



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 4, 2012

**TO:** Mayor and Councilmembers

**FROM:** Business Division, Waterfront Department

**SUBJECT:** Lease Amendment With Santa Barbara Shellfish Company

### **RECOMMENDATION:**

That Council approve an amendment to Lease Agreement No. 19,694, Santa Barbara Shellfish Company, which adds the City's standard financing provision to the lease in order to facilitate refinancing of the 1,160 square foot restaurant located at 230 Stearns Wharf.

### **DISCUSSION:**

Santa Barbara Shellfish Company, Inc., (SBSC) has leased space on Stearns Wharf since the Wharf was acquired by the City and redeveloped in the 1980's. The current lease commenced in September 1999 and expires in September 2017. The base rent is an average of \$13,762 per month, allocated seasonally, or 10% of gross sales, whichever is greater. The base rent is subject to annual cost of living increases based on the Consumer Price Index. Santa Barbara Shellfish is considered a tenant in good standing by the Waterfront Department as they have no outstanding default notices on file and have been prompt with rent payments.

In October, Adam White, co-owner of SBSC, contacted the Department about refinancing a business loan. The amendment will allow the lender to encumber the lease as collateral, with certain limitations. For example, the Landlord must be notified in event of default on the loan and be given the opportunity to cure the default. Similarly, the Department must notify the lender of any default on the lease. In the event of foreclosure, the Landlord has the right to buy the lease back from the lender. Additionally, if the lender assigns the lease to a new operator following a foreclosure, the Landlord retains the right to approve the new operator.

The City's financing provision is consistent with other Waterfront Department tenants including Santa Barbara Sailing Center, the Harbor Restaurant, and Chuck's Waterfront Grill. No other changes to the business terms of the lease are proposed as part of this lease amendment.

The Harbor Commission recommended approval of the lease amendment at its November 15, 2012, meeting.

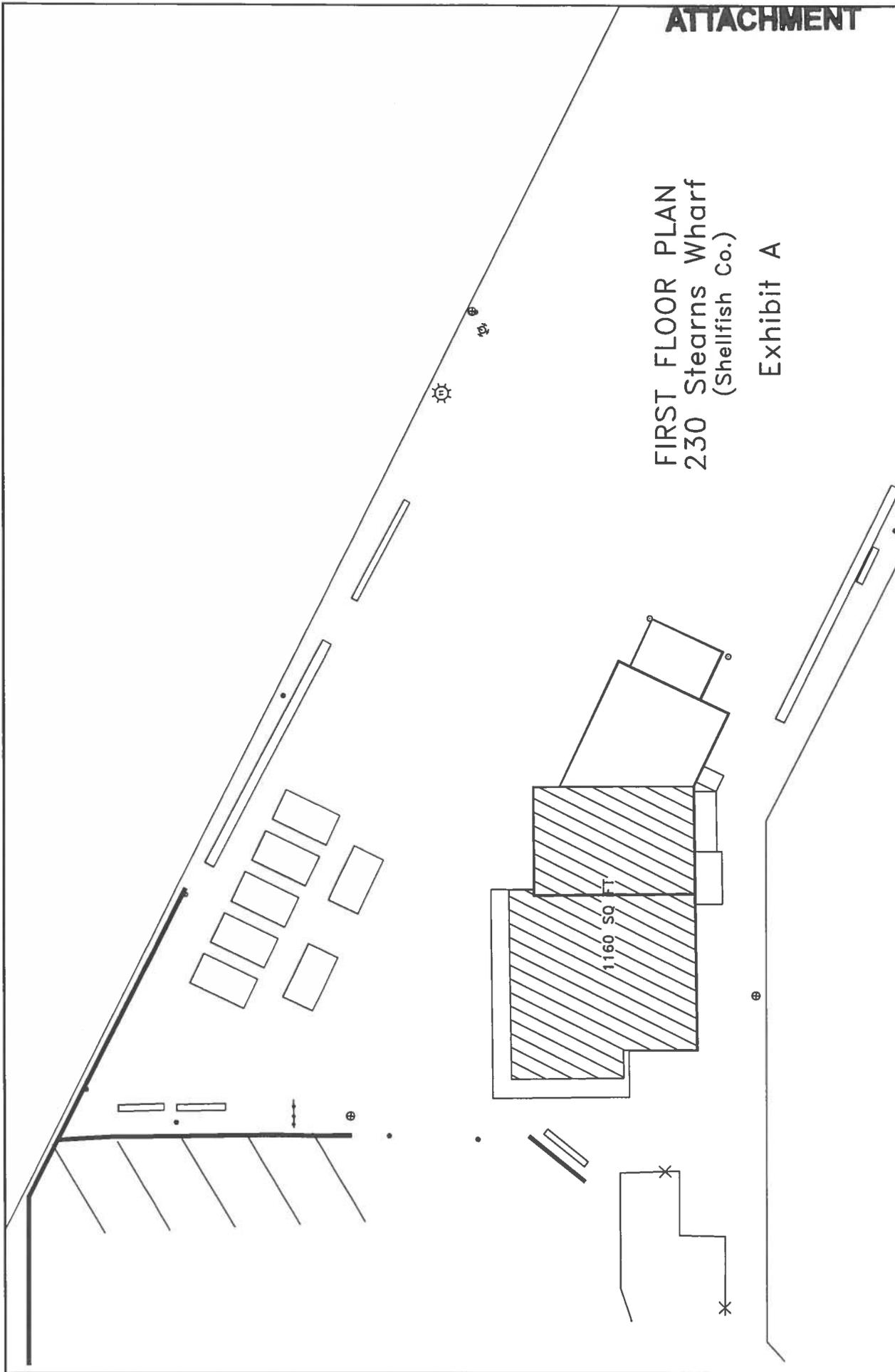
**ATTACHMENT:** Site Plan

**PREPARED BY:** Brian Bosse, Waterfront Business Manager

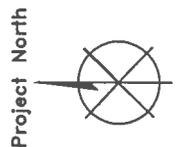
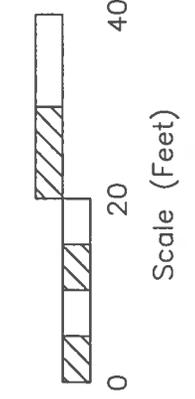
**APPROVED BY:** City Administrator's Office

FIRST FLOOR PLAN  
230 Stearns Wharf  
(Shellfish Co.)

Exhibit A



REVISIONS



Santa Barbara Shellfish  
Lease Area Exhibit 'A'

DATE	1-1	REVISED BY	T. Matlovyak
DATE	09/16/1988	PROJECT NO.	230 Stearns Wharf
		CITY OF	Santa Barbara
		DEPARTMENT	Waterfront Department
		SHEET NO.	1 of 1