

Report of: Business Manager, Financial and Asset Management

To: Executive Board

Date: 13 August, 2007

Item No:

**Title of Report : Proposed redevelopment and new lease of site of
Odeon Cinema, Gloucester Green**

Summary and Recommendations

Purpose of report: To advise on the outcome of negotiations authorised in 2005 for the grant of a new lease of the cinema site, and to make the initial scheme plans available for information.

Key decision: Yes

Portfolio Holder: Councillor Campbell

Scrutiny Responsibility: Finance

Ward(s) affected: Carfax

Report Approved by: Councillor Campbell

Jeremy Thomas – Legal

Sarah Fogden/Penny Gardner- Finance

Policy Framework: West End Area Action Plan; Local Plan 2001-2016 (Policy DS 54); Asset Management Plan

Recommendation(s):

1. To agree to the grant of a lease to AXA Sun Life, of the site shown hatched on the plan on the terms set out in para 2, and the report on the confidential agenda
2. To agree to extend the lease of Blocks A,B, D (cross hatched on the plan) on the terms set out in para 2, and paragraph 1 of the report on the confidential agenda
3. To agree the main features of the plans displayed at the meeting, refer them to Central South and West Area Committee for comment, and to note that they may be subject to change during the design and planning process, the final plans to be approved by the Council as landowner.

1 **Background** At its meeting on 7 November, 2005 (min 138), the Board agreed to enter into negotiations for the grant of a long lease of

the cinema site to Sun Life (now AXA Sun Life), to appoint consultants to carry out negotiations, and to await a further report, (as required under current Constitution, contract rule 20.20 ([c])

2. **Scheme Plans** Site plans identifying the main features of the proposed scheme will be on display at the meeting. The main features of the scheme are;

- New cinema /retail building with retail units at ground level and improved 'live' frontages to George Street and Gloucester Green. The multi screen cinema will be located on the upper levels, with a small part at ground level
- Widening and virtual pedestrianisation of St Georges Place. The intention is to integrate and raise the profile of Gloucester Green as part of the City Centre.
- New layout of market stalls – 76 currently shown on plan
- Revised taxi rank with turn around at north east corner of Gloucester Green, access and exit via Gloucester Street, rest room for drivers and shelter for waiting customers.
- New office for market staff
- Permanent 'feature' kiosk, to act as a focal point for the Square, and which could function as tourist/arts information centre, café etc
- Other public realm features to be upgraded – banner lighting at east end of square, benches placed between trees.

3. **Proposed Lease** The Councils consultants (Cluttons) have now concluded negotiations with AXA Sun Life, and recommend the Council to proceed with detailed negotiations for a lease to AXA based on the following heads of terms, subject to planning and other statutory consents.

- **Site** – To include the existing cinema and kiosks, as shown hatched on the attached plan. The sites of Blocks A,B,D, (where the existing lease will be updated) are shown cross hatched.
- **Term** – 150 years from a date to be agreed, for the cinema site. The lease of Blocks A,B, D which currently has 40 years to run, will be extended to the same term.
- **Works** – AXA Sun Life will redevelop the cinema site, and carry out public realm improvements to Gloucester Green, in accordance with plans and specifications to be approved by the Council as landowner, as well obtaining planning and other statutory consents. Site plans will be available for members inspection at the meeting, but it should be noted that the detail may change as the design evolves, via the planning process. The lessee will be liable for all costs of development, including any cost overruns.

- Proposed Rent structure and Capital Premium – these are set out in the accompanying report on the confidential agenda.
- 4, **Consultation** A preliminary consultation on the proposals has been carried out with the following:
- C.O.L.T.A. (taxi drivers)– concern that existing Gloucester Green taxi rank will be reduced in size because queuing in Gloucester St is not feasible, and that congestion will result from closure of St Georges Place to taxis. COLTA would not be happy with an alternative access from Beaumont St, even if this was possible in highway terms
 - N.M.T.F. (Wednesday Market Traders). Broadly welcome proposals but would like to further consider the effect of a reduction in the number of stalls (from c100 to 75-80). Would also wish to consider effect of any temporary displacement during the construction period.
 - Kiosk tenants – at time of drafting no replies received to letters sent 6 July
 - Antiques and Farmers Market operators - at time of drafting no replies received to letters sent 13 July

Executive Board may wish to refer the design aspects of the proposals to Central South and West Area Committee for comment

5. **Legal Implications** None

6 **Financial Implications;** These are contained in the exempt from publication appendix

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Background papers: None

