
FEETHAMS - TOWN CENTRE DEVELOPMENT PROPOSALS

**Responsible Cabinet Member – Councillor Chris McEwan,
Economy and Regeneration Portfolio, and
Councillor Stephen Harker, Efficiency and Resources Portfolio**

Responsible Director –Richard Alty, Director of Place

SUMMARY REPORT

Purpose of the Report

1. To inform Cabinet of development proposals received for Feethams and outline the various options available to the Council.

Summary

2. The Feethams area is a gateway site and a strategically important part of the Town Centre. It affords great opportunity for developers to contribute towards this already vibrant and successful town. The Council has promoted its aspirations for the site through the preparation and adoption of the ‘Feethams Planning and Development Brief’. Feethams is an area of 2.75Ha which is predominantly in Council ownership; the exception being a small portion of the site which is in private ownership.
3. In recent months the Council has received a renewed interest from developers, agents and operators in bringing the site forward. This includes office use, food retail, cinema and restaurant/hotel interest, both as part of comprehensive development schemes for the whole Feethams area as well as in relation to individual development plots.
4. This report assesses the different options available to the Council in terms of the mix of uses which could be accommodated on site, as well as the means by which the Council could procure a developer/s to bring the site forward.

Recommendation

5. It is recommended that Cabinet support in principle the release and redevelopment of the Feethams site in line with the strategy set out below:
 - (i) Take the southern Town Hall temporary car park site to market for a cinema multiplex and associated uses as the Council’s preferred option through a formal marketing exercise; and

- (ii) Release the remainder of the Feethams site and market as appropriate following the completion of the Darlington Car Parking Strategy.

Reasons

6. The recommendations are supported by the following reasons :-

- (a) A multiplex cinema and restaurants with possible hotel development is considered the most appropriate use for the Southern Town Hall temporary car park site in planning terms. The Core Strategy identifies the Feethams site as the most appropriate area such a use.
- (b) A high proportion of the Town Centre surface car parking is located in the Feethams Area; any release of the site will have to be managed in a manner as not to undermine the provision of Town Centre parking provision. The Car Parking Strategy will contain information which can assist in achieving this.

Richard Alty
Director of Place

Background Papers

No background papers were used in the preparation of this report.

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S17 Crime and Disorder	The design of all developments in this area will take into account implications for crime and disorder
Health and Well Being	There are no issues relating to health and well-being which this report needs to address
Carbon Impact	The development of the Feethams Area has the potential to increase the Borough's emissions. Carbon Impact can be reduced through the design of the development/s; renewable or alternative energy sources will be considered through design.
Diversity	There are no diversity issues
Wards Affected	Central Ward
Groups Affected	Not applicable
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This is a key decision
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	The development of the Feethams area for a mixed use town centre development will attract significant investment in Darlington and prosperity for the Town Centre, together with new jobs in line with the Perfectly Placed priority.
Efficiency	Whilst there will be a loss of car park income in the temporary car park, there are enough unused spaces across the town centre for the demand to be accommodated elsewhere without loss of income.

MAIN REPORT

Background

7. The Feethams area is a gateway site and a strategically important part of the Town. It affords a great opportunity for developers to contribute towards this already vibrant and successful town. The Council has promoted its aspirations for the site through the preparation and adoption of the 'Feethams Planning and Development Brief'. The gross site Feethams area (including a smaller area of land in private ownership) is approximately 2.75Ha (7 acres) in size. **Appendix 1** contains a plan identifying the Feethams Area and the adjacent Town Hall site.
8. The need to prepare a Brief emerged following significant public opposition to the development of a Tesco superstore on the site of the Town Hall and car park, which included the company building new town centre offices for the Council. The level of public interest and feeling about this strategic site, identified a need objectively to consider the development opportunities it presents and the objectives to which the site's development could contribute. The Brief was prepared following extensive public consultations and the formation of a multi-agency Working Group that identified a number of strategic objectives. It required developers to reprovide the surface car parking lost¹ as a result of the development in the form of a multi storey car park. At the time of preparing the brief it was anticipated that this would be delivered through Section 106 contributions.
9. The main objectives of the development identified in the Brief are:
 - (a) Provision of uses which substantially raise the level of attraction in the town centre and draw more people to the town centre;
 - (b) Provision of uses which draw people across the town, providing footfall past the indoor market and market square, helping rebalance the town centre in context of major redevelopment proposals for Commercial Street to the north;
 - (c) Delivery of a development that cherishes and respects the key environmental features, such as St Cuthbert's Church, the River Skerne, the Conservation Area and Listed Buildings;
 - (d) Creation of good pedestrian and cycle links;
 - (e) Outstanding design quality which creates an impressive gateway to this part of Darlington;
 - (f) Attract new businesses to the town with higher wage employment.
10. Since the Planning and Development Brief was adopted, the Darlington Core Strategy has been adopted (May 2011). This document is now the statutory development plan for the Borough to which all new development should conform. It is however considered that the objectives as set out in the Feethams Area Planning and Development Brief (paragraph 4 above) are still valid today.

¹ At the numbers which existed before the bus garage was demolished. The temporary car park on the bus garage site was created to give extra capacity in the interim, during the time when the Commercial Street car park was to be redeveloped.

Recent Interest

11. In recent months the Council has seen renewed interest from developers, agents and operators in bringing the Feethams area forward. This includes office use, food retail, cinema and restaurant/hotel interest, both as part of comprehensive development schemes for the whole Feethams area as well as in relation to individual development plots.
12. The Council experiences a fluctuating level of interest in Council owned sites within the town centre. Following some interest in the site leading up to the preparation and through to the adoption of the Brief, in the form of developers and agents contacting the Council about the site, interest in the site declined. In the past few months however there has been a notable increase in the level of interest received from developers, agents and operators alike.
13. History has demonstrated that the opportunities for a cinema use come and go quite quickly, due to factors including operator take-overs, market views on company prospects and yields etc. Not acting quickly in relation to this current interest for a cinema could result in the market demand for this use once again dissipating, resulting in this opportunity for a key leisure facility being lost from the town for a number of years.

Development Options

14. Given the recent renewal of interest in the Feethams site, and the mix of uses proposed, it was considered necessary to re-visit the options for the Feethams Area and consider how the different uses could be accommodated to deliver the most appropriate solution for the Borough. This assessment looks at the spatial requirements for each use and their relationship as well as considering the potential advantages and disadvantages of each.
15. The main elements considered as part of these options are:
 - (a) Food retailing;
 - (b) Offices;
 - (c) Cinema;
 - (d) Hotel;
 - (e) Associated bars and/or restaurants; and
 - (f) Arts facility.
16. Assumed complementary uses but not specifically investigated at this stage:
 - (a) Improved national coach interchange – these will have to be incorporated into the development in line with the Planning and Development Brief as part of the comprehensive solution; and
 - (b) Residential development.
17. It is considered that comparison (non-food) goods retail would not be acceptable within Feethams Area. This is because of the current commitment in the Commercial Street area which is identified as the first priority for such uses, as set out in Core Strategy policy CS7.
18. All options will have the same requirements placed upon them in terms of the level of public areas required, as set out in the original brief, although it may be possible to transmute this requirement with the provision of an alternative form of public area. It is

also a priority to ensure that development fronts on to all streets, including the ring-road and riverside as opposed to backing onto these features. The creation of these frontages which are in an active use (known as active frontages) and some additional landscaping along the river will form an important part of any scheme.

19. The ongoing Arts Transformation Review has identified the possible need for a small bespoke arts facility, and it has been suggested through this review that this might be provided, if required, within the Feethams Area. A decision on whether to provide this facility is *not* being sought as part of this paper; a separate report will be brought to a meeting later in the year to enable members to consider it. However a number of the options considered include space for such a facility to demonstrate how it could be incorporated within the Feethams Area, if required, whilst still delivering a mixed-use town centre development.
20. In considering the spatial distribution of the uses within Feethams, it has been important to look at their relationship with adjacent land uses and their potential future use, to ensure that their inter-relationships are considered. The key area in this consideration has been the relationship of the uses to the existing street network and riverside frontage, as well as the Town Hall site. Whilst the Town Hall site falls outside the adopted 'Planning and Development Brief' for Feethams, it is a key presence and land use within this vicinity.
21. Moreover, the Council is undertaking an Accommodation Review, seeking to identify the most viable way to deliver the Council's transformed service. In order to keep accommodation options open, the longer term potential for new office development from which the Council's Services can be delivered may be considered in due course. The potential future use of the Town Hall site should the Council decide to relocate its services, therefore needs to be borne in mind. The Accommodation Review is considering a variety of issues, options and solutions and will make recommendations outside this report. However the Council needs to protect its interests and keep its longer term options open; in order to do this it has been important that in considering the options for the Feethams Area, the future of the Town Hall is considered in this process and that the options for redevelopment of the Town Hall site are paid due regard.
22. It is important to note that there has been no decision made in relation to Accommodation Review. Should a decision be taken that a relocation is the most appropriate option for the Council to pursue then a separate feasibility study surrounding the options for the Town Hall site will be required. This in time will inform the preparation of a 'Planning and Development Brief' which will be subject to community engagement. The future of the Town Hall has been considered in this process simply to keep the Council's options open.
23. The main options, illustrating a range of possibilities, are set out below.

OPTION 1	Cinema, hotel and associated restaurants on southern Town Hall car park (former bus depot), along with any potential Arts Facility. Office development on East and West Beaumont Street Car Parks. Site in private ownership suitable for any non-retail town centre use. Multi-storey car park provided on eastern Town Hall car park.
OPTION 2	As above but orientation of cinema, hotel, restaurants and Arts Facility set out differently on southern Town Hall car park, with any potential Arts facility fronting riverside as opposed to fronting Victoria Road/Feethams roundabout.

OPTION 3	Food retail (approximately 7,400sqm) development on rear town hall car park with parking provided within footprint of the building. Cinema, restaurant and hotel on southern Town Hall car park, with any potential Arts Facility to east of site offering riverside frontage. Office development on West and East Town Hall Car Park. Site in private ownership suitable for office development only.
OPTION 4	Food retail (approximately 3,700sqm) on southern town hall car park. Offices on East and West Beaumont Street Car Park. Site in private ownership suitable for any non-retail town centre use. Multi-storey car park provided to rear of Town Hall with additional car parking provided within footprint of food retail unit.
OPTION 5	Two food retail units provided to south and rear of Town Hall car park, equating to over 11,100sqm food retailing. Office development provided on West and East Beaumont Street car parks. Private owned land being identified as suitable for further office development. All car parking provided in footprint of retail units and in private ownership.

24. A basic financial appraisal has been undertaken for each option. It identifies that **Option 5** is likely to generate the highest land receipt, given the scale of retailing on site, followed by **Option 3 and 4**. **Options 1 and 2** will deliver the lowest land receipt, as the cinema is likely to deliver a relatively low land value. It is important to note that this is only one consideration which needs to be weighed against the other issues including planning and impact upon the town centre. For example delivering a more diverse mix of uses on site, including the provision of a cinema and restaurants/hotel offer is likely to diversify and enhance the town centre, complementing its retail function.

Planning Policy Position

25. Policy CS7 in the Core Strategy (adopted May 2011) seeks to safeguard and enhance the town centre, defining it as the focus for the development of town centre uses, the first priority for retail development in the Borough being the retail-led Commercial Street Scheme. The policy indicates that the first priority for development of major non-retail town centre uses (such as leisure and offices) will be other parts of the present town centre, including the Feethams / Beaumont Street Area. This reflects the uses as set out in the adopted Planning and Development Brief for the area.
26. Policy CS8 sets out the need for additional comparison and convenience floorspace in the Borough over the 15 year plan period. Based on this policy, there is no quantitative need for additional convenience retail floorspace in the Borough at present. Notwithstanding this, based on Policy CS7, **Options 1 and 2** would be more in line with the aim to deliver significant non-retail development that does not need to be within the shopping frontages. It is considered that the other options would be dominated by retail uses, which would be likely to be contrary to Policy CS8. Given the level of public interest in the area, and involvement in the preparation of the Planning and Development Brief which includes a medium level of food retail within the area, it is anticipated that options with less food retailing (**Options 1, 2 and 4**) would be more in line with public views than the alternatives, **Options 3 and 5**.
27. In planning policy terms the wider Feethams area falls outside of the Town Centre in relation to 'retailing'. For retail development purposes, the town centre is deemed to be the

'primary shopping area²'; sites within a 300m radius of the Primary Shopping Area are deemed to be 'edge of centre' and those beyond 300m are 'out of centre'. In Darlington the Primary Shopping Area finishes at the DAD office within the Dolphin Centre building which is immediately opposite the Town Hall site. This means that any proposal for retailing outside the primary shopping area would need to submit a detailed retail impact assessment to demonstrate there is no adverse impact upon the town centre. This will have to consider both impact in quantitative and qualitative terms. In addition the planning authority must consider the sequential approach; where by sites are released on a locational basis, with those sites closest to the Primary Shopping Area being considered most appropriate. This means that the Town Hall would be the sequential preference for retail development compared to other sites within the Feethams vicinity.

28. CS7 identifies that whilst Feethams/Beaumont Street area is the first priority for non-retail mixed use development within the Town Centre, it also recognises that Commercial Street is the first priority for retail-led mixed use scheme and this could also deliver a cinema. However, given the Cabinet Report dated 2nd November 2010 in connection with the development on Commercial Street (The Oval), it is now unlikely that this scheme will be delivering a cinema. This is because the scheme in its original format (which included a cinema) was unviable in the current market conditions. Given this position, it is considered that a cinema could form a part of any mixed use scheme at Feethams without undermining this policy position.
29. The Darlington Borough Car Parking Strategy is still being revised. In the interim, it is anticipated that some form of parking will have to be reprovided to serve the Town Centre. Whilst it would not necessarily have to be located within Feethams, or indeed the Town Centre, it must be within easy walking distance. Furthermore, the adopted Planning and Development Brief identifies that there would need to be a multi-storey car park (MSCP) on site to replace the surface car parking and serve the town centre. Any changes from this obligation would require the Brief to be redrafted.
30. Since the cinema and restaurant/hotel offer at this site would largely operate outside the traditional town centre trading hours, it is anticipated that there is sufficient capacity within the neighbouring surface car parks to serve this use at most times of the year without the need for a new MSCP. However, it is possible that there would be insufficient spaces in the immediate area at peak periods such as the Christmas shopping period or Saturday afternoons. It is therefore suggested that consideration be given to the marketing particulars for the site including the option for additional parking provision up to a maximum of 265 spaces (the number currently provided within the footprint of the old depot).
31. Any other use of the southern Town Hall car park site will trigger the need to provide town centre car parking in a new location before becoming operational, because their peak period of demand conflicts with that of existing town centre businesses. With this in mind **Options 1 & 2** could be brought forward now without the provision of alternative car parking, subject to the consideration on paragraph 30 above before the uses were operational. However, depending on phasing and scale, it is likely that **Options 3, 4 & 5** could trigger the need for additional parking to be provided as soon as they become operational or soon afterwards.

² Defined as the Primary and Secondary Shopping Frontages as set out in PPS4: Planning for Sustainable Economic Growth (2009). This definition is carried forward in to the Draft Planning Policy Framework which was released in July 2011 and is due for adoption later in 2011.

32. It is worth noting that the southern Town Hall car park was created only as a temporary car park to provide spaces when the Commercial Street car park was lost to The Oval development, and until such time as the new car park in The Oval was opened. It was never intended as part of the long term parking supply. This is why it is considered more acceptable to redevelop this car park without undermining the town centre car parking supply.
33. There is a requirement in the Planning and Development Brief to provide a MSCP within the Feethams area, to reprovide the town centre parking lost through the development. It was intended at the time of preparing the Brief that this would be funded through commuted sums secured through the Section 106 Agreement process (alongside the planning process). This is however only one means by which a MSCP could be delivered. The Council could procure a private developer to deliver a MSCP in partnership with the Council, or even privately. Developing and operating a MSCP in isolation would be an expensive option for the Council, requiring a significant capital receipt upfront or less of car park income. The level of up-front funding required decreases as the Council's involvement in the scheme decreases. This is an issue to be discussed further outside this report, as the Car Parking Strategy revisions progress.

Assessment of Uses

34. This section will provide a more detailed commentary on the inclusion of the different uses within the comprehensive scheme, and where appropriate make reference to the implications for the various options presented:
 - (a) **Food (convenience) Retail** – Any scheme delivering a retail element will generate a higher capital receipt, considering the premiums paid in comparison to the other town centre uses. It is likely that **Option 5** could deliver short stay town centre car parking (albeit in private hands), fund a MSCP for short or longer stay car parking within easy access to the Town Centre, and still leave a net profit. However, given the scale of retailing proposed (in excess of 11,100sqm) it is unlikely to be the most appropriate option for the Borough, given the anticipated detrimental impact upon the Town Centre. This would be also applicable to **Option 3** which delivers a single 7,400sqm retail unit.

More recently enquiries have been received from agents (acting for developers) looking to secure a town centre site for a 3,700sqm food retail unit. This scale of retail unit is more in line with the Planning and Development Brief which identifies that a food retail development in the region of 3,700sqm would be considered an acceptable quantity of retail floorspace, for this non-retail led, mixed use scheme. However, the extent of interest in Darlington from specific retailers for this size of unit is currently not clear.

Notwithstanding this recent market demand for food retail of whatever scale, the recently adopted Core Strategy has identified that there is no identified quantitative need for additional food retail within the town centre. Whilst it is acknowledged that quantitative need is only one consideration in the planning process, the impact of any retail scheme outside the town centre (in retail planning terms this site is considered to be outside the town centre) on the role and function of the town centre must be given

due consideration. Both the quantitative and qualitative need for additional floorspace forms a key part of this consideration.

An assessment in terms of the 'qualitative impact' a food retail use could have on the town centre is greatly dependant upon the end user. Whilst it is considered that a quality food retailer would deliver qualitative improvements to the town centre offer, a budget food retailer is less likely to have the same effect. It is difficult to guarantee that the end user would offer the quality of store that we may like to secure since the selection of a developer would not guarantee a particular store as occupier.

The sites considered most suitable for food retail development in this area on a sequential basis are the Town Hall site followed by the southern Town Hall car park. The existing Town Hall site adjoins the designated Primary Shopping Area and is therefore a sequentially preferable site in retail policy terms; as such it is a more appropriate location for retailing than elsewhere within the Feethams Area. Given the position in the Core Strategy in relation to 'quantitative need' for food retailing the short and medium term, Council would not want to release too much land for food retailing as it is likely that this is anticipated to have a detrimental impact upon the Town Centre. Releasing the southern Town Hall car park for retail development in the short to medium term is therefore considered a more high risk option.

In **Options 1 and 2**, there is no food retail included within the options and as such they will not deliver a high capital receipt in the short term and therefore could not in itself fund the provision of a MSCP as identified in the Brief. **Option 4** shows a 3,700sqm retail option in the shorter term on the southern Town Hall car park. This would generate a more significant capital receipt in the short term (which may be sufficient to fund the MSCP). Whilst this is in line with the adopted Planning and Development Brief for the area, it is contrary to the recently adopted Core Strategy. If the Council were to market this site for a 3,700sqm food retail development, the successful developer would still need to secure planning consent which could be difficult if they could not demonstrate that there would be no detrimental impact upon the town centre.

It is not considered that the recent Sainsbury's appeal decision has a detrimental impact upon any proposals to increase the quantity of food retailing in the town centre as the appeal concentrated predominantly upon non-food goods. New draft national planning guidelines were released at the end of July 2011; these appear to be relaxing in their approach to retailing in and adjoining town centres, especially in consideration to the 'need' for the development. In addition, they increase the time period against which the impact on the town centre has to be considered from 5 years to 10 years. Any implications of this in relation to Darlington would need to be considered when the final version of the guidelines were issued.

- (b) **Cinema** – There is increasing operator interest in delivering a new multiplex cinema in Darlington. The capital receipts associated with a multiplex are likely to be low, and likely to be unviable without the associated bars/restaurants and potentially hotel. These elements form a unique mix which makes a development more viable. As such the Options which seek to provide these uses within the Feethams area will generate a lower capital receipt than the more retail-led options. The low land values associated with the use are likely to mean that the only viable site for such a use within Feethams is the southern Town Hall car park – this has been confirmed through contact with

developers/operators. **Options 1, 2 and 3** show a cinema and associated uses within the Feethams area.

History has demonstrated that the opportunities for a cinema use comes and goes quite quickly, due to factors including operator take-overs, market views on company prospects and yields etc. Not acting quickly in relation to this current interest for a cinema could result in the market demand for this use once again dissipating, resulting in this sought after leisure facility being lost from the town for a number of years.

This is a use which could be delivered within the Feethams area in the short term, although it will only generate a low capital receipt which in itself will be insufficient to deliver the MSCP. However the nature of the use, means that there is little anticipated conflict between the users of the existing town centre surface car parks in the vicinity, due to the difference in the peak hours of operation. This means that the cinema and associated uses could be delivered in the short term, without triggering a need to provide the MSCP although consideration will be given to the inclusion of additional spaces within the footprint of the development.

The Feethams Area is identified as the *first priority* for a non-retail led mixed use town centre development which includes the cinema use. If we did not plan for this use here, developers and operators would look elsewhere within and adjoining the Town Centre. There has been recent interest from developers for this use in other locations outside Feethams, which could come forward at any point. These would be considered acceptable if they could demonstrate that their development would not have a detrimental impact upon the town centre and that the Feethams site was not being made available. The Feethams area does however remain the first priority for a cinema multiplex and associated uses and is considered the most appropriate location for such a use.

- (c) **Budget hotel and associated bars/restaurants** – Will be more viable as part of a mixed leisure development, in conjunction with a multiplex cinema. As such this is addressed as part of the consideration above. However, there may be the potential to deliver separate restaurant/bar units as part of **Options 4 and 5** to create the level of active frontages needed to overlook the riverside/ringroad behind the retail use on the southern Town Hall Car Park or as part of the development wrapping the MSCP. However there has not been developer interest for individual units of this nature, so it would form a speculative element of the development and there may be a risk that any units provided may remain vacant.

In terms of the hotel, the only interest has been for a budget hotel. There may be some conflict in design quality terms between what we are trying to deliver in the area and the schemes which come forward through the market; but the planning process can ensure that any scheme meets the design quality requirements set out in the Planning and Development Brief and the adopted Design SPD. In terms of hotels of a higher quality, there are other sites within the Borough, including Central Park, which have been identified as suitable for high quality hotel accommodation. Encouraging and permitting a quality hotel within the Feethams area could undermine the ability of the market to deliver these other identified sites.

- (d) **Office** – Office accommodation will form a key part of any mixed use scheme within this area. Although land values are low in comparison to retail uses, it will form an

important aspect of the comprehensive development of the area. Within all the sites, the Beaumont Street Car Parks have been identified as the most suitable location for new office development.

Until the Car Parking Strategy is finalised the level of short stay parking required to serve the town centre is unknown. It is considered inappropriate to release this site at the same point as the southern Town Hall temporary car park, as the supply of town centre car parking could be undermined having a detrimental impact upon the town centre. Any decision to release the Beaumont Street car parks will have to be informed by the Car Parking Strategy and its evidence base.

(e) **Multi Storey Car Park (MSCP)**

Council operated town centre car parking brings in a revenue stream to the Council. The options for and costs of delivering a MSCP will vary dramatically depending upon how the MSCP is procured and operated. If the Council wish to retain the revenue income from the town centre car parks, the most appropriate option may be to top slice the land receipt/s from the area and ring fence the funds, as opposed to entering into S106 Agreements for each element of the development. It will need to be established early on how the MSCP is to be delivered – either through a DBC Capital Project or alternatively by one of the developers on site (funded by the Council from the land receipts).

Depending on the size of the MSCP required the estimated cost is likely to be in the region of £3million - £4.5 million, based on 300 spaces; the Car Parking Strategy should identify the level of short stay parking required to serve the Town Centre. The Building Costs Indicator Service indicates that a MSCP would cost £15,000 per car parking space, other evidence suggests this figure may be on the top-side. This is a significant cost which will drive down the net receipt from the sales of the Feethams site. Further work is required to identify whether this cost would render any of the options identified above unviable. It is likely that, given the premiums paid for retail land, in comparison to the current rates for office and leisure development, that the schemes delivering the higher proportions of retail are more likely to be able deliver MSCP and a high net return for the Council.

The revenue stream generated from the MSCP may replace the revenue lost from the development of the surface car parks within the area. If there is a quantum of leisure facilities to be delivered in the area, which operate later in the evenings than the existing town centre uses, it may be possible to charge for town centre parking in to the evening, increasing this revenue stream. It is important to note that both **Options 3 and 5** would deliver car parking outside Council ownership, provided and operated within the retail developments. This would result in the loss of this revenue stream, whilst continuing to provide short stay parking for the town centre.

Alternative options for delivering a MSCP include procuring a private developer to build and operate a MSCP on our behalf or selling the land to a MSCP provider for them to develop and operate on their own terms. Although these options may reduce the revenue the Council receives from Town Centre car parking, they may dramatically reduce the development costs of the MSCP that the Council has to pay. There are risks associated with each of the options which will be considered further in the drafting of the Car Park Strategy. The Car Parking Strategy will also provide greater detail and

evidence in relation to the level and nature of parking required to serve the town centre. If the site is developed in a phased-release basis, these issues can be considered further without causing an undue delay to the first phase of the development. The programme of site release will be greatly informed by the supply and demand for town centre parking.

35. On balance, therefore, taking into account the factors described above, **Options 1 and 2** best provide for the future vitality of the Town Centre in the light of the current demand and planning policy.

Development Procurement Options

36. There are two distinct means by which the Council could procure a developer to bring forward development on the site. These are a comprehensive development agreement approach or a phased approach where single sites are released for specified uses as and when appropriate. Each is summarised below:

- (a) **Development Agreement Approach** – An agreement with a single developer/consortium of developers who deliver the whole site in line with conditions and targets as set out in a legal agreement. There is growing interest from developers to deliver a comprehensive scheme on the Feethams site through a development agreement approach. In the three proposals the Council has received to date all state that they can deliver a mix of uses on site including a cinema multiplex and associated uses and/or a approximately 3,700sqm of food retail and office development whilst meeting the requirements in terms of public realm and car parking (MSCP) in this current economic climate.

Bringing the site forward through a Development Agreement, with a single developer or developer consortium would result in a single urban design solution for the full site. This would mean that the area could be designed and built out in a more cohesive manner with the individual components better respecting their adjoining uses. This is more difficult to secure effectively if different developers and architects are developing smaller components for a wider site.

Selecting developers and entering into Development Agreements can however be a long and complicated process when market conditions change and individual elements become less viable, then have a development agreement for a comprehensive scheme can frustrate other elements being brought forward.

The process of preparing Development Agreements can be time consuming, creating a delay in development. This delay could result in operators deciding to proceed on alternative sites (for example the multiplex-cinema).

- (b) **Phased-release approach** - The alternative approach would be a more phased, market-led approach whereby individual sites are taken to the market for specific uses in line with the adopted Planning and Development Brief, following developer interest. This arrangement would mean some activity would take place, should part of the market fall away or pick up at a quicker rate for other uses, without stalling the whole scheme.

It is anticipated that this would provide more flexibility to changing circumstances, including economic climate and market conditions. It could also mean that the different

elements of the scheme are not reliant upon the other elements/phases for funding, improving the deliverability of the wider scheme. However, given the parking issues surrounding the Feethams area the re-provision of parking in the form of a MSCP will have a great impact upon which sites can be brought forward, when and for what. This will be an important factor in the site release considerations if the land receipts are to fund the development of a MSCP for DBC operation. Should an alternative means to bring forward the MSCP be chosen (eg through a private company), this may reduce the delays in releasing the sites and the recommended use for which they should be developed.

Under this procurement approach, the Council could release one site now in line with the Planning and Development Brief, without having a definitive solution for the Car Parking provision, in advance of the Car Parking Strategy revisions as discussed above. This would mean that development could occur now whilst the market is relatively strong.

37. There are clearly pros and cons to each of the approaches available to the Council. In the current market conditions a phased release approach is more appropriate. This will also enable the known demand from cinema operators to be brought forward expeditiously.

Conclusions

38. It is therefore recommended that the southern Town Hall temporary car park site is marketed as the first phase of development, for a cinema, with associated uses including restaurants and potentially a hotel.
39. There is sufficient car parking capacity in the town centre to allow the development of this temporary car park.
40. In bringing this forward, the development particulars will need to set out sufficient detail in terms of the design qualities required (including the need to provide active frontages to all streets and riverside) as well as earmarking sufficient space within the scheme to provide public areas. There is the potential for this public area to accommodate an Arts Facility should this be required at any stage. Consideration should also be given to the access to retain options for any future development in the Town Hall area and car parking within the site. The outcome of this work will assist in finalising the red line boundary for the site to be released. It is anticipated this will be tabled at the Cabinet meeting.
41. Once the Car Parking Strategy has been finalised options for the development of the rest of the area can be brought forward.