



Glasgow City Council

Development and Regeneration Services (Property) Sub-Committee

Report by Director of Development and Regeneration Services

Contact: Keith Pender Ext: 287 8412

Celtic Plc
Sale and Lease of Ground at Westthorn Recreation Ground, London Road, and at the Celtic Triangle, London Road

Purpose of Report:
To advise the Sub-Committee on the progress made in negotiations with Celtic Plc in respect of the disposal of various areas of land at Westthorn Recreation Ground (London Road), various sites immediately adjacent to Celtic Park (within the area known as the Celtic Triangle), and the site to be used as a coach park for both Celtic PLC and the National Indoor Sports Arena - and to seek authority to negotiate the terms of disposal of the various areas of land concerned.

Recommendations:
That the Sub-Committee

- 1 notes the current position regarding negotiations over the potential disposal of various sites around Celtic Park to Celtic PLC:
- 2 authorises the Director of Development and Regeneration Services to enter into final negotiations with Celtic plc regarding :
 - the terms of disposal of Council owned ground at Westthorn Recreation and various sites in the 'Celtic Triangle' around Celtic Park
 - the terms of an option agreement for the possible sale of the former London Road Primary School
 - the terms of the lease for the proposed car and coach park to be used jointly by Celtic PLC and the National Indoor Sports Arena.
- 3 Notes that a further report detailing the outcome of the negotiations will be brought back to the Sub-Committee for consideration in due course.

Ward No(s): 35, 36, 45	Citywide: <input type="checkbox"/>
Local member(s) advised: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Consulted: Yes <input type="checkbox"/> No <input type="checkbox"/>

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BACKGROUND

Members will be aware that Celtic Plc has been progressing proposals for a considerable time to improve its player training facilities, and is understood to have been considering locations both within and outwith the City on which to develop new facilities. Barrowfield Training ground (London Road), the current training facility, provides facilities which are considered inadequate for a club with a strong international profile. Celtic has indicated that its preferred option is to develop a state of the art football academy and related training facilities beside its Barrowfield base, although no final decision has yet been taken on this .

Celtic approached the Council some time ago to establish whether the former Westthorn Recreational Ground, immediately adjacent to Barrowfield, could be incorporated within their wider vision. The DRS (Property) Sub-Committee agreed on 8 March 2000 that the ground at Westthorn , shown on the attached plan and extending to some 13.3 acres, be leased to Celtic Plc on a 5 year term, at a rental of £26,000 pa. Since then Celtic have invested some £500,000 on enhanced facilities at both Barrowfield and Westthorn, including 2 new training parks, one of which is artificial grass and floodlit.

Celtic is fully aware that even with the addition of the Westthorn site, it does not have sufficient land within its control around Celtic Park to deliver all its aspirations. A land assembly strategy was therefore prepared by Celtic to provide it with the full area of land needed to permit all the facilities which it required. This strategy was based on Celtic being able to acquire the former Belvidere Hospital site owned by the Health Board, the Council owned site at Westthorn, various areas of land adjacent to Celtic Park, and the former London Road Primary School adjacent to Celtic Park. Although agreement between Celtic and the Health Board could not be reached, and the site is now being disposed of by the Health Board for residential development, Celtic still wishes to proceed to acquire the areas of land in Council ownership.

CURRENT POSITION

1. Westthorn

Although Celtic has invested substantial sums at Westthorn it has not yet confirmed whether it will proceed with the long term development of the training facilities at this location. An options review is currently being carried out and a decision will be known shortly. However regardless of the outcome of this review Celtic is obliged, on the expiry of the current lease, to purchase this ground from the Council on the basis of open market value for residential purposes. The only deduction permitted from the end price is for abnormal ground works associated with the proposed development.

As the lease expires as at 7 November 2005, detailed negotiations have been ongoing with Celtic's agents for several months to agree a mutually acceptable figure. The methodology of valuation, the potential number of units, site density and level of ground abnormal works, and a range of values of between £22,000 and £26,000 per housing unit have been agreed. The final figure will however need to be amended to take account of the final values secured for residential development for the adjacent site at Belvidere, and an outstanding issue to be reconciled with the Health and Safety Executive which will affect the site layout and capacity.

This exercise will produce an open market valuation of the site. The District Valuer has been party to the negotiations and is supportive of the approach to site valuation which is being proposed.

2 Celtic Triangle

The Celtic Triangle is defined by its shape and comprises the land in and around Celtic Stadium between London Road, Janefield Street and on the western boundary the proposed line of the East End Regeneration Route. Celtic has made it clear for some time that it wished to acquire all those Council interests within the Celtic Triangle, since it considers that these areas are essentially part of the existing concourse, circulation and access areas. These areas include former tenemental land cleared around 12 years ago and the former London Road Primary School which is surplus to Council requirements. The various sites extend to some 4.75 acres/1.92 hectares and are shown on the attached plan.

Celtic has offered to purchase the cleared sites from the Council at a total price of £375,000 (£100k per acre) which is considered to be the open market value to Celtic for car parking purposes. The District Valuer has been consulted on, and has agreed this value. Although there are no other development proposals in mind, Celtic has agreed the principal of equity participation in the event that at some point in time development proposals are brought forward which lead to site enhancement. The nature of the equity participation has yet to be agreed.

The acquisition of land from the Council also allows Celtic to enter into an excambion with the West Of Scotland Housing Association to free up land for its housing programme. Celtic would not make these sites available if its existing coach and car parking arrangements, and its planned parking aspirations, were compromised.

At this stage Celtic is unclear how it would utilise the former London Road primary school but is seeking an option to purchase the building until a full development review is complete and more specific proposals brought forward.

3 Conjoined Coach and Car Park

Celtic has a requirement to provide a further 200 car park spaces and 400 coach spaces which would require around 2.4acres/1 hectare for coach parking outwith the Celtic Triangle area.

This requirement requires to be considered in the context of the development of the proposed National Indoor Sports Arena on vacant land immediately opposite Celtic Park on the southmost side of London Road. The requirement of both facilities for car and coach parking provides the opportunity for a 'shared-parking' arrangement between the parties, rather than have excessive levels of parking areas. The precise location of the car/coach park, and the terms of the agreement, would depend on the final layout/designs for the Arena.

A further reason to reach agreement on a conjoined car park between the Council and Celtic is the likelihood that Celtic will lose much of its existing coach park on the western boundary of the Celtic Triangle when the East End Regeneration Route proceeds. As there is no other practical solution in the immediate area and a joint use arrangement offers the optimal solution.





OBSERVATIONS

1. The failure to acquire the Belvidere site has led Celtic to undertake a development review of all its interests and options. This is underway at the present time. Regardless of the outcome, the current lease between the Council and Celtic, which terminates in November 2005, requires Celtic to purchase the Westthorn site at open market value for residential use.
2. The Council owned sites in and around Celtic Park have a value particular to Celtic. The areas of land concerned have no clear development potential given their proximity to Celtic Park, and the proposals to utilise them to provide extended parking provision sit easily with the long term development of the stadium complex. If the event that these sites, in the course of time, acquire a development value then the Council's position will be protected by an equity participation provision.
3. The area forms part of the Clyde Gateway project area which, together with the proposed National Indoor Sports Arena development is seen as a major flagship development in the renaissance of the area. The proposal to develop a shared-parking arrangement represents a means of minimising any land take.
4. Celtic has a key role to play not only in the delivery of its own development agenda, but in the renewal of the wider area. The paths of the Council and Celtic are inextricably entwined if a success is to be made of the regeneration of the east end. Both parties will have a number of common issues to resolve particularly in the provision of utilities (gas, water pipelines), removal of electricity pylons etc – and reaching agreement at an early stage will help resolve a number of these issues.
5. A number of the valuation issues are close to being agreed. The reason for bringing this to Committee at this stage is to seek authority to approve the current position and to allow Celtic to seek its own Board approval for the approach being adopted at as early a date as possible.
6. The creation of a conjoined coach and car park would provide a saving of some £500,000 in the budget delivery of the National Indoor Sports Arena.

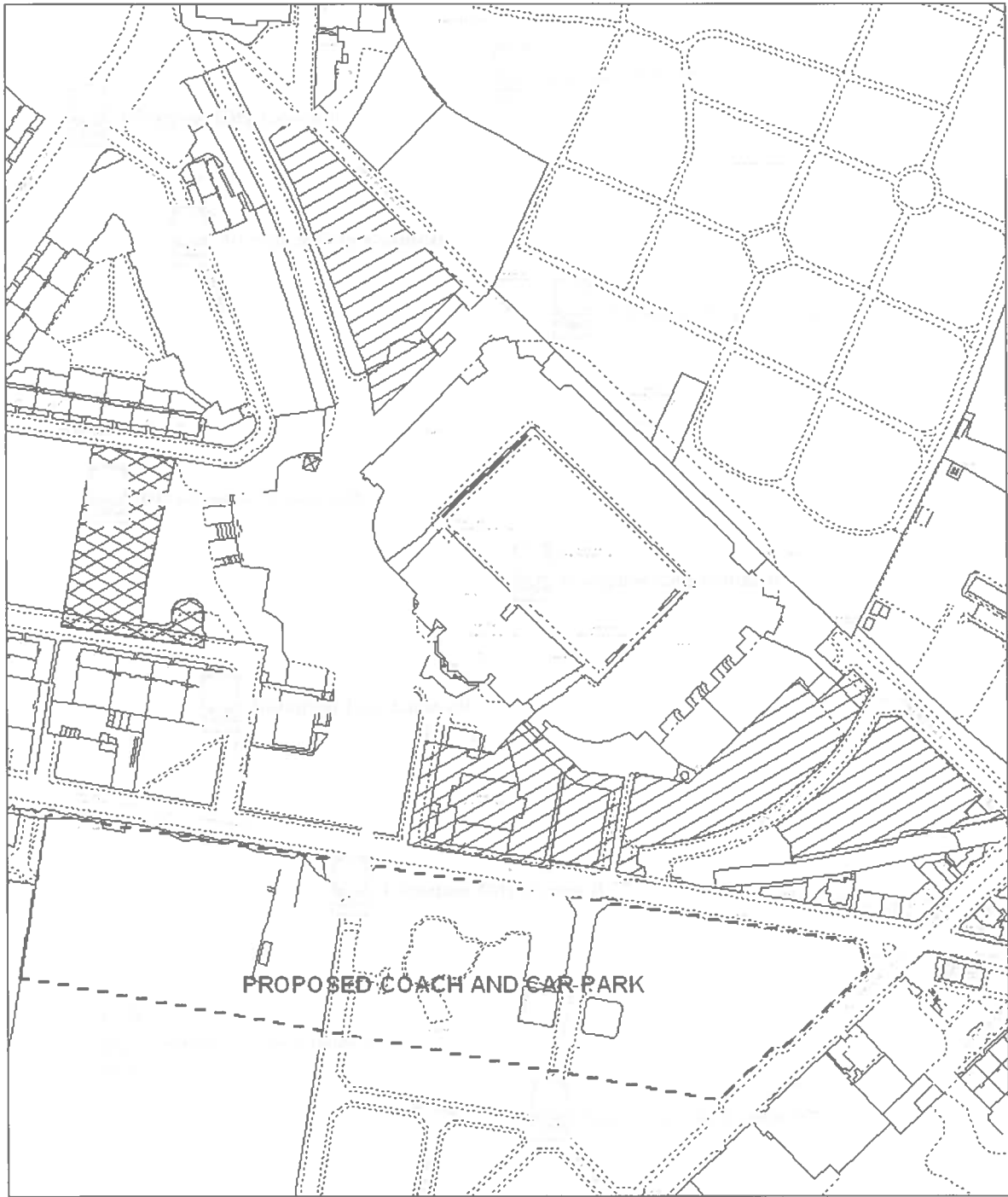
SERVICE IMPLICATIONS

- Financial : Sale of these Council owners sites will realise a capital receipts.
- Legal : None.
- Personnel : None.
- Service Plan : All aspects of the transaction would be consistent with the Council's City Plan and the Clyde Gateway strategy.

Development and Regeneration Services
KP
7 June 2005

 <p>GLASGOW CITY COUNCIL DEVELOPMENT AND REGENERATION SERVICES 229 GEORGE STREET, GLASGOW G1 1QU</p> <p>Glasgow CITY COUNCIL</p> <p>Director Steve Inch BSc Hons DipTRP</p>	OS Sheet: NS6164SE		Date: 8 Jun 2005		
	File: N/A			Tech: BJB	
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	Bdl No: N/A				
Celtic Triangle		 Glasgow City Council Interest	 Celtic Plc		

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Glasgow
CITY COUNCIL

Director
Steve Inch BSc Hons DipTRP

OS Sheet: NS6263SE

Date: 8 Jun 2005

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Scale: 1:2500

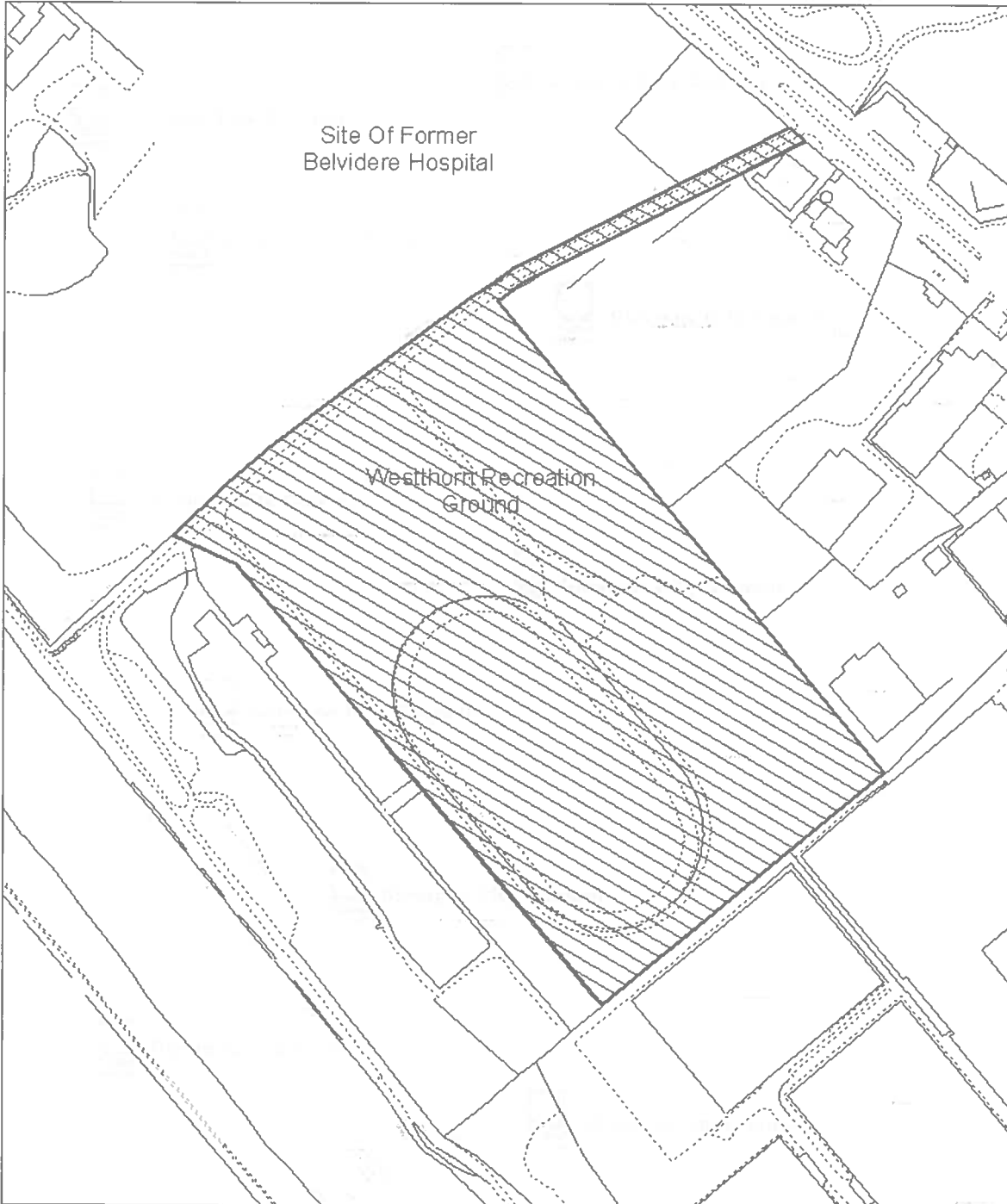
Area: N/A

Bdl No: N/A



Westthorn

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