



Aberdeen City Council – Queen Street Development Zone

Development

Phase 1 – Workflow: Enabling & Research Activities – Informing a development delivery solution

To inform a formal market engagement exercise and ultimately a development delivery solution, it is recommended that a research and analysis exercise is undertaken. This exercise will be informed where possible by previous studies, consultations, and appraisals within the Queen Street development zone.

The exercise will consider the arising changes in market conditions with the objective of establishing a development control plan which aligns with the overarching vision and policy objectives for the City Centre. This will inform the potential uses within the development zone, market demand, capacity forecasts and the financial framework within which any arising proposals will be considered. This will inform the methodology for marketing and engagement with potential partners, ensuring solutions are of viable interest to attract appropriate and secure private sector investment.

This workflow sets out the activities and sequence of activities which are recommended.

- Stage 0: Mobilisation: November 2021
- Stage 1: Research, Engagement & Soft Market Testing: November 2021 to March 2022
- Stage 2: Market Engagement & Statutory Consents: April 2022 to September 2022.

Stage	Activity	Output / Timing
0	Appraisal of previous studies for the Queen Street development zone, transferring applicable knowledge to inform the research phase and stages outlined in Stage 1.	Gaps analysis and scoping documents for Stage 1. Week 0-2

1a	<p>To inform arising proposals and strategies and the procurement strategy for a development partner, it is recommended that an overarching market analysis exercise be developed, building on the City Living and Market Analysis exercises already underway and other studies available assessing market trends. This will act as a framework for arising feasibility studies, ensuring solutions consider demand in the context of future forecasts. Including:</p> <ul style="list-style-type: none"> • Commercial Uses – ranges / grades of accommodation • Residential and city living – ranges / types • Retail – types • Civic uses and interests (linked with 1d) • Sales and Rental forecast – linked with criteria above • Commentary on foreseen market risks • Economic forecast • Demographic analysis 	<p>Overarching analysis report, including forecast scenario projections for 2, 5 and 10 years.</p> <p>Detailed analysis papers on each sub-section.</p> <p>Week 0-4</p>
1b	<p>To inform how and under what condition a Development Partner will be procured, through a series of Development Appraisals the following aspects will be tested with the ACC Director of Resources & the Senior Responsible Officer. This will determine what investment input and outcomes are required to enable development, including the following factors:</p> <ul style="list-style-type: none"> • Pre-Development & Pre-Planning: risk • Development/Construction: risk • Operation Occupancy: risk 	<p>Funding Strategy and Development Appraisal.</p> <p>Week 5-10</p>

	<ul style="list-style-type: none"> • Revenue / income: risk & opportunity <p>The Development Appraisals will be based on informed block modelling undertaken by a Masterplan Architect. This will be at a 1:1000 development control plan level of detail, assessing density of use types.</p> <p>PLACE principles will be used to help inform this process (developed through the City Centre Masterplan work).</p>	
1c	<p>As part of the Development Appraisal process, consider Town Planning matters in the context of the following:</p> <ul style="list-style-type: none"> • All previous studies and engagement • Approved 2015 Masterplan • Development Appraisal and Options • Planning framework and Local Development Plan guidance <p>This exercise will inform planning considerations, including density, land uses and context in advance of Development Partner engagement.</p> <p>Consideration as to whether or not any of the existing buildings could be converted for a range of proposed uses rather than completely demolished will be looked at and surveys will be carried out to support decision making.</p>	<p>Town planning strategy and parameters</p> <p>Week 5-10</p>
1d	<p>Complete Partner Screening exercise with other Public Sector partners and agencies to understand asset and investment plans over the following horizon: 5-10-15 years.</p>	<p>Through adoption of the new Place Standard assess and understand potential partner collaboration opportunities.</p>

	<p>Interface with recent studies through the North Infrastructure Commission.</p> <p>Note: this exercise is well advanced with plans in place for the Mortuary, Police and Court services.</p>	Week 04
1e	Undertake preliminary engagement and research to assess methods to maximise opportunities for inward funding through both Scottish and UK Governments. Linked with CCMP.	<p>Screening Report</p> <p>Week 2-10</p>
1f	Undertake analysis from public consultation exercise completed in July 2021 and consider impact on emerging solutions.	Completed - no specific matters of relevance.
1g	Reporting update to City Growth & Resources Committee – update on 1a to 1g above and future timeline for the process of appointing a Development Partner.	3rd February 2022 Committee
1h	<p>Preparation for soft market engagement.</p> <p>Prior to formal market engagement and initiating the procurement exercise for Development Partners, undertake a soft engagement exercise. This will allow Development Partners to express interest, understand arising Council proposals, and provide consultative and non-committal feedback.</p> <p>This process would be informed by a marketing and data suite, defining the ambition, foreseen opportunities for</p>	<p>Market engagement strategy and supporting information.</p> <p>Updates to Development Appraisal.</p> <p>Week 11-15</p>

	collaboration, financial framework, and Council commitment.	
1i	<p>Market engagement – formal process following standard Council procurement procedure, with specific criteria linked to economic drivers to establish commitment from partners.</p> <p>Supporting information including Heads of Terms and legal conditions to be developed in Stage 1h.</p> <p>Enquiry procedure informed by Development Appraisal and commercial matters considered in Phase 1b.</p> <p>Cost of Marketing Material to be included.</p>	<p>Procurement strategy and supporting information.</p> <p>Procurement outcomes report and recommendation paper.</p> <p>Week 13-20</p> <p>Timing could be revised to follow a competitive dialogue process.</p>

Phase 2 – Workflow: Activities post appointment of a Development Delivery Solution (Securing Planning Consents / Enabling Demolition to Commence)

This timeline assumes appointment with full risk transfer to the Development Partner, with ACC securing a land sale receipt which as a minimum recovers all investment and acquisition costs to date and foreseen. It is anticipated that any sales agreement will be conditional on a number of matters, specifically Town Planning being secured and completing demolitions to a defined standard. Consideration as part of the appraisal process in Stage 1 will be given to potential forms of profit/overage share based on project success and sales return. These parameters will be tested during Stage 1 in line with ACC drivers and what will attract appropriate Private Sector Development Partners.

Stage	Activity	Output / Timing
2a	Design Development (to a point allowing a PPIp) to be submitted	Design Developed to RIBA Stage 1+

	<p>Note: recommendation to proceed up to PPiP only providing a form of Development Framework from which Bidders can engage with risk and site uses defined.</p> <p>Early engagement with Town Planning team as part of activity 1c above. Assumes the PPiP could be progressed based on the Development Appraisal. This could be progressed at risk prior to market engagement. For this process we have assumed it would be following this process where market appetite is determined, after 2b above.</p>	Week 21-32
2b	Pre-Planning Application Town Planning and associated consultee engagements	<p>Pre-Planning Application submitted</p> <p>Week 25-32</p>
2c	Supporting evidence for Planning: impact studies, investigations, and evidence provision.	<p>Required reports/studies for Planning</p> <p>Week 21-32</p>
2d	<p>Site Investigations</p> <p>Not critical to support a planning application. In Stage 1 determine if this should be transferred to the Development Partner.</p>	<p>Site Investigation Report</p> <p>Weeks 21-32</p>
2e	<p>Demolition Warrant and associated information: method statements, strategy etc</p> <p>Note: due to development proposed with a Conservation Area it is assumed that a PPiP or similar will need to be secured prior to Demolition consents being approved.</p> <p>This could be accelerated into Stage 1.</p>	<p>Demolition Warrant</p> <p>Weeks 21-32</p>
2f	<p>Planning Determination (including consent for Demolition in conservation area).</p> <p>Note: Early engagement with ACC Town Planning Officers to inform strategy. Assumed to follow 8 week statutory period.</p>	<p>Planning and Demolition Consents</p> <p>Weeks 23-40</p>

2g	Planning Obtained, including defined Condition of Development.	Week 41
2h	Demolition Warrant progressed, following Planning Determination Note: this assumes it can not be progressed until Planning is secured. Assumed to follow 8 week statutory period (to be tested)	Week 42-50
2i	Run Demolition Procurement (through appointed City Centre Tier 1): timing aligned with outcome of Planning Determination	Tier 1 and Demolition Contractor appointed
2j	Demolitions commence	Following Securing Consents & Procurement of a Demolition Contractor TBA