

REPORT TO: POLICY & RESOURCES COMMITTEE - 13 FEBRUARY 2012

REPORT ON: PROMOTION OF COMPULSORY PURCHASE ORDER – DUNDEE WATERFRONT

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 35-2012

1 PURPOSE OF REPORT

- 1.1 To seek authority to promote a compulsory purchase order for the acquisition of the Hilton Hotel and the Gala Casino at Earl Grey Place in order to enable the implementation of the Central Waterfront Development Masterplan.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee authorise the Depute Chief Executive (Support Services) to initiate Compulsory Purchase Procedures to acquire all interests of Hilton Worldwide and the Gala Coral Group at Earl Grey Place, Dundee as shown on the attached plan.

3 FINANCIAL IMPLICATIONS

- 3.1 Compensation will be payable in terms of the Land Compensation (Scotland) Act 1963 as amended. The cost of this compensation and associated costs will be met from the capital plan allocation for the Waterfront Project.

4 BACKGROUND

- 4.1 The Dundee Central Waterfront Development Masterplan was agreed by the Council as a material planning consideration on 26th February 2001 (Report 8/2001 refers) and it has guided the progress on the Central Waterfront Project to date. In order for the agreed Masterplan to be fully implemented, the site of the Hilton Hotel and Gala Casino is required to be cleared of buildings to provide sites for new development, public open space and infrastructure works.
- 4.2 The buildings are constructed on a site of 1.268 hectares which is currently leased from Dundee City Council. Discussions have been undertaken with Hilton and Gala with a view to acquiring their property interests by negotiation; however, despite lengthy negotiations, the Council's property consultants, Jones Lang LaSalle, have been unable to reach agreement with Hilton and Gala on an acceptable purchase price.
- 4.3 It is essential that the Council acquire these interests in order that the Central Waterfront Project is completed in accordance with the Masterplan and that the overall impact of the scheme is not reduced. Accordingly, compulsory acquisition of the Hilton and Gala property interests is viewed as an essential last resort. The phasing of the related infrastructure works in the vicinity of this property has been amended in order that the time required for a compulsory acquisition can be accommodated within the overall implementation programme for the Central Waterfront Project; however, the process of promoting a Compulsory Purchase Order needs to commence now to avoid any potential delay in the completion of the final infrastructure works.

- 4.4 It should be noted that, while it has not been possible to agree a negotiated price for acquiring the site, both Hilton and Gala are willing sellers who nevertheless wish to have a continued business presence in the city. To assist them in achieving this, it is proposed that the Council will work with both parties to help identify possible suitable sites for new premises (either in the Waterfront or elsewhere in the city) and that cooperation will be provided to help to ensure that their business operations on their current site are able to continue to function until they are required for redevelopment purposes later in the project timescale.

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) and Director of Finance have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

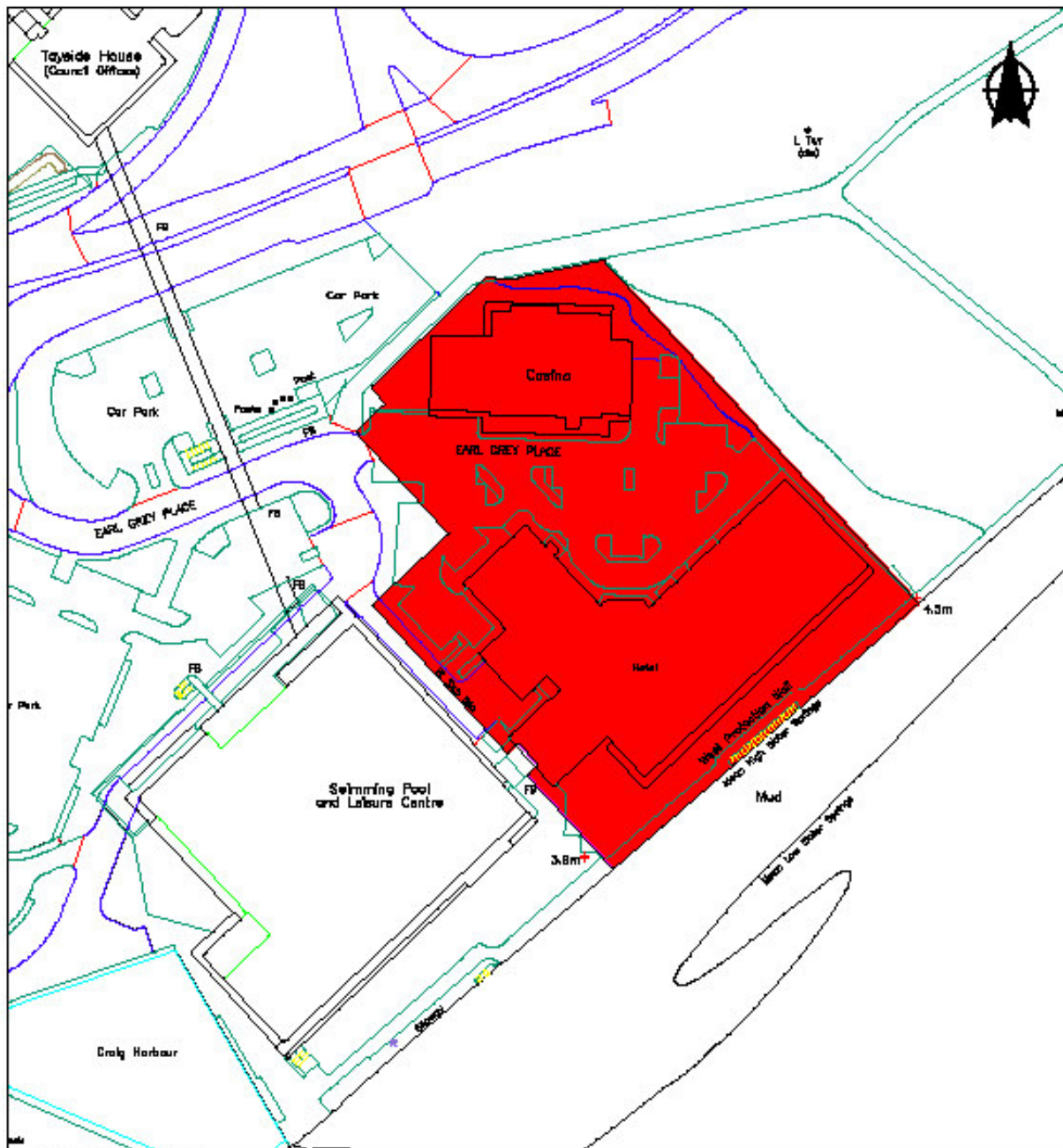
- 7.1 Planning & Transportation Committee 26 February 2001 - Report No 8/2001
7.2 Policy and Resources Committee 25 October 2010 - Report No 375-2010

Mike Galloway
Director of City Development

MPG/MS

4 January 2012

Dundee City Council
Dundee House
Dundee



PART O.S. SHEET NO. 30692X

AREA COLOURED RED EXTENDS TO 1.07 HECTARES OR THEREBY



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