

Owner calls for TIF to rescue crumbling jewel

By Colin Donald

THE co-owner of one of Scotland's most endangered architectural jewels has called on the Scottish Government to consider a tax increment finance (TIF) scheme to save it from ruin.

Derek Souter is director of Union Street Investments and Union Street Properties, which respectively own the top and ground floor storeys of Glasgow's Egyptian Halls.

He believes a TIF scheme could stave off further dereliction and possible compulsory preservation costs of £12 million for the taxpayer.

The Scottish Government has resisted making a grant on the grounds that the project to restore the internationally renowned Victorian building by Alexander Greek Thompson in the city's Union Street is primarily commercial.

Souter said a TIF scheme, borrowing against future earnings from a proposed hotel and retail development, could raise the extra cash needed for the regeneration of the once prosperous central thoroughfare for the opening of the 2014 Commonwealth Games.

"We need £2m to £2.5m from the Scottish Government in addition to the £1m pledged by Glasgow City Council and £1.65 from Historic Scotland. We have said that the building would generate an annual extra £300,000 of business rates. The route forward is to use around £2m to save the Egyptian Halls and create 200 jobs via this £20m project."

The upper floors of the building have been empty for nearly 30 years, and are derelict. Souter and co-investors Kelvin Kerr and Duncan Souter have been pursuing a rescue plan involving a hotel and shops for 12 years.

Derek Souter contrasted the Scottish Government's unwillingness to pump-prime the project with its grant of £4.5m for the refurbishment of Sir Walter Scott's estate Abbotsford in Melrose.



Photograph: Nick Ponty