

STATES OF JERSEY



MILLENNIUM TOWN PARK: COMMENCEMENT IN 2010

Lodged au Greffe on 6th April 2010
by the Connétable of St. Helier

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to agree that work to create the Millennium Town Park should commence in 2010 beginning with the remediation of the contaminated land, and public consultation over the design of the park;
- (b) to agree that the Millennium Town Park should extend over both sites known as Gas Place car park and the Talman land in their entirety and no part of the site should be developed for housing or other uses;
- (c) to request the Council of Ministers to take all necessary steps to bring the Millennium Town Park project to completion within the available funds by the end of 2011.

CONNÉTABLE OF ST. HELIER

REPORT

The delivery of the Island's major Millennium project, the Millennium Town Park in Bath Street, St. Helier, has been delayed for more than a decade, principally due to difficulties involved in replacing the car parking that will be displaced when the project goes ahead. In 2007 the project was transferred to the Transport and Technical Services Department along with the available budgets. Since then the Department has been working with politicians, stakeholders, regulators, pressure groups and members of the public with a view to carrying out remediation of the contaminated ground below the site followed by the construction of the Millennium Town Park.

Recently a masterplanning exercise has been carried out by the Planning and Environment Department which has identified a number of potential improvements, in addition to the new park, that could be made to this part of St. Helier; the 'North of Town Masterplan' also confirmed that constructing a multi-storey car park on the former Ann Court housing site, as envisaged in earlier proposals for the project, would not be appropriate. However, in order to finance the range of benefits described in the Masterplan, it was proposed by its authors, Hopkins architects, that housing units should be built on part of the Millennium Town Park site.

It must be stated at the outset that the Masterplan was never advertised as seeking to provide a way of providing a Millennium Town Park at no cost to the public. For many years it has been assumed that the Town Park was a capital project to be funded from the public purse, albeit with a sizeable contribution to be made from the Car Parks Trading Account in respect of the parking to be provided as part of the project. The purpose of the Masterplan, at least as far as the supporters of the Town Park project were concerned, was to find a solution to the problem of finding alternative car parking provision when the public car park on Gas Place is developed.

Thanks to an amendment to the 2010 Budget by Deputy Southern of St. Helier, the funding for the Millennium Town Park was reinstated in the Budget's capital allocation at the end of last year. There are, therefore, sufficient funds to proceed, at long last, with the remediation of the contaminated ground, and the construction of the Park. This sum is not sufficient to create any underground car parking or to create a new alternative car parking facility off site.

The difficulties of relocating the parking on the site of the Millennium Town Park have been discussed at length over many years. The desire to put the cars below the car park in underground car parking, as originally envisaged, is now regarded as unaffordable due to the nature of the contaminated ground and the high ground water table in the area. All schemes which have considered this option have ultimately been abandoned.

The current car parking provision is made up 220 private spaces on the Talman site and 390 public spaces on the Gas Place site. Gas Place is broadly full during the day about half of which are shoppers/short stay parkers and the other half long stay/commuters. At night Gas Place fills with overnight parkers/residents in the area.

In all scenarios, when work commences on site, both Talman site and Gas Place will need to be cleared for the full duration of the construction process. Talman private parkers will be given notice and no replacement provision will be made. It is assumed that these drivers will relocate to other available private parking. The imminent

provision of 240 new private parkers' spaces in Kensington Place should ensure an adequate supply of private spaces for the town area.

Regardless of the chosen solution for the park, the project does not create a new parking provision in advance of works commencing on site. This means that temporary sites need to be found prior to a permanent replacement facility being provided. The only States' owned site in the area is the demolished Ann Court site which can provide 130 spaces of which the demolition planning permit allows temporary car parking on the site for 2 years. The Transport and Technical Services Department has advised that there is, however, some spare capacity in existing car parks, mainly Pier Road (long stay) and Sand Street (short stay) both of which typically have 200 spaces free on weekdays. The Department's proposal for temporary relocation of the 390 Gas Place spaces is, therefore, as follows –

- 130 shoppers (short stay) – relocate to Ann Court;
- 60 shoppers relocate into existing head room in public car parks mainly Sand Street;
- 200 commuters – relocate into existing head room in public car parks mainly Pier Road.

The residents of the area can use Ann Court at night while the facility is available for parking and also the night time head room in Minden Place on a permanent basis. There are also a variety of locations in the vicinity of Gas Place where the displaced parking could go, the majority of which are in either States or Parish of St. Helier ownership. The capacity of some of these sites, such as Nelson Street car park (behind the Odeon) and the Midvale Road surface car park, could be increased, subject to satisfactory Traffic Impact Assessments and the necessary planning permission obtained. Clearly the release of these spaces, most of which have been leased for private use by commuters, for public parking, will have a knock-on effect on departmental and parochial budgets, but it is clear that the public sector can play its part in providing additional parking.

The private sector may also contribute to the stock of parking spaces in the North of St. Helier. It has long been argued that one of the beneficial effects of the States' delivering on the promise to create the Millennium Town Park will be the way in which it will act as a catalyst for urban regeneration, and there are already indications that landowners in the area of the Town Park are interested in moving ahead with development plans, including public car parking.

Throughout the period of masterplanning, officers in the Transport and Technical Services Department have been continuing to produce a strategy for decontaminating the site of the proposed park. Numerous studies and site investigations have taken place over the past dozen years and there is now a clear way forward for the decontamination of the site to commence in the autumn of 2010. Work on the Environmental Impact and Health Impact Assessments are nearing completion and a planning application for the decontamination only will be submitted by mid April.

The arguments against building on the site of the Millennium Town Park have been well rehearsed, especially the fact that judged by independent criteria such as the National Playing Fields Association, this densely populated part of St. Helier lacks sufficient green space. More recently, CABA (the Commission for Architecture and

the Built Environment) has published a study entitled 'Urban Green Nation: Building the Evidence Base', which includes among its conclusions the following –

- Almost 9 out of 10 people use parks and green spaces, and they value them more than in the past (in 2007, 91% of people thought it was very or fairly important to have green spaces near to where they live, and by 2009 this had risen to 95%);
- The provision of parks in deprived areas is worse than in affluent areas;
- People from minority ethnic groups tend to have less local green space and it is of a poorer quality;
- Investing in parks and green spaces can have a powerful effect in tackling social disadvantage.

It is all very well for the States to adopt strategic policies that concentrate new housing in the urban area, but there must be the compensating policy of providing those urban dwellers with adequate, if not generous amounts of open space.

Not only would the decision to build on the town park overturn previous commitments by the States to the many thousands of Islanders who petitioned for a development-free site, but it would impose yet further delays in the delivery of the project. The decontamination strategy would have to be repeated, as well as the EIA/HIA; the development of the park would be placed on hold again, while proposals for the new buildings were taken forward.

Now that the consultation period following the publication of the North of Town Masterplan has finished, I was hoping that the outcome of that exercise could be put to the States early in 2010, and a decision taken that would give clarity about the future of the Millennium Town Park. However, the Minister for Planning and Environment has informed me that he cannot give a definite date for the North of Town Masterplan to be put to the States due to uncertainty about the role the Ann Court site may play in the future of the area, and the need to rethink some of the financial forecasts involved in the regeneration of the area.

The Millennium Town Park Implementation Group, which I have been asked to chair by the Council of Ministers, has reached the conclusion after only four meetings that the States must be asked to make a decision whether to proceed with the Island's long-awaited Millennium project. The Group cannot wait until the North of Town Masterplan is brought forward for debate; there is actually not much more that the new Group can do, given that sufficient funding is in place to create the park and that solutions to the displaced parking have been identified. While significant challenges remain if the demands for parking in the area are to be met following the closure of Gas Place car park, the Group does not believe that the provision of the Millennium Town Park should be delayed any further. The Transport and Technical Services Department is poised to move the project forward, beginning the remediation of the site this autumn, and carrying out a public consultation exercise during the year to complement the consultation carried out when the project was first discussed and debated.

There will be some financial implications in the proposition. These do not relate to the creation of the Millennium Town Park in the proposed timeframe, given that there is sufficient funding set aside to achieve the remediation of the site and the creation of the park. However, allowing buildings to be developed on the site of the proposed

park would, of course, generate a revenue stream for the States which could, if the North of Town Masterplan were to be adopted in its current form, be used to pay for other improvements in the area. The financial appraisals produced as part of the Masterplan are attached as Appendix 1.

I am unable to give precise figures over the net financial effect of the proposition in terms of car parking income, as parking use is affected by numerous factors, including price, accessibility, and the States efforts to reduce private car use. There will, of course, be revenue lost to the Car Parks Trading Account, following the closure of the Gas Place public car park, though a proportion of this will still be obtained if, as Transport and Technical Services Department advises, some of the displaced car parking is transferred to other off-street car parks. There will also be a loss of revenue to the Treasurer of the States following the closure of the private car park on the Talman site.

Transport and Technical Services Department has stated that it is difficult to be accurate about these figures because the income from scratch cards is not separated out for each location or for on-street/off-street parking. The Department has confirmed that Gas Place car park is normally full and should be from 8.00 a.m. to 5.00 p.m. on 6 days a week i.e. 9 hours per day. The Department pays GST (to the States) out of the 66p per hour charge and pays the States a rental charge for the car park, but the gross income to the States (excluding GST and rental) is calculated below:

$$389 \text{ spaces} \times \{(6 \times 52) - 9\} \times [0.66/1.03] \times 9 = \text{£}679,737.84$$

Property Holdings received £370K Nett of agents' fees for the Talman site in 2009. This site was, however, purchased by the States specifically for the creation of the Millennium Town Park. It is also interesting to note that the Planning and Environment Committee decided, approximately a decade ago, that all income from the Talman site would be kept in a special account for the development of the Millennium Town Park; unfortunately this decision by the Committee of the day was never implemented, nor was the decision minuted.

Financial and manpower implications

There are no manpower implications in the proposition as the officer project group involved in the project is already in place.



North of St Helier Master Plan

Town Park Development Cost Appraisal

14 September 2009

Funding Streams

Carpark Trading Account	£5,000,000	£5,000,000	
	Best	Worst	Midpoint
Funding shortfall/ profit	-£21,620,278	-£24,820,652	-£23,220,465

Additional Revenue Costs

	Spaces	Rate	Annual Costs		
Grounds maintenance			-£200,000	-£200,000	£200k pa cost on maintenance
Income loss on Talman	-240	1,500	-£360,000	-£360,000	Car Park not replaced
Income loss on Public Parking		1,500	£0	£0	Loss of Minden and Gas Place new spaces at Ann Court
			Best	Worst	Midpoint
Total additional RevenueCosts			-£560,000	-£560,000	-£560,000

Assumptions

Original Town Park Masterplan with car parking on Ann Court

- No residential development on Gas Place or Talman
- Smaller carpark than originally envisaged on Ann Court to reflect Traffic and Policy needs
- Minden place replaced with residential scheme as opposed to commercial
- Additional residential Parking (value of parking included in residential value)
- Purchase of existing Ann Court Houses assessed at open market value, not existing use value
- Increased demolition costs used
- Reduced cost of green roof to reflect removal of maintenance element
- Cost of constructing underground car parks increase to reflect adverse ground conditions
- Contingency increased from 5% to 10%
- £1.5m added to cover associated urban improvements
- Sinking funds for grounds maintenance of park and underground car park maintenance added
- Funding streams and additional annual revenue costs shown separately

North Plan Development Appraisal

OPTION 4

Green Street Car Park Rebuild and Minden Residential

Development Value

Residential		sq.m.	sq.ft			Comments
Total Floor Area		35,951	386,828			
Gross to Net ratio	85%	30,558	328,804			
	Parking	sq.m.	£/sq m	Best	Worst	
Gas Place	145	12,871	4,000	£54,058,200	£51,484,000	Parking reflected in value
Ann Court	90	7,987	4,000	£33,545,400	£31,948,000	Parking reflected in value
Green Street	70	6,500	4,000	£27,300,000	£26,000,000	Parking reflected in value
Minden	35	3,200	4,000	£13,440,000	£12,800,000	
Development Value				£128,343,600	£122,232,000	Agents and legals
Cost of Sales	2.5%			-£3,208,590	-£3,055,800	
Public Parking		Spaces				
New Units						
Gas Place		75				Value of public parking shown in variance to income
Ann Court		240				
Green Street		825				
Units lost						
Gas Place		-390				
Green Street		-600				
Minden		-240				
Gross Development Value- Residential				£125,135,010	£119,176,200	£122,155,605
Development Costs						
Land acquisition						
Gas Place				0		
Talman Car park				0		
Ann Court Estate				0		
Green Street Car Park				0		
Ann Court Houses				-£2,137,500	-£2,250,000	5 houses at OMV
Ann Court Pub				-£950,000	-£1,000,000	Business and property bought
Demolition						
Green Street				-£1,425,000	-£1,500,000	
Ann Court				-£500,000	-£500,000	
Ann court Houses				-£171,000	-£180,000	
Talman/Gas				-£142,500	-£150,000	
Minden				-£712,500	-£750,000	
Residential Only		sq.m.	£/sq m			
Build Cost		30,558	1,500	-£43,545,150	-£45,837,000	Medium Grade Fit Out Residential
Public Space						
Public Park		12,901	350	-£4,289,583	-£4,515,350	Maintenance element removed
Green Roof		4,000	120	-£456,000	-£480,000	
Remediation						
Talman and Gas Place	6,500	220		-£2,850,000	-£3,000,000	
Parking		Spaces	Rate/space			
			Best	Worst		
Gas Place	220	£25,000	£30,000	-£5,500,000	-£6,600,000	Part underground incl. remediation
Green Street	895	£18,000	£20,000	-£16,110,000	-£17,900,000	Multistorey
Ann Court	330	£38,000	£45,000	-£12,540,000	-£14,850,000	Basement
Minden Place	35	£25,000	£30,000	-£875,000	-£1,050,000	Basement

Other Costs		Rate					
Contingency		10%			-£8,911,673	-£9,731,235	
Professional Fees		15%			-£14,704,261	-£16,056,538	
Planning Fee					-£1,200,000	-£1,200,000	
Developers Fee					-£2,500,000	-£2,500,000	
Urban Improvements					-£1,500,000	-£1,500,000	Works for adjacent public realm
Development Costs					-£121,020,167	-£131,550,123	
			Build Time				
			Best	Worst			
Finance costs	6%		1.5	2	-£5,445,907	-£7,893,007	
Gross Development Costs					-£126,466,074	-£139,443,130	
					Best	Worst	
Net Profit/Loss on Project					-£1,331,064	-£20,266,930	Midpoint
						-£10,798,997	
Funding Streams							
Carpark Trading Account					£15,000,000	£15,000,000	
					Best	Worst	Midpoint
Funding shortfall/ profit					£13,668,936	-£5,266,930	£4,201,003
Additional Revenue Costs							
	Spaces	Rate	Annual Costs				
Grounds maintenance					-£200,000	-£200,000	£200k pa cost on maintenance
Underground Carpark	110	175			-£19,250	-£19,250	Additional cost for maintenance
Income loss on Talman	240	1,500			-£360,000	-£360,000	Car Park not replaced
Income loss on Public Parking	0	1,226			£0	£0	Loss at Green St and Gas Place vs. £0 new at Ann Court & Green St
Total additional RevenueCosts					-£579,250	-£579,250	
Option to increase value/ reduce shortfall							
Additional floor of housing at Ann Court (four floors to four and a half)							
Value	1,248	4,000			£4,867,200	£4,867,200	Inclusive of Cost of Sales
Build Cost	1,248	1,500			-£2,368,080	-£2,368,080	Inclusive of fees and contingency
Development Profit					£2,499,120	£2,499,120	
					Best	Worst	Midpoint
Funding shortfall/ profit					£16,168,056	-£2,767,810	£6,700,123
Assumptions							
All development densities, build costs, and values have followed assumptions used by Hopkins excluding:							
Private residential development on part of Gas Place and Talman							
Minden place to be redeveloped as residential							
Best case 5% variance on cost and values							
Gas place parking reduced to 220 spaces to provide for some residential and some public parking							
Gas place parking to be only partially underground to take advantage of site level changes							
Green street car park rebuilt to provide additional commuter parking							
Residential and commercial development added to Green Street site							
Additional residential parking (value of parking included in residential value) at Gas place / Talman/Minden/Green St							
Purchase of existing Ann Court Houses assessed at open market value, not existing use value							
Increased demolition costs used							
Reduced cost of green roof to reflect removal of maintenance element							
Cost of constructing underground car parks increase to reflect adverse ground conditions							
Contingency increased from 5% to 10%							
£1.5m added to cover associated urban improvements							
Sinking funds for grounds maintenance of park and underground car park maintenance added							
Funding streams and additional annual revenue costs shown separately							
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