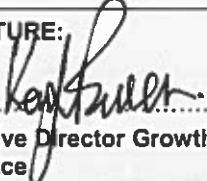
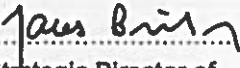

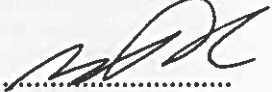


Delegated Decision Front Sheet

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Officer Decision

OFFICER: Nasreen Younis	SERVICE AREA FUNCTION: Economic Growth	DATE: 12 Jan 2018
DECISION NO:	DELEGATION POWER Delegated authority for the Strategic Director, Finance and Governance and Support; in consultation with the Deputy Mayor/Executive Member for City Centre Strategy, the Executive Member for Finance and Governance and Executive Director for Growth and Place.	CHECKS & BALANCES: Middlehaven Disposal – Land to south side of Dock Valuation and Estates: Tim Wake Strategic Finance: Paul Shout Legal Services: Alison Symon/Emma Loughran
DETAILS OF DECISION: To agree detailed contractual terms for the option relating to the disposal of land known as South Side, in Middlehaven, at the Dock side.	IS IT A KEY DECISION? Y	
REASONS FOR DECISION: On the 12 th July 2017, the Executive Sub Committee for Property approved a disposal of land to Twenty13 Developments Ltd (company associated with the snow centre development) this is a disposal of 4.77 acres of land via an option for the sum total of £834,750. This note is to satisfy one of the recommendations of the report, which was: <i>"that the determination of the detailed contractual terms be delegated to the Strategic Director, Finance and Governance and Support; in consultation with the Deputy Mayor/Executive Member for City Centre Strategy, the Executive Member for Resources and Executive Director for Growth and Place.</i>		
BACKGROUND In summary, the following points provide an overview of what the Council/Twenty13 Developments Ltd have agreed to in the contract documentation: <ul style="list-style-type: none">• Cool Runnings has an option to acquire a long lease of land at Middlehaven, from HCA on which they intend to build the Snow Centre. This Option is conditional on HCA approval of plans etc, planning permission and various other matters.• On exercise of the option and satisfaction of the conditions, HCA will grant a building licence to CR to allow access to the HCA land to start the construction. The HCA lease is not to be completed until after CR have satisfactorily completed the building works in accordance with the HCA documentation.• The Council has agreed to grant Twenty 13 Developments an option to acquire the freehold of the land at South Side (4.77 acres) at a purchase price of £834,750.00 (£175,000 an acre) for the construction of a hotel, restaurant and residential apartments and ancillary leisure, landscaping car parking.• The Option is time limited, with the initial Option period being up until April 2019 (to coincide with the time limit to drawdown the HCA land). If this Option is never triggered, it falls away, i.e. the land returns to Middlesbrough Council without penalty.• The Option may only be exercised if Cool Runnings exercise their option to buy the HCA land and satisfy the various conditions in the HCA Option agreement and also conditional on them obtaining Funding and obtaining the Council's approval of the specification/design of the proposed development.• Once triggered, substantive works need to be commenced within 3 years from the trigger date. The development has an overall development longstop completion date of 2025.• The Council reserves the right to exercise an option to buyback/step in, in the event of Twenty13 being in breach of their conditions, or the development having collapsed/not completed by the various set dates.• Twenty 13 will pay a non-refundable deposit of 10% on exercise of the option and the remainder of the purchase price on drawdown of the licence (or part of the purchase price if drawn down in phases).• The land can be drawn down in a maximum of two phases only, with the first phase having to be between 30-70% of the overall land, with a minimum of 45% payment (of overall site) this payment would be pro rata at the point of drawdown, with the second phase being the remainder of the site. The transfer of the freehold is to be transferred at the point of drawdown and payment of the land.		

SIGNATURE:  Executive Director Growth and Place	DATE: 15.1.18	SIGNATURE:  Strategic Director of Finance, Governance and Support	DATE: 16.1.18
SIGNATURE  Deputy Mayor/Executive Member for City Centre Strategy	DATE 15.1.18	SIGNATURE  Executive Member for Finance and Governance	DATE 15.01.2018.