



# Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** James B. Pruett, General Manager

**DATE:** July 12, 2023

**SUBJECT:** Ketch Café Lease

## **Recommendation:**

Recommendation: Approve and authorize the General Manager to execute (i) an Amendment to Lease and (ii) Consent to Lease Assignment.

## **Background:**

The District has a lease with Ketch Joanne Restaurant and Harbor Bar Inc., dba Ketch Café, for Parcel 2, dated June 1, 2097. The Lease will expire on June 1, 2027.

The District received an email from Ketch Joanne Restaurant and Harbor Bar Inc., requesting permission to assign the Lease of Parcel 2 to a third party, Pelagic Restaurant Group, a California S Corporation.

On June 21, 2023 the Board considered and approved the assignment of the lease to the Pelagic Restaurant Group with two agreed to conditions:

1. That upon execution of the assignment, Pelagic Restaurant Group must negotiate a new lease, superseding and canceling the current lease, within 180 days from the date of assignment.
2. The initial term of the new lease cannot exceed 5 years.

In response to Board direction, staff, with General Counsel, developed two documents for consideration during the July 12, 2023 meeting. The first document is a lease amendment to the current lease that will carry over upon assignment to Pelagic Restaurant Group. The amendment requires the lease to be renegotiated upon execution of the assignment. The second document is the District's proposed document to memorialize the June 21, 2023 approval of the assignment. Both documents are attached.

## **Recommendation:**

Recommendation: Approve and authorize the General Manager to execute (i) an Amendment to Lease and (ii) Consent to Lease Assignment.

## **Attachments:**

- 1) [Draft Amendment to the January 27, 2014 lease.](#)
- 2) [Draft Consent to Assignment.](#)