



Administrative Report

H.22., File # 25-1089

Meeting Date: 8/5/2025

To: MAYOR AND CITY COUNCIL

From: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

APPROVE THE CITY'S CONSENT TO SUBLEASE BETWEEN RDR PROPERTIES, LLC AND SOUTH BAY LIVE, LLC FOR THE PREMISES AT 100 "I" AND "J" FISHERMAN'S WHARF

EXECUTIVE SUMMARY

The City has an existing lease with RDR Properties, LLC (RDR or Lessee) for the premises located at 100 (A-L) Fisherman's Wharf on the Redondo Beach Pier. Under the terms of the lease, RDR retains the rights to negotiate direct subleases to occupy the various tenant spaces and the City retains the right to consent to all subleases. RDR has requested the City consent to the sublease with South Bay Live, LLC (Sublessee), dba Deep End Live, for the premises at 100 "I" and "J" Fisherman's Wharf (Sublease Premises) in the basement level of the leasehold. Deep End Live would serve as a nightclub, lounge, and bar for dancing and live music entertainment. The space has been vacant for several years. It is recommended that the City Council approve the consent and allow for execution of the proposed sublease.

BACKGROUND

On September 15, 1987, the City of Redondo Beach entered into a lease with RDR for the premises located at 100 (A-L) Fisherman's Wharf on the Redondo Beach Pier. On July 1, 2008 the City of Redondo Beach and RDR negotiated a new lease term of 55 years. The lease allows for portions of the leasehold property to be subleased; however, the Lessee is required to obtain the City's consent for all subleases, amendments to subleases, and assignments.

The master leasehold is approximately 30,000 square feet split into 14 spaces on three levels. The subject tenant space is located on the basement level of the leasehold and is comprised of two spaces, 100 "I" and "J" Fisherman's Wharf, both of which have been vacant for several years, with the last two tenants to occupy the spaces being nightclubs. The proposed sublease to Deep End Live, a nightclub and bar, would occupy both spaces and provide live music performances for a term of up to 10 years and eight months. There is an existing conditional use permit (CUP) in place to allow the night club use and associated sale of alcohol. The CUP was first approved in 2004 for tenant space "I" and was later amended in 2021 to also include tenant space "J." The existing CUP established maximum operating hours of Monday through Saturday, 8:00 a.m. to 2:00 a.m., and Sundays from 8:00 a.m. to 12:00 a.m. The proposed tenant has agreed to establish operating hours within the timeframe outlined in the CUP.

A nightclub, lounge, and bar has operated at this location over several decades. The subterranean location has 16-inch thick concrete walls that dampen noise and keep the nightclub from being audible to surrounding areas.

COORDINATION

The Consent to Sublease document was reviewed and approved as to form by the City Attorney's Office.

FISCAL IMPACT

Deep End Live shall directly pay RDR a minimum monthly rent of \$4,000 and is also responsible to pay the City an additional percentage rent equaling 12% of monthly gross sales, which will accrue to the Harbor Uplands Fund.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - City Consent to Sublease - South Bay Live, LLC, dba Deep End Live
- Agmt - Lease between RDR (Master Lease Holder) and South Bay Live, LLC (Sublessee)