



To: LEADER OF THE COUNCIL - LEWIS HERBERT  
Report by: HEAD OF SPECIALIST SERVICES  
Relevant scrutiny committee: STRATEGY AND RESOURCES 12 OCTOBER 2015  
Wards affected: COMMITTEE  
ALL

## **FUTURE OF PARK STREET CAR PARK**

### **Key Decision**

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It is recommended that the committee resolves to exclude the press and public during any discussion on the exempt appendices to the report by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as it contains commercially sensitive information.

### **1. Executive summary**

- 1.1 The Council considered the outline business case for refurbishing Park Street Car Park in June 2012, examining the potential and implications of alternative redevelopment and refurbishment options for the facility. The structural condition of the car park is deteriorating and it will need major work within the next 2-3 years.
- 1.2 Detailed feasibility studies (including an archaeological study) have identified that underground car parking is a realistic and cost effective alternative to repairing or rebuilding the multi-storey car park.
- 1.3 A public consultation exercise was undertaken in 2014 to consider alternative options for the car park. This exercise found a majority of respondents preferred the option to replace the existing car park with a new underground car park with a mixed residential and/or commercial development above ground.
- 1.4 What began as a review of a specific parking project has now taken on a much more corporate and cross-cutting focus. A mixed development is recommended, consisting of an underground car park of 250 spaces, with social and market housing for sale and rent above ground, and commercial outlets, including a modern

cycle park.

- 1.5 The key issue to decide is the shape of the above ground development. A judgement has to be made between securing more sustainable revenue from above ground use, and delivering more housing at a greater resource cost to the Council.
- 1.6 This proposed approach protects the objective of providing more social housing whilst the underground car parking facilities helps the council to progress its planning and transport policy objectives, securing a return on its investment and delivering sustainable revenue to the Council for years to come.
- 1.7 It is critical that the redevelopment programme establishes alternative interim parking arrangements while works are undertaken for both car and cycle users. A strategy is proposed that will mitigate the impact of the loss of Park Street Car Park's facilities during redevelopment, alongside measures to promote alternative public transport facilities and a media campaign supporting Cambridge as being 'open for business'.
- 1.8 It is proposed to implement this redevelopment proposal from April 2017, after obtaining appropriate permissions.

## **2. Recommendations**

The Executive Councillor for Strategy and Transformation is recommended:

- 2.1 To support the redevelopment of Park Street Car Park to incorporate:
  - a) A 250-space underground car park;
  - b) Above ground a mixed development of market and social housing, including the option for commercial rental on the ground floor, in conjunction with cycle parking.
- 2.2 To support a strategy to mitigate the impact of the redevelopment during construction works that includes:
  - a) further consultation and liaison over the detailed plans and timetable for the redevelopment with key stakeholders,

- including businesses in Bridge Street and the vicinity of Park Street carpark
  - b) continuing consultation and involvement through Cambridge BID
  - c) regular public project updates
- 2.3 To instruct the Head of Property Services in liaison with the Head of Strategic Housing to
- d) Explore the preferred mechanism to secure the redevelopment of the site to maximise the opportunities to provide affordable housing on the site within the constraints of financial viability, and to report back in the next committee cycle.
  - e) Explore the preferred housing schemes, to enable the council to decide whether to build the social housing itself or to sell it to a registered provider, and to report back in the next committee cycle.

### **3. Background**

- 3.1 A report examining viable options for the future of Park Street Car Park was prepared for the Council in June 2012. It considered the outline business case for refurbishing the car park and examined the potential and implications of alternative redevelopment of the site.
- 3.2 The report found that due to the deteriorating structural condition of the car park, it could not be left in its current state.
- 3.3 In keeping with the recommendations of that report, the Council has since:
- a) Carried out detailed feasibility studies (including an archaeological study) to determine whether underground car parking was a realistic and cost effective proposition in view of ground conditions and other factors (2013];
  - b) Investigated in more detail what measures could be applied to mitigate the effects of a closure of the car park during the construction period;[2013-2015];
  - c) Undertaken limited remedial repairs to the car park in the interim to ensure that it is safe and secure in the short to medium term, whilst assessing the options [2013-2015];

d) Consulted the public and other stakeholders (e.g. local retail businesses etc.) about the options to refurbish, or to redevelop the Park Street car park [August/ September 2014].

3.4 The public consultation found that a clear majority of responses preferred the option to replace the car park with a new underground car park with a mixed residential and/or commercial development above ground. Feedback from respondents highlighted a range of opinions, including some views that were not consistent. Key findings were that:

- Important concerns exist, particularly from some businesses over the potential economic impact to them of a wholesale redevelopment of the site.
- Interim parking arrangements while works are undertaken for both car and cycle users will be a critical factor during any development or refurbishment period.
- The cycle parking facility is highly valued and there is a desire to increase its size.
- There is a desire to at least maintain, and ideally increase, the number of car parking spaces;
- There is also a desire to reduce the number of car park spaces or remove the car park entirely;
- The project offers the opportunity to improve the architecture/visual attractiveness of the area.

3.5 Following the consultation feedback the Executive Councillor for Planning and Transport resolved that the final decision on the future of the Car Park should be informed by a more detailed report on the three chief options under consideration, namely:

**OPTION 1            A refurbished multi-storey car park**

**OPTION 2            Demolition and reconstruction of the above  
ground multi-storey car park**

**OPTION 3          Redevelopment of the site for a mixed-use development to include an underground public car park (300 spaces).**

- 3.6 Consultants were engaged to carry out an options appraisal, and to produce a report that focussed on appraising the alternative options primarily from a financial perspective, but also taking account of the consultation feedback. In the course of drafting the reports, the consultants were also instructed to consider a fourth option, a variation on option 3, providing a smaller underground car park of 250 spaces:

**OPTION 3b          Redevelopment of the site for a mixed-use development, to include an underground public car park (250 spaces).**

#### **4 Addressing the Council's Strategic Objectives**

- 4.1 It is important that the redevelopment options for the site take account of the broader strategic objectives of the council and reflect Council priorities. These objectives were prepared when scoping the original project brief and reflect the Council's aims:
- a) To secure improved financial returns on Council assets
  - b) To support the local economy and business in the city centre
  - c) To meet the Council's environmental objectives
  - d) To support /address local housing need
  - e) To provide good quality facilities that are accessible and make proper provision for disabled users and for cycle parking
  - f) To be consistent with local planning guidance
- 4.2 The relevance of these objectives in relation to this project in assessing the best option for developing Park Street Car Park is discussed in Appendix 1.
- 4.3 The intention is for the Council to retain the freehold of the site and dispose of residential interest under long term leases. This will ensure that any long term capital land value will be retained by the Council.

- 4.4 The Council's preference would be to fund any new social housing through its Housing Revenue Account. If this is not viable in the light of recent government announcements, options have been included below analysing the sale of the social housing to a Registered Provider.

## **5. Car Parking Options**

- 5.1 The consultants' report is attached at Appendix 2. Key findings of the consultants' report are summarised below:

### **Option 1 - Refurbishment of the Park Street Car Park**

- 5.2 On the basis of the consultants' analysis, the option to refurbish Park Street car park should be discounted. In its favour:

- It is the least disruptive option for local business and for council revenue for the immediate future,
- It is organisationally the simplest option to deliver,
- It has the shortest delivery timetable.

- 5.3 However, it remains a short-term solution that 'kicks the can along the road'. It does **not**:

- Meet the council's requirements for delivering a financially viable case that provides good value for money, either as an investment by the city council or in terms of sustaining revenue streams to the council;
- Meet the council's environmental objectives, either in terms of sustainability or design,
- Match the other options in terms of its potential to provide good quality facilities that are accessible, making proper provision for disabled users and for cycle parking.
- Deliver long-term car parking facilities.

### **Option 2 - Demolition and reconstruction of a multi-storey car park**

- 5.4 Constructing a new multi-storey car park above ground (Option 2) will

- deliver a building with a useful life of more than 60 years
- deliver a financially viable case in the longer term,
- provide value for money both as an investment by the city council and in terms of sustaining revenue streams to the council
- meet the council's environmental objectives, both in terms of sustainability and design, and
- Offer the potential to provide good quality facilities that are accessible, making proper provision for disabled users and for cycle parking.

5.5 Compared with refurbishment the option to demolish and rebuild a multi-storey car park,

- Carries higher risks, is more complex and disruptive in its planning and implementation, and
- Will take longer to deliver than a refurbishment.

**Option 3 - Redevelopment of the site for a mixed-use development, to include an underground public car park. (300 spaces)**

5.6 Like a new multi-storey car park, a new basement car park with redevelopment above ground will provide similar outcomes in terms of the useful life of the facility, environmental improvements, good quality accessible facilities and sustainable revenue streams. In the longer term it will also deliver a financially viable business case.

5.7 However, in a similar vein, the highest risks apply in relation to the complexity of construction, planning and implementation. A 300 space underground car park will take the longest time to deliver of all the options under consideration, and will be the most costly to deliver.

**Option 3b - Redevelopment of the site for a mixed-use development, to include an underground public car park. (250 spaces)**

5.8 The consultants have evaluated a variation of Option 3 that sees a mixed redevelopment of Park Street Car Park above ground,

including a 250-space underground car park.

- 5.9 This would provide a modern basement car park over 3 levels with development above ground for alternative uses. The delivery of a basement car park of this scale will be a challenging project from both construction and engineering perspectives when accounting for the location of the site and the proximity of neighbouring occupiers.
- 5.10 On the basis of estimated construction and development costs a total delivery cost is expected to be around £9.25 million. This is lower than Option 3, reflecting the reduced number of spaces but is substantially higher than both Options 1 and 2. Additional costs of up to £60K are likely to be incurred as a result of the need to undertake further holding and maintenance repairs to the exiting car park.
- 5.11 A construction period of between 18 to 20 months would be required to deliver a 3-deck basement car park, assuming there are no delays resulting from archaeological or geotechnical issues. Planning permission would need to be obtained prior to construction. A period of 2.5 months would be allowed for demolition of the existing car park.
- 5.12 The new car park would be built to modern standards and specification and would provide a good quality parking facility providing suitable accessibility for users.
- 5.13 A construction period of 18 – 20 months, when no car parking is available at Park Street will cause disruption to local traders and the evening economy, and is likely to adversely affect footfall. This impact will be less than the option to construct a larger underground car park. (Option 3), because of the reduced construction period, but could be expected to be more severe than either Options 1 or 2.
- 5.14 Compared with the other options, a 140- space reduction in capacity upon completion would not meet existing demand as frequently, although the impact would still largely be at peak periods at weekends, occasionally on weekdays too, and materially so during December. However the overall demand impact of losing about 36% percent of the existing capacity is less

onerous, with less than 8% of existing users being affected and requiring alternative provision.

- 5.15 The short-term impact of the temporary closure of Park Street car park for redevelopment will require the displacement of existing patrons of the site to other City Centre car parks or alternative means of travel into the City Centre.
- 5.16 In the longer term, although 250 spaces would not fully accommodate the busiest time periods such as at weekends and in the run-up to Christmas, it is considered that this level of car parking will cater for the majority of existing weekday demand which will allow the surrounding area and businesses to continue to benefit from the custom of car park patrons and pedestrian through traffic. It is considered likely that the shortfall of spaces at the busiest weekend periods will result in a displacement to other car parks and this has the potential to increase congestion on the approach roads to the Grand Arcade and highways to the south of the City Centre. It is considered unlikely that the reduction in car parking spaces will cause a modal shift in transport terms.
- 5.17 Assuming a closure period of 20 months over the two financial years that would be impacted by the construction, there would be an overall loss in net revenue to the Council of close to £1million. The loss in car parking income at Park Street would be mitigated by revenue from users displaced to other Council car parks and a reduction in operating costs.
- 5.18 While the net revenues in this option will be less than those outlined in Options 2 and 3 (reflecting a reduced number of parking spaces), when occupancy levels peak in 2022/23, net revenues will increase to around £817,000. Operating costs will also be lower than Option 3 due to the reduced capacity.
- 5.19 The investment in a basement car park would deliver a building with a useful life of more than 60 years.
- 5.20 The net capital expenditure in delivering Option 3b will be less than both Options 2 and 3. Undoubtedly, this option carries more risk than Option 2 because of its relative complexity. However, the completed basement car park could expect to generate a value in the region of £9million which will ultimately be higher than the cost of delivery.

- 5.21 Option 3b does offer a long-term solution which will enable the Council to increase revenues in real terms. The aggregate net revenue from Option 3 from April 2016/17 to April 2031/32 is estimated to be in the region of £12.7million. This accounts for lost income during construction and includes the allowance for income from displaced users to CCC operated car parks. This is the lowest of the four options because fewer parking spaces will be provided. That said, this option will offer better long-term prospects for revenue increases than Option 1.
- 5.22 Overall, Option 3b will provide value for money and subject to the land-price agreed, could offer the lowest initial capital expenditure of the three new build options considered in this report. Revenues will be less than Options 2 and 3, although they will be higher than Option 1 after full recovery has been achieved.
- 5.23 In planning terms, an above ground redevelopment and basement car park would deliver a scheme offering the potential for a visual improvement in the surrounding area. Detailed discussions would be necessary with Planning in order to establish in greater detail the design and density of development that would be permitted on this site.

### Summary of Options for Car Parking

- 5.24 The table below summarises how well each option meets key policy priorities and corporate objectives.

	Comparator	Option 1 A refurbished multi-storey car park	Option 2 A new multi- storey car park	Option 3 Site redevelopment plus underground car parking	Option 3b Site redevelopment plus underground car parking
1	No. Parking Spaces	350+	300	300	250
2	Cycle Parking provision.	Yes	Yes	Yes	Yes
3	Useful Life	15 years	60+ years	60+ years	60+ years
4	Net Revenue Increases	No	Yes	Yes	Yes
5	Running and Maintenance costs	Highest	Lowest	Medium	Medium
6	Delivery Period	9 months	15 months	20-26 months	18 – 20 months

	Comparator	Option 1 A refurbished multi-storey car park	Option 2 A new multi- storey car park	Option 3 Site redevelopment plus underground car parking	Option 3b Site redevelopment plus underground car parking
7	Value for Money	No	Yes	Yes but less so than 2.	Yes, but less so than 2
8	Transport Impact – long term	Minimal	Minimal	Minimal	Some Impact
9	Delivery Risk	Least	Medium	Highest	High
10	Good Facility	No	Yes	Yes	Yes
11	Secure Improved Financial Return	No	Yes	Yes	Yes
12	Addressing Local Housing Need	No	No	Yes	Yes
13	Improvement to Environment	No	Yes	Yes	Yes
14	Meet Planning Guidance	Yes	Yes	Yes	Yes
15	Trader Impact (as comparison of 3 options)	Least	Medium	High	High
16	Supported by Public Consultation	No	No	Yes	Yes
17	Supported by Business Consultation	Yes	No	No	No

## 6. Housing/Commercial Options –Above Ground Development

- 6.1 This section considers different ways to provide development of the land above ground and reviews the respective business cases.
- 6.2 The consultants' initial modelling assumed that in the event that the council decided to provide basement parking, it could part fund that car parking by realising capital receipts from the sale of the housing/commercial premises above ground. A developer would pay an amount for the land based on a residual valuation calculated assuming the number of units that can be constructed on the land, how many can be sold on the open market and the required Affordable Housing under planning policy. However, in deciding between the options to build a multi-storey car park and to redevelop the site for basement car parking plus above ground development, the latter also provides the opportunity to provide a revenue stream from the new housing and commercial units.
- 6.3 A further consultant report at Appendix 2 appraises four scenarios for the above ground development as set out below:

6.4 The main assumptions used to appraise all of the the above ground development options are as follows;

- The Council retains the freehold of the site and sales are by long leasehold of at least 125 years so as not to impair the capital value.
- Ground floor would consist of cycle parking and commercial use, consistent with planning policy (except in Variation 2 where commercial space is not provided)
- Three floors of residential totalling 48 units
- 24 one bedroom and 24 two bedroom flats (except in Variations 2 and 3 where the dwelling numbers are varied)
- Intermediate rents @ 80% market (based on market rents one bedroom flats - £184 per week; market rents two bedroom flats - £253 per week)
- Social rents @ 60% market
- A contractor/developer partner is selected to fund and construct the redevelopment
- The capital cost of any Intermediate Housing is funded under the Investment for Income fund.

### **Baseline Scenario**

6.5 In this baseline position a contractor/developer sells the market flats housing by way of long leasehold and takes all of the construction and market sales risk and reward.

- The contractor/developer sells the 40% Affordable Housing required under planning policy to a Registered Provider (or the Council's Housing Revenue Account, which must be in a position to purchase the 19 units).
- The contractor/developer retains the commercial units

### **Outcome for the Council – Baseline Scenario**

- £5m to £5.25million capital receipt to the General Fund

### **Variation 1**

6.6 This comprises:

- Contractor/developer sells the market housing by way of long leasehold and takes all of the construction and market sales

risk and reward. The developer funds the construction of the commercial property and also the social housing (the general market subsidises the delivery of the commercial and social housing).

- The contractor/developer constructs the 40% Affordable Housing required under planning policy and this is retained by the Council and managed by the Council's Housing Revenue Account. .
- The contractor/developer constructs the commercial units and these are retained by the Council.

### **Outcome for the Council –Variation 1**

- No capital receipt to the General Fund
- 19 social rented flats added to the Council's social landlord business
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.
- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

### **Variation 2**

6.7 This comprises:

- Contractor/developer sells the market housing by way of long leasehold and takes all of the construction and market sales risk and reward
- The contractor/developer constructs the 40% Affordable Housing required under planning policy and this is retained by the Council and managed by the Council's Housing Revenue Account (HRA).
- There are no commercial units in the redevelopment.

### **Outcome for the Council –Variation 2**

- £850K capital receipt to the General Fund
- 19 social rented flats added to the Council's social landlord business
- No revenue for the General Fund
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.

### **Variation 3**

6.8 This comprises:

- Contractor/developer sells 50% of the flats as market housing by way of long leasehold and takes all of the construction and market sales risk and reward
- The contractor/developer constructs the other 50% of the flats and these are retained by the Council 40% as Affordable Housing required under planning policy and 10% as Intermediate Housing.
- The contractor/developer constructs the commercial units and these are retained by the Council.

#### **Outcome for the Council –Variation 3**

- The Council would pay the contractor/developer a contribution of £1.8m for the scheme.
- 19 social rented flats added to the Council's social landlord business
- A revenue stream of £102K per annum generated for the Council from the letting of the Affordable Housing.
- A revenue stream of £27K per annum generated for the General Fund from the letting of the Intermediate Housing – this represents an approximate return of 5.5% on use of capital from the Investment for Income Fund.
- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

#### **A further option to consider - Variation 1a**

6.9 In addition to the consultant's analysis, a further option - Variation 1a. – is suggested. This acknowledges the likelihood that the council's Housing Revenue Account may not be able to take on the new social housing from the development, and assumes immediate sale to a Registered Provider, with a capital receipt of £3.357m, based on the consultant's original valuations.

#### **▪ Outcome for the Council –Variation 1a**

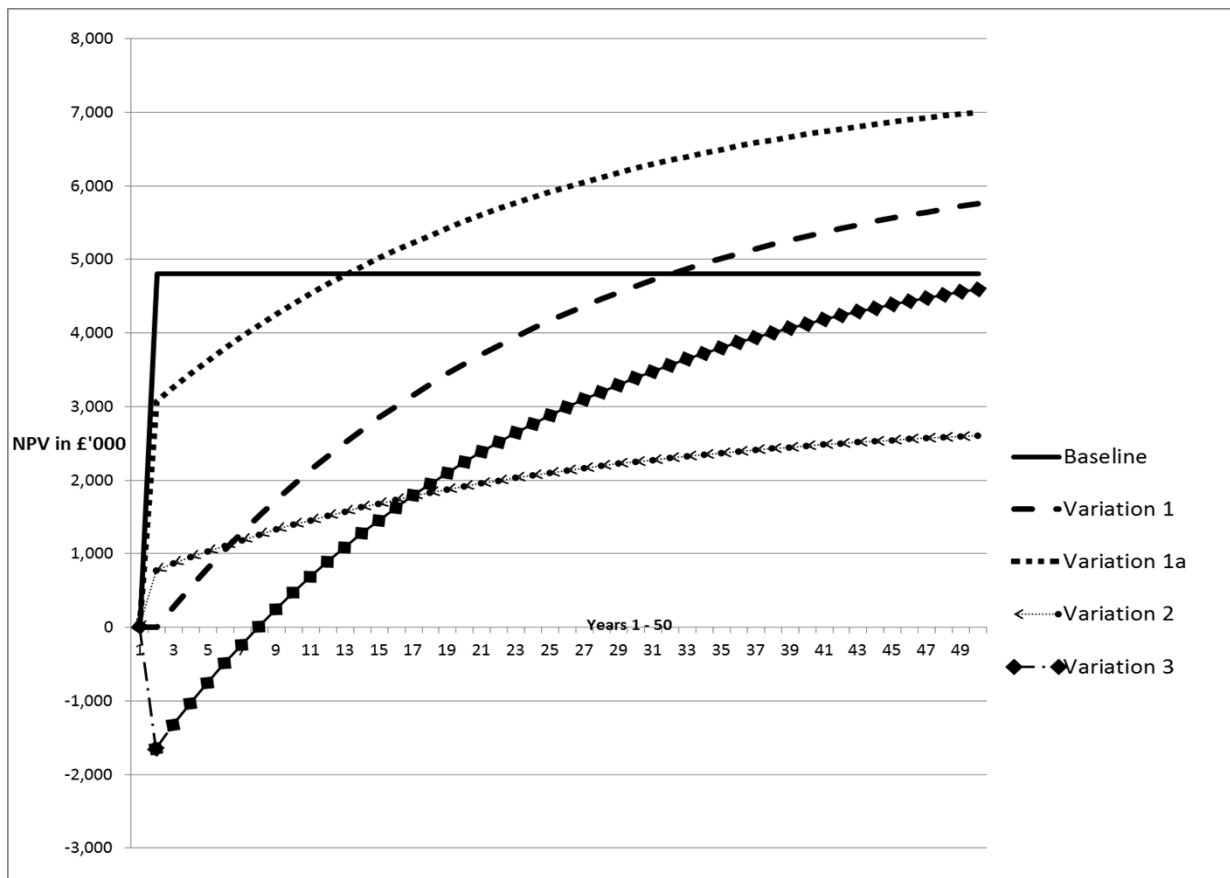
- Capital receipt of £3.357m to the General Fund from immediate sale to a Registered Provider

- A revenue stream of £220K per annum generated for the General Fund from the letting of the commercial units.

## Summary of Above Ground Options

6.10 Analysing the cash flows arising from each variation using Net Present Values (NPVs) over a 50 year period at a discount rate of 4.5%, gives a comparison of the value of each variation to the council (see chart below):

6.11 On this method of analysis, the best longer- term option would appear to be Variation 1a.



## 7. Revenue Implications

7.1 All options require the council to fund some or all of the car park build cost, estimated at £9.25m. Assuming that any capital receipt

obtained from the above ground development is used to part fund the car park, and that the remainder is funded through internal borrowing, it is possible at a high level, to model the annual revenue impact of the whole development for each variation. (Note in Variation 3 it is assumed that the cost of providing the Intermediate Housing is funded in line with the principles behind the Investment for Income Fund).

- 7.2 The table below summarises the revenue implications of the different options. The figures are indicative for a year when both the car park and above ground property are fully operational and relate to the council as a whole (General Fund and HRA if applicable). This 'snapshot' analysis shows that the best option in revenue terms appears to be Variation 1, followed by Variation 3. However, both of these include income from social housing for the HRA, which may not be deliverable. Taking away the impact of the HRA providing social housing in Variation 3, ( shown in the table as Variation 3a) reduces the revenue impact to -£87k p.a. , making it directly comparable to Variation 1a.
- 7.3 In policy terms the decision for the council about whether to build the social housing itself or to sell it to a registered provider could be made at a later date.

Park Street Car Park - revenue implications, full year of operation (GF+HRA)							
		Baseline	Variation 1	Variation 1a	Variation 2	Variation 3	Variation 3a
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Parking</b>							
Change in parking net revenue compared to refurbishment		-15	-15	-15	-15	-15	-15
<b>Housing</b>							
Increase in net revenue - social housing	HRA	0	-102	0	-102	-102	0
Increase in net revenue - intermediate housing	HRA	0	0	0	0	-27	-27
Increase in net revenue - commercial	GF	0	-220	-220	0	-220	-220
<b>Financing</b>							
Finance costs - interest earned/foregone @ 0.75%		30	69	44	63	83	58
Minimum revenue provision (over 60 year life)		67	154	98	140	173	117
<b>Revenue impact per year</b>		<b>82</b>	<b>-113</b>	<b>-93</b>	<b>86</b>	<b>-108</b>	<b>-87</b>
Car park build cost		9,250	9,250	9,250	9,250	9,250	9,250
Capital receipt - above ground option		-5,250	0	-3,357	-850	0	-3,357
Capital payment - above ground option		0	0	0	0	1,800	1,800
Additional funding required		4,000	9,250	5,893	8,400	11,050	7,693
Funded by:							
Invest for Income Fund		0	0	0	0	648	648
Borrowing		4,000	9,250	5,893	8,400	10,402	7,045
		4,000	9,250	5,893	8,400	11,050	7,693
<b>Notes</b>							
a) Baseline. The developer provides 40% social housing to a registered provider or the council and a capital receipt to the council, based on the financial benefit of selling both the market housing and the commercial property							
b) V1. The developer provides both 40% social housing and commercial property to the city council, and has the financial benefit of selling the market housing							
c) V1a. As b), but the social housing, transfers to a Registered Provider for which the council gets a capital receipt							
d) V2. as b) but with a capital receipt to the council, instead of commercial property							
e) V3 and V3a as b) but with 10% intermediate housing to the council and market housing being 50%. This requires an additional capital payment by the council							

## 8 Analysis of Options

8.1 In reaching a decision on a preferred above ground option, we need to consider the 'best fit' between the financial /revenue implications the council's strategic objectives and its policy priorities set out above. In particular we need to incorporate into the evaluation the additional priorities to:

- Provide opportunities to deliver more low cost homes and
- To invest in projects that provide a sound financial return.

8.2 From the analysis it is reasonable to conclude that all the options could adequately meet these those objectives that are concerned with supporting the local economy, meeting the council's environmental objectives, providing good quality and accessible

facilities, and meeting local planning guidance.

- 8.3 Variation 3 will best address the objective of supporting local housing needs through the provision of new commercial properties and Intermediate Housing. However, the Social Housing may be difficult to fund through the HRA.
- 8.4 In contrast, Variation 1a will not require any capital input.
- 8.5 The table below provides a summary of how well each of the housing options meets key corporate objectives. Options are scored against these objectives on a scale of 1(lowest) to 5 (highest). The need to provide a financial return has been weighted to reflect its relative priority against the other objectives.
- 8.6 On the basis of this analysis and its assumptions, the **best options to pursue for further analysis are Variations 3a and 1a.**

	Baseline	Variation 1	Variation 1a	Variation 2	Variation 3
Objectives	Sell land above the car park to the developer - no further income	Council keep commercial property and social housing, developer sells market housing	As V1, but sell social housing to registered provider	As V1, but commercial property not built on ground floor	As V1, but with 10% intermediate housing also retained by council
Improved financial returns on council assets (based on NPV and revenue snapshot)	5	9	8	2	6
Support local economy and business in city centre	3	3	3	3	3
Meet Council's environmental objectives	3	3	3	3	3
Supporting local housing need	3	3	3	4	5
Providing good quality facilities	3	3	3	3	3
Consistent with local planning guidance	3	3	3	3	3
<b>Totals</b>	<b>20</b>	<b>24</b>	<b>23</b>	<b>18</b>	<b>23</b>

## 9 Mitigation Strategy for the Construction Period

- 9.1 It is acknowledged that redeveloping the car park will involve the loss for up to 2 years of Park Street's car parking capacity, including over 250 cycle parking spaces in Park Street.
- 9.2 The consultants' report includes a high level assessment of the impact of prolonged works to the site and a qualitative appraisal of the likely short and long-term impacts of the proposals for redevelopment of the car park on the existing highway and transport networks in Cambridge (Appendix 4).
- 9.3 The appraisal is based upon an assessment of car park occupancy figures, the accessibility of sustainable travel alternatives and the responses to the public and business consultation undertaken by the Council into the future of the car park.
- 9.4 The redevelopment of Park Street is likely to lead to a displacement of existing customers to other City Centre car parks. The short and longer-term impacts are discussed in section 5.16 (above).

### Current Usage - Weekdays

- 9.5 During a typical weekday Park Street and the remaining City Centre multi-storey car parks generally have spare capacity at any point during the day. Grand Arcade tends to operate with the highest occupancy levels during a typical weekday, approaching capacity at peak times between 11am and 3pm.
- 9.6 On the basis of sample data taken in 2014/15, spare capacity in the other main city centre car parks at peak weekday occupancy times (Fridays around 1pm) –i.e. excluding Park Street - ranges between a low of 540 spaces in December to 1150 spaces in February. On current figures, the largest weekday capacity is at Grafton East car park, where typically spare capacity of more than 500 spaces has been routinely available
- 9.7 On the basis of demand patterns observed at Park Street throughout the past year, **the other city centre car parks are**

**likely to need to absorb a typical maximum peak daily demand from Park Street customers of between 200 and 290 vehicles on most weekdays.** On Saturdays and Sundays, and through much of December and the first two weeks of January this increases to a maximum of 360 vehicles.

- 9.8 On the basis of demand patterns observed at the other council car parks in the city centre, **there is therefore likely to be sufficient alternative capacity on all weekdays and evenings to accommodate the temporary loss of supply at Park Street.**

### **Current Usage – Weekends**

- 9.9 The observed occupancy data indicates that during a typical weekend Park Street, Grand Arcade and Grafton West MSCPs are all likely to operate at the highest occupancy levels, approaching capacity at peak times. However, Grafton East and West and Queen Anne Terrace car parks are generally likely to have most spare capacity during a typical weekend.
- 9.10 On the basis of sample data taken in 2014/15, **the combined spare capacity in the main city centre car parks at peak weekend occupancy times (Saturdays and Sundays around noon) –i.e. excluding Park Street -ranges between a low of 250 spaces in December to 500 spaces in February.**

### **Proposed Approach**

- 9.11 Given the available data on current demand, the following strategy is therefore proposed as a first step to mitigating the impact of the loss of these facilities during redevelopment, with the key aims of:
- Supporting the economic vitality of the area in the immediate vicinity of Park Street car park.
  - Increasing awareness of alternative sustainable travel modes for car drivers
- 9.12 Informal consultation with Cambridge Business Improvement District (BID) has identified two more specific objectives:
- To provide substitute spaces in the city

- to work in partnership with local businesses to incentivise shoppers, visitors and diners to stay loyal to the Park Street retail offer (details under consideration).

### **Alternative Car and Cycle Parking:**

- 9.13 The council will promote alternative pay on foot parking available 24/7 in its multi-storey car parks at Grafton West,(280 spaces) Grafton East (874) and Queen Anne Terrace (570), and by providing pay and display/pay by phone parking at Castle Hill Pay and display car park (112) in the vicinity of Park Street.
- 9.14 In addition, Cambridgeshire County Council have agreed in principle to make available and manage pay and display/pay by phone parking at County Council offices at Shire Hall (up to 330 spaces) all day Saturdays and Sundays, and in the evenings, consistent with current existing car parking provision in the area.
- 9.15 **Through these arrangements there should be sufficient public car parking capacity in the city centre to accommodate almost all weekday, evening and weekend demand, if customers make use of the alternative available car parking at these times.**

### **Other Options**

- 9.16 The provision of temporary and short-term public car and cycle parking spaces has been explored in the vicinity of Park Street, including informal discussions with representatives of neighbouring Trinity and Jesus Colleges. However, there appears at this stage to be little opportunity for additional public car or cycle parking to be available nearby.
- 9.17 The council will consult with the County Council about temporarily amending current maximum stays, to allow more flexible on-street parking for cars and cycles on nearby streets, for example in Jesus Lane and King Street. This has the potential to generate approximately 40 more 'shopper-friendly' car parking spaces in the local area.

### **Pre-booking and Marketing of car parking**

- 9.18 Provision of online pre-booking facilities for car parking across the city centre in council car parks at key times-solution will be

procured to help motorists plan their journey and pre-purchase parking at key times.

- 9.19 Promotion of Park and Ride at Madingley Road – A publicity campaign will be developed to raise the profile of Park and Ride as an alternative transport option.

### **Park and Ride**

- 9.20 The Council will investigate in more detail with the County Council the costs and potential demand for extending Madingley Park and Ride services at key times (weekends/evenings, and Christmas/January sales) with a view to alleviating demand for car parking at these times and will update members in due course.

### **Buses**

- 9.21 Encouraging bus use by providing additional services to Park Street car park at key times (under investigation). The reintroduction of a city centre shuttle bus is likely to cost over £100K per year to operate.
- 9.22 The council is exploring costs with the County Council and bus/taxi operators for providing dedicated shuttle services from Grafton East to Park Street at key times.

### **Public conveniences**

- 9.23 The future provision of public conveniences provided by the Council is the subject of a separate review in 2016. In terms of the temporary loss of the facilities at Park Street, inevitably some of the direct demand from car users will be reduced as a result of the loss of the car park facility during redevelopment. However, it is proposed to promote other city centre provision, at Drummer Street, Jesus Green and nearby at Quayside.

### **Generic Media/Communications Strategy in partnership with BID**

- 9.24 The Council will work with Cambridge BID to develop and promote communications and marketing activities to support the message that 'Cambridge is Open for Business' in the lead-up and throughout the redevelopment period.

## **10 Conclusions and Recommendations**

- 10.1 It is clear from a review of the structural assessment of Park Street car park shows that doing nothing is not an option. The existing car park is at the end of its useful life, and deferring action will simply store the problems for a later date and cost more in the long run. Significant additional maintenance costs, the risk of closure and subsequent loss of amenity and income would continue to follow from a decision to postpone a solution or to ignore the current problem.
- 10.2 There will inevitably be an impact from the loss of both car and cycle parking during the redevelopment of the car park. All the redevelopment options will mean a loss of facilities for a considerable period of time and involve disruption and inconvenience to customers and local business. A mitigation strategy is therefore proposed to help address this issue. Whilst an extensive set of measures are proposed it is recognised that these measures proposed cannot address the impact completely.
- 10.3 All redevelopment options will also involve the council losing parking revenue throughout the period of redevelopment and this loss of income has been incorporated into the business case for the proposed scheme.
- 10.4 The best business case, consistent with the council's strategic objectives and policy priorities is to redevelop the Park Street car park for underground car parking and to develop the land above ground for housing as part of a mixed development, in partnership with a housing developer.
- 10.5 In terms of addressing the council's housing objectives, the best value and most sustainable options for above ground works involve the council in supporting a mix of social, intermediate and market housing with the Council either owning and renting out the social housing or alternatively ensuring that a registered provider delivers this provision .

## **11. Implications**

### **(a) Financial Implications**

These are set out in the Exempt Appendices

**(b) Staffing Implications**

None

**(c) Equality and Poverty Implications**

An Equality Impact Assessment is being carried out.

**(d) Environmental Implications**

The options under consideration offer the potential in differing degrees to substantially improve the local environment in and around the car park site. A climate change rating of +M is suggested.

**(e) Procurement**

The procurement route is yet to be determined but a development partner will be procured to work with the Council to deliver this potentially complex construction project. This may be by way of a more traditional development agreement or if considered more appropriate by entering into a joint venture with a private sector partner. The route chosen will ensure that the Council retains the level of control required and optimises the financial return from the project. The choice of procurement route will be dictated by the further analysis of Variations 1a and 3 and any linkage between this project and any other Council development.

**(f) Consultation and communication**

The council has consulted with the public and businesses about the potential options for redeveloping the car park.

Informal consultation has taken place in advance of this report to consider how to mitigate the economic impact of the loss of public parking facilities in the immediate vicinity of the Park Street car park during the period of redevelopment.

A communications strategy will be prepared to publicise and consult on plans and proposals relating to this redevelopment, including potential planning application and mitigation arrangements.

**(g) Community Safety**

This policy is intended to have a neutral impact on Community Safety.

## **12. Background papers**

These background papers were used in the preparation of this report:

1. Environment Scrutiny Committee Report 26 June 2012
2. Environment Scrutiny Committee Report 17 October 2014

## **13. Appendices**

Appendix 1 - Relevance of Corporate Objectives and Strategic Priorities

Appendix 2 – CONFIDENTIAL-NOT FOR PUBLICATION  
Consultants' Report 27 May 2015- Option Appraisal Regarding Redevelopment of Park Street Car Park (Bidwells and Parking Matters)

Appendix 3 - CONFIDENTIAL-NOT FOR PUBLICATION  
Consultants' Addendum 3 August 2015

Appendix 4 - Technical Note: Advice regarding redevelopment of multi-storey car park

## **14. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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