
Subject: Blocks 22-24 Alderley Park Investment Case – Clarifications

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(1) Background

Further to the EZ Board meeting of 12 September, members sought the following clarifications with regard to the investment case for Blocks 22-24 at Alderley Park:

- (a) Demonstrate how the provision of the multi-storey car park meets the sites objectives for sustainable travel; and
- (b) Clarify how the EZ investment splits between the two projects.

Bruntwood have provided the following further information in response to the request for clarifications.

(2) Multi-storey car park

Alderley Park has a number of transport links to the site all of which are encouraged within the Alderley Park travel plan (attached as Appendix A).

The Travel Plan aims to reduce the impacts of transport on the local environment and increase methods of access to the site as a whole. In order to ensure Alderley Park becomes a leading life science, residential and leisure destination, the plan includes measures to increase travel choice and reduce dependency on the car by way of the following:

- Encouraging the use of more sustainable travel choices, such as walking, cycling, public transport and car sharing;
- Reducing traffic congestion during peak periods;
- Supporting the corporate responsibility of Alderley Park;
- Reducing single-occupancy car travel;
- Becoming a tool to be used in planning both collective and individual travel;
- Reducing carbon emissions generated by vehicles associated with the site.

The nearest railway station is at Alderley Edge, located 2 miles north of the site. Alderley Park is serviced Monday to Friday during peak periods by a bus service which runs between East Didsbury and Macclesfield, via Handforth and Wilmslow. In addition, Alderley Park currently benefits from a dedicated shuttle bus service which goes from Alderley Edge Station, through Alderley Park, and then heads south towards Macclesfield Station via Broken Cross, Churchill Way and Park Street. The shuttle bus service operates from Monday to Friday and provides two busses per day. During the morning, the first shuttle bus arrives at Alderley Park's Mereside bus stop at 07:19, with the second arriving at 08:36. In the evening the first bus arrives at the Mereside bus stop at 16:30, with the second arriving at 17:50.

Notwithstanding these factors, due to the fact that Alderley Park is an out of town, rural location, access to the site for most people will always be heavily dependent upon people driving to the site and therefore there is a requirement for sufficient car parking upon the site.

With Royal London Group due to take occupation on the site in 2020, Glasshouse letting up throughout 2021 and 2022 and the development of Blocks 22, 23 & 24 as well as the wider site becoming more efficient and active, there is a requirement to increase the level of car parking on the site as soon as is feasibly possible.

Whilst the travel plan focuses on improving alternative modes of transport to the site, it is predicated on the site reaching a capacity of 4,500 car parking spaces. These spaces are essential for the development of the site in order to accommodate the number of workers that will ultimately be based here, with the additional measures in place for those workers who have access to the alternative transport methods

The development of a new multi storey car park will fulfil that requirement and ensure that jobs for workers at Alderley Park are supported and sustained, whilst fitting in with a wider travel plan that ensures the campus is as sustainable and eco-friendly as it aspires to be.

(3) Additional financial information

Bruntwood have provided two additional development appraisals (attached as Appendix B) demonstrating the split of costs between the two separate projects, summarised in the table below

| | Block 22 (£) | Blocks 23-24 (£) | Total (£) |
|----------------------------------|-------------------------|-----------------------------|----------------------|
| Net Development Value | 10,197,990 | 6,749,249 | 16,947,239 |
| Construction Costs | 9,254,798 | 7,140,223 | 16,395,021 |
| MSCP Costs | 1,200,000 | 900,000 | 2,100,000 |
| Developer's Profit (15% on Cost) | 1,529,698 | 1,012,387 | 2,542,085 |
| Total Development Costs | 11,984,496 | 9,052,610 | 21,037,106 |
| Surplus/Gap | -1,786,507 | -2,303,362 | -4,089,869 |

The appraisals show that the total requested EZ investment is £4.08m, which is split into £1.78m (44%) for Block 22 and £2.3m (56%) for Blocks 23-24, with £1.2m of the multi-storey car park costs allocated to Block 22 and £900k allocated to Blocks 23-24.

(4) Recommendations

If EZ Board members are satisfied with the additional information provided by Bruntwood in relation to the queries raised at the last meeting, then it is recommended that the EZ Board approves the investment in principle, subject to the following:

- (a) No legal agreement is entered into until the LEP has the funds in place via the EZ borrowing facility
- (b) Sign off of the State Aid opinion from the applicant's legal advisers by the LEP's legal advisers

This would enable the applicant to proceed with the preliminaries of the projects at risk and allow the LEP and Alderley Park Ltd to work up the necessary legal agreements whilst the EZ borrowing facility is finalised.