



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 21, 2015

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Proposed Lease Agreement With The Santa Barbara Sailing Club

RECOMMENDATION:

That City Council Approve a Five-Year Lease Agreement with the Santa Barbara Sailing Club for 8,677 square feet of dry boat storage area in the Santa Barbara Harbor at a Monthly Rate of \$1,600.

DISCUSSION:

The Santa Barbara Sailing Club has maintained dry boat storage space in the Santa Barbara Harbor for many years. The Club itself was established in 1959 as the Santa Barbara Sailing Association and in 1969, was incorporated and officially changed their name to the Santa Barbara Sailing Club. The 8,677 square feet of leased storage space (see Attachment) can accommodate up to approximately 20 sail boats that range in size from ten feet to 27-feet.

The basic terms of the proposed lease agreement are summarized as follows:

- **Term:** Five-year term.
- **Base Rent:** The lease rate will be \$1,600 at lease commencement and will increase by 2.5% the first two years or by the Consumer Price Index, whichever is the greater of the two numbers. In the final two years of the lease term the rate will increase by 3% or by the Consumer Price Index, whichever is the greater of the two numbers. The lease structure is as follows:

Initial Rate:	\$1,600 per month
April 1, 2016:	\$1,640 - a 2.5% increase or by CPI, whichever is greater
April 1, 2017:	\$1,681 - a 2.5% increase or by CPI, whichever is greater
April 1, 2018:	\$1,731 - a 3.0% increase or by CPI, whichever is greater
April 1, 2019:	\$1,783 - a 3.0% increase or by CPI, whichever is greater

- **Site:** Lease site shall be an 8,677 square feet of dry boat storage area in the Santa Barbara Harbor.

- **Insurance:** Lessee shall maintain a general liability insurance policy in the amount of \$2,000,000.

All other terms and conditions are similar to the previous lease agreement. For example, the proposed agreement includes a clause that will permit the City to relocate the dry boat storage area to a comparable location in the harbor, provided that such relocation shall be at Landlord's expense and the new site shall be of similar size and configuration necessary for its intended uses. However, staff does not foresee a situation that would require relocation of the space.

The Santa Barbara Sailing Club has been prompt with payments and has successfully operated at the current dry boat storage yard for many years. The tenant is in good standing with the Department and holds many successful community sailing events each year.

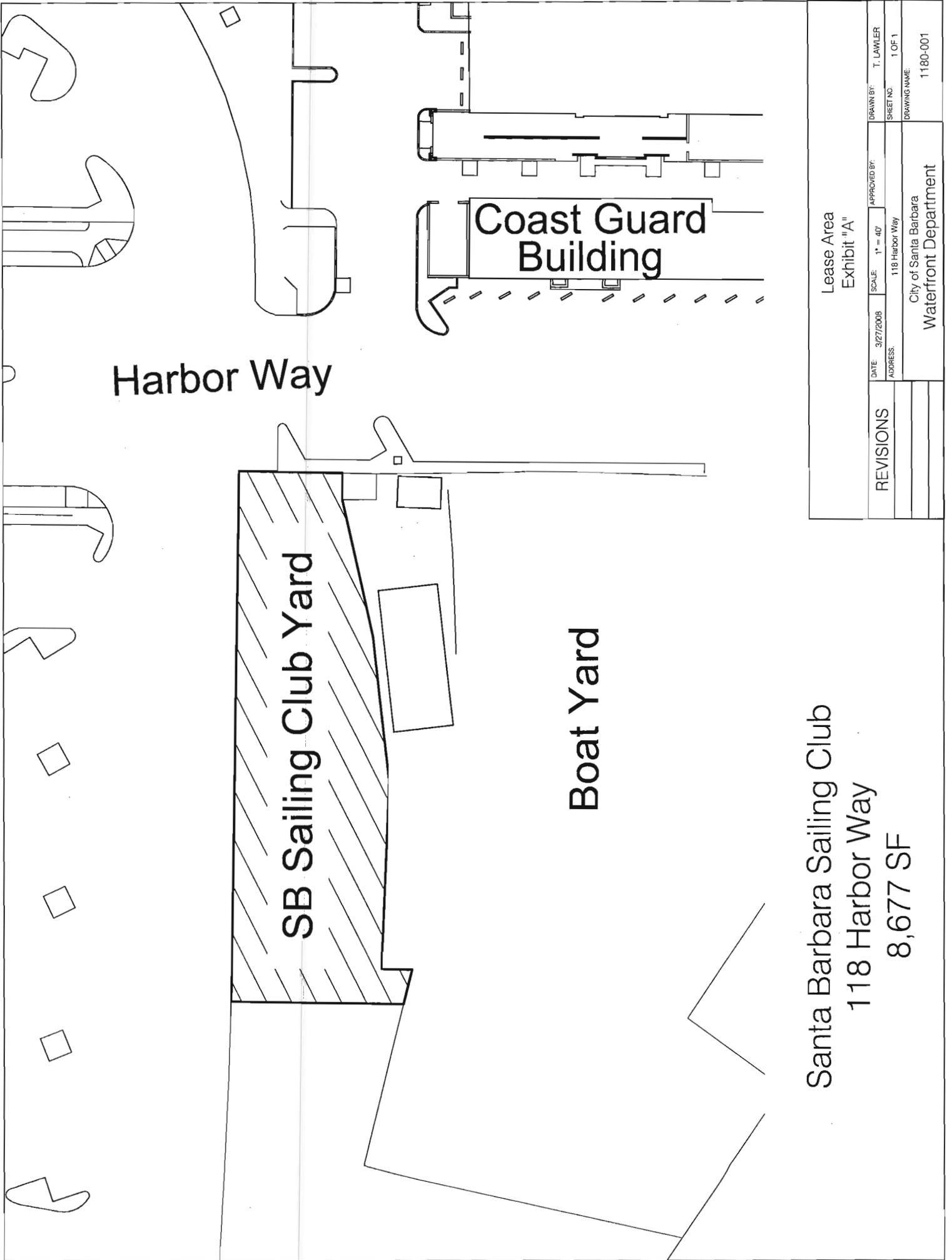
The Harbor Commission recommended that the City Council approve the lease agreement at their May 21, 2015, meeting. A copy of the lease is available for review at the Waterfront Administration office and the City Clerk's Office.

ATTACHMENT: Santa Barbara Sailing Club Proposed Lease Area

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



Santa Barbara Sailing Club
 118 Harbor Way
 8,677 SF

Lease Area
 Exhibit "A"

REVISIONS	DATE	3/27/2008	SCALE	1" = 40'	APPROVED BY:	DRAWN BY:	T. LAWLER
	ADDRESS:	118 Harbor Way				SHEET NO.	1 OF 1
		City of Santa Barbara				DRAWING NAME:	1180-001
		Waterfront Department					