

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: February 17, 2022
To: Harbor Commission
From: Mike Wiltshire, Waterfront Director
Subject: **Proposed Assignment Of Lease Agreement No. 27,008 – Seacoast Of Santa Barbara, Inc. Located At 125 Harbor Way**

RECOMMENDATION:

That Harbor Commission review and recommend that City Council approve a change in ownership via the assignment of Lease Agreement No. 27,008 for Seacoast of Santa Barbara, Inc. at 125 Harbor Way.

DISCUSSION:

Seacoast of Santa Barbara, Inc. (Seacoast) has operated a yacht brokerage in Santa Barbara under several ownership configurations since approximately 1971. The lease space includes a total of 562 square feet comprised of a number of office suites known as 125 Harbor Way, suites 1, 10 and 11.

Currently, Mr. Brian Coryat and Ms. Vicki Van Hook are co-owners of the business and own 70% and 30%, respectively. Mr. Coryat is proposing to bring in a third owner, Mr. Bob Nahm. Mr. Coryat proposes the following ownership breakdown: Mr. Bob Nahm, 60%; Ms. Vicki Van Hook 30%, Mr. Brian Coryat 10%. The proposed transfer of ownership represents more than a twenty-five percent (25%) change in ownership and, as such, the lease requires that a formal lease assignment take place.

Mr. Nahm has been an avid sailor since the age of five and has owned numerous sail and power boats over his lifetime. Mr. Nahm has been a yacht broker since 2001 after a successful career in advertising data processing and as the CIO of a major advertising agency group. Mr. Nahm currently manages the Seacoast office located in Channel Islands Harbor and would assume control of the day-to-day operations of Seacoast of Santa Barbara, Inc. if the lease assignment is approved.

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 basic terms of the current lease are as follows:

- **Remaining Term:** Initial Term expires August 31, 2026, with one (5) five-year option extending to August 31, 2031.
- **Base Rent:** \$2,200.00 per month (\$3.91 per square foot)
- **Percentage Rent:**
 - 1.05% - Sales of new and used boats, outboard motors and sea drives

Harbor Commission Staff Report

Proposed Assignment Of Lease Agreement No. 27,008 – Seacoast Of Santa Barbara,
Inc. Located At 125 Harbor Way

February 17, 2022

Page 2

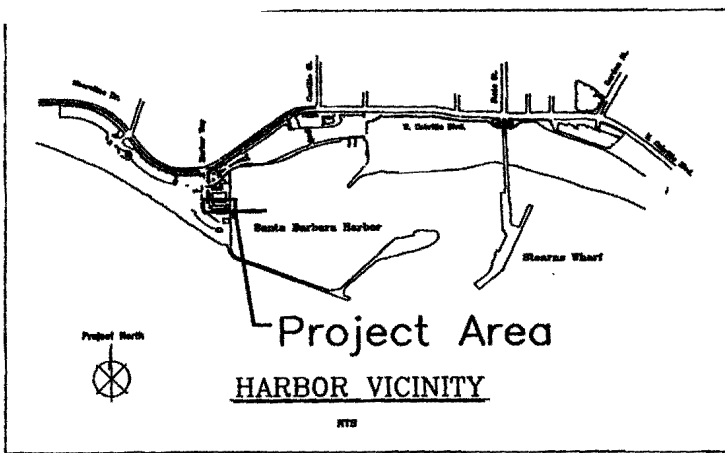
- 4.2% - Sales of marine hardware, equipment and sails
- 10.5% - Commissions and fees from boat brokerage activities and marine insurance commissions, marine maintenance services, and any other transactions that are not specified above
- **Annual Rent Adjustment:** Cost of Living increases based on the Consumer Price Index (CPI)
- **Permitted Uses:** Office space for a full-service yacht sales and brokerage business, power and sailboat instruction, and boat leases for periods greater than one month (no change)

The current tenant is considered a tenant in good standing by the Department and has no outstanding default notices on file. A copy of the proposed lease assignment is available for public review in the Waterfront Department Office located at 132-A Harbor Way.

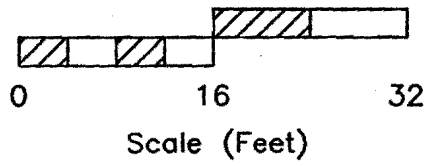
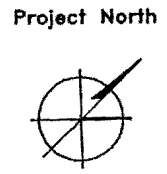
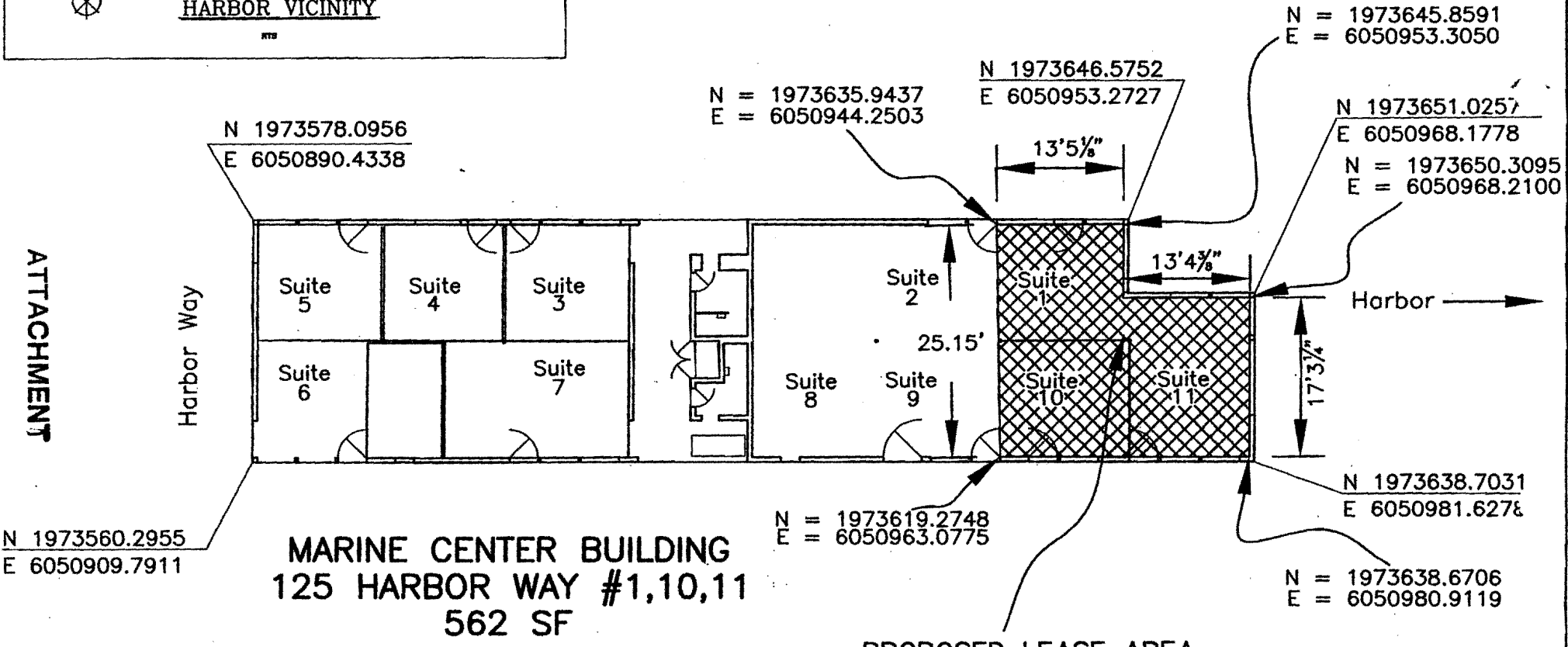
If the Harbor Commission recommends approval of this assignment, the item will be considered by City Council in March.

Attachment: Site Plan

Prepared by: Brian Bosse, Waterfront Business Manager



ATTACHMENT



REVISIONS		Lease Area Exhibit A	
		DATE	1-1
		APPROVED BY	
		DATE	01/04/01
		PROJECT NO.	125 HARBOR WAY #1,10,11
		DRAWN BY	1250-019
		City of Santa Barbara	
		Waterfront Department	
		2 of 2	