

## **Project 1. Lorn / Kirk Road**

**Original Proposal** – Road widening and junction improvements to provide better access to the SAMS/EMSP area. This investment reflects the scheme included in the outline TIF submission and is seen as the principal early investment option which will enable the further development of the SAMS and particularly the European Marine Science Park. This investment will directly enable the development and result in additional NDR to include in the financing of the loans. Two new business park units (20,000sqft each) are planned and it is envisaged that there may be scope for a further unit (20,000sqft) if market demand is high. The additional benefits of this investment include the release of up to 100 residential units.

Project total - £2.75m.

**What Has Been Done** – Previously Council Members approval start-up costs of £0.238m to produce a design and business case. Since then Council Housing officers have submitted an expression of interest to Scottish Government for up to £1.75m in grant funding to upgrade the Lorn/ Kirk Road under the Scottish Government Housing Infrastructure Fund (“HIF”). This grant funding has been earmarked for the project by Scottish Government but requires a detailed application with associated costings to the SG HIF. The design was completed and the Council Invitation to Tender was placed on Public Contracts Scotland on June 2017, and contractor replies received July 2017. The replies are presently being evaluated for Preferred Contractor and the intent is to have the final HIF application costs to SG September 2017.

**Next Steps** - Subject to a successful grant application, forecast construction would start November 2017, with completion early 2018. Scottish Government have also requested under the Lorn/ Kirk Road HIF application for the Council to submit as part of the grant application package, what the Council contribution will be. It is proposed, in principle, that the design and survey costs are the Councils contribution. This grant funding takes the project out with the Lorn Arc TIF programme.