

**From:** Roderick Murdo MacBeath  
**To:** mike shepherd  
**CC:** Martyn Orchard  
**Date:** 28/06/2010 08:45  
**Subject:** Re: Deputation to council meeting 30th June 2010

Dear Mr Shepherd

Thank you for your email - I will pass it to my colleague Martyn Orchard and ask him to contact you with an explanation of the deputation procedure.

Regards

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This message is not intended to have contractual effect

>>> mike shepherd <[REDACTED]> 27/06/2010 10:21 >>>

Roddy,

I would like to make a deputation to the council meeting on Wednesday 30th June as the coordinator of "Friends of Union Terrace Gardens", a campaign group with the aim of preserving the gardens as they are. We are also an umbrella group to most of the facebook campaigns. My name is Mike Shepherd and I can be contacted by email or on [REDACTED]

We would like the council to vote against recommendation 1 on the agenda approving the proposed timetable; to vote against item 3 on the design company, and to vote against items 5 and 6.

Our topics will be the following:

SUBMISSION FOR THE COUNCIL MEETING ON THE CITY GARDEN PROJECT 30 JUNE 2010

Friends of Union Terrace Gardens

What items are not included in the cost estimate of £120-140M for the City Gardens Project?  
The PCW report on TIF financing for the City Square itemises cost estimates up to £130M. Does this estimate include insurance, purchase of air space from Network rail, landscaping treatment, lighting, possible structural works to the rear of

Belmont Street (stabilisation, reinforcement etc), contingency fund for unexpected soil or structural works, site acquisition, cost of areas of privately owned property on Belmont Street, fit out costs and VAT?

How will VAT be recovered for expenditure on the City Gardens Project?

VAT can only be recoverable by commercial operations by charging VAT to consumers. If there is no income for the proposed SPV, then 20% unrecoverable VAT will have to be added to the cost estimate.

The proposed funding formula to bridge the £70million gap in the City Square budget could leave Aberdeen in debt for up to 25 years.

Aberdeen will have to raise £150m in extra tax to pay off a £70m loan if it were generated via TIF (Tax Increment Financing). TIF borrows against projected future uplifts in land and property values occasioned by regeneration projects. What if they are unable to raise the extra tax? Then the money would have to be found out of core budgets (which are already being cut drastically).

TIF sums depend on 22 new commercial projects being completed and fully rate paying within 5 years of city square completion. Do councillors think this is really feasible?

And as for the 57% net incremental revenue - that is equivalent to a growth rate of 8% year on year within those 5 years. The current estimates in the budget for GDP growth are 2-3%. 8% is ridiculous.

How can an increase in business rates be justified for city centre businesses?

Many of the businesses in Aberdeen city centre are struggling in these difficult economic times. Is there justification for imposing increased rates on small and medium enterprises at a time when they are battling for survival?

Which council assets will be put up as collateral to assure the £70M loan?

Will these assets be included in the SPV / City Development Company? The worst case scenario is if the assets are seized and the council is left to pay off any residual debt.

Will any overspend on the City Gardens Project have to be picked up by the Council?

An ACSEF representative speaking at a public meeting this year asserted that any overspend on the City Square budget would have to be picked up by the Council. In a related civic project, Edinburgh Council will have to borrow £55M to pay for the cost over-run on reintroducing trams. Council officials admitted this month that they had no idea what the final costs would be.

With only two council representatives out of eight on both the Project Management Board and the Project Implementation Team, there will be a major accountability gap to Aberdeen Council once these teams are set up.

The project will be 50% funded by TIF - effectively a diversion of public funds to this project. It is only fair that the democratic input to such a major change to the city, involving such large amounts of public funds, should remain in democratically accountable hands.

Are all the options on table?

Some councillors stated that they voted in favour of City Square in able to see what the options could be. Shouldn't therefore all options be considered in the design competition:

- Ian Wood parameters (with his £50m funding).
- Less radical options including provision of Arts Centre and bridging the road and railway
- Retention of gardens with improvements in access and facilities such as toilets and cafes.

Control of UTG assets

It appears that Union Terrace Gardens may shortly be put into a Special Purposes Vehicle (SPV) or into the City Development Company. Can we be assured that this will not happen until the conclusion of the any design competition and after wide consultation on the future of the gardens and their place within the city centre?

Provision of council support

It is inappropriate to provide council staff support to the city gardens project when priorities lie elsewhere for council

attention, especially in the light of major budget cuts in the city.

The City Gardens Project is in conflict with policy 4 of the Aberdeen local plan (protection of Urban Green Space). This states that "Existing areas of landscaped or amenity urban green space such as private and public gardens, sports and recreation grounds, wildlife sites, woodlands etc shall not be considered as brownfield sites for new development" Given that the PCW analysis for TIF funding indicates a £400,000 annual rental income from the scheme, then this is clearly a new development.

Mike Shepherd  
Friends of Union Terrace Gardens