



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-996

Agenda Date: 10/1/2025

Agenda #: 8.

DATE: October 1, 2025

TO: President and Directors of the Harbor District Board

FROM: Public Works Department

TITLE: **PROPERTY USE AGREEMENT WITH JAMES GARDNER, DBA OCEANSIDE BAIT CO, INC.**

RECOMMENDATION

Staff recommends that the City Council and Harbor District Board of Directors approve a five-year Property Use Agreement with James Gardner, dba Oceanside Bait Co, Inc., for the use of Harbor District-owned property within the Oceanside Harbor, for a five-year minimum total revenue of \$51,844; and authorize the Administrative Officer to execute the agreement.

BACKGROUND AND ANALYSIS

Oceanside Bait Co., Inc. ("Permittee") has been operating within the Harbor since 1995, providing live bait dispensed commercially to the public and sportfishing boats. The Premises consists of large bait receivers within the water that store live bait.

Throughout the years the agreement has been amended and the current agreement terminated on August 31, 2025. The lease has been in a month-to-month holdover position until the new agreement is approved by Council. Permittee desires to enter into a new five-year Property Use Agreement ("Agreement") with the Harbor District ("District") for ongoing operations at the Premises.

Permittee's continued use at the Harbor will provide a needed service to boaters, sportfishing operators and the public. The proposed new Agreement commences retroactively on September 1, 2025, and terminates on August 31, 2030. The Agreement includes a provision for one (1) additional five-year extension option at the District's calculated fair market rental rate of similar businesses, provided that the Permittee is not in default or breach of any term, condition, or covenant of the Agreement.

Due to the 2024 Rockfish closures imposed by the California Department of Fish and Wildlife which take place annually from January 1 through March 31, the Minimum Monthly Rent will be abated by Two Hundred Dollars (\$200) of existing rent during the months of January, February and March of each calendar year during the term of this Agreement.

The Agreement provides for monthly rent equal to the minimum rent (\$9,925) or the percentage rent

(6 percent of gross income), whichever is higher. The additional revenue in excess of minimum rent that may be realized based on a percentage of the gross sales is estimated at \$6,918 annually, based on the prior five-year average of percentage income received. The minimum rent will be adjusted annually based on the semi-annual Consumer Price Index, or 5 percent (5%), whichever is greater.

FISCAL IMPACT

Description	Minimum Annual Amount	5-Year Term Total Revenue Amount	Revenue Account
Oceanside Bait Co. Minimum Rent Revenue	\$9,925	\$51,844	Harbor Account 1751.4496

Permittee will pay a minimum property use payment of \$9,925 per year, payable monthly in advance at the rate of \$827 per month which will be deposited to account number 1751.4496. The rent abatement for the months of January, February and March will reduce the rent by \$3,000 over the five-year term.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Julie Cook, Property Agent II
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, Administrative Officer

ATTACHMENTS:

1. Staff Report
2. Agreement
3. Exhibit A-1
4. Rent Adjustment Calculation