

REPORT TO: POLICY & RESOURCES COMMITTEE - 23 APRIL 2012

REPORT ON: PROPOSED REDEVELOPMENT OF DUNDEE RAILWAY STATION CONCOURSE BUILDING

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 119-2012

1 PURPOSE OF REPORT

- 1.1 This report outlines proposals to redevelop the street level concourse building which acts as the main arrival and departure point from the city into the low level platforms at Dundee Railway Station.

2 RECOMMENDATION

- 2.1 To approve the outline proposals within the report to redevelop the Concourse Building to Dundee Railway Station and remit the Director of City Development to prepare detailed design proposals and costs and to seek tenders for the staged implementation of the project. Any acceptance of these tenders will then be subject to future Committee approvals.

3 FINANCIAL IMPLICATIONS

- 3.1 The total cost of the proposed redevelopment is estimated at £13.910m. This is currently proposed to be funded from the following sources;

	£m
City Development Department Capital Programme	2.850
Prudential Borrowing against future Commercial income	5.829
ERDF	2.000
Scottish Government Grant	1.000
Contribution to funding gap by Network Rail (to be agreed)	2.231

TOTAL 13.910

4 BACKGROUND

- 4.1 The Single Outcome Agreement for Dundee 2009-2012 sets out through strategic themes to deliver a vision for Dundee which seeks to ensure the city;

- Will be a vibrant and attractive city with an excellent quality of life where people choose to live, learn, work and visit;
- Will offer real choice and opportunity in a city that has tackled the root causes of social and economic exclusion, creating a community which is healthy, safe, confident, educated and empowered;
- Will have a strong and sustainable city economy that will provide jobs for the people of Dundee, retain more of the universities' graduates and make the city a magnet for new talent

The Dundee Waterfront project is a major component of the Dundee Partnership's action programme to achieve the above vision and the improvement of Dundee Station is a key element of the approved Masterplan for the development of the Central Waterfront area.

- 4.2 The implementation of the Central Waterfront Masterplan necessitates the removal of the existing weight-constrained bridges in front of Dundee Station and their replacement with a new decked structure which will carry the new road network and allow the creation of a new

public square as an attractive new arrival space outside the station. The expenditure and construction works associated with this new deck provide an opportunity to cost-effectively address the existing street-level station concourse building within the same general timescale.

- 4.3 Officers of the Council have, therefore, been involved in detailed discussions with the main stakeholders with an operational interest in Dundee Station to advance proposals for its improvement to a standard in keeping with the city's ambitions for the overall Waterfront. These stakeholders are;
- Transport Scotland
 - Network Rail
 - First Scotrail

These discussions have now reached a point where there is general agreement amongst the parties on the way forward subject to confirmation of Network Rail's ability to contribute to close the funding gap.

- 4.4 The key component of the proposed improvements is the demolition of the existing poor quality concourse building and its direct replacement with a new high quality passenger concourse within a mixed use commercial development facing onto the new arrival square. In addition, the existing below-ground Victorian buildings, platforms and structures would be retained, but the vertical connections between these and the new upper level concourse would be completely renewed. A key objective has been that the improved station will act a major transport interchange hub for the city centre with considerable opportunities for inter-modal journeys between rail, bus, taxi, cycling, walking and private cars including high quality onward travel information (Bus Real Time passenger information, maps etc) for interchanging passengers at the Station and via Whitehall Street and High Street bus facilities.
- 4.5 The proposed new Station Concourse building will occupy the site of the existing concourse and it has been carefully designed to create an impressive new landmark within the Central Waterfront development and also an attractive new gateway into the city for rail passengers. Copies of current drawings of these proposals have been forwarded to Group Leaders, Lord Provost and Depute Lord Provost and will be displayed at the Committee meeting.
- 4.6 The building comprises a double height ground floor which incorporates a passenger concourse, ticketing facilities, etc as well as a café/restaurant and new retailing unit(s). There are three additional floors proposed above this to accommodate a new mid-market hotel. Careful consideration has been given to the mix of uses proposed in order to provide an appropriate range of support facilities for the rail station and also to create sufficient commercial value to help cross- subsidise the capital costs of the public facilities.
- 4.7 The architectural design of the new building has been undertaken by a firm of local architects, Nicoll Russell Studios, and it is based a sweeping crescent plan form which embraces the proposed new arrival square. The proposed design has also taken cognisance of the proposed V&A at Dundee building to the south and the proposed Malmaison Hotel to the north east. The external appearance of the building is essentially masonry in character with an imposing central archway bridging the railway line below.
- 4.8 In developing the preferred scheme for the new Station Concourse, a number of alternative options were explored and assessed in terms of their architectural impact, economic benefit and financial feasibility. The main options were examined in detail and a short list of options was subsequently assessed in accordance with the Council's Capital Budgetary Control guidance (see Section 5). This assessment confirmed the feasibility of part funding the proposed development by £5.83m of prudential borrowing based on the levels of associated rental income which would be yielded over the life of the project.

- 4.9 On the basis of the preferred scheme, discussions have also been held with ERDF and the Scottish Government on any financial contribution they could make to assist with the schemes viability; these have led to them offering grants of £2m and £1m respectively towards the project and it's identified outcomes. The City Council at its meeting on 9th February 2012 agreed to include within its Capital Plan a contribution of £1.5m to the project; furthermore, the cost of the required deck structure is being funded via £1.35m of the Council's capital input to the Waterfront Project.
- 4.10 Therefore, at present a total of £11.68m of funding for Dundee Station has been secured and/or identified as achievable within the option appraisal. The overall cost of the proposed scheme is £13.91m and the remaining funding requirement of £2.23m is being sought from Network Rail. While this shortfall does not meet Network Rail's normal investment criteria, they are supportive of the project and discussions are ongoing with them to explore possible ways they can assist.
- 4.11 The necessary programming of the replacement bridge deck and a strong desire to have the new station concourse open prior to the opening of the V&A at Dundee, means that a Council decision to progress the design and tendering of the building needs to be taken now. Therefore, authority is being sought to take this work to the next stages prior to a final decision by the Council to implement the project which will be dependant on a commitment by Network Rail on their funding contribution. The cost of taking the project forward to the next stages will be covered by the grant contribution from the Scottish Government.

5 OPTION APPRAISAL

- 5.1 Three options were considered for appraisal:

Option 1 – Provision of 2 storey station concourse which comprises a double height ground floor incorporating a passenger concourse, ticketing facilities, etc as well as a café/restaurant and new retailing unit(s).

Option 2 – Provision of 5 storey station concourse and hotel building. This building includes the double height ground floor in Option 1 but has a 3 storey hotel above.

Option 03 - Do nothing. This would result in the failure to meet the stated strategic objectives of the Waterfront Project.

- 5.2 The capital cost and revenue income of each option were combined to produce cash flows for each year of the project and these were subjected to a Net Present Value (NPV) calculation, the purpose of which is to state future cash flows at today's value. The results were as follows: -

Option 1 - £2,052,988

Option 2 - £3,001,026

- 5.3 In purely financial terms, the option with the highest net present value would be recommended for approval. However, there are certain non-monetary costs and benefits that should be considered as well as the ability of each option to meet the objectives of the project, being those factors outlined above. This is reflected in the following Impact Table.

Objective	Option 1 No Hotel	Option 2 With Hotel
Improve integration with other sustainable transport modes	YES	YES
Improve levels of safety in and around station	YES	YES
Create an impressive new landmark building which will become an attractive new gateway for visitors and passengers	NO	YES
Increase passenger footfall	YES	YES
To coincide with phasing of bridge works	YES	YES
Enhance visitor facilities to coincide with opening of V&A at Dundee	NO	YES
Creation of a new arrival space/public square outside the station	YES	YES

- 5.4 After considering all of the relevant factors, option 2 is the option that best meets the objectives of the project and is recommended for approval.

6 POLICY IMPLICATIONS

- 6.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

7 CONSULTATIONS

- 7.1 The Chief Executive, the Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

8 BACKGROUND PAPERS

- 8.1 None

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