

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: April 19, 2018

To: Harbor Commission

From: Scott Riedman, Waterfront Director

Subject: **Proposed Lease Amendment Two of Lease Agreement No. 23,564 with Conway Vineyards, Inc.**

RECOMMENDATION:

That Harbor Commission recommend City Council approve amendment number two of Lease Agreement No. 23,564, Conway Vineyards, Inc., allowing 610 feet of additional space from a former tenant and increasing the base rent to \$87,959.70 annually, for the leased space at 217-G Stearns Wharf.

DISCUSSION:

Conway Vineyards, Inc. (Conway) has leased space on Stearns Wharf since October of 2010. Annual gross sales have increased from \$426,513 in 2012 (their first calendar year at the Wharf) to \$722,963 in calendar year 2017, an increase of 70%.

In January, the Conway family, owner of Conway Vineyards, Inc., contacted the Department about acquiring the adjacent lease space and amending their lease, accordingly. Amendment Two would amend the lease in order to allow 610 square feet of additional floor space of a former tenant at 217-E Stearns Wharf to be added to the Deep Sea Tasting Room lease space for a total of 1,500 square feet of interior space. Conway plans on expanding their tasting room and retail space with the addition of the new square footage. The new square footage will provide additional entry/ exit visibility due to its frontage along the main thoroughfare of Stearns Wharf.

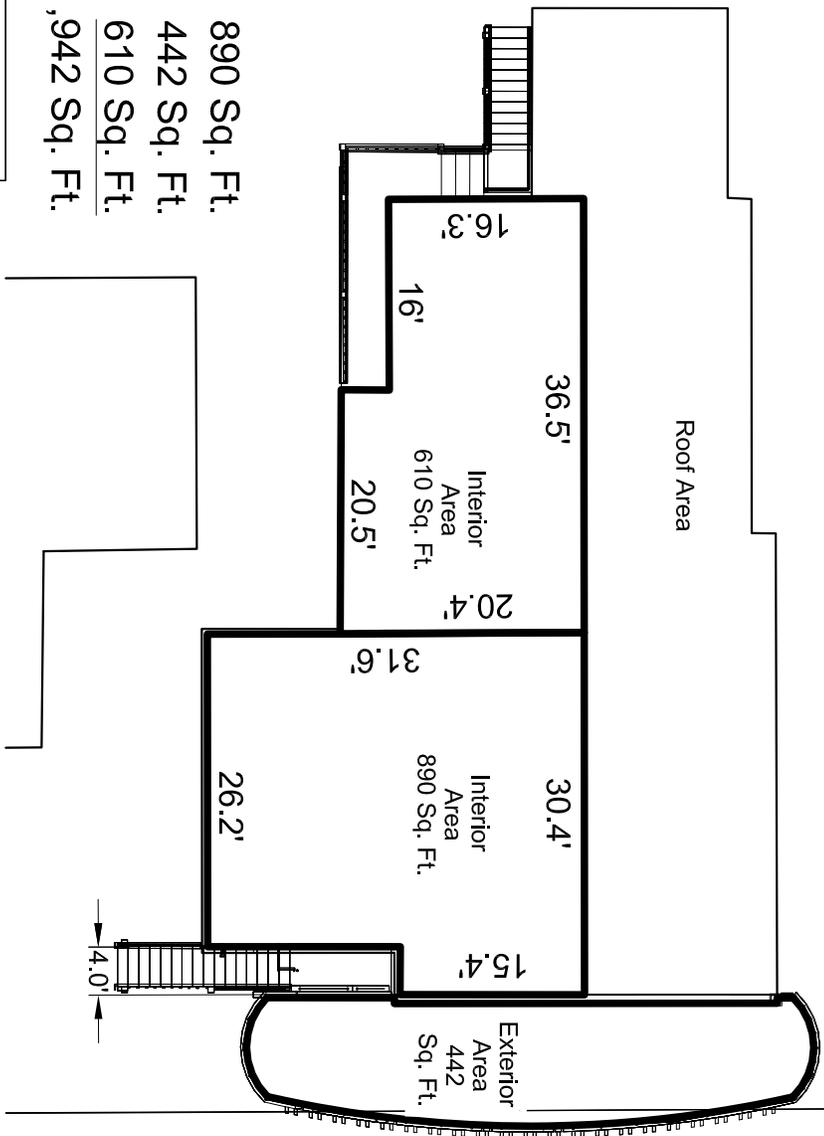
Amendment Two would also add the monthly base rent of the former tenant space at 217-E Stearns Wharf to the monthly base rent of Conway, an annual increase of \$32,958.50. The new total annual base rent will be \$89,959.70 upon completion of their proposed tenant improvements to the new 610 square foot space. All other lease terms remain the same.

Conway is currently in year three of their first five-year option and have one additional five-year option available on their current lease. Conway Vineyards, Inc. 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: Proposed New Site Plan

Prepared by: Brian J. Bosse, Waterfront Business Manager

Second Floor Plan
 Old Wharf Building
 217 #E & #G Stearns Wharf



Interior Lease Area (#G): 890 Sq. Ft.
 Exterior Lease Area (#G): 442 Sq. Ft.
 Interior Lease Area (#F): 610 Sq. Ft.
 Total Lease Area: 1,942 Sq. Ft.

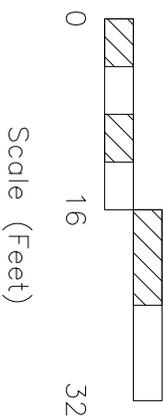
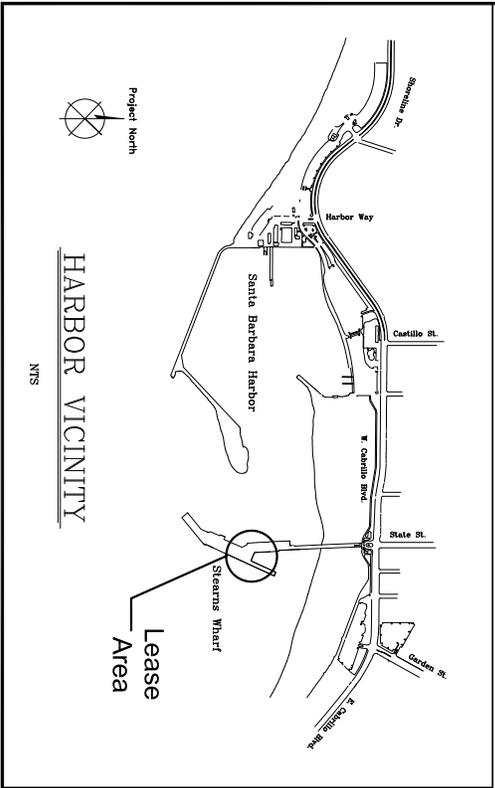


Exhibit A
 Lease Area

REVISIONS		DATE:	APPROVED BY:	DRAWN BY:
		4/4/2018	B. Bosse	T. LAMLER
		ADDRESS:	217 #E & #G Stearns Wharf	
		City of Santa Barbara		SHEET NO. 1 of 1
		Waterfront Department		DRAWING NO. 2170-014