

	
Executive	7th July 2009
Report of the Assistant Director of Property Services (Corporate Landlord)	

Castle Piccadilly Regeneration Project

Summary

1. This report updates members on the progress of this project since the Executive report of 4th November 2008, asks members to note the outcome of the procurement process to identify a development partner (known as the preferred concessionaire) which has been completed, and also to comment on the recommended course of action to continue this project which will regenerate an important part of the City centre.

Background

2. The Executive report of 4th November 2008 advised members of the need to carry out a procurement exercise to take forward this project to carry out a substantial retail-led development of the Castle Piccadilly area. The Executive decided
 - (i) That the Council's aims and objectives be confirmed as:
 - a) To achieve best consideration for its land;
 - b) To achieve the Council's vision and planning objectives as set out in the planning brief, including a high quality development which helps to meet the retail needs of the City;
 - c) A development that is viable and helps to deliver wider planning objectives for the area, e.g. provision of quality civic and open space, links across the river, riverside paths and relocation of the Castle car park; and
 - d) To achieve the comprehensive regeneration of the Castle Piccadilly area.

(ii) That the commencement of a works concession procurement process to support the bringing forward of possible alternative developer solutions in a fair, transparent and proportionate manner, be approved

(iii) That authority be delegated to the Director of City Strategy, in consultation with the Director of Resources, to approve a set of criteria upon which the procurement competition process will be measured.

REASON: In order to achieve the Council's objectives whilst complying with the Council's own rules and the current regulatory framework.

3. Since that decision was made a full procurement exercise has been undertaken in full consultation with the Council's procurement officers in accordance with all the procurement and legislative requirements.
4. Assessment of the responses to the Invitation to Tender has taken place and a meeting has taken place with the proposed development partner (known under the procurement process as the 'Preferred Concessionaire')
5. The project team are agreed that the preferred concessionaire which they would recommend to take to the next stage is LaSalle UK Ventures Property. This company is the current long leaseholder and operator of the Coppergate Centre and the project team are satisfied that they meet the criteria set out in the Invitation to Tender documents and are suitable as partners in this project. They have appointed Centros as their development manager to deliver a retail led scheme on the Castle Piccadilly site which meets the Council's aims and objectives. Centros have extensive experience of similar type of city centre development projects, often working with local authorities.

Consultation

6. The procurement process has been carried out in accordance with the procurement and legislative requirements and so full consultation has taken place in accordance with the requirements through advertising in the European Journal.
7. The proposed next steps in taking forward this project will include consultation with all stakeholders, including the public, in development of the masterplan of the area and any subsequent planning applications.

Options

8. The Council will now work with LaSalle and Centros to take this project through the next stages in accordance with the requirements set out in the Castle Piccadilly Planning Brief. This will include the following next steps:
 - Centros and their design team to work up conceptual approaches for the comprehensive development of the area
 - Centros to lead an extensive public consultation exercise on the conceptual approaches proposed
 - A report back to members on the findings and key issues from the public consultation
 - Centros and their design team to then prepare a masterplan for the comprehensive development of the area
 - Centros to lead an extensive public consultation exercise on their proposed masterplan
 - A report back to members on the public consultation responses
 - Centros to make amendments to the masterplan in light of public consultation
 - A report to members seeking agreement (as landowner) to move to the next stage)
 - Planning application/s submitted for the development.
9. The Council will assemble a multi-disciplinary team to work with Centros and Lasalle. This will seek to advise and guide the future development of the scheme so that it fulfils the terms of the planning brief. We will agree a detailed consultation strategy with Centros to ensure a wide input from the public and key interested parties in the development of this scheme. Early engagement with key agencies such as English Heritage, the Environment Agency and CABI will be critical. A detailed programme is being worked up at present and members will be advised of the likely timescales as soon as this is agreed with Centros.
10. There will need to be detailed negotiations on the structure of the agreements for the land and buildings. These have not yet commenced but will be carried out on the basis that the Council's interests are as a minimum maintained, particularly the revenue income

and best consideration is obtained whilst also ensuring the wider objectives for the Castle Piccadilly are met.

- 11 These are proposals at this time for the way forward and members comments and further suggestions are welcome so a structured timetable can be agreed with the development partner to take this project to a stage of readiness to complete a development agreement and submit a planning application.

Analysis

- 12 The advantages of following this option are
- This crucial regeneration project to develop an important part of the centre of York will be able to be progressed
 - LaSalle Ventures, as long leaseholders of the Coppergate Centre, already have an interest in the commercial viability and success of this area of the City Centre and have shown themselves, in meetings which have already taken place to be committed to the whole life and success of this project
 - Centros have a good track record in developments of this nature and are also fully committed to the proposed next steps outlined in paragraph 8 including full involvement in the development of the masterplan

Corporate Priorities

- 13 The successful delivery of this scheme will help to achieve a number of the themes of the Corporate Strategy 2009/2012 including
- Thriving City – providing new retail space will support the economy of York and will provide new job opportunities both during the construction phase and the operation of the completed scheme
 - Sustainable City – any development will be delivered in accordance with the Council's sustainable objectives and the provision of city centre retail space will encourage the use of public transport due to the good transport network. The development will also radically enhance the public realm and townscape of this under-utilised part of the city centre which will support the sustainable growth of the city.
 - Inclusive City – The public will be consulted in the development of the masterplan for the area and also any planning applications. City centre retail and business facilities will be able to be accessed by all more easily than out of town sites

Implications

14.

- (a) **Financial** - The procurement process which has been followed and the subsequent negotiations which will take place will ensure that the best consideration will be achieved in any agreement concerning future use and ownership of the land owned by the Council
- (b) **Human Resources (HR)** - There are no HR implications
- (c) **Equalities** – Development of the masterplan and any subsequent planning applications will be progressed with full consultation with the public and all other relevant groups
- (d) **Legal** – the procurement process has been carried out in accordance with all procurement and legislative requirements. Any future negotiations and agreements will be undertaken in consultation with the Council's legal representatives.
- (e) **Crime and Disorder** – There are no Crime and Disorder implications
- (f) **Information Technology (IT)** – There are no IT implications
- (g) **Property** - the property implications are included and detailed in this report. The structure of the agreements for future delivery of the scheme on the site which is mainly owned by the Council will be lead by the Corporate Landlord
- (h) **Other** None known

Risk Management

15. An assessment of risk has been carried out at each stage of this project and has been managed successfully. Once the course of action for the next stage of this project has been agreed a further risk assessment will be carried out in consultation especially with the Corporate Landlord, the Head of Legal services, the Head of Financial Services and the Director of City Strategy

Recommendations

16. Members are asked to:

- (a) Note the successful outcome of the procurement process with the result that LaSalle UK Venture Property are the preferred concessionaire for the Castle Piccadilly Regeneration Project

Reason: so that the requirements of the procurement process are satisfied

- (b) Comment on the recommended course of action for the next stage of this project detailed in paragraphs 8 to 11 of this report

Reason: so that negotiations can take place with the preferred concessionaire and the development partner to ensure that the project is progressed quickly.

Contact Details

Author:		Chief Officer Responsible for the report:					
Author's name : Philip Callow Title : Head of Asset and Property Management Dept Name: Property Services Tel No. 553360		Chief Officer's name : Bill Woolley Title: Director of City Strategy					
		Report Approved	<input checked="" type="checkbox"/> Date 26/6/09				
		Chief Officer's name: Neil Hindhaugh Title: Assistant Director Property Services					
		Report Approved	<input checked="" type="checkbox"/> Date 26/6/09				
<p>Specialist Implications Officer(s)</p> <table border="0"> <tr> <td>Planning and City Development Name Dave Caulfield Title Head of City Development Tel No.551313</td> <td>Legal Name Quentin Baker Title Head of Civic Democratic and Legal Tel No 551004</td> </tr> <tr> <td colspan="2">Procurement Name Zara Carter Title Corporate Procurement Manager Tel No 552930</td> </tr> </table>				Planning and City Development Name Dave Caulfield Title Head of City Development Tel No.551313	Legal Name Quentin Baker Title Head of Civic Democratic and Legal Tel No 551004	Procurement Name Zara Carter Title Corporate Procurement Manager Tel No 552930	
Planning and City Development Name Dave Caulfield Title Head of City Development Tel No.551313	Legal Name Quentin Baker Title Head of Civic Democratic and Legal Tel No 551004						
Procurement Name Zara Carter Title Corporate Procurement Manager Tel No 552930							
Wards Affected: <i>List wards or tick box to indicate all</i>			All <input checked="" type="checkbox"/>				
For further information please contact the author of the report							

Background Papers:

All relevant background papers must be listed here

Report to Executive 4th November 2008

Annexes

None