

Finance and Resources Committee

10.00am, Thursday, 20 May 2021

Land at 50 Marine Drive, Cramond - Proposed Sale and New Lease

Executive/routine	Routine
Wards	1- Almond
Council Commitments	<u>2</u>

1. Recommendations

- 1.1 That Committee approves the sale of a small area of land along with a new ground lease at 50 Marine Drive, Cramond to Boardwalk Beach Club Ltd, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

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Land at 50 Marine Drive, Cramond - Proposed Sale and New Lease

2. Executive Summary

- 2.1 The café premises including the public conveniences at 50 Marine Drive was sold by the Council in 2004. None of the surrounding land was included within the sale, although access rights were provided. This report seeks approval to grant a new 20-year ground lease of land surrounding the premises as well as the sale of the small patio area and walkway around the property, immediately adjacent, on the terms and conditions outlined in the report.

3. Background

- 3.1 In March 2018, the Housing and Economy Committee agreed the high-level objectives for the regeneration of Granton Waterfront including the intention to work collaboratively with the public-sector partners and the local community to develop a vision for Granton. This included agreement to undertake work to update frameworks and studies to support future development.
- 3.2 The Development Framework, which will guide future development within Granton Waterfront, was approved by the Planning Committee on 26 February 2020. This guidance sets out the ambition to transform this former industrial site into a new city quarter which will, with time, redefine Edinburgh into one of Europe's top Waterfront destinations to live, learn, work and visit. The café and surrounding land at 50 Marine Drive forms part of the Granton / Cramond Waterfront which is identified as a Strategic Development Area in the adopted Edinburgh Local Development Plan.
- 3.3 The café premises, including the public conveniences, was sold by the Council in 2004. At that time, the footprint only of the building was included in the sale with access rights, over Council land, permitted through a Deed of Conditions.
- 3.4 The established café, Boardwalk Beach Club, has been using the adjacent land for additional seating, particularly in the summer months. Some permanent structures (gazebo's etc) have also been installed on land out with their ownership. This encroachment has been allowed to continue while negotiations on a proposed ground lease / sale of patio area were undertaken.

3.5 Negotiations have now taken place with the owner of the café to address these issues.

4. Main report

4.1 Agreement has been reached for the disposal of a small area of land, used as a patio and hardstanding around the perimeter of the building, shown shaded pink on the plan attached as Appendix 1. In addition, a larger area of land will be leased to the owner, shown shaded blue on the plan.

4.2 The following terms have been provisionally agreed:

- Subjects: Land Surrounding 50 Marine Drive, Granton (as per attached Plan);
- Lease Term: 20-year term and annually thereafter for the area shaded blue;
- Break option: Mutual break options will be available on each 5th anniversary;
- Rent: £3,000 per annum;
- Rent Reviews: On each 5th anniversary, on normal commercial terms;
- Sale Price: A price (for patio area around the building shaded pink) has provisionally been agreed at £13,000;
- Repairs: Tenant Full Repairing and Insuring;
- Tenant Works: Any ground works or installations to be undertaken by the tenant are subject to advance approval from the Council (as both landlord and local authority). This includes the erection or any boundary fences or markers;
- Use: Ground to be used for additional seating and events (with the appropriate prior Council approval);
- Events: As part of the ground lease, the tenant will be obliged to provide advance notice to of events to the Council's Estates and Park's service areas. For the avoidance of any doubt, this is in addition to obtaining any necessary events licence / planning consents.
- Costs: Each party to meet their own costs;
- Other terms: As contained in standard commercial ground lease / sale.

4.3 This proposed new lease / sale would allow for expansion of the limited amenities in the local area and attract additional visitors / events to the area, subject to the relevant approvals of the Council as Landlord.

4.4 The land value for the lease is based on ground lease rental levels in the area, capitalised for the area to be sold.

5. Next Steps

- 5.1 Subject to Committee approval, legal services will be instructed to conclude the necessary documentation.

6. Financial impact

- 6.1 A rental income (£3,000 per annum) will be obtained from the ground lease and a capital receipt (£13,000) will be generated from the sale of the small patio area perimeter. All running costs and maintenance obligations associated with this site will be passed to the tenant, resulting in a small revenue saving to the council.

7. Stakeholder/Community Impact

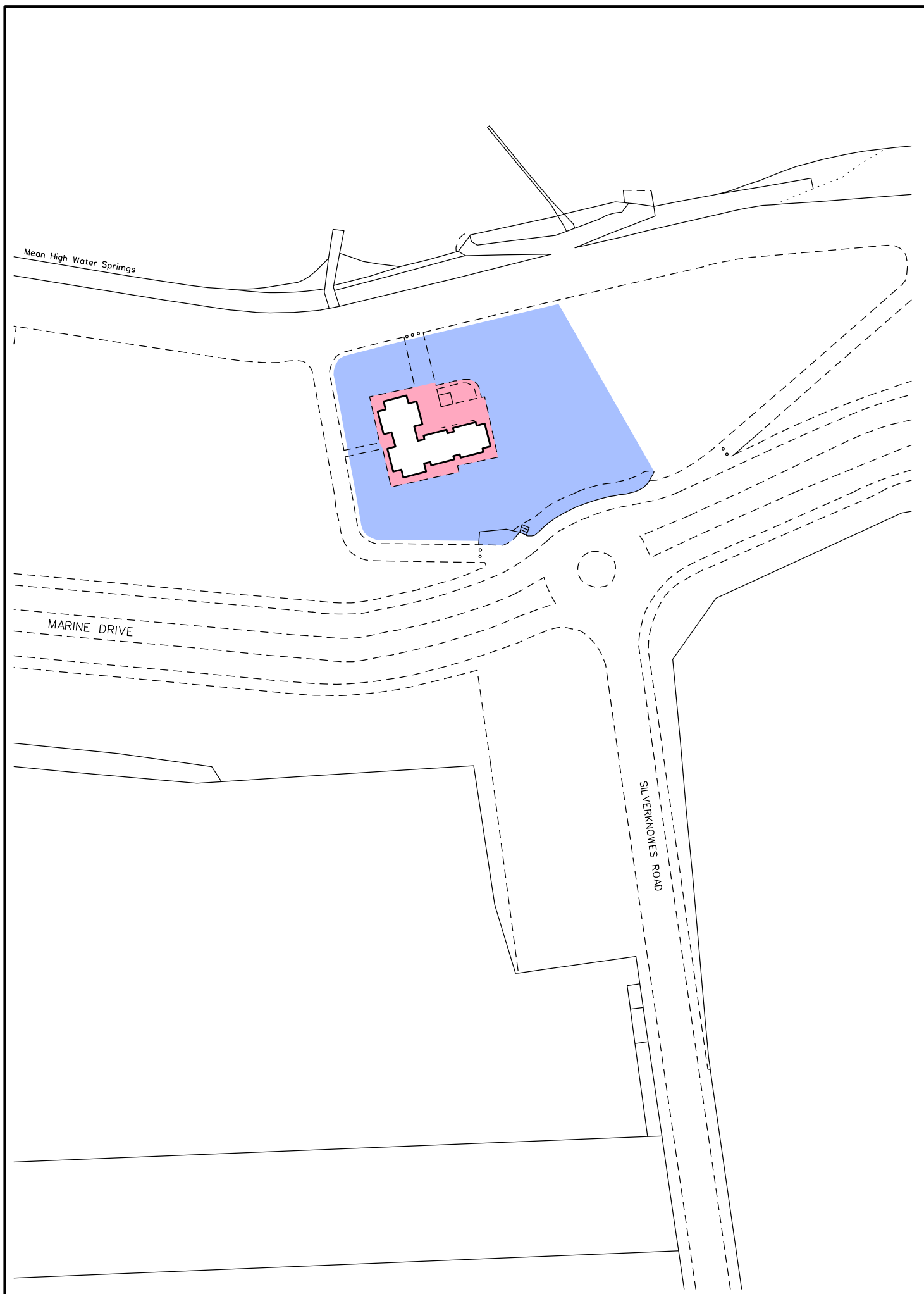
- 7.1 Elected members have been made aware of the recommendations of the report.

8. Background reading/external references

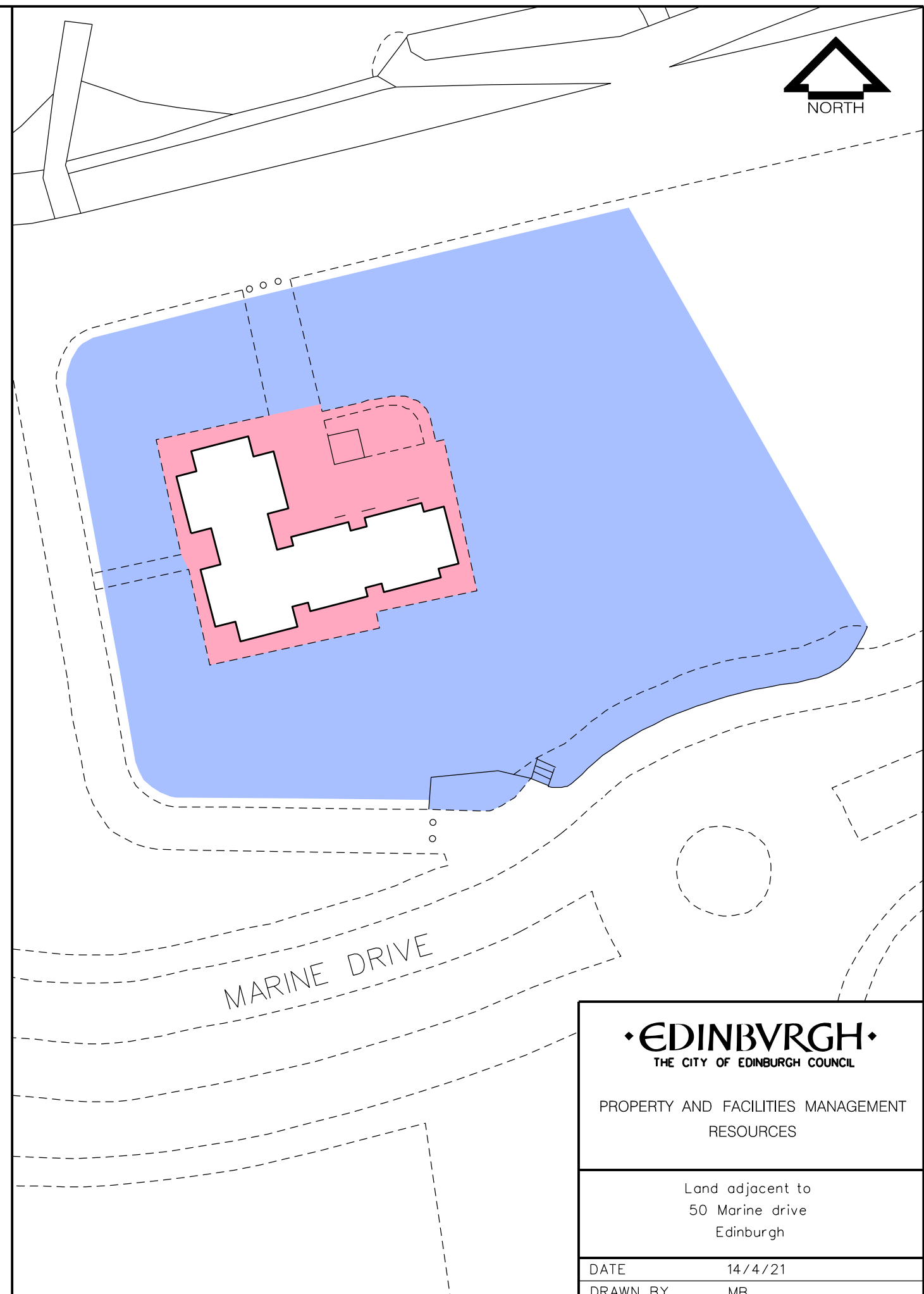
- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1- Location Plan.



LOCATION PLAN SCALE 1:1250



SITE PLAN SCALE 1:500

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PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Land adjacent to 50 Marine drive Edinburgh	
DATE	14/4/21
DRAWN BY	MB
SCALE	1:500 @ A3 SIZE
NEG. NO.	A3/325B