

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: November 19, 2015
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Proposed Lease Agreement with Breakwater Restaurant**

RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a five-year lease agreement with two five-year options with Stephen and Sharon DeDecker, doing business as Breakwater Restaurant, at an average initial base rent of \$8,794.36 per month, allocated seasonally, for the 4,053 square foot restaurant located at 107 Harbor Way.

DISCUSSION:

Stephen and Sharon DeDecker have operated Breakwater restaurant located at 107 Harbor Way since 1998 when the lease was transferred to them. The previous owners operated the Breakwater Restaurant since 1984. The current lease format is outdated and lacks current insurance requirements and lease assignment provisions, as well as maintenance and default clauses. The proposed lease modernizes those provisions and brings the lease into compliance with current City of Santa Barbara practices.

The business terms of the proposed lease are as follows:

- **Term:** Five-year initial term with two, five-year options
- **Base Rent:** An average of \$ 8,794.36 per month allocated seasonally
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Percentage Rent:** Ten percent (10%) of tenant's gross receipts up to and including \$1,250,000 and 11.4% of tenant's gross receipts in excess of \$1,250,000 per calendar year

The Breakwater Restaurant is considered a tenant in good standing by the Department as they have no outstanding default notices on file and have been prompt with rent payments.

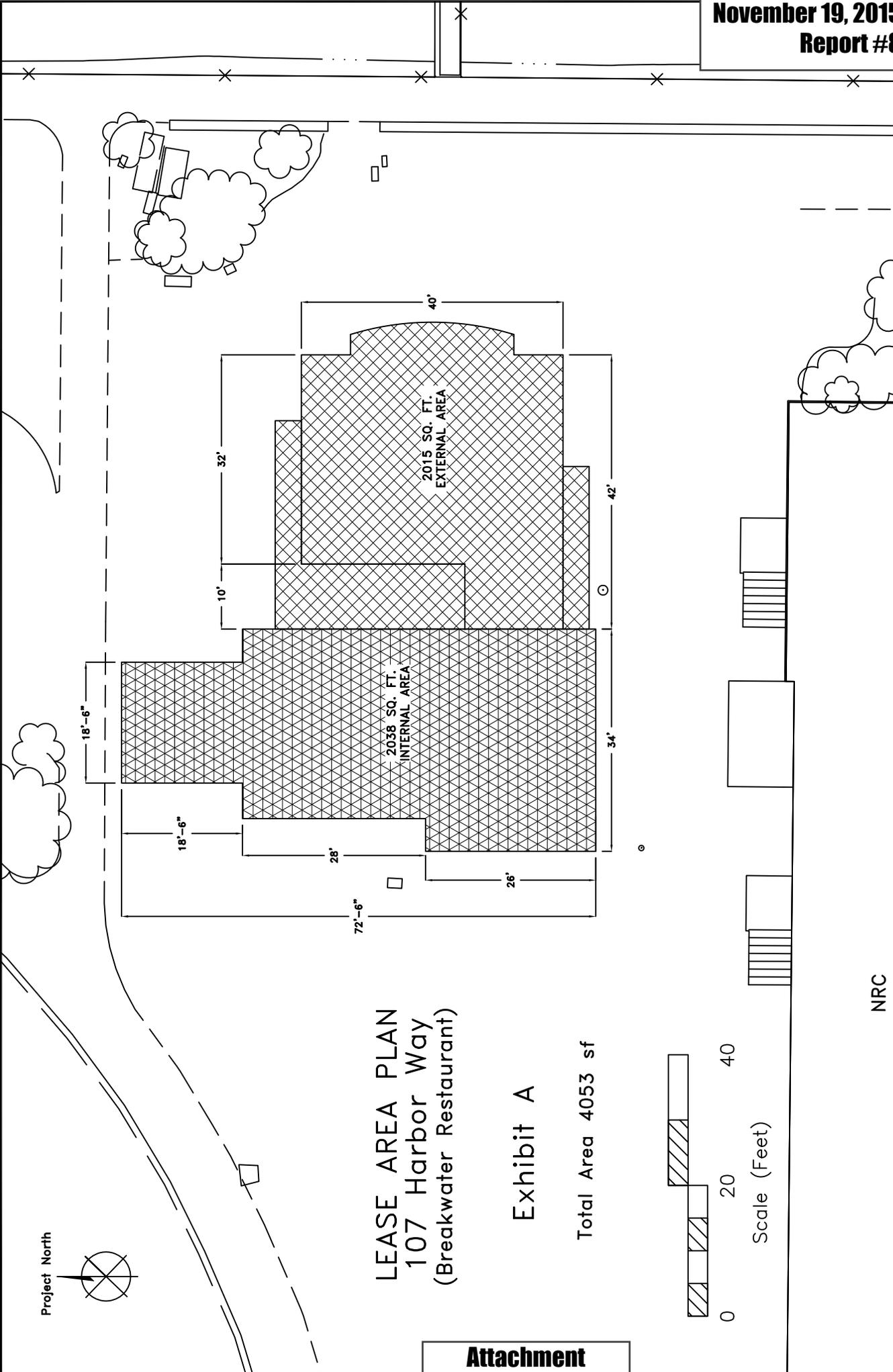
Attachment: Site Map

Prepared by: Brian J. Bosse, Waterfront Business Manager

Breakwater Restaurant
Lease Area

DATE	1-20	APPROVED BY	T. Lawler
BY	08/02/15	ADDRESS	107 Harbor Way
			City of Santa Barbara
			Waterfront Department
			1 of 1

REVISIONS



LEASE AREA PLAN
107 Harbor Way
(Breakwater Restaurant)

Exhibit A

Total Area 4053 sf