

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: April 15, 2021
To: Harbor Commission
From: Mike Wiltshire, Waterfront Director
Subject: **Proposed Lease Agreement With Blue Water Hunter**

RECOMMENDATION:

That Harbor Commission review and recommend City Council approval of a five-year lease agreement with Jethro Acosta, a Sole Proprietor, doing business as Blue Water Hunter, at an initial base rent of \$2,719.10 per month, for the 878 square foot lease space located at 117-D Harbor Way.

DISCUSSION:

Blue Water Hunter has been a staple of the Harbor Community since the early 2000s. In September 2019, the lease was transferred to Mr. Jethro Acosta. Mr. Acosta is an experienced local waterman, who began diving when he was nine years old, has been SCUBA certified since 1989, and had been a regular customer of Blue Water Hunter since it was located in Goleta. Mr. Acosta brings a lifetime of spearfishing and SCUBA experience to Blue Water Hunter, and can assist the beginner through the expert with local knowledge, trip ideas, and everything else one needs to have a great spearfishing and diving experience.

The 878 square feet of commercial space is located at 117-D Harbor Way (site map attached). Since assuming the lease over the past 18 months ago, Mr. Acosta has significantly improved the lease space by updating the interior and offering an expanded selection of products. Mr. Acosta continues to make improvements to the business positioning it as the premiere dive shop in the Santa Barbara area. To that end, even in the face of a global pandemic, Mr. Acosta increased sales from Calendar Year 2019 to Calendar Year 2020 by over 130%, a testament to the various improvements, expanding sales items, and his business acumen.

The business terms of the proposed lease are as follows:

- **Term:** Five-year term
- **Base Rent:** Initial rate of \$2,719.10 per month
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Percentage Rent:** Varies depending on type of sales activity

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Blue Water Hunter 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: Site Map

Prepared by: Brian J. Bosse, Waterfront Business Manager

