

Memorandum of Understanding

The Parties:

- (1) The Council of the Borough of Middlesbrough** of Municipal Buildings, Middlesbrough, Cleveland TS1 2QH (MBC).
- (2) Jomast Developments Ltd** incorporated and registered in England and Wales, whose registered office is at Oriel House Calverts Lane, Bishop Street, Stockton-On-Tees, TS18 1SW).

Aims and Objectives

The Parties will:

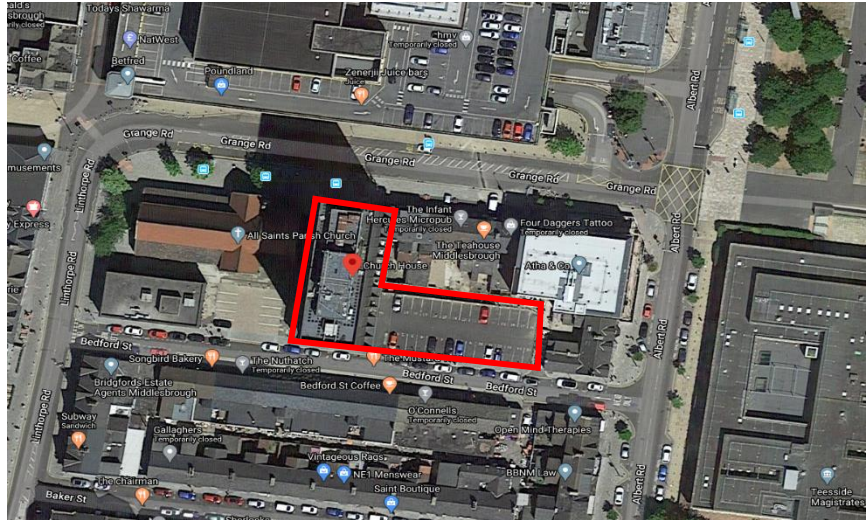
1. work collaboratively to bring forward economic development within Middlesbrough;
2. work to align their respective development objectives;
3. work to bring vacant commercial property back into an active commercial or residential economic uses;
4. seek to enable the development of selected brownfield sites;
5. jointly assess the viability of development proposals;
6. will jointly seek appropriate project finance and access external sources of funding support i.e. Homes England, national programmes and Tees Valley Combined Authority.
7. explore financial models / investment vehicles to bring forward development; and,
8. work to formalise a joint venture agreement, through means including, but not limited to, joint development of projects, equitable co-investment, the pooling of land assets and resources; and, strategic master planning, to enable development.

Scope

The collaborative arrangements will focus on the following sites, although additional development opportunities / sites may be brought into scope, as the partnership progresses. First phase sites include:

Church House

- Residential use (upper floors)
- Homes England aid (potential)
- Council Tax yield
- Urban Living target C. 86 units
- Permitted Development – existing planning is secured as well
- Fascia uplift required – elevation treatment to be reviewed
- Jomast owned



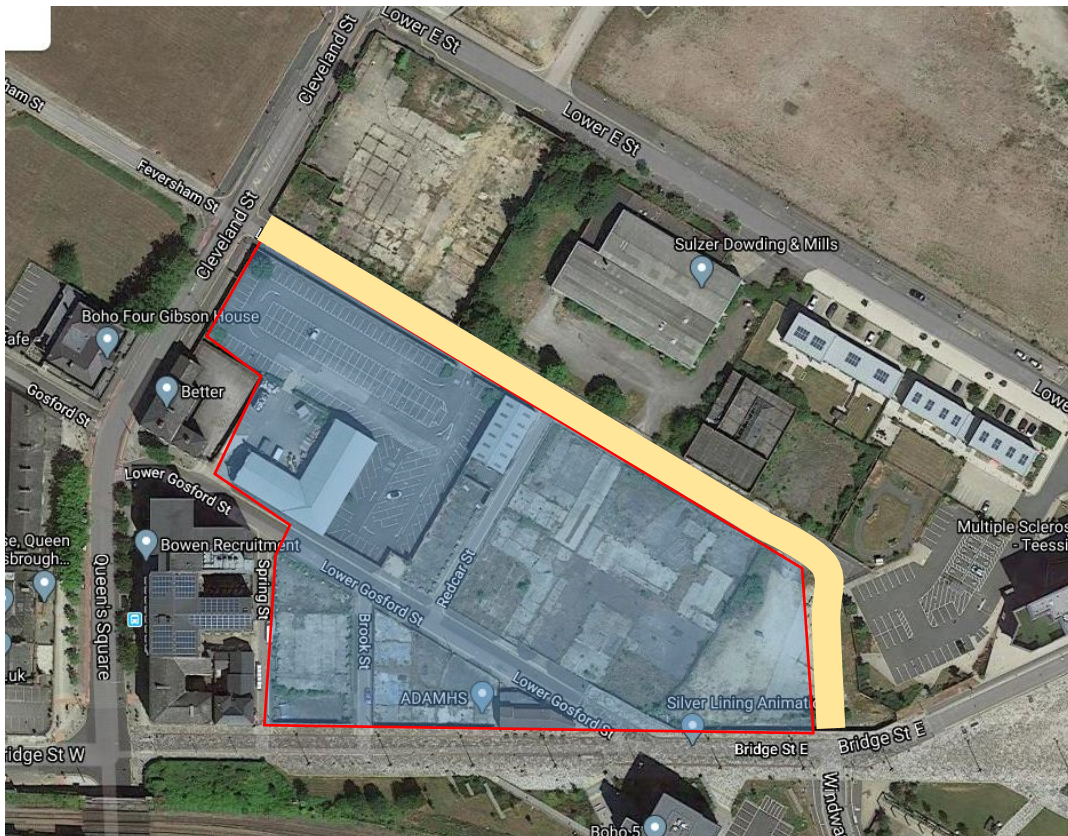
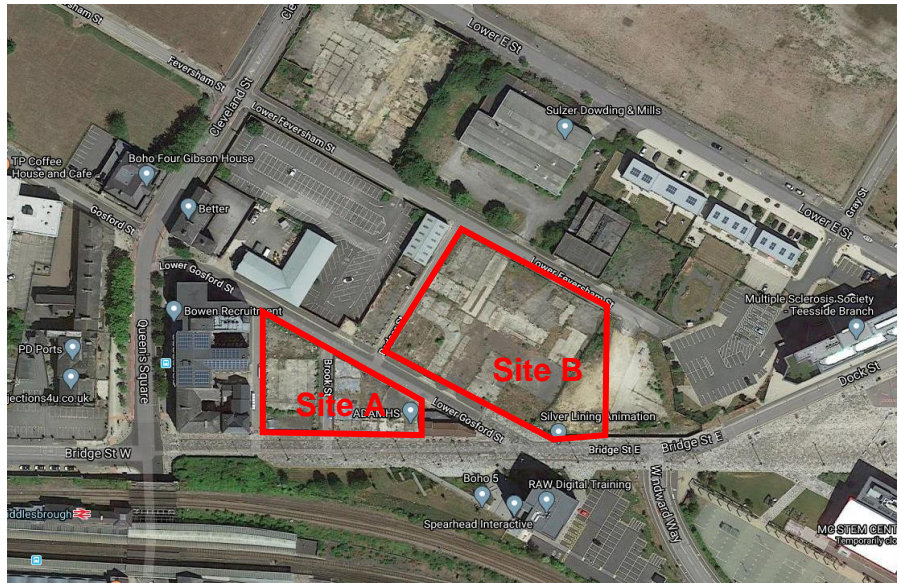
Gurney House and Buxton Street Car Park

- Commercial use
- Needs a pre-let to progress
- Complements wider commercial estate
- Gap funding – not in event of pre-let requirement.
- Marketing approach – brochure which demonstrates the completed development offer.
- Elevations to be reviewed
- Adaptable floor space
- Associated parking
- Gateway site
- Jomast owned – Gurney House
- Council owned – Buxton Street and Gurney Streets
- Short stay / operational car parks
- Gateway site
- Rail station adjacent
- Parking Services Albert Road



Bridge Street East

- Prime site
- Rail station and College connectivity
- Boho Zone
- Council owned
- Site A - reserved for temporary use for secondary school
- Unavailable for C. 3 years
- Site B – double-fronted with new link road
- Brownfield sites
- Grubbing of foundations / remediation anticipated
- Final phase - adequate progress of other redevelopment sites is required in advance of inclusion in development programme.



Conditionality / Constraints

Open Book - A joint venture or development partnership would be conducted on an open book basis, based on independent valuations and feasibility assessments.

Shared Risk and Reward – No funding relationship is prescribed, but should financial involvement occur in the future, this would be developed on the understanding that both parties will be subject to risk and reward, in proportion with the scale of their respective investment(s).

Sequential Development – A delivery programme will be determined for the sequential progression of development / investment. The Bridge Street East site will be 'optioned' to the development partner, subject to the successful redevelopment and occupation of the early phase(s).

Procurement Compliance – The partnership / joint venture will progress on the basis of maintaining full compliance with all of the necessary state aid, procurement and legal obligations placed on Middlesbrough Council, as a public body.

Appropriate Governance and Decision Making – Formal governance and decision making arrangements will be established, with regular, minuted meetings; reports and approvals; agreed membership responsibilities; and, where necessary, public transparency.

NEXT STEPS

Upon agreement of the terms and scope of this agreement the relationship will be legally formalised.