

3. SUBLEASE TO CHRISTCHURCH SUPPORTED EMPLOYMENT CENTRE TRUST RUGBY LEAGUE PARK, ADDINGTON

Officer responsible
Managers, Leisure Unit & Property Unit

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The purpose of this report is to seek the Committee's consent to a sublease of an amenity building at Rugby League Park, Addington, to the Christchurch Supported Employment Centre Trust.

BACKGROUND

Canterbury Rugby Football League ("CRFL") hold a 20 year ground lease from the Council of the property known as Rugby League Park (formerly part of Addington Showgrounds), Jack Hinton Drive. The Council owns the property pursuant to Section 601 of the Local Government Act. Under the terms of the agreement between the Council and CRFL, ownership of most of the improvements on the property has passed to CRFL.

SUBLEASE PROPOSAL

CRFL have agreed to grant a sublease of an amenity building plus use of five car parks on the southern end of the property to the Christchurch Supported Employment Centre Trust ("the Trust"). The sublease is proposed to be for an initial term of five years plus two further rights of renewal of five years each, at an annual rental of \$12,000 plus GST. In all other respects, the sublessee will be bound by the terms of the head lease.

In agreeing to enter into the sublease, CRFL was mindful of the possibility of the Sportville redevelopment proceeding at some time during the proposed term of up to 15 years. A clause has therefore been included in the sublease providing for 18 months' notice to the Trust to relocate on the development site if Sportville does eventuate.

The Canterbury Supported Employment Centre Trust is a charitable trust which assists and supports young adults with profound multiple disabilities to obtain employment opportunities in the community. It also provides other individually based recreational and occupational activities.

The building at Rugby League Park is ideally situated for vehicle and disabled access but requires extensive internal upgrading of facilities to meeting the needs of the participants in the programme. The Trust has obtained substantial support from community and business organisations in this respect.

ISSUES FOR CONSIDERATION

Under the terms of the head lease the sublease requires the consent of the Council and satisfaction of several conditions:

1. *That the proposed sublessee is respectable responsible and has the financial resources to meet the lease commitments:*

The Trust is a soundly based charitable trust that has gained substantial financial support for the proposed building project. Government subsidy is available for one-on-one employment support persons and the ongoing programme costs including the proposed property rental are raised through community, parent and business sources.

2. *That the sublessee will carry on the permitted use:*

The permitted use of the grounds in the head lease to CRFL is for "local, regional and national, cultural, sporting and recreational activities and other ancillary activities that may be allowed pursuant to the Resource Management Act 1991 or any amending legislation". The proposed use of the premises is described in the sublease as being "recreational and vocational activities for people with multiple disabilities". The Trust has already obtained resource consent for the proposed use.

3. *That all rent and other moneys payable have been paid and there is not any subsisting breach of any of the Lessee's covenants:*

Matters relating to CRFL's lease and facilities are currently under consideration by a Council subcommittee. The proposed sublease can only improve CRFL's financial position.

4. *That any building alterations are consented to by the Council (as Head Lessor):*

The Trust has already obtained building consent for the project. Given that ownership of the building has passed to CRFL and that the alterations are internal amenity improvements to an under-utilised building, there is no reason for the Council to withhold consent.

One further matter arising from the proposed sublease is the clause relating to the Sportville redevelopment. Such redevelopment is uncertain and it is therefore suggested that the proposed clause should be expanded to ensure that any future relocation of the Trust premises should be at no cost to CRFL or the Council, that no compensation will be payable and that the Head Lessor also has the ability to give notice to relocate.

CONCLUSION

The supported employment programme for young adults with profound multiple disabilities is stated to be unique worldwide and is receiving international recognition. Having successfully established the programme, the charitable trust is expanding and needs further space and resources. The planned building upgrade is being funded by support from the local business community. The building is ideally located and revenue from the sublease will assist CRFL's financial situation. The granting of resource consent confirms that the proposed use is consistent with the permitted use under the Head Lease and it is therefore recommended that the Council consent to the sublease.

Recommendation: That the Council consent to the proposed sublease to the Christchurch Supported Employment Centre Trust subject to the relocation clause being amended to provide for the Head Lessor to be able to give notice to relocate, that no compensation will be payable by the Head Lessor or CRFL and that relocation, if required, will be at no cost to the Head Lessor or CRFL.

Chairman's

Recommendation: That the above recommendation be adopted.