

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting7th September 2006

1. Title of Item/Report

Tower Street Car Park Disposal

2. Record of the Decision

Cabinet considered a report that sought approval to dispose of Tower Street car park to Lathe Investments, so that the access could be achieved to the proposed foodstore at the Castlegate Centre, Stockton.

Members were informed that in August 2006, planning permission had been granted to Lathe Investments, developers acting on behalf of the Castlegate Centre owners for a foodstore with limited small retail units and decked car parking for 643. The proposal required the use of Tower Street car park for a ramp to access the decked car park.

Cabinet were informed that as well as the foodstore proposals at this end of the town centre, a number of opportunities to acquire properties were being considered as part of wider land assembly in this area. The creation of a significant entrance to the town was being sought at this key strategic location and it was considered that the development of a quality foodstore at Castlegate would not only assist in significantly enhancing footfall and anchoring this end of the town centre, but it would also kickstart the wider regeneration of this gateway into the centre.

It was explained that Tower Street car park was a charging car park and its closure car park would clearly have implications in terms of loss of parking spaces and loss of revenue to the Council. 34 existing public car park spaces would be lost to the development and not replaced, whilst significant revenue accruing to the Council through pay and display ticket machine takings would also be forfeited.

Cabinet noted that negotiations between the Council and Lathe Investments were ongoing regarding the agreement of a sale price for Tower Street car park. Disposal of land by a Council did not need to achieve best consideration if there were significant economic, social or environmental benefits coming out of the disposal. In this particular case the site disposal would enable economic and retail benefits at the southern end of the Castlegate Centre, as well as initiating regeneration

and environmental benefits for the wider Southern Gateway area. It was proposed that these benefits would be built into the negotiations on price for the sale of the site. Should the agreed price exceed £250,000 then delegated approval was sought for the Corporate Director Development and Neighbourhood Services, in consultation with the lead Cabinet Member for Regeneration and Transport, to agree terms with Lathe Investments. Should the agreed sale price not exceed £250,000 then agreement could be reached as part of the existing scheme of delegation. A Development Agreement would also need finalising between the Council and Lathe Investments. This was a conditional document which bound both the Council and Lathe to progress the sale of the site and implement the approved planning consent. The Agreement would focus on when the car park was to be closed and handed over to the developer, when the capital receipt was to be paid to the Council, and when the ramp was to be developed in relation to the foodstore at the Castlegate centre.

The sale of Tower Street car park would produce a capital receipt to the Council and this was likely to be received in 2007/08 and be available for general capital expenditure in the future.

RESOLVED that

1. the sale of the Council's freehold interest in Tower Street car park to Lathe Investments, developers of the foodstore at the Castlegate Centre, Stockton-on-Tees Borough Council be authorised.
2. the Corporate Director of Development and Neighbourhood Services, in consultation with the lead Cabinet Member for Regeneration and Transport, be authorised to agree terms for the above sale.
3. the completion of a Development Agreement between the Council and Lathe Investments in respect of the land to be disposed of in accordance with the terms outlined in the report or such other agreements as may be deemed necessary by the Director of Law and Democracy to give effect to the sale of the land in the best interests of the Council be authorised.

3. Reasons for the Decision

1. To bring about the development of the foodstore at Castlegate and thus kick-start the regeneration of the Southern Gateway.
2. Under the terms of the Council's constitution, Cabinet approval was

required should terms for the land disposal exceed £250,000.

3. To ensure that control over the closure and redevelopment of Tower Street car park was retained in terms of timing and handover.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

By no later than midnight on Friday 15th September 2006

Proper Officer
11 September 2006