

Finance and Resources Committee

10.00am, Tuesday, 5 September 2017

Proposed Ground Lease at Port Edgar

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|--------------------------|------------|
| Item number | 8.19 |
| Report number | |
| Executive/routine | Routine |
| Wards | 1 - Almond |

Executive Summary

Port Edgar Yacht Club has occupied premises at Port Edgar Marina since 1975. Following the withdrawal of Edinburgh Leisure from the management of Port Edgar, and the successful introduction of Port Edgar Holding Limited as the major leaseholder, the Yacht Club now seek to consolidate their position within the Marina and to invest in new fit for purpose premises.

This report seeks approval to grant a new ground lease to the Port Edgar Yacht Club for a period of 67 years on the terms set out below.

Proposed Ground Lease at Port Edgar

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves the lease of land extending to 0.155 hectares (0.38 acres) or thereby to Port Edgar Yacht Club in accordance with the terms set out in this report and on such other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 Port Edgar Yacht Club (the Club) has been located at Port Edgar since 1975 and continues to promote sailing activities at the Marina.
- 2.2 The Club currently occupies temporary premises, on a site outlined in red on the attached plan, leased from the Council. The current ground lease runs on a year to year basis on with a passing rent of £1,000 per annum.
- 2.3 With the withdrawal of Edinburgh Leisure from the management of the marina and the successful introduction of investment by Port Edgar Holdings as the major lease holder, the Club has been developing plans to consolidate their position at the port and to invest in its premises. The land leased by the Club is outwith the land leased to Port Edgar Holdings.

3. Main report

- 3.1 The Club has undertaken initial feasibility studies for substantial investment in the premises which they currently occupy. The initial proposal would upgrade their premises and provide a dingy storage area. However, without the security of longer term occupation rights, the Club are unable to secure funding for these improvements.
- 3.2 The Club has approached the Council to lease the site outlined in red on the attached plan on a long term basis. This would enable it to fund the desired investment and allow it to continue to provide and expand its activities at the marina to the benefit of all stakeholders, and to the long term viability of the marina.
- 3.3 Consultation has been undertaken with the main stakeholders at Port Edgar, including tenants and other occupiers all of whom are supportive of the proposal.

3.4 Following negotiation between the Club and the Council, Heads of Terms have been provisionally agreed as follows:

- Subjects: The area of ground extending to 0.155 hectares (0.38 acres or thereby;
- Tenant: Port Edgar Yacht Club;
- Method of Disposal: Ground lease to expire in 2084;
- Rent: £2,500 p.a. subject to five yearly reviews;
- Site use; The erection of clubhouse and boat storage;
- Conditionality; The lease to be subject to landlords consent to the redevelopment proposals and to the tenant obtaining all necessary consents and approvals, and
- Fees: The tenant to pay the Council's reasonably incurred legal and surveyors fees.

4. Measures of success

- 4.1 An existing building in poor condition will be replaced with new purpose built premises compliant with current standards, the use of which will bring social, health and welfare benefits.
- 4.2 The proposals will contribute to the ongoing revitalisation of Port Edgar.

5. Financial impact

- 5.1 Increased rental income to £2,500 per annum.

6. Risk, policy, compliance and governance impact

- 6.1 The proposal does not seek to change any policy currently in place. There is minimal risk to the Council as the project will be entirely funded and managed by the tenant.

7. Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 The letting of the property would ensure the facilities are continually available to the local community and provide a fair revenue to the Council. It will help to provide for Edinburgh's dedication to providing sports and education facilities and help to promote healthy living. This will enhance the right to health, education and learning, standard of living, individual, family and social life, productive and valued activities and participation, influence and voice

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 The Council and the Club have consulted with key stakeholders in Port Edgar Marina including the major lease holder, Port Edgar Holdings Ltd., MSSC and other lease holders all of whom are supportive of the proposal.

10. Background reading/external references

N/A

Stephen S. Moir

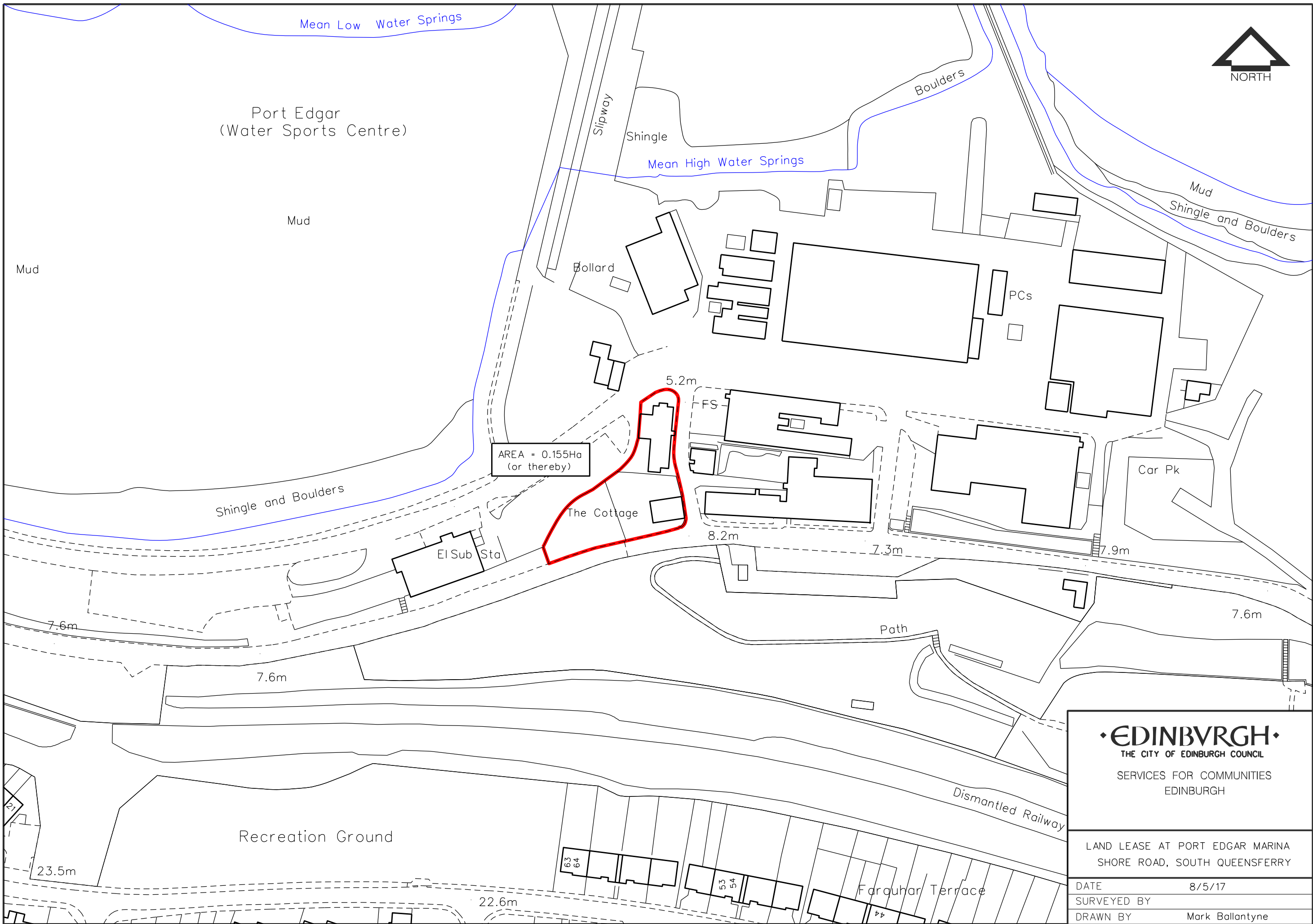
Executive Director of Resources

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11. Appendices

Appendix 1 - Location Plan



•EDINBURGH•
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES
EDINBURGH

LAND LEASE AT PORT EDGAR MARINA
SHORE ROAD, SOUTH QUEENSFERRY

| | |
|-------------|------------------|
| DATE | 8/5/17 |
| SURVEYED BY | |
| DRAWN BY | Mark Ballantyne |
| SCALE | 1:1250 @ A3 SIZE |
| NEG. NO. | A3/1564a |

SITE PLAN

SCALE 1:1250