



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 7, 2016

**TO:** Mayor and Councilmembers

**FROM:** Business Services Division, Waterfront Department

**SUBJECT:** Introduction Of Ordinance For A Lease Agreement With Old Wharf Trading Company

### RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Five-Year Lease Agreement with One Five-Year Option with Stearns Wharf, Inc., a California Corporation, Doing Business as Old Wharf Trading Company, at an Average Initial Base Rent of \$13,278 Per Month, Adjusted Seasonally, for the 2,369 Square Foot Space Located at 217 Stearns Wharf, Suites A, B, and D.

### DISCUSSION:

Patrick Hartmann has operated Old Wharf Trading Company since assuming the lease through a lease assignment process in April 2006. Originally two leases with adjoining space, the leases were merged into one to simplify revenue reporting and percentage rent tracking in late-2011. The current lease will expire on November 30, 2016.

The business terms of the proposed lease are as follows:

- **Term:** Five-year initial term with one five-year option.
- **Base Rent:** An average of \$13,278 per month, adjusted seasonally.
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI).
- **Percentage Rent:** 10% of Tenant's Gross Receipts.

Old Wharf Trading Company is considered by the Department to be a tenant in good standing as they are always prompt with rent payments, are active members of the Stearns Wharf Business Association, and have no lease compliance problems on file.

The Harbor Commission recommended that the City Council approve the lease agreement at their May 19, 2016, meeting. A copy of the lease is available for review at the Waterfront Administration office.

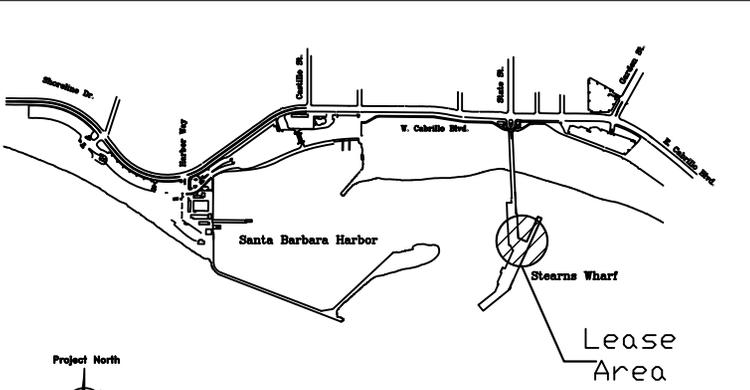
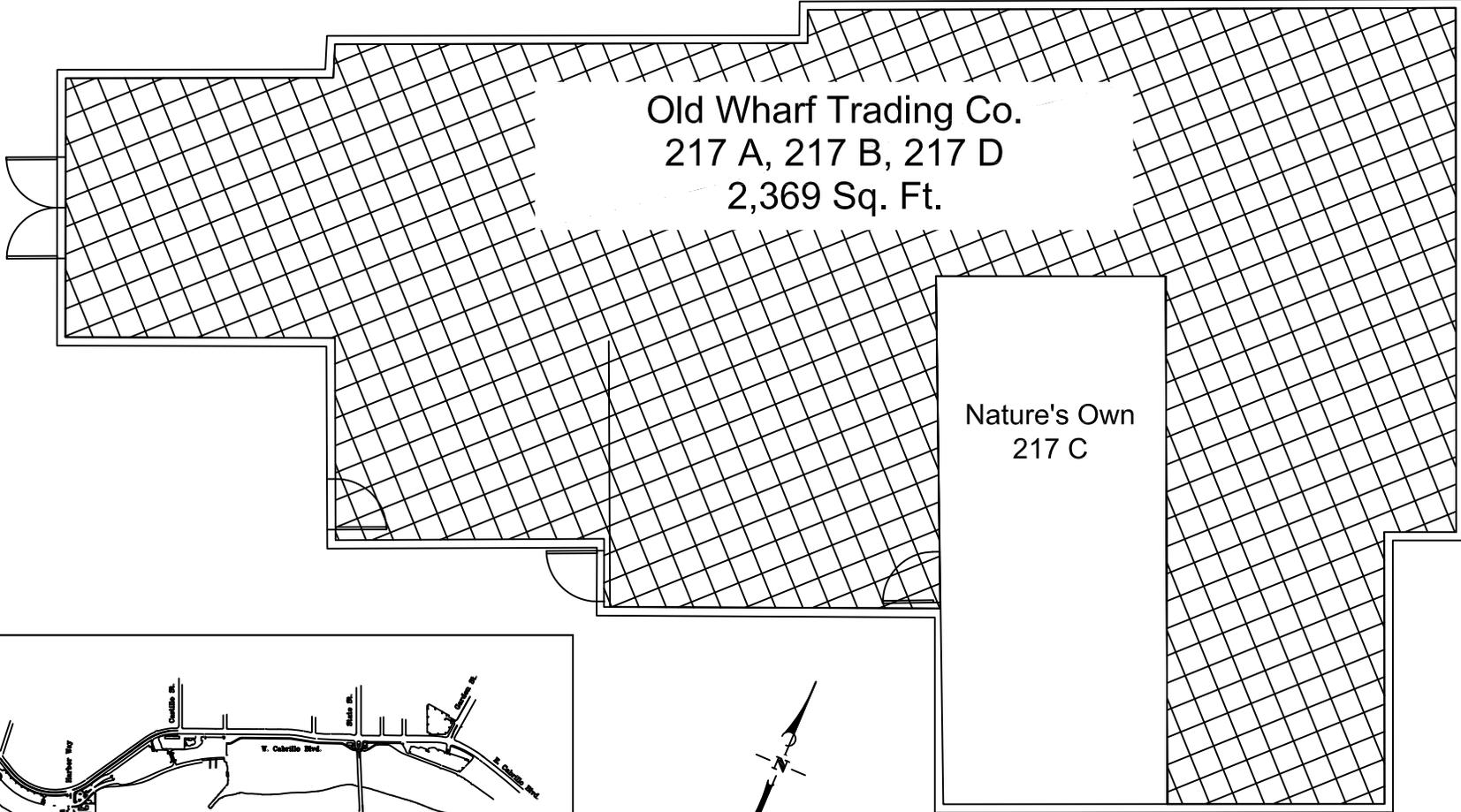
**ATTACHMENT:** Lease Area

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

**SUBMITTED BY:** Scott Riedman, Waterfront Director

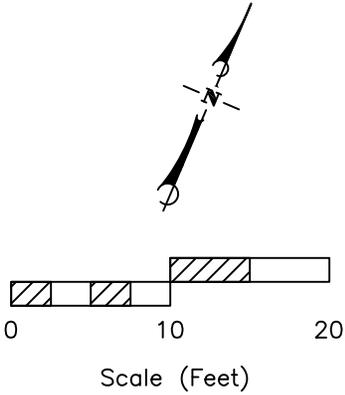
**APPROVED BY:** City Administrator's Office

# Old Wharf Building 217 Stearns Wharf First Floor Plan



**HARBOR VICINITY**

NTS



<b>Old Wharf Trading Co. Exhibit "A" Lease Area</b>			
<b>REVISIONS</b>	DATE: 3/13/2006	APPROVED BY: S. Riedman	DRAWN BY: T. Lawler
	ADDRESS: 217 Stearns Wharf		SHEET NO. 1 of 1
	City of Santa Barbara Waterfront Department		DRAWING NO. 2170-011