

Council Meeting of
June 19, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager - Fifth Addendum to the WORLDPORT, LLC Lease

RECOMMENDATION

Recommendation of the City Manager for the City Council to authorize the Mayor to Execute and the City Clerk to Attest to a FIFTH ADDENDUM TO LEASE, (the "Fifth Addendum") by and between WORLDPORT LLC, a Delaware limited liability (successor-in-interest to California Drive-In Theatres, Inc.) ("Landlord"), and THE CITY OF TORRANCE, a municipal corporation, for CLT Worksource Investment Network (WIN) (formerly known as "The City of Torrance, a municipal corporation, for CLT Private Industry Council") ("Tenant"), with reference to that certain Lease dated June 26, 1998 between California Drive-In Theatres, Inc., as landlord, and Tenant for property located at 1891 North Gaffey Street San Pedro, California.

Funding

Monthly expenditure: \$9152.48

Funding is available from the City of Los Angeles, Workforce Investment Act funds.

BACKGROUND AND ANALYSIS

In December of 2006, the subject landlord was placed on notice that the Lease was the subject of early termination due to a reduction in funding. The current Lease is set to terminate on June 30, 2007.

The City of Los Angeles contracts with the City of Torrance on behalf of the Workforce Investment Network (WIN) to provide service to the Harbor area of Los Angeles. The City of Los Angeles is in the process of circulating a Request for Proposal (RFP) to provide the services required in the Harbor area. At this time they have not completed the process and require service in the area for an additional 90-day period. Based on those needs, a month-to-month Lease has been negotiated with the landlord. The Lease may be terminated with 30 days notice. The attached Addendum to Lease allows for month-to-month tenancy, reduces the actual area included in the original Lease and adjusts the Common Area Maintenance (CAM) charges based on the new space.

The space currently being leased is 8200 square feet; the reduction of Suites I and J leaves an area of 6720 square feet.

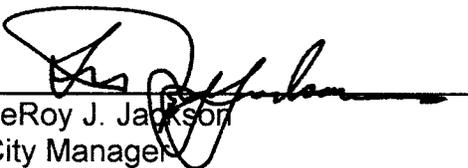
The Addendum to Lease allows for service to be provided to the Harbor area while giving flexibility to vacate the premises once the service issues to the area are resolved.

Respectfully submitted,

LeRoy J. Jackson
City Manager

By 
Brian K. Sunshine
Assistant to the City Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Fifth Addendum to Lease

FIFTH ADDENDUM TO LEASE

This FIFTH ADDENDUM TO LEASE, executed as of this 19th day of June, 2007 (the "Fifth Addendum") by and between **WORLDPORT LLC**, a Delaware limited liability company (successor-in-interest to California Drive-In Theatres, Inc.) ("Landlord"), and **THE CITY OF TORRANCE**, a municipal corporation, for CLT Worksource Investment Network (WIN) (formerly known as "The City of Torrance, a municipal corporation, for CLT Private Industry Council") ("Tenant"), with reference to that certain Lease dated June 26, 1998 between California Drive-In Theatres, Inc., as landlord, and Tenant, and as amended by the First Addendum to Lease, dated as of July 30, 1999, between California Drive-In Theatres, Inc., as landlord, and Tenant, and as amended by the Second Addendum to Lease, dated as of August 1, 2001 between Worldport LLC, as landlord, and Tenant, and as amended by the Third Addendum to Lease, dated as of December 10th, 2002 between Worldport LLC, as landlord, and Tenant, and as amended by the Fourth Addendum to Lease, dated as of September 28th, 2004, between Worldport LLC, as landlord, and Tenant (collectively, the "Lease") , hereby amends, modifies and supplements the Lease in the following particulars but no others:

1. Paragraph 9 of the Basic Lease Provisions is hereby deleted in its entirety, and the following is inserted in its place and stead:

"9. Termination Date. 11:59 p.m., P.D.T. on June 30, 2007." Pursuant to Section 2.4 of the Lease Termination Option; Debt-Limitation Provision" and Section 44 of the Lease subparagraph 44.1, which was added in the Third Addendum to Lease, Tenant provided written notice to Landlord to exercise its option to terminate. Effective July 1, 2007, the term of this Lease shall be considered month-to-month, such that either party may terminate the Lease upon thirty days written notice.

2. Effective July 1, 2007 the "Premises," as defined in Paragraph 4 of the Basic Lease Provision, shall be revised to show that certain space commonly known as Suite I & J of the Building, consisting of approximately 1,480 square feet of rentable space (the "Suites I and J Premises"), as delineated on Exhibit A, attached hereto and incorporated herein by this reference shall be vacated by "Tenant," and returned to "Landlord." In this regard the following terms set forth in the Basic Lease Provisions shall be modified as follows:

- a) Total Rentable Area. Effective July 1, 2007, the "Total Rentable Area", (as defined in Paragraph 5 of the Basic Lease Provisions) shall be approximately 6,720 square feet, allocated as follows:

Suite D: 1,320

Suite E: 1,320

Suite F: 1,320

Suite G: 1,320

Suite H: 1,440

Total Rentable Area: **6,720** sq. ft.

- b) Tenant's Share. From and after July 1, 2007, "Tenant's Share" (as defined in Paragraph 13 of the Basic Lease Provisions) shall be five and 45/100 (5.45%).
- c) Base Rent. Effective July 1, 2007, or (ii) the date the Tenant delivers possession of Suite I & J premises to Landlord, the "Base Rent" (as defined in Paragraph 11 of Basic Lease Provisions, and Subparagraph 3.1) for the Premises Suite D, Suite E, Suite F, Suite G and Suite H shall be Six-Thousand Seven Hundred and Seventy-Two dollars and 78/100 (\$6,772.78) per month, as adjusted pursuant to Subparagraph 3.2 of the Lease. In addition, Tenant shall continue to pay all other "Rent," as set forth in Section 3 of the Lease.

3. Paragraph 2 of the Lease is hereby supplemented by addition of the following:

- a) Section 2.4 Landlord (s) Termination Right:
Notwithstanding anything herein to the contrary, Landlord shall have the Right to terminate this lease and all future rights and obligations of the parties at anytime during the term of this lease, upon not less than (90) days prior written notice to Tenant, if Landlord intends to demolish and or redevelop all or part of the Worldport Business Center.

_____ (Tenant's Initials) _____ (Landlord's Initials)

4. Except as herein specifically provided, no other amendment or modification of the Lease is intended by this Addendum and all provisions of the Lease shall remain unchanged and in full force and effect in accordance with their terms.

IN WITNESS WHEREOF, the parties hereto have executed this addendum as of the date first above written.

“LANDLORD”:

WORLDPORT LLC, a Delaware limited liability company

By: _____
 Name: _____
 Title: _____

ATTEST:

Sue Herbers,
City Clerk

By: _____

“TENANT”:

THE CITY OF TORRANCE, a municipal corporation

By: _____
 Name: Frank Scotto
 Title: Mayor

APPROVED AS TO FORM:

John L. Fellows, III,
City Attorney,

By: _____
 Name: _____
 Title: Deputy City Attorney

**EXHIBIT A
LOCATION OF THE PREMISES**

