

## **CITY CENTRE REGENERATION BOARD**

ABERDEEN, 12 May 2014. Minute of Meeting of the CITY CENTRE REGENERATION BOARD. Present:- Councillor Boulton, Chairperson; and Councillors Crockett, Young and Yuill; and Robert Collier (Aberdeen and Grampian Chamber of Commerce), Steve Harris (Visit Aberdeen), Derek McCrindle (Scottish Enterprise), Richard Noble (Aberdeen Inspired) and Professor Ferdinand Von Prondzynski (RGU). Officers in attendance:- Dr Margaret Bochel, David Leslie, Rita Stephen, Stephen Booth and Stephanie Dunsmuir.

### **APOLOGIES**

1. Apologies were noted from Councillor Forsyth, Sir Ian Diamond, Colin Crosby, Valerie Watts, Angela Scott and Jane MacEachran.

### **CITY CENTRE REGENERATION - POTENTIAL OF CURRENT COMMERCIAL DEVELOPMENTS**

2. The Board received a presentation on developments in the city centre from Stephen Booth, Property Estates Manager, which provided more information on the Marischal Square development.

It was noted that some of the main issues the Council had under consideration were as follows:-

- Supply and demand – how much of the development in the city was new?
- How much of the development in the city was only speculative
- Conflict between development in the town centre and out of town development
- Displacement as new grade A space becomes available – how is the old accommodation to be dealt with
- Rental return and investment market
- Transport / connectivity issues
- The effect on the leisure industry of an extra 9,000 workers in the city centre

Councillor Crockett asked if the bulk of the new development space was outwith the city centre, and Mr Booth noted that in terms of consented sites, more land was zoned in peripheral areas. The Chairperson asked whether the sites which were earmarked for employment space were to be built speculatively or whether tenants were already identified. Mr Booth advised that some had identified tenants, but some developments were being built without tenants in place. Mr Noble noted that historically, there had been very little speculative development in Aberdeen other than by local developers who were aware of the market, but some developers outwith the city now had the confidence to undertake speculative development. Dr Bochel noted that it was important to focus on any space being left behind by companies moving into new accommodation.

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Mr Noble noted the impact of the current residential property market on companies choosing to build outwith the city centre. As people could not afford to live in the centre, they would often look for employment in Kingswells or Westhill. Professor Von Prondzynski agreed, noting that many students who did not stay in student accommodation were choosing to live quite a distance from Aberdeen. He advised that RGU was looking to build student accommodation on the Garthdee campus. Mr Booth added that the market for providers of student accommodation was particularly strong at present.

The Board discussed the hotel which was to be part of the Marischal Square development and began a general discussion of hotel quality and availability in Aberdeen. Mr Harris advised that the demand for rooms was so high from Monday to Thursday, that in many cases, people were paying five star rates for three star hotels. Professor Von Prondzynski agreed, noting that he had heard feedback from people that the quality of accommodation was not always what had been expected. Mr Harris explained that for the recent All Energy conference, Visit Aberdeen had received many calls from people who had been unable to secure a room. He had been advised of people being charged £350 per night for a room at a three star hotel. The Board noted that asked if it was possible for the Council to specify that it would like to see more five star hotels built when granting planning permission, but Dr Bochel advised that the Council could not specify the standard of hotel which was to be provided.

Mr McCrindle noted that Aberdeen was unique in terms of development activity and asked if this had created an issue for the Council. For example, most local authorities had recently had less development which had allowed them a hiatus to look at their masterplans. He also referred to the developments in Dundee and Glasgow. Dr Bochel suggested the lack of development in certain areas might mean that they had to accept any type of development. She added that Aberdeen did not have the opportunities that Glasgow and Dundee had to start from scratch with empty pieces of land.

Mr Noble stated that as the developments were more or less taking care of themselves, then it was important to look at any areas which still required work, such as events to encourage people to stay in the city centre after work. The Chairperson noted that connectivity was key, and it was important to get transport links right. She added that she was hopeful that whoever was appointed to take forward the masterplan would look at where there were gaps, and identify where spaces could be upgraded to make the city centre a destination for events and leisure, and not just a place to work. Dr Bochel noted that the masterplan would pick up some issues, such as connectivity, but would not focus on events.

Mr Collier asked Mr Harris once the proposed new hotels were built if he felt that the number of rooms available would be better aligned with demand. Mr Harris advised in four years' time there would be approximately 50% more bedspace which he expected

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would affect the Monday to Wednesday market and might lead to more reasonable rates in future. He added that there was a demand for more top end hotels, and if these were available, that would remove those willing to pay high rates out of the three star accommodation they would have to book at present. The Board noted that hotel operators were often reluctant to open five star hotels due to the amount of staff needed to operate at a five star level.

Mr Collier referred back to the discussion around events, public spaces and leisure opportunities in the city centre, and stated that there was a lack of green space available. Councillor Young referred to the space which would be available outside Marischal Square and how this could be used in future. Mr Collier acknowledged this space would be available, but added that this was only one area, and the city needed more space to be made available for events. He asked if there were any plans in place for events or festivals to encourage people to stay in the centre. Dr Bochel advised that the Council's Events Team were looking to work with Aberdeen Inspired and Visit Aberdeen on a long-term events strategy. Councillor Crockett added that work was also ongoing through the Aberdeen Business Improvement District. Mr Booth explained that the Council was looking at the available spaces at present and how they could be used – for example, Union Terrace Gardens and the Marischal College Quadrangle. He noted that while the city centre was perhaps lacking in green spaces, there were other areas available to use. Mr Collier stated that at present, roads often had to be closed to allow events to take place.

Mr Collier stressed the importance of buildings being used for leisure purposes in order to transform the city centre to create a 24 hour economy. He suggested the Board should be looking at whether there were sufficient attractions to encourage people to stay in the centre, or whether certain tourism assets were missing at present. He noted that people would often go home from work to outwith the city centre, often to Aberdeenshire, and would be unlikely to travel back in to the centre, therefore it was important to provide facilities to keep people in the centre between 5pm and 7pm. The Chairperson advised that the cultural service was currently undertaking a mapping exercise which included cinemas, theatre and festivals which the Council was keen to see happen in future. Mr Collier added that it was also important to consider restaurants. Mr McCrindle referred to pop-up bars and restaurants in London and asked if that could be replicated in Aberdeen. Dr Bochel noted that there was a lack of space available for these types of facilities. Mr Noble noted that Aberdeen had attracted a lot of chain restaurants in recent years. Mr Booth explained that the Marischal Square site was not being formally marketed at present, but advised that the Council had been approached by some high quality chain restaurants. Mr Harris added that cities where there was a strong leisure culture in the city centre usually had good connectivity, and it was therefore important to open discussions with rail operators.

The Board then discussed the current transport links, noting that people would often have to get two buses to get into the city centre, and that in certain areas, there were

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no buses available after a particular time of night. Mr Collier noted that the city centre developments could mean upwards of 9,000 extra people working in the centre, and asked what would be done around transport and parking. Dr Bochel advised that every planning application had to have a transport assessment. The masterplan would also help the Council see if there was a residual problem in terms of parking and transport. Mr Collier added that road-based commuting was currently under pressure, and the extra workers in the city centre would likely exacerbate the problem. Dr Bochel advised that city centre planning applications would have less car parking allocation, as it was assumed that people working in the centre would use public transport. Mr Booth noted that people in Aberdeen appeared to be less willing to use public transport, preferring to use the car to travel. It was noted that people were more likely to take the train over using buses, although Dr Bochel added that the bus operators were working to make improvements to encourage more people to take the bus, for example, the Platinum service, and free WiFi. The Chairperson advised that she had attended a meeting on the transport modal shift, at which it had been noted that it was difficult to encourage people to switch from taking their cars to using the bus, but that a much higher percentage of people would be willing to take the train if good transport links were available. This was partly because it was felt that taking the train would be quicker, and people felt that if they took the bus, they would end up sitting in the same traffic as if they took their car.

Mr Noble advised that the Prime Four development was operating a successful car sharing scheme, with 250 members of staff participating. He added that people were often reluctant to car share, and that it was important to look at what needed to change for them to change their views on sharing. For example, it was suggested that a parking space would be made available on site, but only if someone agreed to transport another member of staff. Mrs Stephen added that some oil companies made spaces available, but only on certain days of the week. The Chairperson suggested that it was also important to have proper dedicated cycle lanes connecting across the city. The Board also had a short discussion around the provision of buses and the very high cost to the Council if free bus services were provided on certain routes.

The Board then discussed the retail survey which had identified that 30,000 to 35,000 square metres of space was needed in the centre for retail over the next 15 to 20 years. Dr Bochel noted that there was not an obvious location in the centre for this expansion, however she added that there was less appetite for new out of town shopping centres to be built, and Government policy was now against these types of development. She added that the Council was trying to promote small scale retail developments in new residential schemes. The Chairperson added that it was hoped that the masterplan would identify spaces which would give the Council a skeleton to work from.

Mr Noble suggested that the Council could contact large companies to ask if they had a car scheme in place to establish what worked well and to try to identify a best practice model. Councillor Yuill noted that NESTRANS already undertook this type of work, and

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Dr Bochel suggested it might be helpful to invite Don Kent to attend the next meeting of the Board to discuss the work being done in terms of travel planning.

### **The Board resolved:-**

- (i) to thank Mr Booth for his presentation and request that it be circulated to all members for information; and
- (ii) to agree that Don Kent from NESTRANS be invited to attend the next Board meeting to discuss travel planning.

### **CITY CENTRE REGENERATION BOARD - UPDATE TO COUNCIL - 25 JUNE 2014**

3. With reference to article 14 of the minute of Council of 31 October 2013, at which it had been agreed to:-

“Instruct the City Centre Regeneration Board to report back to Council at its meeting on 25 June 2014 with recommended project(s) to regenerate the city centre, and to provide updates on progress to Council each cycle.”

David Leslie circulated a proposed position statement from the Board which it was suggested be included in the report to Council.

Mr Collier suggested that the position had changed since the Council meeting in October, and that the Board felt that it was not necessary at this stage to present individual projects to Council, particularly until the masterplan process was underway. He stated that progress had been made in terms of getting the Board together to discuss options; by appointing staff to take forward the masterplan and the SIP; and by agreeing the process for the masterplan. At present, the Board did not feel that any ‘quick wins’ were needed, and that the ‘recommended project’ to regenerate the city centre at this stage was the masterplan. It would then be for the Board to consider what it felt were the important themes for city centre regeneration, rather than quick win projects which might impact on what was proposed for the masterplan.

Mr Leslie advised that he and Mrs Stephen were in the process of preparing the draft report for Council, and this would be circulated to members of the Board and the content agreed at the next Board meeting on 11 June.

It was suggested that the report to Council would:-

- Provide the outcomes of the evaluation of the city centre procurement with a recommendation from the Board on the preferred bidder for approval
- Show that the masterplanning process did not mean that there was no progress being made by the Board, and highlight this by including an update on the activity and development currently taking place in the city centre

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- Outline that due to the masterplanning process and the level of development already taking place, the Board was prepared to wait for the masterplan to be taken forward and did not feel that there was a requirement for further projects to be brought forward at this stage
- Outline that potential themes that could be taken forward would still be considered by the Board, in line with the masterplanning process.

**The Board resolved:-**

- (i) to agree that the recommended content of the report as set out above; and
- (ii) to note that the draft report would be circulated to members of the Board for comment and agreed at the next meeting on 11 June 2014.

**- COUNCILLOR MARIE BOULTON, Chairperson**