

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** August 16, 2018  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Proposed Lease Agreement with Santa Barbara Shellfish Company**

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#### RECOMMENDATION:

That Harbor Commission review and recommend City Council approval of a ten-year lease, with two, five-year options with Santa Barbara Shellfish Company, a California Corporation, for the 1,160 square foot restaurant located at 230 Stearns Wharf, at an average base rent of \$22,339.25 per month, subject to an annual Cost of Living Adjustment.

#### DISCUSSION:

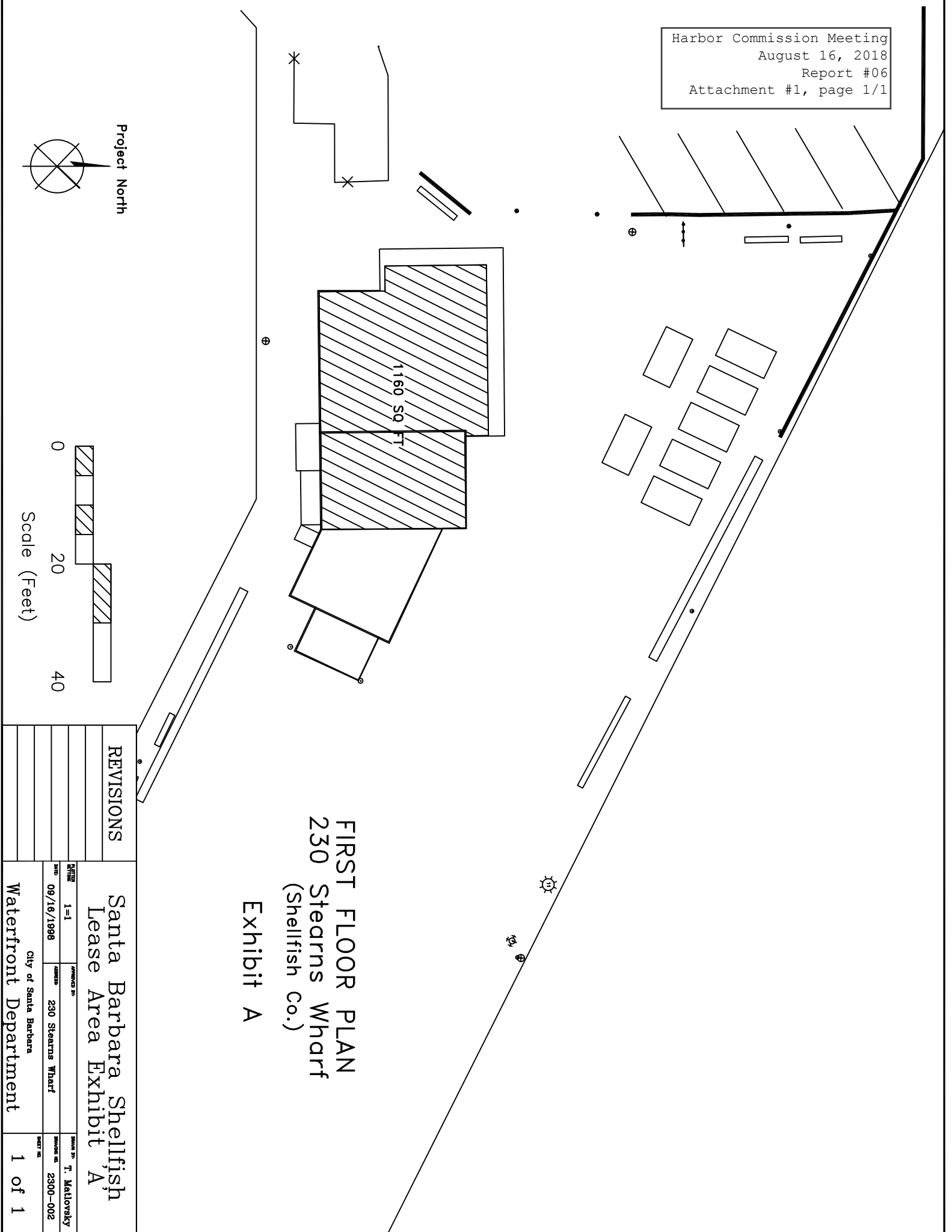
Santa Barbara Shellfish Company has leased space on the seaward finger of Stearns Wharf since 1981. The current lease expired on September 1, 2017, and is currently on a month-to-month holdover status as permitted by the lease. The basic terms of the proposed lease are summarized as follows:

- **Term:** Ten years with two, five-year options;
- **Base Rent:** Seasonally based rent averaging \$22,339.25 per month;
- **Percentage Rent:** Base rent or 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, whichever is greater;
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI);
- **Utilities:** Separately metered, paid directly to utility companies; and,
- **Guaranty of Lease:** Consistent with all Waterfront corporate tenants.

The Santa Barbara Shellfish Company's percentage rent clause is the same as the percentage rent clause for other Harbor and Wharf restaurants. Santa Barbara Shellfish Company is considered by the Department to be a tenant in good standing as they are always prompt with rent payments, participate in the Stearns Wharf Merchants Association, and have no lease compliance problems on file. A copy of the lease is available for review at the Waterfront Department Administration Office.

Attachment: Site plan

Prepared by: Brian J. Bosse, Waterfront Business Manager



FIRST FLOOR PLAN  
 230 Stearns Wharf  
 (Shellfish Co.)  
 Exhibit A

REVISIONS		Santa Barbara Shellfish Lease Area Exhibit A	
DATE	DESCRIPTION	APPROVED BY	DATE
09/16/1998	230 Stearns Wharf	T. Malovsky	2300-002
City of Santa Barbara		Waterfront Department	
Scale (Feet)		1 of 1	