

Memo for discussion on financing Puy du Fou

To: 5.1.2e 5.1.2e 5.1.2e 5.1.2e 5.1.2e 5.1.2e 5.1.2e

From : 5.1.2e 5.1.2e

Subject: first exploration

Date: July 2nd, 2022

Introduction

A study is currently being conducted into the possible establishment of Puy du Fou in the vicinity of the municipality of Meppel. The case is elaborated in a report written by Ecorys entitled: A study into the SME effects of the arrival of Puy du Fou.

The management of Puy du Fou has indicated that they do not want to bear the investment associated with the events themselves. This means that an investigation must be started into the financing. For this it is necessary to explore the different possibilities. This exploration is further elaborated in this memo. This memo will be discussed in consultation with Puy du Fou in the second week of July.

Investments & Financing

The investments are made in the land (area to be used), the buildings and the operation/exploitation.

Puy du Fou has indicated that they take responsibility for the exploitation. In the first exploratory talks about this, the question was asked about what period of time to get an agreement on. Initially, the answer was 10 years. After some discussion, it was indicated that a longer term is possible as well. This is necessary because such a short horizon does not make it possible to get to a viable business case. A better term - in my view - would be 30 years. For the investor in the buildings, this means that depreciation can be included in the operation.

A second consideration in this area is the method of financing. Puy du Fou's policy is not to make all investments at once, but in several phases, this has to be taken into account. In the first instance, the aim is to achieve a growth model to 2,500,000 visitors per year over a period of time. The first estimates for the size of the site add up to a total area of 60 hectares. The phasing, total area and growth model of visitors in relation to the associated financing requirements have to be discussed in detail with Puy du Fou.

Development

The on site development includes a program of requirements, in which Puy du Fou wants to create a nature park and restore the waterway to its original state. The starting point for the park is a building percentage of approximately 10 percent of the total area. In collaboration with the province and the *Waterschap*, an exploration will be carried out into provincial, national and European resources to help realize this nature park.

Parking

In addition, a parking lot will have to be constructed in front of the park. The exploitation of the car park may contribute to the feasibility of the plan. This plan will of course be implemented in phases.

Holiday park

It is the intention to realize a holiday park in the area. A reservation for the park can be made by the municipality on the basis of a tender, whereby cover is created for the land exploitation. The municipality will have to start this process through a European tender.

Possible ways of investment

If the entirety of the land and buildings is placed with an investor, they will usually calculate a high return on the contribution of their own capital. [redacted] are not uncommon in this respect. In addition, a risk assessment will be an important part of the possible acceptance of the project. For the exploitation, these elements push up prices and can harm the feasibility of the plan.

One of the other options for Puy du Fou is to acquire the land on a long lease. The municipality in that case finances the land and passes it on to Puy du Fou under certain conditions. The conditions include a certain term, a possible interest surcharge on the loan costs and some conditions regarding the premature reduction of ground lease. It seems sensible to examine this part in more detail.

The buildings will have to be placed with an investor or a consortium of investors. Consultations were held with [redacted] on this part. He indicated that there are several options in the Netherlands that should be explored. This applies to private individuals who may wish to invest in leisure. Research is also needed into banks that are interested in this part of the financing. In this regard, a discussion with the combination of [redacted] and [redacted] is currently underway. Consideration should also be given to a combination with, for example, the Northern Development Agency.

Another option is to provide security for financing by the Province and the Municipality of Meppel. The condition for this is, of course, to what extent the operator Puy du Fou can provide security to these institutions. This aspect also deserves attention in the consultation at the beginning of July.

Lastly I would add that the leasehold scan and the interest charges must be covered from the exploitation. Perhaps it would be wise to do some further research into the tax position of both VPB and VAT and transfer tax. Also important for financing is the term, refinancing amounts and period of interest rate stability. Of course, a cash flow statement will also have to be included.

[redacted] [redacted]

Hoofddorp
2 juli 2022

Legenda toegepaste uitzonderingsgrondslagen

In dit document zijn gedeeltes geanonimiseerd op grond van artikel 5 van de Wet open overheid:

Art. 5.1 lid 2 onderdeel e

De eerbiediging van de persoonlijke levenssfeer, tenzij de betrokken persoon instemt met openbaarmaking

Pagina('s): 1 2

Legenda toegepaste uitzonderingsgrondslagen

Er zijn geen gegevens geanonimiseerd in dit document.

Wet	Artikel	Beschrijving	Pagina('s)
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Legenda toegepaste uitzonderingsgrondslagen

In dit document zijn gegevens geanonimiseerd op grond van:

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