



Administrative Report

H.8., File # 21-2944

Meeting Date: 9/7/2021

To: MAYOR AND CITY COUNCIL

**From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT
DIRECTOR**

TITLE

APPROVE THE SECOND AMENDMENT TO THE LEASE BETWEEN THE CITY OF REDONDO BEACH AND ARCHITECTURAL MAILBOXES, LLC FOR THE PREMISES AT 123 W. TORRANCE BLVD., SUITE # 201 AND 119 W. TORRANCE BLVD., SUITE #6 TO REVISE THE ENTITY NAME, PREMISES, GUARANTOR, AND SECURITY DEPOSIT FOR THE MONTH-TO-MONTH TERM

EXECUTIVE SUMMARY

The City purchased the former Pier Plaza leasehold in March of 2012. The property includes several buildings totaling approximately 75,000 square feet of mainly office space. The spaces at 123 West Torrance Boulevard, Suite #201 and 119 West Torrance Boulevard, Suite #6 ("Premises") include a total area of approximately 2,262 square feet.

On June 17, 2014 City Council approved a three-year lease ("Lease") with Architectural Mailboxes, LLC, a Delaware Limited Liability Company ("Tenant"), manufacturer and marketer of quality residential mailboxes and mailbox accessories. Upon the lease expiration date of June 16, 2017, the Tenant became a month-to-month tenant subject to holdover provisions. The First Amendment, approved on December 15, 2020, formally converted the expired lease to a month-to-month lease. The proposed Second Amendment includes revisions to the legal entity, the premises, the lease guaranty and security deposit.

BACKGROUND

The Pier Plaza leasehold is comprised of 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 prepared almost entirely for office uses; the lone exception being a restaurant use of less than 4,000 square feet. The spaces at 123 West Torrance Boulevard, Suite #201 (2,062 square feet) and 119 West Torrance Boulevard, suite #6 (200 square feet) total approximately 2,262 square feet.

Architectural Mailboxes is a manufacturer and marketer of quality residential mailboxes and mailbox accessories. The company operates at four locations: i) Redondo Beach, CA for all design development, marketing, sales and customer support; ii) Chino, CA and Savannah, GA for fulfillment services; and iii) Dewsbury, England for all UK & Europe fulfillment services. The Architectural Mailbox product line can be purchased on-line or from retailers such as Lowe's, The Home Depot, and Target.

Architectural Mailboxes became a Pier Plaza tenant in 2014 occupying 123 West Torrance Boulevard, Suite #201 and 199 West Torrance Boulevard, Suite #6. The initial Lease, approved by the City Council on June 17, 2014, was for a term of three years. Upon the Lease expiration date of June 16, 2017, the Lease automatically transitioned to a month-to-month agreement subject to holdover provisions. On December 15, 2020 the First Amendment was approved which formally converted the expired Lease to a month-to-month lease.

The Tenant is in good standing and is requesting a modification to several business terms of the Lease. The proposed Second Amendment includes the following revisions to the Lease:

	Current Lease	Proposed Second Amendment
Entity:	Architectural Mailboxes, LLC, a Delaware Limited Liability Company	Remove and replace with: Architectural Mailboxes, LLC, an Ohio Limited Liability Company
Premises:	119 W. Torrance Blvd., Suite #6 (200 SF) AND 123 W. Torrance Blvd., Suite #201 (2,062 SF) Total SF leased: 2,262 SF	Delete space 119 W. Torrance Blvd., Suite #6 (200 SF). Total SF leased: 2,062 SF
Lease Guaranty:	Personal Guaranty: Christopher Farentinos and Vanessa Felicia Troyer-Farentinos	Remove and replace with: Corporate Guaranty.
Security Deposit:	\$4,993.91	Increase to \$12,893.40

Except to the extent the Lease is amended and modified by the Second Amendment, the remaining terms and conditions of the Lease will remain unmodified and in full force and effect.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office on this report. The City Attorney's Office has approved the document as to form.

FISCAL IMPACT

Approval of the proposed Second Amendment will not have an impact on the Harbor Uplands Fund since Tenant will continue to pay its current monthly rent of \$4,297.50 on a month-to-month term.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Second Amendment - Architectural Mailboxes
First Amendment - Architectural Mailboxes
2014 Lease - Architectural Mailboxes