



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 29, 2013

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Introduction Of Ordinance Amending Lease With Richones Inc., Doing Business As Chuck's Waterfront Grill, For Office Space At 113 Harbor Way

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving Lease Amendment Number One to Lease Number 23,328 with Richones Inc., Doing Business As Chuck's Waterfront Grill, for Office Space Located at 113 Harbor Way #145 and #150 at a Monthly Rate of \$2,519.

DISCUSSION:

In June, the National Oceanic and Atmospheric Administration relocated the majority of its local Channel Islands National Marine Sanctuary (CINMS) offices to a new building on the University of California Santa Barbara campus. CINMS reduced their overall office footprint in the Waterfront from 1,472 square feet (five offices and the kitchen) to 452 square feet consisting of two offices and the storage space. The resulting 1,020 square feet of office space consists of two offices of 864 square feet and 156 square feet.

The current Chuck's Waterfront Grill lease (Lease No. 23,328) gives the tenant the right of first refusal to any leasable space that becomes available in the Waterfront Center. Chuck's determined to exercise the option and lease the entire 1,020 square feet of office space at a rate of \$2.47 per square foot (same as the restaurant space) which amount has been added to the base rent under Chuck's lease. The square footage will also be added to Chuck's proportional share of Common Area Maintenance (CAM) expenses for the Waterfront Center Building.

The basic terms of the proposed Lease Amendment Number One are as follows:

- **Term:** twenty-seven years remaining on existing lease (expires 2040)
- **Base Rent:** average of \$20,890, allocated seasonally;
- **Percentage Rent:** 10% of gross sales or base rent whichever is greater; escalates to 11% of gross sales at \$3 million; and,
- **Annual Rent Adjustment:** Consumer Price Index

All other business terms of the lease remain unchanged.

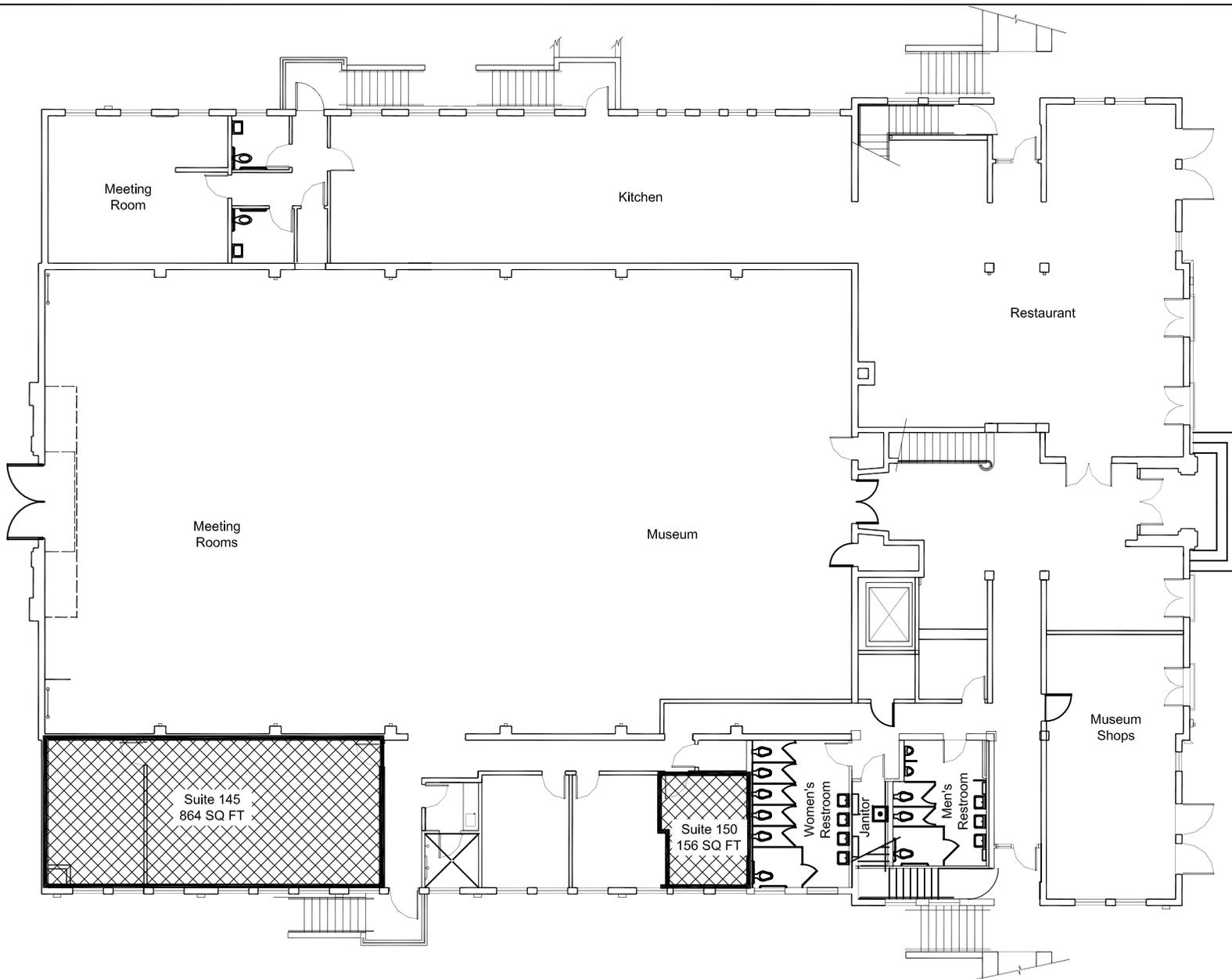
The Harbor Commission recommended that the City Council approve the lease agreement at their October 17, 2013, meeting.

ATTACHMENT: Lease Space

PREPARED BY: Brian Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office

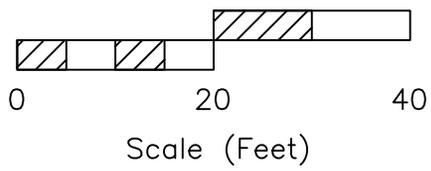


**OFFICE
LEASE AREA**

Suite 145	864 SQ FT
Suite 150	156 SQ FT
Total	1,020 SQ FT



FIRST FLOOR PLAN



<p>REVISIONS</p>	<p>Lease Area Exhibit A.1</p>		
	<p><small>DATE</small> AS NOTED</p>	<p><small>APPROVED BY:</small> S. Riedman</p>	<p><small>DRAWN BY:</small> T. Lawler</p>
	<p><small>DATE</small> 10/7/2013</p>	<p><small>ADDRESS</small> 113 Harbor Way</p>	<p><small>DRAWING NO.</small> 1130-117</p>
	<p>City of Santa Barbara</p>		<p>1 OF 1</p>
	<p>Waterfront Department</p>		