

Delegated Decision Front Sheet

Officer Decision


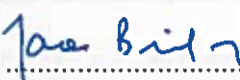


OFFICER: Michael Canavan	SERVICE AREA FUNCTION: Economic Growth	DATE: 9 th March 2018
DECISION NO:	DELEGATION POWER Delegated authority for the Strategic Director, Finance and Governance and Support; in consultation with the Deputy Mayor/Executive Member for Finance and Executive Director for Growth and Place.	CHECKS & BALANCES: Middlehaven Disposal – Land to south side of Dock Strategic Finance – Ian Wright/Paul Shout Legal Services – Emma Loughran
DETAILS OF DECISION: To agree contractual terms for the option relating to the disposal of land known as South Side, un Middlehaven at the Dock side	IS IT A KEY DECISION? Y	
REASONS FOR DECISION: <p>On the 12th July, the Executive Sub Committee for Property approved the disposal of land to Twenty13 Developments Ltd (company associated with Cool Runnings – Snow Centre developer), the disposal of 4.77ha of land via an option for the sum of £834,750. Within this report delegated authority was granted 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 Finance and Governance and Executive Director for Growth and Place to agree contractual terms of the sale.</p> <p>A further delegated decision was taken on the 12th January 2018 approving the detailed contractual terms of the sale of the site.</p>		
BACKGROUND <p>On the 12th July 2017, the Executive Sub Committee for Property approved the disposal of land to Twenty13 Developments Ltd (company associated with Cool Runnings – Snow Centre developer), the disposal of 4.77ha of land via an option for the sum of £834,750. Within this report delegated authority was granted 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 Finance and Governance and Executive Director for Growth and Place to agree contractual terms of the sale.</p> <p>A further delegated decision was taken on the 12th January 2018 approving the detailed contractual terms of the sale of the site. Since this decision was taken, the snow centre developers, under the company name Twenty13 Developments Limited have been in discussion with the Council to agree the option terms. Following discussions with funders, the revised terms set out were not deemed viable in order to achieve development funding. As a result further discussions have taken place to revise the terms as set out below. In essence Twent13 Development have agreed to pay a sale price, should they exercise their option, based on a May 2017 valuation of the plot carried out for the Council by independent valuation company GVA Grimleys. The proposed option agreement would be on the following headline terms:</p> <ul style="list-style-type: none"> • that the purchase price of the land to be equal to the latest independent valuation. This stands at £175,000 per acre or £834,750; • that the option is granted for a fee of £1 with purchase price fixed at the above amount; • that the option Period then runs for up to 2 years – if option is not triggered during that 2 year period, it falls away i.e. land returns to Middlesbrough Council without penalty; • that, if the option is triggered during the 2 year period, the developer is granted access under a building licence and pays a 10% Deposit at that point; • that substantive work must be commenced within 3 years from date of trigger; and, 		

- that the freehold transfers on completion of the works and payments will be aligned to the practical completion of agreed phases and triggers.
- The option cannot be exercised in the event that the snow centre development does not proceed.

This transaction represents Value for Money to the Council based on the following key criteria:

- The price being equal to a May 2017 valuation of the land by an independent surveyor
- The price being in excess of the price paid to acquire the land by the Council in March 2017

The above terms are consistent with the original approval granted by the Executive Sub Committee for Property on the 12th July 2017

<p>SIGNATURE:  Executive Director Growth and Place</p>	<p>DATE: 20/3/18</p>	<p>SIGNATURE:  Strategic Director of Finance, Governance and Support</p>	<p>DATE: 20.3.18</p>
<p>SIGNATURE:  Deputy Mayor/Executive Member for City Centre Strategy</p>	<p>DATE: 26.3.2018</p>	<p>SIGNATURE:  Executive Member for Finance and Governance</p>	<p>DATE: 26.03.2018.</p>