

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: January 14, 2016
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Proposed Lease Agreement with Ocean Aire**

RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a five-year lease agreement with one five-year option with Jon Payne, doing business as Ocean Aire, at an initial base rent of \$1,200 per month, for the 339 square foot lease space located at 125 Harbor Way Suite #7.

DISCUSSION:

Jon Payne has operated Ocean Aire since July of 2015 when he assumed ownership of the business. The previous had owned and operated Ocean Aire for 29 years. The 339 square feet of commercial space is located at 125 Harbor Way Suite #7 (Attachment). Since assuming ownership of Ocean Aire, Mr. Payne has significantly upgraded the lease space to include new flooring, new paint, new office furniture and a state-of-the-art product display area. These improvements have significantly improved Ocean Aire's presence in the Waterfront community.

The business terms of the proposed lease are as follows:

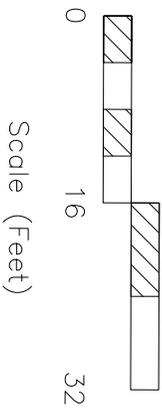
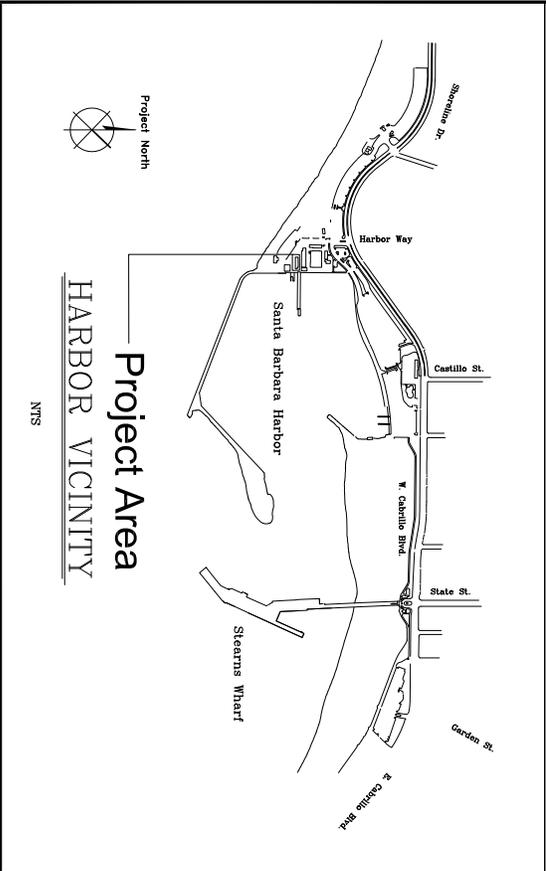
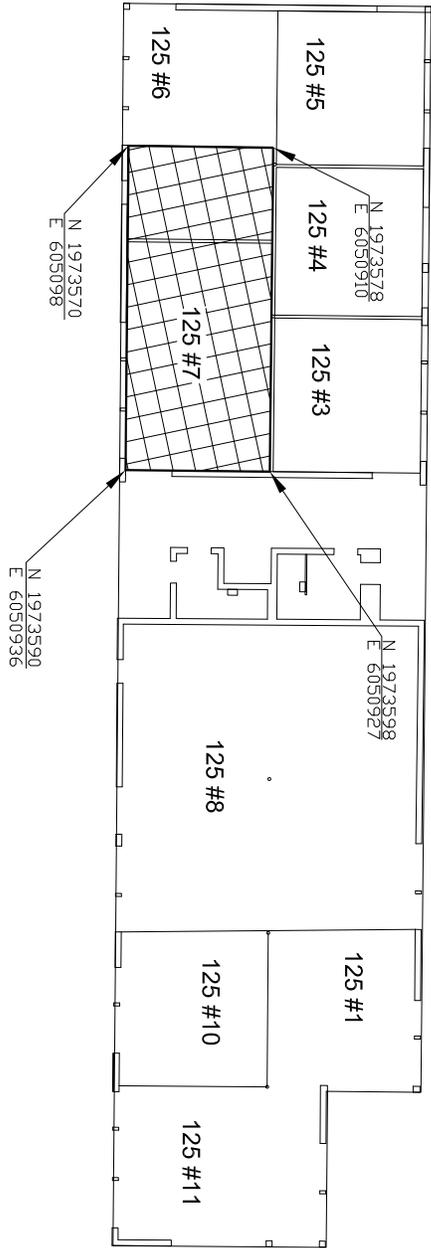
- **Term:** Five-year initial term with one, five-year option.
- **Base Rent:** Initial rate of \$1,200 per month. Consistent with the recently approved Marine Services lease, this lease does not include a percentage lease rate.
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI).
- **Use:** limited to sales and service of marine motors, electronics, rigging services, and hardware.

Ocean Aire 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

**First Floor Plan
125 Harbor Way Suite 7
339 Square Feet**



Lease Area Exhibit A	
DATE: 12/3/2015	APPROVED BY:
ADDRESS: 125 Harbor Way #7	CITY OF SANTA BARBARA WATERFRONT DEPARTMENT
DRAWN BY: T. Leamer	DRAWING NO. 1250-028
SHEET NO. 1 of 1	