



Administrative Report

H.7., File # 20-0945

Meeting Date: 10/20/2020

To: MAYOR AND CITY COUNCIL

From: STEPHEN PROUD, WATERFRONT AND ECONOMIC DEVELOPMENT
DIRECTOR

TITLE

APPROVAL OF CONSENT TO AMENDMENT TO LEASE FOR FIVE INDIVIDUAL SUBLEASES BETWEEN RDR LIVING TRUST OF 1996, ROBERT DALE RESNICK, TRUSTEE AND:

- (1) HAWAIIAN BLENDS AND SMOOTHIES, INC., DBA BELLA GELATO;
- (2) DONG KYU PARK AND SUNG EUN LEE, DBA JADE SNOW;
- (3) JOOMI OH, DBA MERMAID'S DOWERY;
- (4) PEGGY HIRAIZUMI, DBA KOBE PEARL; AND
- (5) JAYANTHA I. DEMEL AND PARIN DEMEL AND VIVIKA BERNADETTE DEMEL AND SAMANTHA ANN DEMEL OM, DBA PIER BAKERY

EXECUTIVE SUMMARY

RDR Living Trust of 1996, Robert Dale Resnick, Trustee ("Lessee"), is the current Lessee under a ground lease with the City of Redondo Beach ("City") dated July 1, 2008 ("Master Lease"), for the premises located at 100 (A-L) Fisherman's Wharf on the Redondo Beach Pier. Under the Master Lease, the City, as Lessor, retains the right to consent to all subleases, amendments to subleases and assignments within the leasehold. Lessee has requested the City's consent to five sublessee amendments that will provide for extended lease terms. Three sublessees are located in the Harbor Uplands; two in Harbor Tidelands.

BACKGROUND

On July 1, 2008 the City of Redondo Beach entered into a Master Lease with RDR Living Trust of 1996 "RDR" or "Lessee" for the premises located at 100 (A-L) Fisherman's Wharf on the Redondo Beach Pier. The Master Lease between the City and Lessee is for a term that runs from July 1, 2008 to June 30, 2063 and includes two options to extend the Lease an additional eleven years. The Master Lease allows for portions of the leasehold property to be subleased. The leasehold, known as The Redondo Landing, is comprised of retail and food service businesses located at 100 (A-L) Fisherman's Wharf on the Redondo Beach Pier. In accordance with the Master Lease, Lessee is required to obtain City consent for all subleases, amendments to subleases and assignments.

Lessee is requesting the City's consent for the following five sublessee amendments:

- (1) Hawaiian Blends and Smoothies, Inc. dba Bella Gelato, 100 Fisherman's Wharf, Unit "A" and

Unit "N". The proposed Consent to Second Amendment to Lease extends the lease term to April 30, 2025. Bella Gelato specializes in gelato and smoothies;

- (2) Dong Kyu Park and Sung Eun Lee, dba Jade Snow, 100 Fisherman's Wharf, Unit "B". The proposed Consent to First Amendment to Lease extends the lease term to March 31, 2027. Jade Snow specializes in coffee drinks, desserts and a specialty milk snow dessert;
- (3) Joomi Oh, dba Mermaid's Dowery, 100 Fisherman's Wharf, Unit "C". The proposed Consent to Fifth Amendment to Lease extends the term to April 30, 2025. Mermaid's Dowery specializes in gifts and souvenirs;
- (4) Peggy Hiraizumi, dba Kobe Pearl, 100 Fisherman's Wharf, Unit "D". The proposed Consent to Tenth Amendment to Lease a) extends the lease term to April 30, 2023 and b) provides one (1) option to extend the termination date of the lease to April 30, 2026. Kobe Pearl specializes in pearl jewelry;
- (5) Jayantha I. Demel and Parin Demel, dba Pier Bakery, 100 Fisherman's Wharf, Unit "M". The proposed Consent to Fourth Amendment to Lease a) extends the lease term to April 30, 2027 and b) adds two additional lessees to the sublease, Vivika Bernadette Demel and Samantha Ann Demel Om. Pier Bakery specializes in churros.

As landlord to these sublessees, Lessee performs the due diligence to validate the tenancy of the businesses. The Waterfront and Economic Development Department's review of the proposed sublease amendments is limited to verification that the businesses have satisfied all conditions of tenancy.

COORDINATION

The Consent to Amendment documents were reviewed by the Waterfront and Economic Development Department and the document was approved as to form by the City Attorney's Office.

FISCAL IMPACT

The approval of the five Consent to Amendment agreements will serve to retain the businesses and the related rental income. In 2019, these five businesses generated approximately \$56,000 in revenue to the Harbor Enterprise.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Second Amendment - Hawaiian Blends and Smoothies, Inc./RDR

City Consent to Second Amendment of Sublease - Hawaiian Blends and Smoothies

First Amendment - Dong Kyu Park and Sung Eun Lee/RDR

City Consent to First Amendment of Sublease - Dong Kyu Park and Sung Eun Lee

Fifth Amendment - Joomi Oh, dba Mermaid's Dowery/RDR

City Consent to Fifth Amendment of Sublease - Joomi Oh, Mermaid's Dowery

Tenth Amendment - Peggy Hiraizumi/RDR

City Consent to Tenth Amendment of Sublease - Peggy Hiraizumi

Fourth Amendment - Jayantha I. Demel and Parin Demel and Vivika Bernadette Demel and Samantha Ann Demel Om/RDR

City Consent to Fourth Amendment of Sublease - Jayantha I. Demel and Parin Demel and Vivika Bernadette Demel and Samantha Ann Demel Om