



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 8, 2015

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Introduction Of Ordinance For A Lease Agreement With Breakwater Restaurant

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 Two Five-Year Options Dated as of December 8, 2015, with Stephen and Sharon DeDecker, Doing Business As Breakwater Restaurant, at an Average Initial Base Rent of \$8,794.36 per Month, Allocated Seasonally, for the 4,053 Square Foot Restaurant Located at 107 Harbor Way, Effective January 15, 2016.

DISCUSSION:

Stephen and Sharon DeDecker have operated Breakwater restaurant located at 107 Harbor Way since 1998 when the lease was transferred to them. The previous owners had operated the Breakwater Restaurant since 1984. The current lease format is outdated and lacks current insurance requirements and lease assignment provisions, as well as maintenance and default clauses. The proposed lease modernizes those provisions and brings the lease into compliance with current City of Santa Barbara practices.

The business terms of the proposed lease are as follows:

- **Term:** Five-year initial term with two, five-year options.
- **Base Rent:** An average of \$ 8,794.36 per month allocated seasonally.
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI).
- **Percentage Rent:** Ten percent (10%) of Tenant's Gross Receipts up to and including \$1,250,000 and 11.4% of Tenant's Gross Receipts in excess of \$1,250,000 per calendar year.

The Breakwater Restaurant is considered a tenant in good standing by the Department as they have no outstanding default notices on file and have been prompt with rent payments.

The Harbor Commission recommended that the City Council approve the lease agreement at their November 19, 2015 meeting. A copy of the lease is available for review at the Waterfront Administration office.

ATTACHMENT: Site Plan

PREPARED BY: Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office

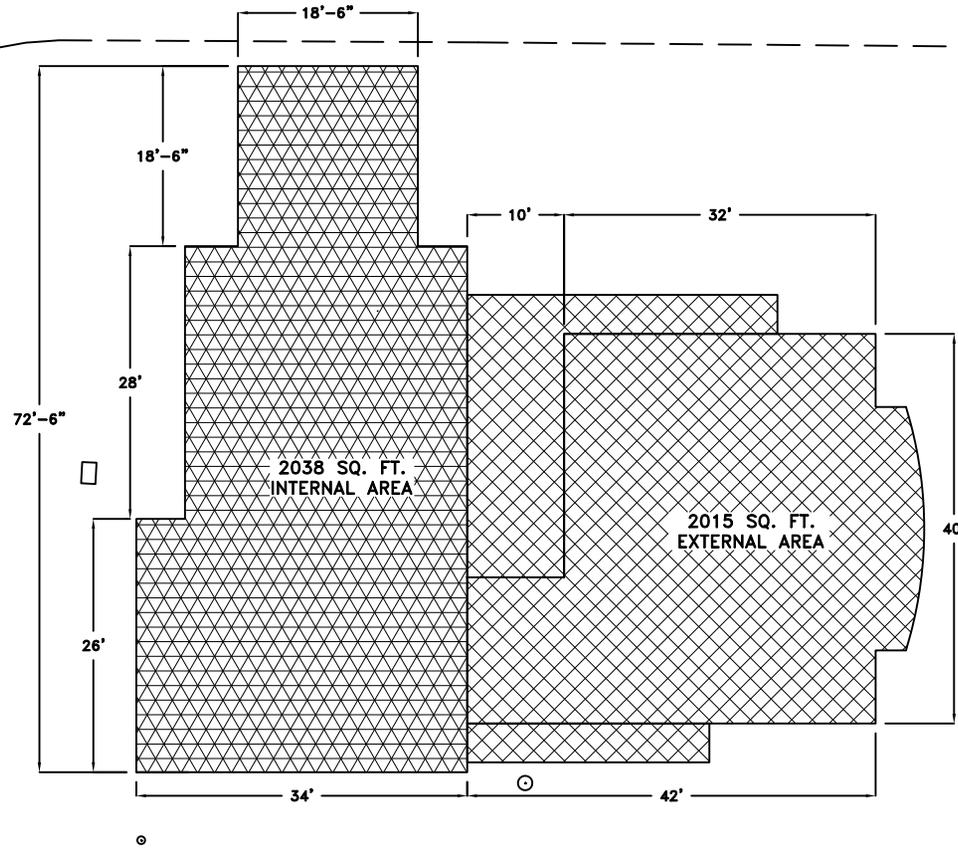
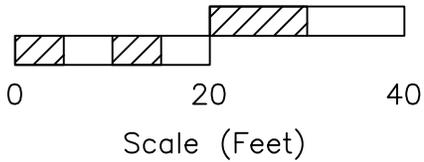
Project North



LEASE AREA PLAN 107 Harbor Way (Breakwater Restaurant)

Exhibit A

Total Area 4053 sf



NRC

REVISIONS

Breakwater Restaurant Lease Area

| | | | | | |
|-----------------------|----------|-------------|----------------|-------------|-----------|
| PLLOTTER SETTING | 1=20 | APPROVED BY | | DRAWN BY | T. Lawler |
| DATE | 08/02/15 | ADDRESS | 107 Harbor Way | DRAWING NO. | 1070-002 |
| City of Santa Barbara | | | | SHEET NO. | |
| Waterfront Department | | | | 1 of 1 | |