

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: February 18, 2021
To: Harbor Commission
From: Mike Wiltshire, Waterfront Director
Subject: **Proposed Office Lease Agreement With Epic Cruises, Inc.**

RECOMMENDATION:

That Harbor Commission review and recommend to the City Council approval of a three-year lease agreement and two, one-year options with Epic Cruises, Inc., at an initial base rent of \$600.00 per month, for the office space located at 125 Harbor Way #14.

DISCUSSION:

Epic Cruises, Inc. is a family-owned and operated, local business that has been part of the Waterfront community for nearly two decades. Epic Cruises currently operates Azure Seas (luxury yacht), Whisper, and Lil' Toot through various lease and license agreements with the Waterfront Department.

Epic Cruises, Inc. was selected by the Harbor Commission at their January 21, 2021, meeting as the most appropriate business to lease the office space located at 125 Harbor Way #14 as part of a competitive Request for Proposal process. The RFP process included advertising and mailings to over 150 current tenants and interested parties. Epic Cruises, Inc. has outstanding credit and continues to grow their business even through the COVID-19 pandemic. Having a formal office to conduct business will allow Epic Cruises, Inc., to continue to grow their business in the coming years.

The business terms of the proposed lease are as follows:

- **Term:** Three-year initial term and two, one-year options;
- **Base Rent:** \$600.00 per month;
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI); and,
- **Permitted Uses:** Office space for Epic Cruises, Inc.

Epic Cruises, Inc. is considered a tenant in good standing as there are no outstanding default notices on file and rent payments have been prompt. A copy of the proposed

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lease agreement is available for review at the Waterfront Department Administration Office.

Attachments Site Map of Proposed Lease Space

Prepared by: Brian J. Bosse, Waterfront Business Manager