

EXECUTIVE SUB-COMMITTEE FOR PROPERTY

A meeting of the Executive Sub-Committee for Property was held on 18 November 2015.

PRESENT: Councillors M Carr (Chair), T Harvey, J Rostron, M Thompson, N J Walker and L Young

OFFICIALS: David Velemir, Tim Wake, Tom Punton, Luke Henman and Sharron Brown

APOLOGIES FOR ABSENCE: Councillor J Brunton, Councillor C M Rooney

15/14 **MINUTES OF THE MEETING HELD ON THE 22 SEPTEMBER 2015.**

That the minutes of the Executive Sub Committee for Property held on 22 September 2015 were taken as read and signed off by the Chair as a true record.

15/15 **PREMISES AT SIMPSON STREET/STONEHOUSE STREET, LINTHORPE, MIDDLESBROUGH - PROPOSED FREEHOLD SALE.**

The Executive Director of Commercial and Corporate Services submitted a report that provided details of the receipt of several offers to purchase the Council's freehold interest in five properties at Simpson Street/Stonehouse Street and sought approval to the marketing of the premises for sale in accordance with the recommendations of the report.

The properties marked A, B, C, D and E on plan VAL 4059N (attached to the report) are owned by the Council. Properties A, B, C and E were a mix of vacant buildings and cleared sites.

The potential sale and proposed redevelopment of the subject properties had been the subject of lengthy discussions between the Council and the owner of the property shown by hatching on plan VAL 4059N (the former Kwik-Fit depot).

The proposed buyer confirmed that his best and final offer to buy properties A, B, C, D and E would be £300,000 plus fees. He was unwilling to give the Council a repurchase option nor any commitment regarding redevelopment.

Officers considered the value of the properties to be significantly higher and could not recommend the sale of the properties for such a sum.

Following discussion it was agreed to approve the recommendations of the report under the proviso that:

- the Council pursues the five years unpaid rent from the current tenant; and
- should any previous or current Tenant with legal liability for ongoing rent of the property concerned be successful in tendering for the procurement of the property no contract for the sale thereof will be entered into until all rent arrears owed in respect of the said property by that tenant are cleared.

ORDERED

1. **That all offers which had been submitted to date in respect of the properties concerned be declined;**
2. **That the Council pursues the five years unpaid rent from the current tenant;**
3. **That the Council's freehold interest in the subject properties be marketed and interested parties invited, including those who have made the offers set out in the report, to submit their informal offers by a specified closing date; and**
4. **should any previous or current Tenant with legal liability for ongoing rent of the property concerned be successful in tendering for the procurement of the property no contract for the sale thereof will be entered into until all rent arrears owed in respect of the said property by that tenant are cleared.**

REASON

The decision was supported by the following reason:

The sale of the properties will result in the disposal of surplus premises in return for capital receipts to the Council and assist in the regeneration of the area.

15/16 **TO CONSIDER PASSING A RESOLUTION EXCLUDING THE PRESS AND PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE FOLLOWING ITEMS OF BUSINESS ON THE GROUNDS THAT IF PRESENT THERE WOULD BE DISCLOSURE OF EXEMPT INFORMATION FALLING WITHIN PARAGRAPHS 1 AND 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT.**

That decision to exclude the press and public was agreed.

15/17 **SITE L(NORTH), PARKWAY CENTRE, COULBY NEWHAM, MIDDLESBROUGH - PROPOSED FREEHOLD SALE.**

The Director of Commercial and Corporate Services presented a report that provided details of a reduced offer to purchase the Council's freehold interest in Site L (North) and sought approval to the sale of the property in accordance with the recommendations of the report.

Following the withdrawal of Aldi's offer for Site L (North), it was ordered that both sites be sold to the preferred developer on the basis set out in the report.

It was reported that this would enable the developer to progress the disposal of part of the former Arundale site to Aldi for redevelopment at the risk of the developer subsequently failing to purchase Site L (North). However, this was weighed against the fact that the Council could retain the developer's initial payment and remarket Site L (North) if that was to occur.

The developer had asked the Council to consider a reduced offer for Site L (North) as it allegedly stands to make a loss if it proceeds at the agreed price.

The developer was asked to provide evidence in support of its request and submitted copies of its development appraisal summaries prepared when initially valuing the site and prior to submitting the reduced offer.

Following further discussions, the developer has now asked the Council to accept a revised price for the freehold interest in Site L (North).

Following discussion at the meeting it was agreed to go with option 2, which was outlined within the report instead of the recommended option 1.

ORDERED

1. **That the reduced offer from the developer's for the freehold be declined and a formal legal notice be served on the developer to complete the original contract; and**
2. **That if the developer does not complete the purchase on the terms set out in the original contact legal action be taken and site remarketed.**

REASONS

The decision was supported by the following reason:

Due to discussions outlined within the meeting.

15/18 **MTLC COMPLEX, CARGO FLEET LANE, MIDDLESBROUGH TS3 8PE - PROPOSED FREEHOLD SALE.**

The Director of Commercial and Corporate Services submitted a report that considered the proposal to dispose of the Council's freehold interest in the MTLC Complex, and sought approval to proceed with the sale of the premises in accordance with the report's recommendations.

Having been deemed by the Council to be surplus to operational requirements, the complex was marketed in local, regional, national and digital media for a period of 3 months, from June to September 2014.

The report provided details of the two stage tender process and the bids received.

Ormesby Table Tennis Club occupied the former school sports hall and benefited from a long leasehold lease at peppercorn. They had requested that the Council grant them an option on land to the rear of their property to facilitate a future extension to their current facilities. However, the Council was not prepared to consider granting any option on this land without the benefit of a deliverable scheme being in place. In addition, the exclusion of this land from the sale would also result in the loss of up to five dwellings from the tabled proposal.

Ormesby Table Tennis Club would however continue to benefit from their current occupation of the site which included their current parking provision and independent access directly onto Cargo Fleet Lane.

ORDERED

That the disposal of the complex to Gleeson Homes for the sum of £442,000 plus fees be approved.

REASON

The decision was supported by the following reason:

This will result in the disposal of surplus property in return for a capital receipt to the Council and assist in the regeneration and enhancement of the local area.

15/19

HEMLINGTON GRANGE ELECTRICITY PROVISION.

This item was pulled from the Agenda on Thursday, 12 November 2015.

The decisions will come into force after five working days following the day the decisions were published unless the decision becomes subject to the call in procedures.