

<b>TO:</b>	PLANNING & DEVELOPMENT (BUILDINGS AND PROPERTY) SUBCOMMITTEE	<b>SUBJECT:</b>
<b>FROM:</b>	DIRECTOR OF PLANNING & DEVELOPMENT	MOTHERWELL TOWN CENTRE
<b>DATE:</b>	11 AUGUST 1998	<b>REF:</b> MAR/FF/MW225

### 1. PURPOSE OF REPORT

The purpose of this report is to seek consent to extend the existing appointment of the Adviser appointed in respect of Motherwell Town Centre.

### 2. BACKGROUND

Members may recall my previous report of 1 November 1996, where Messrs Smith Cole Wright were appointed to advise the Council on:-

- i the Council's existing landlords' interests in the Town Centre;
- ii advice on a scheme which was at the time being proposed between Highland Properties Limited in relation to the demand for space within Motherwell and its overall picture in the local Town Centre hierarchies, together with consideration of the possible impact on demand which may have resulted from the development proposals for Hamilton Palace grounds and the extension to East Kilbride Town Centre.
- iii The Company were also appointed to advise on the terms of a negotiated agreement between the Council and Highland Properties to facilitate the proposed development.

The scheme proposed by Highland Properties (Scotland) Limited which comprised development of part of the main Town Centre car park for retail use did not proceed and the Company have recently obtained planning consent for a supermarket development on the former Watsonville playing fields site. It is now therefore appropriate to re-consider the role of Smith Cole Wright.

### 3. CURRENT POSITION

Discussions have taken place with Smith Cole Wright to review the situation and they have advised that over the past few months, they have had some preliminary negotiations with CIS (the owners/leaseholders within the main part of the Town Centre) with a view to restructuring the basis of the existing leases. Smith Cole Wright have advised that their current proposal is to achieve a situation whereby the Council obtain a capital sum as part of negotiation, but in addition, ensure the continuation of the same level of ground leasehold income stream.

The Company have submitted a fee proposal of £2,500 per quarter (plus VAT and out of pocket expenses) which would continue until missives are concluded, finalising any lease re-structuring. In addition, a further payment of 1.5% of any positive premium paid by CIS as part of the re-structuring agreement would be paid to the Company.

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The Council could consider re-tendering the opportunity to provide advice to the Council on the proposed re-structuring of leases, however Messrs Smith Cole Wright have been advising the Council on this matter for 18 months now, and have built up a relationship with the Advisers acting on behalf of the owners/tenants within the Town Centre, and it is therefore prudent to consider continuing their appointment. To date, they have provided a good service and the level of fee anticipated (albeit that assumptions have had to be made at the length of time that it will take to conclude the transaction and an estimate made of the likely premium payable by CIS) is still reasonable.

#### 4. RECOMMENDATION

It is recommended that Committee grant consent to continue the appointment of Messrs Smith Cole Wright to provide advice to the Council in re-structuring the existing leases within Motherwell Town Centre. The Company will receive a fee of £2,500 per quarter plus VAT and any out of pocket expenses until such time as missives are concluded, finalising the re-structuring. At that point, the Company would receive 1.5% of any positive premium paid by CIS as part of the re-structuring agreement. All other terms and conditions of the appointment to be adjusted by the Director of Planning and Development.



**STANLEY COOK**  
Director of Planning & Development