



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 5, 2014

TO: Mayor and Councilmembers

FROM: Business Division, Waterfront Department

SUBJECT: Introduction Of Ordinance For An Amendment To Lease Agreement No. 23,564 With Conway Vineyards, Inc.

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving Amendment One to Lease Agreement No. 23,564 with Conway Vineyards, Inc., at an Average Initial Base Rent of \$4,302.02 Per Month, Allocated Seasonally, or 10% of Gross Sales, Whichever is Greater, Effective October 9, 2014, and Continuing for the Remainder of the Lease Term of Five Years, With Two Five-Year Extension Options.

DISCUSSION:

Conway Vineyards, Inc. has leased space on Stearns Wharf since October of 2010 and the current lease expires on November 30, 2025, leaving 11 years remaining on the lease agreement. The current base rent is \$4,302.02 per month, 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.

In May, Chris Conway, owner of Conway Vineyards, Inc., contacted the Department about amending the lease to a seasonal rent basis versus the current allocation that evenly splits the lease rate (\$4,302) among the twelve months for a total of \$51,624. The proposed seasonal rate structure would be as follows:

Month	Base Rent	%
January	\$ 3,437.49	6.659
February	\$ 3,437.49	6.659
March	\$ 3,437.49	6.659
April	\$ 3,437.49	6.659
May	\$ 5,166.53	10.008
June	\$ 5,166.53	10.008
July	\$ 5,166.53	10.008
August	\$ 5,166.53	10.008
September	\$ 5,166.53	10.008
October	\$ 5,166.53	10.008
November	\$ 3,437.49	6.659
December	\$ 3,437.49	6.659
Total	\$ 51,624.00	100.000

No other changes to the business terms of the lease are proposed as part of this lease amendment.

Conway Vineyards, Inc. 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.

The Harbor Commission recommended that the City Council approve lease amendment one to Lease Agreement No. 23,564, with Conway Vineyards, Inc. at their July 17, 2014, meeting.

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office