

EXETER CITY COUNCIL

EXECUTIVE
23 MARCH 2010

REGENERATION OF THE EXETER BUS & COACH STATION SITE

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise Members of progress on the preparatory work necessary for the regeneration of the bus and coach station site and to consider the next steps in working up a Master Plan and delivery mechanism for that regeneration. It recommends that the City Council enter into an Exclusivity Agreement with Land Securities and the Crown Estate in order to facilitate the work on the Master Plan and on the delivery mechanism. It also seeks authority to conclude terms with Stagecoach for the grant of a new short-term lease of the existing bus and coach station.

2.0 BACKGROUND

- 2.1 The City Council is the freeholder of the land between Sidwell Street, Paris Street, Western Way and Summerland Street as shown on the annexed plan. Part of this site, being the Vue Cinema, Post Office and multi-storey car park/housing block, was recently redeveloped as part of the wider Princesshay scheme.
- 2.2 The adopted Exeter First Review Local Plan allocates this block of land, including the bus and coach station, for comprehensive redevelopment including an improved bus station, retail, short-stay car parking and other appropriate uses. The Plan indicates that the quantum for the retail floor space should be determined following a new capacity assessment to be concluded once the impact of Princesshay had been assessed.
- 2.3 At its meeting of 30 September 2008, Executive considered the Head of Planning Services' report on the commissioning of a range of studies that were necessary as preparation for the development of a formal Master Plan for the bus and coach station site. The following studies have now been completed:
- i) An Architectural Analysis of the Sidwell Street area;
 - ii) An Urban Analysis of the Sidwell Street area;
 - iii) A Topographical Analysis of site levels;
 - iv) A desktop Geotechnical Analysis of ground conditions;
 - v) A desktop Contamination and Unexploded Ordnance study;
 - vi) A Height and Massing Study of the design constraints;
 - vii) A Retail Assessment of trading and shopping patterns;
 - viii) A desktop Archaeological Study;
 - ix) An initial package of intrusive archaeological investigations; and
 - x) A Transport Assessment modelling the network capacity in development scenarios and assessing options for infrastructure improvements.
 - xi) An analysis of City Centre Parking Usage and Capacity

- 2.4 With all this preparatory work substantively in place the City Council now intends to begin work on the Master Plan itself.
- 2.5 This Master Plan work will be informed by the recent adoption by the City Council of the suite of policy papers on “Reducing Carbon Emissions in Exeter” which, amongst other things, promote a design philosophy founded on the co-location of uses and higher densities of development. As part of these papers, Members have agreed to proceed with a joint City Council/County Council City Centre Transport Strategy which will provide the strategic transportation framework for the redevelopment of this site. The scene is now set for a master planning exercise to focus on the delivery of a high quality mixed-use scheme on the bus and coach station site that brings a vibrant mix of uses to the City that are complementary to the city’s existing centre and its dynamic.

3.0 NEXT STEPS

- 3.1 Critical to the development of an effective Master Plan for a City Centre site such as this is the inclusion at an early stage of practical advice on feasibility and deliverability. The City Council’s clear experience arising from the Princesshay scheme is that early and credible developer input has a significant role to play in ensuring that development aspirations are both realistic and deliverable. At the same time, however, the City Council will wish to ensure that the developer’s input is simply a contribution rather than in any way dictating the eventual content of the Master Plan which is, of course, a matter solely for the Local Planning Authority.
- 3.2 If it is accepted that the City Council wishes to get credible developer input onboard at an early stage, the question arises as to who that developer should be and how they should be selected. In this particular case, there are very strong reasons for working with Land Securities and the Crown Estate in the first instance. In summary these reasons are as follows:
- i) *The Princesshay experience*: the experience of delivering such a high quality scheme in Exeter and the partnership approach adopted for delivery creates a valuable precedent that we could expect to see carried forward into the planning of the bus and coach station site. The scheme clearly benefited from early commercial input from Land Securities and the partnership approach that was adopted facilitated an organic evolution of both the scheme design and the property transactions that delivered that scheme;
 - ii) *Site Ownerships*: whilst the City Council is the freeholder of the site, Land Securities/Crown Estate holds the long leasehold in most of the existing retail floor space on the site. As developer, they would be expected to put those ownerships into the scheme and this would overcome a significant obstacle to delivery by another party since, if Land Securities/Crown Estate were not involved in the development their interests would have to be acquired (compulsorily or otherwise) and it is far from certain that the prices that would have to be paid would assist the delivery of an acceptable quality on the site. It is also very difficult to see why Land Securities would voluntarily sell their interest to a third party and hard to identify any circumstances where an inspector would approve a CPO when Land Securities would be able to demonstrate that they were a willing partner, who are able to deliver a satisfactory scheme;
 - iii) *Complementary Ownerships*: Land Securities/Crown Estate interests

in the existing Princesshay will reinforce the critical imperative to ensure that the new development is complementary to the existing City Centre. They will have a vested interest in ensuring that the scheme does not harm the existing Centre, but acts as a positive addition to it.

- iv) *John Lewis Partnership*: Land Securities have a long term strategic relationship with John Lewis, delivering last year a major scheme in Cardiff with John Lewis as the anchor store. That relationship could well be critical to ensuring that JLP become the anchor tenant for the bus station site;
- v) *The Crown Estate*: The Crown Estate's partnership with Land Securities on Princesshay and other holdings as an investor should ensure that any new development on the bus and coach station site would be complementary rather than competitive, since they would not permit their partner, Land Securities, to act in a way that would prejudice the value of their property interests in the city.
- vi) *Heavyweight Brands*: both Land Securities and the Crown Estate have significant brand value as developer and investor respectively. This brand value can only be of benefit in bringing greater credibility to the master planning process and the eventual scheme.
- vii) *Bus interchange experience*: Land Securities have obtained significant experience in delivering mixed use schemes incorporating bus facilities in historic cities. Their recent scheme in Canterbury is considered an exemplar in this regard and we would certainly benefit from their specialist advice and experience in this area.

4.0 THE AGREEMENT WITH LAND SECURITIES/CROWN ESTATE

- 4.1 The City Council's intention is to secure the commercial expertise and knowledge that Land Securities/Crown Estate can provide to inform the master planning process. It would therefore be the intention to enter into an Exclusivity Agreement under which Land Securities/Crown Estate would be obliged to engage as a partner in the master planning process with a view to the final Master Plan outlining a scheme that is high quality, financially viable and deliverable. It is felt that an initial two year exclusivity period should be sufficient for this purpose and to allow for the evolution of a scheme and for the settlement of provisional terms. The terms of this Agreement would be reported back to Executive for approval.

5.0 STAGECOACH LEASE

- 5.1 The existing lease to Stagecoach of the bus and coach station expires in 2012. The Head of Estates Services is seeking to agree terms for a new short-term lease until 2017 with a development break clause which would give Stagecoach more security and facilitate the process of securing vacant possession of the premises when the regeneration scheme is commenced. These negotiations are ongoing and authority is sought for the Head of Estates Services to agree terms for the new lease, subject to consultation with the Portfolio Holder Economy & Tourism.
- 5.2 Clearly, once the short-term future of the bus and coach station is secured, the City Council and Land Securities/Crown Estate would be able to commence discussions with Stagecoach with regard to the new bus interchange and possible depot relocation sites.

6.0 FINANCIAL IMPLICATIONS

- 6.1 At this stage, no significant costs are anticipated other than those identified in the Head of Planning Services' report of 30 September 2008. In due course, it will be necessary to engage professional consultants but it would be anticipated that these costs will be met by the developer under the terms of the Agreement.
- 6.2 An increased rental should be agreed for the bus and coach station but this cannot be quantified at this time.

7.0 RECOMMENDATION

- 7.1 It is recommended that Executive resolves:
- i) to enter into an Exclusivity Agreement with Land Securities/Crown Estate in order to work with the developer to bring forward a Master Plan for the bus and coach station site, work up an acceptable scheme of development and agree the provisional terms for the property transaction; and
 - ii) to authorise the Head of Estates Services, in consultation with the Portfolio Holder Economy & Tourism to agree terms for a new short-term lease with Stagecoach for the existing bus and coach station.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None