

## 1.0 EXECUTIVE SUMMARY

- 1.1 As part of the ethos of the One Council Property Approach, the Estates and Property Development (Estates) Team have actively sought marketing and development opportunities from the Council's property asset base. Three operational car parks in Oban were marketed with a closing date set for August 2018.
- 1.2 The commercial development of the car parks was contingent on the overall number of parking spaces being maintained which was a challenging brief. To address this the developers proposed expanding the Tweeddale Street car park to make it a multi-story providing the additional spaces to allow the other car parks to be developed.
- 1.3 The Tweeddale Street car park is located on a former gas holder site and therefore site investigations were a key task to determine if the development of the site could be undertaken safely and cost effectively.

## 2.0 RECOMMENDATIONS

- 2.1 That the members:-
  - 2.1.1 Note and consider the outcome of the site investigations, the responses from the prospective developers and from Environmental Health & Roads confirming that the Tweeddale Street car park is unsuitable for development based on the risks and costs.
  - 2.1.2 Note and consider that the Albany Street car park has generated significant interest from developers but would require some site assembly to provide a developable site. It would also result in a substantial loss of town centre parking if developed in isolation.
  - 2.1.3 Note and consider that the Esplanade car park is impacted by existing rights of access, adjacent premises and limited circulation space and its development would result in a loss of public parking.
  - 2.1.4 Note and consider that the additional comments from developers and commercial agents has highlighted that the car parks at the Corran Halls / Victoria Crescent are considered more suitable for development and preparations will be made to promote these sites for development in line with the Area for Action designation.

### **3.0 INTRODUCTION**

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### **4.0 RECOMMENDATIONS**

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- 4.1.3 Note and consider that the Esplanade car park is impacted by existing rights of access, adjacent premises and limited circulation space and its development would result in a loss of public parking.
- 4.1.4 Note and consider that the additional comments from developers and commercial agents has highlighted that the car parks at the Corran Halls / Victoria Crescent are considered more suitable for development and preparations will be made to promote these sites for development in line with the Area for Action designation.

### **5.0 BACKGROUND**

- 5.1 The Estates and Property Development Team (Estates) marketed three operational car parks (Albany Street, Tweeddale Street and the Esplanade) in Oban during 2018. The aim was to assess the market demand for

development opportunities and to see if this could be met by maximising the use of existing assets. An update report was provided to the OLI Business Day on 13<sup>th</sup> February 2019 at which time the following position was reported:

- 4 preferred developers have been selected to take forward development on the 3 car parks. Officers will be working with the preferred developers over the coming months to move towards concluding contractual agreements and then planning submissions as required for the following proposed developments.

- 5.2 Any development of the Albany Street site was contingent on providing alternative parking and the Tweeddale Street car park was assessed for this purpose. Phase 1 site investigations were procured through HUB North and were returned week commencing 12<sup>th</sup> August 2019.
- 5.3 The results of the phase 1 site investigations were assessed by the 2 preferred developers and the specification of the phase 2 site investigations were agreed to ensure it met their requirements. HUB North were instructed on 15<sup>th</sup> October 2019 to procure the phase 2 site investigations which required trial pits and boreholes to be completed in the car park. These works were co-ordinated with the Roads Section to ensure that any disruption was minimised and were undertaken in late February 2020 just prior to the Coronavirus lockdown.
- 5.4 Following the site works there was a period of gas monitoring of around 12 weeks and the final report was received in October 2020. The report identified significant concerns as was anticipated as the location is a former gas holder site. Accordingly the report was passed to Environmental Health, Roads and the 2 prospective developers to allow them to consider the implications.
- 5.5 Both Environmental Health and Roads initially responded expressing concern about the feasibility and safety of the site being developed based on the results of the site investigations. In addition the prospective developers expressed similar concerns noting that, unless the site was remediated by the council, the ongoing liabilities to the developer due to potential contamination would be too significant to accept.
- 5.6 However the site investigations report also noted the following:

*In its current usage, the site represents a low risk to those using the car park, however any redevelopment on the site will risk exposing both construction workers and end users to this contaminated material unless measures are taken to prevent this. These measures may involve works such as the removal of the most contaminated material from the site. It should be noted that the costs associated with the removal/remediation of this site may be cost prohibitive in the context of the proposed development.*

In light of this it is considered that retaining the car park in its current use is the most cost effective and safe use of the asset.

- 5.7 Unfortunately this doesn't provide the required additional parking to allow the development of the Albany Street car park without a loss of town centre parking. During the process the developers have advised that Albany Street car park does have development potential particularly for hotel use being adjacent to the new Premier Inn.
- 5.8 Having undertaken initial assessments this would require some site assembly to provide a site of sufficient size involving acquiring adjacent properties. However within the current project this is not considered appropriate at this time as the development would result in a substantial loss of town centre parking with no alternative provision

which doesn't meet the brief of the project. It does however highlight a longer term opportunity which will be retained and if any adjacent properties become available acquisition will be considered.

- 5.9 The Esplanade car park was considered as a stand-alone development opportunity and there was some initial interest from hotel developers. However during the preliminary title investigations it was confirmed that there were existing access and parking rights within the car park which limited the developable area. In addition Planning noted concerns in respect of distances to the windows of adjacent properties which restricted the layout. Finally it was apparent that any additional development would increase the demand on parking at the same time as reducing the number of available spaces which was a concern to the Roads Section as well as not meeting the project brief.
- 5.10 During the period of the project developers, agents and officers within the council have highlighted that the car parks at the Corran Halls / Victoria Crescent offer a better opportunity for development without impacting on car parking for the town. These car parks were not within the scope of this project but are both located in an 'Area For Action' (AFA 5/3) in the Council's Local Development Plan for 'Strategic town centre / waterfront / harbour development and management' being considered as part of the wider economic development of the town.

## **16.0. CONCLUSIONS**

- 16.1 While it is disappointing that the three car parks within this project have not been able to be progressed for commercial development without impacting on the overall car parking provision within Oban the process has highlighted the demand for commercial development and particularly hotels within the area. It should however be noted that this was prior to the coronavirus pandemic and it will be some time before it will be able to be confirmed whether this demand still remains.
- 16.2 On the assumption that the tourism market does recover to a similar level the developers have confirmed that they remain interested in suitable commercial sites and the potential of the car parks at the Corran Halls / Victoria Crescent is considered to offer the most realistic prospect of providing a strategic level development for the town.

## **17.0 IMPLICATIONS**

- 17.1 Policy – None.
- 17.2 Financial – The disposal of assets will generate capital receipts however there will be initial expenditure during the marketing and assessment stages to ensure that the properties are marketable.
- 17.3 Legal - The terms and conditions of any sale or joint venture opportunity are intended to be delegated to the Executive Director of Customer Services.
- 17.4 HR – None
- 17.5 Fairer Scotland Duty
- 17.5.1 Equalities – Protected characteristics – None.
- 17.5.2 Socio economic Duty – None.
- 17.5.3 Islands – None.

17.6 Risk – Properties being marketed may not be sold or the potential receipts may be reduced by site constraints. There could also be reputational risk from delays in disposals caused by unanticipated factors or from complaints from other parties affected by the developments. The impact of the Coronavirus pandemic will also require to be considered as the projects develop.

17.7 Customer Service – None

Douglas Hendry, Executive Director with responsibility for Commercial Services.  
Councillor Alastair Redman, Policy Lead – Business, Regeneration and Commercial Development  
Head of Commercial Services: Ross McLaughlin

5<sup>th</sup> February 2021

**For further information contact:**

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