

# Report

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Report to:	<b>Estates Committee</b>
Date of Meeting:	<b>13 December 2005</b>
Report by:	<b>Executive Director (Enterprise Resources)</b>

Subject:	<b>Proposed Sale of Ground at Plot 2, Langlands Business Park, Hurlawcrook Road, East Kilbride</b>
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## 1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ seek approval to dispose of the industrial development Plot 2, Langlands Business Park, Hurlawcrook Road, East Kilbride to Sainsbury's Supermarkets Limited and their appointed nominees.
- ◆ note the action taken in terms of Standing Order No 36(c) to request approval to authorise the conclusion of this transaction

## 2 Recommendation(s)

2.1 The Committee is asked to approve the following recommendation(s):-

- (1) that the sale of the industrial development site at Plot 2, Langlands Business Park, Hurlawcrook Road, East Kilbride extending to 4.118 hectares or thereby to Sainsbury's Supermarkets Limited and their appointed nominees be authorised, in the sum of £660,000 in terms of the principal conditions as contained in section 4 of this report, subject to satisfactory conclusion of missives, within the timescales deemed appropriate by the Council.
- (2) that the Executive Director (Enterprise Resources) in consultation with the Head of Legal Services, if appropriate, be authorised to conclude all matters and enter into necessary legal agreements in terms which are in the best interest of the Council to complete the sale of the subjects.
- (3) that in view of the requirements to progress this matter as soon as possible in terms of Standing Order No 36(c), the action taken by the Executive Director (Enterprise Resources) in consultation with the Chair and ex-officio member to authorise the sale of the site to Sainsbury's Supermarkets Limited in order that the transaction can conclude as soon as possible to facilitate Sainsbury's urgent expansion requirements be noted.

## 3 Background

3.1 Estates Committee at their meeting of 31 May 2005 approved the proposal to sell the industrial development site, Plot 8, Langlands Business Park, East Kilbride, to Sainsbury's Supermarkets Limited and their nominees to facilitate expansion of their existing warehouse and to construct a Resource Recovery Unit. The warehouse and Recovery Unit are to be funded and constructed by an appointed property development company to Sainsbury's specification and leased back to the supermarket group. Since this report Sainsbury's warehouse requirement has

increased resulting in the Resource Recovery Unit being unable to be accommodated within Plot 8. In addition, Sainsbury's have now appointed the Kenmore Group as their preferred developer.

- 3.2 Provisional negotiations have therefore taken place with Sainsbury's agents with a view to the company purchasing the adjacent Plot 2, Langlands Business Park to accommodate the Resource Recovery Unit. This will cover approximately 50% of Plot 2 and Sainsbury's and their developer Kenmore have provisionally agreed to develop the remainder of the land within the plot for future industrial development including a block extending to at least 1,656 square metres of high quality, small, speculative industrial units of around 300 square metres per unit. The proposal would also include opening up the site with an adoptable access road, full servicing and infrastructure together with a further two phases of industrial development of equal or greater size to the aforementioned 1,656 square metres to be completed either on a speculative or bespoke/pre-let basis. They are also agreeable that, if phase two and three are not completed within a timescale to be agreed, the Council will have an option to purchase back this residual ground at market value. The initial purchase price for the entire plot 2 has also been provisionally agreed at £660,000 exclusive of VAT.

#### **4 Proposal**

- 4.1 It is proposed, therefore, to dispose of the industrial development Plot 2, Langlands Business Park, Hurlawcrook Road, East Kilbride, extending to 4.118 hectares or thereby as shown on the attached indicative plan to Sainsbury's Supermarkets Limited or their appointed nominees who will be their development partner on the following principal terms:-
- 4.1.1 The purchase price shall be £660,000 exclusive of VAT subject to deduction of any abnormal costs following a full and comprehensive site investigation to be carried out by the purchasers.
- 4.1.2 That planning consent is granted for the Resource Recovery Unit and for high specification industrial units on the remainder of the plot.
- 4.1.3 That Sainsbury's Supermarkets Limited and/or their development partner Kenmore Group will enter into a development agreement with the Council in respect of developing approximately 50% of plot 2 for future industrial development as described above together with standard access road to adoptable standard, appropriate servicing, footpaths, and utilities for the site including sufficient electricity supplies within 18 months of taking entry to the site. In addition within a timescale to be determined Sainsbury's/Kenmore to provide a further two phases of industrial development of equal or greater size to phase 1 to be completed within a speculative or bespoke pre-let basis. If these additional phases are not completed within this time the Council to have the option to purchase back this ground at market value.
- 4.1.4 That Sainsbury's Supermarkets Limited have the right to assign the proposed missive to a nominee who will purchase the site, construct the Resource Recovery Unit and thereafter lease this back to Sainsbury's Supermarkets Limited and complete the aforementioned speculative industrial development.
- 4.1.5 That the Council's reasonably incurred legal expenses up to a maximum of £2000 are met by the purchaser.

## **5 Employee Implications**

5.1 There are no employee implications.

## **6 Financial Implications**

6.1 The disposal of the site will generate a capital receipt of £660,000, subject to the deduction of abnormal costs following site investigations. Such deductions will be subject to a further report to Committee.

## **7 Other Implications**

7.1 There are no other implications.

## **8 Consultation**

8.1 All necessary consultations with Planning, Roads and Regeneration Services have taken place.

**Iain Urquhart**

**Executive Director (Enterprise Resources)**

29 November 2005

### **Link(s) to Council Objectives**

None

### **Previous References**

- Estates Committee – 31 May 2005

### **List of Background Papers**

- Report to Estates Committee, 31 May 2005 – Proposed Sale of Ground at Plot 8, Langlands Business Park, Hurlawcrook Road, East Kilbride

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

Bill Barr, Surveyor, Capital Transactions, Estates and Support Services

Ext: 5147 (Tel: 01698 455147)

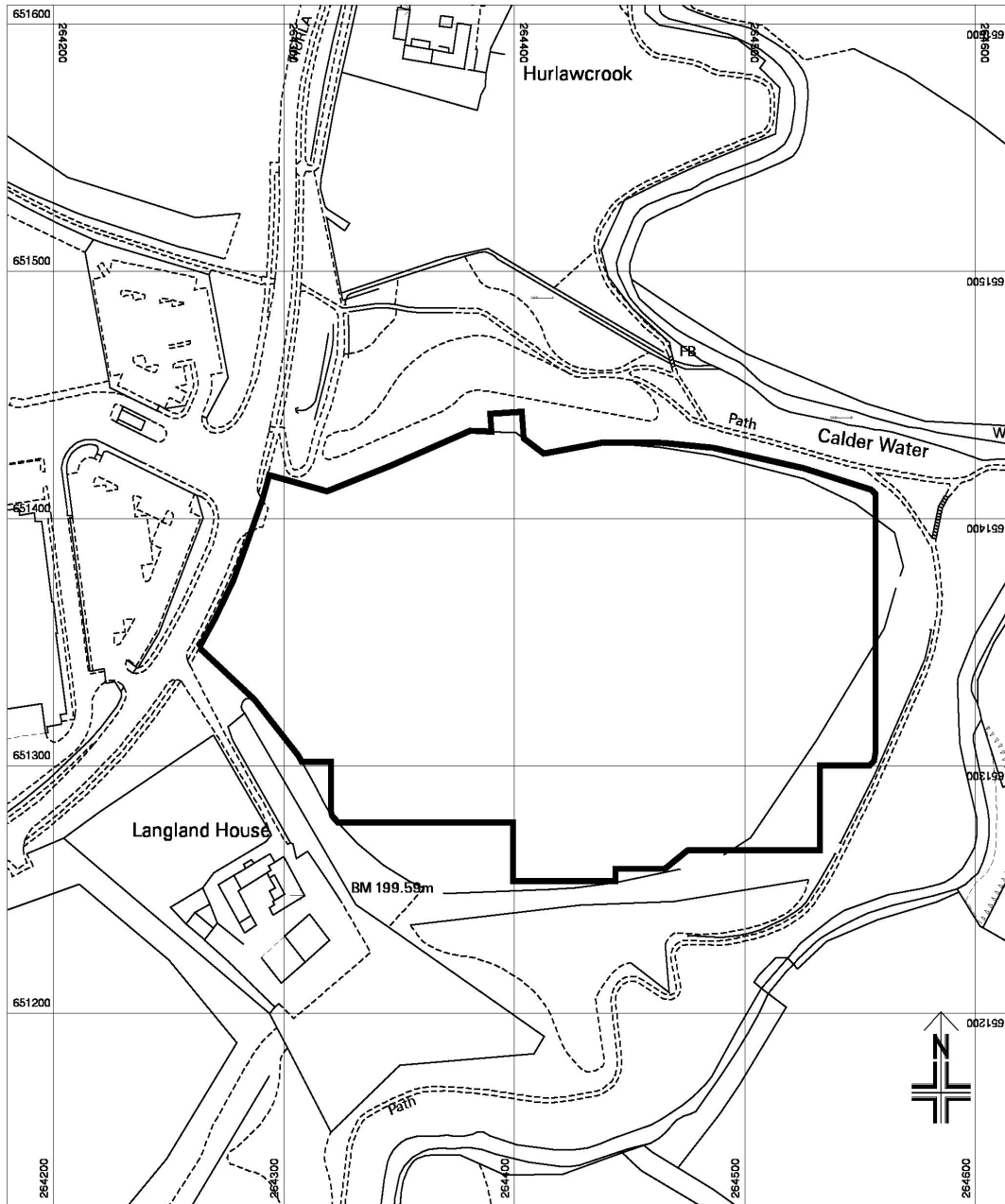
E-mail: bill.barr@southlanarkshire.gov.uk

## LOCATION PLAN - For Committee Purposes Only

Plot 2 Langlands Business Park  
East Kilbride



### ESTATES SERVICES



Contents within the boundaries coloured black 4.118 Hectares or thereby.

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