

Finance and Resources Committee

10.00 a.m, Thursday, 15 January 2015

St James Quarter Land Transactions

Item number	7.18
Report number	
Executive/routine	
Wards	11 - City Centre

Executive summary

The Council at its meeting on 29 May 2014, delegated authority to the Chief Executive, in consultation with the Council Leader and Deputy Leader, to make a Compulsory Purchase Order in respect the property interests required for the St James Quarter redevelopment by the developer, St James Edinburgh Limited (SJEL). The report also noted that various areas of Council owned land, which are required for the development, would be subject to a separate sale agreement, and the sale terms reported back to Committee for approval in due course.

This report seeks Committee approval to delegate authority to the Director of Services for Communities and the Head of Legal, Risk and Compliance to agree terms and conditions for the sale and purchase of various pieces of land around the St James Centre to SJEL, and also to grant a long lease of an area of ground to SJEL.

Links

Coalition pledges	P8 , P15 , P17
Council outcomes	CO7 , CO8 , CO9 , CO19
Single Outcome Agreement	SO1 , SO4

St James Quarter Land Transactions

Recommendations

It is recommended that the Committee:

- 1.1 Delegates authority to the Director of Services for Communities, in consultation with the Head of Legal, Risk and Compliance, to agree terms and conditions and complete legal agreements with SJEL, to:
 - sell the areas 1 to 7 as shown coloured blue on the attached Plan No.1;
 - acquire from SJEL the areas coloured green on the attached Plan No.2;
 - grant a long lease back to SJEL at a nominal rent of the area coloured green and hatched black on the attached Plan No.2; and
- 1.2 Notes that some areas of land to be sold, as shown coloured red on attached Plan No.1, are inalienable Common Good, the sale of which will be subject to the approval of the Court of Session.

Background

- 2.1 On 29 May 2014, the Council delegated authority to the Chief Executive, in consultation with the Council Leader and Deputy Leader, to make a Compulsory Purchase Order (CPO) in respect of the third party property interests required for the redevelopment of the St James Quarter by the Developer, St James Edinburgh Limited (SJEL).
- 2.2 The Chief Executive, in consultation with the Council Leader and Deputy Leader, was also given delegated authority to finalise the terms of a Minute of Agreement with SJEL, to reimburse the Council for all costs and compensation payments incurred with the making and implementation of the CPO, and the subsequent transfer to SJEL of the interests acquired.
- 2.3 The Council also noted that various areas of Council owned land, which are required by SJEL for the development, would be subject to a separate sale agreement, and that the terms would be reported back to Committee in due course.

Main report

- 3.1 The areas of Council owned land required by SJEL have now been confirmed, and are shown coloured blue and numbered 1 to 7 on Plan 1 attached.

- 3.2 These areas will be utilised for the construction of a new substation, basement car parking, roads and footpaths. Following completion of the development, SJEL will seek to have the newly formed roads and footpaths adopted.
- 3.3 Parts of the area to be sold, shown hatched red on Plan 1, are inalienable Common Good, and once terms and conditions of sale have been agreed, the Court of Session will be asked to approve the sale.
- 3.4 To inform negotiations for the sale of these areas the Council has appointed DTZ Chartered Surveyors to undertake an independent valuation.
- 3.5 There are other areas of land, shown shaded green and numbered 8, 9 and 10 on Plan 2 attached, currently in the ownership of SJEL, which form part of the Growth Acceleration Model that is providing public sector funding through the Scottish Government. A requirement of the Model is that these areas be transferred into Council ownership.
- 3.6 It is proposed that area 10, which will form the approaches to a new hotel, once acquired by the Council, will be leased back to SJEL on a 175 year term at a rent of £1 per annum, with SJEL being responsible for its long term maintenance.
- 3.7 To ensure that SJEL is able to maintain the project's critical path for construction commencement in autumn 2015, it is proposed that delegated authority be granted to the Director of Services for Communities and Head of Legal, Risk and Compliance to agree terms and conclude the necessary disposals and acquisitions outlined above.
- 3.8 SJEL has agreed to meet the Council's reasonable legal and property costs incurred in completing the transactions, and to meet the cost of securing Court of Session consent to sell the Common Good land.

Measures of Success

- 4.1 Success will be measured by the quality and sustainability of the new retail led mixed use development. In addition to the above, success will be measured in terms of the provision of high quality public realm improvements works on St James Place, Little King Street and James Craig Walk.

Financial impact

- 5.1 A capital receipt, payable in year 2016/17, will be apportioned pro-rata between Common Good and General Property Account.

Risk, policy, compliance and governance impact

- 6.1 There is a risk that the development does not proceed with the loss of the capital receipt. In addition, the disposal of common good requires Court of Session approval and there is a risk that this consent is not given.

Equalities impact

- 7.1 Disposal of the land to enable the redevelopment of the St James Centre will have significant positive impacts on the rights to physical security, standard of living, and participation, influence and voice as detailed in the Equality and Rights Impact Assessment.
- 7.2 The redevelopment of the St James Centre should have a positive impact on the Council's equality duties through improved accessibility and design.
- 7.3 There are likely to be negative impacts throughout the construction stage on the accessibility of the area particularly to the disabled, older people and people with young children.
- 7.4 The disposal of common good land will deny access to the land, however, this is mitigated by the provision of a new state of the art electricity substation and improved public realm works.
- 7.5 The potential to create new jobs, apprenticeships and training provision, both during construction and after completion of the development, will help address poverty in the city particularly amongst the long term and youth unemployed.

Sustainability impact

- 8.1 The proposed redevelopment of the St James Centre has been assessed against the most relevant, up to date sustainability indicators available, as the design of the scheme has progressed. As a result, the principles of sustainability have been incorporated within the design, wherever feasible, in order to ensure that the proposals are as sustainable as possible.
- 8.2 Any negative impacts would be offset by a much more energy efficient development than exists in the current ageing buildings. A combined, heating, cooling and power centre is proposed as part of the development, as is wider access and shop mobility. There will be electric car charging points, extensive facilities for cyclists, photovoltaic panels, solar tubes and a city car club involvement.

Consultation and engagement

- 9.1 A public consultation exercise has taken place on the disposal of the Common Good land and comments from the Cockburn Association and Edinburgh World Heritage are attached at Appendix 1.

Background reading/external references

Planning Application 08/03361/OUT
Report to Planning Committee 6 August 2009 and 5 December 2013 – Compulsory Purchase Order St James
Report to the Full Council on 29 May 2014

John Bury

Acting Director of Services for Communities

Contact: Alistair McArthur, Estates Surveyor

E-mail: alistair.mcarthur@edinburgh.gov.uk | Tel: 0131 529 5261

Links

Coalition pledges

P8 Make sure the City's people are well housed including encouraging developers to build residential communities, starting with brownfield sites.

P15 Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.

P17 Continue efforts to develop the City's gap sites and encourage regeneration.

Council outcomes

CO7 Edinburgh draws in new investment in development and regeneration.

CO8 Edinburgh's economy creates and sustains jobs.

CO9 Edinburgh residents are able to access job opportunities.

CO19 Attractive Places and Well maintained – Edinburgh remains an attractive City through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm.

Single Outcome Agreement

SO1 Edinburgh's economy delivers increased investment, jobs and opportunities for all.

SO4 Edinburgh's communities are safer and have improved physical and social fabric.

Appendices

Illustrative Plans

Plan 1 – CEC land to be sold including common good land.

Plan 2 – Developers land to be purchased including area to be leased back.

Appendix 1 – Common Good Consultation Response – Cockburn Association.

Appendix 2 – Common Good Consultation Response – Edinburgh World Heritage Association.

Appendix.1 - Common Good Land Consultation Response- Cockburn Association



thecockburnassociation

Edinburgh's Civic Trust

Trunk's Close, 55 High Street, Edinburgh, EH1 1SR

0131 557 8686 director@cockburnassociation.org.uk

Alistair McArthur
Estates Surveyor

alistair.mcarthur@edinburgh.gov.uk

23 December 2014

Dear Alistair

Forthcoming Application to dispose of Common Good Land

St James Quarter Development

Thank you for your letter notifying us of the Council's intention to apply to the Court of Session for permission to dispose of the three areas of common land on the St James Quarter Development site.

Whilst we would have no objection to the disposal of the land we would wish to be assured that a good price is realised for the strips. We understand there has been an independent valuation and hope that it is sufficient to gain the full value of the land.

Yours sincerely

Marion Williams
Director

Appendix.2 - Common Good Land Consultation Response- Edinburgh World Heritage

From: Adam Wilkinson [<mailto:AdamWilkinson@ewht.org.uk>]
Sent: 03 December 2014 14:03
To: Alistair McArthur
Subject: Disposal of Common Good land, St James Quarter Development

Thank you for your letter for the 27th November. EWH has no comment to offer in relation to the proposed disposal of common good land.

Yours sincerely,

Adam Wilkinson

Adam Wilkinson
Director
Edinburgh World Heritage
5 Bakehouse Close
146 Canongate
Edinburgh
EH8 8DD

t 0131 220 7725
f 0131 220 7730

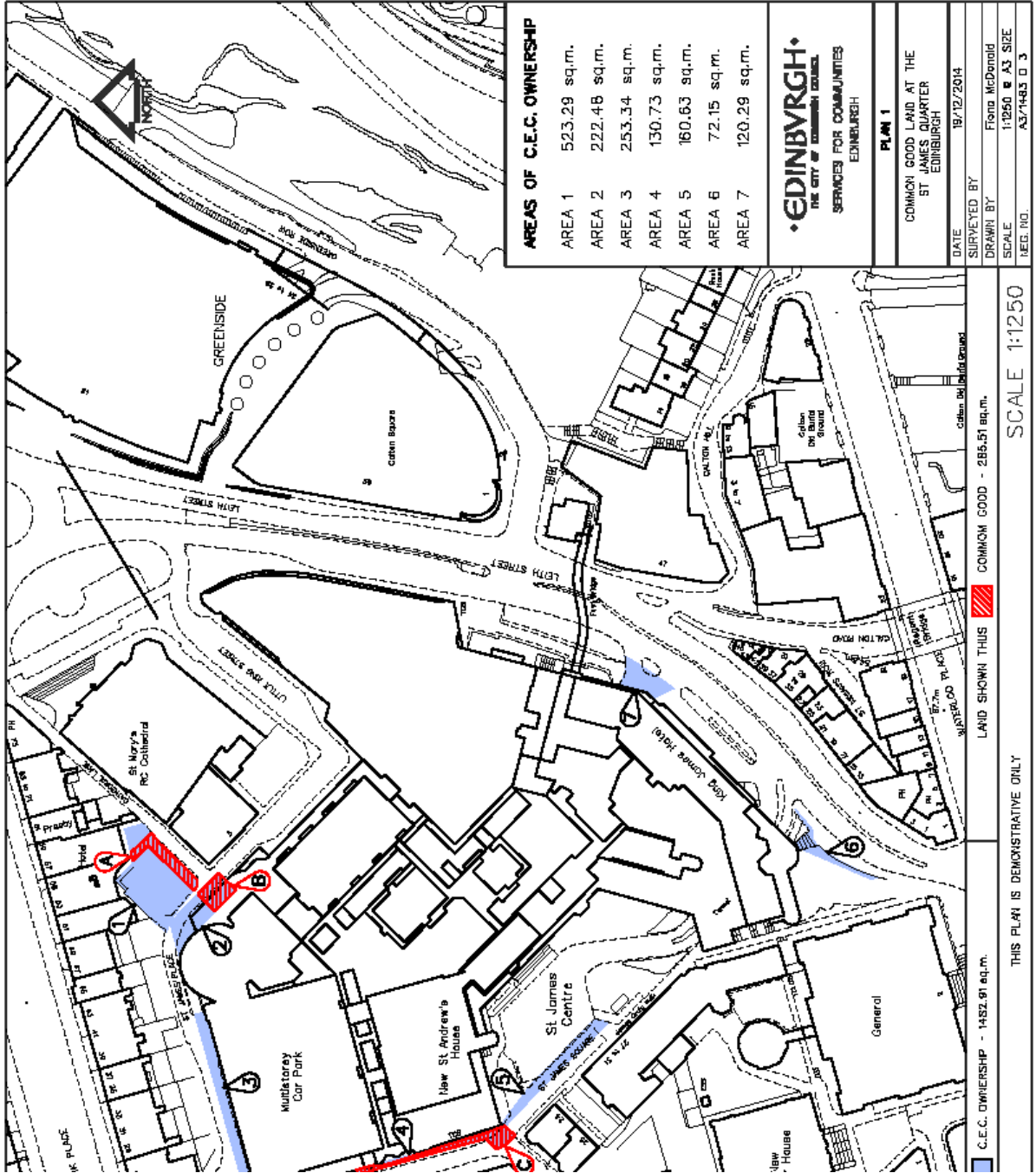
www.ewht.org.uk

Follow us on Facebook and Twitter

<C:\Documents and Settings\adam\My Documents\My Pictures\twitter.bmp>

<C:\Documents and Settings\adam\My Documents\My Pictures\faceplant.bmp>

Edinburgh World Heritage Trust is a charitable company limited by guarantee.
Registered in Scotland No. 195077. Scottish Charity No. SC037183





EDINBURGH
 THE CITY OF EDINBURGH
 SERVICES FOR COMMUNITIES
 EDINBURGH

PLAN 2

COMMON GOOD LAND AT THE
 ST JAMES QUARTER
 EDINBURGH

SURVEYED BY
 DATE 18/12/2014

DRAWN BY
 Fionn McDonald

SCALE
 1:1250 @ A3 SIZE

REG. NO.
 A371483 D 5

LAND SHOWN THIS [Green Box] TO BE ACQUIRED

THIS PLAN IS DEMONSTRATIVE ONLY

SCALE 1:1250

PROVISION OF THIS MAP IS SUBJECT TO THE CONTROL OF HER MAJESTY'S ENVIRONMENT OFFICE UNDER COPYRIGHT. UNAUTHORIZED REPRODUCTION OF THIS MAP IS PROHIBITED AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS.