



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 30, 2015

TO: Mayor and Councilmembers

FROM: Business Division, Waterfront Department

SUBJECT: Assignment Of Lease Agreement No. 23,408 – Ocean Aire Electronics

RECOMMENDATION:

That Council approve the assignment of Lease Agreement No. 23,408 from Doug Chessmore, d.b.a. Ocean Aire Electronics, to Jon Payne, for the 339 square-foot retail space located at 125 Harbor Way, Suite #7, at a monthly rent of \$1,085.

DISCUSSION:

Doug Chessmore has owned and operated Ocean Aire Electronics (Ocean Aire) for 29 years. The base rent is currently \$1,085.85 (\$3.20/square foot), subject to annual Cost of Living increases based on the Consumer Price Index. The lease also includes variable percentage rent provisions (1% - 10%) based on the type of service being provided. The use of the site is limited to sales and service of marine motors, electronics, and hardware.

Earlier this month, Mr. Chessmore requested to assign the lease to Jon Payne. Mr. Payne has been in the maritime industry for over 20 years including the past 15 years as the owner of Mobius Rigging. The Department has reviewed Mr. Payne's credit and received the \$3,000 lease assignment review fee, financial information, and other documentation relevant to the transaction. Mr. Payne's business concept can be found in Attachment 2.

The current owner, Mr. Chessmore, is considered a tenant in good standing for the purpose of assigning the lease since he has no default notices on file and is prompt with rent payments.

In accordance with the Department's lease assignment procedure, no changes to the business terms of the lease will occur as part of this lease assignment. Ocean Aire Electronics, under Mr. Payne, will continue to provide sales and service of marine motors, electronics, and hardware. The Harbor Commission recommended approval of the lease assignment during its meeting on June 18, 2015.

ATTACHMENTS: 1. Ocean Air Site Plan
2. Jon Payne's Business Plan

PREPARED BY: Brian Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office

June 8, 2015

Ocean Aire Electronics : Assignment of Lease Agreement

Business Concept

Mr. Doug Chessmore has operated Ocean Aire Electronics [OAE] from 125 Harbor Way, Suite #7, since 1986 and has amassed an impressive array of marine electronics vendors and service offerings.

Mr. Jon Payne, currently operating the BAP "Mobius Rigging," intends to acquire from Mr. Chessmore the lease assignment for Ocean Aire Electronics and has established the sole proprietorship DBA "Ocean Aire" and intends to carry the name forward in this location and continue offering as many existing vendor product lines and service offerings as possible. Furthermore Mr. Payne intends to expand these product lines and service offerings to meet the growing demand for technological advancements in marine electronics and ancillary fields. While Mr. Payne has been operating as a rigging concern in name for many years, he and his team have amassed considerable expertise in the marine electronics field and are currently engaged in a number of state of the art electronics and electrical installations. Extensive recommendations in this regard are available upon request.

Mr. Chessmore has agreed to remain available for a determined time period as both a technical advisor and an installation specialist in order to facilitate a smooth transition between business owners. Especially as it pertains to critical services such as National Marine Fisheries Service Vessel Monitoring Systems, [VMS] Automatic Identification Systems [AIS] and Emergency Position-Indicating Radio Beacon [EPIRB] service, our aim is to provide uninterrupted sales and services of these specific items that will meet or exceed current expectations.

Jon Payne
Mobius Rigging
805 708-2427

June 8, 2015

Ocean Aire Electronics : Assignment of Lease Agreement

Details

1. Business name*, phone number and operating hours and practices will remain unchanged. [*Ocean Aire Electronics will become "Ocean Aire"]

As possible, existing dealerships, service and warranty contracts will be formally transferred.

2. A high priority will be placed on refreshing the physical manifestation of the location as time allows with the advent of our busiest season.

Goals:

- clean up the exterior by removing stickers and signage in and on the windows
- re-activate window in SW corner
- updating of office furniture and display cases
- update of office electronics and computers
- removal of back stock of parts and accessories
- removal of carpet, replace with either brushed concrete or hardwood floors
- removal or movement of interior wall (longer term)
- interior paint
- ceiling repair – water damage evident
- build a website