

### **Project 3. Halfway House Roundabout**

**Original Proposal** – New roundabout and road infrastructure to the south and west of Dunbeg. The primary housing allocation to the north of Oban is the Dunbeg Corridor and the masterplan for this area has proposed commercial, business leisure and retail uses. To the east side of the Trunk Road is an area proposed for leisure use including a spa hotel and holiday complex. Both of these development areas are entirely dependent on the creation of a new trunk road junction and enabling road access. The TIF investment proposed would part fund the enablement of the new Trunk Road junction and the first section of road to the west. This is seen as essential to bring forward the developments and kick start the wider investment in the area. The risk to the Council would be managed through limiting the exposure through part funding and negotiation of agreements relating to the timing and delivery of key components which would result in returns through additional Non Domestic Rates.

Project total - £2m.

**What Has Been Done** –The developer planning a large scale luxury hotel and spa resort has recently renewed the planning permission in principle approval for the roundabout and is seeking to renew planning consent for its own development, which signals a positive intention from the developer. In addition, a commercial area sub-committee of the Dunbeg Working Group which is chaired by Link Group, had the first meeting on Monday 7 August 2017. Participants attended from of the Council, the developer and Link Groups Consultants MacLeod's and Commercial Agents Colliers. The project to construct the roundabout, may still be viable under the TIF model.

**Next Steps** - Assuming the project is viable officers will progress the project but only seek approval to deliver it if a suitable back to back agreement can be reached with the private developer that provides reassurance that the Non Domestic Rates income that will repay the Council's borrowing, will be forthcoming.