

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead, Regeneration

Infrastructure Regeneration and Economic Development Committee: 18 November 2020

Subject: Update on development at Mitchell Way Redevelopment Site, Alexandria

1. Purpose

- 1.1** The purpose of this report is to provide Committee with an update on the negotiations with the selected developer at Mitchell Way redevelopment site, Alexandria following receipt of additional information.

2. Recommendations

- 2.1** The Committee is invited to:

- (i) Note the progress of the development at Mitchell Way redevelopment site, Alexandria, which was previously approved at Committee on 16 March 2016 and subsequent amendments on 22 November 2017 and 21 November 2018.

3. Background

- 3.1** The redevelopment of central Alexandria has been discussed at Committee since 2008 where various proposals have been considered and for a variety of reasons never been successfully completed. A summary of the reports are provided as background papers.
- 3.2** Committee approved the redevelopment plan on 16 March 2016 and subsequently amended the terms of this redevelopment on 22 November 2017 and 21 November 2018 and authorised officers to conclude the disposal transaction by long-term development agreement.

4. Main Issues

- 4.1** It has been an overriding objective of the Council to achieve a quality outcome for the redevelopment of Alexandria Town Centre.

The main elements of the proposal are now as follows:

- Demolition of the remaining existing buildings on the site by the developer at their cost.

- A food-store (25,000 square feet) with 134 car parking spaces, separate customer and service accesses from Bank Street and a layout which seeks to address level differences by providing a sloping landscape buffer around the car park. The developer has already carried out PAN consultation and will work closely with Planning Department to ensure a high quality design for Alexandria.
- A three storey development facing Bank Street and Mitchell Way comprising:-
 - 21, 1 and 2 bed residential units with 15 parking spaces to the rear, accessed from Church Street. This is a reduction from the original proposal by 3 units. Again the developer will work closely with Planning Department to ensure a high quality design for Alexandria. The developer is working with their partner Glenesk to build and develop this social housing aspect;
 - 4 ground floor retail units size to be agreed and built at the developers expense. It is expected that the retail units will be built at a cost of in the region of approximately £200k with the specification to be confirmed. This is to accommodate existing tenants currently in the Mitchell Way development and will comprising of a joint unit size of between 10,000 and 12,500 square feet with service access from Church Street and parking spaces for staff; this has decreased from the original proposal but the income from these units will now directly be received by West Dunbartonshire Council rather than a third party. Expected income could be in the region of £45,000 per annum.
- Public realm improvements to the remaining section of Mitchell Way and the western side of Bank Street will be carried out in conjunction with the Council's Regeneration team who will work closely with the developer to ensure a high quality design to match with the existing improvement works already carried out. These works are anticipated to be in the region of £800,000.with the developer contributing £100,000 of these costs.
- It has been noted previously that due to site constraints, abnormals and relocation of utility pipework there is no value to the site itself.

4.2 Following Committee approval on 21 November 2018 it was agreed to progress with Lidl UK GmbH and following what has been prolonged and detailed discussions the indication is that Lidl UK GmbH are looking to progress their planning application with a view to being onsite in June 2021.

4.3 The revised terms allow a substantial annual income to the Council which was not part of the original proposal and ensures the retention of the current tenants in Mitchell Way and provides them with newly refurbished units to trade from.

5. People Implications

- 5.1** There are no significant people implications other than the resources required by the Asset Management and Legal Services to conclude the proposed disposal.

6. Financial and Procurement Implications

- 6.1** The financial implications are that the Council will now receive an income stream from the redeveloped retail units whereas the original proposal removed this income stream. This income stream could be in the region of £45,000 per annum.
- 6.2** The developer will at a cost of approximately £200k provide retail units to be let out by WDC. Fit out of retail units are expected to be in the region of £200,000.
- 6.3** Public realm works will be carried out to Mitchell Way which will be in excess £800,000. The Developer will contribute £100,000 towards these works with £700,000 being set aside by Regeneration team.
- 6.4** There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** There is a risk that the redevelopment does not proceed due to unknown factors at this time which may result in a remarketing of the site.
- 7.2** We acknowledge the general uncertainty created by the coronavirus pandemic and that this may influence the prospective buyers plans adversely.

8. Environmental Sustainability

- 8.1** The proposal is principally a financial one and future use of the site would require to comply with normal statutory frameworks.

9 Equalities Impact Assessment (EIA)

- 9.1** An Equality Impact Screening did not indicate any further action required.

10. Consultation

- 10.1** Consultations have been undertaken with Regulatory in relation to the proposed disposal.

11. Strategic Assessment

11.1 This report contributes to the Council's Strategic Priorities and in particular towards:
economic growth and employability

11.2 This development will also support the four strategic priorities of the Council's updated Economic Development Strategy (2015-2020):

- Stimulating economic investment and growing the business base;
- Improving the skills of all our people and supporting them into work;
- Creating an inclusive and prosperous place where people choose to live, work and invest; and
- Building stronger partnerships and innovative approaches to delivery.

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Date: 2 November 2020

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Appendices: None

Background Papers: Report to Housing, Environment and Economic Development (HEED) Committee of 9 January 2008 entitled Alexandria Town Centre Masterplan Update

Report to HEED Committee of 8 October 2008 entitled Alexandria Town Centre Masterplan

Report to HEED Committee of 3 March 2010 entitled Alexandria Masterplan: Mitchell Way Marketing Brief

Report to HEED Committee of 3 March 2010 entitled Surplus Council Housing Stock: Owners

Report to Council of 29 Jan 2011 entitled Securitisation of the Council's Non Operational Estates Portfolio

Report to HEED Committee of 7 September 2011 entitled Alexandria Masterplan: Mitchell Way Redevelopment Site;

Report to HEED Committee of 13 February 2013 entitled Mitchell Way Redevelopment Site: Request to extend site area to be marketed;

Report to HEED Committee of 26 February 2014 entitled Preferred Bidder for Mitchell Way Development Site in Alexandria;

Report to IRED Committee of 18 June 2014;

Report to IRED Committee of 17 June 2015 entitled Mitchell Way Redevelopment Site, Alexandria;

Report to IRED Committee of 16 March 2016 entitled Preferred Bidder for Mitchell Way Redevelopment Site, Alexandria;

Report to IRED Committee of 22 November 2017 entitled Update on Mitchell Way Redevelopment Site;

Report to IRED Committee of 21 November 2018 entitled Update on Property and Land Disposal.

Wards Affected:

Ward 2