

**REPORT TO: POLICY AND RESOURCES COMMITTEE AND
PLANNING & TRANSPORT COMMITTEE, 12 MAY 2008**

REPORT ON: PROPOSED MULTI STOREY CAR PARK - HUNTER STREET

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 205-2008

1 PURPOSE OF REPORT

1.1 This report outlines proposals to develop the existing surface level parking facility at Hunter Street incorporating a circa 430 space Multi Storey Car Park with retail accommodation at ground level and a commercial development at the West End of the site.

2 RECOMMENDATION

2.1 It is recommended that the Committee approve the development of the site at Hunter Street Car Park and to advertise in the OJEU (Official Journal of the European Union) for a potential partnering contractor based on quality, development content and experience.

2.2 Contractors will require to develop the site to accommodate a circa 430 space Multi Storey Car Park with retail accommodation at ground level and to put forward other commercial proposals to enhance the development.

3 FINANCIAL IMPLICATIONS

3.1 The estimated cost of the Multi Storey Car Park with the retail accommodation at ground floor level will be in the region of £7.350 m.

3.2 This will be funded as follows:

• Capital Receipts	£0.700m
• Prudential Borrowing	£6.650 m
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	£7.350 m

3.3 The additional annual income from the provision of the retail unit on the ground floor of the Multi Storey Car Park together with the additional Income derived from the new parking facility will fund the Debt Charges arising from the Prudential Borrowing requirement outlined in paragraph 3.2 above.

4 BACKGROUND

4.1 There is a very high and growing demand for quality parking facilities in the Hunter Street area. The existing surface level car parks at Hunter Street and South Tay Street currently provide 92 long stay and 45 variable stay spaces which is not sufficient to provide for the demand created by the adjacent University Campus, new student housing and business developments and the Cultural Quarter. There is a growing need to satisfy the day time commuter and retail parking demands as well as the growing demand arising from the vibrant evening economy.

4.2 In support of the Council's primary objective to create a thriving economy through growth of the financial, leisure and retail sectors which will occur mainly in the City Centre there is an urgent requirement to provide a retail development site for the purposes of relocation of an existing retail outlet in order to allow the proposed extension of the Overgate Centre to progress.

- 4.3 An Economic Option Appraisal has been carried out to establish and analyse the Strategic Context, the Defined Need for the Project, the Objectives and Constraints and a list of options were identified. The options were examined in detail and a short list of options were subsequently costed and assessed in accordance with the Council's Capital Budgetary Control guidance.
- 4.4 The financial assessment incorporated the Revenue and Capital Budgetary implications, the 25 year Cash Flow, the Loan Repayment Calculations, the Depreciation Residual Value and the Income and Costing Projections for each of the short listed options.
- 4.5 It is proposed that the development of the site is advertised to seek a potential partnering contractor. The development has to accommodate a circa 430 space Multi Storey Car Park with retail accommodation at ground level and a commercial development at the West End of the site. The successful partnering contractor will design and construct the car park and retail unit on behalf of Dundee City Council who will continue to own and operate these new facilities.
- 4.6 The proposed option of advertising to engage with a partnering contractor to build the Multi Storey Car Park with a retail unit and to bring forward other commercial proposals to enhance the development was selected because it will provide a considerable capital receipt which will help offset the capital costs of the much needed Car Park and Retail Unit. The adjacent development site, earmarked for commercial proposals, is not sufficiently marketable as a development opportunity in isolation.
- 4.7 The recommendation therefore is that the Council seek to deliver the Hunter Street Development as a 'turn key' project in partnership with a private sector contractor.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None.

Mike Galloway
Director of Planning & Transportation

David Dorward
Depute Chief Executive (Finance)

MPG/RT/EB

2 May 2008

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