



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 7, 2010
TO: Mayor and Councilmembers
FROM: Business Division, Waterfront Department
SUBJECT: Assignment Of Lease Agreement No. 20,642/Paddle Sports Of Santa Barbara

RECOMMENDATION:

That Council approve the assignment of Lease Agreement No. 20,642, from Paddle Sports of Santa Barbara, Inc., to Channel Islands Outfitters, Inc., for the 956 square-foot retail store at 117-B Harbor Way.

BACKGROUND:

Mark Hyatt has leased the store at 117-B Harbor Way since July 2002 via his corporation Paddle Sports of Santa Barbara, Inc. The current lease expires on May 31, 2012. The base rent for Paddle Sports is currently \$2,625 per month (\$2.74/square foot). The base rent is subject to annual Cost of Living increases based on the Consumer Price Index. The lease contains a variety of percentage rent categories ranging from 1% to 10% of gross sales.

The permitted uses under the lease are kayak rentals, sales and demonstration of kayaks and equipment related to the sport of kayaking, a staging area for guided kayak trips, kayak instruction, the sale of clothing, sunscreen, sunglasses, sandals, surfboards and body boards. Paddle Sports also rents and sells stand up paddleboards, which have become very popular.

In October, Mark Hyatt requested to transfer the Paddle Sports lease to three of his managers and employees, Garrett Kababik, Fraser Kersey, and Johnny Dresser, who have formed the corporation Channel Islands Outfitters, Inc, doing business as Paddle Sports of Santa Barbara. The Department has received a credit check, the \$3,000 lease assignment review fee, financial information, a business plan including pro-forma revenue and expense projections, resumes, and other documentation relevant to the transaction.

Paddle Sports is considered a tenant in good standing by the Department as it has no default notices on file and has been prompt with rent payments. The business was audited successfully in July 2009.

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.

The Harbor Commission recommended approval of the lease assignment at the November 18, 2010, meeting.

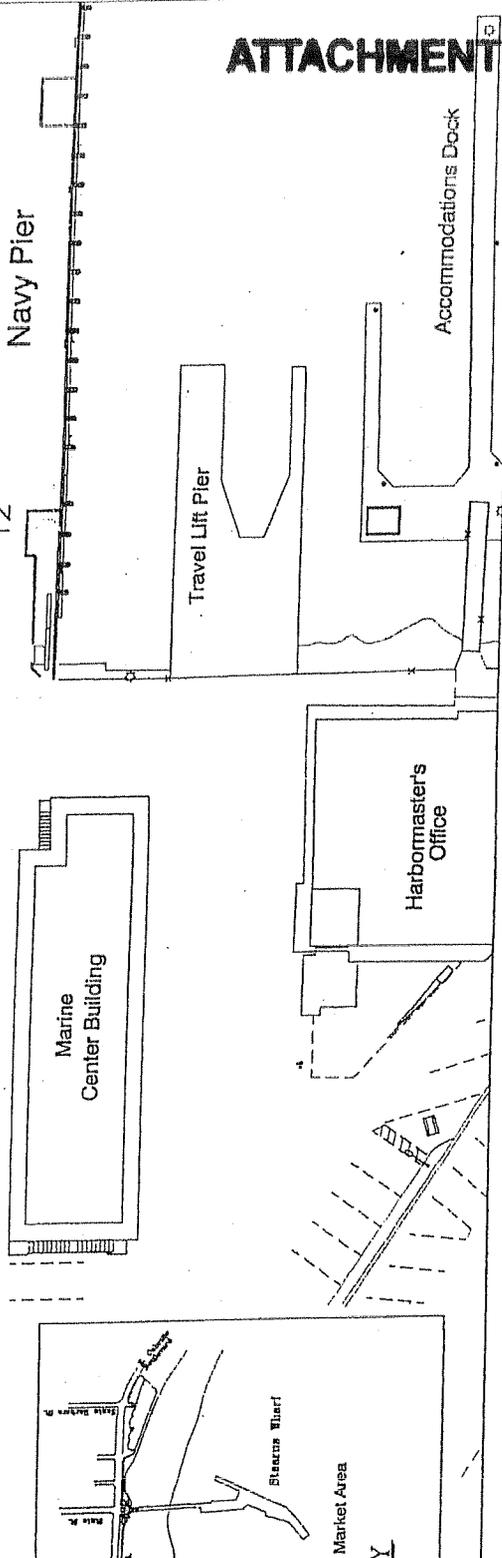
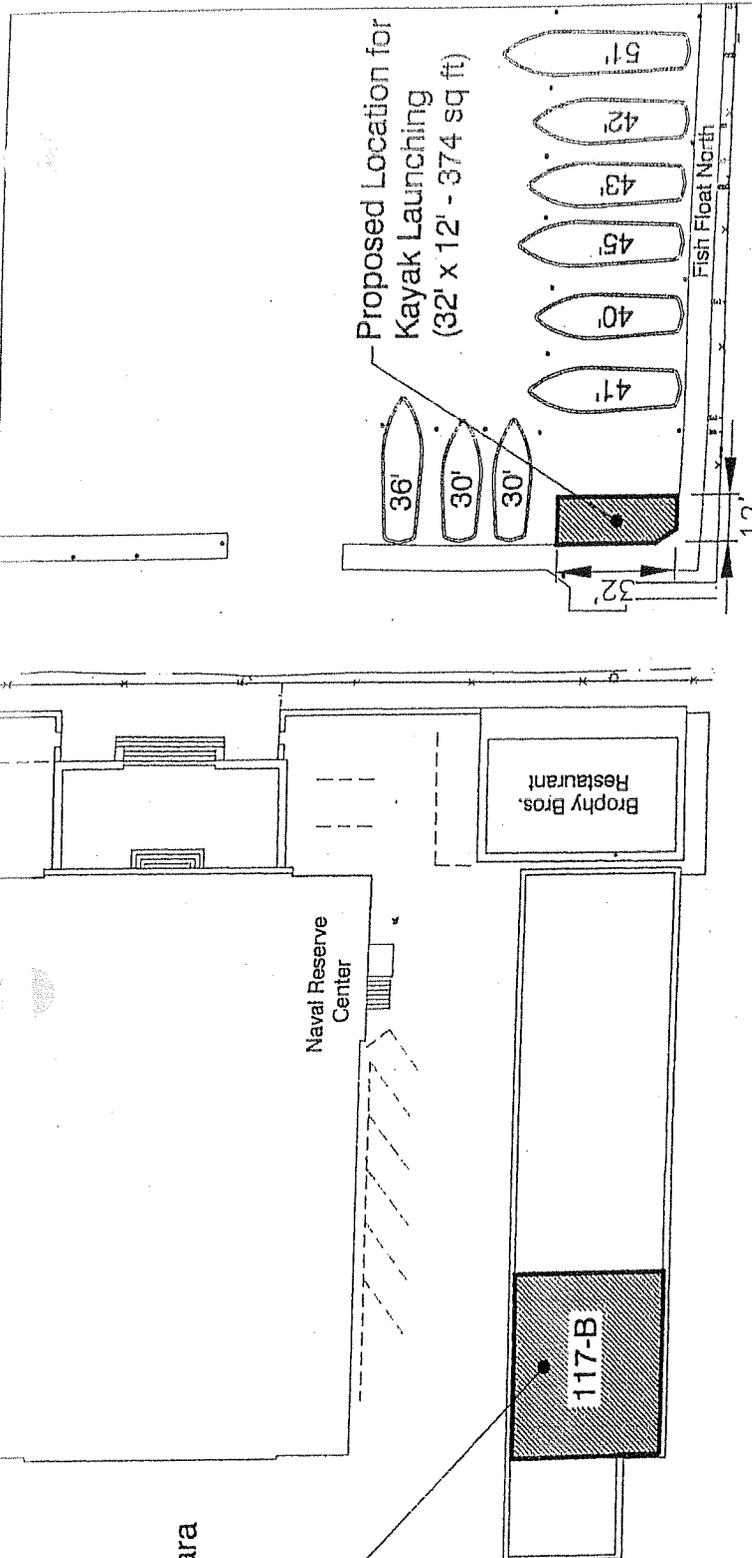
ATTACHMENT: Site Plan

PREPARED BY: Scott Riedman, Waterfront Business Manager

SUBMITTED BY: John N. Bridley, Waterfront Director

APPROVED BY: City Administrator's Office

addle Sports of Santa Barbara
 17-B Harbor Way
 floor Area - 956 SF



ATTACHMENT

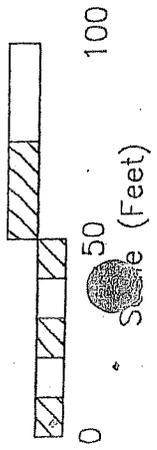
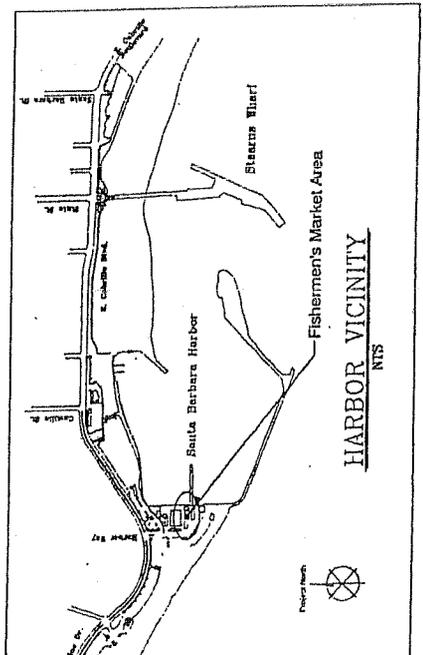


Exhibit "A" - Lease Area

REVISIONS	DATE	12.27.01	APPROVED BY	THAYRAN SF	MS HOES
	ADDRESS			Santa Barbara Harbor	3 of 3
				City of Santa Barbara	
				Waterfront Department	

Prop Use is Kayak Launch