

Record of Urgent Executive Decision(s)

1. Subject of decision

The Site of the former Highpoint Hotel and 1 and 2 Eastcliffe, Whitley Bay

2. Name and Title of Decision Maker

Elected Mayor – N Redfearn

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

4. Executive summary

This report provides information on the current position with the Highpoint residential development in Whitley Bay that has been constructed under the terms of a Development Agreement dated 8th November 2016 ('the Development Agreement') between the Authority and Highpoint View Limited.

It also confirms the position with the Facility Agreement which financed the Development Agreement and was made between the Authority (as Lender) and Highpoint View Limited (as borrower) dated 8th November 2016. The original repayment date recorded in the facility Agreement was 31st March 2018 which was extended by an Executive Decision report dated 22 August 2018 to 30th September 2018. It is now proposed that the Repayment Date recorded in the Facility Agreement be extended to 31 March 2020. This will allow time for further properties to sell and for the loan to be repaid from the proceeds of sale.

5. Alternative Options considered

Not to approve the extension of the loan facility in which case Highpoint View Limited will have to seek alternative arrangements to repay the Authority's loan and which may incur additional financing costs to the project.

6. Decision(s)

The extension of the loan facility was approved from the original start date of 8 November 2016 until 31st March 2020 in order to allow time to sell the number of properties required to secure its repayment.

7. Reasons for the Decision(s)

To allow the developer time to sell the number of properties required to secure the repayment of the Authority's loan.

8. Date Decision Made

4 June 2019

9. Is this decision subject to call-in and if so expiry date of call-in period

No*

10. Date of Publication

13 June 2019

11. Implementation Date

4 June 2019

*Note – this is an Urgent Decision, as agreed by the Chair of the Overview and Scrutiny Committee, and not subject to call-in, as agreed by the Chair of Council.

The reason for urgency is as follows:

The loan extension agreement needs to be signed by both parties as the previous period has expired.