agreement with one five-year option with Brophy and Sons, Incorporated, doing business as, The Store at Brophy's, a retail shop operating at 119-C Harbor Way.

DISCUSSION:

Susan Bennett's corporation, Brophy & Sons, Inc., has leased the 521 square foot retail shop at 119-C Harbor Way, since assuming the lease agreement through a lease assignment process, in November 2004. The current lease expired in July 2011, and the tenant has remained on holdover status, with the Department's approval, since that time. The rent is currently \$1,656 per month (\$3.17/square foot), or 10% of gross sales, whichever is greater. The base rent is subject to annual CPI increases.

The Store at Brophy's carries T-shirts, sweatshirts and other merchandise imprinted with the Brophy's logo. Additionally, "The Store" carries casual clothing, sandals, sunglasses, beach bags, hats, sunglasses and jewelry.

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

- **Term:** Five years with one five-year option to extend
- **Rent:** \$1,656 or 10% of gross sales, whichever is greater (no change)
- **Permitted uses:** Tenant shall use the Premises primarily for a clothing store in which at least seventy-five (75%) of the value of the inventory shall consist of clothing

Since the lease is being assigned to a corporation (Brophy & Sons, Inc.), Ms. Bennett has signed the City's personal guaranty. All other terms of the lease remain unchanged.

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The Store at Brophy's is considered by the Department to be a tenant in good standing since rent payments are on time and there are no default notices on file. A copy of the lease agreement is available for review at the Waterfront Administration office.

Attachment: Site Plan

Prepared by: Scott Riedman, Interim Waterfront Director