

Appendix 1

Summary of Heads of Terms relating to the Rhyl Waterfront Overarching Development Agreement

Generally the Heads of Terms provides a comprehensive set of headings for agreement by both parties which will be carried through to the Development Agreement and detailed out to the satisfaction of both parties' legal, financial and property advisers.

1. The Heads of Terms run from 31 / 1 16 and replaces the exclusivity agreement previously entered into by DCC and Neptune Developments Ltd and grants a further period of exclusivity ie Denbighshire will not negotiate with another party.

The overarching development agreement once agreed will commence from a date to be determined.

2. Parties – Denbighshire County Council and Neptune Developments Ltd
3. The Council and Developer seek to achieve a comprehensive redevelopment of the “Core area” – essentially the Rhyl Waterfront but with the potential by agreement to expand into an extended development area within the Town Centre.
4. The Heads of Terms propose that the Council and developer enter into an “Overarching Development Agreement” with the facility for individual phases to be entered into (denoted at Section 6 below) provided that all necessary conditions are met and the Financial Appraisal for each phase proves viable.
5. The Development Agreement will set out all the relevant mechanisms for project delivery including;
 - a. Costs
 - b. Developer / Council Returns
 - c. Land values
 - d. Overage (if applicable)
6. Phasing – the Heads of Terms and Development Agreement set out the relevant project delivery phases;
 - a. Hospitality
 - b. Cinema / Children’s Village
 - c. Aquatics
 - d. Active leisure
7. Conditionality – there are 3 sets of conditions which need to satisfied by both parties;
 - a. Primary Conditions:
 - Agreement of master plan
 - General Appraisal for master plan

- Any Council Authority required
 - Submission of Planning Application
 - Agreed target and longstop dates
- b. General Phase Conditions:
- Detailed phase financial appraisal
 - Approval of phase proposal
 - Detailed delivery phase programme
 - Individual Phase agreement by both parties
 - Council to satisfy developer that it can input land and resolve any title matters arising
- c. Phase Specific Agreements (where required)
- Aquatic Zone agreement
 - Management agreement (if needed)
 - Lease / Licences / land transfers required
8. Definition of Development Costs – listed out and agreed (with precise definitions to be included and agreed in the Development Agreement).
9. VAT Conditions
10. Variations – how they are put forward, resolved and agreed between the parties.
11. Procurement issues – the Developer commits to an OJEU compliant process for the appointment of Design Team and Contractors plus the form of contract (Industry Standard JCT 2011)
- In addition the Contractor will enter into a direct agreement with the Council where required for the purpose of warranties.
12. Commitment to collaborate – binding on both parties
13. Confidentiality – relating to Press and Freedom of Information requests requiring the agreement by both parties
14. Service of Notices – registered addresses and responsible officers of Council and developer.