

12. ASSIGNMENT OF LEASE GOOD TASTE CAFE TO J & K COMPANY LIMITED

General Manager responsible:	General Manager Corporate Services
Officer responsible:	Corporate Support Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's recommendation to the Council to approve the assignment of "Good Taste Café".

EXECUTIVE SUMMARY

2. The Council is obliged to consent to the assignment as both parties have fulfilled their obligations under Clause 35.1 of the Deed of Lease as set out in the background of this report.

FINANCIAL AND LEGAL CONSIDERATIONS

3. The Board does not have delegated authority to authorise the leasing of land - such a decision needs to be made by full Council. The Board however does have recommendatory powers to the Council.

STAFF RECOMMENDATIONS

That the Board recommend to the Council:

- (a) That it approve the assignment of the Deed of Lease for the café situated at 196 Tuam Street from Good Taste Cafe to J & K Company Limited.
- (b) That the Vendor and Purchaser of the assignment of the Lease meet all the costs of the assignment as agreed between the parties.

CHAIRPERSON'S RECOMMENDATION

That the recommendation be adopted.

BACKGROUND A

GOOD TASTE CAFE

4. On 28 February 2004 the Council "the landlord" entered into a Deed of Lease with Good Taste Cafe "the tenant" for the premises at 196 Tuam Street. The initial term of the lease was for two and half years commencing on 28 February 2004 with one right of renewal of two and half years with the final expiry to be 27 February 2009 a total of five years.
5. The tenant has requested the landlord consent to the assignment of the lease to J & K Company Limited.
6. The assignment provisions of this lease are follow the standard Christchurch City Council terms as set out in the Auckland District Law Society lease document.
 - (a) The proposed assignee is respectable, responsible and has the financial resources to meet the tenant's commitments under the lease.
 - (b) All rent has been paid and there are no other breaches of the tenant's covenants under the lease at the date of assignment.
 - (c) The assignee enters into a Deed of Covenant in a form acceptable to the Council.
 - (d) Where the assignee is a company, the company's obligations are guaranteed by the principal shareholder of that company, and if required by the Council, the Directors of the company.
 - (e) The assignee pays the Councils costs and disbursements in respect of the preparation and stamping of any Deed of Covenant of guarantee.
7. The Assignor has fulfilled it obligation under the Lease and Agreement to Lease to satisfy the assignment conditions above.

IN SUMMARY

8. The assignee J & K Company Limited still has to be registered with the Company's office. This is being carried out by the company's accountants. Its shareholders are Ms Janice Thornton and Keith Alderson.
9. The capital for the project is being raised in the following way; Mortgage 100%.
10. Ms Thornton has relevant skills with a good business background and some specific catering experience.
11. For the past eight years Janice has been the Food and Beverage Manager at the Russley Golf Club.
12. Prior to this she has held various positions in the Catering Business.

OPTIONS

13. N/A

PREFERRED OPTIONS

14. N/A