



Glasgow City Council

Executive Committee

19 January 2007

Report by Director of Development and Regeneration Services

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Land and Property adjacent to Celtic Park
Proposed acquisition from, and disposals to, Celtic plc

Purpose of Report:

To advise Committee on the proposed acquisition of land from Celtic plc at Strathy Park (Silverdale Street), and the disposal of sites to Celtic plc at the former Westthorn Recreation Ground (London Road) and within the site known as the Celtic 'Triangle'.

Recommendations:

That the Committee agrees :-

- 1 To the disposal of various sites within the Celtic 'triangle' to Celtic PLC on the terms detailed in the report.
- To the terms of the lease to Celtic plc of a new Coach Park to be built adjacent to the National Indoor Sports Arena, for match day use only as detailed in the report.
- To the process to be followed, to dispose of the site at Westthorn Recreation Ground to Celtic plc, and the acquisition of the site at Strathy Park from Celtic plc, as detailed in the report.

Ward No(s): 35, 36, 45		Citywide:	
Local member(s) advised: Yes	x No	Consulted: Yes	No No

PLEASE NOTE THE FOLLOWING:

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1 BACKGROUND

- 1.1 Celtic approached the Council some time ago to establish whether the former Westthorn Recreational Ground and other areas of land within the Celtic 'triangle', owned by the Council, could be incorporated within their wider vision for the development of the stadium precincts. Although several of the Council owned sites in and around Celtic Park have a value particular to Celtic, the development of these sites for non-football related uses would be difficult.
- 1.2 The DRS (Property) Sub-Committee has previously considered 2 reports on this matter.
 - On 8 March 2000 the Sub-Committee agreed that the ground at Westthorn should be leased to Celtic plc on a 5 year term, at a rental of £26,000 per annum. Since then Celtic has 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.
 - On 9 June 2005 the Sub-Committee authorised 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.
- 1.3 Since then the discussions have also been extended to cover the possible acquisition by the Council of a site at Strathy Park, owned by Celtic, which is within the boundaries of the Commonwealth Games Village site. These discussions have at various times involved Celtic and their appointed agents, the District Valuer and Council officials.

2 CURRENT POSITION

Westthorn Recreation Ground and Strathy Park (see attached plan)

- 2.1 As a condition of the lease for the site at Westthorn, Celtic are required to acquire the site from the Council at the open market value for residential values (as at the termination date of 9 November 2005), less any allowance for abnormal ground works associated with such developments. The missive for the disposal makes provision for the appointment of an independent arbiter in the event that the Council and Celtic cannot agree the market value.
- 2.2 The site at Strathy Park is within the area proposed for the Commonwealth Games Village, and is adjacent to other land which the Council has recently purchased to consolidate its land holdings within the village site for residential development.

- 2.3 Although the Council has used the services of the District Valuer to assist with the valuations it has not been possible to agree a value for the site. It is proposed therefore that:
 - the Council and Celtic appoint a mutually acceptable arbiter to determine the market value of Westthorn – with a view to this process being completed by Spring 2007;
 - Celtic retain an option to purchase the site at the price determined by the arbiter, upgraded annually by the change in the RPI, until 12 November 2009;
 - Celtic pay the Council an annual rental of £30,000 per annum for the site at Westthorn for the period covered by the option;
 - Celtic agree to pay the Council 50% of any uplift in the value of Westthorn if the site is sold on within 5 years of the date on which it is acquired from the Council;
 - The Council agree to pay either £250,000, or the value determined by the arbiter (whichever is the greater) for the site at Strathy Park. Celtic would have no entitlement to any share of uplift value if the Council subsequently sells the site on to any other party.

Celtic Triangle (see attached plan)

- 2.4 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 of the proposed line of the East End Regeneration Route.
- 2.5 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 are shown on the attached plan. It is proposed that:
 - Celtic purchases the cleared sites from the Council at a total price of £375,000.
 - The land required by the Council for the East End Regeneration route is also included within the transaction. This is reflected in the total price.
 - Celtic be given an option, to run for 3 years, to acquire the former London Road primary school at a price of £300,000.
 - Celtic be given a right of pre-emption, to last for 3 years, over a small site on the northern edge of the Celtic Triangle (known as the Creamery site).

Coach and Car Park

- 2.6 As part of the development proposals for the East End Regeneration Route (EERR)
 Celtic will lose their current coach park. There is therefore a requirement to provide a
 further 200 car park spaces and 400 coach spaces outwith the Celtic Triangle area. This
 requirement needs to be considered in the context of the development of the National
 Indoor Sports Arena on vacant land immediately opposite Celtic Park on London Road.
- 2.7 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. Celtic would have use of the facility on match days only with the NISA having priority use on any days when there is an event taking place at both venues. It is proposed therefore that:

Celtic be given the right to utilise the proposed coach park, to be built adjacent to the NISA, on match days only, for 99 years at an annual rental of £32,000;

3. **SERVICE IMPLICATIONS**

Financial:

Sale of these Council owned sites will realise a capital receipt.

Legal:

Personnel:

None.

Service Plan:

All aspects of the transaction would be consistent with the proposals

being developed for the Commonwealth Games Village, the NISA and

Environmental:

the Clyde Gateway project.

The proposals will lead to the upgrading of a number of vacant and

derelict sites in and around Celtic Park.

Development and Regeneration Services 15 January 2007







