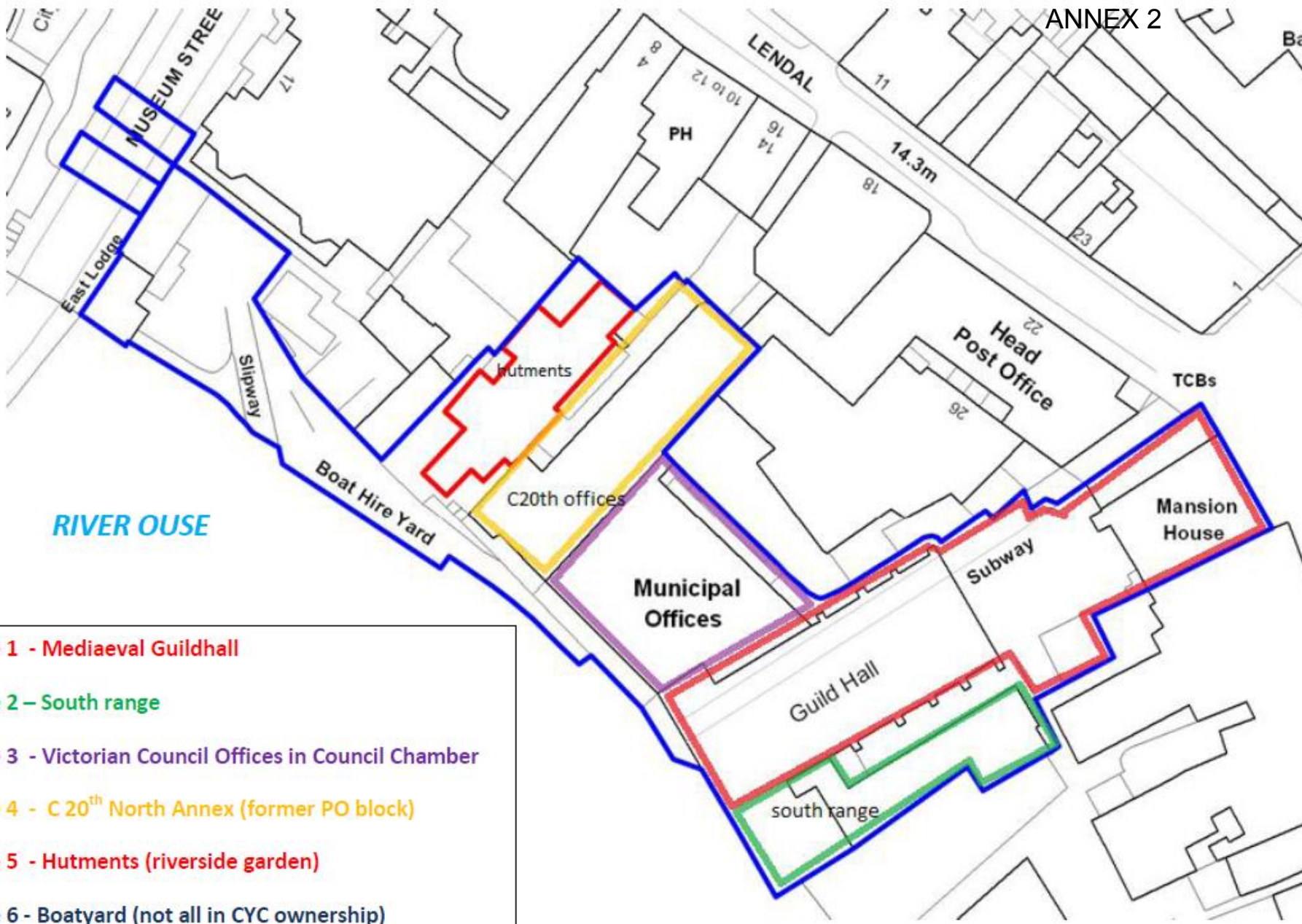




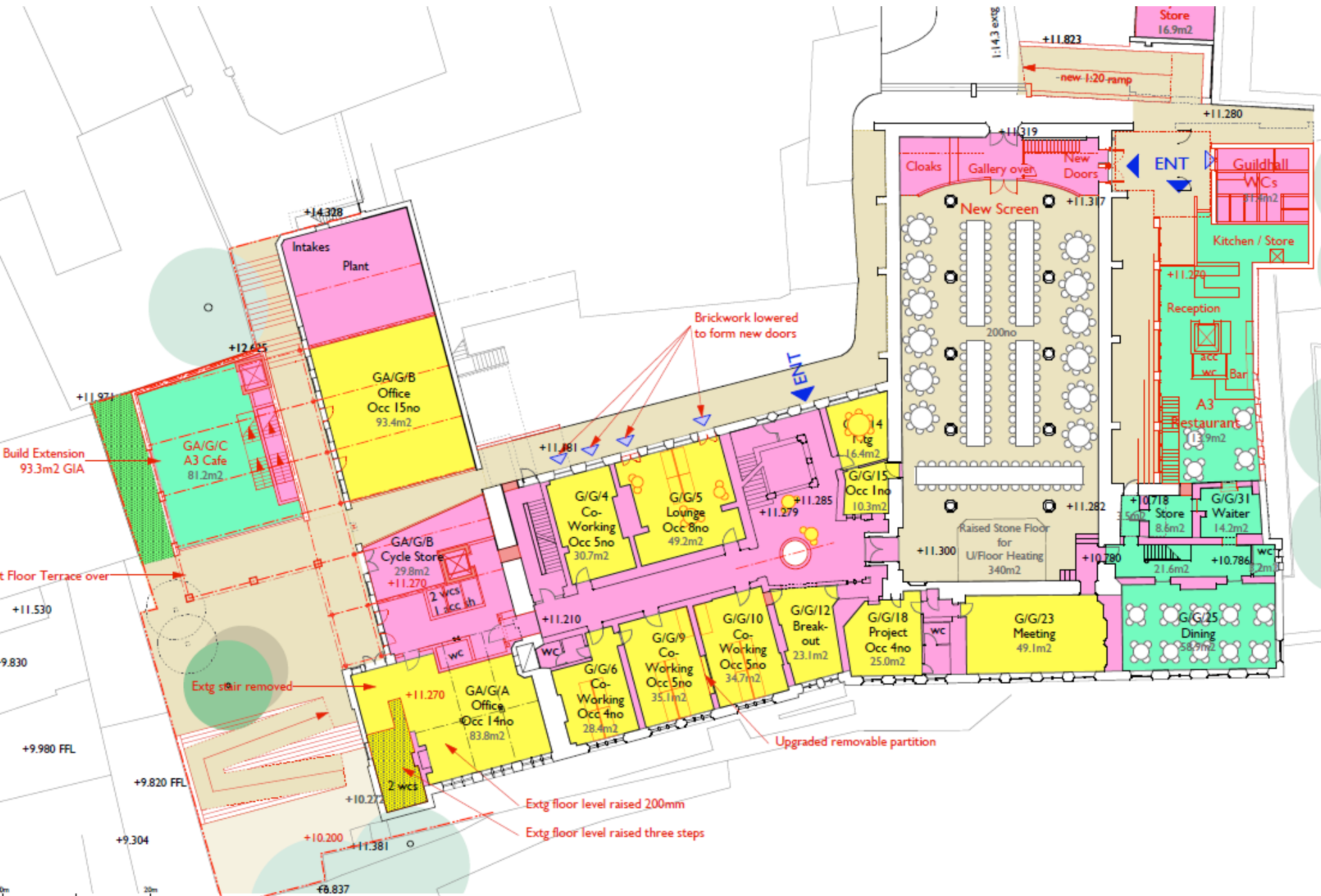
York Guildhall and Riverside Scrutiny briefing 16 Sept 2015



- Zone 1 - Mediaeval Guildhall**
- Zone 2 - South range**
- Zone 3 - Victorian Council Offices in Council Chamber**
- Zone 4 - C 20th North Annex (former PO block)**
- Zone 5 - Hutments (riverside garden)**
- Zone 6 - Boatyard (not all in CYC ownership)**
- Zone 7 - Mansion House**

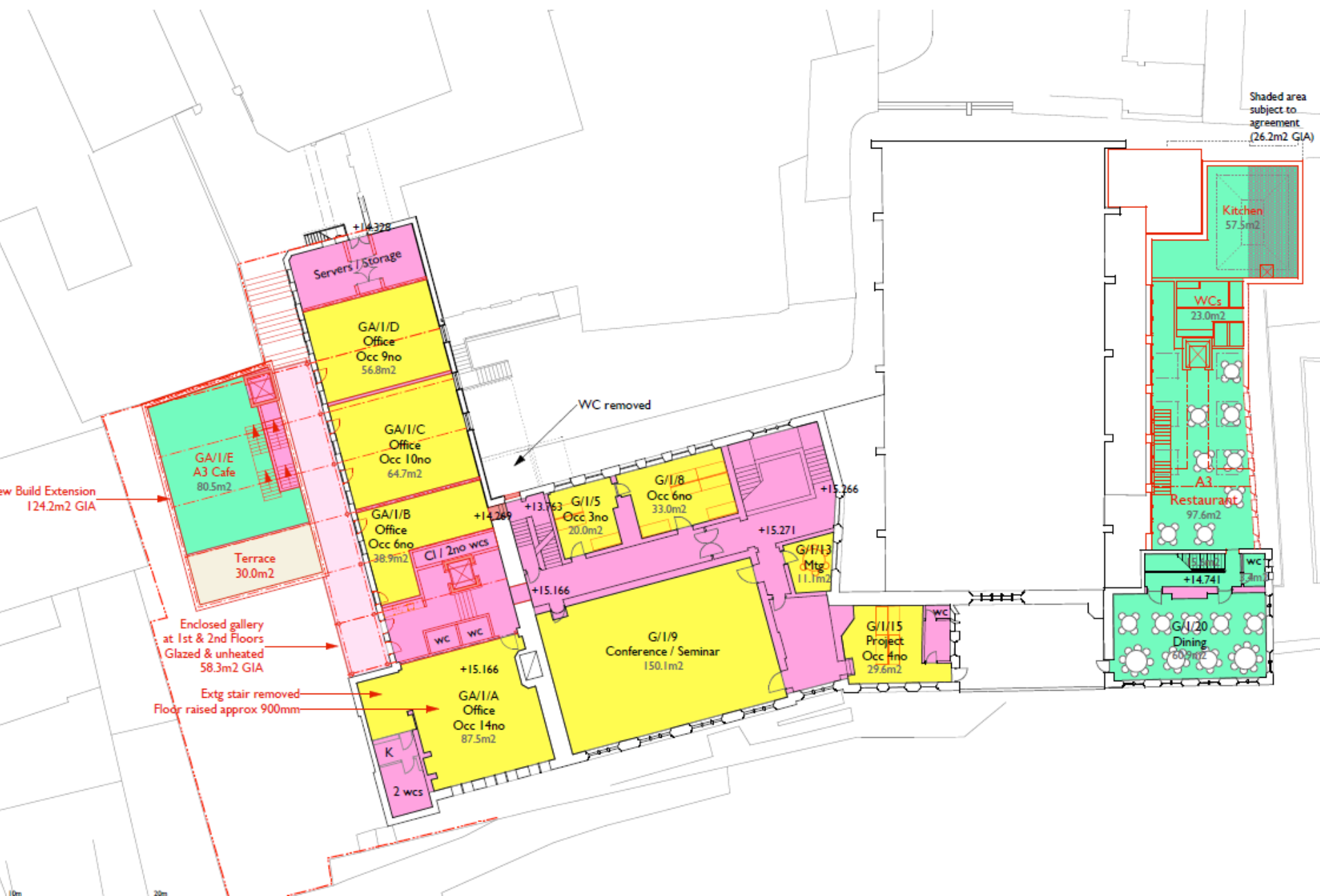
Ground Floor Level

ANNEX 2



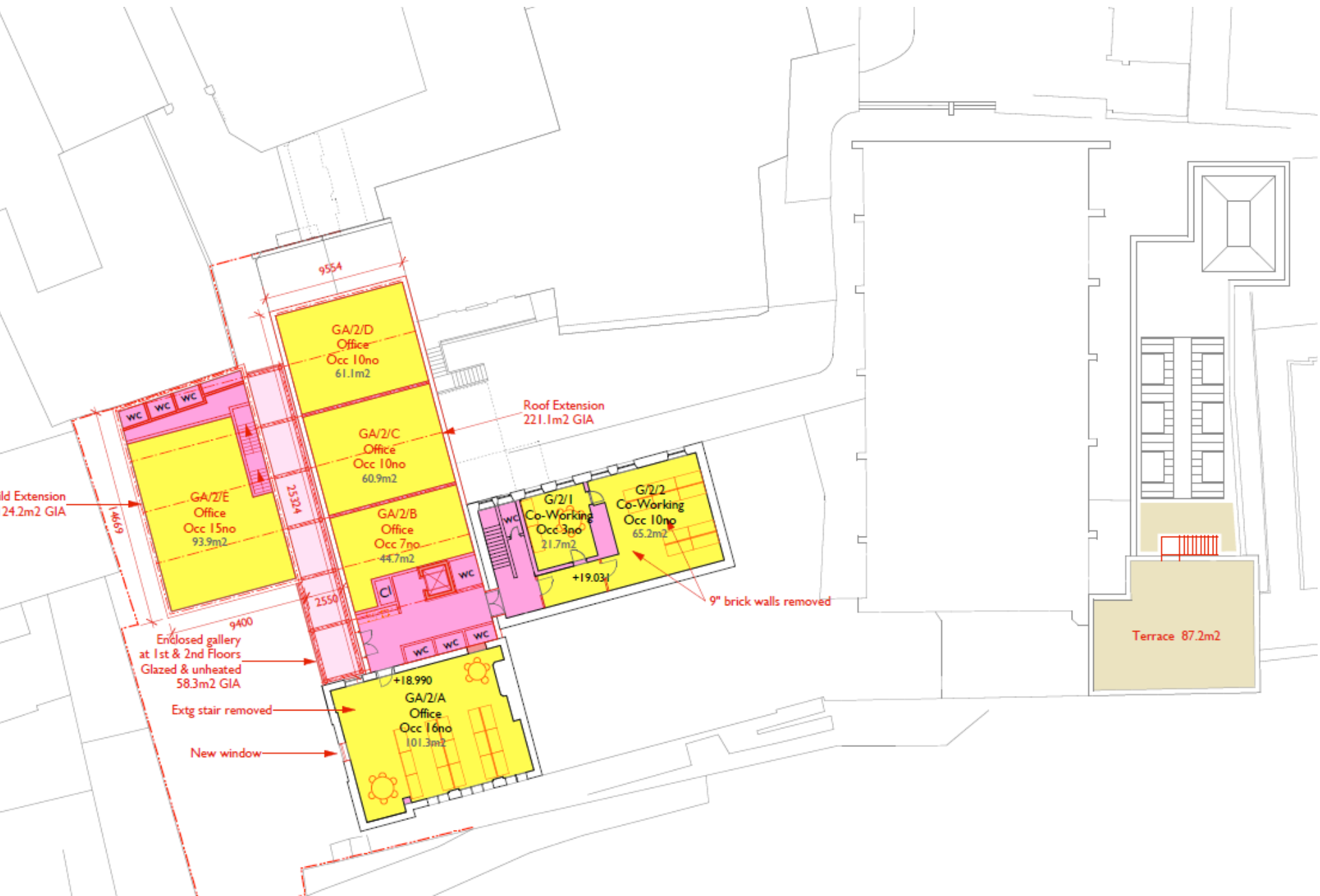
First Floor Level

ANNEX 2



Second Floor Level

ANNEX 2



Context

- All options based on floor plans within current design
 - all costs/income have been adjusted to reflect the different uses
- All options require borrowing, assumed over 30 years for long term asset with full repayment from income
- All options include long leasehold for south and north ranges
- Option 2 likely to require long leasehold on whole site
- In all options relatively small changes to costs/income have a significant impact on viability - £100k income = £1.6m capital
- The existing complex has an outstanding repairs and maintenance liability of c£2.5m – no realistic “do nothing” option
- If repairs liability met upfront then all options would be viable
- These options all address the condition of the asset

Option 1 - Generic Grade A office

11,850 Sq ft Grade A office in new build annex and Victorian element – Guildhall and Council chamber use as is - £80k gross income. No Concierge services or FM – Office space for private use with issue of blending CYC use and access. Restaurant and Cafe/Bar to north / south

- Higher internal costs need to achieve Grade A standard (e.g. Air con)
- Rental income is limited by floor area and no parking - £16.50 per sq ft
- Standard short leases
- Confidence factor – high based on assumptions
- Net cost to council over 30 years - £2.07m

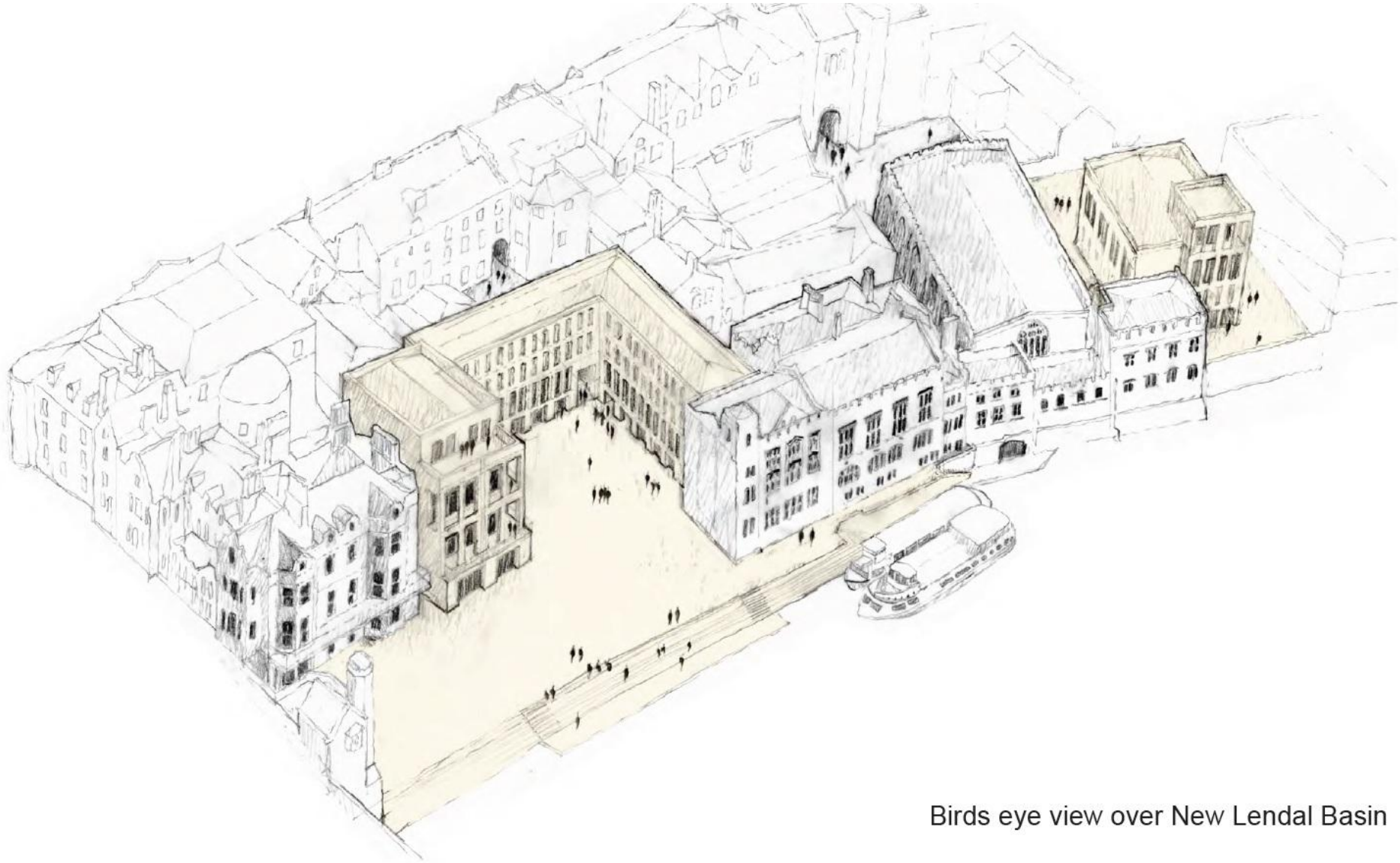
Option 2 – Full Commercial Use

Visitor attraction in Guildhall and Victorian office, Restaurant and Cafe Bar in north / south ranges with 3 additional retail/leisure units in Annex.

- Capital costs do not include fit out
- Rental income is likely to be very dependant on operator proposals / confidence.
- Likely to require long leases to attract operators / investors
- Sharing Guildhall and Council Chamber with visitor attraction
- Can the scheme draw sufficient footfall in the absence of through routes delivered by the possible phase 2 scheme ?
- Confidence factor – low based on variability of all rental assumptions
- Net cost to council over 30 years - £397k

RIBA competition winning entry – phase 2

ANNEX 2



Birds eye view over New Lendal Basin

Option 3 Mixed Office/Holiday Lets

2,798 sq ft generic Grade A office – 6 high quality apartments for holiday let. Restaurant and Cafe Bar in south and north ranges. Guildhall and Council chamber use as is - £80k gross income.

- Higher capital costs reflecting high standard of residential conversion
- Financial model based on rental income potential – not sale
- Management arrangements need to be considered
- Confidence factor – high based on comparable facilities e.g Lendal Tower / Bonding Warehouse
- Net income to council over 30 years = £819k

Option 4 – Business Club

A Managed / Serviced Office use with Business Club facilities. Restaurant and Cafe Bar in south and north ranges. Some shared Guildhall and Council chamber use to maximise income

- Lower capital costs reflecting refurbishment to annex in place of new build
- Rental income is higher because it is based co-working and office services in addition to office rental
- Need to consider In House vs externally managed
- Confidence factor – high based on comparative facilities at Round Foundry Leeds / Toffee Factory Newcastle
- Net income to council over 30 years - £165k

Options appraisal summary

- Option 1 – Generic Grade A Office £2.07m funding deficit
 - Option 2 – Full commercial use £397k funding deficit
 - Option 3 – Office / Holiday Let £818k profit
 - Option 4 – Business Club Office £165k profit
-
- Options 1 & 2 are not viable as modelled
 - Options 3 & 4 are viable as modelled

Scrutiny Discussion Points

- **Desirability of different options**
- Views on lease hold/freehold options necessary to deliver
- Views on commercial operating partner vs in house management
- Views on ongoing council use of the building and impact on financial viability
- **A clear recommendation ?**