



Administrative Report

H.21., File # 25-1082

Meeting Date: 8/5/2025

To: MAYOR AND CITY COUNCIL

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

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2508-058, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO SCHOLB PREMIUM ALES, INC.

APPROVE A LEASE WITH SCHOLB PREMIUM ALES, INC. FOR THE PREMISES AT 160 INTERNATIONAL BOARDWALK FOR THE TERM AUGUST 5, 2025 THROUGH AUGUST 4, 2030

EXECUTIVE SUMMARY

In July 2012, the City purchased the International Boardwalk leasehold and began the process of direct leasing to various tenants. The International Boardwalk is comprised of a narrow, linear development of approximately 17,200 square feet that is fronted by a public walkway. The tenant space at 160 International Boardwalk (Premises) is approximately 1,000 square feet in size.

The City has negotiated a new lease with Scholb Premium Ales, Inc. (Scholb), a family-owned brewery headquartered in Torrance. The proposed lease would allow for a 5-year term for the space and includes an option for the landlord to terminate with a 12-month prior written notice. Monthly rent for the lease, which would accrue to the City's Harbor Uplands Fund, is \$2,500, or 10% of gross sales, whichever is greater.

BACKGROUND

Scholb is an independently owned brewery that has been serving the South Bay since 2016. The City has negotiated a new lease with Scholb, for the 1,000 square-foot space on the International Boardwalk. This space would serve as a satellite location to their headquarters in Torrance.

The proposed lease carries a 5-year term with a minimum monthly rent of \$2,500, or approximately \$2.50 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 will increase 3% on the anniversary date each year the lease remains in effect. The lease is personally guaranteed by Jason Kolb, and a security deposit of \$2,500 will 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 Uplands Fund. The proposed lease would result in a minimum monthly rent of \$2,500 during the first year, or 10% of monthly gross sales, whichever is greater, with an annual increase of 3% to the base rent each year thereafter. Over the 5-year term of the lease, revenue to the Harbor Uplands Fund would total \$159,274.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Reso - No. CC-2508-058 Leasing Certain Property to Scholb Premium Ales, Inc.
- Agmt - Proposed Lease Between the City of Redondo Beach and Scholb Premium Ales, Inc.