

12. **CHANGE OF SHAREHOLDING AND ASSIGNMENT OF LEASE–
VICTORIA HOTELS (CHRISTCHURCH) LIMITED (CROWNE PLAZA HOTEL)**

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Unit Manager, Corporate Support
Author:	Bill Binns, Property Consultant

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval to assignment and change of shareholding of the lease with Victoria Hotel (Christchurch) Limited, forming the Crowne Plaza Hotel.

EXECUTIVE SUMMARY

2. The current lease is with Victoria Hotels (Christchurch) Limited whose shareholder is Premier Hotels (Christchurch) Limited.
3. Victoria Hotels (Christchurch) Limited has advised it has entered into a private and confidential arrangement whereby Core 3B Christchurch Holdings Limited acquire 100 per cent of the shares.
4. If this occurs, pursuant to Clause 4 of the Memorandum of Lease, it is deemed to be an assignment of the lease.
5. Under Clause 4 of the Memorandum of Lease, Victoria Hotels (Christchurch) Limited are required to supply the name, address and occupation of the Transferee together with reasonable evidence that such person is suitable, responsible, and solvent. The Transferee's lawyers, Lane Neave have supplied this information on its client's behalf.
6. The company is Core 3B Christchurch Holdings Limited which has supplied a company profile consisting Certificate of Incorporation, ownership structure, Trust Deed, financial statement and a profile document. Council staff have carried out an internal assessment of this information which meets the requirements of Clause 4 of the Memorandum.

FINANCIAL IMPLICATIONS

7. The revenue from the rental will remain unchanged from current levels.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

8. Yes.

LEGAL CONSIDERATIONS

9. Victoria Hotels (Christchurch) Limited have provided the information set out in the Memorandum of Lease and providing it meets the requirements of Clause 4 of the Memorandum of Lease all legal considerations have been fulfilled.

Have you considered the legal implications of the issue under consideration?

10. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. Yes.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

12. Yes.

ALIGNMENT WITH STRATEGIES

13. Yes.

Do the recommendations align with the Council's strategies?

14. Yes.

CONSULTATION FULFILMENT

15. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Consent to the assignment and records the change in shareholdings.
- (b) Note that the Assignee meets all costs of the assignment of the lease.

**12. CHANGE OF SHAREHOLDING AND ASSIGNMENT OF LEASE–
VICTORIA HOTELS (CHRISTCHURCH) LIMITED (CROWNE PLAZA HOTEL) (Cont'd)**

This report was considered by the Hagley/Ferrymead Community Board at its meeting on Wednesday 18 June 2008.

Questions were raised by members with respect to whether it was appropriate that commercial leases should be dealt with in a more timely manner by going directly to the Council for consideration.

A motion was put to the meeting that:

“That the Board make a recommendation that the Board delegation be amended so that commercial lease transactions go directly to the Council or the appropriate Council business unit.”

The motion when put to the meeting was declared **lost** on division no 1 by 4 votes to 2, the voting being as follows:

Against (4): Rod Cameron, Bob Todd, Yani Johanson, Brenda Lowe-Johnson

For (2): David Cox, Tim Carter

BOARD RECOMMENDATION

On the motion of David Cox, seconded by Rod Cameron, the Board decided to **recommend** to the Council that the staff recommendation be adopted.