



## ECONOMIC GROWTH

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For the attention of:  
 The Directors  
 Darlington Mowden Park Rugby  
 Football Club Ltd  
 The Northern Echo Arena  
 Neasham Road  
 Darlington  
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Date : 11 November 2017  
 Please ask for : Ian Williams  
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 Your Reference :  
 Our Reference : IW/ec  
 Document Name :

Dear Sirs

### Darlington Sports Village

This Letter of comfort is offered by DBC following discussions with DMP regarding potential development of the Arena and the Additional Land to realise the vision of the DSV proposal.

#### 1. Definitions

The following definitions apply throughout this letter.

- 1.1. **Arena:** 17 acre freehold owned by DMP including the Arena and surrounding land, with title numbers [DU241170] and [DU241039].
- 1.2. **Additional Land:** 42 acres of DBC land adjoining the Arena with title numbers [DU306313], [DU306315], [DU186392], and [DU190356] subject to an option in favour of DMP.
- 1.3. **DBC:** Darlington Borough Council.
- 1.4. **DMP:** Darlington Mowden Park Rugby Football Club Limited and its subsidiary companies.
- 1.5. **DSV:** Darlington Sports Village, a potential collaboration between DMP and DBC to create a sports village that will benefit the local and regional community, providing facilities to an array of stakeholders.

#### 2. DBC Position

The DSV vision is a potential collaboration between DMP and DBC (and others as necessary) to create a sports village that will benefit the local and regional community, providing facilities to an array of stakeholders. The DSV vision places the Arena as a centrepiece asset, within a mixed site development that includes: sport, leisure, retail, commercial and an enabling residential offering. Any DSV development will be within the general DSV vision and work considerably with local development and planning objectives.



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DBC is willing to proactively work with DMP to examine and potentially develop the DSV vision. DBC acknowledges and supports the overall vision of DSV as such but this intent will be subject to obtaining satisfactory planning consents and a pre requisite is that of an agreed and viable business plan for DSV. At this stage there is no formal agreement to enter into a JV but we will agree to proactively participate on a DSV governance Board that will oversee the strategy and the development of the DSV business plan. DBC acknowledge that any DSV development will need to include suitable exit consideration for interim DMP finance, which supports initial DSV work to commence.

### 3. Scope

Subject to further work between the parties, DMP and DBC have identified initial headline terms that could allow the DSV Vision to be delivered as follows:

DSV will be formed with DMP-DBC shared ownership. At an agreed time DMP will commit the Arena into the DSV and DBC will commit the Additional Land. It is our intention that DMP will manage and operate the DSV on behalf of DMP and DBC and any other investor.

Subject to a satisfactory business plan DBC is prepared to remove covenants and relax overage on terms to be agreed on the Arena and Additional Land, to allow DSV Vision to be delivered and maintained.

Part of the Additional Land is earmarked for potential residential development (circa 24 acres), thereby generating a receipt of funds for re investment into DSV. The remainder of the Additional Land will be used primarily for sport and leisure development (circa 18 acres) which will be retained by DSV to work alongside the Arena (17 acres). DBC, in principle and subject to planning, consent to parts of the Arena being utilised for commercial development and either sold or retained to generate further receipts and ongoing revenue for DSV.

Given the significance of DSV and likely contribution from DBC at the appropriate time full consent from Cabinet and Council will be sought.

Yours sincerely



**Ian Williams**  
**Director of Economic Growth**