

**CITY OF SANTA BARBARA  
REQUEST FOR PROPOSAL  
FOR  
COMMERCIAL LEASE SPACE AT THE  
SANTA BARBARA HARBOR**

**COMMERCIAL LEASE AT 117-G HARBOR WAY, AT THE SANTA BARBARA  
HARBOR**

**Proposal Deadline: 3:00 PM, Monday, May 4, 2015.**

**I. INTRODUCTION**

The City of Santa Barbara / Waterfront Department is seeking persons and business entities that are interested in leasing space at 117-G Harbor Way in the Harbor Commercial Area. 117-G Harbor Way consists of approximately 500 square feet of first floor space (Attachment 1).

The space at 117-G Harbor Way was used as a marine hardware and supply store for over 25 years. Due to leasing guidelines described in the Harbor Master Plan and City Zoning Ordinance, leasing priority will be applied as follows: 1<sup>st</sup> Priority: ocean-dependent business, 2<sup>nd</sup> Priority: ocean-related business, and 3<sup>rd</sup> Priority: visitor-serving business.

**Please note: A food service facility will not be considered for this location.**

The Santa Barbara Harbor is the only sheltered harbor on the West Coast between the Port of San Luis, 100 miles to the north, and Ventura Harbor, 27 miles to the southeast. The Harbor has approximately 1,140 boat slips. Existing businesses in the Harbor Commercial Area include a fish market, a boatyard, boat charter operators (fishing, diving, whale watching, etc), convenience stores, a dive shop, fuel dock, marine equipment suppliers, a Maritime Museum, marine-related offices, seven restaurant/food service establishments, the Santa Barbara Yacht Club and yacht brokers. Gross sales generated by businesses in the Harbor Commercial Area were in excess of \$24,715,000 in 2013 and \$25,911,000 in 2014.

**Business Terms**

Following the selection of a proposal, the Waterfront Department will negotiate a lease agreement with the selected party based on the following terms. The lease agreement will be subject to the review and approval of the Harbor Commission and City Council.

1. **Proposed Term:** Five years, possibly more depending on level of investment in the facility.

2. **Proposed Minimum Monthly Rent:** Approximately \$1,200.00 per month. Base Rent may vary depending on the business use. Rent will be subject to annual CPI adjustment. Please note that all utilities are paid by tenant. There is gas and electrical service to the unit's meters but there is no water and no sewer service.
3. **Proposed Percentage Rent:** The base rent, or four to ten percent of gross sales, whichever is greater. Percentage Rent may or may not apply depending on the business use.
4. **Required Personal Guarantee:** The City's standard personal guarantee will be required if the lease will be with a corporation or Limited Liability Company.
5. **Required Insurance:** Property, business interruption insurance for one year and General Liability insurance at the City's standard limits of \$2,000,000 will be required.

A sample lease agreement is available for review on the Waterfront Department website at <http://www.santabarbaraca.gov/gov/depts/waterfront>. Copies are available for \$0.20 per page. It is the responsibility of the applicant to review the lease agreement, examine the economic environment, and make such further investigations as are necessary or appropriate to ensure that the nature of the undertaking and the obligations to be assumed by the applicant are fully understood.

## **II. PROPOSAL CONTENTS**

### **General**

All proposals should include, at a minimum, the information described in the following section. The inclusion of any additional information that will assist in the evaluation is encouraged.

### **Business Concept: (Please answer each numbered item.)**

1. Submit a detailed description of the ocean-dependent business, ocean-related business, or visitor-serving business concept including services to be provided.
2. Indicate the preferred lease term and the proposed base rent and percentage rent, if applicable.
3. Include a tentative plan for the space, including a sketch of key design elements. If applicable, provide a cost estimate and a time line for remodeling the space.
4. Provide the proposed hours of operation and any seasonal variations.
5. Identify if the business is a new venture, or an established business.

### **Applicant Information**

6. Provide contact information including name, address and phone number.
7. Indicate business entity, for example, Sole Proprietor, Partnership, Corporation, etc.
8. List corporate officers (if applicable).
9. Indicate the length of time and locations at which the applicant has operated this type of business.
10. Provide contact information for three (3) business references and a current or most recent Landlord reference.

### **Financial Information**

11. Submit a financial statement indicating total net worth. These statements should correspond to the most recent full calendar or fiscal year.
12. Provide a minimum of three credit references.
13. Indicate if the applicant is involved in any litigation or other disputes that could affect its ability to fulfill the terms of a commercial lease.
14. Submit any other documents or reports that would assist in determining the financial condition of the applicant.
15. A credit check and/or background check will be required. Authorization to release information is attached.
16. Any omissions, whether willful or not, may disqualify applicant.

### **III. DISCLOSURES**

The City will provide the location “as-is”. All remodeling/improvements require approval by the Waterfront Director and a building permit if applicable. The tenant shall bear the costs of all design, review, planning, permitting and any other approval processes required for remodeling the space.

### **IV. PROPOSAL EVALUATION**

#### **Evaluation Process and Criteria for Evaluation**

Specific criteria have been established to assist the City in the evaluation of the proposals. The selection panel may use additional criteria that they deem to be significant in choosing the best proposal.

1. Business Plan / Description- 40 points
  - Days/ Hours of operation
  - Proposed rent
  - Services provided
2. Management – 30 points
  - Company history & experience
3. Financial Information – 30 points
  - Financial statement
  - Credit check

The Waterfront Department will select the most responsive and most responsible proposer whose consideration, experience, and qualifications correspond best with the Harbor Master Plan and the City's interests.

Proposals will also be evaluated according to the proposed business's compatibility with the existing businesses in the area. Proposals that complement or diversify existing uses in the area will be given priority over proposals that may compete with existing uses.

### **Additional Information from Proposers**

The Waterfront Department reserves the right to request information from proposers beyond that specified in the request for proposal. Proposers may or may not be requested to appear before the selection committee.

### **Qualifications of Proposal**

This is not a bid solicitation and the Waterfront Department is not obligated to accept any proposal or to negotiate with any proposer. The selection committee reserves the right to reject any or all proposals without cause or liability.

## **Submission Requirements**

Four copies of the proposal must be **received** at the Waterfront Department no later than **3:00 P.M. on Monday, May 4<sup>th</sup>, 2015** regardless of postmark or date mailed. Proposals must be mailed or delivered to:

City of Santa Barbara Waterfront Department  
132-A Harbor Way  
Santa Barbara, CA 93109  
Attention: Patrick Henry

## **Contact Person**

Please contact Patrick Henry, Property Management Specialist, at (805) 897-1961 with any questions regarding this Request for Proposals.

## **Materials Available for Review**

1. All appropriate materials are available on the Waterfront Department's website at: <http://www.santabarbaraca.gov/gov/depts/waterfront/default.asp>
2. The Harbor Master Plan is available for review on the Waterfront Department website at: <http://www.santabarbaraca.gov/gov/depts/waterfront/admin/biz.asp>

## **V. PUBLIC INFORMATION NOTICE**

All information received from proposers will be considered confidential during the review process. When the selection committee completes the review, the committee will recommend selection or another action to the Harbor Commission and City Council. At that point, all information, except that information defined below as excluded, will be treated as public information and made available upon request for review to the other proposers and the public.

All excluded information which contains financial information such as assets, net worth, credit rating/credit report, and information from the selection process such as ratings sheets and other notes made during the evaluation process, will be treated as confidential information by the City and will not be made available to public review or to other proposing parties.

- Attachments:
1. Site plan
  2. Authorization to Release Information
  3. Harbor Master Plan lease policy DEP-3

**ATTACHMENT 1:**  
**Site Plan**

**ATTACHMENT 2:**  
**AUTHORIZATION TO RELEASE INFORMATION**

To Whom It May Concern:

1. I have applied for a Lease from the City of Santa Barbara, Waterfront Department. As part of the Lease process, the Waterfront Department may verify information contained in my application and in other documents required with the Lease, either before the Lease is executed or as part of its quality control program.
2. I authorize you to provide to the Waterfront Department, all information and documentation that they request. Such information includes, but is not limited to, Landlord/Tenant history, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. The Waterfront Department may address this authorization to any party named in the Lease application, and a copy of this authorization may be accepted as an original.
4. Your prompt reply to the Waterfront Department is appreciated.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Business Name

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Full Legal Name

\_\_\_\_\_  
Date of Birth

Please return the requested  
Information to:

\_\_\_\_\_  
Address

City Of Santa Barbara  
Waterfront Department  
Attention: Patrick Henry  
132 A Harbor Way  
Santa Barbara, CA 93109  
TEL: 805/897-1961  
FAX: 805/897-2588

\_\_\_\_\_  
Previous Address (If at present address  
less than 5 years)

\_\_\_\_\_  
Social Security/Federal Tax ID Number

**ATTACHMENT 3:**  
**Harbor Master Plan Lease Policy DEP-3**

Harbor Master Plan  
Policy DEP-3

New leases, renewed leases, or projects that require a Coastal Development Permit shall be found to be consistent with the following Harbor Area Policies:

- a. The first priority is to provide essential supplies and services to the boating public to include recreational boaters, commercial fishing, industrial shipping and rescue vessels;
- b. The second priority is to raise optimum revenue to assist in the operation and maintenance of the Harbor to preclude all costs having to be borne by the boating public;
- c. The third priority is to provide passive recreational opportunities and an aesthetic waterfront for the enjoyment of the general public;
- d. The fourth priority is to provide an opportunity for non-profit marine oriented individuals, groups and associations to benefit from the physical plant of the Harbor as long as they pay the incremental cash cost of their operation, or the same rental as would be gained if the facilities devoted to their operation were leased to a higher priority goal function; and
- e. In any event, the following leases and uses shall be precluded: those which provide supplies or services tending towards a carnival atmosphere, nonmarine sports, nonmarine oriented business offices, or public services which can equally be served outside of the Tidelands Area.