



Administrative Report

H.19., File # 25-1067

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-2508-056, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO THEO INSURANCE SERVICES, INC.

APPROVE A LEASE WITH THEO INSURANCE SERVICES, INC. FOR THE PREMISES AT 121 W. TORRANCE BLVD., SUITE 201, FOR THE TERM AUGUST 5, 2025 THROUGH AUGUST 4, 2030

EXECUTIVE SUMMARY

In March 2012, the City purchased the Pier Plaza leasehold and began the process of direct leasing to various tenants. Pier Plaza is comprised of several buildings totaling approximately 75,000 square feet of office and retail uses. The space at 121 W. Torrance Blvd., Suite 201 (Premises) is approximately 1,132 square feet in size.

The City has negotiated a new lease with Theo Insurance Services, Inc. (Theo Insurance), an authorized Farmers Insurance agent that provides a wide range of insurance services. The proposed lease would allow for a 5-year term for the space and includes an option for the City 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 \$2,887 with an annual 3% increase on the anniversary date.

BACKGROUND

The Pier Plaza leasehold includes buildings 103 to 131 West Torrance Boulevard (on the top level of the Pier Parking Structure) and totals approximately 75,000 square feet of space. The property is comprised almost entirely of office uses, with the lone exceptions being a restaurant and child care center. Theo Insurance is an authorized Farmers Insurance agent that provides services related to auto, home, renters, business insurance, and more.

The proposed lease carries a 5-year term with a minimum monthly rent of \$2,887, or approximately \$2.55 per square foot, with an annual 3% increase on the anniversary date.

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 \$2,887 during the first year, 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 be \$183,930.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Reso - No. CC-2508-056 Leasing Certain Property to Theo Insurance Services, Inc.
- Agmt - Proposed Lease Between the City of Redondo Beach and Theo Insurance Services, Inc.