



Administrative Report

H.11., File # 25-0587

Meeting Date: 5/6/2025

To: MAYOR AND CITY COUNCIL

**From: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT
DIRECTOR**

TITLE

APPROVE A LEASE WITH POLIFE USA LLC, DBA BAE WATCH, FOR THE PREMISES AT 201 FISHERMAN'S WHARF FOR THE TERM MAY 6, 2025 TO APRIL 5, 2030

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2505-028, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO POLIFE USA LLC

EXECUTIVE SUMMARY

In 1995, the City of Redondo Beach (City) purchased the Fisherman's Wharf Leasehold which includes the 200 block of Fisherman's Wharf. The leasehold is comprised of several buildings that total approximately 13,000 square feet of leasable space. The space at 201 Fisherman's Wharf (Premises) is approximately 560 square feet in size.

The City has negotiated a new lease with Polife USA LLC (dba Bae Watch), a retail business that sells a variety of items such as beach towels, chairs, hats, flip-flops, sunscreen, sports drinks, and packaged snacks for visitors of the pier and beach. The proposed lease would allow for a 60-month term for the space and includes an option to terminate with a 12-month prior written notice. Monthly rent for the lease, which would accrue to the City's Harbor Tidelands Fund, is \$1,680, or 10% of gross sales, whichever is greater.

BACKGROUND

In 1995, the City purchased the Fisherman's Wharf Leasehold from the Redondo Horseshoe Pier Company containing the buildings from 200 to 250 Wharf on the Redondo Beach Pier. The approximately 13,000 square feet of leasable space is made up of retail, restaurant, and entertainment uses.

The City has negotiated a new lease with Bae Watch which would allow for the sale of a variety of items such as beach towels, chairs, hats, flip-flops, sunscreen, sports drinks, and packaged snacks for pier and beach visitors. The lease calls for the tenant to take the Premises as-is.

The proposed lease to sell retail items carries a 60-month term with a minimum monthly rent of \$1,680, or approximately \$3 per square foot, which is consistent with other similar leases in the waterfront. The monthly rent paid to the City is the greater of the minimum monthly rent, or 10% of

monthly gross sales. The monthly rent would increase 3% on the anniversary date each year the lease remains in effect. The lease is personally guaranteed by Dong (Gus) Kyu Park. A security deposit of \$1,680 would also be collected.

COORDINATION

The Resolution and lease documents were reviewed and approved as to form by the City Attorney's Office.

FISCAL IMPACT

Lease revenue from the property would accrue to the City's Harbor Tidelands Fund. The proposed lease would result in a minimum monthly rent of \$1,680 during the first year, or 10% of monthly gross sales, whichever is greater, with an annual increase to the base rent of 3% each year thereafter. Over the 60-month term of the lease, revenue to the Tidelands Fund would be a minimum of \$107,032.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Reso - No. CC-2505-028 Leasing Certain Property to Polife USA LLC, DBA Bae Watch
- Agmt - Lease Between the City of Redondo Beach and Polife USA LLC, DBA Bae Watch