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**COMMERCIAL STREET, DARLINGTON**

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**Responsible Cabinet Member(s) - Councillor David Lyonette,  
Regeneration and Planning Portfolio and Councillor Don Bristow,  
Resource Management Portfolio**

**Responsible Director(s) - John Buxton, Director of Development and Environment**

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**Purpose of Report**

1. To outline the developer selection process undertaken to bring forward development on the Council's Commercial Street and Kendrew Street sites.

**Information and Analysis**

2. At the meeting of Cabinet on 19 October 2004, (Min C120/Oct/04 refers) it was resolved that the Council's land at Commercial Street and Kendrew Street, as shown on the **attached plan**, be marketed to obtain expressions of interest from developers wishing to progress a shopping centre development in line with the Town Centre Development Strategy.
3. The Council's Town Centre Development Strategy seeks, as its first development priority, to achieve a shopping centre development at Commercial Street. By creating larger shop units than currently exist in the town centre, the development would aim to attract new retailers to Darlington and so bring in spending from the catchment area that is currently being lost from the town centre. The Strategy looks for development on the Council's land to be linked through other land/building ownerships, to existing main shopping streets at Northgate or Prospect Place/Bondgate. The development is expected to incorporate an increase in car parking numbers, and a mixed development is encouraged.
4. Pursuant to the Cabinet resolution, through the Council's property advisors for Commercial Street, Colliers CRE, the site was duly marketed.

***Process***

5. To achieve a high quality development and an attractive financial offer it was considered appropriate to market the site and select a developer by way of a two stage process.

***Stage 1***

6. To invite expressions of interest, development proposals and financial offer.

## ***Stage 2***

7. To select a shortlist and those companies shortlisted be asked to submit best and final offers together with detailed scheme proposals, site layout plans, elevations and detailed development appraisals.

## ***Marketing***

8. The site was placed on the open market for sale by Informal Tender with a closing date for Stage 1 expressions of interest, scheme proposals and offers on Tuesday, 30 November 2004.
9. Following considerable developer interest submissions received were duly considered in terms of financial offer, scheme design and deliverability and in consultation with Colliers CRE and Portfolio Cabinet Members four shortlisted developers were selected, namely: Discovery Properties Ltd, WD Ltd/Lehman Brothers, Wilson Bowden Developments Ltd and Centros Miller Ltd.
10. A stage 2 marketing pack was prepared, requesting best and final offers before Friday 25 February 2005.
11. The financial offers received in accordance with the requirements of the informal tender/marketing documentation are outlined in a separate report to be considered under part III of the agenda. Colliers CRE in conjunction with officers have undertaken a detailed analysis of the offers and schemes received with three key areas under consideration, namely design, planning and achievement of strategic objectives, financial aspects and deliverability.
12. Preliminary development programmes supplied by the shortlisted developers indicate that the shopping centre could be completed late 2008/early 2009 although this would be dependent on acquiring third party interests and normal development constraints.

## **The Scheme Descriptions**

### ***Developer: Centros Miller (SPV – Centros Miller Darlington Ltd)***

13. A retail led mixed use development incorporating a new department store, 1,000 space multi-storey car park on Kendrew Street, new two storey retail units, a multiplex cinema and 81 one and two bed apartments. Open scheme with some weather protection. Scheme incorporates a pedestrian link to Northgate. Bridge link to Kendrew Street. Apartments on Kendrew Street wrap around the proposed multi storey car park.

### ***Developer: Discovery Properties Ltd***

14. The development comprises a comprehensive and linked development of both the Commercial Street and Kendrew Street sites. The intent is to create a major retail and leisure destination comprising approximately 29,365sqm of accommodation linked to the remodelled and refurbished Queen Street Shopping Centre. There are four floors on Commercial Street. On the ground and first is retail with units trading over the two levels. (No first floor mall.) On the third floor is the top level of the department store, and access to restaurants, leisure and the cinema. The bridge link to Kendrew Street is at this level. On

the top floor is a night club and the upper level of the cinema. A glass atrium (“winter garden”) faces the Northgate roundabout. On Kendrew Street are 900 car parking spaces and 18 apartments wrapping round the elevations towards the Gladstone Street conservation area.

***Developer: WD Ltd/Lehman Brothers***

15. On Commercial Street 46,450 sq m gross fully enclosed retail scheme trading on one level with large space retailing linked to the mall on the first floor. 804 car parking spaces on three levels above. 8,488 sq m departmental store and second anchor store of up to 3716 sq m. Units will generally be large 279 – 372 sq m. On Kendrew Street an office building and leisure together with associated car parking.

***Developer: Wilson Bowden Ltd***

16. A department store (approximately 8361sq m) anchored mixed retail and leisure led scheme, totalling approximately 28,800 sq m on three levels with enclosed retail malls on ground and first floor and leisure above, connecting into the Queen Street Shopping Centre. The leisure includes a cinema, restaurants and a nightclub. Out of hours these elements can be accessed separately to the remainder of the centre. The scheme is connected to a new 890 space multi storey car park on Kendrew Street by a pedestrian only bridge link. The car park is cloaked in a three storey residential block facing the Gladstone Street conservation area.

***Third Party Interests***

17. In order to facilitate the development, the preferred developer will need to acquire land and property currently owned by third parties. Pursuant to Min C120/Oct/04), it was agreed that in principle and subject to the necessary legal requirements being met and to the action being funded by the developer, the Council uses its compulsory purchase powers to achieve such a development.

**Outcome of Consultation**

18. The importance of a shopping centre development at Commercial Street was confirmed during consultations with public and stakeholders on the Town Centre Development Strategy.
19. To offer the public an opportunity to comment on the four shortlisted development proposals, for Commercial Street and Kendrew Street the scheme designs were placed on display in the Town Hall from 16 to 24 March 2005 and comments requested. The general feedback from the consultation process was extremely useful and the wide range of comments received for all four schemes have been considered in the selection process.
20. Comments on the preferred developer’s scheme will be used in taking that scheme forward in due course. The preferred developer will be also asked to carry out further consultations with a range of stakeholders as the scheme evolves, but before any development agreement is finalised and before a detailed planning application is submitted, to ensure that comments can be taken into account at an early stage.

21. Formal consultations will be undertaken as part of the detailed planning application process at the appropriate time.

### **Legal Implications**

22. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

23. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

24. The issues contained within this report do not represent change to Council policy or the Council's policy framework

### **Decision Deadline**

25. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

### **Key Decisions**

26. This proposal for Commercial Street is considered to be a key decision and has been included in the Forward Plan.

### **Recommendation**

27. It is recommended that the contents of this report be noted and a decision deferred pending consideration of the report under Part III of the agenda.

### **Reasons**

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

- (a) to achieve development set out in the Council's Town Centre Development Strategy;
- (b) to benefit the economic well-being of the Borough.
- (c) to maximise a revenue stream for the Council consistent with the above objectives.

**John Buxton**  
**Director of Development and Environment**

## **Background Papers**

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

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