

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: February 17, 2011
To: Harbor Commission
From: John N. Bridley, Waterfront Director 
Subject: Lease Agreement with Coastal Treasures / 217-E Stearns Wharf

RECOMMENDATION: That Harbor Commission recommend Council approval of a five-year lease with one five-year option with Leather Depot Inc., doing business as Coastal Treasures, at a monthly rent of \$2,427.00, subject to annual CPI increases, for the 610 square foot retail store located at 217-E Stearns Wharf.

DISCUSSION:

David and Susan Mauseth have operated Coastal Treasures, with the help of their son Kevin, at 217-E Stearns Wharf since they were awarded the lease via a competitive Request for Proposals process in March 2006. The Mauseths live in Santa Barbara and also own and operate their "Leather Depot" store in Big Bear Lake which they established in 1977.

Coastal Treasures is located on the second floor of the Old Wharf building at 217 Stearns Wharf and features a quality selection of arts & crafts, jewelry, hats, belts, handbags and other clothing accessories. The basic terms of the proposed lease are as follows:

- **Term:** Five years, with one five-year option.
- **Base Rent:** \$2,427 per month (\$3.97 / square foot).
- **Percentage Rent:** Base rent or 10% of gross sales, whichever is greater.
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI).
- **Permitted Uses:** Primary Specialty: Tenant shall use the Premises as a retail store selling jewelry, art, arts & crafts, leather clothing and leather goods.
- **Secondary Specialty:** Handcrafted gifts such as synthetic scrimshaw, woodwork, metalwork, hand-blown glass, ceramics and nautical antiques. Tenant may also carry clothing limited to clothing imprinted with the Tenant's logo only.

The Mauseths are in good standing with the Department and have no late payment or default notices on file.

Since the lease is with a corporation, David and Susan Mauseth have signed the City's personal guarantee. A copy of the proposed lease is available for review at the Waterfront Department Administration Office.

Attachments: 1. Site plan

Prepared by: Scott Riedman, Waterfront Business Manager