

BROMSGROVE DISTRICT COUNCIL

Disposal of Stourbridge Road Car Park – Public report

Cabinet

03 December 2014

Relevant Portfolio Holder	Cllr. Rita Dent
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Ward(s) Affected	St Johns /Sidemoor
Ward Councillor(s) Consulted	Yes
Key Decision	

1. SUMMARY OF PROPOSALS

To inform members of the outcome of the recent marketing exercise in relation to the council owned site at Stourbridge Road car park; to advise members of the identity of the successful bidder; to seek members' approval of the land being disposed to the successful bidder and for authority to be delegated to officers to enable the sale to proceed.

2. RECOMMENDATIONS

- 2.1 That Members note the contents of this report.
- 2.2 That Members approve the disposal of the freehold land at Stourbridge Road Car Park as shown marked in red on the plan attached at Appendix 1 to Cordwell Property Group..
- 2.3 That delegated authority be granted to the Executive Director for Finance and Resources to agree the final terms for the disposal of the land.
- 2.4 That delegated authority be granted to the Head of Legal Equalities and Democratic Services to enter into the necessary legal documents required for the disposal of the land in accordance with the terms agreed pursuant to 2.3.
- 2.5 That officers consider the loss of car parking income of approximately £12,000 as part of the medium term financial plan

3. KEY ISSUES

Financial Implications

- 3.1 In the financial year 2013/14 the car park generated income of £12k. Officers are waiting for information regarding the occupancy rate for the car park and will present this at the Cabinet meeting.

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- 3.2 The District Valuer has valued the land being disposed of.
- 3.3 The Council must dispose of its assets at best value. The offer from the developer represents best value. A higher offer was received for the site, but the proposed development linked to that offer did not accord with the development principles for the site set out in the Area Action Plan.

Legal Implications

- 3.4 Bromsgrove District Council owns the freehold of the land.
- 3.5 Bromsgrove District Council's freehold interest in the land will be disposed of. Bromsgrove District Council will retain no rights or responsibilities in respect of the land. The developer will be able to develop the land in accordance with any planning consent obtained.
- 3.6 This report sets out the information regarding the decision which can be made available publically. The financial background behind the report and information that is commercially sensitive to the Council/developer cannot be reported on publically and that information will be available to members separately in an exempt report.

Service / Operational Implications

- 3.7 The Stourbridge Road long stay car park is situated on the junction of Birmingham Road and Stourbridge Road and covers approximately 0.72 acres.
- 3.8 The site is currently maintained by Bromsgrove District Council.
- 3.9 The Area Action Plan identified a number of areas as potential sites for regeneration, one of which was the area at the Birmingham Road/Stourbridge Road junction which includes the Council owned car park land off Stourbridge Road.
- 3.10 In April 2012, members approved a recommendation to conduct a marketing exercise of the Council owned land to ascertain interest from developers.
- 3.11 The site was marketed on behalf of Bromsgrove District Council by GJS Dillon.
- 3.12 Seven expressions of interest were received. One was excluded as not meeting the District Valuer's valuation. The remaining six were requested to present their offer for the site and development plans to a selection panel. One presenter subsequently withdrew their offer.

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- 3.13 The selection panel consisted of the Leader of the Council; Portfolio Holder; C.E.O; Finance Director and the Development Control Manager. Other officers and a representative from GJS Dillon attended the presentations but did not score.
- 3.14 Each proposal was scored using a matrix based on price, regeneration, planning including fit with the Area Action Plan and deliverability including strength of proposed tenants for the site (see Appendix 3). The highest scoring proposal was submitted by Cordwell Property Group (the developer), a development company based in Belbroughton. Cordwell are proposing the construction of three ground floor retail units with 35 car parking spaces. There is also the potential for a further first floor unit which is of interest to a fitness provider. Cordwell have named potential tenants in their bid and the final tenant mix will be a matter for the developer.
- 3.15 The Area Action Plan identifies the development site for an office led mixed use development. None of the expressions of interest in the land received proposed office led development.
- 3.16 The Area Action Plan sets out the following development principles for the site:
(A) A perimeter block arrangement will be encouraged to reinstate street frontages
(B) High quality distinctive architecture will be required to establish the Parkside Crossroads as a key gateway into the town
(C) The scale of the development on Birmingham Road would need to respect likely development taking place on the Birmingham Road Retail Park
(D) The Stourbridge Road frontage would need to have regard to the former Parkside School opposite.
- 3.17 The proposed development by Cordwell Property Group accords with these development principles because the design will provide a street frontage visible from the town centre and approach roads and will be designed in line with Planners' requirements. The proposal would also provide jobs both in the construction of the site and once development is operational.
- 3.18 The proposed development may provide a catalyst for development of the adjacent sites which are in private ownership.

Customer / Equalities and Diversity Implications

- 3.19 The regeneration and redevelopment of the town centre has been a priority issue raised by the community for a number of years. This is a gateway site and may act as a catalyst for development of adjacent sites.

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4. RISK MANAGEMENT

- 4.1 The developer will insist on the contract for sale being conditional on a number of factors including ground investigations and an acceptable planning permission being obtained for the scheme. If any of the conditions in the contract are not met the sale may not go ahead. .
- 4.2 There is also a risk that the sale may go ahead but the developer fails to develop the land, or develops the land in a different way to that outlined in their proposal. This risk is mitigated by the selection of a local, respected and motivated developer which has confirmed that it has finance available for the development and named tenants for the retail units. Any alternative development proposal will have to be approved through the planning process. It should also be noted that by the time of any transfer the developer will have committed considerable resource to the site through its ground investigations and engagement in the planning process.

5. APPENDICES

- Appendix 1 - Site plan of Stourbridge Road car park.
Appendix 2 - District Valuers Report – Exempt and not available
Appendix 3 - Scoring matrix.
Appendix 4 - Summary of scores – Exempt and not available
Appendix 5 – plans showing proposed lay-out of the site

6. BACKGROUND PAPERS

- 6.1 Report to Cabinet dated 4th April 2012 – Exempt and not available.

7. KEY

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