

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** October 17, 2013  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Amendment to Lease Agreement with Richones Inc., Doing Business as Chuck's Waterfront Grill**

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#### **RECOMMENDATION:**

That Harbor Commission recommend City Council approve Amendment Number One to Lease No. 23,328 with Richones Inc., doing business as Chuck's Waterfront Grill, for office space located at 113 Harbor Way #145 and #150.

#### **DISCUSSION:**

In June, the National Oceanic and Atmospheric Administration relocated the majority of their local Channel Islands National Marine Sanctuary (CINMS) offices to a new building on the University of California Santa Barbara campus. CINMS reduced their overall office footprint from the current 1,472 square feet (five offices and the kitchen) to 452 square feet consisting of two offices and the storage space. The resulting 1,020 square feet of office space consists of two offices of 864 square feet and 156 square feet.

The current Chuck's Waterfront Grill lease (Lease No. 23,328) gives the tenant the right of first refusal to any leasable space that becomes available in the Waterfront Center. Staff provided a viewing of the vacant offices to Chuck's co-owner Mr. Steve Hyslop and after conferring with his business partner, decided to lease the entire 1,020 square feet at a rate of \$2.47 per square foot (same as the restaurant space). The square footage will be added to Chuck's proportional share of Common Area Maintenance (CAM) expenses for the Waterfront Center Building.

The basic terms of the proposed lease are as follows:

- **Term:** twenty-seven years remaining on existing lease (expires 2040)
- **Base Rent:** average of \$20,890, allocated seasonally;
- **Percentage Rent:** 10% of gross sales or base rent whichever is greater; escalates to 11% of gross sales at \$3 million; and,
- **Annual Rent Adjustment:** Consumer Price Index

A copy of the proposed lease amendment is available for review at the Waterfront Department Administration office located at 132A Harbor Way.

Attachment: Office Lease Area

Prepared by: Brian J. Bosse, Waterfront Business Manager