

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** September 20, 2018

**To:** Harbor Commission

**From:** Scott Riedman, Waterfront Director

**Subject:** **Proposed License Agreement with Santa Barbara Fuel Dock, Incorporated, to Operate the Commercial Ice Machine**

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#### **RECOMMENDATION:**

That Harbor Commission review and recommend City Council approval of a five-year license agreement with Santa Barbara Fuel Dock, Incorporated, a California Corporation, to operate the ice machine facility in Santa Barbara Harbor.

#### **BACKGROUND:**

The commercial fishing Ice Machine is located at the end of the City Pier and is an important component to the success of the local commercial fishing industry. The Ice Machine was the first major project funded by the Fisheries Enhancement Fund, allowing commercial fishers to keep their catch fresh, stay longer at sea, and avoid costly trips to Ventura or Morro Bay for ice. The Ice House at the Santa Barbara Harbor commenced operations on May 1, 1992, and has the capacity to produce 10 tons of ice per day. McCormix, now Santa Barbara Fuel Dock, Inc. (SB Fuel Dock) has operated the Ice Machine for over two decades.

#### **DISCUSSION:**

McCormix has created a new corporation, Santa Barbara Fuel Dock, Inc., that consists of the same ownership entities as McCormix. Santa Barbara Fuel Dock proposes to operate the Ice Machine through a license agreement with the City. Basic terms of the proposed license agreement are summarized as follows:

- **Term:** Five year term;
- **Base Rent:** Waterfront department pays Santa Barbara Fuel Dock \$600 per month to sell ice and collect the revenue from those sales. Every dollar above the initial \$600 collected on the sale of ice is given to the Waterfront Department (\$40,780 in FY 2018); and,
- **Maintenance and Upkeep:** Maintenance and upkeep of the Ice Machine is the responsibility of the Waterfront Department.

Santa Barbara Fuel Dock is considered by the Department to be a tenant in good standing, as they are always prompt with their rent payments and there are no lease

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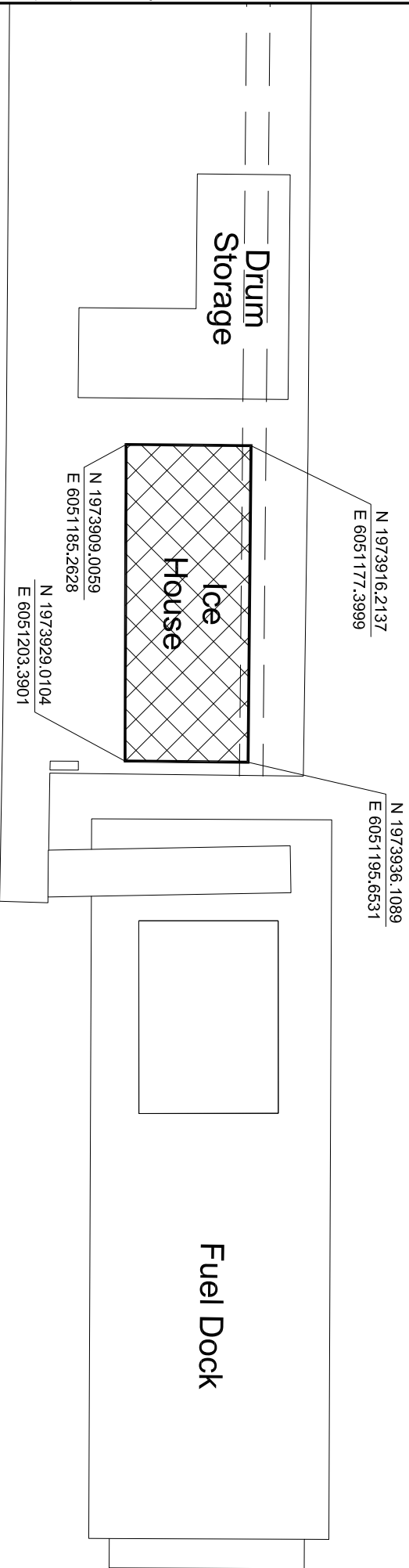
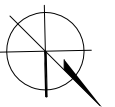
compliance problems on file. A copy of the lease is available for review at the Waterfront Department Administration Office.

Attachment: Site plan

Prepared by: Brian J. Bosse, Waterfront Business Manager

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**Lease Area**  
 123 Harbor Way  
 Ice House 286 SF



REVISIONS

Lease Drawing  
 Exhibit A

DATE	APPROVED BY	DRAWN BY
9/12/2018	B. BOSSSE	T. Lawler
ADDRESS		DRAWING NO.
123 Harbor Way		1235-004
CITY OF SANTA BARBARA		SHEET NO.
Waterfront Department		2 of 2