

From: [REDACTED]
To: [Manston Airport](#)
Subject: financing of Man
Date: 19 June 2019 23:01:00
Attachments: [comfort letter.pdf](#)

Please find attached a new submission on financing

Barry James

Sent from [Mail](#) for Windows 10

11th hour letter of comfort

Introduction

On 14 August 2018 the Application for Manston was accepted by National Planning however they were concerned about several aspects of the application. One of which was financing the application.

Their letter to Riveroak stated the following:

- *"In the generality, further evidence that adequate funds will be available to enable the Compulsory Acquisition of land and rights within the relevant time period.*
- *Further information in respect of RiverOak Strategic Partner's (RSP) accounts, shareholders, investors and proof of assets. Further clarification in respect of the term "completion of the DCO" (Funding Statement para 12, 13, 27).*
- *Further details of RSP's Directors, staff, auditors etc.*
- ***Further details of the funders who have already expressed interest and others that are likely to come forward (Funding Statement, para 23).***
- *Further justification as to why Article 9 of the draft DCO is appropriate and provides sufficient security for individuals in consideration of the provisions of the Human Rights Act 1998.*
- *Further information on the sources and availability of funding for the Noise Mitigation Plan.*
- *Further information on the joint venture agreement (Funding Statement, para 19 etc).*
- *Further details of how the costs set out in the Funding Statement at paragraph 15 have been estimated.*
- *Further evidence to support various statements such as: o "The investors are willing to underwrite the cost of any blight claims or eventual claims in compensation [...]" (Funding Statement, para 10).*
- ***"RiverOak anticipates that it will raise further equity and debt finance following the making of the DCO in order to develop the authorised development to completion" (Funding Statement, para 11).***
- *"[RiverOak] have drawn down £500,000 from their investors" (Funding Statement, para 20)*

Editor's remark: Bold is my highlight

History

Since that point in time and 2 open sessions and two sets of questions to the applicant the highlighted questions have been fudged by the applicant including at the last open session when the QC for the applicant actually stated that Riveroak wouldn't be answering the questions because they didn't need to. In fact the answers to the last set of written questions were answered by the applicant with these responses

Funding

"There is no requirement in statute or guidance that the funding arrangements of an NSIP must be 'transparent.'"

"The Guidance does not require the Applicant to satisfy the ExA or the Secretary of State that the funding for the Project is available now."

"..the Applicant is not required to demonstrate that the funding for the Project is from firms, bodies or individuals whose financial and other details are open to public scrutiny in the UK."

"...the Applicant respectfully suggests that the ExA's remit does not extend to scrutinising the source of funds, but only to ascertaining the likelihood of the funds being available.."

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Letter of comfort

So it seems somewhat odd that in their latest set of disclosures there is a letter from Aldgate Developments written to Niall Lawlor from Niall Molloy dated the 6th June 2019, which seems to be offering comfort to Riveroak that they will be looking favourably at finding £250M towards the £306M needed to build the infrastructure for the airport. **Editor's note: page 1 & 4 as appendix 1.**

Questions

1. Why has this letter been sent in at the 11th hour when the day before the QC determined that the ExA “the applicant respectfully suggests that the ExA’s remit does not extend to scrutinising the source of funds”?
2. This letter does not show the RSP investor prospectus which should show what RSP are offering any prospective investor to understand what sort of guarantees and interest rates RSP are offering to secure any funding. Why not?
3. This letter was dated the day after the open session on financing the project. So why have RSP only disclosed this with 3 weeks of the ExA to go. Why was it not produced in August 2018 when there would have been an opportunity to test the promises within it?
4. Has Niall Lawlor had past dealings with Aldgate?
5. During the open session much was made of the funding for the project coming through MIO Investments (Belize) via Riveroak Investments (UK) Ltd (controlled by HLX Nominees based in Tortola British Virgin Islands) because their investors wanted to avail themselves of Business Investment Relief. How does that square with funding via Aldgate?
6. Aldgate themselves seem to be a Property Investment money broker with little money themselves. How does that provide any comfort that there will be £250M to finance the DCO?

Conclusion

How much weight the ExA places on this 11th hour disclosure is unknown but the cynical amongst us might believe it has been included to provide succour for the many supporters and the two Thanet MP's who may be having second thoughts about this DCO.

11th hour letter of comfort

Appendix 1

ALDGATE DEVELOPMENTS

Mr Niall Lawlor
Riveroak Strategic Partners
16 Charles II Street
London SW1Y 4NW

10th June 2019

Dear Niall

**RE: PROPOSED REDEVELOPMENT OF MANSTON AIRPORT, KENT ("THE AIRPORT")
SUBJECT TO CONTRACT / CONTRACT DENIED**

I write on behalf of Aldgate Developments to outline our continued support for the redevelopment of the Manston Airport as a core member of the Riveroak Strategic Partners consortium.

As you are aware Aldgate Developments intends to be centrally involved in the procurement of the airport redevelopment, including bringing development expertise and the £250m to fund the projected first phase of CAPEX works.

1. ALDGATE DEVELOPMENTS

Aldgate Developments ("AD") is a Developer and Property Company with strong financial backing and a pro-active, in-house asset management and development team. AD have in recent years been focussed on the Central London office market and are the owner and developer of several major office schemes in London and Dublin:

- Aldgate Tower, 2 Leman St, London E1 is a major 17 storey 320,000 sqft office building on which a £350m sale to a consortium of Brookfield and China Life was completed in April 2016, providing significant acquisition liquidity to Aldgate Developments
- One Braham (formerly known as Maersk House/Beagle House) is a £400m redevelopment on an adjoining site on Braham St in Aldgate on which Aldgate Developments are currently completing a major 340,000 sqft HQ office scheme which is to be let to a major UK based corporate occupier. See www.onebraham.com

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3. PROPOSAL FOR MANSTON AIRPORT:

Aldgate Developments is very excited about undertaking the development of Manston airport as part of the Riveroak Strategic Partners consortium.

Aldgate will bring very strong development expertise to the project, having completed c£1 billion of projects on time and on budget. We would propose providing a dedicated team of development managers and experts to bring the project to fruition, including refurbishment of the current airport infrastructure (runways, terminal) and the construction of appropriate new infrastructure (aircraft stands, cargo hangars etc).

As part of this development partnership, Aldgate Developments is able to bring the £250m+ development financing to allow the first phase of the project to progress, just as we have on all our other projects in Aldgate and elsewhere.

It is our intention to allow Rubicon Capital Advisors (www.rubiconcapitaladvisors.com), a global Investment Banking Advisory firm specialising in infrastructure projects, to undertake this fundraise to supplement Aldgate Developments own investment capital. Rubicon have already discussed the project with a range of leading infrastructure funds who are very keen to invest in the project subject to completion of the DCO process. Rubicon are highly confident that the development financing can be raised and I attach correspondence in this regard.

4. CONCLUSION:

The Aldgate Developments team are very excited about pressing on with the Manston Airport project and are available to discuss any aspect of it at your convenience.

If you wish to discuss any aspect, please do not hesitate to contact me on +44 207 488 0498 or niall.molloy@aldgatedevelopments.com

Yours sincerely,



NIALL MOLLOY
Director and Principal
Aldgate Developments

This letter is found at the following submission

https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR020002/TR020002-004370-CAH2%20Summary%20and%20associated%20appendices_Redacted.pdf

at appendix 1