

ARENA COMMUNITY STADIUM PROJECT

PROJECT DEVELOPMENT AGREEMENT - AGREEMENT SYNOPSIS

Issue	Comment / Synopsis
Parties	<p>Aberdeen City Council.</p> <p>Aberdeen Football Club PLC ("AFC").</p>
Purpose	<p>To allocate responsibility and share costs in relation to the tasks leading to the preparation of a Final Business Case and Feasibility Study for the Arena Community Stadium Project.</p> <p>The Feasibility Study will include both the King's Links and Loriston Loch sites.</p> <p>The Final Business Case and a report on the Feasibility Study will be presented to the Council and the board of AFC in January 2009.</p>
Council's financial exposure	<p>Maximum of £225,000 (excluding VAT) in relation to the tasks leading to the preparation of a Final Business Case and Feasibility Study.</p> <p>Additional commitment to discuss in good faith with AFC the sharing of additional costs to be incurred by AFC relating to a business case and concept design for each of the sites (estimated to be a potential share of £150,000).</p>
Cost sharing mechanism	<p>On completion of the Final Business Case and a report on the Feasibility Study, the third party costs incurred by the Council and AFC are pooled, and a balancing payment will be made from one party to the other.</p> <p>The costs of both parties are monitored and disclosed on a monthly basis.</p> <p>Audit rights for the Council are retained (and are mutual for AFC).</p> <p>Limited internal charging by the Council's committee services unit may also be included in the pooling exercise. It has been agreed with AFC that the cap on internal charges will be £7,500.</p>
Contracts	<p>If contracts with third parties are entered into in relation to the tasks leading to the preparation of the Final Business Case and Feasibility Study, these will either be:</p> <ul style="list-style-type: none"> • let jointly by the Council and AFC; or • let by one party, with the contractor owing a duty of care to the other party. <p>Tendering and value for money controls are imposed in relation to contracts with third parties.</p> <p>The terms of conditions of contracts let by AFC will be approved by the City Solicitor.</p>
Responsibilities	<p>The responsibilities for the completion of various tasks leading to the preparation of the Final Business Case and Feasibility Study are allocated to the Council or Aberdeen Football Club. These tasks are listed in the annex to this synopsis. These may be added to by agreement.</p> <p>Completion and agreement of the Final Business Case and the report on the Feasibility Study is a joint responsibility.</p>
State Aid	<p>Members will wish to note that should the Arena Project progress beyond feasibility study stage, issues relating to state aid will require careful consideration, and a formal state aid clearance may require to be sought.</p>

ANNEX

The elements of and/or supporting the Feasibility Study, the delivery responsibilities and the current status are set out in the table below.

Element of and/or supporting the Feasibility Study	Party Responsible for Funding / Delivery	Status as at last date of Project Development Agreement
Business Cases and Concept Designs To include:- <ul style="list-style-type: none"> • Market Analysis & Assessment of Need • Economic Impact Assessment • Detailed Site Appraisal • Detailed Site Assessment (including Planning Considerations & Site Conditions) • Site Ownership Considerations • Detailed Financial Appraisal 	AFC	Ongoing
Project Brief	The Council	Completed
Winter ecological survey work 07/08	The Council	Completed
Scope for Environmental Assessment	The Council	Completed
Quality Assurance advisor	AFC	Ongoing
Public Relations	AFC	Ongoing
Environmental Assessment	The Council	Ongoing
Transport Assessment	The Council	Ongoing
Committee Services	The Council	Ongoing
Legal Support	The Council	Ongoing