

Council Meeting of  
December 4, 2007

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

Members of the Council:

**SUBJECT: City Manager – Authorize extension of construction commencement date for Torrance Flite Park East Parcel.**

**RECOMMENDATION**

Recommendation of the City Manager that City Council consent to extending the construction commencement date set forth in a Lease by and between the City of Torrance and Torrance Flite Park, LLC., from December 31, 2007 to February 15, 2008.

**FUNDING**

Funding is not required for this item.

**BACKGROUND/ANALYSIS**

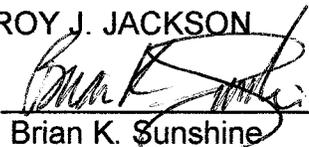
The final phase of the Flite Park development is scheduled to commence construction, per Section 5 c. of the Lease, on December 31, 2007. City staff and Flite Park have been in discussion regarding the realignment of the main entry driveway to the airport. This area abuts the most westerly portion of the Flite Park Lease area. Further, an area to the east has an encroachment by another Leasehold. Staff, Flite Park, and the other tenant have been working to resolve this issue.

In order to finalize the Lease modifications into an Amendment for City Council review, an extension of the construction commencement date is required so that the tenant is not in default per the Lease.

The proposed Amendment will include further revisions to the timeline as well as parcel configuration.

Respectfully submitted,

LeROY J. JACKSON

By: 

Brian K. Sunshine

Assistant to the City Manager

CONCUR:

  
for LeRoy J. Jackson  
City Manager

ATTACHMENT: Lease Section 5c.

Improvements on the Option Parcel pursuant to the schedule described in Paragraph 10.B.2.”

c. Construction Schedule. Agency has agreed to modify the construction schedule to commence and complete the Required Improvements for the East Parcel and the Option Parcel. Paragraph 10.B.2 of the Original Lease is hereby amended to read as follows: “Subject to Paragraph 10.C.2.(c), Lessee shall commence and complete construction of the Required Improvements no later than the times set forth below:

<u>Parcel</u>	<u>Construction Commencement</u>	<u>Construction Completion</u>
West Parcel	Within 8 months after Delivery Date of West Parcel	June 30, 2003 (completed)
Option Parcel*	June 30, 2005	May 31, 2006
East Parcel, West Portion/ Phase I**	December 31, 2007	September 30, 2008
East Parcel, East Portion/ Phase 2**	March 31, 2010	March 31, 2011

\*As depicted on Attachment No. 2 of the First Amendment to Lease (Exhibit “G” (revised)).

\*\*As depicted in Attachment No. 1 of the First Amendment to Lease (Exhibit “F” (revised)).

d. Restaurant Use a Permitted on East Parcel. The last paragraph of the subsection under the heading “Initial Leased Premises” in Paragraph 9.A of the Original Lease that begins with the words “Any use not specifically . . .” is hereby replaced with the following language: “In addition to the West/East Parcel Aeronautical Uses set forth above, Lessee may utilize a portion of the East Parcel for the construction and operation of a restaurant that is no greater than 3,000 square feet total. Any use not specifically listed in this Paragraph as a West/East Parcel Aeronautical Use or the restaurant use referred to in the preceding sentence requires the prior written consent of the City Council, which consent may be granted or withheld in the City Council’s sole and absolute discretion.” The reference to the 3,000 square foot restaurant in Paragraph 9.A of the Original Lease under the permitted uses for the Option Parcel is hereby deleted.

6. Term. City and Lessee desire to modify the term of the Original Lease. The reference to “June 30, 2039” in the first sentence of Paragraph 3.A of the Original Lease is hereby amended to read “March 31, 2041.” The first sentence of Paragraph 3.A shall then read “The term of this Lease shall commence on the Commencement Date and shall continue until the earlier of (i) the date that is thirty (30) Lease Years from and after the date that City issues its last certificate of occupancy for the East Parcel Required Improvements, or (ii) March 31, 2041.”