

NORTH FORESHORE MEMBERS' STEERING GROUP

Minutes of Meeting of 21st August, 2017

Members Present: Alderman Convery (Chairperson);
Alderman L. Patterson and
Councillors M.E. Campbell, Hutchinson,
McCabe and Mullan.

In Attendance: Mr. G. Millar, Director of Property and Projects;
Mr. K. Anderson, Estates Surveyor and
Mr. G. Graham, Democratic Services Assistant.

Apologies

Apologies were reported on behalf of The Deputy Lord Mayor, Councillor Copeland, and Aldermen Browne and Spence.

Minutes

The minutes of the meeting of 20th March were taken as read and signed as correct.

Declarations of Interest

Councillor Mullan declared an expression of interest in respect of the Commercial Leisure Led/Mixed Use Development at the Giant's Park in that a family relative was employed by one of the contractors in connection with the development of the Giant's Park.

Election of Chairperson

After discussion, it was:

Moved by Councillor Hutchinson,
Seconded by Alderman Patterson,

Resolved - That Alderman Convery be appointed to the position of Chairperson of the Steering Group for the period ending in May, 2018

Alderman Convery took the chair and thanked the Members for his appointment.

Update on North Foreshore Giant's Park

The Director of Property and Projects submitted the undernoted report with the exception of appendices contained therein, in respect of a number of development proposals for the North Foreshore Giant's Park.

“1 Commercial Leisure Led / Mixed Use Development Marketing Update

1.1 The Expression of Interest / Marketing prospectus for a proposed leisure led / mixed use development for the northern

and western portions of the site, (extending to 200 acres) was released to the open market over the period February to May 2017 with a closing date of 19 May 2017. Following extensive marketing a total of nine submissions were received by the closing date. These included a wide range of uses including the following:

- Horse racing track
- Theme Park
- Hotel / Leisure
- Golf Course
- Aquarium
- Business Park & Logistical Warehousing
- Zoo Relocation
- Nature Reserve
- Data Centre
- Park & Ride
- Motor Sports
- Safari Park
- Indoor Water Park
- Karting

1.2 A copy of the high level submission proposals is enclosed at Appendix 1. A presentation will also be provided at the Steering Group meeting on the various proposals.

1.3 Members will be aware that this Expression of Interest process is a two stage process and the recent marketing exercise concludes Stage 1. All submissions were requested to provide the following information:

1. Indicative illustrative proposals for the development of the site including proposed land uses.
2. Details of Developer / Consortium and examples of previous development projects
3. Information to enable the assessment of the financial viability of the proposals including details of the entity; broad demonstration of financial standing to undertake the project. Source of finance etc
4. Indicative timetable and phasing
5. Broad economic, social and wider regeneration benefits

1.4 The Stage 1 Evaluation Process considered the following broad selection criteria:

- Development Proposals
- CV / track record
- Financial and Economic Standing
- Timetable for Delivery
- Regeneration Impact and Sustainability

1.5 As set out in the marketing prospectus all submissions were required to score a minimum mark in each of the selection criteria to qualify for Stage 2 of the selection process. Evaluation of all the submissions was undertaken by officers in conjunction with the marketing agents, GVA. As a result of this eight out of the nine submissions were considered to

qualify to progress to the Stage 2 process. The submission that didn't progress had only provided an outline sketch of proposals but with no further details. It is worth highlighting that many of the submissions provided fairly limited detail of the proposed funding and financial sustainability but it is recognised that all proposals are at a very early stage; detailed financial appraisals and sources of funding will only be available upon more definitive proposals being worked up for Stage 2 evaluation.

1.6 As Members are aware, the NFS Steering Group did not meet on 19 June 2017 although a report was brought to the SP&R Committee 23 June 2017 to update Members in relation to development proposals. Members agreed that the eight submissions now progress to the more detailed Stage 2 process.

1.7 Stage 2 of the selection process will require those parties who were successful at Stage 1 to provide a more detailed written submission which will be assessed against evaluation criteria. As a minimum the information being requested for the Stage 2 process is as listed below – although these are broad headings only and more detailed requirements are contained within these.

1. *Developer /Consortium Details*

- Details of developer and track record

2. *Information on Financial and Economic Standing*

- Verification that the financial and economic standing of the developer is sufficiently strong to evidence that the proposed project can be delivered. This will include a range of financial information; vehicle /structure through which development will be undertaken; financing arrangements and financial forecasts for the project.

3. *Development Proposals*

- Details of all proposed facilities and uses; concept drawings; design etc
- Proposed management and operation proposals
- Planning assessment
- Development Appraisals
- Access, infrastructure and transport proposals

4. *Development Programme*

- Project plan and timescale for completion identifying key stages in the development process

5. *Funding Details*

- Council will seek to satisfy itself that proposals are sufficiently developed and robust and have attracted sufficient support and commitment from funders and investors
- Details of development costs
- Source of funding
- Revenue projections
- Ongoing running/operating costs

- Evidence of long term commercial sustainability

6. *Financial Bid*

- Details of any proposed payments to the Council by way of capital premium or rent or revenue / profit sharing arrangements

Note: LPS are to undertake an assessment of the value of the land and this will be used as a benchmark against which to assess the financial bids received and determine that any bids received are in accordance with the Council' statutory obligation to dispose of land on best terms.

7. *Tenure / Legal Agreement*

- Details of proposed lease term and if applicable any JV details

8. *Strategic Context and Economic / Social Benefits*

- Economic and Social benefits to the local area, to the city and to Northern Ireland as a whole.
- Potential number of jobs and direct and indirect employment opportunities
- Potential community benefit opportunities

9. *Analysis of Risks Associated with Proposals to include;*

- Planning
- Capital / Development Costs
- Operational / Management costs
- Funding
- Changes in Business environment
- Site Constraints and site specific contamination issues
- Transportation and infrastructure
- Community Engagement
- Demand

10. *Environmental Considerations*

- Environmental Impact
- Proposed environmental mitigation measures / improvements

11. *Consultation*

- Methodology of approach for consultation with public, statutory, community and other relevant organisations.

1.8 The Stage 2 information requirements are currently being finalised and it is hoped to forward this to the prospective developer within the coming weeks. The requirement for more detail will allow for a more rigorous evaluation and it is proposed that independent due diligence support is obtained to assist with this. Given the extensive amount of information that will be required it is proposed to allow at least a 12 week period for return of the requested information, with a further period thereafter to complete the due diligence exercise.

1.9 It is proposed that the evaluation panel is made up of officers from Property & Projects, Legal Services, Financial Services, Community & Neighbourhood Services and with the support of the appointed agents GVA, as well as the independent due

diligence. Following the Stage 2 evaluation process, further details will be brought back to this Steering Group and to the Strategic Policy & Resources Committee.

2 Proposals for Temporary Park & Ride

2.1 The Department for Infrastructure (Dfi) requires the has recently approached the Council with proposals for a temporary Park & Ride facility at the North Foreshore in order to assist with the delivery of the York Street Interchange scheme. Dfi has summarised their proposal as follows:

- Department for Infrastructure (Dfi) provision of a 530 space temporary Park & Ride located in the southern portion of the site (See Appendix 2) as a temporary facility during construction of the York Street Interchange scheme
- Initial car park opening hours will be Mon – Sat 7am – 7pm
- Dfi will construct the car park and provide the necessary capping layer and gas extraction system
- Dfi will fund and implement minor improvements to the Dargan Road / Duncrue Road signalised junction, bringing the fourth leg of the junction into operation
- Annual lease to be agreed between Dfi and BCC – running for 4 years from mid-2018 (to facilitate construction in advance). Lease rental to be agreed.
- The car park will be removed upon closure – subject to future discussion and agreement with BCC
- A dedicated bus service will operate between the site and Belfast city centre
- Dfi will seek planning permission and deliver all the necessary works

2.2 Dfi say that their experience of Park & Ride suggests that the location of the site is important to its operational success and that sites visible and with direct access from the public road are preferable. Their proposal is for a site of approx. 4 – 5 acres located in the south western portion of Giant Park, close to the primary road entrance as shown on their plan attached at Appendix 2.

2.3 Whilst the proposal is for a temporary site during construction of the York Street Interchange, Dfi has indicated that if, in the longer term of the Park & Ride facility proves to be popular and well used, they may wish to consider scope for a permanent site, perhaps further from the road entrance as usage will have been established and the inconvenience factor will not be as significant for regular uses. They say that a site located initially within the heart of Giants Park and further away from the roundabout is unlikely to be as attractive to commuters.

They have however advised that an alternative similar sized site close to the roundabout would also work.

- 2.4 In development terms however this front site could be considered as a prime site given its visibility and accessibility and the use of this land in the longer term for surface car parking would not necessarily be considered as the most optimal use.
- 2.5 In terms of timescales, DfI advise that the York Street Interchange will require the closure of public car parks in the York Street / Corporation Street area, from the start of construction which they estimate to be early in 2019. DfI feel that most of this parking could be accommodated in the proposed Park & Ride at Giants Park which would need to be operational by this time. Allowing for the construction period, DfI advise they would need the site to be available from about June 2018, with closure planned about Spring 2022 when the interchange is completed. This would mean a total lease period of up to 4 years.
- 2.6 The proposed site of the Park & Ride is however located within the land contained within the Development Brief for Commercial Leisure led site and the Stage 1 proposals from prospective developers all include this area within their proposals. The use of this part of the site could therefore adversely impact on development proposals.
- 2.7 It is recognised however that there are a number of benefits to the Council in considering the Park & Ride facility, including:
- Encouraging a modal shift to more sustainable travel for car journeys to Belfast city centre and reduction in the amount of traffic entering the city centre from the M2/M5 corridor
 - A dedicated bus service operating between the Park & Ride site and the city centre could potentially be adapted to provide access to Giants Park and improve accessibility issue for Giants Park
 - The cost of commissioning the new signalised junction at Dargan Road will be borne by DfI including improvements to junction layout to increase traffic capacity
 - Income stream commencing mid-2018 from site rental
- 2.8 DfI have said that as the Park & Ride is a temporary and short term provision the site could be relinquished for permanent development by mid-2022. By then Park & Ride users may have helped to raise awareness of Giants Park and associated development and the dedicated bus service should hopefully have established a public transport link to and from the city centre.
- 2.9 Whilst there are clearly advantages to having a Park and Ride facility the proposal does impact on progressing the commercial leisure /mixed use proposals. It is recognised however that DfI are requesting use of the land on a temporary basis only and development of the wider lands for commercial

leisure/mixed use purposes is likely to be on a phased basis which will take several years to complete.

2.10 Members may therefore wish to consider the following options:

Option 1: Advise Dfl that a site at the North Foreshore is not available given the ongoing marketing exercise for the commercial leisure led/mixed use purposes.

Option 2: Agree to lease Dfl the requested site for a 4 year period and advise prospective developers, as part of the Stage 2 process, to permanently exclude this area from their development proposals. This may however adversely impact upon some development proposals which may be contingent upon use of the entirety of the lands.

Option 3. Agree to lease Dfl the requested site for a 4 year period but on the basis that the site would become available for development at the end of this period and developers would be asked to consider this within their proposals as part of the Stage 2 process. Prospective developers could then build this into their proposals on the basis of phasing of their development premised on the site becoming available in 2022 or possibly come forward with development proposals that include this Park & Ride facility within their overall proposals. This could either be on a permanent basis, or relocating elsewhere within the site at a later stage or perhaps incorporating a Park and Ride facility at ground floor with development above.

Option 4: Seek to use the land set aside for Arc 21 on a temporary basis for Park & Ride. There are a number of legal issues associated with this option which officers will try to clarify with Legal Services before the meeting.

2.11 Any decision on this would need to be brought into the Strategic Policy & Resources Committee. Members of the Steering Group are however asked for their view on this request by Dfl and the options set out above. The timing of this decision will impact upon the timing of the Stage 2 Development Brief process.

3 Environmental Resource Park

3.1 Members will be aware that there has been on going marketing campaign in respect of the Environmental Resource Park and there have been various interested parties from a number of sectors.

3.2 Detailed development submissions have recently been received from two companies proposing a connected pipeline of complimentary renewable energy and waste projects. These project proposals are currently undergoing a due diligence process. On completion of this it is hoped to be in a position to bring back firm proposals to the Steering Group in the near future.

- 3.3 In broad terms, the proposals involve an Anaerobic Digestion plant being developed by one company with combined heat and power engines generating renewable electricity with potential to export this to a Material Recovery Facility (MRF) to be developed and operated by a second company. The proposals also involve further projects associated with the MRF as potential future phases of development. Due to the commercial sensitivity of these proposals, information on the two companies and proposed projects will be provided at the Steering Group.

4 Film Studio

- 4.1 Belfast's newest film studio has now been completed by Belfast Harbour Commissioners (BHC) on an 8 acre site within Giants Park. Members will recall that the Council leased this site to BHC. This £20m project includes over 120,000 sq ft of studios, workshops and offices.
- 4.2 In June 2017 Belfast Harbour Commissioners announced the Superman prequel, KRYPTON, a series in association with Warner Horizon Scripted Television for the SYFY channel as the first production in the studios.
- 4.3 From 8 June 2017, the Council will receive an annual reviewable base rent of circa £160,000 pa, together with potential of additional income linked to profitability of the film studio as set out in the legal agreements between the parties.
- 4.4 Member were previously advised in relation to the significant growth in the UK's screen sector in recent years and it is felt there is significant potential for economic and regeneration benefits to the City arising from this sector. NI Screen's ambition as set out in its "Opening Doors" strategy for the period 2014-2019 was to ensure that Northern Ireland had the strongest screen industry outside of London within 10 years. It estimated that the economic return from investment over this period is likely to total £250m for the regional economy, premised on a range of challenging targets which were also dependent on having the relevant infrastructure in place. NI Screen considers the recent completion of the film studio at Giant's Park as cementing Northern Ireland's position as the best catered for region in film production after London.

5 Economic Development / Employment Opportunities

- 5.1 Work is currently underway by the Council's Economic Development Section, working with Property & Projects, to develop an employment initiatives programme targeted at the various sectors proposed for Giant's Park. In terms of the cleantech sector, further detail as to the nature of the companies likely to locate on site will be required in order to obtain a more detailed understanding of likely job opportunities and skills requirements. However, an initial scoping exercise has commenced and it is felt that an employability initiative for this particular sector could potentially adopt a tiered approach given the potential high tech nature of the likely businesses. Prospective tenants and

occupiers are now being signposted to the Council's Economic Development Section with a view to determining what assistance might be available and to inform the nature of any potential future employment and skills initiatives.

- 5.2 In terms of the screen /film sector, initial work has also commenced in scoping the existing education and training provision for the film and television sector in Belfast. NI Screen run a new entrant training screen to attract and retain talent in the NI media industry. The BBC also runs a number of placement /internships to help people kick-start a career in broadcasting and media. Discussions are underway with NI Screen to scope any potential job opportunities and NI Screen has agreed to liaise with the Council on employability and skills opportunities. This work on employability is at an early stage but it is intended to develop this further over the forthcoming months.

6 Summary of Key Issues

6.1 Members are asked to note the following:

- i. Stage 1 of the marketing process for the Commercial Leisure Led / Mixed Use Development Brief has now completed and nine submissions were received including a wide range of proposals as outlined above. Following the Stage 1 evaluation, eight of the nine submissions will now progress to the more detailed Stage 2 process. Further details will be brought back to the Steering Group following the Stage 2 process which will include a 12 week period for return of submissions and a further period of undertaking due diligence.
- ii. DfI have requested the lease of a site on a temporary basis for a Park and Ride facility during construction of the York Street Interchange scheme. This site is however located within the lands included as part of the proposed commercial leisure led / mixed use development lands which are currently being marketed. Members are requested to advise on their views regarding this request and the options outlined above.
- iii. Two detailed proposals have recently been received for a proposed pipeline of complimentary renewable energy and waste projects in the Environmental Resource Park and due diligence is underway. A further report will be brought back to the Steering Group on completion of this.
- iv. The film studio development has now completed and the lease agreement between the Council and BHC was executed on 8 June 2017 as outlined above, with the Council receiving £160,000 per annum rental. The first production to be housed in the new studios has been announced as The Superman prequel, KRYPTON, a series in association with Warner Horizon Scripted Television.

Members are asked to note that in conjunction with operational opening of the film studio a request has been

received for NI Screen to provide a site of the Giants Park for the purposes of parking vehicles as a temporary basis associated with the initial production. BCC officers are currently liaising with NI Screen on this. It should be noted that this request is for a very short term only.

- v. Work is currently underway by the Council's Economic Development Section, working with Property & Projects, to develop an employment initiatives programme targeted at the various sectors proposed for Giant's Park and further detail will be brought back to the Steering Group as this work progresses."**

The Members of the Steering Group expressed concern in regard to the proposal that prime development land could be made available for a Park and Ride facility. While supportive of the interchange scheme in broad terms, the Members were of the view that the proposal by the Department for Infrastructure (D.F.I.) would have an adverse impact on the commercial leisure/mixed use proposals identified currently for that part of the site.

The Members expressed concern also that the development proposal to create a Park and Ride facility at the Giant's Park could lead to further traffic congestion at Sandyknowes junction and beyond, and suggested that such a facility should be located further away from the City. The Steering Group raised also other issues regarding the general detrimental impact of the interchange scheme on inner city communities which have not been fully ameliorated. The Steering Group noted also the potential impact of any undue delay in respect of future development proposals for the site, should a short term lease be granted to D.F. I. in respect of the Park and Ride facility.

Members were nonetheless keen to be as helpful as possible to encourage the future growth of the City, while ensuring that schemes are inclusive in terms of benefit and requested that officers explore other potential options. The Director referred to a separate site, within the Giant's Park, which might prove suitable as an alternative location for a Park and Ride facility. He indicated his intention to explore that option and other potential site options outside the Giant's Park with D.F.I.

The Steering Group reaffirmed its position that any development proposal for the overall site should act as a catalyst for job creation and highlighted the need to ensure that issues around clean-tec and the circular economy were addressed in any future development proposals for the Environmental Resource Park. In response to a further question from a Member, in respect of the timescale associated with the Commercial Leisure Development Brief process, the Director advised that it was anticipated that it would take approximately 3 months for the return of the stage 2 proposals (following finalisation of the stage 2 information requirements) with an assessment and due diligence process thereafter of approximately a further 3 months.

In response to employment opportunities arising from the development of the Giant's Park and the potential for future local employment opportunities, the Director stated that he would invite Mrs. L. Toland and/or Mr. D. Durkan, from the Council's Development Department, to provide the Steering Group at its next meeting with an update in respect of this matter.

Noted.

Date of Next Meeting

The Steering Group agreed that its next meeting would be held on Monday, 16th October, at 12.30 p.m.

Chairperson