

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: May 19, 2016
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Proposed Lease Agreement with Great Pacific Ice Cream**

RECOMMENDATION:

That Harbor Commission review and recommend City Council approval of a five-year lease agreement with one five-year option with John K. Williams, Inc., a California corporation, doing business as Great Pacific Ice Cream, at an average initial base rent of \$4,053 per month for the 395 square foot restaurant located at 219 Stearns Wharf, Suite A.

DISCUSSION:

John Williams has operated Great Pacific Ice Cream at 219-A Stearns Wharf since 1988. As with Char West, longtime manager Francisco Aguilera purchased the business and assumed the lease from Mr. Williams in March 2008. The lease area consists of 395 square feet of commercial space. The rent is currently \$4,053 per month, or 15% of gross sales, whichever is greater.

The business terms of the proposed lease are as follows:

- **Term:** Five-year initial term with one, five-year option.
- **Base Rent:** An average of \$ 4,053 per month (\$10.26 p.s.f.).
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI).
- **Percentage Rent:** 15% of Tenant's Gross Receipts.

Great Pacific has increased their sales revenue 102% over the past ten years. Great Pacific is considered by the Department to be a tenant in good standing as they are always prompt with rent payments, are active member of the Stearns Wharf Business Association, and has no lease compliance problems on file.

Attachment: Site Map

Prepared by: Brian Bosse, Waterfront Business Manager

