

## **Economic & City Development Policy and Scrutiny Committee**

18 May 2016

### **Major Projects Update**

Report of the Director of City and Environmental Services

### **Summary**

1. This report provides Members with an overview and update in relation to the major development projects in the city.

### **Background**

#### **York Central**

#### **What is the opportunity?**

2. The York Central site has long been considered a prime business location for high-value sectors and is at the core of the Northern Powerhouse, under an hour from Newcastle, and once HS3 improvements are complete, under an hour from Manchester.
3. There is considerable pent up demand within York as a city which has virtually all the ingredients to deliver significant inward investment, but which has been held back by available quality office space for businesses to locate.

#### **What are the estimated benefits?**

4. A developed York Central will deliver game-changing high-value economic growth for the region. Through the benefit of the financial unlocking and commercial incentives through Enterprise Zone (EZ) status, the site would deliver:
  - 108,000m<sup>2</sup> of additional grade A office led commercial space for private sector growth,

- Estimated 6600 FTE high-value jobs in industries such as professional services, insurance and high-value rail, and
- £1.16 billion direct GVA uplift from the commercial phases alone. With strategic alignment of planned transport improvements that would also be delivered as part of site regeneration, the benefits and job opportunities would be felt across the LEP and the North.

### **What has been happening in the last six months and what are the next steps?**

5. Between January and March 2016, the partnership of CYC, Network Rail, HCA and National Railway Museum undertook a first stage of consultation on the York Central site. The purpose of this consultation was to seek views on high-level development principles from a range of local and regional stakeholders, in order to inform a detailed planning framework (Supplementary Planning Document) for the site, and support allocation in the Local Plan. The four-week consultation included a variety of events such as specialist stakeholder sessions, ward committee presentations and permanent web and public hub presence. Around 1,400 responses were received to the consultation, which marks the start of an ongoing process of engagement. Responses are currently being analysed, though an overwhelming majority of respondents (80%) supported redevelopment of the site, and around 75% supported the development objectives identified for the site.
6. The findings of the consultation will be collated and used, alongside ongoing evidence base production, to inform a draft Supplementary Planning Document (SPD) which will be consulted on in late summer/early autumn, ahead of allocation in draft Local Plan in late 2016. Evidence base work is currently underway in respect of transport, infrastructure, and delivery approach. This will then inform updated viability assessment, and the funding approach being pursued. Dialogue with DCLG over the enterprise zone programme is continuing, and a standard Memorandum of Understanding between CLG, CYC and the LEP has been signed.
7. Alongside this work on planning framework, the partnership of CYC, Network Rail, HCA and National Railway Museum are currently negotiating terms for formal engagement. Commercial, technical and legal advisors to the partnership are also currently being procured, to provide consultancy support to key work-streams.

8. Land assembly work is ongoing, with detailed negotiations progressing with Unipart Rail and a sale agreed with a private land owner. The sale of the five-acre site off Holgate Road to Network Rail to facilitate the redevelopment of their maintenance facilities and move operational uses off York Central has now been completed.
9. Network Rail continues to migrate operational uses off the site and to pursue the processes to formally remove land from operational rail use.

## **Southern Gateway**

### **What is the opportunity?**

10. The Southern Gateway area covers the length of Piccadilly, the Coppergate Shopping Centre and the Eye of York and runs through to St George's Field and the Foss Basin. Much of the area is of low quality with significant dereliction and underdevelopment and yet the area has great potential in both its location and its historic built assets. The area sits largely within the city walls and within the Historic Core Conservation Area, at the confluence of two rivers, the Ouse and the Foss.
11. The area contains a substantial amount of public estate with three Museums/attractions (Castle Museum, Fairfax House and the Jorvik Viking Centre), three court buildings, many listed structures and a historic monument of international significance (Clifford's Tower).
12. The vision being developed for the area will help to achieve the effective regeneration of this strategically important location in the city and will coordinate development of wider socio-economic benefits. This is based on a mixed use, quality development with significant civic and public space.

### **What are the estimated benefits?**

13. Detailed economic benefits will be developed as part of this project. Benefits will include increased footfall, improved car parking provision, promotion of the use of sustainable transport, public realm improvements (including the setting of Clifford's Tower) and retail, office and residential space.

## **What has been happening in the last six months and what are the next steps?**

14. The demolition of 17-21 Piccadilly has now been completed with works to landscape the area now being progressed.
15. Discussions with the lessee have been started with regard to the development of Stonebow House over which CYC hold the freehold. The planning application has been received by the Lessee and will be considered by planning.
16. In October 2015, Executive agreed for further work to be undertaken to establish a dedicated project team to lead the work. A project Manager has been appointed who will lead the project and pull together contributions from officers across Property, Planning, Legal, Finance and Procurement. The team will now work to deliver the following:
  - Seek a joint venture partner to co-develop 17-21 Piccadilly
  - Undertake engineering archaeological feasibility on ideas for development of Castle and St Georges's field car parks
  - Explore planning constraints and develop a suitable approach to planning issues
  - Develop a high level spatial plan for the area and a 3D visualisation for the area
  - Undertake a market assessment and Development Appraisals
  - Develop a detailed business case
  - Commence discussions with adjoining public and private sector land owners
  - Explore a range of commercial delivery mechanisms
  - Prepare for a public consultation
  - Prepare a Conservation Statement for St George's Field & the Foss Basin.

The cost of this work is estimated at £185k.

## **Guildhall**

### **What is the opportunity?**

17. City of York Council moved out of the Guildhall to West Offices in April 2013. Since that time we have been developing options for the future

of the Guildhall, compatible with our retained use of the council chamber for full council meetings.

18. A key consideration has been to achieve a re-use which generates economic benefit for the City and improved public access to the riverside.
19. The site could potentially see a mixed use development with 1350m<sup>2</sup> of office space, the Guildhall, council chamber and meeting room spaces and 650m<sup>2</sup> of leisure (restaurant / cafe bar) space on the riverside, with the creation of a new publicly accessible riverside courtyard garden.

### **What are the estimated benefits?**

20. The option recently agreed by Executive is estimated to generate £66 million of additional annual GVA for York and the surrounding area local economy by 2029.
21. These estimates are based on the high-value job creation in the computing and Information services and media sectors over the period, as modelled by the North Yorkshire Regional Econometric Model.
22. The additional benefits of creating a hub venue for business to collaborate and work with our universities will also be explored.

### **What has been happening in the last six months?**

23. Following Executive approval last October the design team led by Architects Burrell Foley Fischer have undertaken a robust project review and undertaken detail survey and preliminary design work.
24. The emerging preferred option meets the strategic brief requirements, and offers the potential for the Guildhall main hall to be at the heart of the revitalised complex.
25. This detailed project development work is progressing in accordance with the Executive approval and the project programme and is currently on track to report back to Executive in July, requesting permission to proceed to the delivery stage.

26. Following a detailed analysis it was agreed to select a commercial operator for the business club and serviced office venue on the basis of a commercial lease – where the Executive approval was clear that no specific use should be specified. CYC reserved use of the council chamber for full council meetings and the Guildhall for Civic Events is a pre-requisite
27. An exhibition of outline proposals was held at the Guildhall, alongside tours of the building for the Residents Festival which generated a very positive response. Pre-application engagement is in progress with Historic England and the council's Planning and Conservation teams
28. Cushman Wakefield were appointed as our commercial agents to advise on and market the leisure units – they report strong interest.
29. We are proposing to report to CSMC in June to allow for pre-decision scrutiny, leading in to the July Executive.

## **Community Stadium**

### **What is the opportunity?**

30. The core project objectives are to provide a new community stadium within a new leisure facility complex in Monks Cross. This project represents an opportunity to create one of the country's most far reaching community stadium complexes, delivering a scheme that will bring considerable enhanced facilities to the city, improve the leisure offer, provide a home for both the local professional football and rugby clubs, create jobs, and provide a range of community use within the development.

### **What are the estimated benefits?**

31. The scheme will create around 200 jobs including match and event day staff that will help operate the stadium during large events; this is equivalent to 165 Full-Time Employment jobs (FTE). There will also be additional temporary construction jobs created during the build phase. During the construction period the development will generate a range of employment opportunities. At the peak of the construction programme, there would be up to 250 people on the site. The construction will also provide eight apprenticeships and six job opportunities for unemployed people.

32. The new stadium will be a positive community focal point for the city which will instil pride and will be an important cultural asset. The stadium will have spaces available for community hire at an affordable rate and will also be the location for public sector training courses and networking events.

**What has been happening in the last six months?**

- i. All appropriate planning conditions have been discharged that allowed the demolition of Huntington Stadium and Waterworld and work to extend the Monks Cross Park and Ride site.
- ii. Demolition of the existing stadium and leisure facilities, Waterworld, on the Huntington site.
- iii. In March 2016 completion of the extension to the Monks Cross Park and Ride, remodelling the site and increasing the capacity of the service in readiness for the new facilities.
- iv. The official opening of the new county standard athletics track at the University of York campus in April by Dame Kelly Holmes.
- v. Planning amendment submitted for a S73 change to the approved planning consent. Planning committee for this will be in June 2016.
- vi. A stadium Executive report sought approval to proceed with the project through to contract financial close and commence construction of the new stadium leisure facilities in summer 2016. This was approved by Executive and Full Council in March 2016.
- vii. The Council confirmed in the March 2016 stadium Executive Report its commitment to Yearsley Pool and redefined the full Project Programme Plan associated with the project.

## What are the next steps?

| Date                      | Milestone   |
|---------------------------|---|
| June 2016                 | Planning Committee to seek approval for non-material changes (s73 application)                        |
| August 2016               | S73 planning amendment process concluded (Secretary of State Call In + Judicial Review period passed) |
| August 2016               | DBOM Contract + Commercial Development Agreements Financial Close (contracts signed)                  |
| 1 <sup>st</sup> Sept 2016 | DBOM Contract live (GLL operation of Energise and Yearsley)   |
| Summer 2016               | NSLC construction starts  |
| Winter 2017               | NSLC construction complete (practical completion of NSLC facilities)                                  |
| Early 2018                | NSLC facilities operational (Stadium, Community Hub & new leisure centre open to public)              |

## Recommendation

That the report be noted.

Reason: To ensure Members are kept updated on major projects within the city.



## Contact Details

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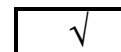
Chief Officer Responsible for the  
report:

Neil Ferris  
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City and Environmental Services

Report Approved ✓  
Date: 9 May 2016

Wards Affected:

All



For further information please contact the author of the report

### Abbreviations

DBOM: Design, Build, Operate and Maintain

DCLG: Department for Communities and Local Government

FTE: Full-Time Equivalent

GVA: Gross value Added

HCA: Homes and Communities Agency

LEP: Local Enterprise Partnership

NSLC: New Stadium Leisure Complex

P&R: Park and Ride