
St Sidwell's Point, Exeter Bus Station, & Exeter City Centre

November/December 2018

Presentation and Recommendations





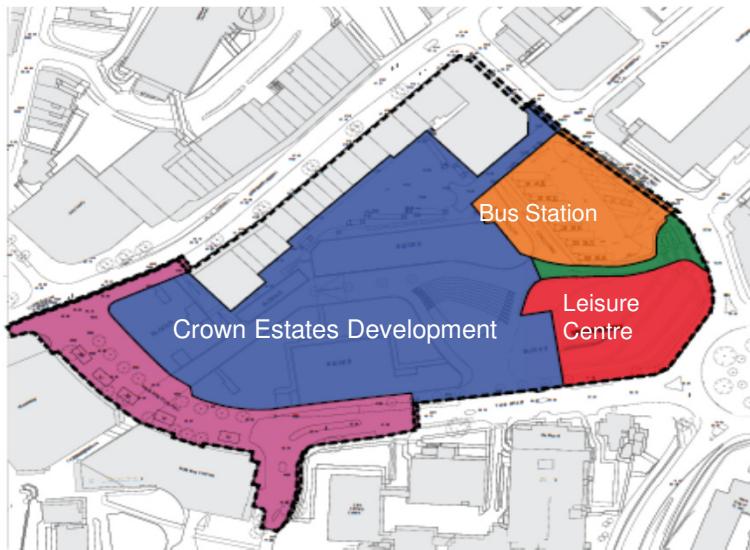
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Initial Scheme with the Crown Estate/TH Real Estate



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Approved Crown Estate scheme



Illustrative Views



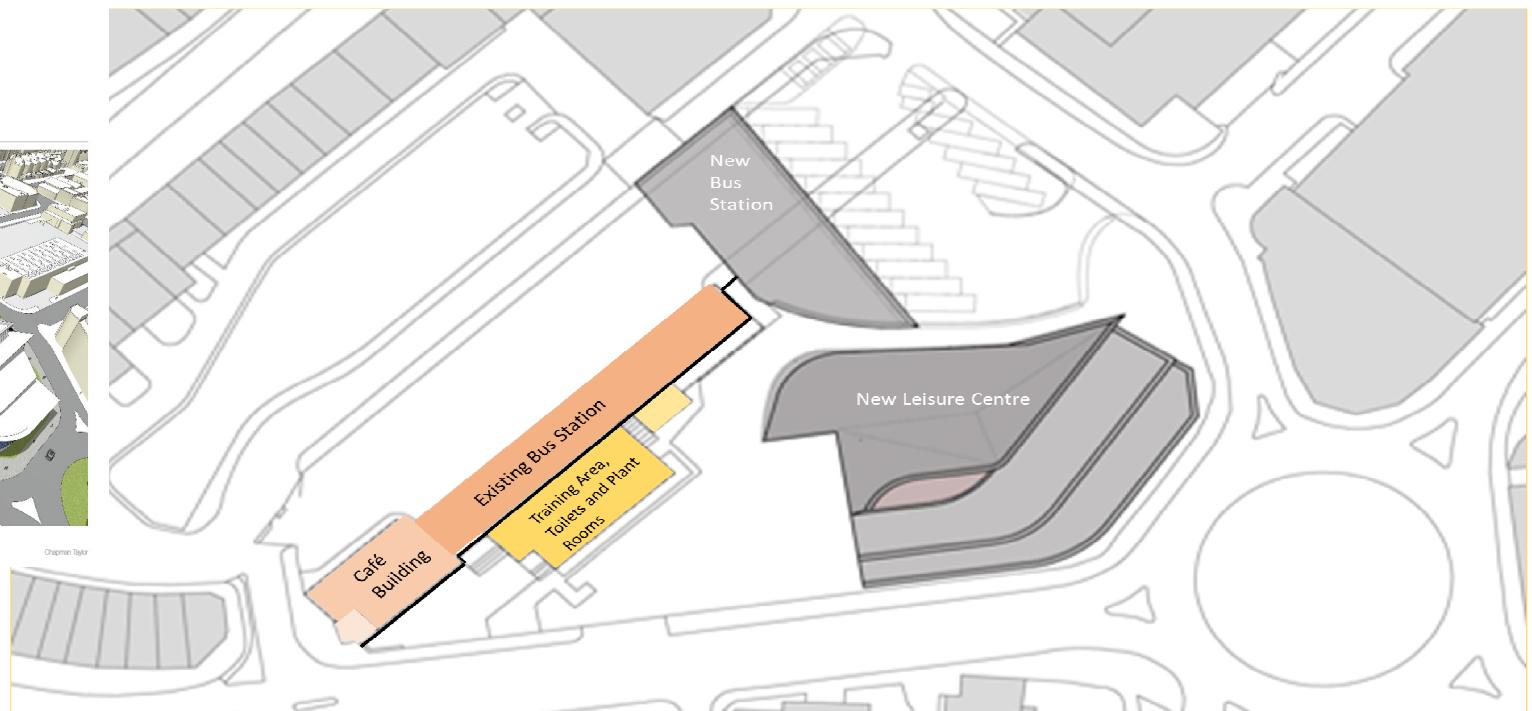
The response following Crown Estates withdrawal

- In September 2017, the Crown Estates and TH Real Estate decided they would not be progressing with their proposed developed (Princesshay Leisure) as previously planned.
- The Council's response at the Extraordinary Council meeting 12th October 2017 was to confirm its ongoing commitment to redeveloping this key strategic city centre site.
- Work has progressed on:
 - a) **Designing the interface works** required to ensure the new bus station and leisure complex could be fully functional whilst also according with the original design philosophy of the site – to ensure the future site wide development could still achieve the underlying principles of the development.
 - b) **potential opportunities to develop the remainder of the site.**
 - c) **Retendering the projects**, including the required interface works

Dealing with the Interface Issues

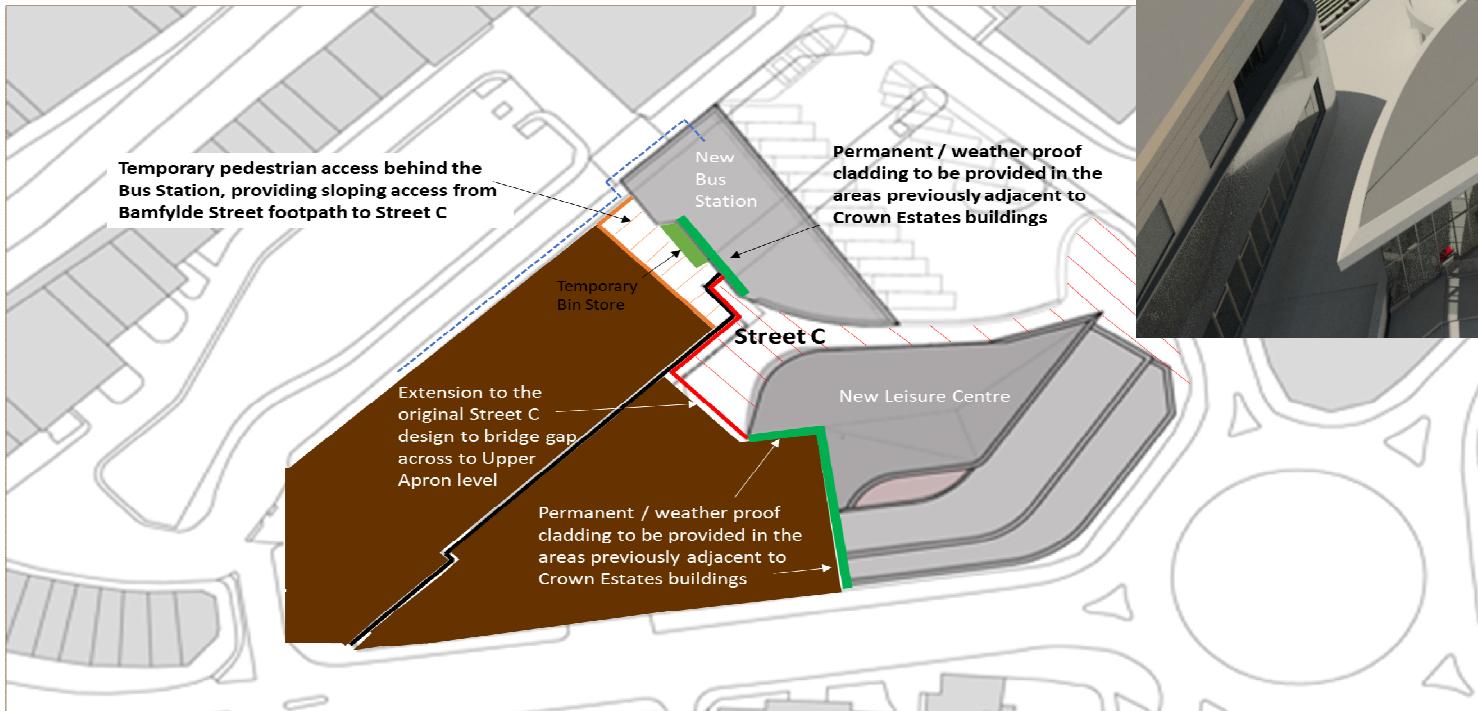
Identifying the Interface Issues

The delayed development of the remaining site resulted in the Bus Station and Leisure Complex buildings sitting on the existing site topography – with challenges around access, site levels and external cladding / appearance





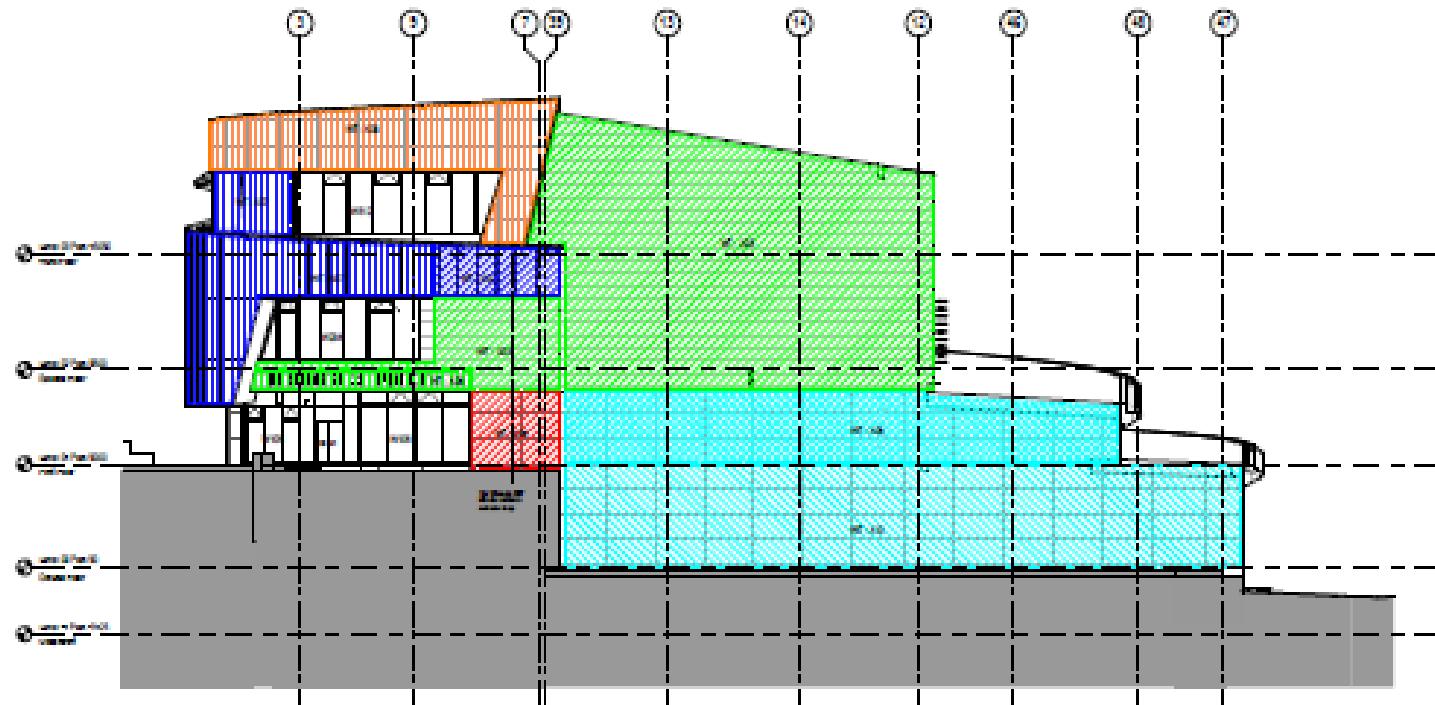
Service diversions, gas, electricity, telecoms
Sewer diversion
Electricity sub-station





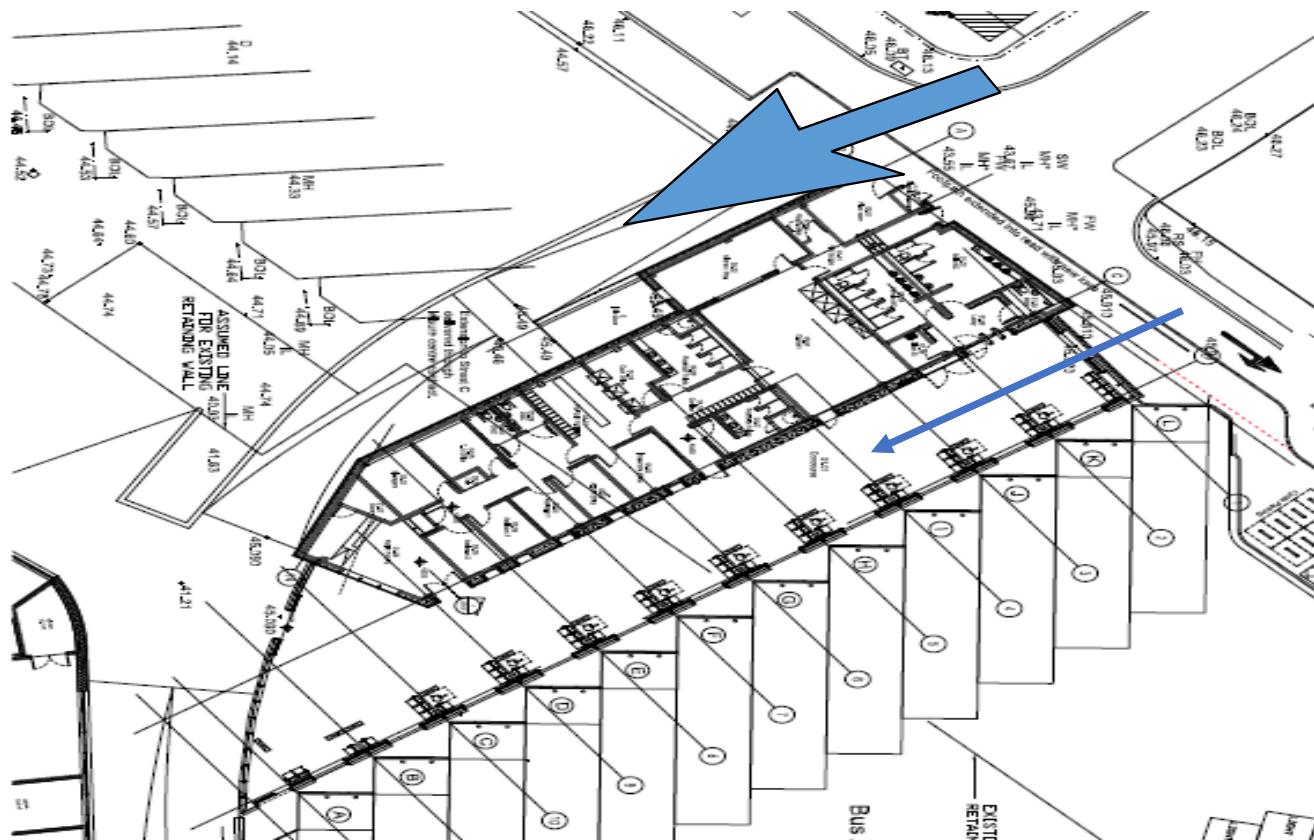
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Addressing the Interface Issues





Addressing the Interface Issues





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Outcome of the Tender process for the Leisure Centre and Bus Station projects

- Two – stage open book tender using public sector framework
 - Initial mini-competition reduces contractors from 10 to 3.
 - Contract terms, contractor's direct costs and profit agreed in competition and best value contractor selected.
 - Work with best value contractor via open book process to tender all necessary sub-contractor packages (each sub-contractor package in competition).
 - Agree programme based on sub-contractor returns (more robust information)
 - Jointly manage risk mitigation & remove uncertainties via enabling works
- The resultant cost being the market price for this project using the best value Contractor

- Tender Achievements
 - Contractor committed to build and achieve *Passivhaus* (significant risk of not obtaining a contractor for this project removed)
 - Ground works risk now with contractor, not client (greater cost and programme certainty)
 - Significantly reduced provisional sums for services and utilities as diversions carried out under enabling works (greater cost and programme certainty)
 - Contract includes new interfaces (to accommodate The Crown Estate project demise)
 - Contract includes for site wide infrastructure such as the substation.

The proposed contract is a more robust cost and programme to carry out the works than alternative tender arrangements would have achieved.

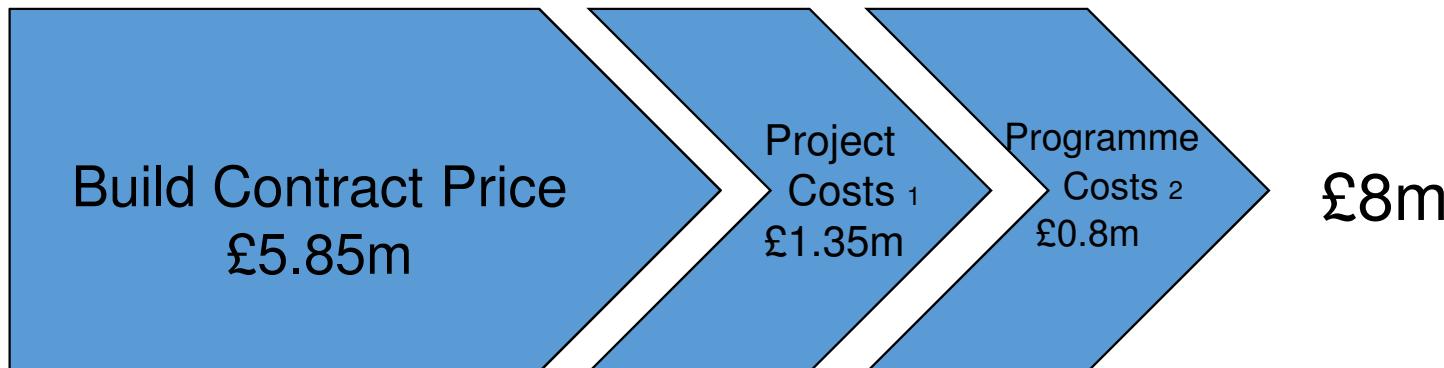
Leisure Complex & swimming pools



1. Design team fees, professional fees, planning, building control, *Passivhaus* institute approvals, procurement of contractor, legal fees, enabling works such as ground investigations, demolition works, hoardings etc.

2. Landlord and tenant obligations and estate matters, telecomm masts, operator procurement, communications etc

Bus Station



1.Design team fees, professional fees, planning, building control, procurement of contractor, legal fees etc

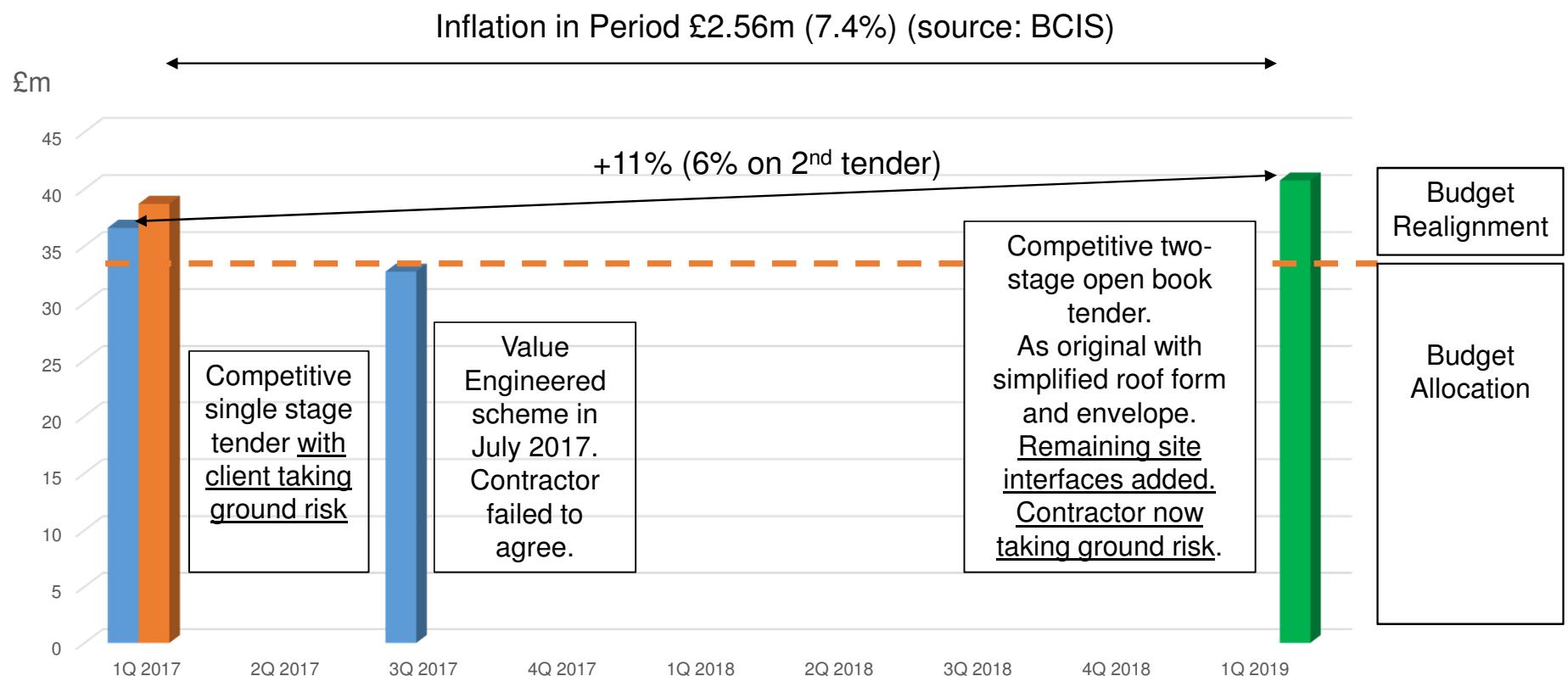
2. Interim bus & coach arrangements, shelters, TROs, highway amendments etc



Option adopted

| | | Total Project Cost | Facility and Design Considerations | Forecast 25 year Surplus Revenue |
|---|--|-------------------------------------|--|----------------------------------|
| Option One <i>Budget Compliant</i> | Leisure Centre Bus Station Total | £26m £6.25m £32.25m | The top floor of the leisure centre is removed (the Spa and 2 studios), also 40% of the gym area is removed. The enclosure glazed wall is removed from the Bus Station concourse. The buildings as designed are compromised. | 'Base Revenue' |
| Option Two <i>BAFO Scheme</i> | Leisure Centre Bus Station Total | £33.05m £6.87m £39.92m | The facility mix remains as identified in the Feasibility Study. The buildings remain largely as designed, with amendments to products and some aesthetic matters. | + £14.3m above 'Base Revenue' |
| Option Three <i>Original Tender</i> | Leisure Centre Bus Station Total | £36.21m £8.06m £44.27m | The facility mix and design of the buildings remain exactly as issued in the original Tender documents. | + £12.4m above 'Base Revenue' |

Proven Cost v Budget Allocation





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Funding

The approved budget for the leisure complex and bus station is £39.92m

The additional cost of delivering both projects is £11.88m

Bringing the total to £51.8m

The Council has ring fenced income from new homes bonus, community infrastructure levy (CIL), Section 106 agreements and capital receipts for the purpose of delivering the leisure complex and bus station. This amounted to £33.65m

The additional funding required to deliver this project can be achieved without negatively impacting on the Medium Term Financial Plan and will not increase the Council's already identified saving requirement / commitment over the coming years.

How?

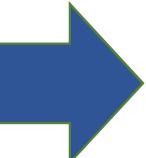
Income from the operator;

Restructuring of Council wide loans: short term / long term commitments & rates;

An annuity approach instead of a straight-line capital and interest repayment

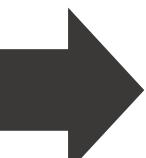
Leisure Centre and Bus Station projects in Context

Strategic Projects



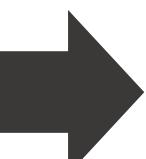
- Shape the future of the city
- Ensure the economic sustainability of the City Centre
- Positively contribute to the ongoing financial well-being & stability of the Council as a business / organisation
- Income critical to the viability of the city council: car parking, commercial rents, business rates

Operational Projects



Improve the council's operational effectiveness and deliver efficiencies. Streamline services. Comply with changes in legislation. Maintain existing facilities.

Community Benefit Projects



Improve public / community facilities. Positively contribute to social well-being and / or environmental matters in the city.



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The opportunities for the wider Sidwell Street/Paris Street site

JLL were appointed to consider a market-led scheme for the wider site. They have identified the demand and potential to deliver the following:

250 units of **Private Rented Sector Housing PRS** (Built to rent), five stories over:

Retailing 39,000ft² fronting Sidwell Street

Food & Beverage 15,500ft² Roman Walk

4* hotel, 10 storey tower, 175 rooms, 83,400 ft²

Office units, 8 stories, 193,900 ft²

Flexi work space, alongside the leisure centre, 27,100ft²

250 **market housing** units 150 2 beds, 100 1 beds

(184,200ft²) on the civic centre site

A new **civic centre** 52,000 ft²

Pavilions 2 units of 4,800 ft²

Public realm enhancements: new square Paris Street, new civic space



DEVELOPMENT CONCEPT FOR PARIS STREET/SIDWELL STREET





Proposed Development Schedule



| | Blocks | GIA sf | Units | Car parking | Parking Ratio |
|-------------------------------------|---------------|----------------|--------------|--------------------|----------------------|
| New homes for market rent | A, B & C | 138,560 | 163 | 105 | 64% |
| New homes for market sale | F | 128,965 | 166 | 92 | 55% |
| Affordable homes | A, B, C & F | 114,653 | 177 | 90 | 51% |
| Total new homes | | 382,178 | 506 | 286 | 57% |
| | | | | | |
| New Office Quarter | E1 | 100,255 | - | 87 | 87% |
| | E2 | 93,646 | - | 82 | 87% |
| | E3 | 27,125 | - | 24 | 87% |
| New Civic 'Hub' | D | 52,313 | - | 46 | 87% |
| Total office floor space | | 273,339 | | 238 | 87% |
| | | | | | |
| 4* hotel | A | 83,400 | 175 | 39 | 47% |
| Mid-scale / budget hotel | C | 52,860 | 80 | 10 | 19% |
| Retail / leisure uses | A, B, C & D | 59,413 | - | 10 | 17% |
| Total commercial floor-space | | 195,673 | 255 | 59 | 30% |
| Overall totals | | 851,190 | | 583 | 68% |



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530,000 ft² mixed-use scheme including:

Debenhams anchor store 130,000 ft²

6 MSU's - 107,000 ft²

60 new shops - 200,000 ft²

Total of 437,000ft² retailing [compared with
39,000 ft² at Sidwell St/Paris St]

122 city centre apartments [compared with
500 residential units at Sidwell St/Paris St]

Restaurants and cafes

extensive public realm/ landscape
improvements

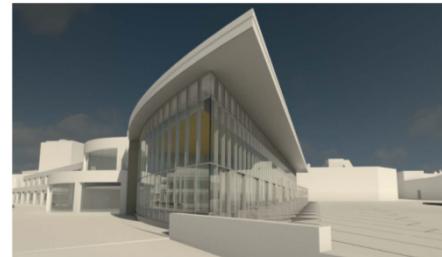
£225m total development cost



Princesshay content compared with Sidwell St/Paris Street



| | |
|--------------------|-------------------------------|
| Wider site | 851,190ft ² |
| St Sidwell's Point | 65,552ft ² |
| Bus station | 9,139 ft ² |
| Total of | 925,881 ft² |



851,190 ft², mixed use scheme:

250 units of **Private Rented Sector Housing PRS** (Built to rent), five stories over:

Retailing **39,000ft²** fronting Sidwell Street

Food & Beverage 15,500ft²

Roman Walk

4* hotel, 10 storey tower, 175 rooms, 83,400 ft², **Budget hotel Office** units, 8 stories, 193,900 ft² **Flexi work space**, alongside the leisure centre, 27,100ft²

250 **market housing** units 150 2 beds, 100 1 beds (184,200ft²) on the civic centre site

A new **civic centre** 52,000 ft²

Pavilions 2 units of 4,800 ft²

Public realm enhancements: new square Paris Street, new civic space





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**DEVELOPMENT CONCEPT
FOR PARIS STREET/SIDWELL STREET**





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Bampfylde Street



DEVELOPMENT CONCEPT FOR PARIS STREET/SIDWELL STREET



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Paris Street



DEVELOPMENT CONCEPT FOR PARIS STREET/SIDWELL STREET



- Site capacity for 80,000 sqm (**851,190 ft₂**) of residential and commercial floor-space
- Strong demand from Build to Rent / Sell residential sectors focussed on this site / location
- Opportunity to create new prime office quarter anchored by re-provided ‘Civic Hub’
- Lease-back ‘wrapper’ annuity lease as funding mechanism for new offices & Civic Hub
- Hotel demand to support up-scale 4* hotel and life-style / budget hotel
- Optimum balance and mix of uses to capture this demand
- Market risks and delays that could erode this opportunity
- Importance of a collaborative approach with key stakeholders to mitigate these risks
- Delivery options and outcomes with associated risks and returns
- Recommended Actions to promote the opportunity and make it happen

In January 2017 **Fourth Street** carried out a needs assessment for a new entertainment venue in Exeter

There is an opportunity for developing a **venue with a mixed-programme** and capacity of around **1,200 seated, which could be reconfigured to a standing venue of say, 2,000 to 2,500 capacity**

Capital funding normally a cocktail of funding with significant contributions typically derived from public, lottery and third sector sources. **Capital funding can often be secured – problem often revenue requirements**

In April 2018 Marketing Means conducted a survey :

The most important aspects of a new entertainment venue were felt to be that it is **multi-purpose (rated very important by 78%)**, and can offer **multiple stage configurations/ flexible seating/standing (very important to 72%)**.

More than three-quarters of respondents (77%) stated that any new entertainment venue in Exeter should be built in the city centre.





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Recommendations

Recommendation 1

- Welcome the conclusions of Jones Lang LaSalle (baseline appraisal)
- Authorise the City Surveyor to progress work to identify options and a preferred development partner for a comprehensive scheme for the redevelopment of the wider Sidwell Street/Bus Station site (including options for the redevelopment of the Civic Centre site, Paris Street)
- Fund up to £300,000 to cover the associated costs of this work.

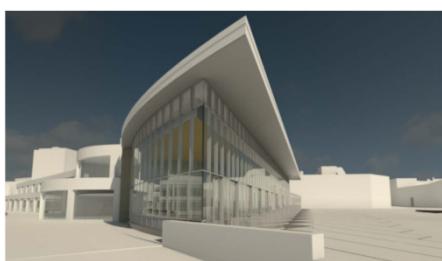
Recommendation 2

- Fund up to £90,000 to cover the costs associated with exploring the potential and opportunity to provide a multi-purpose performance venue as part of the wider development of Sidwell Street/Paris Street.

Recommendation 3



Council allocate an additional £11.88m to cover the programme costs and contract price of building a new leisure complex and bus station.





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Any Questions ?



AFLS+P