



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 16, 2010
TO: Mayor and Councilmembers
FROM: Business Division, Waterfront Department
SUBJECT: Five-Year Lease Agreement With Santa Barbara Chamber Of Commerce

RECOMMENDATION:

That Council approve a five-year lease agreement with the Santa Barbara Chamber of Commerce for the 400 square-foot Visitor Center site at One Garden Street.

DISCUSSION:

The Chamber of Commerce Visitor Center (Visitor Center) has leased its site from the Waterfront Department since January 1988. The current lease will expire on January 31, 2010.

The lease specifies that the use of the site is primarily for a non-profit visitor information center, but also permits the sale of incidental items such as educational books, literature, periodicals, directories and logo shirts.

The Visitor Center also sells advertising space on the bulletin board behind the front counter and tickets for various visitor-related businesses such as the Santa Barbara Sailing Center and the Santa Barbara Trolley Company.

There is no base rent for the site. In lieu of monetary rent, the Visitor Center is required to be open to the public for a minimum of 11 a.m. to 2 p.m. daily, 360 days a year. The lease does, however, have a percentage rent requirement. The Visitor Center is required to pay 10% of gross sales in excess of \$70,000 in a year.

The Chamber is responsible for all maintenance, repair and staffing of the site, and the Waterfront Department has no maintenance responsibility and incurs no costs from the Visitor Center operation.

The basic terms of the proposed lease are as follows:

- **Term:** Five years
- **Base rent:** None (no change)
- **Percentage rent:** 10% of retail sales in excess of \$70,000 in a year
- **Exclusions from gross sales:** Sales of third party tickets such as the trolley tickets, and revenue from the advertising board.

The Visitor Center lease is intended to enable the Chamber to operate the Visitor Center as a public service, and has never been intended to be a revenue generator for the City. The Visitor Center is open from 9 a.m. to 6 p.m. in the summer and 9 a.m. to 4 p.m. in the winter. Visitor Center staff estimate that they served approximately 182,000 visitors in 2009.

The Harbor Commission recommended approval of the lease agreement at the January 21, 2010, meeting.

ATTACHMENT: Site Plan

PREPARED BY: Scott Riedman, Waterfront Business Manager

SUBMITTED BY: John N. Bridley, Waterfront Director

APPROVED BY: City Administrator's Office

