

Minutes of Property Advisory Committee held in Provincial Masonic Hall on Thursday 28th August 2008 at 10.00 a.m.

Present

Representing the Property Advisory Committee, R.W. Brother JL Frazer, W. Brother W. McCann, W. Brother A Steele, W. Brother B. Canovan.

Representing the Retention Team W. Brother B Hood, W. Brother R. Wilson

From Liaison Committee R.W. Brother J Watson, V.W. Brother J. Dickson

Also in attendance V.W. Brother I. Gillespie

Apology from R.W. Brother W. Dyer and R.W. Brother J.O. Dunlop

The meeting was called at the request of the Retention Team to update the Property Advisory Committee before making their presentation to Provincial Grand Lodge Board of General Purposes on Monday 1st September.

On this occasion V.W. Brother J. Dickson Chaired the meeting.

V.W. Brother Dickson thanked all for their attendance and said we would keep the meeting as short as possible as he was conscious that some had taken time off from their business to attend.

It was agreed by all that during this meeting the title of rank would be dispensed with.

In answer to a question from R. Wilson regarding minutes J. Dickson stated that this meeting was P.A.C. and Liaison Committee and the last meeting was Liaison only and the minutes of that meeting had already been agreed, he also confirmed that the notes from the Retention Team were appended to those minutes.

R. Wilson stated that the retention team were waiting for answers to several questions. On the first point regarding the absence of title deeds, W. McCann gave a detailed explanation of title insurance stating that insurance firms such as 'First Title' were normally involved and the fee involved would be set on the redevelopment costs. R. Wilson asked if 'purification' of title would be simpler. W. McCann advised that this would not be applicable in our case. W. McCann requested that the Retention Team make no further outside enquiries regarding title insurance as it could be detrimental in the future.

J. Dickson asked that the remaining items be left until after the presentation.

B. Hood distributed printed information (a copy is attached to this minute) on their proposed presentation but asked that item 4 not be minuted as it contained commercially sensitive material.

R. Wilson explained that at the Board of General Purposes he will give a preamble similar to the last Board of General Purposes and refresh the situation with the Brethren. This should take less than 10 minutes.

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B. Hood explained there were two schemes. The first was a short term scheme over 18 to 24 months. The second was a long term scheme over several years and dependant on a new street.

Scheme 1 – Short Term

Brian gave a synopsis on the first scheme and displayed plans which would make the building DDA compliant (disabled access) and provide additional car parking spaces after which J. Dickson invited questions.

A. Steele and W. McCann with their experience in similar car park schemes in pedestrianised areas expressed concern regarding planning permission. It was accepted that permits for vehicular traffic using pedestrianised areas are becoming more difficult to obtain.

Views were also expressed regarding the understanding of the Right of Way for the car park/side entrance.

It was acknowledged that the scheme will probably be rejected by Planning on the grounds of the new scheme to come and pedestrian walkways. Should this happen it would be positive in that it would be an indication that the Royal Exchange scheme is more likely to go ahead. However B. Hood suggested that the planners would find it difficult to reject disabled access.

When A. Steele enquired about the cost B. Hood explained that if the Brethren liked the concept then they could come back with costings.

J. Watson enquired that should the scheme be progressed would it be the PAC who would undertake this, and questioned if this would be above the head of many Brethren.

The PAC said that it could be a viable scheme and that it should be put to the Brethren.

J. Dickson confirmed that currently only the Retention Team should liaise with the developers.

Scheme 2 Future scheme

B. Hood gave a synopsis on the 2nd scheme which would
a) develop part of the building for retail use at an anticipated rental of £250k p.a. and could increase the value of our building by £3.8m (approximately), displaying plans on this development.

B. Hood also explained a possible linkage to a shopping centre at the rear.

B. Hood explained that the rental yield had been advised to him by a Developer, and confirmed that this was not Ewatts.

A. Steele advises that Ewatts could use very different figures and approach.

b) access to the Masonic section, 3,000 s.f. on the upper floor of the proposed development would be by a lift servicing only the Masonic area.

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Jennie
PAC

PAC

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c) Possible change of Lodge rooms to office space. This would not be contemplated until the retail area had been completed as this area would become subject to rates before any income was derived.

Again J. Dickson invited questions.

J.L. Frazer and A. Steele confirmed that this proposal had been presented to them and they had told the Retention Team to take it to the Board of General Purposes in May.

A. Steele and W. McCann sought clarification on some of the figures. B. Hood explained that the rental income figure had been suggested by the developer.

All were agreed that this could only take place if a new street was constructed and some concerns were expressed as to who would control this street.

B. Hood stated that this would be the first retail development on entering this street which would make it more attractive.

Brian also mentioned that the Retention Team were not limited to discussions on future development solely with Ewarts, and advised that they had received interest from 3 developers.

A short discussion then took place on the way forward.

A. Steele thought it should be made clear to the BoGP the likely timescale of at least 5 years, the loss of investment income and that there could be considerable cost to the Brethren.

A. Steele thought that we would be losing investment income of £150,000 on the £3m if the building were not sold. J. Watson said that from the FAQ the figure was £1m and at 5% as quoted by A. Steele that would be £50,000.

A. Steele was unsure if, under the present economic climate, Ewarts still have the appetite for the Royal Exchange scheme.

There appeared some confusion over rates and A. Steele stated that if the building were vacant there would be no rates as the building was listed

B. Hood thought that the other disciplines of the order should be offered accommodation which would help our case. J.L. Frazer disagreed stating that the other orders had not been helpful. J. Watson disagreed with J.L. Frazer. The Chairman noted these comments but considered them outside today's agenda.

B. Hood also stated that the Retention Team would not rule out doing the development themselves.

J.L. Frazer understood that there were 5 options

- 1 To Sell and this was the PAC preferred option
- 2 Acquiesce to vesting
- 3 Inform the department we cannot manage with part of the building and they take it all.
- 4 Retention Team option
- 5 Do the development ourselves

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Brian

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In reply to a question from the Chair, A. Steele confirmed that Frank Boyd was not connected to the current bidders.

J. Watson said that the Property Advisory Committees 3 options had never been costed, and suggested that all options be costed in detail for the benefit of the Brethren. This will entail J.L. Frazer clarifying our position in respect of vesting in part or in full, as in options 2 & 3 above, either as an occupied or unoccupied building.

J.L. Frazer suggested that B. Hood join the PAC (though he had not yet discussed this with the Provincial Grand Master) but B. Hood stated that he would have difficulties with that as the Property Advisory Committee appear to be inflexible in that they restate that they could not recommend the Retention Team option, on the basis of the likely time scales, and therefore they cannot change their present view that the building should be sold, and in his opinion the Property Advisory Committee has a poor image with the Brethren at large.

The Retention Team said there were several questions from them not responded to and B. Hood said that there were several people in PGL who should and could provide answers.

R. Wilson was disappointed that as he understood there was going to be no Gazette and so there would be no information from the Retention Team.

I. Gillespie was asked to write to the DSD and remind them that we still await a reply to our letter.

J.L. Frazer said he would reply to outstanding questions.

B. Hood thanked the Brethren and said that some useful comments had been made.

B. McCann said he was still unclear what would happen at the Board of General Purposes but urged the Retention Team to make clear the timescale of the development.

J. Dickson said that the P.G.M. should be briefed before the Board of General Purposes on Monday 1st September.

J. Dickson thanked the brethren and closed the meeting at 12 noon

Copied as a true record.

Renwick
Michael
Frank

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Renwick
Michael

A/H