

Equalisation agreement between Gloucestershire County Council and Gloucester City Council in respect of land at Quayside/Blackfriars

1. The City and County have made a successful joint bid for LEP funding. The available funds will be used to facilitate the development of land owned by both the City and the County as identified on the Master Plan, including the County's site at Quayside and the City's site at Blackfriars.
2. The County has made an application to the City for an LDO which relates to both the Quayside and Blackfriars sites.
3. In light of the co-operative working between the two councils in promoting the redevelopment of Quayside/Blackfriars it has been agreed that the net sale proceeds (post disposal costs agents and legal) shall be paid into an interest bearing escrow account (to be set up and administered by the City). This account will be a sub-account of the Regeneration Account the City holds under an agreement dated 30 January 2011 with the former South West Regional Development Agency (SWRDA Agreement).
4. This agreement will remain in place until the earlier of a) the date on which the whole of the Blackfriars and Quayside sites have been disposed of; or b) the lifespan of the LDO (to be reviewed after 5 years).
5. At the end of the term of this agreement the funds held in the escrow account shall be shared on a pro-rata basis to the respective Council's developable land ownership that have been sold at that time. For the avoidance of doubt if the escrow account contains the net sale proceeds from one Council only, that Council will receive 100% of the funds held in the escrow account.
6. The current calculation of the developable area of each parties land ownership (excluding roads) is 56.55% (12,037 square metres) County and 43.45% City (9,248 square metres). Site plan is attached.
7. The County agrees that the sum it receives from the sale of City owned land which is subject to the SWRDA Agreement will only be used in accordance with requirements of the SWRDA Agreement
8. If any other areas are expanded or excluded from the development opportunity by either party (e.g. the music academy is excluded by the City, or the former garages and police cells are included by the County), or are retained by either Council for their own use, the percentage shares will be appropriately adjusted at the date of the adjustment, and shall be finally determined at the termination of this agreement.
9. Both Councils will actively market their respective sites and will use all reasonable endeavours to maximise the development opportunities of their sites.
10. In evaluating any offer for either party's land not only should this be on a best value basis (not necessarily maximum value) but also whether it enhances or at least does not restrict the value of the remaining development opportunities.
11. Option agreements should be valued at the date they are exercised and any option fee paid into the escrow account as above.
12. The disposal of any site will be managed by the respective landowner who will need to adhere to their own disposal procedures and processes.

13. Development opportunities should be agreed between both parties and be in accordance with the agreed LDO but either party is not able to veto any proposed deal on the other's land subject to compliance with point 9 above.