

6 CANTERBURY CAR CLUB – ASSIGNMENT OF SUBLEASE

Officer responsible Anne Greenup, Greenspace Manager	Lewis Burn, Property Consultant DDI 941-8522
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The purpose of this report is to seek the Board's approval to a partial assignment of the sublease to Canterbury Motor Racing School's premises at Ruapuna Raceway.

CONTEXT

The report is being referred to the Board for a decision under delegated authority. Ruapuna Park is a recreation reserve subject to the provisions of the Reserves Act 1977.

BACKGROUND

The Canterbury Car Club has made application for the Council's consent as head lessor to assign in part its subtenancy to Canterbury Motor Racing School Limited (CMRSL).

The Council's Lease to the Canterbury Car Club makes specific provision for a sublease to CMRSL a business use that includes race car preparation and management, motor racing school and the hire of hospitality suites during events held at Ruapuna. The deed of sublease approved by Council takes in 1017.2m² and is for a term that will finally expire 28 March 2017. CMRSL has entered into an agreement to sell what is the racing school side of the business to Aristotle Enterprises Limited the director of which, Andrew Neale is presently employed by CMRSL and who currently looks after the driver training activities of the business. The building from which the business is conducted belongs to CMRSL however the Canterbury Car Club is considering purchasing this building

ASSIGNMENT PROVISIONS

The assignment provisions of Council's lease (head lease) stipulates that any sublease to any body or person other than CMRSL requires the prior written consent of the Council. The Canterbury Car Club is under a positive obligation to ensure that its subtenants observe the covenants of the Head Lease at all times. The sublease between the Club and CMRSL enables CMRSL to sublet to third parties that fulfil certain qualifications.

PROPOSED ASSIGNEE

Aristotle Enterprises Limited is a registered Company having its registered office at 9 Birchs Road Prebbleton. The Directors are;

Andrew David Neale who holds 9 shares and
Michelle Ann Neale who holds the remaining 1 share

Aristotle propose using the name "Canterbury Motor Racing School" which will mean a name change for CMRSL (but remaining the same legal entity) who will continue to operate the remainder of the business (Crawford Services, race car preparation) as it does now.

The Canterbury Car Club supports the proposal commenting that they believe Mr Neale will make a good owner operator

COMMENTS

The use to which the premises will be put will not be substantially different from the existing use. There is no reason to withhold the Council's consent as head landlord to this assignment. The Canterbury Car Club as head lessee continue to be responsible in all respects for the performance and compliance of the terms and conditions of the Council's lease.

Staff

- Recommendation:**
1. That the Board consents to the assignment of the sublease from Canterbury Motor Racing School Limited to Aristotle Enterprises Limited in respect to the Motor Racing School business activity at Ruapuna Park
 2. The sublease to be recorded in a deed of assignment.
 3. That the assignor and assignee meet all costs of the assignment of the sublease as agreed between the parties.

Chairman's

Recommendation: That the above recommendations be adopted.