

Finance and Resources Committee

10.00am, Thursday, 3 November 2016

Proposed 25 year lease of part of Market Street Undercroft

Item number	8.4
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive summary

The Council owns the area of land shown outlined in red on the attached plan, situated at the west end of the New Street/Waverley Station car park.

Discussions have taken place between the Council and Network Rail to lease a small part of the land, shown shaded blue on the plan, to allow Network Rail to provide a taxi rank facility to stations users.

This report seeks approval to the grant of a new 25 year lease to Network Rail on the terms and conditions outlined in the report.

Links

Coalition pledges	P17
Council priorities	CP5 , CP8 , CP9 , CP12
Single Outcome Agreement	SO1

Proposed 25 year lease of part of Market Street Undercroft

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 25 year lease to Network Rail of part of the Market Street Undercroft site, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

2. Background

- 2.1 The Council owned site at Market Street Undercroft extends to 0.173 hectares or thereby as outlined red on the attached plan.
- 2.2 Network Rail approached the Council, in early 2015, with a request to lease part of the Market Street Undercroft site with a view to providing a taxi rank for station users.
- 2.3 Taxi rank provision in and around Waverley Station and on Market Street in particular, has been an ongoing problem and it is hoped that this proposal will alleviate some of the issues.

3. Main report

- 3.1 Following negotiations between the Council and Network Rail, the following terms have been provisionally agreed:
 - Subjects: Part of Market Street Undercroft shown shaded blue on the attached plan;
 - Lease term: 25 year lease from date of entry with mutual break options at 10th, 15 and 20th anniversary on six month notice;
 - Rent: £32,500 per annum;
 - Incentives: Network Rail to be granted six month rent free period from date of entry to reflect substantial capital expenditure required to make site fit for purpose;
 - Rent Reviews: Reviewed on each fifth anniversary to open market value;

- Use: Taxi rank;
- Costs: Network Rail to meet all legal costs; and
- Other terms: Network Rail will be required to deliver access from the site to the car park entrance/exit at New Street and ensuring the site is suitable for the proposed use.

4. Measures of success

- 4.1 Granting a new 25 year lease of the site will bring an underused site into commercial and beneficial use, generating a rental income for the Council.

5. Financial impact

- 5.1 Rental income of £32,500 per annum payable to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 It is considered that this is little or no impact on Risk, Policy, Compliance or Governance issues.

7.1 Equalities impact

- 7.1 An equality and Rights Impact Assessment has been carried out.
- 7.2 It is considered that the main enhancement of rights is through the rights impact of health and in particular the equality impact of disability, as this proposal will improve the accessibility of taxi provision to disabled station users.
- 7.3 In a commercial property letting the main infringement of rights can often be claims by parties who were not given the opportunity to lease or make an offer for the property or site. This site has never been openly marketed, however, given the cost that would need to be incurred by the Council to improve the site and the proposed use by Network Rail, the impact on others is considered to be proportionate and justifiable.

8. Sustainability impact

- 8.1 There are no sustainability issues arising from this report.

9. Consultation and engagement

- 9.1 N/A

10. Background reading/external references

10.1 N/A

Hugh Dunn

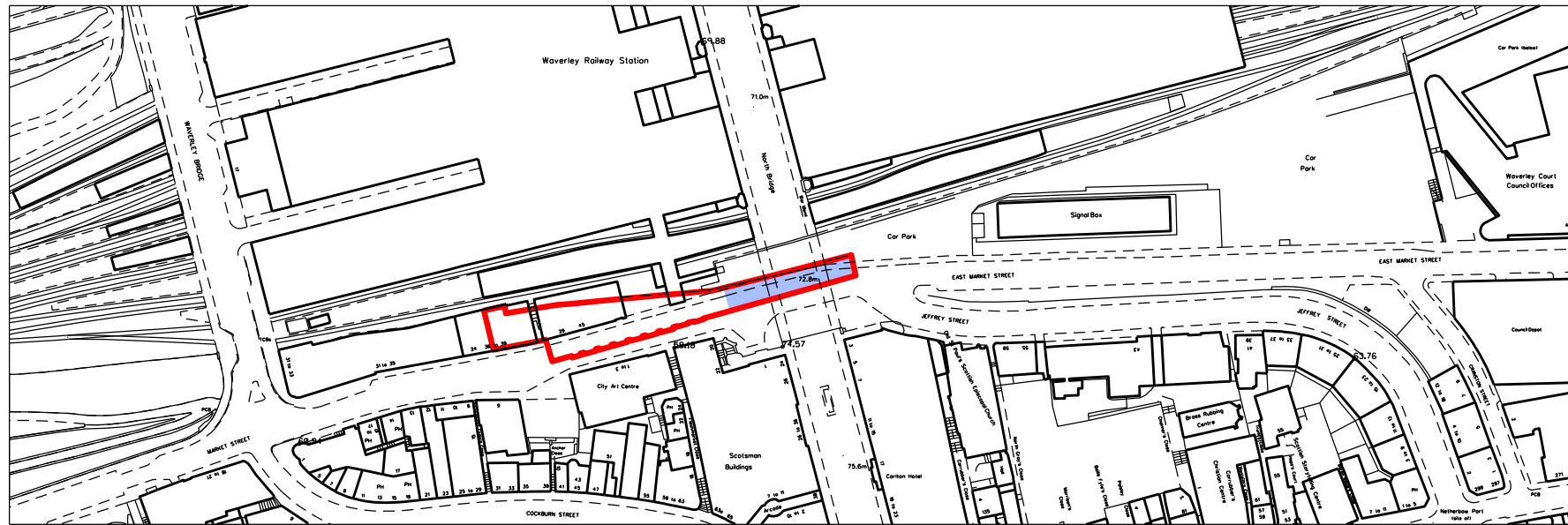
Acting Executive Director of Resources

Contact: Mark Bulloch, Portfolio Manager

E-mail: mark.bulloch@edinburgh.gov.uk | Tel: 0131 529 5991

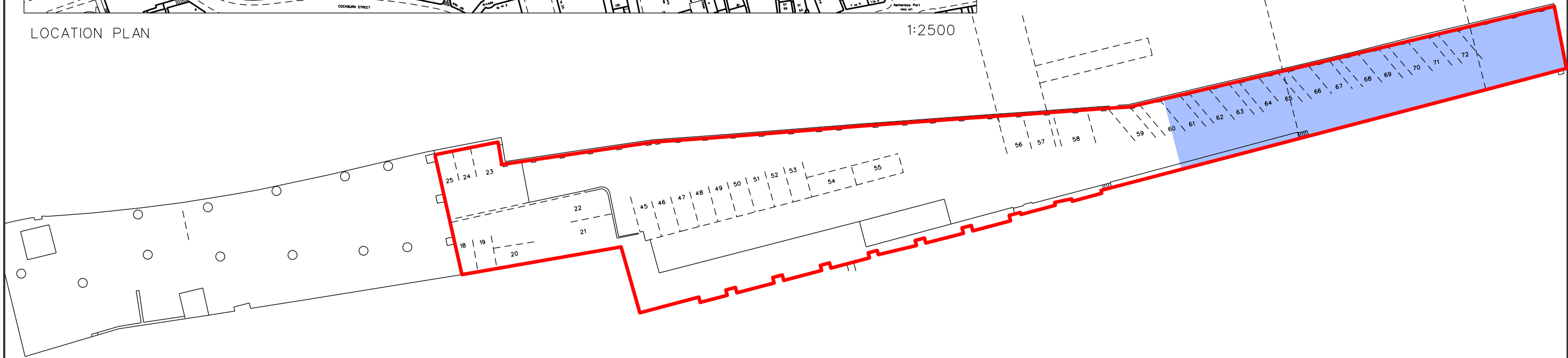
Links

Coalition pledges	P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.
Council priorities	CP5 – Business growth and investment. CP8 – A vibrant, sustainable local economy. CP9 – An attractive city. CP12 – A built environment to match our ambition.
Single Outcome Agreement	SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.
Appendices	Appendix 1 – Location / Site Plan



LOCATION PLAN

1:2500



AREA OUTLINED RED = 0.173 Ha (or thereby)

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

CITY DEVELOPMENT
EDINBURGH

FRUITMARKET UNDERCROFT CAR PARK
MARKET STREET
EDINBURGH

DATE 22/9/16

SURVEYED BY

DRAWN BY Mark Ballantyne

FILE NO.

NEG. NO. A3/1235

SITE PLAN

SCALE 1:500