



Staff Report

TO: Board of Harbor Commissioners
FROM: James B. Pruett, General Manager
DATE: July 12, 2023
SUBJECT: Order on the Corner 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 Order at the Corner Inc., (Tenant) for Parcel 1, currently occupied by Order at the Corner, dated November 20, 2080 as amended (the Lease). The Lease will expire on December 31, 2031.

The District received an email from Ketch Joanne Restaurant and Harbor Bar Inc., requesting permission to assign the Lease of Parcel 3 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 lease dated November 20, 1980, as amended.](#)
- 2) [Draft Consent to Assignment](#)