PUBLIC-PRIVATE RELATION IN TWO MAJOR STATION REDEVELOPMENTS

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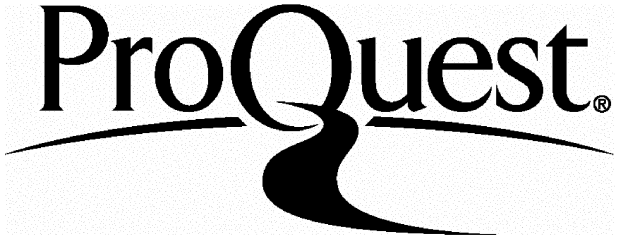

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ABSTRACT

In UK, in recent years, the need for the public and private sectors of the economy to jointly finance development projects (inner-city/urban renewal projects; social infrastructure projects; etc.) that once were apparently the reserve of the public sector, has been demonstrated by the increasing inability of Governments to continue acting as the major or sole project financiers. The introduction of policies and practices aimed at attracting more private sector participation in development project implementation, therefore, became inevitable. These "new" measures, however, seem to put some constraints on the public sector establishments, thereby limiting their scope of partnership with the private sector.

In France, on the other hand, government policies and established practices encourage public-private sector institutions which specialise in funding and managing joint development projects.

This thesis examines the relations between the public and private sectors in both countries using major railway termini redevelopment proposals -one in London and the other in Paris- as case studies.

It concludes that smooth implementation of joint-venture or partnership projects appears to depend on:

* a clear policy framework at national/regional level;
* pulling together and mobilising the resources of the participating and interested parties or individuals;
* the availability and regular flow of counterpart funds from the participating bodies -public or/and private;
* the formation of project planning and management team to ensure smooth project-design and implementation; and
* proposes measures for improving public-private relations in implementing inner-city redevelopment projects in UK, in the future.

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LIST OF ABBREVIATIONS

BR:	British Railway
CAZ:	Central Activity Zone
DoE:	Department of Environment
DLR:	Docklands Light Railway
DTp:	Department of Transport
EA:	Environmental Assessment
EEC:	European Economic Community
ft^2:	square feet
GDO:	General Development Order
GLC:	Greater London Council
IMF:	International Monetary Fund
ITS:	Internal Transit System
KXRLG:	King's Cross Railway Lands Group
LBC:	London Borough of Camden
LRC:	London Regeneration Consortium
LPA:	Local Planning Authority
LPAC:	London Planning Advisory Committee
LRT:	London Regional Transport
m^2:	square metre
NEDC:	National Economic Development Council
NFC:	National Freight Corporation
OPA:	Outline Planning Application
PT&E:	Planning Transport and Employment
RER:	Paris Regional Express Train
SERPLAN:	South-east Regional Plan
SNCF:	French Railways
SOSE:	Secretary of State for Environment
STUSC:	Somers Town urban Studies Centre
TGV:	High Speed Train
WHO:	World Health Organisation

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PART ONE

INTRODUCTION

In recent times, the need to encourage private-public partnership in major inner city redevelopment has become stronger. In the UK, the need for this approach has been demonstrated at the peak of the economic recession of the 1970s which forced the government to reconsider its direct role in urban development and infrastructure provision projects and implementation. Governments subsequently imposed restrictions on public spending and borrowing. From 1979, the Thatcher and Major Governments introduced various planning policies and programmes - "Leverage Planning", "Enterprise Zones", "Urban Development Corporations", "City Challenge", etc., that were all designed to attract private sector participation. However, the stock market crash of October 1987, which signified the reappearance of the economic recession, further put into doubt the effectiveness of the private sector-led approach in the implementation of inner city redevelopment projects. Since the beginning of the 1990s, on-going large scale developments ran into cash-flow problems while the commencement of newly approved ones have either been delayed or their scope reduced.

In France, however, there is a strong tradition of co-operation and understanding between the private and public sector in the redevelopment of French inner cities. The French National Railways (SNCF) is one of the Agencies that has often played a vital role in this process and has equally achieved remarkable success.

I have, therefore, chosen the study of a type of urban development project which is of the greatest interest and significance: the redevelopment of city-centre railway termini.

> The largest cities of Europe typically have a ring of railway termini around the central areas - indeed this ring of stations is often the effective definition of the edge of the centre.
>
> The revival of rail travel linked with the High Speed Train (TGV) is a factor triggering the modernisation and expansion of these stations.

Most large cities are short of central developable land, especially of large sites in unified ownerships. Railway stations and their related lands and goods yards are often the only available exceptions.

Railway station redevelopment often shows up the tensions which relate to the expansion of the central business district in the inner city or inner ring of non-central parts of the city.

Railway stations often provide accessibility or locational values that attract speculative developments

The state railways of western Europe have thus increasingly engaged in redevelopment schemes linked to stations. An additional impetus for some of them has been their need to make profits or enlist new kinds of investors as their traditional source of money - the central government's grants, loans and subsidies - has been reduced.

In parallel, pressures from government to replace the traditional public funding of infrastructure and urban redevelopment by increased private sector participation or market-led approach, have produced models (in the UK) which have had their "failures" or whose effectiveness were not evaluated before their replacement.

The railway station redevelopments in UK and France are similar in many respects but also differ in important ways. These differences and similarities have been addressed in the thesis, in three ways, viz.:

i: the framework of public-private relations in urban development:

* in the UK, the transition from public to private investment and provisions; deregulation with the creation of UDCs, EZs; a very broad definition of public spending subject to tight control.

* in France, the stronger survival of state initiative and investment; strong tradition of public-private relations through the

Etablissement Publique d' Aménagement, Sociétés d' Economie Mixte, Caisse de Dépôt et de Consignations, etc.

* differences in the financing rules for railways.

ii: strategic planning framework:

* **London Plans:** The planning framework is through the 33 Borough Plans (up till 1991); Unitary Development Plans -UDPs- (from 1992) all of which were produced with the presumption in favour of development, and in accordance with the DoE Strategic Guidance, Planning Policy Guidance and Government Circulars; LPAC; separation of land use and transport planning, etc. The London Planning Advisory Committee is a recognised Agency that advises both the central and local governments on planning issues, but its proposals or advice are not legally binding. Thus, London has 33 Boroughs with independent local planning authorities, that produce their UDPs in accordance with the Secretary of State's Strategic Guidance.

* **City of Paris**, in contrast, has a strong Regional Authority and Paris City Government each with specified functions, and selectively clear plans at regional and city level.

iii: local government structure and responsibilities; planning procedures and negotiations, etc.

London: responsibility for granting planning permission for the redevelopment of the King's Cross Railway Lands, despite its scope, scale and size, lies with the London Borough of Camden (unless the Secretary of State calls it in).

Paris: the institutional framework in France (following the decentralisation of 1983) empowers the Metropolitan City (i.e. the Conseil de Ville de Paris) to determine planning applications for developments of such magnitude as the Austerlitz-Tolbiac-Masséna.

1.1: WHY KING'S CROSS AND AUSTERLITZ?

1.11: King's Cross

The strategic location and key connections of the site; the scale, scope and size of the proposed project, and the proposal to transform the site to an international nodal point, are all the motivating factors. It was considered by developers and land owners in 1988, as a potential site for a highly profitable and speculative development:

> "It is easy to see why King's Cross seems so attractive. Here was a site four times larger than Broadgate, and twice as large even as Canary Wharf, the prime business centre in the Docklands; it was also ideally placed between the City of London and the West End . It is not surprising that in the subsequent months (following the news of the plan in 1987), it was repeatedly referred to in superlatives as the 'most exciting and challenging development opportunity presently being contemplated in Britain', if not one of the most significant inner city development sites in the world."
>
> (Hunter, 1990, pp. 128-129)

It is observed that King's Cross is outside all the special zones (e.g. UDC, EZ) and this is a good indication of planning in the "normal" condition of government (local government)/developer relation. Furthermore, the strategic location of Kings Cross as a Special Policy Area, in the UDP of the London Borough of Camden, is a good justification for conducting a study on the site.

Other Railway Termini, in the city, would have been interesting to look at but almost all of them have been redeveloped or their redevelopment (except Paddington Station) is in progress. Waterloo Station would have been most appropriate because of its historical past

-it was in the Belgian term of that name that Napoleon Bonaparte, the French Warrior, was defeated by the British Army, in 1815 -but redevelopment, mostly commercial, have already taken place. The only remaining terminus with a sizeable stock of land (but not as big as the King's Cross) is Paddington Station. Perhaps the lessons that emerge from the thesis could be useful for the redevelopment of the station.

1.12: Austerlitz

Like King's Cross, the strategic location of the site; the scale, scope and size of the redevelopment, and the proposal to transform the site to the largest International TGV Station with key connections, and the Government's policy to use the development as part of their strategy for attracting development towards the east of Paris, look very interesting. Other factors that contrast with practices in UK are:

* different kind of planning framework - regional and local (with much more certainty in negotiation);

* different government approach to the French Railways day-to-day running and investment climate. The SNCF can easily raise funds from the capital market to finance developments. In the UK the British Railways, like any other public agency, is restricted in its borrowing.

* different government structure: strong Regional and Paris City governments compared with London.

* different rules for public/private partnerships through special agencies:

    * In the UK (Healey and Nabarro, 1990) there were attempts to free-up the land market, most especially through the release of public lands; the effective end of regional policy and its replacement by urban initiatives - Enterprise Zones, Urban Development Corporations, Urban Development Grants, Inner City Task Forces,

etc.; the reduction of the role of the government as a major financier and developer.

In France, there were attempts to co-ordinate development of public land for projects of "general interest" through special agencies (Mixed Economy Companies). Governments play an active role as financier and developer to attract private investment. Austerlitz is a good example because:

i: its location in Paris is very similar to King's Cross in London;

ii: the timing of the project is about the same as King's Cross;

iii: its scale and size are comparable.

I could have looked more closely at other cases, especially the Eurodisney which is very interesting, but that project is not directly comparable with King's Cross for two reasons:

i: its location (in the deep suburbs of Paris) is not similar to King's Cross;

ii: its timing and realisation are not relevant to King's Cross; but it demonstrates consistency and continuity in governments' policies, and these make a brief summary of it very relevant.

The Montparnasse Station redevelopment would have also been a good case study but the operation was completed years ago. Like Paddington Station in London, the remaining major stations awaiting redevelopment, in Paris, are the Gare du Nord/Gare de l' Est (the proposed future Northern TGV station (s) for Paris North).

1.2: ORGANISATION AND SCOPE OF THE THESIS

This thesis, is mainly concerned with the public-private relations in the redevelopment proposals and the negotiations that led to the arrangements on these two major station redevelopment projects, and attempts to make comparative analysis and draw conclusions that are intended to contribute to the existing planning achievement and methodology in the UK.

The thesis recognises that the redevelopment proposals for the King's Cross Railway Lands include plans for infrastructure and services that could be regarded as functioning at four inter-related levels, namely:

i: those that facilitate the operation of local activities;

ii: those that are London-wide and that facilitate movements in the metropolis;

iii: those that are national in scope and operational in the context of the United Kingdom; and

iv: those that are (potentially) international.

The research focuses mainly on the local (on-site) aspect of the project proposals within the context of the existence of the other factors (ii-iv) highlighted above and also takes cognisance of the incredibly long series of negotiations, activities and events which the proposals have generated. Thus, the thesis attempts to present a chronological representation of these events, in order to enhance a clear and better understanding of the enormous problems which the projects have encountered. It also demonstrates that the key difference in the Austerlitz project is the different role of the state and its clear commitment and control.

The study of King's Cross will exclude elements of the proposed Channel Tunnel Rail Link works on and off the site, except in so far as they provide a context in which a proposal could be made that the locality be transformed to function as an international nodal point. In order words, the emphasis is on the on-site redevelopment proposals, not the railway works itself.

In addition, I would like to emphasise further that most of the work and resources are centred on the Kings Cross and, within the scope and extent of the resources which the materials and data from France could possibly be obtained, it has not been possible to give an equal or step-by-step comparison of the two case studies.

The aim of the thesis, therefore, is to examine the public-private relations in the redevelopment proposals of two urban renewal projects related to railway termini in London and Paris, by examining:

i: processes in public-private relations and planning procedures;

ii: the function and role of public institutions and relevant agencies responsible for development; and

iii: what lessons can be learnt from the two case studies and blended with the potentially good home policies, to improve upon the public-private relations in implementing similar projects, in the future.

PART TWO

Chapter Two

PLANNING AND INNER CITY DEVELOPMENT

This chapter reviews the main trends in government policy towards urban development, referring briefly to the London Docklands which is the outstanding case of "special" measures adopted in this field. It then describes the growth of negotiated agreements which have increasingly been the basis for public-private relationship outside the special areas. It concludes by outlining the most recent phase of policy -the competitive "City Challenge" approach. This brief provides a context in which the proposed redevelopment of King's Cross since the late 1980s can be situated.

2.1: DEFINITIONS

Section 57 (1) of the 1990 Act provides that Planning permission is required for the carrying out of any development of land. Such permission, depending upon the nature of the development, may either be granted expressly by a Local Planning Authority or the Secretary of State for Environment, or be deemed to be granted by statue or order.

Section 55 (1) of the Town and Country Planning Act, 1990, provides that **development** may take one or two forms, namely:

* the carrying out of building, engineering, mining or other operations in, on, over, or under land;
* the material change of use.

The 1991 Act amends s. 55 of the Act by extending the definition of development to include all building. Thus a new sub-s. (1A) of section 55 provides that:

> For the purpose of this Act "**building operations**" include:
>
> * demolition of buildings;
> * rebuilding;

* structural alterations of or additions to buildings; and
* other operations normally undertaken by a person carrying on business as a builder.

The 1991 Act also gives the Secretary of State power to make directions enabling him to provide that the demolition of particular types of building is not to constitute development.

Collins Cobuild English Dictionary (1990) further defines **development** as 'the process of making an area or water more useful or profitable, while the **infrastructure** of something such as a country, society, or organisation is defined as the basic structure on which it is built, such as the facilities, services and equipment that are needed for it to function properly'.

Infrastructure is a term which over the years has been applied to an increasing range of the services required to support land development. Rowan-Robinson and Lloyd (1988) defined it as 'all the supporting services required to enable **land development** to take place in a socially acceptable way'.

2.2: INNER CITY DEVELOPMENT

The post war era (with the exception of the period between late 1947 and November 2, 1954, when the 100% betterment tax and the building licence requirements constituted the bases for granting planning permission) up till 1967 (Marriot 1969), witnessed a development (property) boom in which public and private sector agencies entered into separate or joint development ventures, often involving large scale projects such as town centre redevelopment. 'Joint projects involve a negotiated development package, usually combining the authorities' land assembly and infrastructure powers, with the developers' market expertise and funding' (Marsh, 1989). According to Marriot, the Local Authorities, through their councillors and officials, saw partnership with the developers as a convenient method of financing civic improvements. 'Their other intention was that once private developers were brought in on a large scale to tap a profitable commercial vein, other municipal benefits could flow from the revenue or capital provided by the developer'. Thus while

the LPAs were concerned or preoccupied with the provision of social housing and infrastructure through negotiated agreements (or inducements), developers were preoccupied with the speculative gains likely to accrue from such negotiations. The implication, Marriot observed, was that 'it was easy for the objective to stray from the strict considerations of planning and aesthetics'.

Prior to the Thatcher Administration in 1979, the responsibilities of the local governments extended from large scale planning to refuse collection, and from education and housing to providing other essential infrastructure and services. They managed to raise funds via various charges, rents, rates, etc., and enjoyed grants, loan sanctions and technical support from the central government (particularly between 1935 and 1975), to finance both recurrent expenditures and the implementation of capital projects. They were, indeed, operating as 'an arm of a welfare state'.

The financial crises of the late 1960s (Brindley et al 1989), aggravated by the oil crisis of 1973 (with the 1970s turning into a period of deep and prolonged economic recession) killed off most remaining plans for large scale development and urban renewal programmes. The acceleration of decline, particularly in the manufacturing industries, had a dramatic effect on particular localities while some cities and towns experienced growth and new patterns of employment. For instance, areas such as the West Midlands suffered from the collapse of the key sectors of manufacturing, including the machine tool, engineering and car industries. 'The industrial base of Birmingham shrank by a third; in Sheffield in 1971, there were 139,000 people employed in manufacturing industry; ten years later the number had declined to 90,000 and by 1987 it had collapsed to 58,000'. Further attempts to stem this decline by successive governments, through regional aid programmes and state development projects, throughout the 1970s, were not very successful (Brindley et al, 1989; see also Lawless, 1981).

Consequently, the State's direct role in development was adversely affected. The planning system, with its dependence on economic growth for project implementation was further disabled. As the crisis deepened, 'the Keynesian philosophy of public-sector led

recovery has been supplanted by the rigid orthodoxies of the "new right". Under direct pressure from the IMF, the contraction in the finances, and therefore the power, of the public sector began in the mid 1970s' (Ambrose, 1986). The Thatcher administration that was ushered in from 1979, implemented the IMF demands - 'deregulation and market-based solutions to virtually all problems,' and introduced measures based on the principle that competition and not government intervention should decide economic growth. This policy actually marked the end of an era of "welfare state" and was linked with the policy of maintaining a high exchange rate of the pound sterling throughout the 1980s. Meanwhile, the decline of the manufacturing sectors continued unhindered while the service sectors and some high tech industries grew and expanded considerably.

In response to the new economic sectors, speculative property developers cashed in to produce new commercial floorspace mostly in new and prime locations. 'The development boom of the late 1980s seems to indicate the effect of these policies in several urban areas of the UK, ...there has been a dramatic increase in the development pipeline of Central London office space, M25 office and business space, and retail space' (Olsberg, 1990; see also Espinet and Wright, 1990).

The London Borough of Camden (1987), in their Written Statement on the 'unemployment and industrial decline' in the Borough declares:

> "some aspects of life in Camden have dramatically changed since 1979. The population and number of working residents has been falling fast; the total economically active fell by 22% between 1971-1981, while unemployment has more than trebled since the Borough Plan was originally adopted in 1979. This is largely accounted for by the poor performance of the national economy, structural changes in industry affecting the types of jobs available, and the continued decline of manufacturing industry. The traditional manufacturing jobs that remain are threatened by new uses able to pay high rents, whilst there is a trend towards small-scale, specialist firms (often 'high-tech' or craft based) which require new skills."

In contrast to those areas of decline, Bristol and the surrounding M4 turned into a growth corridor. Although their traditional manufacturing base declined, the service sector indus-

tries expanded considerably giving rise to newer activities based on electronics and high technologies. In effect, Brindley et al (1989) argued that the evolution of these new form of activities has dictated the need for restructuring the economic base of inner city industrial areas in UK and for new forms and styles of planning that would meet the need of different localities, bring about patterns of development desired by various interests and match the political rhetoric of those interests.

The work of Hodge (1987) and, Hambleton and Hoggett (1987) demonstrated that the 1980s constituted a crisis period for the local governments; 'it is possible to see how this crisis reflects wider tensions in the society, in the economy, in the culture, and above all, in politics'. They also established the threat to which the continued existence of "the local government as an independent, innovative and separate tier of government" was exposed. This invariably meant government taking away decisions from the councillors and creating a competitive market-oriented society. At the same time, funds or grants from the central government to the local governments were either diminishing, or drying up. Coupled with this financial restriction, local authorities were also made to divest their role in developments relating to housing provision, hence a shift of civic responsibilities to the private sector (Grover 1990). The trend was noticeable in the landed property market in which property development was seen by the government as an important supply side measure necessary to encourage economic growth (particularly in the depressed areas), whilst the "Thatcherite urban Policy" intensified efforts to attract private sector development interest into inner city areas and drastically reduced the capability of the local authorities to carry out any development. In addition, developers were also to be involved in the provision of infrastructure where increased demand for transport or services was expected as a result of the proposed development. (Olsberg, 1990; see also Solesbury, 1990).

The introduction of the "Leverage Planning" model in 1979 (Brindley et al 1989), was about the first attempt by the new Government of Thatcher to use public investment to stimulate the weak or flagging private market in land and property development. The tradi-

tional partnership between the public and the private sector of the post war era, was the practice of the public sector clearing sites and providing physical infrastructure to support private sector investment, as well as, effectively subsidising development schemes that might not otherwise have gone ahead. Through the New Towns Act of 1946, the implementation of the 'New Towns Development Projects - a massive public sector investment programme - with the private sector distinctly playing a subordinate role', had been based on this tradition.

Furthermore, the essential ingredient of leverage planning was to use public investment to stimulate the release of a greater volume of private sector investment. This included subsidies to private sector development, either directly through low-cost land sales or indirectly through infrastructure investment, as well as, a flexible, even entrepreneurial, attitude to development proposals. The emergence of the Enterprise Zones and the Urban Development Corporations (UDCs) were the direct result of the model. In addition, land users and businesses in the Zone were exempted from rates and other key taxes. 'Subsidies in the form of Urban Development Grant (UDG) were also available to support conversion, improvement or redevelopment schemes in which a substantial proportion of the cost has been met by the firm itself' (Brindley et al 1989).

Thus, the Urban Development Corporations, established through the Local Government Planning and Land Act of 1980 (partly modelled on the New Town Development Corporations of 1946), saw "Leverage" as one of the principal approaches to regenerating declining urban areas. The London Docklands Development Corporation and the Merseyside Development Corporation in Liverpool, were the first generation of such approach. They were empowered through the Act to:

* acquire and dispose of lands;
* invest and build;
* decide on matters relating to development control, particularly, the processing of planning applications and granting of planning permissions, in their designated areas, and

* were not accountable whatsoever to any local authority in their designated areas.

They were to prepare and market development sites which often involved major reclamation works and the provision of suitable infrastructure, thereby 'turning large areas of worthless and derelict land into viable propositions for speculative property developers' (Brindley et al, 1989). Studies conducted by CLES (1990, p.55) showed that some of the UDCs ' were assisting retail, offices and leisure development on land formerly used for industry ', a policy which contributed to the property boom, particularly speculative development. The Docklands Consultative Committee (DCC, 1990) noted that the LDDC, in promoting the Docklands as a potential "Wall Street on Water", in the later 80s, targeted marketing specifically at the financial sector and the speculative developer. The implication, according to DCC, was that 'whereas the LDDC was envisaging 4-8 million ft^2 of offices on the Isle of Dogs prior to 1986, the figure had leapt to 25 million ft^2 by late 1988;.....development had run ahead of infrastructure, as well as contributed to the overheated property market', which signalled the stock market crash of October 1987. The resurgence of the recession, meant that by January 1989, 42% of the already completed commercial property at Isle of Dogs remained unoccupied, while rents began to fall. (DCC 1990; see also Savills 1989).

Further implication of the slump was that the Canary Wharf developer's obligation to contribute the sum of £400 million to transport infrastructure provision, (the proposed Jubilee Line Extension) also ran into problems. Prior to the crash, Olympia & York, the major developer at the Docklands, had been able to contribute a sum of £68 million to the £150 million cost of the Docklands Light Railway City extension to Bank station. Whereas, through "pump priming", 'the £77 million cost of the initial DLR was publicly funded, while the Government funding of the £220 million cost of the Limehouse Link section of the Docklands Highway (aimed at further attracting market-led development to the site) and the £500,000 aid to the Thames line riverbus in February 1989, are indicative of the support for high profile public transport' (DCC 1990). The following is a breakdown of the projected counterpart funding requirements for infrastructure provision. The question

here is, to what extent has the leverage planning succeeded in 'pump priming' the much needed contribution and obligation from the private sector?.

Table 1 Major Spending Projects in the Docklands: 1990 Plan

	Total cost	DTp spending	LDDC spending	Private sector spending
DLR PHASE 1	£77m*	38.5m	38.5m	nil
DLR PHASE 1 (BANK Ext.)	150m*	82	nil	68m
DLR PHASE 2 (BECKTON Ext.)	240m*	nil	240m	nil
JUBILEE LINE EXTENSION	1,000m**	600m	nil	400m*
DOCKLANDS HIGHWAY	650m***	nil	650m	nil
EAST LONDON RIVER CROSSING.	197m***	197m***	nil	nil
A 13 IMPROVEMENTS	78m***	78m***	nil	nil
TOTAL	2,392m	995.5m	928.5m	468m

Notes: * = actual ** = projected *** = at November 1987 prices
Excludes EZ tax relief and LDDC spending on non-transport projects
* = phased over many years; contribution agreed in principle but not paid yet (1993)

Furthermore, the range of measures introduced to decentralise the public service and "deregulate" the planning system, coupled with the restrictions placed on public sector borrowing and the economic functions of local authorities, and above all, accompanied by the abolition of the Greater London Council (GLC) and the Metropolitan Counties in 1986, brought about considerable constraints in financing local economic initiatives and managing or maintaining the existing infrastructure and services. The poll tax system, expectedly a major source of revenue earning for local authorities (although abolished with effect from April 1, 1993 and replaced with the council tax system), did not generate adequate financial resources for local authorities' recurrent expenditures, let alone capital projects because the central government restricted what local government could spend by "capping" the tax they could collect and tightened loan sanction control on their borrowing. This was made even worse by the resurgence of the recession. The use of planning agreements to seek community benefits or facilities ('planning gain') from developers, eventually assumed a much more important dimension than ever before, while the introduction of the City Challenge model, an approach based on stiff competition in a climate

of limited and scarce resources, is yet to record measured success. Above all, negotiated agreements were seen as a means of providing the needed facilities without raising taxes.

2.3: NEGOTIATED AGREEMENTS

Within the context of section 52 of the Town and Country Planning Act of 1971:

> A local planning authority may enter into an agreement with any person interested in land in their area for the purpose of restricting or regulating the development or the use of land, either permanently or during such period as may be prescribed by the agreement; and any such agreement may contain such incidental and consequential provisions (including provisions of a financial character) as appear to the local authority to be necessary or expedient for the purpose of planning agreement.

Jowell (1977) and Henry (1982), categorised 'gains' into two types:

i: **Amenity Gain**: Benefits based upon traditional land use considerations, involving concessions by a developer that would not be available through normal requirements such as application s or conditions. This might include matters such as extinguishing existing user rights, the rehabilitation of property, specification of a particular use, including the provision of public open space.

ii: **Social** and **Economic Gain**: Attempts to include purposes other than the traditional land use and amenity considerations. This might be specification of a particular use where the use is required to create employment (e.g. industry in a residential development), the attempt to obtain a ' social mix ' (e.g. council housing in an office development) or other forms of social or economic 'engineering' through development control.

The latter form of 'gain' had been the subject of much debate such that it had been divided further into two forms: 'acceptable' and 'unacceptable' :

> The **acceptable gain** includes infrastructure provisions and the provision of community buildings or services, but only where the agreement is made to overcome what might be the legitimate ground for refusing planning permission

> altogether but, for some technical or legal reasons, cannot form the subject matter of a valid planning condition; while
>
> The **unacceptable gain** includes contributions to schemes not related to the development, the surrender of legal rights, etc. (Henry 1982, pp.18-19).

Henry observed that the official policy of the Greater London Council (although abolished in 1986) required office permissions that would prima facie be allowable to be assessed on the basis of the degree of benefit to the community by way of 'residential accommodation, ...buildings, etc'. Citing the London Borough of Camden as an example, he further demonstrates that at the local level, policies become even more forthright in expecting 'gains' to be offered by developers. The Camden Plan - *"A Plan for Camden"*, March 1977 provides:

> "Redevelopment will be considered where gains in residential accommodation will be achieved or where the provision of new dwellings will contribute to the community either in terms of providing a greater variety of sizes of units or to the provision of ancillary services, or in the improvement to the general housing or environmental conditions."
>
> "The Council will encourage private developers to provide residential and community uses within mixed developments and will give preference to those proposed developments containing an increase in residential accommodation."

In setting out where offices would be allowed, the Plan provides that in the rest of the Borough no increase in office floor space 'will normally be permitted' except:

"iii) where substantial planning advantages can be obtained such as :

- (a) provision of public open space
- (b) redevelopment of areas of poor layout or design
- (c) conservation of buildings or places of historic or architectural interest
- (d) provision of new residential accommodation in conjunction with the development."

Similarly, the London Borough of Camden (1987), in analysing the measures adopted to slow down the rate of unemployment and industrial decline in the Borough, clarified:

"Borough Plan Policies have, nevertheless, scored some notable successes - for example, since 1979 for every square metre of industrial floor space lost, there has been a gain of three square metres resulting from planning permissions given. The review of Policies aims to build on such successes".

Since 1981 the use of Planning Gain has attracted much debate and concern. The lack of a standard definition of the term and the scope of the powers of the local authorities to negotiate planning agreements, constituted the centre of the issue. The publication of the Planning Advisory Group (1981) and the contribution of the Royal Town Planning Institute to the debate on the publication, led the DoE to recognise the importance of providing an acceptable definition, 'against which to assess the legitimacy of both Local authorities' demands and developers' offers' (Debenham Tewson & Chinnocks, 1990).

2.31: Circular 22/83: *"Planning Gain: Obligations And Benefits Which Extend Beyond The Development for Which Planning Permission Has Been Sought"* was then produced in August 1983. The Circular, amongst other directives, attempted to restrict the use of Section 52 Agreements and outlined the circumstances where a planning agreement may be appropriate:

> a wholly unacceptable development should not, of course, be permitted just because of extraneous benefits offered by the development. If however, an application is considered acceptable when assessed against the relevant planning policies and other material considerations, it may be reasonable, depending upon the circumstances, either to impose conditions on the grant of the planning permission or to seek an agreement with the developer which would be associated with any permission granted.

2.32: Circular 1/85: provides that "unless a condition fairly and reasonably relates to development to be permitted, it will be ultra vires". Marsh (1989) while citing the case of Bradford City Metropolitan Council vs. Secretary of State (1986, 278 EG 1473), observed that although many local planning authorities used the test of reasonableness as a basis for discussion, the guidelines were obviously open to widely differing interpretations, thus rendering the scope for negotiation between the parties very wide. Marsh estab-

lished further that since 1983, the practice of bargaining has increased with a trend reflecting the strength of the developer' s position in negotiation and, of the economic and political constraints placed on local planning authorities, many of whom consider planning gain to be the only financial means available to them to meet local needs.

On the issue of planning gain for transport investment, Olsberg (1990, p.15) demonstrated the desirability of seeking contributions from developers towards infrastructure investment and emphasised that 'this should be seen as part of the general policy of encouraging more private sector involvement in the provision of these facilities'.

2.33: Circular 16/91 (Planning and Compensation Act 1991)

(a): Definition of "Planning Gain": The Government, in its understanding of the enormous and wide range of problems that the term 'planning gain' embodies, came up with the following definitions:

> The term "planning gain" has no statutory significance and is not found in the Planning Acts. The whole planning process is intended to operate in the public interests, in that it is chiefly aimed at securing economy, efficiency and amenity in the development and use of land. This is achieved through the normal process of development plan preparation and the exercise of development control. In granting planning permission, or in negotiations with developers and other interests that lead to the grant of planning permission, the local planning authority may seek to secure modifications or improvements to the proposals submitted for their approval. They may grant permissions subject to conditions, and where appropriate they may seek to enter into planning obligation with a developer regarding the use or development of the land concerned or other land or buildings. Rightly used, planning obligations may enhance development proposals.
>
> By these means the local planning authority can aim to ensure that new development or redevelopment is facilitated while having regard to the interest of the local environment and other planning considerations. The term "planning gain" has come to be used very loosely to apply both to this normal and legitimate operation of the planning system and also to attempts to extract from developers payments in cash or in kind for purposes that are not directly related to the development but are sought as "the price of planning permission". Equally, the

> term "planning gain" has been used to describe offers from developers to a local authority that are not related to the development proposal. The Planning Acts do not envisage that planning powers should be used for such purposes, and in this sense, "planning gain" is outside the scope of the planning process. Since the term "planning gain" is imprecise and misleading, it is not used in this policy guidance, which relates to the role of planning obligations in the proper exercise of development control. (Planning And Compensation Act 1991).

(b): Test of Reasonableness: The Act also sets out the circumstances in which certain types of benefit can reasonably be sought in connection with granting planning permission and provides the test of the reasonableness of seeking a planning obligation from an applicant. This depends on whether what is required:

i: is needed to enable the development to go ahead, for example the provision of adequate access or car parking; or

ii: in the case of financial payment, will contribute to meeting the cost of providing such facilities in the near future, or

iii: is otherwise so directly related to the proposed development and to the use of the land after its completion, that the development ought not to be permitted without it, e.g. the provision, whether by the applicant of by the authority at the applicant's expense, of car parking in or near the development, of reasonable amount of open space related to the development, or of social, educational, , recreational, sporting or other community provision the need for which arises from the development; or

iv: is designed in the case of mixed development to secure an acceptable balance of uses; or to secure the implementation of local plan policies for a particular area or type of development (e.g. the inclusion of affordable residential housing in a larger residential development through the provisions of section 106 Agreements); or

v: it is intended to offset the loss of or impact on any amenity or resource present on the site prior to development, for example in the interests of the nature conservation.

2.34: Section 106 Agreement

Section 12 (1) of the 1991 Act amends s.106 of the 1990 Act (itself the successor to s. 52 Agreement) which provides for the law relating to planning agreements. The new s.106 enables a planning obligation to be entered into by means of a unilateral undertaking by a developer as well as by agreement between a developer and a local planning authority. 'Formerly, such obligations could only be entered into by agreement with the local planning authority'. (Moore, 1991).

The Act introduces provisions to enable a person bound by a planning obligation to apply to the local planning authority for a modification or discharge, and also provisions to enable a person bound by an obligation to appeal to the Secretary of State for Environment (SoSE), where the local planning authority refuses or fails to determine an application for its modification or discharge. The Act also provides that the obligations created run with the land so they may be enforced against both original convenantor and against any one acquiring an interest in the land from him.
S.106 (2) of the Act provides that a planning obligation may:

i: be unconditional or subject to conditions;
ii: impose any restrictions or requirement in 106 (1) (a) to (c) for an indefinite or specified period;
iii: provide for payments of money to be made, either of a specific amount or by reference to a formula, and require periodical payments to be paid indefinitely or for a specified period.

2.4: CITY CHALLENGE APPROACH

City Challenge (de Groot, 1992) was formally announced by Michael Heseltine, the then Secretary of the State for Environment, in May 1991. In the first round of the event, 15 authorities from the 57 with urban programme status were invited to bid competitively for a five year programme, amounting to nearly £40 million per project. In the end 11 authorities were successful, while money allocated was £37.5 million for each local authority, over 5 years.

The rules of the competition required local authorities to outline a vision and five year strategy for the transformation of a defined inner city area, putting in the bid on behalf of a partnership of organisations including the community, public and private sectors, demonstrating leverage of private sector funds and proposing a mechanism for managing and delivering the programme at "arms length" from the local authority. An urban programme status was essential to be eligible to participate.

However, de Groot observed that one of the anomalies over the approach is that a number of urban authorities, for instance Ealing and Slough, despite having high indices of deprivation, were excluded from the programme.

The second disadvantage of the programme is that it is a competition, hence there are bound to be winners and losers. How do the losers meet their community requirement in terms of infrastructure and services thereafter?. What are the chances that the loser Authority this year would become the winner Authority next year?. The danger is that those Boroughs that have money to spend on project preparation, and that have the potentials for cost recovery mechanisms and profit generating capacities, would most likely emerge as winners. The rich could become richer and the poor poorer.

Another constraint about the approach is that as the number of winner authorities increase each year so will the Government commitment and allocation of resources to the programme increase considerably. The danger is, there is likely to be a shortfall in the allocation of funds in the event of deficit budgeting arising from the hard hitting recession. Coupled with this is the fact that projects associated with urban renewal or inner city infrastructure provision often involve high costs and a risk of insufficient returns on investment. This varies from issues such as site decontamination (if a derelict land), resettlement of displaced occupants, to relocation of on-site infrastructure, or even negotiating certain aspect of the development with neighbours in order to provide the required services. Eventually, the scope for capturing land value increases is very poor when compared to the green field alternatives. 'As a result the property market has often pursued the sectors which realise higher values'. (SERPLAN, 1989).

On the other hand, the distinguishing features of the approach are that it demands a high profile public bidding competitive process, it is a five year programme, success is directly linked to perceived strength and breath of the partnership and leverage demonstrated. The local authorities were given lead role and the delivery mechanism for the programme had to be at arms length from the council. (de Groot 1992).

2.5: CONCLUDING REMARKS

In recent times, however, the Government has begun to modify or reverse some of its "controversial" policies on public establishments and investments. For instance, the earlier decision to close down 31 coal pits has been reversed and the number brought down to about eleven. The spared ones are also to benefit from subsidies that would enable their productions to compete with foreign productions. Besides, the Secretary of State for Transport (King's Cross Railway Lands Group, 1992) Malcom Rifkind, in October 1991, announced that it was the Government's aim that the Channel Tunnel Rail Link should be financed, built and operated by the private sector. Whereas, on March 22, 1993, the Secretary of State for Transport, John MacGregor 'gave the green light to the £2.5 billion Channel Tunnel Rail Link and the International Passenger station at Ashford, Kent. He made it clear that the Government was fully committed to having the Station completed at the earliest possible date and confirmed that **£30 million had been given to BR** to carry out all the track, signalling and platform works. He also clarified that responsibility for the remaining work will be transferred to the private sector'.(Journal of the RTPI, April 1993, Vol. 79, No 4 p.6). Could these steps mean that market-based solutions and competitions have their limitations, or that with time, policies have to be reviewed?. King's Cross/St Pancras redevelopment proposals and the related negotiations are significant in the sense that they have proved to be a victim of some of these practices. It is in this context that the thesis attempts to examine where the practices could be improved upon, in the redevelopment of inner city centres, such as King's Cross.

Chapter Three

EVOLUTION OF DEVELOPMENT ON THE RAILWAY LANDS [KING'S CROSS]

This chapter is about the development and the economic history of the King's Cross Railway Lands, its population, industries, commerce, economic prosperity and its eventual decline which led to the 'general rationalisation' of the British Railways resources and the consequential fragmentation of original big chunk of Railway lands, to mark the beginning of housing and property development, from the early 1970s.

3.1: IMPERIAL LONDON

The 19th century UK was characterised by imperial and industrial expansion. Closely related to these in London were housing production, growth of clerical and professional labour markets and innovation in transport and utilities. London had earlier on become important as a colonial out-post in the Roman period, enjoying a boom as a colonial centre. It experienced a construction surge following the fire disaster of 1666. Its growth in the 18th century seems to have constituted the cradle of capitalist wage relations and a remarkably dynamic combination of production, exchange and financial activity. Clarke (1992) observed that the period 1780 to 1830, was identified with industrial revolution or sometimes early capitalism, 'a stage marked by a great intensification of the urbanisation process especially around London'.

By the 20th century it was already a city of class-stratified society, ethnically-mixed, served by under-ground railways, sewers, prisons and other modern paraphernalia. The market capitalism which combined profit on the housing capital with adequate reproduction was proving unable to house the working classes. Local state mechanisms were providing social housing instead. The public transport system (Hunter and Thorne, 1990), once marvelled at by foreigners, has become tawdry and exasperating; affordable housing was almost impossible to find; and the city's public realm - its streets, open spaces and civic buildings -

was falling into disrepair. This background history demonstrates that London has 'an ageing infrastructure, a strong class polarisation, a history of metropolitan government and a very diverse economy right from the 19th century'.

Today, the city is characterised by a high degree of centralisation of employment, a concentration of working class housing, shopping, cultural and tourist activities, thus, bringing with it over-congestion at central interchanges. (The three paragraphs discussed draw heavily on Edwards, 1992; and Hunter and Thorne, 1990).

3.11: King's Cross/St. Pancras

Forming an integral part of Central London (roughly bounded by the Circle line) are the King's Cross and St. Pancras stations. Just north of them lies an expanse of derelict land 'representing a layering of transport history : the Grand Union Canal, the early stations of the Great Northern and Midland Railways,.....stations of the world's first underground railway - the Metropolitan - and of three later deep tube railways' (Hunter and Thorne, 1990) .

Hunter and Thorne observed that until the middle of the 18th. century, the present day King's Cross, or the Battle Bridge as it was then known, consisted largely of open fields with the venerable St. Pancras church and a number of local inns. Change began in 1756 when the New Road from Paddington to Islington was laid out by Act of Parliament. This incorporated the present Euston and Pentonville Roads. Development, residential in the main, gradually followed. The Kings Cross itself was a sixty foot high statute of George IV, erected in 1836 at the junction of the new road and the ancient Maiden Lane.(now York Way). It was demolished in 1845.

One of the earliest buildings on the Railway Lands (London Borough Of Camden, 1989), was a health spa where people went to seek cures from all sorts of ailments. The site was demolished in 1846 after it had been purchased by the Great Northern Railway to build its terminus.

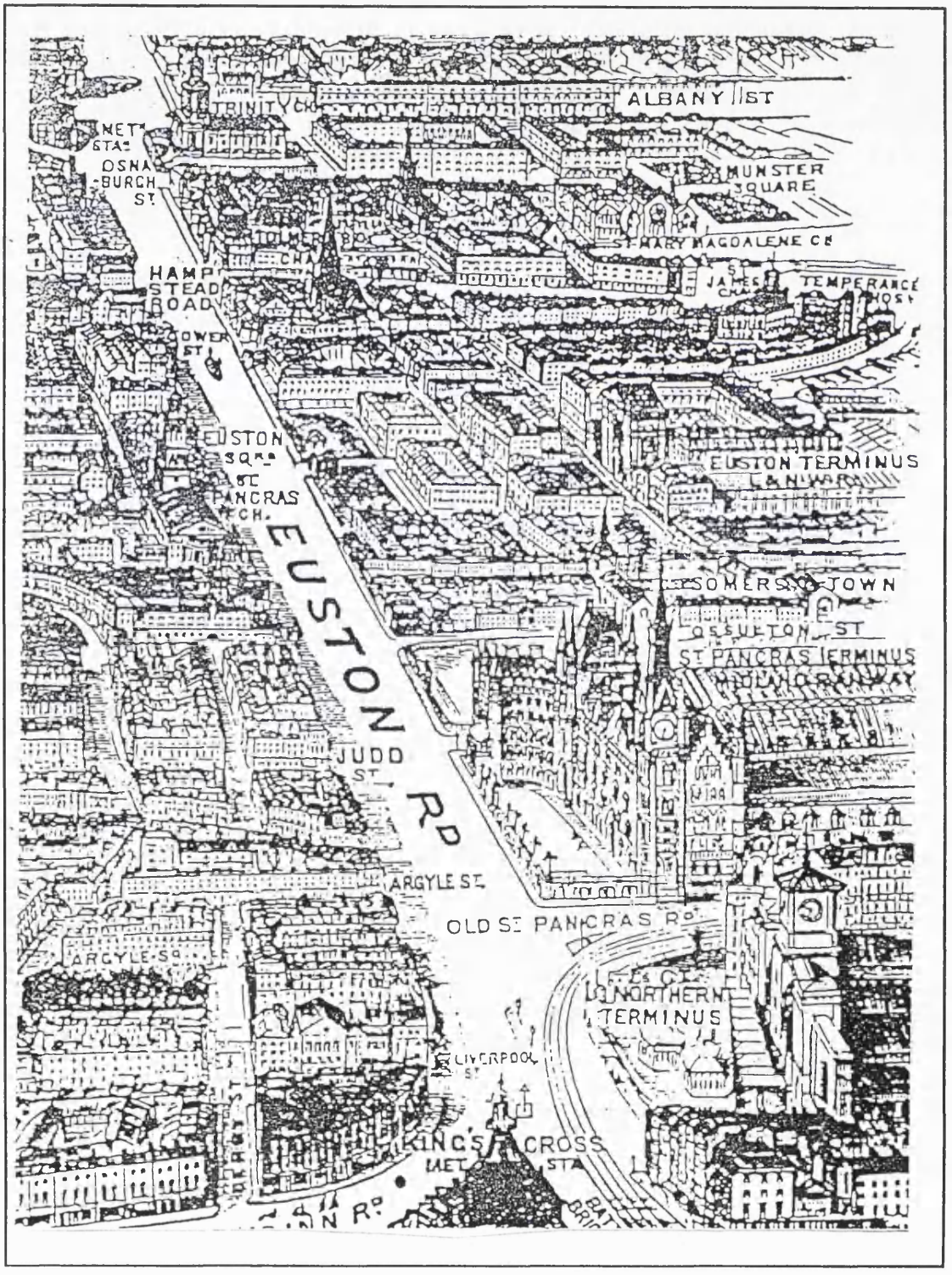
The Regents Canal, which connected the canal network of the industrial Midlands with the Thames at Limehouse, was completed in 1820. Traffic on the canal grew rapidly thereby encouraging the development of industries in the area. In 1823 the Imperial Gas Light and Coke Company built a gas works just south of the canal using coal brought in by barge. 'The works was shut in 1906 and demolished in 1921, but the gas holders still remain and some have been listed as grade II structures' (Hunter and Thorne, 1990).

The arrival of the railways between 1850 and 1898, further accelerated the economic prosperity of the area. The Euston Station built by the London and Birmingham Railway in 1837 was the first mainline terminus in London. When the traffic increased, the Great Northern Railway who had used the station, decided to build their own terminus. The King's Cross terminus was then built in 1852. Its designer, Lewis Cubitt, was also responsible for most of the other listed buildings including the Granary, Coal Drops and the Great Northern Hotel.

The Goods Yards to the north of the canal were built during the 1850s, joining the canal and the railway in a huge complex that soon became the most important supply centre for London's food and fuel. In 1876 King's Cross was extended to the west to provide platforms for commuters on the new suburban lines. The railways, like the canal, attracted a number of industrial and commercial businesses: copper and brass foundries, coal merchants, stone mills and masons, saw mills, ammunition factory, wine and cigar merchants, etc. Pubs, cafes and shops were built to serve passengers using the stations, most of them on the York Way. According to Hunter, the German Gymnasium, built in 1865 by German businessmen, 'is evidence of the large trading community which worked and lived in the area'. The increasing industrial and transport growth of the railway lands, further attracted thousands of migrants to both work and live around the stations and factories. (fig. 3.1, p.30). Three railway termini: Euston, King's Cross and St. Pancras, the relatively cheap housing and jobs acted as a magnet for immigrants from the British Isles and from around the world'. (London Borough of Camden, 1989)

Fig. 3.1: **1885: A bird's-eye view looking west along the Euston Road from the south of the Railway Lands site:**

(From Herbert Fry 'London in 1885' (1885)



During the 1860s the Midland Railway bought up land in the east of Somers Town and almost the whole of Agar Town to build a new passenger terminus and goods yard. The St. Pancras Station was completed in 1868 and the Midland Hotel infront of it in 1876. In 1887 the Midland Railway opened the Somers Town Goods Depot on the present British Library site.

In 1863 the Metropolitan Railway, the first underground railway in the world was built. It ran from Paddington to Farringdon Street, passing through King's Cross. Other lines: the District in 1868, and the Circle in 1884 , were soon built sharing much of the Metropolitan track. The first deep tube to pass through King's Cross was the Northern line, built in 1890, the Piccadilly line in 1906, and the Victoria line in 1969.

The high unemployment caused by the depression of the 1930s, had steadily weakened the economic base of King's Cross as industry and manufacture had left the place. Between 1950 and 1960, the scale of goods marshalling has entered its terminal decline. In addition, the declining demand for coal and the increasing shift of goods traffic away from the railways onto the roads, had led to diminishing activity in the whole goods yard complex. This trend was accelerated by the general rationalisation of the resources of the British Railways presided over by Dr. Beeching, and it became increasingly apparent that the old marshalling yards could be put to different, more socially relevant or commercially productive use. This marked the beginning of the development of property for the purposes that reflected the priorities of the metropolitan and municipal planning at the time.

By the 1970s, the land adjacent to Agar Grove has passed into the ownership of the London Borough of Camden and was devoted to council housing.- the Maiden Lane Estate, while Elm village by Pancras Way became a mixed development of Housing Association and private housing. The rest of the land west, from St. Pancras, was devoted to light industrial use.

In the same period, the area covered by the current redevelopment schemes, which in an actual sense, is a residue of a larger Railway Lands (fig. 3.4, p.36), had been demarcated.

From 1977 onward, the GLC's aim was to both improve the transport interchange of the neighbourhood and upgrade its economic and environmental character as a whole. In 1978, a public exhibition that was mounted in this regard displayed different options and strategies that materialised into a "Draft Action Area Plan", in 1985. Following the abolition of the GLC in 1986, not much was achieved in implementing the policies outlined in the document. However, the Council had succeeded in encouraging the rehabilitation and replacement of buildings on the canal - at the Battlebridge Basin just across York Way - to provide light industrial premises and housing. In addition, by March 1986 (after strong lobbying), it had succeeded in declaring a substantial area around King's Cross as a Conservation Area (fig. 4.4 p.65)

In August 1987, a confidential report dated June 1987, on the potentials of the derelict land, for a comprehensive redevelopment, was leaked to the "Architects Journal", and later to the local and national news papers. British Rail and some lesser land owners (fig. 3.5 p.37) initiated proposals for an office-led development and regeneration of the site based on British Railway's plan to bring TGV services to King's Cross.

composition of holdings by land owners

British Railways	95 acres	71%
National Freight Consortium	18 „	13%
British Gas	5 „	4%
British Waterways Board	3.5 „	3%
London Borough of Camden	0.5 „	0.4%
Others (fig. 3.5, p.37)	12 „	8.6%

Source: British Railways Property Board, 1988

The British Rail and other landholders on the site later held a competition to choose the developers. By June 1988, the project became a partnership with developers Rosehaugh and Stanhope, whose subsidiary London Regeneration Consortium (LRC), with the National Freight Corporation (Hyperion Properties), commissioned a Masterplan from Architect Foster Associates. The development is intended to be market-led with more opportunities for speculative capitals from international market.

Julie Sexton's (1992) thesis, "Redevelopment and the Benefits of Planning Gain" (paragraphs 47-81) documents in detail the initial discussions that led to the selection of the developers, the initial planning applications, and their amendments. The proposals and Bills comprise the following:

i: **King's Cross Railways Bill to Parliament**, appears to be seeking powers for three main purposes:

*: to accommodate a relocated and improved King's Cross Thameslink Station;

*: to accommodate platforms for those Thameslink Express services that would make use of the new CTRL;

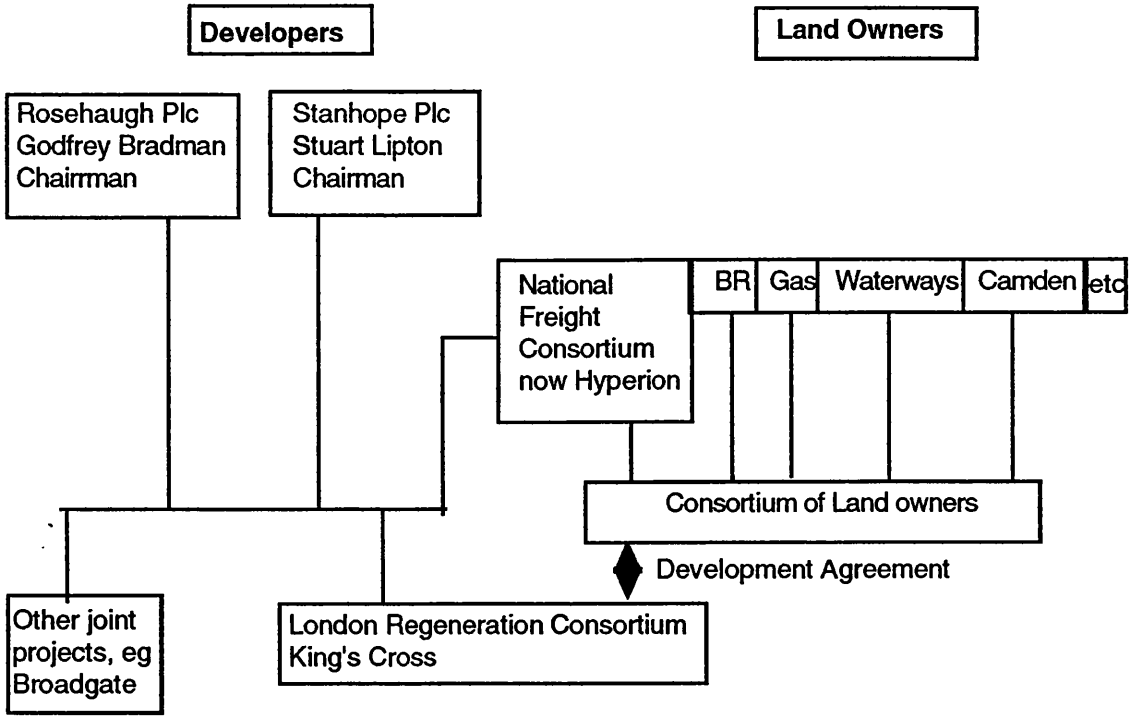
*: to accommodate a new International Terminal for trains from Paris and Brussels;

ii **British Railways' Planning Applications to the LBC** for the construction of a low-level station and a passenger concourse building/gyratory, at King's Cross/St. Pancras Stations.

iii: **Applications by British Railways and London Regeneration Consortium (LRC)**, containing proposals for a comprehensive redevelopment, of the King's Cross Railway Lands. At the onset, four development groups submitted redevelopment proposals. In June 1988, the LRC, made up of Rosehaugh Plc, Stanhope Properties Plc and the NFC, were chosen to develop the site.

Meanwhile, the government has since embarked on the rehabilitation and restoration of the Grade 1 Listed St. Pancras Building. The planning permission to Speyhawk/McAlpine for the development of St. Pancras (for hotel above, shops below, etc) would expire in 1993, however, unless renewed.

Fig. 3.2: King's Cross Agencies & Operational Organigram (Edwards' Version, 1991)



DECISIONS: SOSE: can call in applications for his own decisions
If yes: determines applications;

If no: London Borough of Camden determines applications.
Parliament: determines BR Bill for Engineering and Land purchase.

Borough Consultations: London Borough of Islington
English Heritage (Conservation)
Community/Population
KXRLDG
Royal Fine Arts Commission
Victorian society

Fig. 3.3: Aerial View of King's Cross and the main Railway Termini

Fig. 3.4: **King's Cross** (Larger) **Railway Lands**

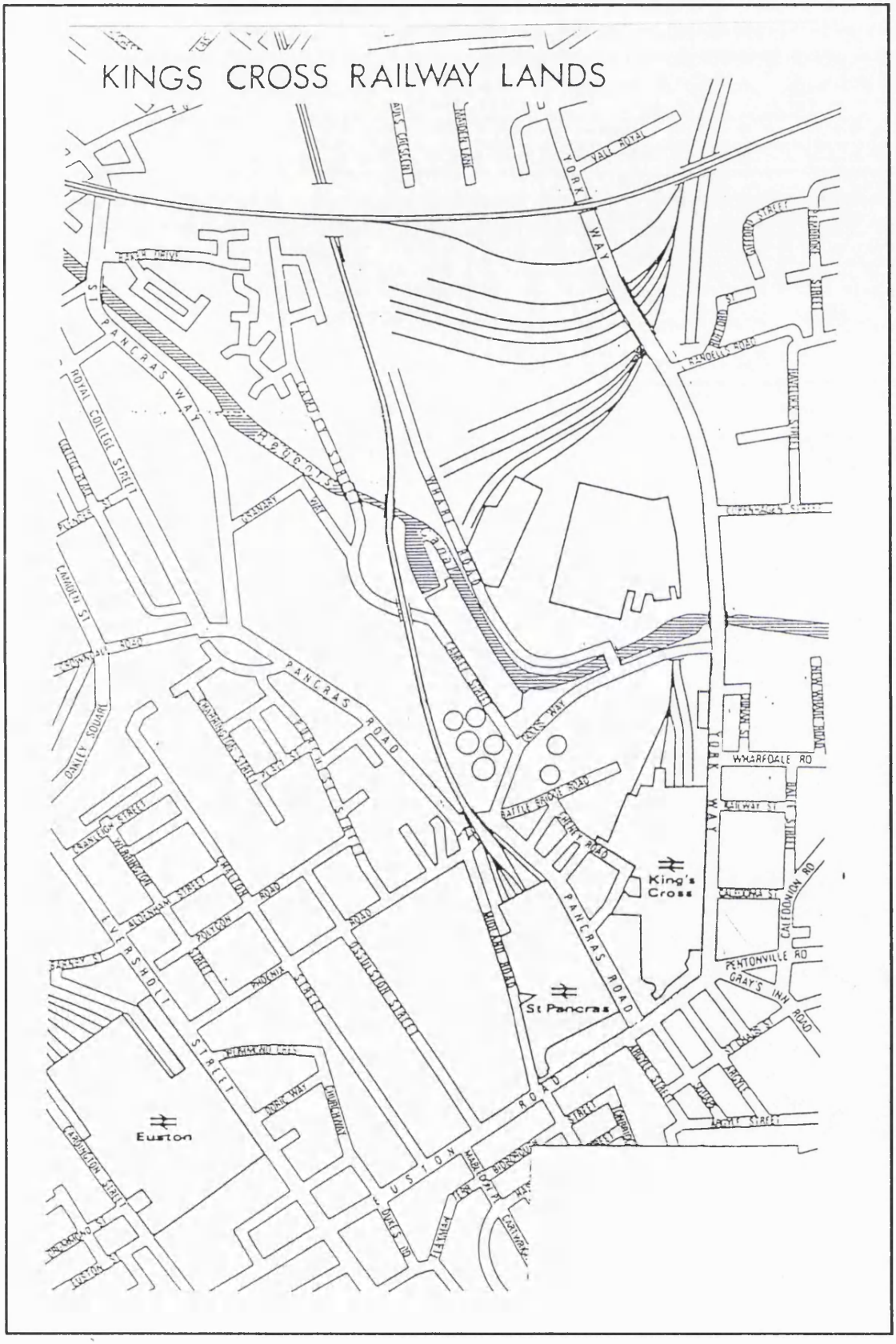
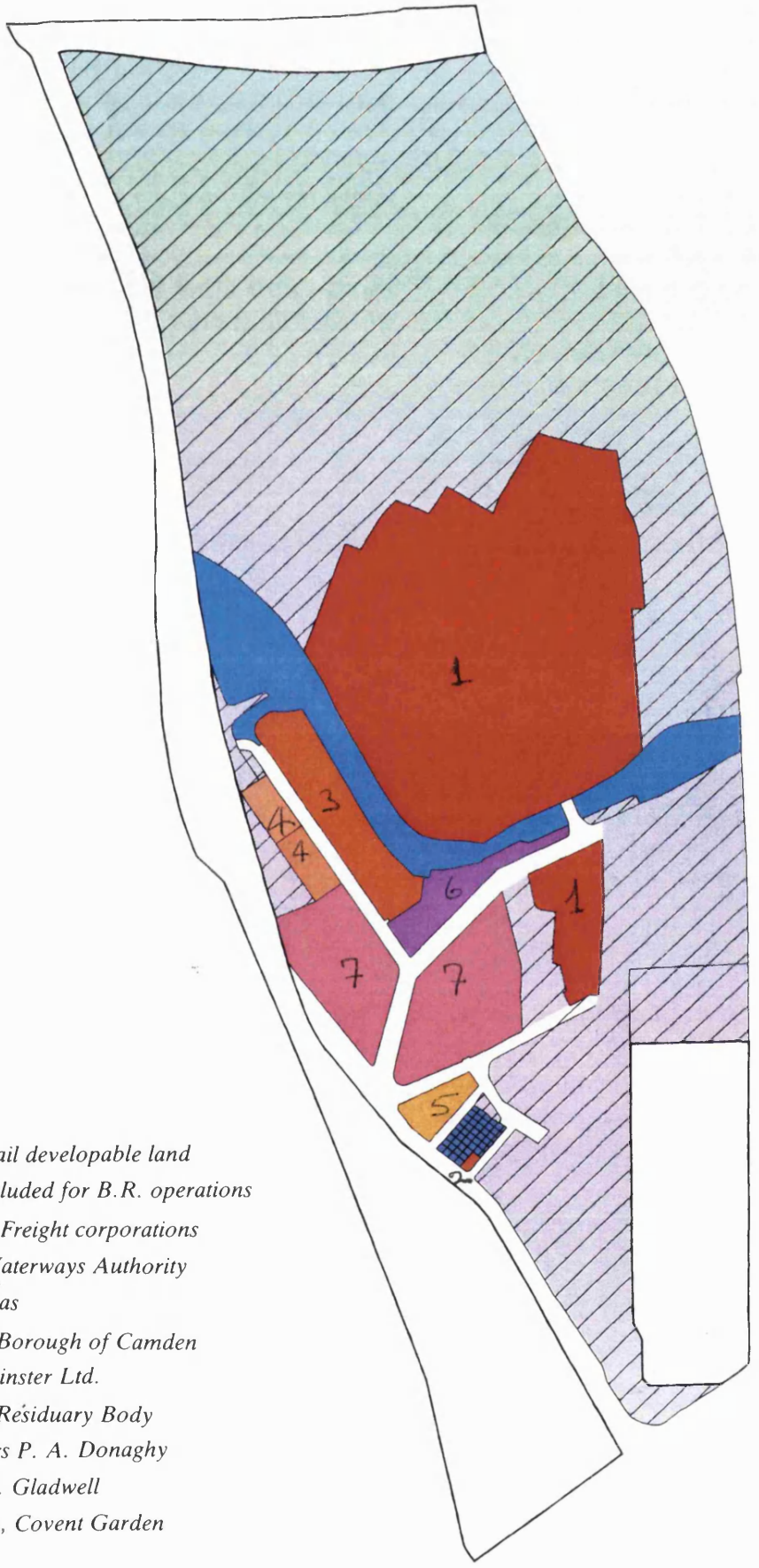


Fig. 3.5: **Land Ownership Plan**



British Rail developable land
Land excluded for B.R. operations
1 *National Freight corporations*
British Waterways Authority
7 *British Gas*
London Borough of Camden
6 *Bruno Minster Ltd.*
3 *London Residuary Body*
2 *Mr & Mrs P. A. Donaghy*
4 *Mr P. W. Gladwell*
5 *Baldwins, Covent Garden*

3.2: ISSUES AND POLICIES

3.21: Greater London Development Plan (1976)

Table (2) of the GLDP 1976, identified the King's Cross/St. Pancras site as one at which office development should be encouraged to locate. The table was put forward on an interim basis and subject to further study. The extent of the location and the exact spots where major office development may have been allowed were left for determination in the Local Plans.

Table (3) of the Plan identified Camden Town/King's Cross as a preferred location where industrial development should be encouraged.

Section (13) of the GLDP identified King's Cross/St. Pancras as an Action Area. This means an area selected for comprehensive treatment by development, redevelopment, or improvement in accordance with a Local Plan over a period of about 10 years. Appendix F(13) of the GLDP states:

> "The role of these two main termini, British Rail's review of policies and the problems of transport interchange call for a suitable area to be replanned comprehensively. The objects are to develop an efficient major transport centre, and to provide as appropriate for housing or other uses on adjoining areas which the comprehensive replanning may involve. The area may include some land in Islington."

The GLDP also defined King's Cross as an area of opportunity and stated in Appendix G (B): "the opportunity here extends over the railway land and related areas up to the Broad Street Richmond Line."

Para.. 5.9.7 of the GLDP states:

> "where possible buildings which generate large amount of passenger traffic should be close to public transport facilities. Within the strategic policies for employment and location of offices, new offices in Central London should be located as close to public transport as other considerations permit."

Para. 10.2.3 states:

> "the London Borough Councils in preparing their Local Plans and when applying development control will consider how the amenity of the canals can best be exploited in areas where redevelopment and change are expected, in terms of visual amenity, landscaping and the provision of recreational and other facilities, including the opportunity offered by the towpath as a traffic free link between open spaces and communities."

3.22: GLDP Alterations 1984

In contrast to the 1976 GLDP, it made no specific reference to preferred office locations but office policies distinguished between:

- **Community Areas** (EMP 18): Replacement/Modernisation of existing new office development only up to 5,000 ft^2

- **Rest of London** (Emp 19): List of town centres where new office development encouraged (did not include King's Cross).

- **Central Activity Zone (CAZ)** (Emp 24-26): the exact boundary of the CAZ was left for individual Local Plans to define while office developments of over 5,000 ft^2 were subject largely to the following factors:

  i: environmental conditions which would be associated with development;

  ii: the capacity of public transport systems to carry the work journeys of the employees;

  iii: the attainment of planning advantages such as:

  * improvement of the public transport systems at railway termini and interchanges

  * provision of special benefits in the form of buildings, open space, pedestrian access and other facilities for the use of the public

  * redevelopment of areas of poor layout or design

* conservation of buildings or places of historic or architectural interest

* provision of residential accommodation in conjunction with the development

* provision of small suites of offices, particularly if available on a rental basis;

iv: the availability of local labour (apart from variations due to short-term fluctuations).

The alterations were deemed to have been withdrawn by the then Secretary of State on abolition of the GLC in 1986.

3.23: The Borough Plan (May 1987)

i: Community Area: It covered most of the Borough south of Euston Road and King's Cross, and Somers Town to the north. Policy EM22 (p.39) states: "in the Community Area, the development of office floorspace, either by new building, or change of use, will not be permitted." This is to avoid the adverse effect of the office development on the residential community and the facilities they would need. Where redevelopment is anticipated, housing, industry shopping or other community uses should be considered.

ii: Outside Community Area (Policy EM23 (p.40) provides):

"Outside the Community Area the development of office floor space, either by new building or change of use, will generally be restricted. Subject to other policies in the plan and conformity with planning standards, office development (up to 500 m^2 gross) may be appropriate in King's Cross Action Area (subject to the preparation of Local Planning Proposals for the Area as described in Section 11.7 (ii))."

Policy EM23 (ii) provides that "additional location for office development less than 200 m^2 (gross)" may be appropriate on land which is unsuitable on environmental grounds, for other uses such as housing and industry.

iii: Office Development: Para. 3.4 (p.37) recognises the need for a general presumption against increases in office floorspace , particularly in speculative development schemes. 'Such additional floorspace which is needed should be restricted to specific locations in the Borough with adequate public transport accessibility' (but the locations were not specified).

iv: King's Cross Action Area: "Local Planning Policies", Section 11.7 (ii), (p.101), spells out the intention of the Borough, in consultation with the British Rail, London Regional Transport, other land owners, and local residents and community organisations, to produce policies and proposals for King's Cross, and incorporate it into the Borough Plan, as a Special Policy Area.

The proposals would take account of the opportunities for achieving new jobs, housing and leisure uses on Kings Cross Goods Yard "(site 27)", and aim to:

* improve the transport interchange and particularly provide better arrangements for pedestrian passengers and traffic circulation.
* improve the listed buildings and other buildings of architectural or historic interest within the conservation area;
* provide for other appropriate land uses;
* improve the over all environment.

In addition the Council intended to 'open discussions with the British Rail and the LRT on the available method of funding improvements to the mainline stations and the associated transport interchange including an approach to the Central government for financial assistance'.

v: Special Policy Area: Para. 11.6(i) (p.100) declares the King's Cross Community Benefit Area as a Special Policy Area, while para. 11.13 (Policies PY24-29, p. 105), defines the boundary as the location south, from King's Cross and St. Pancras stations. 'This includes a large number of council dwellings, small hotels and industrial, office commercial and institutional uses.' These policies have been

designed in partnership with the local community, to secure the regeneration of the area, through an action programme aimed at the provision of jobs for local residents., improved housing conditions, provision of local facilities, etc.

vi: Specific Site Proposal (No. 25): The Borough Plan Schedule "Proposal No. 25", refers to the King's Cross Goods Yards Complex (net site area, 102, 800 m^2), lying north of the Regent's Canal, as having the potentials for an heritage centre, leisure, industry and residential uses.

3.24: Community Planning Brief (approved by LBC, January 1988):

The document provides the planning issues and Council's objectives for the area:

i: The Council's Objective

a: to encourage comprehensive regeneration of the area which provides substantial benefits for existing and future communities and is well integrated socially and physically with the surrounding areas;

b: to provide for the community participation in the development of the proposals;

c: to develop employment opportunities and training schemes;

d: to provide a wide range of housing types to meet community needs;

e: to provide a wide range of leisure and social facilities;

f: to protect and improve listed buildings and conservation areas;

g: to achieve a high standard of architecture and townscape;

h: to promote use of public transport;

i: to limit traffic generation and adverse environmental impact of proposals;

j: to ensure a safe and convenient environment;

k: to improve accessibility for pedestrians, cyclists and people with disabilities.

Para. 1.2 of the Brief recognises the conflict between the strategic importance of the site and local needs: ".....the strategic importance of the site must not detract from its potential for meeting the needs of the local communities for jobs, housing, social and recreational facilities."

ii: Issues

Jobs: The Council's Survey recorded more than 3,000 jobs in the Area in 1984, mostly at the two main line stations. In surrounding communities (of Camden and Islington) there were high levels of unemployment. The average rates of unemployment in Somers Town and King's Cross Wards between October 1986 and October 1987 were 16% and 24% respectively. Where jobs were available they frequently did not match the skills of the local unemployed work force.

Housing: The area experiences an 'extreme shortage of housing, particularly low cost housing, for rent'. Council and housing association waiting lists are long and give priorities to families with children. The private sector, influenced by the proximity of the area to central London, is expensive. Single people and couples without children find it particularly difficult to secure accommodation. 'The King's Cross area has the highest concentration of homelessness in Greater London and the numbers are constantly rising'.

Community Facilities: The area lacks a good local shopping centre; 'residents have to travel to the major shopping centres of Camden Town and Angel for their shopping needs'. Inspite of the existence of large communities in the area, the level of social, leisure and recreational facilities is poor.

Transport: King's Cross underground is one of the most heavily used in London. It has experienced a consistent increase in the number of passengers using both the deep (Piccadilly, Victoria, Northern) and surface (Metropolitan and Circle) lines since the early 1980s. A large volume of rail passengers also use the British Rail stations.

While the "stations" area is highly accessible by public transport the surrounding road system is heavily trafficked and often congested. This congestion is caused in part because the road system forms part of the regional and national road network; Euston Road/Pentonville Road is a national trunk road. Substantial traffic is also generated by the transport interchange itself and the strategic activities which have clustered around it.

Physical Environment: Many buildings on the site are of historical importance and architectural value whilst the 'natural habitat of the area contains a huge asset in the form of the canal and its wild life'.

3.25: Northern Part of the Railway Lands

A Borough Report (1989, pp.5-10) on "London Regeneration Consortium, Strategic and Local Policies", provides:

* the Goods Yard to the North of the Action Area, in the middle of the site, is identified in the Proposals Map and in the draft planning brief, as suitable for heritage, leisure, industry and residential purposes.
* the northern part of the Development site has no special or site specific policies predating the Community Planning Brief, hence general policies would therefore apply, with emphasis being on a mixed development.

The report also directed that other Borough Plan policy areas that would apply to the planning applications are:

* Conservation Area Policies (UD11-15, UD16-18)
* Community Area Policies (HG40-44, SH20-25, SH28, TM2, SS8)
* Ecological Corridor (UD42-46)
* Specific Site Proposal 25 (Heritage)
* Specific Transport policy T3 (Pedestrian Links)
* Environmental code 1979

3.26: People's Brief (1990)

The document is the outcome of survey studies commissioned by King's Cross Railway Lands Group and local pressure groups, to gather local views and materials on how the Railway lands should be developed. Indeed this was designed to produce alternative project plan proposals to the LRC's. The document argues that:

i: the Borough Plan, May 1987 carried forward many of the concepts and policies of the GLDP Alterations including that of a Central Activity Zone surrounded by community areas. It defined the northern boundary of the Central Activity Zone as High Holborn/Theobalds Road. It provided that the Community Area extended northwards from the CAZ to Goods Way, but did not include the King's Cross Action Area, 'which is located on the southern third of the site between Goods Way and Euston Road'.

ii: following a Local Plan Public Inquiry, the Inspector recommended that major office development should be allowed at King's Cross and Camden Town in line with the GLDP (1976) preferred office locations. 'This position was supported by British Rail Property Board in objections to EM23 and section 11.7 (ii) on the grounds that it was unrealistic to expect Government to fund main-line station improvements and transport interchange; that joint / commercial station development has been used extensively in Central London; and that only major office development would provide sufficient funds for necessary improvements to be carried out at King's Cross.'

iii: at a meeting on 2nd April 1987, the London Borough of Camden Planning and Communications Committee largely refused to accept the modifications on the ground that the 'Council had already conceded removal of Community Area designation from the Action Area before the Public Inquiry. However, the Committee stuck to their established position against major office development at King's Cross, and adopted the policies set out in EM23.

iv: the Council insisted that they would open discussions with the British Rail and the LRT on the available method of funding improvement to the main line stations and the associated Transport Interchange, including an approach to Central Government for assistance.

In addition, the document agrees with the policies and proposals of the Camden Community Planning Brief, that:

a: it provides design guidance with some specific recommendations for different land uses;

b: it does not indicate preferred levels or location of offices, retail or other types of commercial floorspace;

c: it proposes 1,850 units of social housing on the site, including sheltered housing and special needs housing.

It also recognises that the policies and proposals of the Community Planning Brief were meant to supplement the Borough Plan Policies of 1987 and not to supersede them.

3.27: Camden UDP (Draft 1992)

The document (para. 12.4-12.8, p.26) identifies the King' Cross Railway Lands with a site area of 54 ha. (134 acres), of which 31 ha (78 acres) is capable of development. It recognises the strategic significance of the site with the opportunity to achieve a mix of uses that would meet a range of strategic objectives and needs. It highlights the need for other social, community and leisure uses, to ensure that existing facilities in the Borough 'are not subject to additional pressures from on-site residential and working populations'.

It provides that the Council, through a "comprehensive and co-ordinated approach", would seek to establish and agree with the applicants, clear guidelines to control the development process and ensure the provision of an even stream of mixed uses.

In view of the likely impact of the development proposals on transport networks, and on existing social provision, the document highlights the need for identifying additional infrastructure improvements and facilities, and it concludes: "through Circular 16/91, such additions or improvements could include the provision of appropriate social, educational, recreational, sporting or other community facilities where these are justified by the scale and nature of the development and its impact on social infrastructure of the surrounding area." Annex B, paragraph 8, of the Circular, outlines "tests of reasonableness" for seeking "Planning Obligations". Tests 3 to 5 (London Borough of Camden, 1992) are particularly relevant to the proposals at King's Cross.

i: Objectives

The following "part I objectives" are identified for the site in the draft UDP:

"SKC1": To encourage a comprehensive approach to the development and the regeneration of the King's Cross Railway Lands, based on the principles of sustainability, ensuring a mixed use development which provides substantial benefits for existing and future communities in both Camden and Islington and which is well integrated both socially and physically with the surrounding area.

"(SKC2)": To seek to ensure that proposals for the area respect the industrial heritage of the site giving priority to good design, encouraging diversity, meeting local needs whilst accommodating strategic uses and business growth, and securing long overdue improvements to the transport interchange.

"(SKC3)": To encourage parties involved to adopt a collaborative approach to the development of the area which particularly allows the local community to participate as fully as possible in the planning process.

ii: Environmental Policies

"(KC1)": The Council will require an Environmental Statement to be submitted in support of any planning applications for comprehensive development in the Special Policy Area.

Policies KC2 - KC5 (pp.216-7) highlight the need to protect and improve the listed buildings, and seek to achieve a high standard of architecture, townscape and design, in both new developments and in the re-use of buildings. Para. 5.3 provides that the King's Cross Special Policy Area includes two Conservation Areas - the King's Cross and Regent's Canal Conservation Areas, and a number of Grade I and II Listed Buildings; and that the Regent's Canal, including the Camley Street Natural Park, has been designated as an Area of Special Character because of its historic and visual interest to the SPA.

iii: Transport

Policies KC6 - KC8 and Para. 5.4 (p.217) identify that the King's Cross area already suffers from "overcrowding and congestion" and states:

> "it is essential that on redevelopment the opportunity is taken to secure substantial improvements for public transport infrastructure at King's Cross to relieve existing congestion and ensure that there is sufficient capacity within the system to cope with the increased peak hour passenger flows which will result on redevelopment. .....It will be essential to ensure that redevelopment proposals include an on-site road network which is properly integrated with the surrounding road network."

iv: National and Strategic Context

"Strategic Advice designates King's Cross as a Special Policy Area." These are essentially areas of key public transport interchange offering good access and capable of providing a focus for new development and divert pressure for development away from surrounding mixed and predominantly residential areas. In view of this, the UDP has settled within the Central Government stated

position: "the Channel Tunnel Rail Link will proceed to King's Cross via Stratford." (LBC, draft UDP, 1992).

3.28: Planning Policy Guidance (General Policy and Principles)

Section 54A of the Planning and Compensation Act 1991, requires the London Borough of Camden to determine the Outline Planning Application (OPA) in accordance with the Development Plan (the GLDP and the Borough Plan). It provides that "where in making any determination under the Planning Acts, regard is to be had for the Development Plan unless material considerations indicate otherwise". Policy Guidance in PPG1 advises that the planning system:

i: must make adequate provision for development (for example, the new houses and workplaces the nation needs, and associated services such as roads and schools), and at the same time take account of the need to protect the natural and built environment;

ii: must take account of international obligations

iii: if properly used as directed, "can secure economy, efficiency and amenity in the use of land."

It further directs that the planning system should be efficient, effective and simple in conception and operation, and further emphasises:

> "the system fails in its function whenever it prevents, inhibits or delays development which should reasonably have been permitted. The planning system should operate on the basis that applications for development be allowed, having regard to the Development Plan and all material considerations, unless the development would cause demonstrable harm to interests of acknowledged importance."

Para. 25-31 of the Guidance advises that "decision-makers should take to the consideration of planning applications."

In relation to the effect on Listed Buildings and Conservation Areas, the 1990 Acts require the Council to apply further specific tests. These tests are set out in paragraphs

5.28 to 5.36 and 11.30 to 11.32 of the Urban Design Appendix and at paragraphs 7.1 to 8.6 of the Conservation and Heritage Appendix of the Report of March 26, 1992, to the Special Planning ,Transport and Employment Committee.

3.29: Land Use Policy

The Government's White Paper "This Common Inheritance" (1990) highlights the increasing importance given at all levels of policy to the need to protect the environment. The Government's principal aim is to preserve and enhance the Country's natural and cultural inheritance, including the historic buildings and sites. This policy is of particular relevance to the King's Cross site in that it seeks to:

* explore further ways of preventing dereliction and bringing more vacant land into productive use;
* encourage good design especially through design guidance and design briefs; and
* ensure that urban project helps both the local economy and the environment.

(LBC, draft UDP 1992).

3.3: POLICY CONCLUSION

At all policy levels (London Borough Of Camden 1992) the King's Cross site is seen as a location where regeneration and development should take place. Furthermore, it is seen as a location for strategic development, but within the context of a mixed use scheme which includes a substantial amount of housing, and provides a substantial amount of employment. Within this context, the Borough's policy objective provides:

> "Revitalisation of older inner urban areas, fostering of economic growth and the maintenance of London's position as a World City are key themes that exist at strategic level in the GLDP, and through the Regional Guidance. The development conforms with this overall objectives. Failure to redevelop the King's Cross site or its long term sterilisation is a material consideration."

Fig. 3.6: King's Cross in its London Context

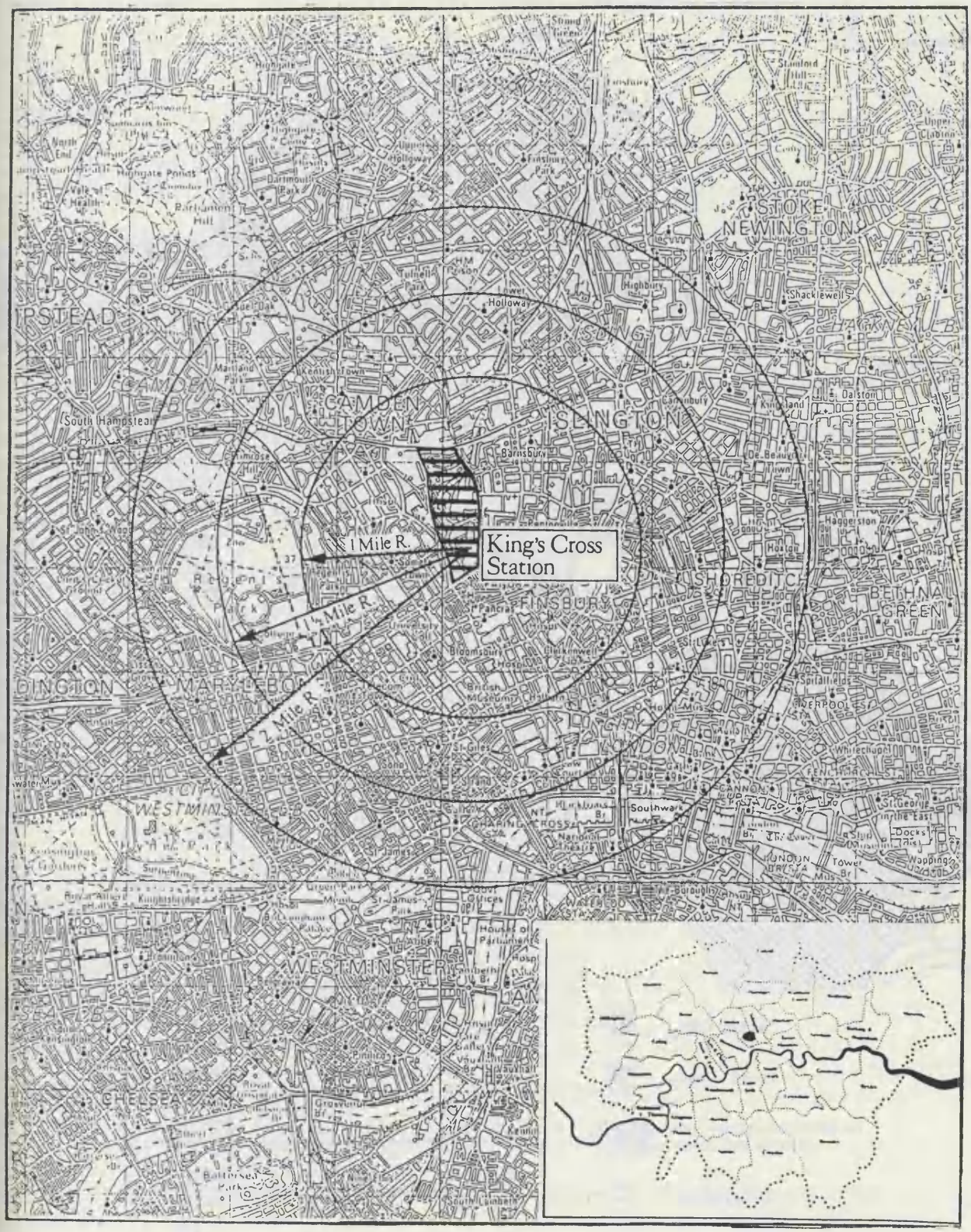
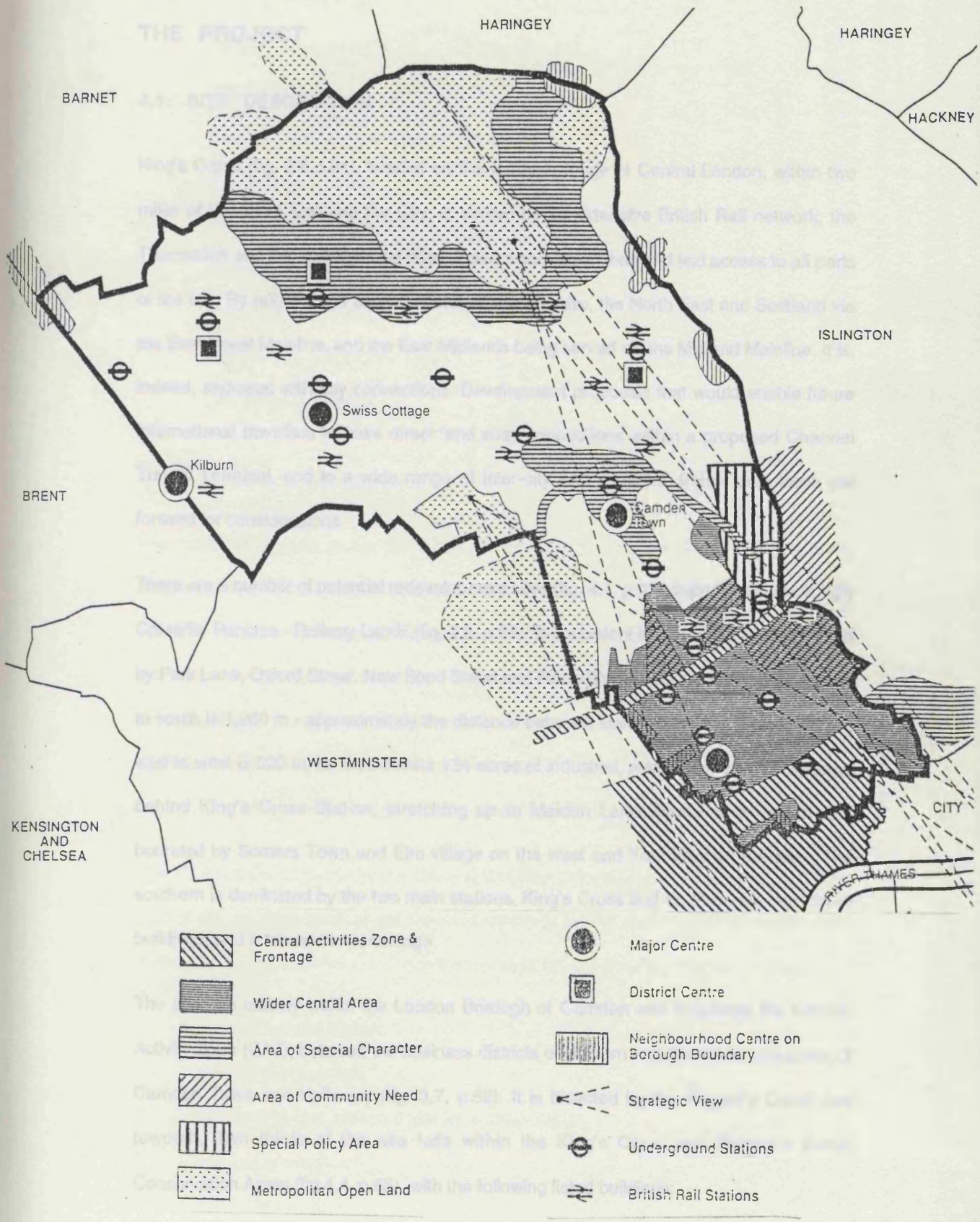


Fig. 3.7: King's Cross Special Policy Area in it's Borough Context (UDP 1992)



Chapter Four

THE PROJECT

4.1: SITE DESCRIPTION

King's Cross (fig. 3.6 p.51), located on the northern fringe of Central London, within two miles of the West End and the City, is served by an extensive British Rail network, the Thameslink and five underground lines. It offers convenient bus and taxi access to all parts of the city. By rail, through services connect to Yorkshire, the North East and Scotland via the East Coast Mainline, and the East Midlands being served via the Midland Mainline. It is, indeed, endowed with key connections. Development proposals that would enable future international travellers to have direct 'and easy connections' within a proposed Channel Tunnel Terminal, and to a wide range of inter-city and suburban trains have been put forward for considerations.

There are a number of potential redevelopment sites (fig. 4.1, p.62), in particular, the King's Cross/St. Pancras - Railway Lands.(fig. 4.2, p.63), is equivalent in size to the area bounded by Park Lane, Oxford Street, New Bond Street and Piccadilly. Its maximum dimension north to south is 1,260 m - approximately the distance between Marble Arch and Oxford Circus; east to west is 520 m. Its area covers 134 acres of industrial, residential, and railway land behind King's Cross Station, stretching up to Maiden Lane Estate to the north and bounded by Somers Town and Elm village on the west and York Way on the east. The southern is dominated by the two main stations, King's Cross and St. Pancras, both listed buildings, and a transport interchange.

The site lies entirely within the London Borough of Camden and is outside the Central Activity Zone (CAZ), between the business districts of Holborn and the mixed use areas of Camden Town and Holloway (fig. 3.7, p.52). It is bisected by the Regent's Canal and towpath. Two thirds of the site falls within the King's Cross and Regent's Canal Conservation Areas (fig.4.4, p.65), with the following listed buildings:

King's Cross and St. Pancras Train Sheds;

Great Northern Hotel;

German Gymnasium;

The Granary;

East and West Transit Sheds to the rear;

Regeneration House;

Eastern Coal Drops and Fish Offices;

St. Pancras Waterpoint;

Lock Keeper's Cottage;

Three linked gasholders, and

One single gasholder.

4.11: Existing Development

The pattern of landuse on the site reflects its ownership - mostly in the hands of statutory authorities or their privatised successors. The southern part is dominated by the major railway interchange comprising St. Pancras and King's Cross Stations and infrastructure serving King's Cross Thameslink Station. British Railways' operating requirements extend northwards from the stations and take much of the site area. Operational railway lines run exposed along the western and northern boundaries of the site and underground on the eastern side where the site adjoins the boundary with the London Borough of Islington.

The Regent's Canal traverses the site and provides moorings at Battlebridge basin, while part of the southern bank of the Canal is taken up by the Camley Street Natural Park. Further south, between the Canal and the two stations, are a variety of uses including:

* a waste transfer station;
* a petrol filling station;
* buildings in light industrial and warehouse uses;
* the gasometers;
* the gymnasium;

* The Great Northern Hotel;
* shops/dwellings..

The Goods Yard, the Granary and some listed warehouse buildings along the northern bank of the canal, are largely derelict but some storage, distribution and light industrial activities still operate in them. Much of the land further north is under-used or derelict. Existing uses include:

* warehouses and some light industrial buildings;
* three concrete batching plants; and
* parking and vehicle depots.

By virtue of the levels of surrounding roads and railways, much of the site is separated from adjoining areas and the visibility of the site is obscured by these boundaries. Only a limited number of locations, such as long distance views of the railway termini buildings from high-land to the north, offer viewpoints.

4.12: Description of Proposed Development

The LRC master plan (1988) comprises three basic components, namely;

* a British Rail passenger concourse building - '**gateway** to the development'.
* a central park - '**heart and lungs** to the development'.
* perimeter development areas that would be penetrated by pedestrian and vehicular routes.

The 134 acres of land would include:

i: 34 acres for a new park - including 12 acres of open green space in the northern part.

ii: 78 acres for the development of new buildings (over a third of this would be devoted to residential use).

iii: "the remainder" are proposals for business and many other activities and services including the retail and catering trades in addition to a wide variety of recreation, leisure and cultural activities.

The scheme would provide a total gross floor built area of 8.167 million ft^2 (**758,714 m^2**) above ground. Below ground there would be a further 283,000 ft^2 (**26,290 m^2**) while underground storage, car parking, access and service areas would provide a further 1.892 million ft^2 (**175,767 m^2**) - Table 3,.p.76.

4.2: PRINCIPAL FEATURES OF THE DEVELOPMENT

According to Foster Associates (1988), the following developments have been proposed:

i: A New Passenger Concourse Building

This would be the principal feature of the new railway interchange bringing together the King's Cross and St. Pancras Stations, the proposed low-level channel tunnel terminus, an expanded Thameslink station, an improved bus, car and taxi dropping-off facility and the southern terminus of the Internal Transit System. It would be a 'triangular free-standing light-weight glass structure.

The illustrative material with the applications indicated that the Great Northern Hotel and some buildings to the west of York Way would be demolished.

ii: Low- level Station

The low-level station termed '**cut and cover top down**' would be located beneath the King's Cross Train shed on a north-west to south-east axis, between Goods Way and Caledonian Road.

iii: Traffic and Transport

New railway junctions and rail connections that would allow trains to pass from any one of the new station tracks to the existing inter-city and suburban network would be achieved.

A new sub-surface ticket hall that would link the London Underground Ticket Hall and British Rail's new Thameslink platforms are proposed for a site adjacent to the York Way/Pentonville Road junction, to replace the existing Thameslink station. At completion, the station would be:

* complementary' to the Waterloo Channel Tunnel Terminal;
* Providing through train access to a wide range of routes north of London;
* providing easily made connections to local and long distance routes.

iv: New Urban Park

Creation of a new 34 acre urban park (1,481,104 $ft^{2)}$, about 720 m long (2,362 ft) from north to south, and 275 m wide east to west (902 ft). This would include:

* the Regent's Canal;
* the Camley Street Natural Park;
* the landscaping of a large area of open green space (about 12 acres) at the northern end of the park;
* the Granary;
* the Coal Drop Buildings;
* the Coal and Fish Offices;

The Regent's Canal would be made the focus for new recreational and cultural activities, while its character would be enhanced and preserved by making it the central feature of the new park.

V: Recreation, Leisure and Cultural Activities

Provision for facilities such as the new park, the collection of refurbished historic buildings and the re-opening of two Victorian water basins (one related to the Granary; the other to the western Coal Drops, the Coal and Fish Offices on the northern edge of the canal) to provide the opportunity for a wide range of leisure facilities ranging from informal recreation to artistic, cultural and sporting facilities.

VI: Perimeter Areas

Locations to the north of the park - the east and west - and extending to the site boundaries are regarded as perimeter areas for the various developments, and as the second basic of the three basic elements of the structure of the master plan. From the Boulevard that would surround the central park, a number of radial routes of differing characters would be planned to provide pedestrian and vehicular links to and from the site boundaries. The plan includes an Internal Transport System aimed at ensuring the efficient distribution of people from the main point of arrival, at the concourse area, to places within the development site

VII: Business Centre

A major business centre, intended to be of metropolitan and national importance, with new office buildings, would be sited around the periphery of the park, and in the northern-eastern corner where two 'slender towers' have been proposed. The business areas would be linked to the park and adjoining areas by way of landscaped tree-lined streets. A 'proper balance' between the use of public and private transport would be maintained by providing facilities for car parking and a public transport service. Provision for the on-site parking facilities would include:

*	Private non-residential	740 spaces
*	Public parking	750 ,,
*	Residential parking	1, 600 ,,

viii: New Industrial Floorspace

Approximately 200,000 ft^2 (18,580 m^2) of new industrial buildings in a variety of unit sizes would be located at the northern part of the site.

ix: Housing Opportunities

Provision of 1.625 million ft^2 of new housing, intended to provide homes for about 4,000 people, as contribution to the Borough's stated housing target. This would include 35% 1 bed (1-2 persons) and 65% 2 bed and over (3 + persons);

It is pertinent to note that the developers are conscious of the major physical constraints posed by the proximity of operational railways, yet they are proposing the largest concentration to the north and west of the park, close to the rail tracks. Is it because they just have to meet certain obligations, or to make maximum use of the land with a view to getting the maximum benefit out of it?.

x: New Employment

About 29,000 jobs would be accommodated on the site with the possibility of a further 12,000 jobs being generated outside the development.

xi: New Retail Facilities

Provision of 191,000 ft^2 (17,744 m^2) of above-ground retailing (including restaurants and licensed premises). The intention is to provide a full range of retailing activities to serve the needs of the new working and resident populations, and to provide improved facilities for the existing residents. The majority of the retail floorspace would be located to the north-east of the park.

xii: King's Cross Conservation Area

Like the proposed improvement to the Regents Canal Conservation Area, the development would preserve and enhance the character of the King's Cross

Conservation Area, to accommodate the proposed new commercial uses, and the transportation improvements to both rail and road networks.

xiii: Improvement of Listed Buildings

Many of the listed buildings on the site (fig. 4.5, p.66) would be refurbished to restore and enhance their settings.

a: **Granary and ancillary buildings:** proposal for the partial demolition of both eastern and western transit sheds, the main goods shed and the small eastern and western office additions at the site. The Granary itself would be refurbished for use.

b: **Eastern Coal Drops:** to be refurbished for small-scale uses. The unlisted Western Coal Drop would also be retained and refurbished.

c: **Lock Keepers Cottage:** would be temporarily relocated to enable works in connection with the low-level station, and would be reinstated in its original position, on completion of works.

d: **Linked Gasholders:** proposal for repair works and for partial alteration of the eastern Gasholder, to allow the proposed western park road to pass through it.

e: **Single Gasholder:** proposal for a permanent relocation from the south of Goods Way, at the natural park, to accommodate the railway works.

f: **German Gymnasium:** proposal for partial demolition and the restoration both internally and externally.

g: **King's Cross Ramps:** proposal for the removal of the cobbled access way at the north-east corner of King's Cross station by York Way.

h: **St Pancras Waterpoint:** proposal for re-location to allow the proposed east-west road to be constructed.

i: **Great Northern Hotel** would be demolished in order to permit the reorganisation of passenger facilities.

ixv: Maintenance of Significant Strategic and Local Views

The proposals would take account of the strategic view corridors, from Parliament Hill and Kenwood, to St. Paul's Cathedral, and the important local views within the site, to create new ones.

It is important to make reference to the Community Brief which argues for a comprehensive approach to the proposed development, and recognises that it would be impossible to achieve this with all existing buildings and structures being retained. However, the Brief is not in agreement with the scale of demolition proposed by LRC. For instance, it argues that the concourse building could be constructed without causing any demolition whatsoever to the Great Northern Hotel, and at the same time avoid any partial demolition of the German Gymnasium. It is also not in agreement with the LRC development approach to the site as an 'office city'. This relationship between the Community Planning Brief and the LRC scheme is considered more comprehensively below.

Fig. 4.1: Potential Redevelopment Sites adjoining the Railway Lands

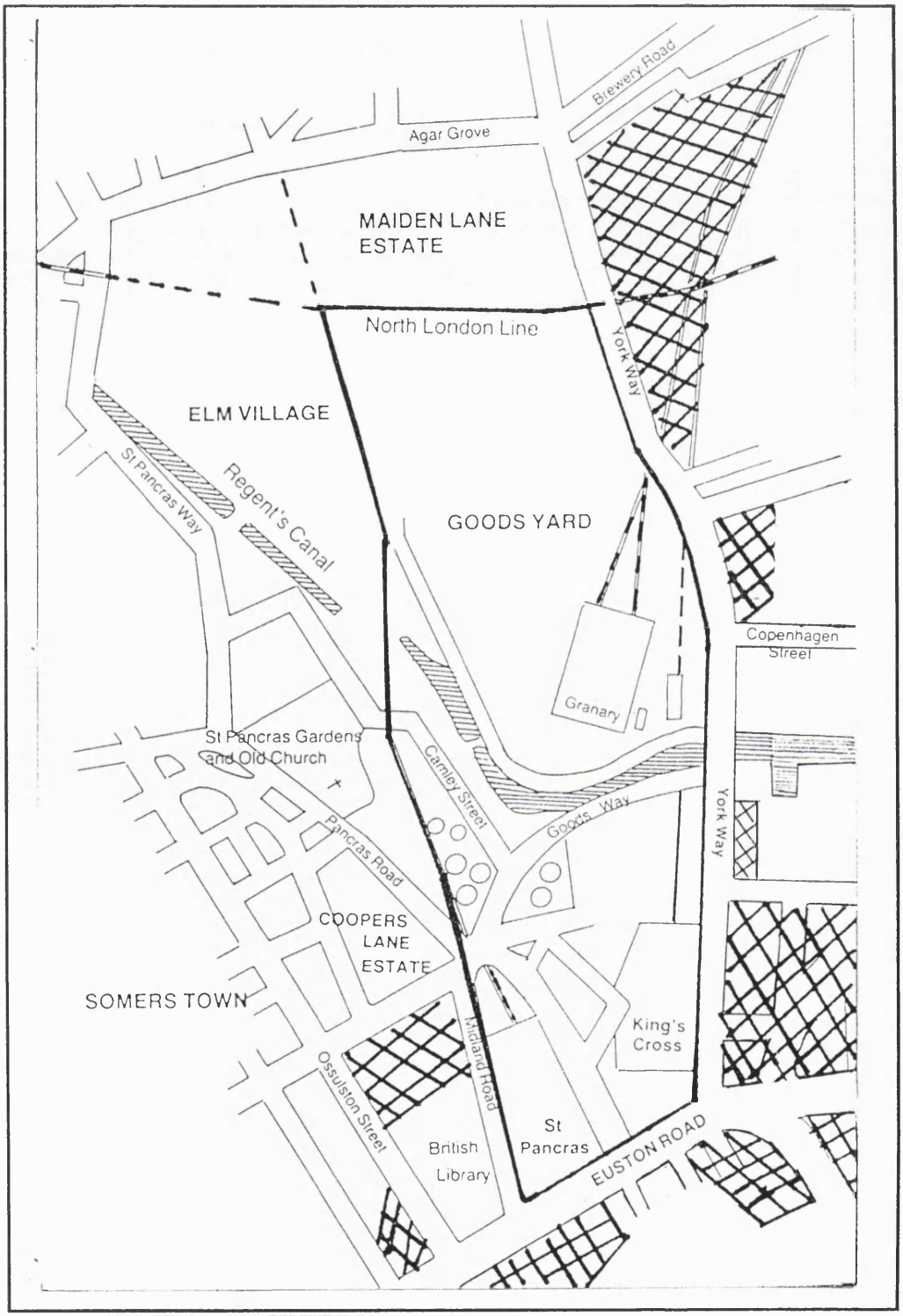


Fig. 4.2: Development Site Plan

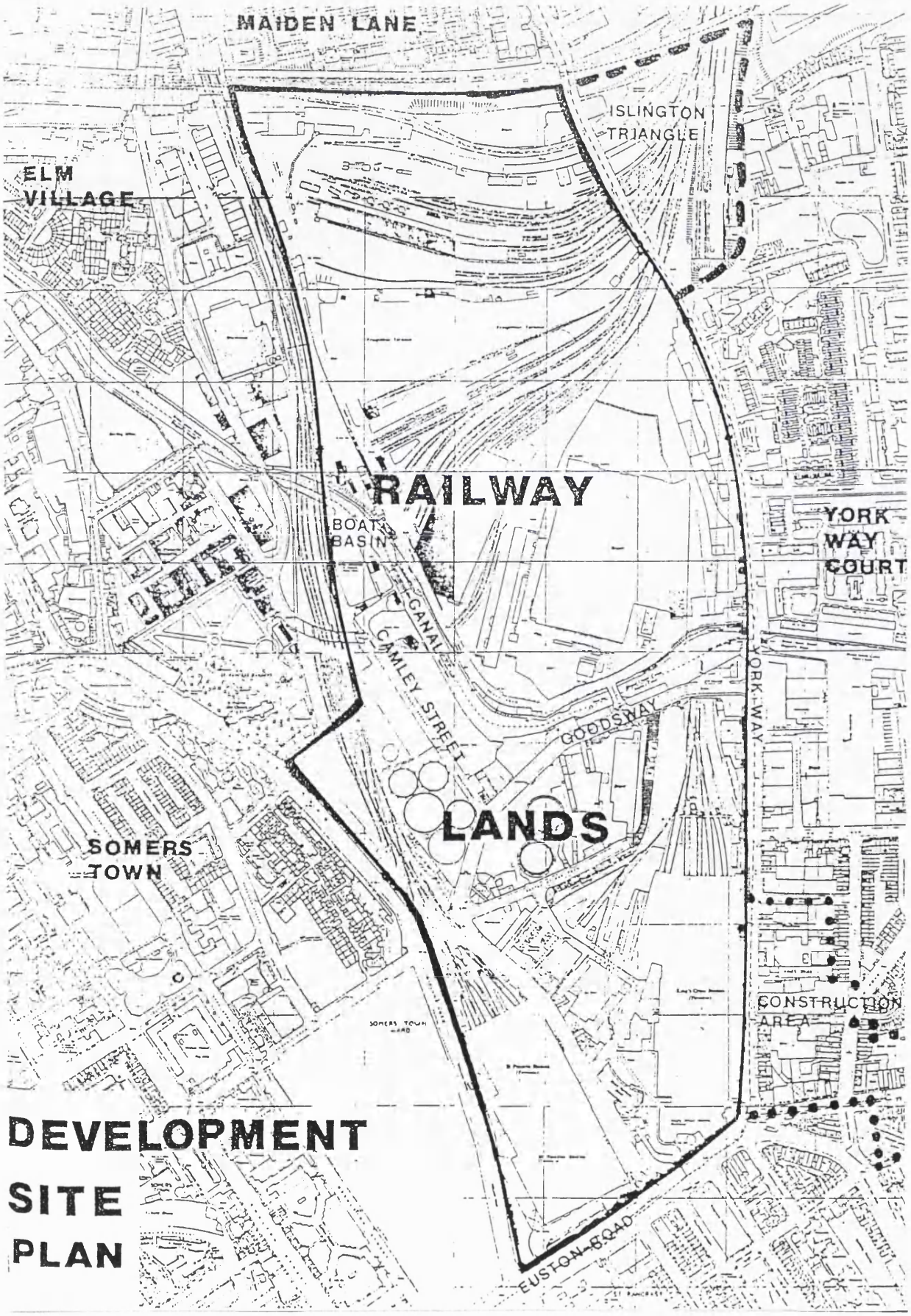


Fig. 4.3: Plan of existing development

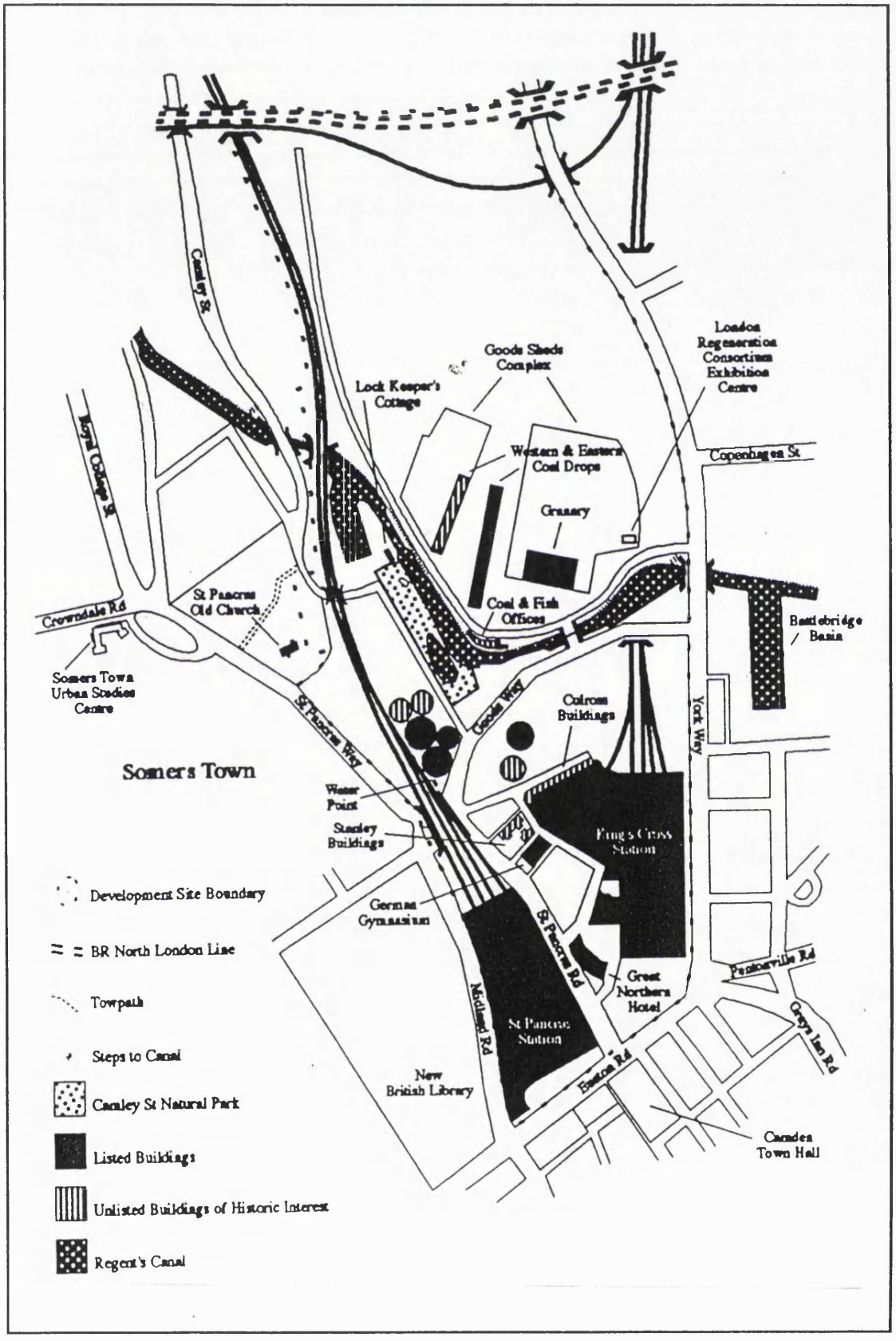


Fig. 4.4: Conservation Area

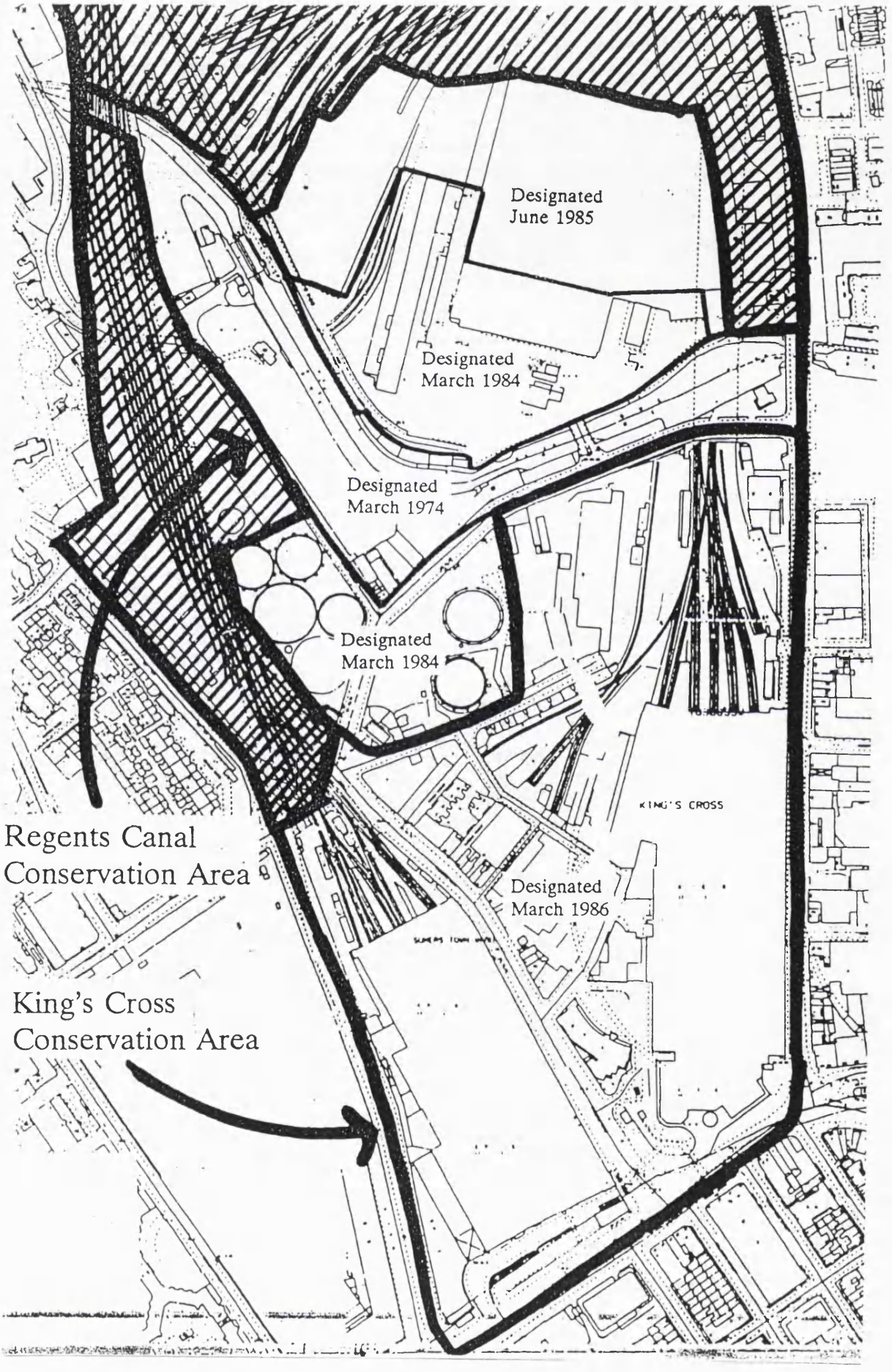
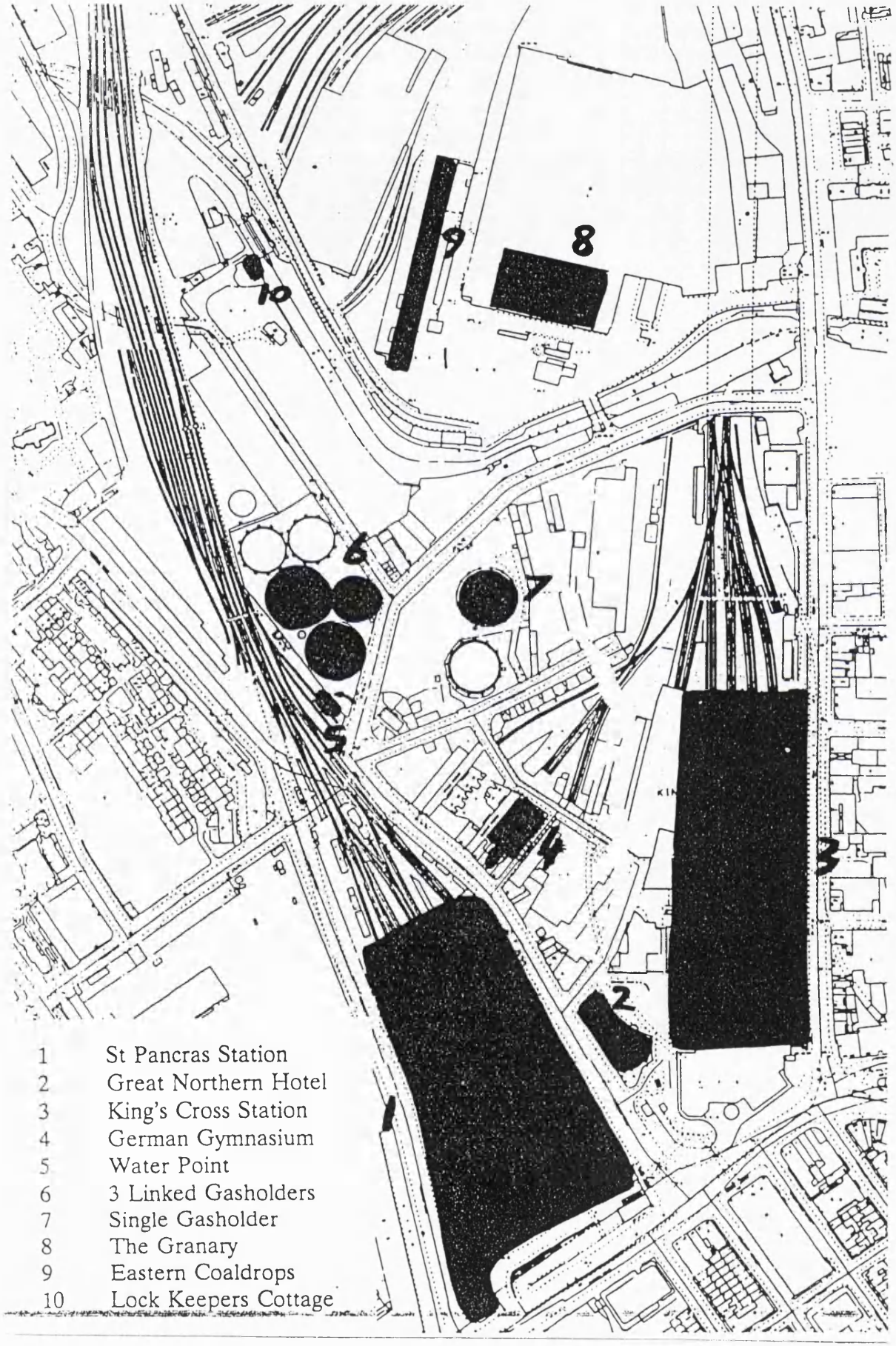


Fig. 4.5: Listed Buildings



4.3: ENVIRONMENTAL STATEMENT

In accordance with the Town and Country Planning Regulations of 1988, this sub-section draws on Circular 15/88 and the Planning compensation Act of 19991, to discuss the need for an Environmental Impact Assessment on the King's Cross Project. It looked at the Environmental statement and the Specified Information (a summary of which is in Appendix II, p. 189) that were submitted by the Developer, as well as the LBC's commissioned report on it.

The Town and Country Planning (Assessment of Environmental Effects) Regulations 1988 implement the requirements of the European Community Directive No. 85/337 on the **environmental assessment** of the effects of certain public and private projects on the environment, so far as it applies to projects which require planning permission, or to relevant projects for which application for planning permission is lodged on or after 15th July 1988. The Directive's starting point is that the best environmental policy consists in preventing the creation of pollution or nuisances at source, rather than subsequently trying to counteract their effects.

The Directive affirms the need to take effects on the environment into account at the earliest possible stage in all the technical planning and decision making processes. Its purpose is to introduce general principles of assessment with a view to supplementing and coordinating development consent procedures governing public and private projects likely to have a major effect on the environment. During the passage of the 1991 Act through the Parliament, the Government accepted the view that it should consider extending the type of project where environmental assessment was required by the Directive. Accordingly, section (15) of the 1991 Act inserts a new section (71A) into the 1990 Act, to enable the Secretary of State make regulations to add to the classes of development for which environmental assessment may be required.

According to paragraph 7 of the Circular No. 15/88:

> "formal environmental assessment (EA).is a technique for drawing together, in a systematic way, expert quantitative analysis and a qualitative assessment of a project's environmental effects, and representing the results in a way which enables the importance of the predicted effects, and the scope for modifying or mitigating them, to be properly evaluated by the relevant decision-making body before a decision is taken."

In order to enhance understanding the whole procedure, Victor Moore (1991) defines EA as essentially the whole process required to reach a decision on whether or not to allow the project to proceed. It involves the presentation, collection and assessment of information on the environmental effects of a project as an **environmental statement** and also the final judgement upon it.

The **environmental statement** is the information put forward by the developer in conjunction with his application for planning permission for the project, while **environmental information** is the information provided by the developer via environmental statement; but also includes the information and responses given by or received from various statutory consultees and third parties. It is the material consideration in determining the application for planning permission.

4.31: Projects requiring Environmental Assessment:

Under the regulation, projects requiring environmental assessment are classified into two separate schedules: **'schedules 1 and 2 projects'**

i: Schedule 1 Projects:

Environmental assessment is mandatory for all projects under this schedule. It involves the carrying out of building or other operations, or the change of use to achieve any of the projects classified into ten categories under the schedule.

How does this apply to the King's Cross/St. Pancras project?. In the Borough Report of March 1992 (para. 4.1, p.14), to the Planning Committee, on

the project, the Director of Planning reports: "the policies of the Government and the British Rail are that the Channel Tunnel Rail Link (CTRL) will proceed to King's Cross.....it is therefore within this context that the applications have been assessed."

'Category 7' of Schedule 1 project, provides: "a special road; a line for long distance railway traffic; or an aerodrome with basic runway length of 2,100 m or more." The King's Cross project falls within this category.

ii: Schedule 2 Projects:

Projects in this schedule require environmental assessment only if they are likely to give rise to significant effect on the environment by virtue of factors such as their nature, size or location.; they are classified into 11 categories.

'Category 10' of the schedule provides for infrastructure projects, which are further sub-divided into ten sub-projects numbered 'a' to 'j'. Articles 'b' and 'g' of the category, respectively provide as follows:

* **An urban development project:**

  Circular 15/88 provides that redevelopment of previously developed land is unlikely to require EA unless the proposed use is one of the specific types of development listed in schedule 1 or 2 or the project is on a very much greater scale than the previous use of the land. It also advises that EA for new urban development schemes, on sites which have not previously been developed, should be considered in the light of the sensitivity of the particular location. Such schemes (other than purely housing schemes) may require EA where:

  a: the site area of the scheme is more than 5 ha. in an urbanised area; or

  b: there are significant numbers of dwellings in close proximity to the site of the proposed development, e. g. more than 700 dwellings within 200 metres of the site boundaries; or

c: the development will provide a total of more than 10,000 sq. metres (gross) of shopping, offices or other commercial uses.

Proposals for high rise development (e g. over 50 m) are not likely to be candidate for EA alone; but this may be an additional consideration where one or more of the above criteria is met.

* "A tramway, elevated or underground railway, suspended line or similar line, exclusively or mainly for passenger transport."

In **Circular No. 15/88**, the Secretary of State expresses the view that environmental assessment will be needed for schedule 2 projects in three main type of case, namely:

* for projects which are of more than local importance;
* occasionally for projects on a smaller scale which are proposed for particularly sensitive or vulnerable locations; and
* in a smaller number of cases, for projects with unusually complex and potentially adverse environmental effects, where expert and detailed analysis of those effects would be desirable and would be relevant to the issue of principle as to whether or not the development should be permitted.

4.32: LBC's APPRAISAL REPORT

London Scientific Services (LSS) was commissioned by LBC on 13th June 1989, to provide a critical assessment of the LRC Environmental Statement. The aim was to enable the Borough in reaching a decision on the planning application and to:

i: identify any major weaknesses in the Environmental Statement;

ii: identify areas where inadequate information has been provided and what further information should be sought;

iii: identify issues that would need to be agreed with the developer as some form of condition on planning consent, should it be given.

The Consultants noted in their assessment report (July 1989) that:

i: the separate proposals by British Rail to redevelop some of the land for new rail terminal may confuse the planning issue in terms of identifying responsibilities for the co-ordinated approach necessary for the large development.

ii: the most appropriate strategy for dealing with the issue of contamination of the site by previous uses is to consider the whole site as contaminated.

iii: an appropriate monitoring strategy should be agreed for the whole site, as this may be complicated by two separate organisations having responsibility for different part of the site development.

4.4: THE SUCCESSIVE PLANNING APPLICATIONS

In **April 1989**, the British Rail Property Board and the London Regeneration Consortium (LRC), submitted Outline Planning Applications for a 'comprehensive redevelopment' of the Railway Lands, to the London Borough of Camden, for considerations. Also in **May 1989,** the British Railways Property Board submitted separate Outline Planning Applications (OPA) for the construction of a terminal building, a low-level station and a gyratory at the King's Cross/St. Pancras Stations.

The Special Planning Transport and Employment Committee, in **September 1989**, considered a report on the applications. Their main concerns were in relation to the scale of the proposed development, the balance of uses, the integration with the surrounding area, the traffic and transport impact, and the impact on Conservation Areas and Listed Buildings. The Committee's decisions are that:

i: The massing, height, and bulk of the development should be substantially reduced.

ii: Within the development a greater diversity of use, better integration between the various activities and a finer grain in the street pattern should be achieved.

iii: Whilst it was accepted that the development would not be of exactly the same scale, the relationship with the surrounding area should be considerably improved.

iv: The balance between commercial and social floorspace (i.e. housing, social facilities, recreation and leisure provision) was far too heavily weighted in favour of commercial floorspace and subsequently did not represent a properly balanced development.

v: Additional areas and earlier phasing for housing needed to be addressed; the achievement of good housing design, acceptable level of density and the appropriate mix of units all needed further consideration with a view to meeting the Council's housing brief in full.

vi: Whilst some progress had been made on the provision of leisure facilities to meet some of the needs of the on-site population, accessibility for local people within the context of LRC's overall management control of the entire site was an area of significant concern. Art and recreational facilities needed to be addressed on a non-competing basis with emphasis placed on community involvement, access and management of facilities to ensure local community benefit.

vii: The application needed to establish appropriate levels of education, including provision for youth work and informal education for young people, social provision and mechanism to ensure that the needs of special groups within the on-site population were met.

viii: The requirements for a permanent on-site training centre needed to be met and the remaining employment elements of the Council's brief was to be properly addressed.

ix: 'Current levels of retail floorspace (at Sept.. 89)in the application could affect the viability of nearby centres'. A reduction in the level of floorspace would be required.

x: The route of the Internal Transit System, together with an appropriate system, should be established.

xi: Measures for reducing the impact of traffic to be generated by the development on the adjacent residential areas (both in Camden and Islington) were to be identified, together with appropriate improvements to the public transport system.

xii Mechanisms for achieving a controlled parking zone around the site should be established.

xiii: More emphasis should to be given to preserving and enhancing the existing character of the conservation areas, while more information on the impact of the scheme for the conservation areas was required.

xiv The Council must be satisfied that it was necessary to demolish the Great Northern Hotel and that a replacement thereof was suitable.

xv: Mechanisms for ensuring Camley Street Natural Park remained substantially on its site.

The Committee also recommended that the developer's proposals should strongly adhere to the Revised Community Planning Brief.

(LBC Report to the Planning Committee, March 1992, annex 2, pp 38 - 39).

4.41: The Revised Applications

A deposit of **revised applications** dated December 1991, and subsequently followed by a further amended Masterplan Drawings of January 1992, were both acknowledged by the Borough of Camden, on 9th January 1992. The Council observed that the revised applications responded to a number of points raised in the Committee's recommendations of September 1989. These include:

i: the retention of Regeneration House and a further part of the Eastern Transit Shed;

ii: the realignment of the main north/south and east/west roads to address issues relating to gradients and junctions;

iii: the introduction of an area of housing on the eastern side of St. Pancras tracks to replace housing on the western side;

iv: the need to lower heights across the site from north to south, and to respect the relationship with the Listed Buildings and housing areas;

v: revised phasing; and

vi: removal of the words which refer to "the demolition of the Great Northern Hotel".

In addition, the Consortium submitted a draft volumetric study for inclusion in the Development Brief. This is intended as the basis of planning control document for the detailed stage and would be the subject of a planning condition and legal agreement were the Council to grant permission. Its contents would include:

* relationships with the surrounding areas;
* relationships within the site between the perimeter development and Listed Buildings and housing areas;
* principles of housing design;
* principles to be adhered to with regard to development in the Conservation Areas;
* principles to be adhered to in relation to transport infrastructure within the site;
* local views to be protected, particularly across York Way;
* relationships between buildings and the use of space around buildings.
* principles to be adhered to in order to ensure and safeguard the health and safety of people living and working within the development and the adjoining area;
* relationship with Grade 1 listed train sheds;
* accessibility for people with disabilities;
* principles of design of high buildings.

The main differences from April 1989 to December 1991 (table 2, p.76) are:

i: a reduction in commercial floorspace and an increase in the amount of floorspace allocated to housing, and land for the park.

ii: the introduction of two high buildings in the northern part of the site.

iii: a reduction in heights generally across the site from north to south, stepping down towards the Listed Buildings and the Conservation Areas.

iv: the retention of more of the listed and unlisted buildings on the site.

v: improvements to the on-site road network.

vi: The siting of some land for housing on the park frontage.

4.42: Outstanding Issues

It was noted that the applications were yet to address the following issues:

i: Ensuring the retention of the German Gymnasium intact;

ii: The need to address issues relating to the feasibility of the provision of the Internal Transit System terminus in the vicinity of King's Cross station;

iii: The Council's requirement for a review of the ability to retain the King's Cross Ramp, in view of the proposed realignment of the East West road.

iv: The need to agree on the content of the Conservation chapter of the Development Brief prior to the determination of the Outline Planning Application.

Table 2: Changes to Floorspace from April 1989 to December 1991

Land Use	May 1988 Pre-Application	April 1989 Pre-Application	October 1989 Application	July 1990 & Dec. 1991 Revisions	Changes since April 1989
Office (max.)	7,500,000 **696,750**	6,950,000 **645,655**	6,600,000 **613,140**	5,865,000 **544,858**	-1,085,000 (ft^2) **-100,796 (m^2)**
Residential (min)	1,200,000 **111,480**	1,300,000 **120,770**	1,625,000 **150,962**	1,625,000 **150,962**	+325,000 (ft^2) **+30,192 (m^2)**
Retail	250,000 **23,255**	405,000 **37,62**	300,000 **27,870**	300,000 **27,870**	-105,000 (ft^2) **-9,754 (m^2)**
Community/ Leisure	650,000 **60,385**	360,000 **33,444**	360,000 **33,444**	360,000 **33,444**	0 (ft^2) **o (m^2)**
Light Industry	200,000 **18,580**	200,000 **18,580**	200,000 **18,580**	200,000 **18,580**	0 (ft^2) **0 (m^2)**
Hotel	200,000 **18,580**	300,000 **27,870**	100,000 **9,290**	100,000 **9,290**	-200,000 (ft^2) **-18,580 (m^2)**
TOTAL MAIN USES	10,000,000 **926,000**	9,515,000 **883,943**	9,185,000 **853,286**	8,450,000 **785,005**	-1,065,000 (ft^2) **- 98,938 (m^2)**
Access	unknown	186,000 **17,279**	41,000 **3,808**	136,000 **12,594**	-50,000 (ft^2) **-4,645 (m^2)**
Car Parking	unknown	768,000 **71,347**	687,000 **63,822**	700,000 **65,030**	-68,000 (ft^2) **-6,317 (m^2)**
Storage	unknown	820,000 **76,178**	660,000 **61,314**	587,000 **54,532**	-233,000 (ft^2) **-21,646 (m^2)**
Plant	unknown	305,000 **28,334**	564.000 **52,396**	469,000 **4,342**	+164,000 (ft^2) **+15,236 (m^2)**
TOTAL ANCILLARY USES	**UNKNOWN**	2,079,000 **193,139**	1,952,000 **181,341**	1,892,000 **175,767**	-187,000 (ft^2) **-17,372 (m^2)**
GRAND TOTAL	**UNKNOWN**	11,594,000 **1,077,083**	11,137,000 **1,034,627**	10,342,000 **960,772**	-1,252,000 (ft^2) **-116,311 (m^2)**

Table 3: Summary of Proposed Floorspace, December 1991

Floorspace	Above Ground	Below Ground	Total
Residential	1,625,000 **150,962**	- **-**	1,625,000 (ft^2) **150,962 (m^2)**
Light Industry	200,000 **18,580**	- **-**	200,000 (ft^2) **18,580 (m^2)**
Retail	191,000 **17,744**	109,000 **10,126**	300,000 (ft^2) **27,870 (m^2)**
Offices	5,776,000 **536,590**	89,000 **8,268**	5,865,000 (ft^2) **544,858 (m^2)**
Community, Leisure, Heritage, Cultural, Health, Educational and other similar or associated uses	275,000 **25,547**	85,000 **7,896**	360,000 (ft^2) **33,444 (m^2)**
Hotel	100,000 **9,290**	- **-**	100,000 (ft^2) **9,290 (m^2)**
Car Parking, Ancillary Storage & Access	- **-**	1,892,000 **175,767**	1,892,000 (ft^2) **175,767 (m^2)**
SUB-TOTAL	8,167 000 **758,714**	2,175,000 **202,057**	10,342,000 (ft^2) **960,772 (m^2)**
Passenger Concourse Building	- **-**		110,000 (ft^2) **10,219 (m^2)**

Fig. 4.6: LRC Outline Planning Application, April, 1989

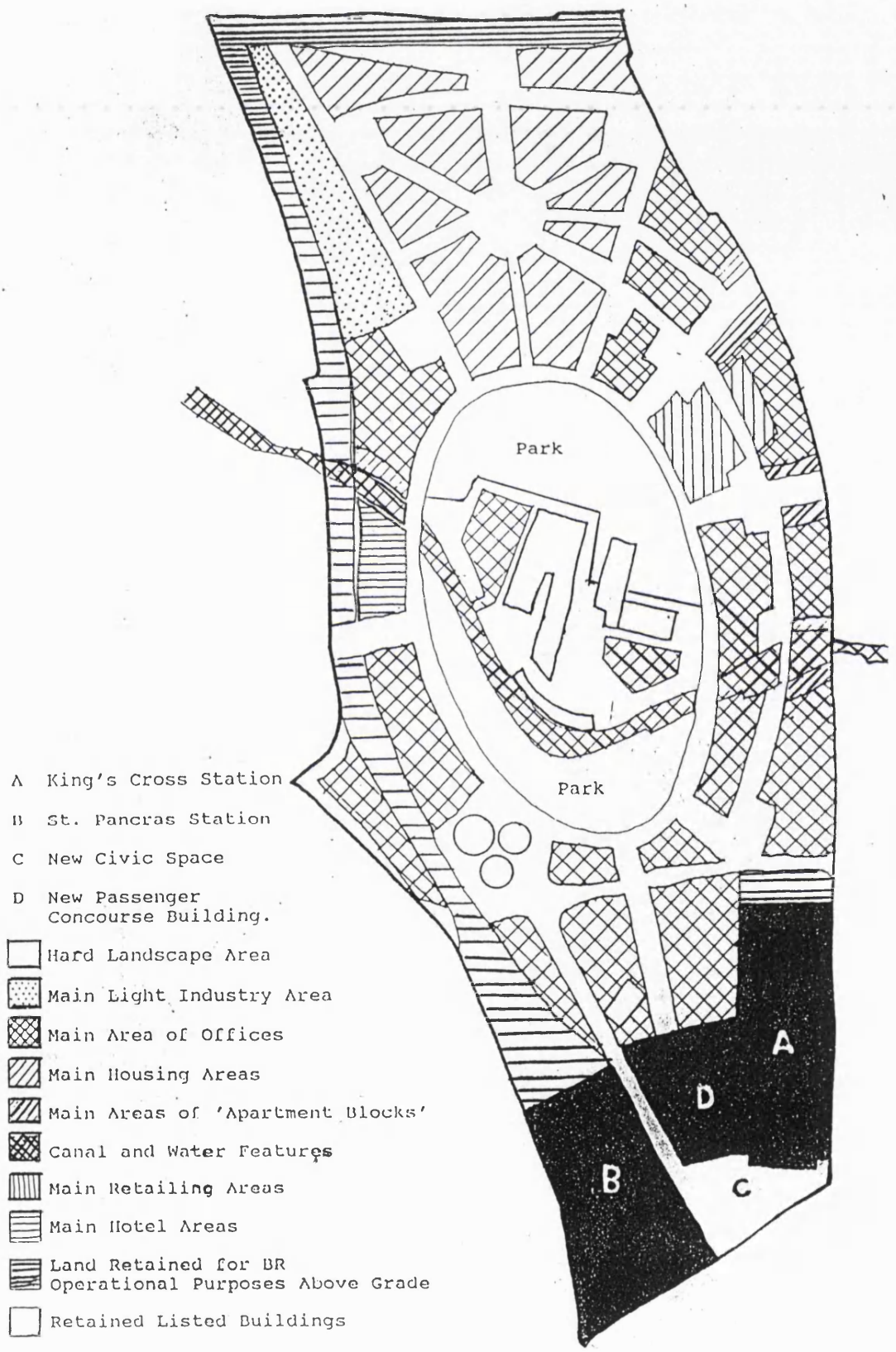


Fig. 4.7: LRC Outline Planning Application, October, 1989

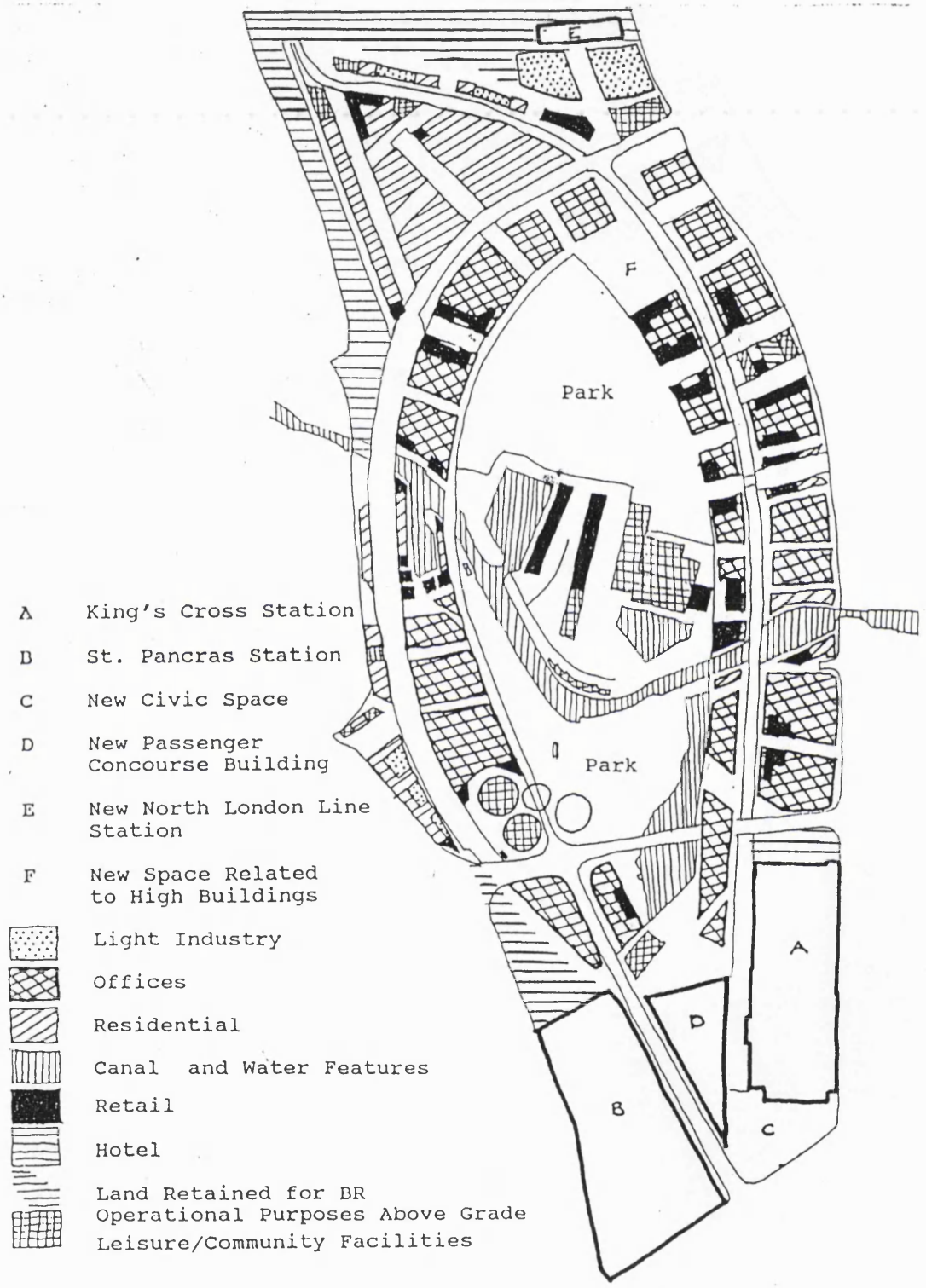


Fig. 4.8: LRC Outline Planning Application, July, 1990

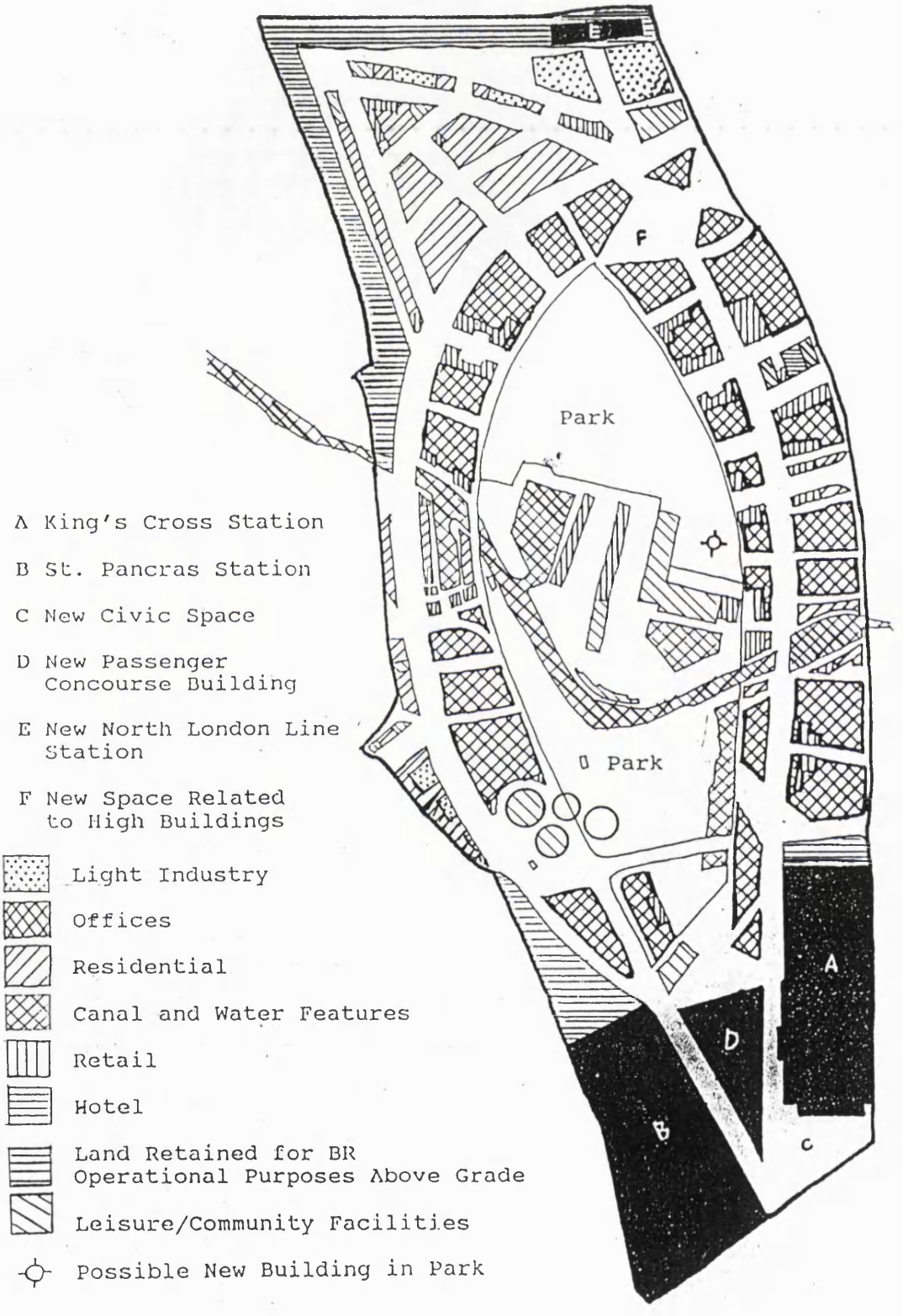
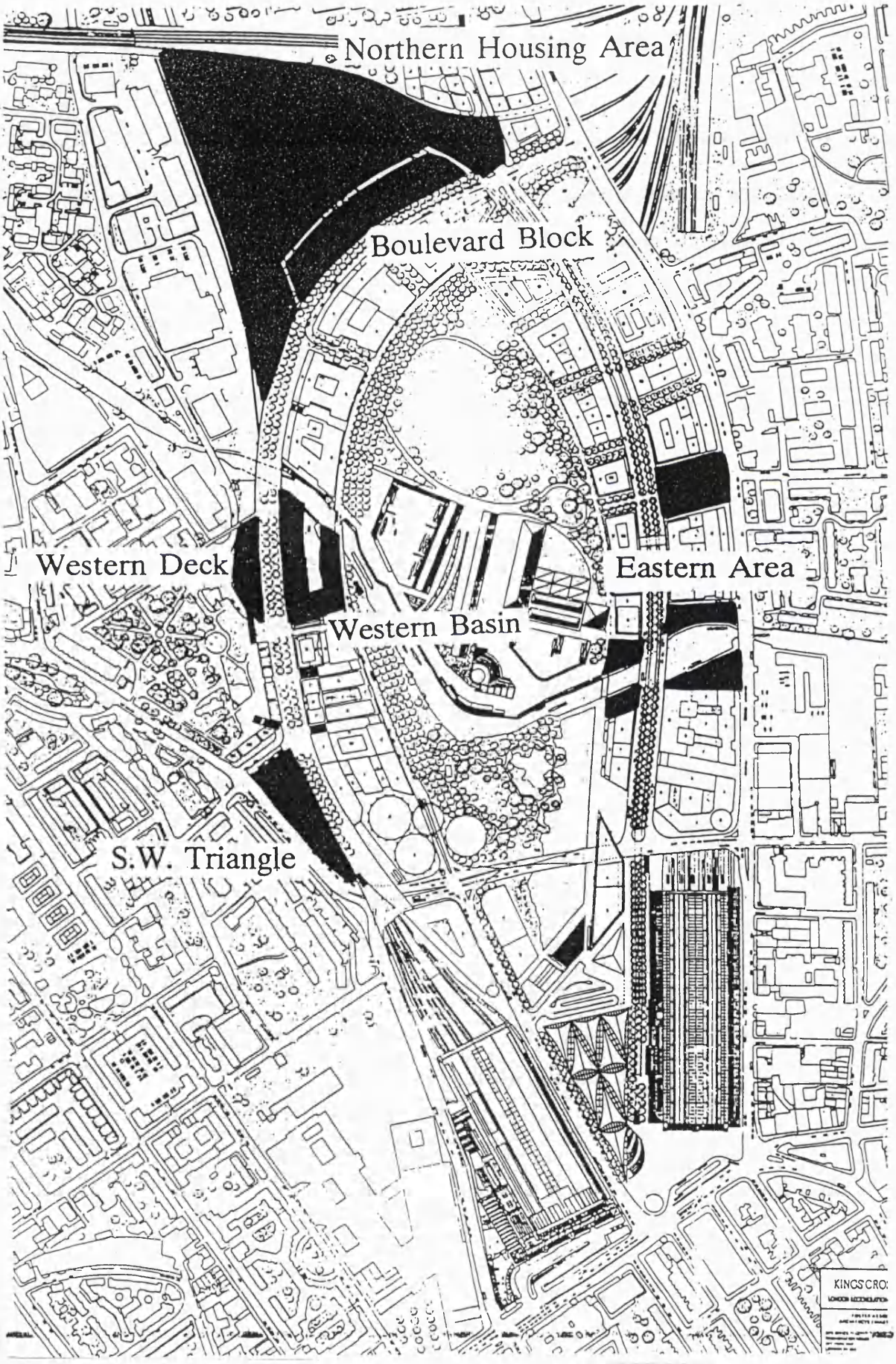


Figure 4.9: Artist Stephen Conlin's impression of the completed development

Fig. 4.91: Proposed Names of Housing Area Locations



Chapter Five

PROGRESS ON THE PLANNING APPLICATIONS

5.1: BR/LRC OUTLINE PLANNING APPLICATIONS

The special meeting of the Planning, Transport & Employment Committee, of 26th. March 1992, noted the important strategic dimension to the development proposals and the King's Cross Railway Bill, and approved the following recommendations:

i: The need to refer three strategic issues to the Secretary of State for the Environment (SoSE) in preparation for his eventual consideration under the terms of Article 14 of the General Development Order (GDO) 1988. These are:

a: the impact of the development on the Underground railway work;

b: the implications of the development for the regeneration of East London;

c: the lack of alternative sites for the existing aggregates depot.

ii: Agreed that it is minded to grant consent to the Outline Planning Application subject to:

a: Royal Assent to the King's Cross Railways' Bill and appropriate linkage with the progress of the Bill works;

b: a further reduction of 615,000 ft^2 in the quantum of office floorspace (table 3, p.76) to 5.25 million ft^2 in order to reduce the bulk of the development and its impact on listed buildings and conservation areas, the canal edges and the surrounding locality;

c: **agreement** in respect of employment development on the site, to include a minimum of 200.000 ft^2 of light industrial (Class B1c) floorspace in addition to the Fixed Link depot; a minimum provision of B1 floorspace

designed and built for the full range of B1 uses; and a minimum provision of 170 business units each not exceeding 1,000 ft^2 in area;

d: **agreement** in respect of the undertakings necessary to deliver training and other employment facilities;

e: **agreements** in respect of the undertakings necessary to ensure provision for and delivery of overall housing proposed, and the affordable housing element within this amount;

f: **agreement** and/or **conditions** in respect of the capacity of the Internal Transit Systems to ensure that they are sufficient to meet the transport needs of likely users both within and outside the site, including adequate provision for all the interim stages of the development.;

g: **agreements** in respect of balanced provision , phasing and management of the social and community facilities;

h: **agreements** in respect of works involved in the alterations necessary to the London Underground station, the provision of North London Line station, and the funding, phasing and the implementation of measures to accommodate the improvements to bus facilities;

i: the **agreement** of English Heritage to the proposals in the Listed Buildings Consent applications and to the appropriate procedure for determining them.

Whilst it was acknowledged that achieving a **negotiated outcome** was desirable, the Committee, in addition to other resolutions, agreed that the planning application was yet to provide the basis for an acceptable scheme, unless it could be demonstrated that the quantum of built development and, in particular, office floorspace is both viable and capable of being accommodated on the site without causing unjustifiable harm to interests of acknowledged importance, both strategic and site specific.

By **July 1992**, following the Committee's request, LRC had submitted an in-house study report on various viability issues including the office market and details of their infrastructure costs. The studies argued for the need for offices on the basis that:

a: Much of the existing empty office stock is in the wrong place and of wrong quality.

b: There are potential market shortages on the supply side and continually changing demands for office accommodation from tenants, which King's Cross would aim to tap and provide for.

c: The pace of growth in supply is unlikely to be repeated and that take up of space has remained healthy.

d: They expect that the percentage of people working in office accommodation would become more dominant.

e: Although the project is not viable in the short term and in the current market situation, but 'substantial space will only be available after 1996, by which time supply and demand will be in balance'.

On land owners, the study pointed out that the King's Cross Railway works would be funded in their entirety by British Rail, not by the development, and that the two largest owners (BR and NFC) were contractually bound to the LRC at least until the end of the decade.

5.2: OTHER STUDIES

On the future of the London office Market, a joint report by the Investment Property Databank (IPD) and the Applied Property Research (APR), commissioned by the **LPAC** in July 1992, observed that:

i: The market did not show distinctive cycles that should be expected to be replicated through the 1990s, and that these cycles were of varying intensity with varying causes and nature.

ii: The market was expected to continue falling through 1993, with some recovery in rents from 1994 to 1996, perhaps running as high as 10% per annum.

iii: There were a massive over-supply of available stock and permissions, the bulk of which would clearly not be implemented in the foreseeable future.

iv: In most fringe locations .....schemes such as the King's Cross were extremely unlikely to be implemented before 1997.

Grimley JR Eve, in their own appraisal report, avoided comments on the future office market but argued that:

i: The scheme is not viable at the present time in which office rent is £20 per ft^2;

ii: The scheme would be viable at the margins if rents rose to £33 per ft^2;

iii: A substantial reduction in floorspace (such as 1 million ft^2) could endanger the long term viability of the project and/or delay in implementation.

Michael Edwards (Bartlett School), in his critique of the LRC in-house appraisal report, argued that:

i: Office demand at the level experienced in the 1980's would not be repeated as these were due to "one off" structural changes in the financial markets. This is contrary to LRC's assertion that demand is cyclical.

ii: Central area demand was being eroded by continual decentralisation.

iii: The need for worker comfort and the fact that computers are now smaller and more efficient will favour shallow plan offices, such as those found in the Victorian and Georgian houses. This is also contrary to the argument that existing office buildings are obsolete or of poor quality.

iv: The fact that King's Cross is a good location for offices does not entitle the site to a particular quantum of space.

v: Permission is not needed now. Given the various uncertainties, investors would want to wait until these are resolved , particularly the British Rail related works, including the final routing of the channel Tunnel Rail Link.

vi: The high infrastructure costs result from the density of quantum proposed.

5.3: RECOMMENDATIONS TO THE PT&E COMMITTEE (meeting of 29th July 1992)

Using economic factors relating to the development as material consideration, to examine possible areas of floorspace reductions, including the merits and the demerits/implications of the measures, .the Director submits:

i: Quantum and Viability

a: "although the viability of any proposed development is normally a matter for the developer, it may be material to consider the risk that permission, if grated, would not be implemented, and/or the risks that buildings if constructed would not be occupied. In other words, the consequences of viability or lack of viability can be a material consideration. However, it may well be difficult for a Local Authority to establish that a proposed development will not be implemented or will not be successful, if the developer, in co-operation with the landowners, is intent on proceeding."

b: "It may also be material in the context of a largely derelict site to consider whether, in the event of refusal of permission, any other proposal are likely to come forward and to consider the likelihood of any such proposals being implemented, and, conversely, the likelihood of the site remaining largely derelict."

ii: Floorspace Reduction

A reduction of 250,000 ft^2 on either side of the canal edge and around the heritage buildings would make substantial improvements (particularly to the setting of the heritage buildings), while a further reduction of 365,000 ft^2 would enable a reduction of one floor across the northern arc of the perimeter development, with both reductions adding to 615,000 ft^2 (approx. 10% of the office content).

Although it was cautioned that any further reduction in office floorspace could risk sterilising the project, it was widely held that the proposed floorspace reduction would constitute substantial and material improvements to the scheme.

iii: Future of Office Markets

With the exception of the UCL report, there was consensus that the LRC scheme was not viable at the moment, but at some foreseeable point in time. According to the LBC, King's Cross would take at least ten years to construct and would tap demand for new space in the future, and that 'a decision now is not therefore considered to be premature in the current market scenario'.

iv: Infrastructure

It was argued that majority of the infrastructure costs were scheme specific (viz., decking; park; Internal Transit System; etc), and if these elements were removed and costs reduced (partly due to the reduction in office space), it would lead to decreases in the value of the office element and also hinder the achievement of a comprehensive redevelopment.

However, the issues still remained as to whether the level of quantum proposed by the scheme was justifiable compared to the degree of risk of sterilising the site, while it was appropriate to consider the viability of the project, and also to consider whether there were any other viable alternative schemes that could be implemented.

v: Housing

LRC would deliver a total of **1,332 dwellings** consisting of

* **617 units** for rent at "affordable levels", with an assumed minimum of 47% family dwellings.

* **715 units** for sale, mostly smaller dwellings, part of which 200 units could become shared equity housing.

There has been progress in ensuring the attainability of this proposal by introducing the **3 acre entitlements**. Each entitlement means that the developers commit themselves to the transfer of the land into public ownership which is not subsequently recoverable, but remains under the control of the Council or its designated agents. At the same time, a sum is bonded towards the shortfall funding (e.g. for decontamination) that is likely to prove necessary when the housing is built.

vi: Conservation and Heritage

The amended proposals (July 92) 'now comprise the retention of all listed buildings on the site', aside from the demolition of the transit sheds behind the Granary and part of the cobbled station ramps. The application to demolish part of the German Gymnasium had also been withdrawn, while the unlisted Regeneration House would be retained.

vii: Traffic and Transport

The improvement of the King's Cross intersection (recommended by the DTp in 1991) to accommodate the traffic impact of the proposed development includes measures to improve conditions for pedestrians, buses and cyclists. However, a number of issues were still outstanding. This includes:

a: retention of the east-bound bus lane in Euston Road and the right to turn into Pancras Road for buses;

b: proposed traffic access into Judd Street;

c: access into and egress from St. Pancras station;

d: realignment of the central reservation in St. Pancras Road;

e: relocation of the pedestrian crossing in Pancras Road;

f: bus stop arrangements in front of King's Cross station;

g: details on the feasibility of moving the LUL ventilation shaft;

h: minimum requirement of 4 m footways, on the north and south side of Pentonville Road, between York Way and Caledonian Road, to cope safely with increased pedestrian flows and provision of environmental features;

i: the need to increase the sub-standard footway on the south side of the Island Block to a minimum of 3 m;

j: the location of new subway stairs and surface pedestrian crossing facilities ;

It was noted that the Department of Transport had proposed conditions relating to works for the King's Cross highway intersection, and that because of the difficulty in defining the start of the construction, the DTp. had agreed to the 'inclusion of an occupancy threshold'.

viii: Training and Employment

The recommendation agreed with the developers' proposal to locate the Trade Union Centre, 'One-Stop-Job-Shop', and Training Resource Centre (TRC) in the Granary Building. The York Way School is also proposed to accommodate the main part of the TRC.

The financial package offered to achieve the target includes **£2 million** capital towards the refurbishment of the **Granary Building** and/or **York Way School** and revenue which accumulates to **£4.62 million** over ten years. LRC also **agreed** to underwrite a further **£2 million** against tenants input into the TRC, Job Shop and TU Centre.

LRC further **agreed** to be involved in the company limited by guarantee which would deliver the training. This would oblige them under the Companies Act to meet the overall aims and objectives of the company.

Whilst a target of 25% local jobs for within the scheme was **agreed** early in the negotiations, LRC were also willing to accept the 25% target for local employment during the construction phase, on a contractual basis. Other **agreements** are:

a: the proposed 200,000 ft^2 of **light industrial floorspace** (table 3, p.76) should exclude:

* the Internal Transit System depot currently occupying 30,000 ft^2 of floorspace, but

* should include the provision of 170 small start-up business units each not exceeding 1000 ft^2. and three larger units of 1,000 ft^2.

b: additional mechanisms for delivering the 25% target for local employment during the occupancy phase, of which LRC were unwilling to entertain a contractual agreement;

c: mechanisms for delivering Job shop and Trade Union Centre;

d: the funding arrangements for the TRC to ensure delivery of the package;

e: the Development Brief should provide for a proportion of other commercial floorspace of a full range of Class B1 uses.

5.4: SUMMARY RECOMMENDATIONS

In summary, part of the recommendations to the PT&E Committee were that:

i: Consequent to the Committee's decision of 26th March 1992 (p.90), further negotiations held with LRC have resolved certain key issues, namely:

a: that the entitlements to housing land would be made earlier in the development and that better mechanisms for ensuring the funding and affordability of the housing itself had been identified, thus providing greater certainty of its delivery;

b: that the impact of the Internal Transit System on the King's Cross station had been clarified, and there was provisional agreement on the thresholds of office development which would trigger interim and the fixed link services, and ensure the necessary capacities for transport services;

c: officers had clarified that the nature of the likely impacts of the development on listed buildings, would imply less demolition or alteration, and that the need for a Heritage Development Brief had been agreed;

d: that there would be adequate replacement facilities available for resiting the concrete batching plants;

e: that to improve the balance in phasing the development, there would be agreement on bringing forward the housing entitlements to land, as well as, putting the ITS into earlier use through a temporary route on the site.

ii: With regard to the overall issues of the bulk and scale of the development, officers believed that a further reduction in the quantum to 5.25 million ft^2, could make a significant contribution towards reducing the harmful effects of the scheme on the surrounding areas, including conservation areas.

iii: It was outlined that the benefits of the development should be taken into account in terms of employment generation, meeting house needs provision of open space, social and leisure facilities and the restoration of listed buildings.

iv: On 'balance', the Committee was advised that, subject to the enactment of the King's Cross Bill and the subsequent implementation of the works, the scale and

content of the development as proposed, was necessary to achieve regeneration and the other substantial benefits that this would bring.

v: The significance of a decision based on **"minded to grant"** permission would enable negotiations to proceed, and signify a presumption in favour of the development, but on condition that outstanding matters were resolved within a reasonable time.

vi: A decision to accept the principle of the application would represent an early stage in the development of the site and was not seen to raise any unusual financial implications.

However, it was stressed that before the application was finally determined, the negotiated package of employment, training, community, housing, transport and leisure elements would require further appraisal, as some of them would have financial implications as the development matured.

5.5: 'MINDED TO GRANT PERMISSION' RESOLUTION

According to a document released by the LRC in October 1992:

> "On the 6th of August 1992 the application for outline planning permission that was first made in October 1989 by the London Regeneration Consortium and British Rail in respect of the Railway Lands at King's Cross, was considered by the Camden Council. On that date (after a recommendation had been made by the Planning Committee a week or so earlier), by a vote of 28 to 13 with 5 abstentions, the full Council agreed that the LRC/BR scheme provided the basis for an acceptable development and resolved that they were minded to grant an outline consent in due course, when certain matters had been finally clarified and agreed."

5.6: FURTHER PROGRESS ON THE LRC/BR OPA

5.61: Situation Report (December 1992)

i: Floorspace Reduction:

agreed proposals for the "final' distribution of the floorspace reduction:

DEVELOPMENT ZONE	FLOORSPACE REDUCTION
Zone 2 (east side, north of Canal)	190,000 ft^2 (17,651 m^2)
Zone 3 (north east)	100,000 ft^2 (9,290 m^2)
Zone 4 (north/north west)	95,000 ft^2 (8,825 m^2)
Zone 5 (west side, south of canal)	30,000 ft^2 (2,787 m^2)
Zone 6 (east side, south of canal)	200,00 ft^2 (18580 m^2)
TOTAL	615,000 ft^2 (57133.m^2)

At this stage, the extent of the **implication** of the agreed reduction was identified as the withdrawal of the offer of transitional funding for the on-site social/leisure and community facilities. However, it was observed that whilst the lack of revenue funding, primarily for staffing, would limit the ability of the Council to activate the use of these facilities, the Services concerned considered that the provision of the units involved should proceed in view of the relatively late delivery in the scheme 'which allows plenty of time for alternative resources'.

ii: Light Industrial Floorspace

Following the negotiations between the Borough and LRC (pp.89-90), the proposed industrial floorspace has been reviewed. With the exclusion of the 300,000 ft^2 of the ITS shed, LRC had agreed that the new floorspace would include:

a: light industry within Class B1(c), and to a lesser extent for related B1(b) (research/design/high-tech) activities. to include unit sizes ranging from:

* one unit size of floorspace 50,000 ft^2 max.
* forty unit sizes of floorspace of ≤ 2,000 ft^2 each

b: 3 floors in the Granary already identified as suitable for approximately 43,000 ft^2 of managed workspace, studios and offices, mostly between 500 ft^2 to 2,000 ft^2 , with some potentials for retailing directly in them.

The overall package, including the ITS depot, would amount to 273,000 ft^2. The proposed units in the Granary had been scheduled to be available early in the development.

iii: Training and Employment

Consequent to the reduction in the quantum of office floorspace, and stagnation in the property market, a reappraisal of the Training and Employment package (pp. 89-90) was agreed. The new package would ensure:

a: a higher level of funding to the Training Company, over a period of 11 years, as against the original 5 years. In addition, the LRC would 'underwrite tenants contributions to the jobs and training package';

b: reference to the previous arrangement (p 89) of spending part of the proposed **£2 million capital** towards the refurbishment of the Granary and/or York Way school, it was elicited that the school was an unsustainable option, in that it would be both prohibitively expensive to refurbish and largely unsuitable as a construction training centre. The consensus was that while the London Borough of Islington was reviewing the use of the building, the proposed funding from the development, would be redirected towards more flexible forms of construction training.

c: In response to the 10,000 ft^2 of floorspace needed for training, job shop and trade union centre, LRC (in addition to the gifted space in the Granary, 3,000 ft^2), offered an additional **4,000 ft^2 at £225,000** paid from the revenue payment, to meet the majority of these demand.

Table 4: Proposed Social and Community Uses Chart (Draft)

FACILITY	LOCATION	Approx. INSIDE AREA	Approx. OUTSIDE AREA	SPECIAL NEEDS	COMMENTS AND DELIVERY
Leisure					
exterior play space/fixed play facilities	Park and other non-housing areas		as per needs	PR, SE, PA	as per Devt. Brief outside housing areas
fixed play facilities	within housing landscaping	small sites to NPFA standards	3 m^2 per child		Housing Associations' responsibility; dual use with community centre, etc.
indoor recreation centre	western transit shed + new-build option	14,725 ft^2 **1,368 m^2** 13,200 ft^2 **1,226 m^2**		LB, MU, AC, EH, PA	aim to be self-financing at least in revenue terms.
tenant community space 1	northern housing area	7,500 ft^2 **697 m^2**		MU, EH	delivery before completion of housing; liaise with HAs
tenant community space 2	western housing area	2,000 ft^2 **186 m^2**		MU, EH,	" " " "
library	northern end of Hillier Way in a retail unit	6,000 ft^2 **557 m^2** but 11,000 ft^2 **1,022 m^2** more viable		MU, EH, HS, PR, EH, OS? PA	delivery within phases of offices.
heritage/urban study centre	Granary	5,000 ft^2 **464 m^2** heritage 1,500 ft^2 **139 m^2** urban studies		LB, AC, P, RSE, PA	Early delivery
cultural/theatre complex	eastern coal drops + new build	25,800 ft^2 **2397 m^2** 10,500 ft^2 **975 m^2**		LB, MU, AC, EH, OS, PA	Late delivery
100 seat hall	western transit shed	18,000 ft^2 **1,672 m^2**		"	
visual arts centre	Granary	14,400 ft^2 **1,338 m^2** 11,400 ft^2 **1059 m^2** if rest for training		LB, MU, HS, AC, O, SSE, PA	
canal-side boat facilities and moorings	canal basins and tow path needs of existing and visiting boats			AC, HS, EH, SE	BR's (bill) responsibility for temporary location. Availability as phasing allows
mooring for Tarporley	still needed			AC, SE	delivery when possible
all weather pitches:	off site, but where unselected			MU astroturf	delivery fairly early on

Table 4: Proposed Social and Community Uses Chart (Draft) **[cont.]**

FACILITY	LOCATION	Approx. INSIDE AREA	Approx. OUTSIDE AREA	SPECIAL NEEDS	COMMENTS AND DELIVERY
Social Service Day Care: including	Total All in housing areas	8,800 ft² **817 m²**		MU, AC HS, EH	delivery on need during and after northern housing
elderly day centre (36 place)	„		3,000 ft² **279 m²**		Social Services or agencies; liaise with HAs
MH day centre (25 place)	„		3,000 ft² **279 m²**		„
PWD day centre(30 place)	„		3,000 ft² **279 m²**		„
Education					
youth project	unknown, probably not close to the housing, for use by all	2,200 ft² **204 m²**	perhaps not needed if other facilities nearby	MU, AC, HS, EH, OS, PR	delivery could be very early, for off-site residents before on-site residents arrive
U5s Community nursery (1 x 50 places)	northern and western housing areas	3,500 ft² **325 m²**	1,700 ft² **158 m²** i. e. **3m²** per child	AC, HS, PR, OS, PA	delivery with housing
Others					
LD respite facility (4/5)	„	large house + staff/carer bedsit	some garden		part of housing - liaise with HAs
M H respite unit (6 bed)	„	„	some garden		part of housing - liaise with HAs
resource centre (DAR/PWD)	northern housing area	3,500 ft² **325 m²**		MU, AC, PR?, EH	delivery during/after housing
Workplace childcare (EDU)					part of training and employment TAG;
AHA/FHSA GP centre	near housing	3,300 ft² **307 m²** + option on 2,000 ft² **186 m²**			delivery related to housing; AHA to lease

Notes:

1: Units delivered in 'intermediate' state , i.e. with fixtures such as sanitary -ware and the loadbearing structures in place, according to agreed specifications and full mobility standards

2: Special Needs Codes:

LB: Listed Building Implications
OS: Ancillary Open Space Needs
HS: High (er) Security
SE: Separation From Other Uses
MU: Multiple Use Flexibility
PA: High Public Access Needs
PR: Prominent Position
EH: Extended Hours of Use
AC: Special Access Needs

5.62: Situation Report (February 1993)

On February 24, 1993, the firm of Montagu Evans, on behalf of the LRC and the British Railways Board, forwarded amended illustrative drawing materials with modified project element proposals, that reflect the Planning Authority's requirements and the recommendations approved by the Planning Transport and Employment Committee. The material submitted for substitution in the application includes the following:

i: Revised description of the development including the proposed depot for the Internal Transit System;

ii: Revised floorspace proposals reflecting reductions of 615,000 ft^2 of office floorspace and 181,000 ft^2 of floorspace for car parking, ancillary services, etc;

iii: a new allocation of 30.000 ft^2 of floorspace to the depot for the proposed Internal Transit System; and

iv: new illustrative drawing materials

In comparing the new floorspace provisions (table 5, p.98) to the one of December 1991 (table 3, p.76), it is demonstrated that a gross floorspace reduction of 766,000 ft^2 (71,161 m^2) has actually been effected subsequent to the required 615,000 ft^2 (p.93) and an additional allocation of 30,000 ft^2 to the proposed ITS depot. The reduction comprises a total of 585,000 ft^2 (54,346 m^2) above ground and 181,000 ft^2 (16,815 m^2) below ground.

However it remained to be demonstrated that the reduced floorspace could also influence a reduced overall cost in the infrastructure services provision for the entire project.

Table 5: Summary of revised Floorspace proposals, February 1993

Floorspace Use	Above Ground	Below Ground	Total
Residential	1,625,000 **150,962**	- -	1,625,000 (ft^2) **150,962** (m^2)
Light Industry	200,000 **18,580**	- -	200,000 (ft^2) **18,580** (m^2)
Retail (1) (2)	191,000 **17,744**	109,000 **10,126**	300,000 (ft^2) **27,870** (m^2)
Offices (3)	5,161,000 **479,457**	89,000 **8,268**	5,250,000 (ft^2) **487,725** (m^2)
Community, Leisure, Heritage, Cultural, Health, Educational and other similar or associated uses (4) (5)	275,000 **25,547**	85,000 **7,896**	360,000 (ft^2) **33,444** (m^2)
Hotel	100,000 **9,290**	- -	100,000 (ft^2) **9,290** (m^2)
Depot for the ITS.	30.000 **2,787**		30.000 (ft^2) **2,787** (m^2)
Car Parking, Ancillary Storage & Access	- -	1,711,000 **158,952**	1,711,000 (ft^2) **158,952** (m^2)
SUB-TOTAL	7,582 000 **704,368**	1,994,000 **185,243**	9,576,000 (ft^2) **889,610** (m^2)
Passenger Concourse Building	- -		110,000 (ft^2) **10,219** (m^2)

Notes:

1: Retail comprises uses within '**Class A**' in the Schedule to the Town and Country Planning ' **Use Classes Order 1987'.**

2: The totals include 83,000 sq. ft. in respect of change of use of existing buildings.

3: Excludes any additional space for plant that would not normally be accommodated below ground.

4: Includes 200,00 sq. ft. in respect of change of use of existing buildings.

5: "Similar or associated uses" is intended to include other new uses to be identified for the retained buildings in the park, some of which may be within **'Class B1'** of the Schedule of the Town and Country Planning **'Use Classes Order 1987'**, small new businesses in the creative sector, "clean" office support suppliers, small manufacturer retailers and the like.

Table 6: Revised Development Zone and Area Schedule Proposals (in '000's ft²)

Zone	Office	Housing	Retail	Community/ Leisure	Industry	Hotel	ITS Depot	Service	Total
Zone 1									
Total	**16**	**0**	**84**	**234**	**0**	**0**	**0**	**102**	**436**
Basement	0	0	48	10	0	0	0	102	160
Upper	16	0	36	224	0	0	0	0	276
Zone 2									
Total	**1,269**	**166**	**101**	**75**	**0**	**100**	**0**	**473**	**2.184**
Basement	48	0	34	75	0	0	0	473	630
Upper	1,221	166	67	0	0	100	0	0	1,554
Zone 3									
Total	**1,906**	**0**	**11**	**6**	**0**	**0**	**0**	**418**	**2,341**
Basement	31	0	0	0	0	0	0	418	449
Upper	1,875	0	11	6	0	0	0	0	1,892
Zone 4									
Total	**1,119**	**993**	**72**	**24**	**0**	**0**	**30**	**367**	**2,605**
Basement	0	0	25	0	0	0	0	367	3,92
Upper	1,119	993	47	24	0	0	30	0	2,213
Zone 5									
Total	**250**	**375**	**21**	**4**	**200**	**0**	**0**	**142**	**992**
Basement	0	0	2	0	0	0	0	142	144
Upper	250	375	19	4	200	0	0	0	848
Zone 6									
Total	**471**	**91**	**11**	**0**	**0**	**0**	**0**	**162**	**735**
Basement	0	0	0	0	0	0	0	162	162
Upper	471	91	11	0	0	0	0	0	573
Zone 7									
Total	**219**	**0**	**0**	**17**	**0**	**0**	**0**	**47**	**283**
Basement	10	0	0	0	0	0	0	47	57
Upper	209	0	0	17	0	0	0	0	226
Site Totals									
Total	**5,250**	**1,625**	**300**	**360**	**200**	**100**	**30**	**1,711**	**9,576**
Basement	8,9	0	109	85	0	0	0	1,711	1,994
Upper	5,161	1,625	191	275	200	100	30	0	7, 582

Note: Fig. 5.1 (p.100) explains the plan of the development zones

Fig. 5.1: Proposed Plan of Development Zones

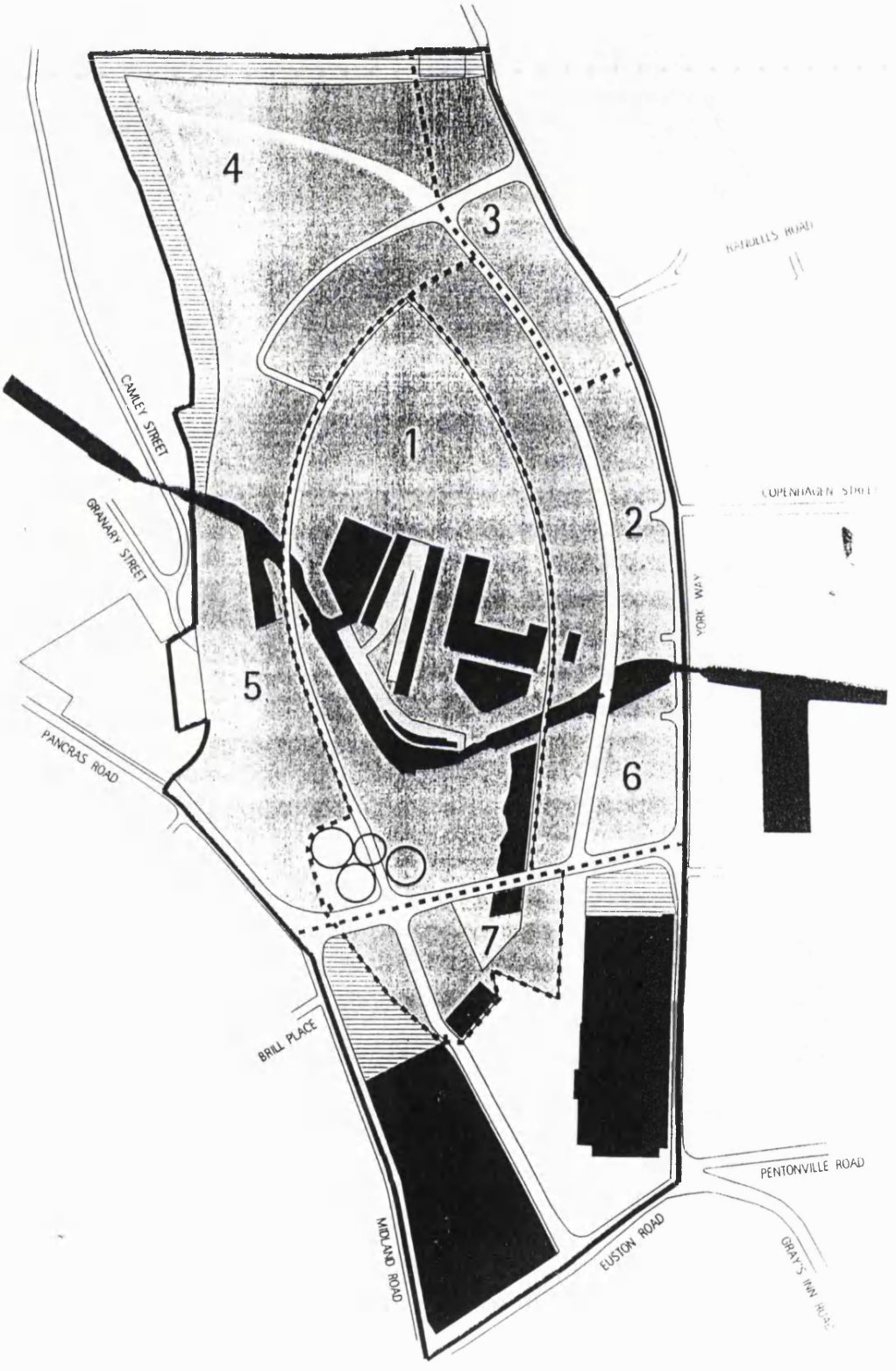


Fig. 5.2: Proposed Plan of General Framework

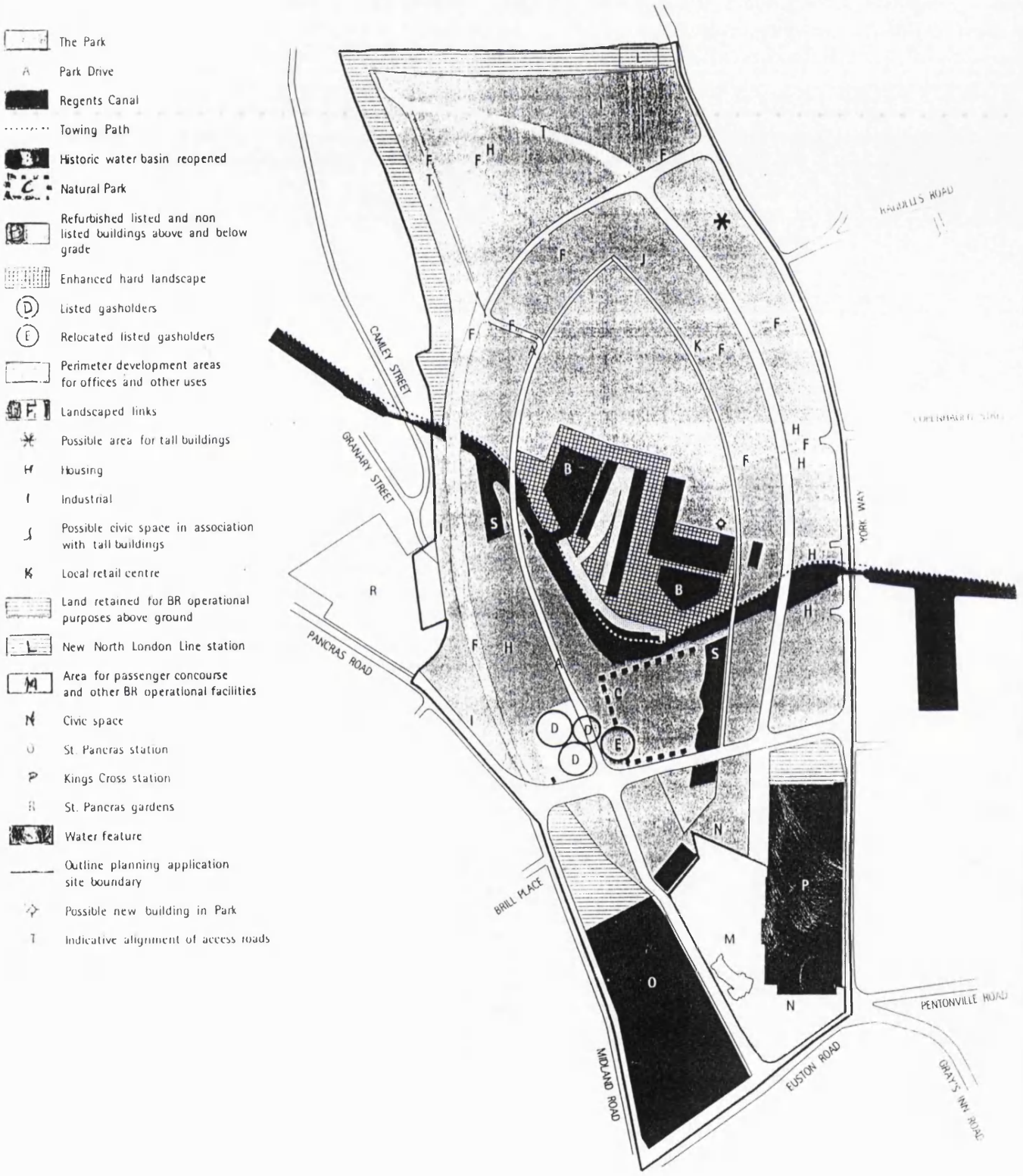


Fig. 5.3: Proposed Phasing of LRC Development

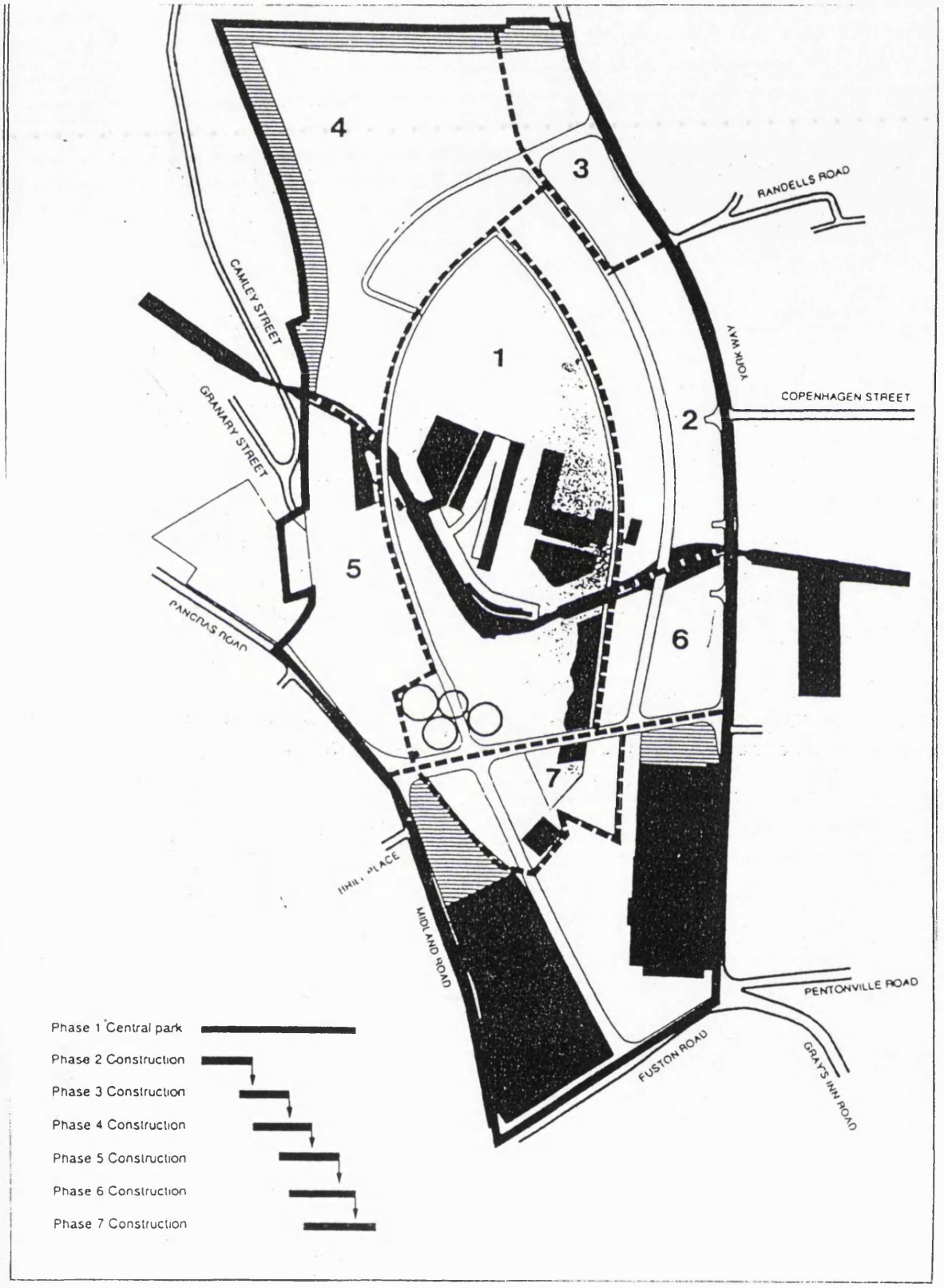
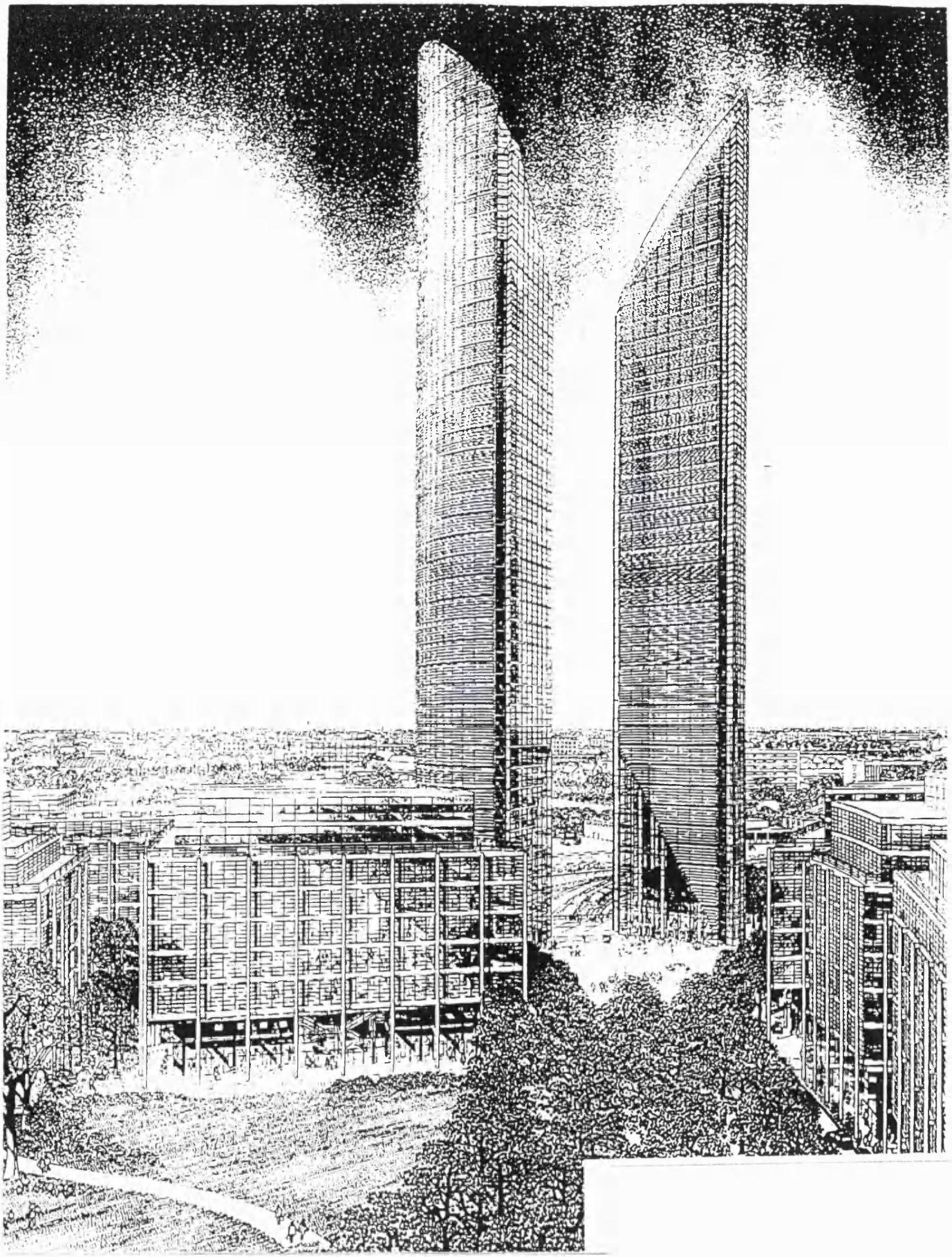


Fig. 5.4: Proposed Towers



Chapter Six

KING'S CROSS RAILWAYS' BILL AND WORKS

On **16th June 1992**, the British Railways Property Board expressed their intentions to withdraw the May 1989 OPA for the Concourse Building, while depositing a new set termed "Supporting Statement" which is designed to upgrade background material submitted in support of their 1989 Applications.

The new OPA explains that there is no change to the fundamental design concept for the proposed building except for the following inclusions or modifications :

i: that the application boundary is including vehicular access arrangements to the north of the proposed building.

ii: that it has been agreed the concourse-related issues should not be determined with the BR/LRC's Masterplan OPA.

iii: the application assumed that permission would be granted for the demolition of the Great Northern Hotel while the listed building consent application submitted in June 1992, set out in detail, BR's intention to secure maximum benefit to passengers.

Reference to a letter of 8th July 1992, from English Heritage, to the London Borough of Camden, on the Listed Buildings Consent, it was made clear that in the event of there being a firm commitment to proceed with the railway works, and with the construction of a major new terminal building, English Heritage would not wish to raise objection to the demolitions, including that of the Great Northern Hotel, that are demonstrated to be essential to undertake these works.

In its further justification for the demolition of the Hotel and for the construction of the terminal building, the application emphasised that King's Cross was the only London Rail

Terminal that has had to institute formal queuing systems on the Concourse. Shortage of space also limited the ability to introduce casual seating for the comfort of passengers.

On the volume of passengers, King's Cross/St. Pancras stations combined, in 1990, handled nearly 100,000 passengers a day or just under 30 million passengers a year; the total use of facilities, including London Underground passengers interchanging, was nearly 50 million per year, whereas at Heathrow, it was some 40 million (fig. 6.1, p.108).

The application proposed space requirements of an area of about 247,578 ft^2 (23,000 m^2) which would be scattered around. The details are:

Concourse	5,000 m^2	53,821 ft^2
Booking offices	2,500 m^2	26,911 ft^2
Catering and retail	7,000 m^2	75,350 ft^2
International facilities	8,500 m^2	91,496 ft^2

The application assumed that Royal Assent could be obtained in 1993 while construction works could commence in 1994 (fig. 6.7, p.113).

On **16th July 1992,** the House of Lords Select Committee on the King's Cross Railways Bill agreed that the Bill should be allowed to continue on the assumption that funding would be attainable:

> "We think that the Board should be given an opportunity of putting its case to the Government at the end of the year -1992. In the course of its presentation it should indicate the merits and demerits of alternative plans, some of which were put to the Committee. In particular the question of Rail Link and of the development of Stratford must be squarely faced. The Committee has noted the **exceptional proposals** put forward by the BR to help local residents, and the contents of the Environmental Code agreed between Local Authorities and BR. Whilst these proposals do not meet all demands of the local residents they go a long way to do so and will no doubt continue to be improved on by **agreement** as time passes.....The Board's Liaison Officer (on whom the success of these arrangements depends), should make all possible efforts to establish constructive

co-operation with Local Authority officers to ensure a speedy solution to any problems."

(Chairman of the King's Cross Railways Bill Committee, House of Lords 16 July 1992)

However, in his report to the Camden PT&E Committee, at the of **26th July 1992**, the Director of Environment Department emphasised that the BR's operational needs to lay new tracks on the site would impinge on the proposed development, particularly the delivery of lands for housing and the necessary infrastructure. Whilst suggesting options for considering alternative schemes, the Director advanced that the British Railways' proposals would:

* contribute to high infrastructure costs and the vibration/sound proofing measures which added to the need for the office quantum;

* dictate a phasing pattern that would make the northern part of the site an exclusion zone for the first 5/6 years of development, thus, adversely affecting the delivery of housing and its occupation.

6.1: ALTERNATIVE SCHEMES

In the same report, the Director confirmed the submission of the following alternative schemes for planning approval considerations:

i: **Chris Nickerson's Scheme** for an open space , with some perimeter development. The scheme assumes that the land is gifted.

ii: **Railway lands Group Scheme 1A**: Their proposals include a mixed use development of 1.9 million sq. ft. of (176,510 m^2) offices and 2.09 million sq. ft. (194,161 m^2) of housing floorspace. The scheme also assumes an International Rail Link from Stratford to St. Pancras.

iii: **Railway Lands Group Scheme 2**: Proposals for a mixed use development of 0.2 million sq. ft. (18,580 m^2) of offices and 2.2 million sq. ft. (204,380 m^2) of housing floorspace. The scheme assumes that £187

million worth of subsidy for infrastructure are available, and that no channel tunnel facility is provided on site.

The report noted that none of the Alternative Schemes, at the time of submission, could be considered realistic in that:

* they seem not to be financially viable or acceptable in planning terms, for consideration as alternative schemes;

* they did not take the Railway Bill works into account; and

* that in the absence of the LRC scheme, there was no alternative implementable scheme within the foreseeable future.

At the end, the report concludes: "given that the British Rail proposals are not certain to proceed, ...it is appropriate to relate the grant of outline planning permission at least to the giving of **Royal Assent** to the Railways Bill,...and perhaps to the exchange of **contracts** for the commencement of those works."

Fig. 6.1: Comparison of annual passenger volume at principal transport interchanges in Greater London

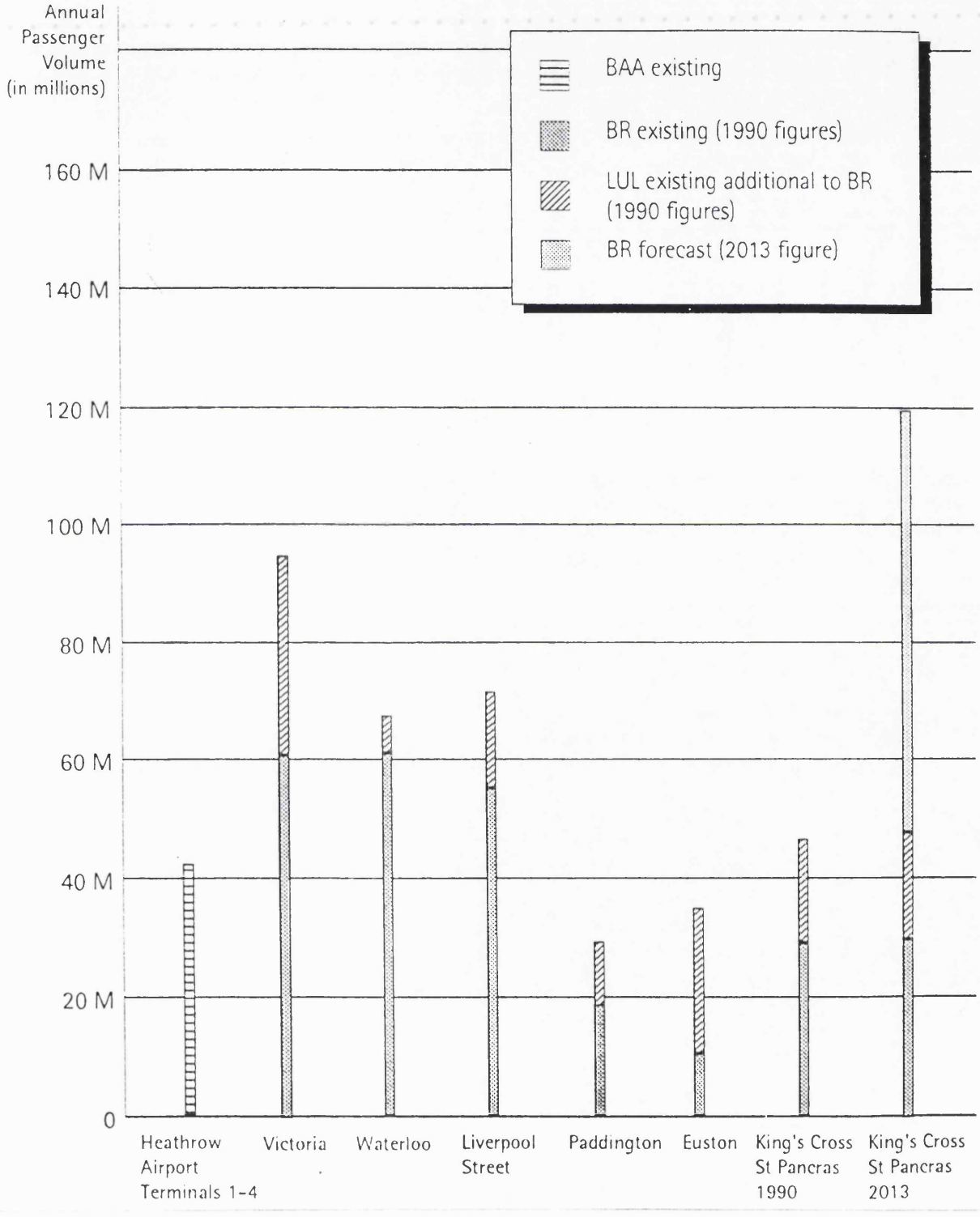


Fig. 6.2: Proposed British Rail Infrastructure works

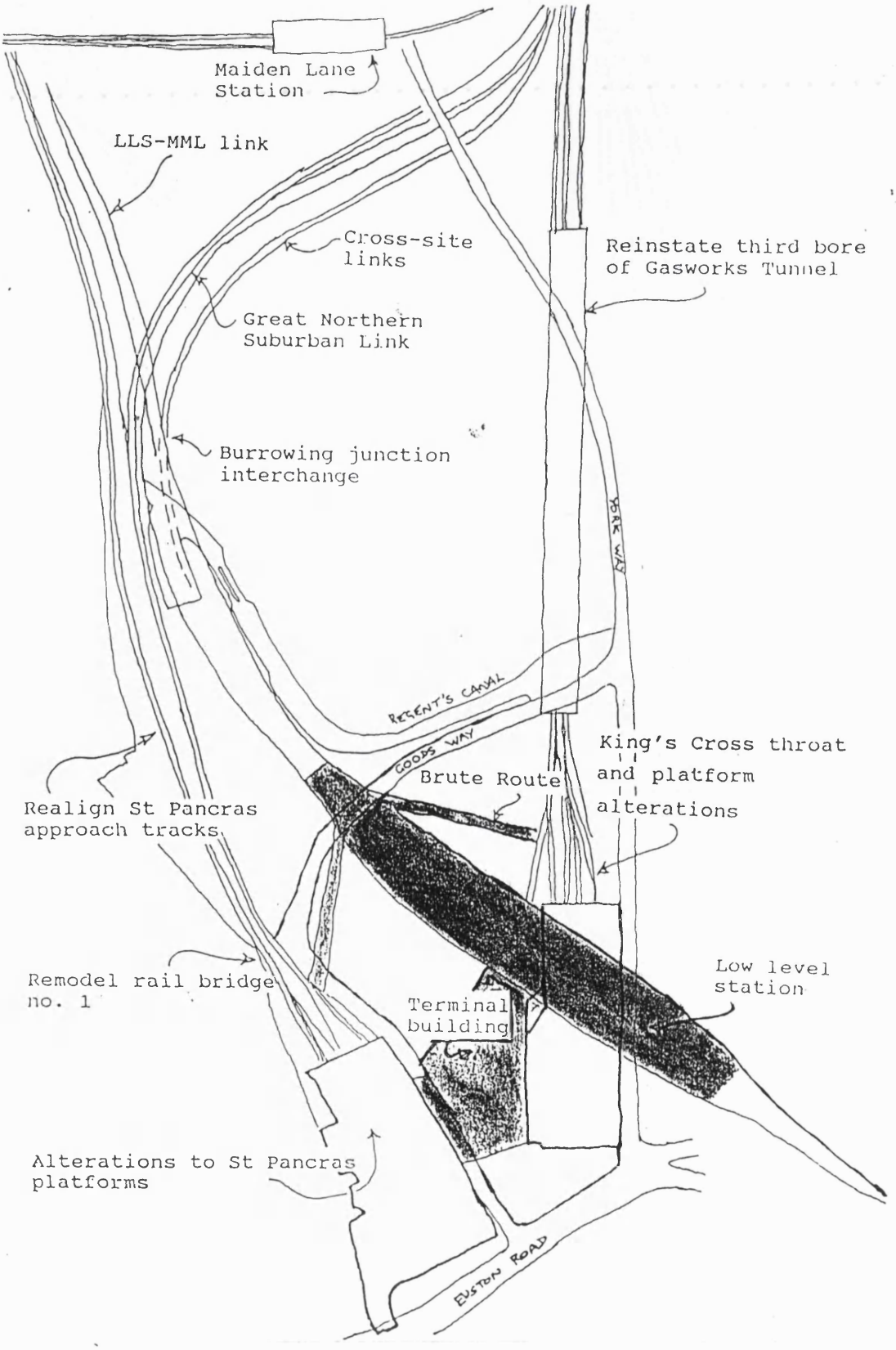


Fig. 6.3: Proposed Location of Concourse Service Connections

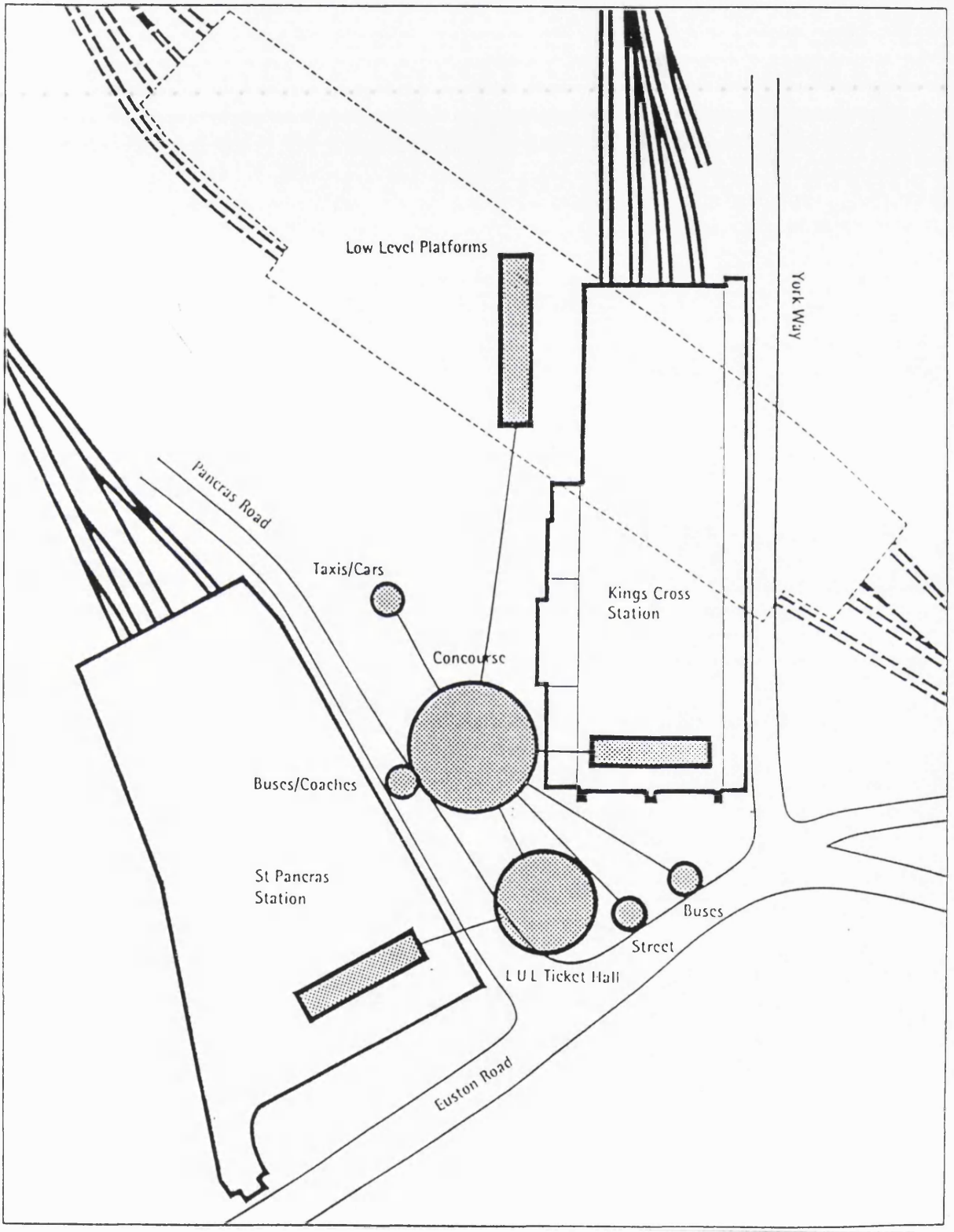


Fig. 6.4: Proposed External Circulation diagram

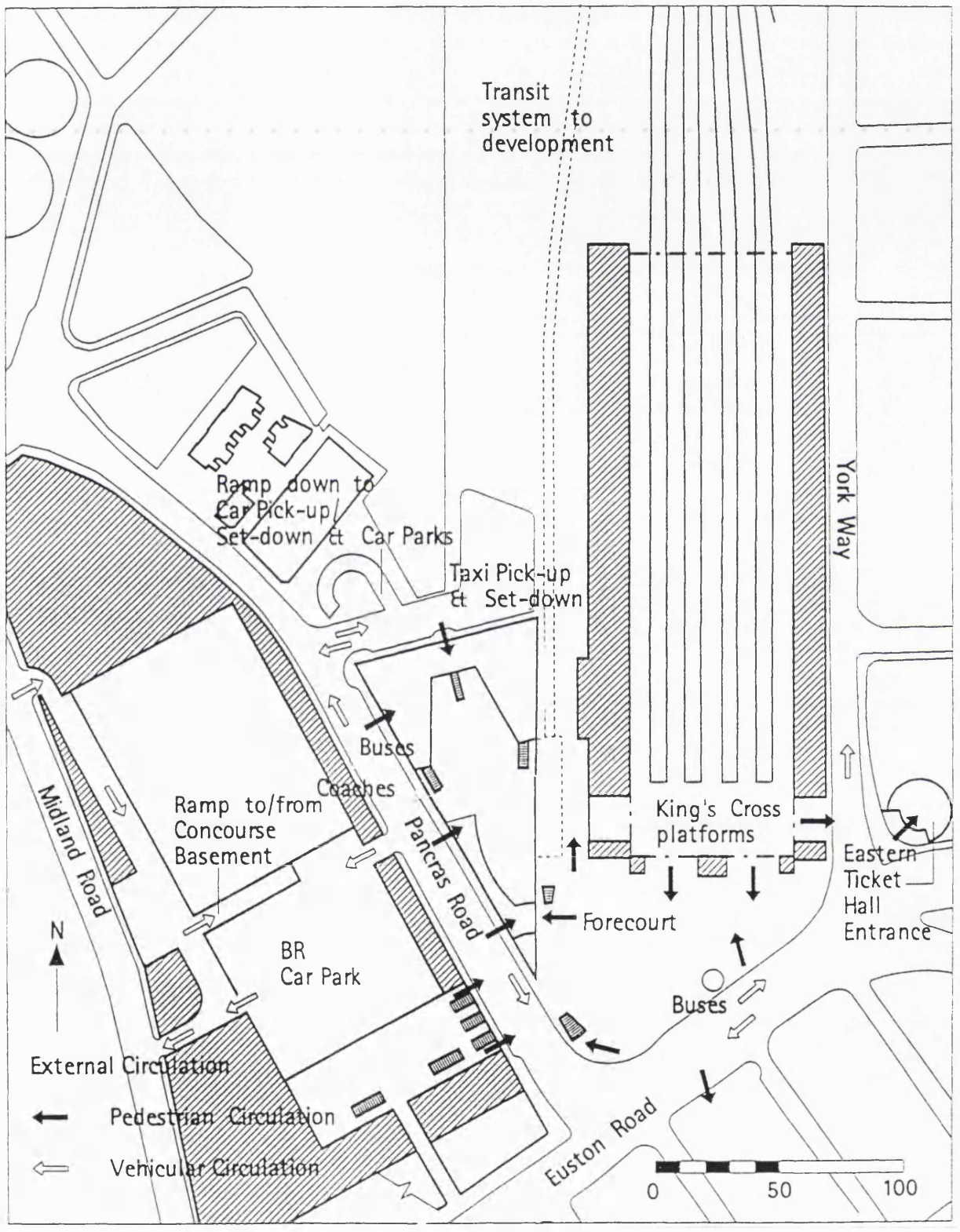


Fig. 6.5: **Bird's eye view of the proposed concourse building from the south**

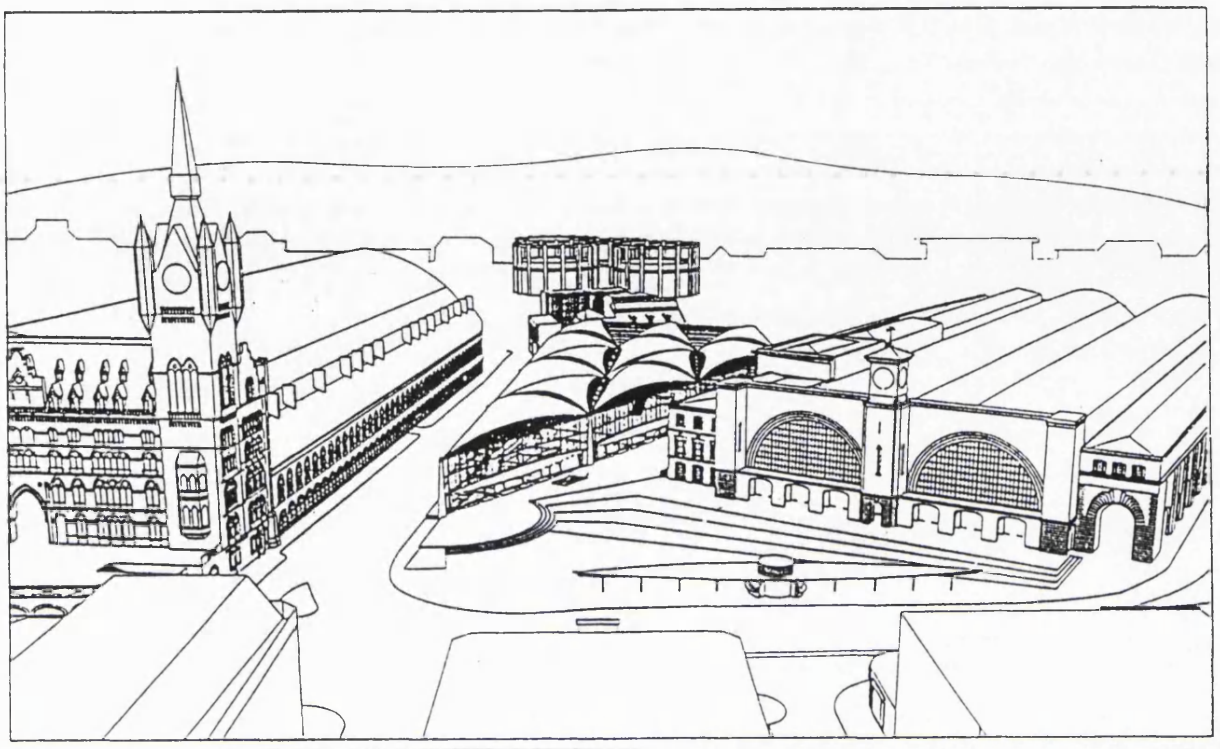


Fig. 6.6: **View of the proposed concourse building from the south-east**

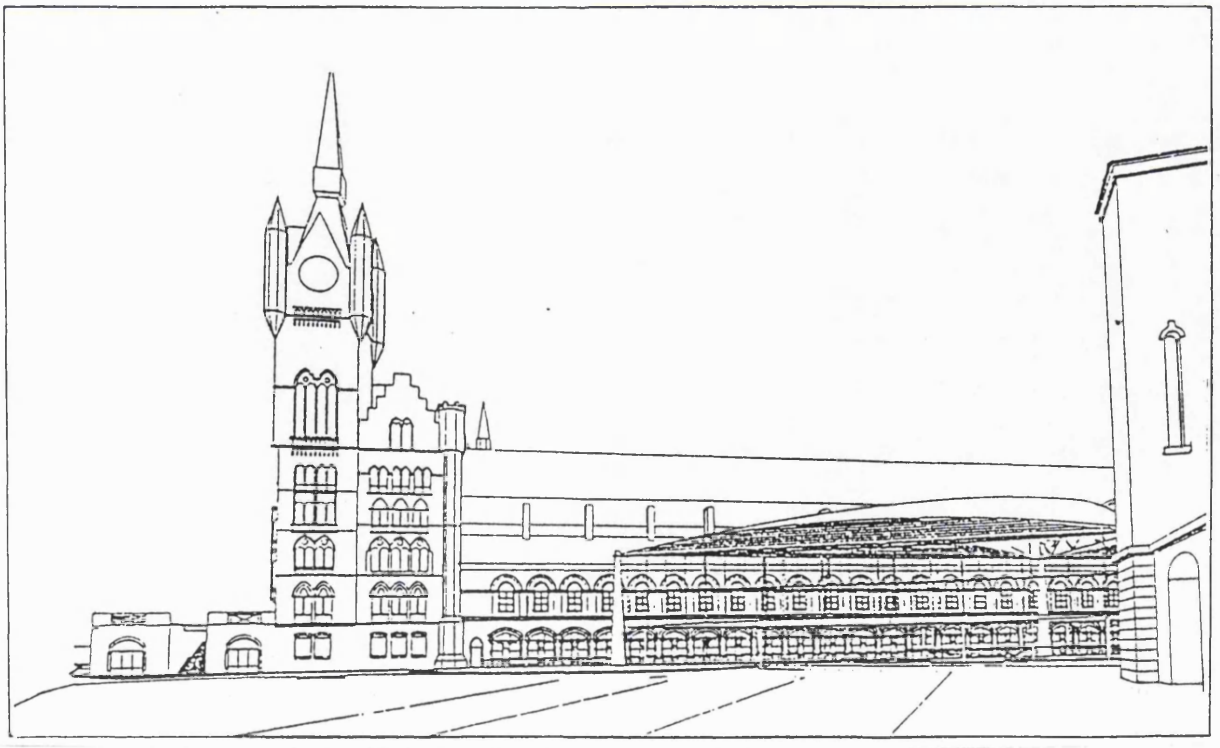


Fig. 6.7: Proposed Construction Programme: British Railways' works

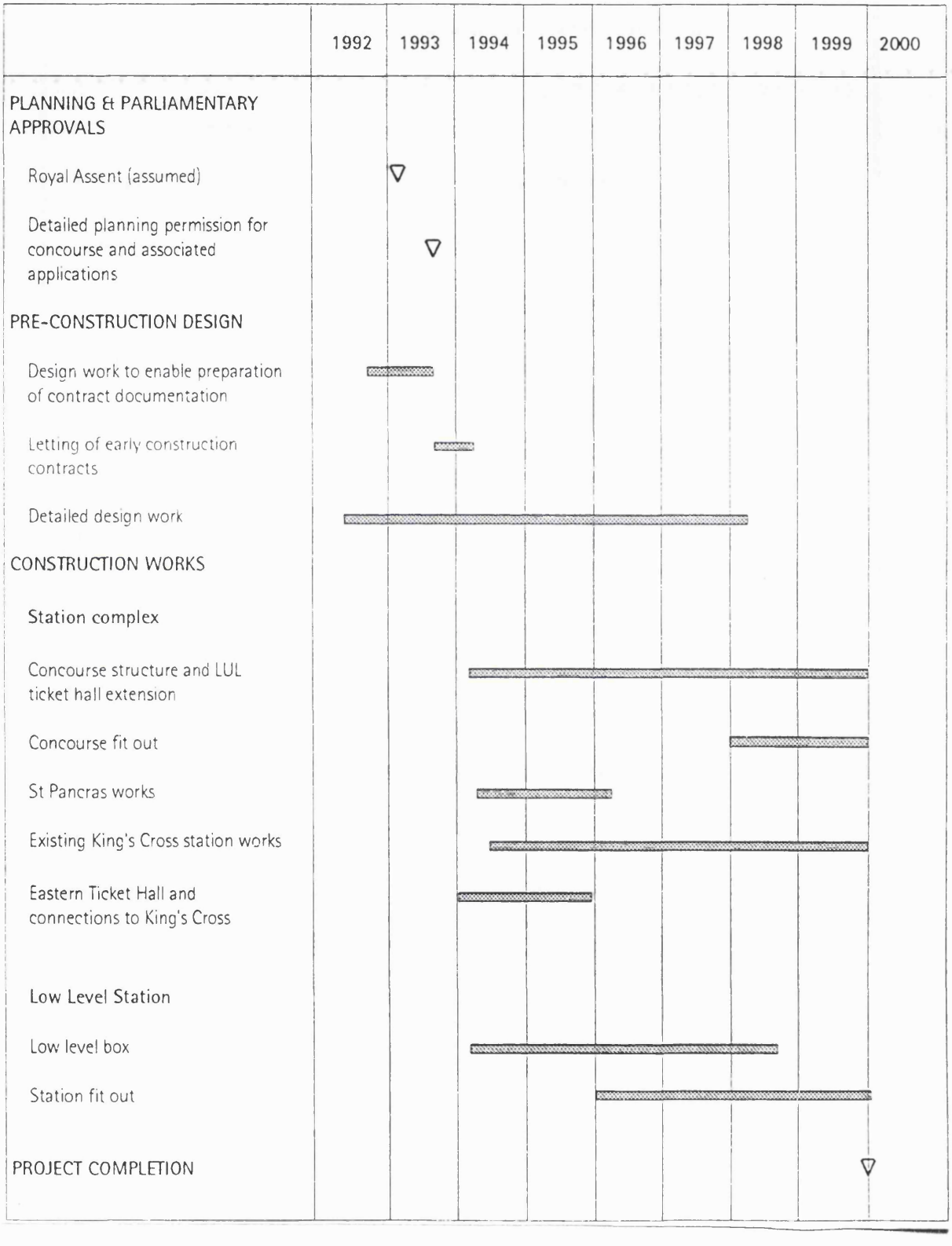


Table 7: Synopsis of the applications & key events on the project

1787:	Channel Tunnel Act passed.
Spring	Rosehaugh Stanhope discussions with BR; DEGW pilot studies
October	Land owners announce competition between 4 developers.
Jan. 1988:	Council agrees the Community Planning Brief for the King's Cross Railway Lands.
Feb. 1988:	BR exhibits drawings by the two short-listed firms
March 1988:	Pre-application Masterplan discussions.
June 1988:	LRC/Foster selected by BR as developer/architects
Nov. 1988:	King's Cross Exchange I.
Jan. 1989:	Revised Community Planning Brief Approved.
April 1989:	**First outline planning application submitted.**
July 1989:	King's Cross Exchange II.
Sept. 1989:	Committee report on April 1989 OPA. Committee agreed points 15 points which need to be resolved to make the scheme acceptable.
Oct. 1989:	**New outline planning application submitted.** (with Revised Environmental statement)
Nov. 1989:	Interim assessment of October 1989 proposals.
Mar 1990:	King's Cross information report went to PT&E committee.
July 1990:	Committee report on housing design criteria.
July 1990:	**Revised Masterplan submitted.**
Aug. 1990:	April 1989 applications withdrawn.
Oct. 1990:	Public consultation (photo exhibition).
Dec. 1990:	Interim assessment of July OPA proposals (with suggested design and brief).
Dec. 1990:	Applications for Listed Building consent submitted.

Table 7: Synopsis of the applications & key events on the project (Cont..)

Jan. 1991:	Committee report on strategic views.
April 1991:	Draft volumetric study from LRC.
May 1991:	Officers response to draft volumetric study sent to LRC
Dec. 1991:	**Amendments to the Masterplan drawings.** (Draft Volumetric Study submitted).
Jan. 1992:	Further Amendments to the Application Drawings of Dec. 1991 Submitted.
June 1992:	**Examination of King's Cross Railways Bill by House of Lords Select Committee.**
*	**New OPA submitted to LBC by the British Railways, for the proposed Concourse Building** (withdrawal of May 1989 OPA from the LBC for the Concourse Building)
July 1992:	Statement by the House of Lords Select Committee: King's Cross Railways Bill.
*	Three **Alternative Proposals** submitted by: i: Railway Lands Group Scheme 1A ii: Railway Lands Group Scheme 2 iii: Chris Nickerson's Scheme.
Aug. 1992:	Decision based on **'minded to grant'** permission to the LRC OPA granted by the Camden Council.
Feb. 1993:	**Revised OPA submitted by LRC/BR** (with further amended illustrative drawing materials)

Chapter Seven

INFRASTRUCTURE REQUIREMENTS

7.1: LRC/BR SCHEME

The LRC's "Response Document On Viability Issues" (June 1992, pp.18-26) outlined the infrastructure requirements for the proposed development, and highlighted that the following costs have been taken into account:

i: a contribution to LUL station capacity works;

ii: capital costs of the Internal Transit System;

iii: contribution to the agreed road improvement scheme;

iv: contribution to a new North London Line station;

v: contribution to British Railway's, enabling works (or works required to be carried out by BR in excess of their normal operational requirements in order to facilitate improved site value, or to advance the building of some phases of the development);

vi: costs associated with rafting and bridging over new and existing railway works and the canal infrastructure;

vii: cost of anti vibration measures;

viii: cost of local road improvements including; traffic calming, signal improvements and controlled parking zones;

ix: costs associated with bringing back into use derelict and decayed listed and conservation area buildings;

x: costs of demolition, decontamination and site preparation;

xi: additional provision of utilities including a new electrical sub-station;

xii: the costs of developing and landscaping the park;

xiii: the costs of the necessary bridges and other infrastructure to provide the agreed internal road layouts and bicycle and pedestrian routes;

xiv: costs associated with overcoming the existing severance problem of the site;

xv: the provision of water features, including conservation work to the canal and the restoration of the canal basins;

In addition to these costs, I have highlighted the implications of the reduction in the quantum of commercial floorspace (p.93), as they have necessitated a review of the following:

i: costs of servicing, landscaping and subsidising land development for handing over to Housing Associations;

ii: the costs of providing the training scheme;

iii: the costs associated with the improvement to off-site housing estates;

iv: the provision of social support facilities with the suggested short-term revenue funding support.

7.11: Cost Estimates

In preparing the construction cost estimates, Davis Langdon & Everest, 1992, treated the **infrastructure requirement** as "all that expenditure which is necessary to create and serve development plots within King's Cross/St. Pancras project site". The Firm demonstrated that none of the cost of the British Railways operational works was attributed to the development or included in the appraisals", nor were the items associated with 'planning gain', included in the estimates. All prices, quoted in millions of pounds, were those "ruling at December, 1989, excluding fees, financing costs, etc. The costs estimates, as contained in LRC's *"Response Document On Viability Issues"* (1992 pp.21-25, para.[a] to [l]), are as follows:

i: **Contribution to the road junction improvement scheme agreed with LBC and DTp:** .. ..(under negotiation).

ii: **Contribution to LUL station capacity:** .. ..(under negotiation).

a: Basic **re-instatement of heritage & listed buildings:** .. . **£25 m.**

iii: **Provision of Internal Transit System:** .. .. **£30 m.**

iv: **Demolition, site clearance & site decontamination:** .. . **£20 m.**

v: **New statutory authority services, diversions, relocation and drainage:** .. .. **£33 m.**

vi: **Landscaping, water features,** etc. : .. .. **£30 m.**

vii: **Underground servicing to buildings:** .. .. **£13 m.**

viii: **Payment** for opening a new **North London Line station:** .. .. **£3 m.**

ix: **Anti-vibration measures:** .. .. **£30 m.**

x: **Transfer structures and decks over railway works:** .. . **£81 m.**

xi: **Roads, pavements and bridges:** .. ..**£45 m.**
(not including the DTp road improvement scheme, but including traffic calming, CPZ's, junction improvements etc.).

xii: **Contribution** in the form of **advance payment** for the right to develop the Railway Lands: .. .. approx. **£400m**

Reference to the report prepared by the Railway Lands Group, on Viability Issues (1992 p.15, para. 49), the financial arrangements for the development had been kept secret by the BR and LRC, but:

> "it is believed that there was an informal agreement in 1988 that LRC would give the land owners around **£400 million** on commencement of the scheme.
> Presuming that the sum would have been divided between the land-owners in

proportion to their holdings, BR's 70% share of the developable area would have given it around **£280 million**. The total cost of the King's Cross Project was then estimated to be £457 million, so at that time, the development would have contributed some 60% of the funds required and if they were earmarked for the project, BR would only have had to obtain around £177 million from other sources."

According to Sexton (1992, pp.114-120), BR's expectation was that the development profits would cover the costs of building a major new terminal for the proposed Channel Tunnel rail link and other rail link works. In effect, 'one of the most important aspects of the LRC financial bid, in their tenders, in 1987, was their proposal for a payment to be made early in the construction period'.

Due to the 'sensitive nature of the project', it has been impossible to retrieve information regarding cost estimates from the developers. The following is a list of costs, "Version 4", extracted from the records of M. Ismail (of LBC, 1989).

Elements	Gross f' space: in '000 m^2	B' ding cost: in £/m^2	B' ding cost: in £m gross
Site Infrastructure	510.865	240	153.260
Social Infrastructure	0.000	0	45.000
Social Leisure	15.030	0	45.000
Open Space	97.623	100	12.203
Leisure	15.030	630	11.836
Hotel: 269 beds	14.780	1,339	24.738
Industry/B1/Training	23.920	420	12.558
Retail	10.673	420	5.603
Offices	277.582	1,050	364.326
Other Employment	0.000	0	65.000
Housing not for sale	73.876	630	58.177
Housing for sale	23.230	630	18.294

From all indications, prices have hardly changed from the 1989 quotations. This might be partly due to the effort mounted by the Government to curb inflation and restrict wages increase. In addition the construction industry has been hit by the recession.

7.2: BRITISH RAILWAYS' WORKS

In a study report conducted by the King's Cross Railway Lands Group (1992, pp.2-8), on the "King's Cross Project - Costs and Financial Viability", the following are the major highlights of the infrastructure requirements:

BR's estimate of the total capital cost of the whole project was **£1.4 billion**. The figure was given to the British Railways Board in May 1991 and revealed in the BR report on the Rail Link Project released in October 1991. The break down are as follows:

i: Low level station:

a: Rail Link Part: .. .. **..£610m**

b: Thameslink Part: .. .. **..£220m**

ii: New passenger concourse, new lines into King's Cross/St. Pancras and BR works for the property development: .. .. **..£570m**

7.21: Financing Arrangements

The report observed further that up till May 1990, the construction of the low level station was to have been financed as part of the Rail Link joint venture with a private sector partner, and the station would have been one element on the cost side of the overall balance sheet for the Rail Link as a whole. However, following the failure of the joint venture, the BR was left with no choice than to resolve to financing the project separately as a straight-forward BR scheme with internally generated funds and Government loans and grants (if any).

All costs attributable to facilities for International Passenger services would have to be covered out of British Rail funds or by Government loans at the standard rate for railway investment, because section 42 of the Channel tunnel Act prohibits public subsidy to international rail services.

However, costs on domestic services would be eligible for Government grant if they provide external benefits such as relief of road, congestion, reduction of pollution and other social economic gains.(King's Cross Railway Lands Group, 1992).

Areas of possible funding of the different elements of the project, by both private and public sectors and by grants:

BR businesses responsible for funding of different elements of the King's Cross Project (KXRLG, 1992)

Low level station RLP part	Low level station TL part	Passenger Concourse	Lines to King's Cross	Works for Development
EPS NSE NSE (Grant) Parcels	TL TL (Grant)	TL? Inter-City ? LUL ? LUL ?	NSE	LRC?

Notes: The entries without question marks were based on statements by BR "clear implications or straight forward assumptions".

The entries with question marks were based on more tentative guesses.

EPS = European Passenger Services
LRC = London Regeneration Consortium
NSE = Network South East
RLP = Rail Link Project
TL = Thameslink
LUL = London Underground Ltd

One of the Government investment policies on financial viability, as it relates to the BR, for returns on investment railway infrastructure is that, the projected revenues and the notional value of any reckonable external benefits should amount to an 8% Real Rate of Return on the Expenditure.

PART THREE

Chapter Eight

WHY FRANCE, WHY AUSTERLITZ?

8.1: FRANCE

As explained in the introduction, a comparison with a French case now follows. This chapter briefly sets the context, outlining the proposed TGV and the Channel Tunnel Rail Link between France and UK, the institutional framework and preparations by the relevant agencies and governments of the two countries, as well as the investment climate that were set in motion in Kent County (Britain) and Nord-Pas-de Calais (France), to facilitate the implementation of the project.

The Anglo-French Fixed Link Treaty was ratified on the 29th July 1987. 'Eurotunnel, an Anglo-French Consortium of Banks and Construction Companies, won the 55 year concession to design, build and operate the Channel Tunnel which was due to open for full commercial use on 15th June 1993, at an estimated cost of £5,450 million' (SEEDS, 1989; see also Eurotunnel, March 4, 1989).

SEEDS examined the implications of the development based on the different philosophies and mechanisms for project implementation, as they relate to both Countries. They referred to the fact that Clause 42, Sections (3) and (4) of the Channel Tunnel Act states as follows:

> "No grants shall be made by the Secretary of State under Section 56 (1) of the Transport Act 1968 (grants towards capital expenditure on passenger transport facilities) towards expenditure incurred or to be incurred by the British Rail Board for the purpose of the provision, improvement, or development of international railway services."
>
> "In this section of the Act "International Railway Services" means services for the carriage of passengers or goods by way of the tunnel system."

The Government also set strict financial targets for new British Rail investments, which must produce a real commercial return of 8%, without regard for cost or benefits of social and envi-

ronmental factors such as social need or relief of road or air congestion. This contrasts sharply with the situation in France, 'where greater emphasis is placed on the potential regional economic benefits from rail developments. Less strict financial criteria apply to infrastructure developments as wide ranging cost benefits are taken into account'. It was further demonstrated that profits have been made through the measure. 'In 1985, SNCF earned FFr. 3.5 billion from their high speed rail services, of which FFr 1.5 billion was spent on servicing the debt of the original investment. Working expenses amounted to FFr 1.2 billion, leaving a clear profit of FFr 800 million for the year' (SEEDS, 1989; see also CLES, 1989).

In addition to the infrastructure development programme, the French Government made large amounts of regional aid available to the Nord-Pas-de-Calais region. These were deliberate policies to maximise the accessibility that the Channel Tunnel would offer. 'The support consisted of a nationally funded regional package, policy grants, project-related job creation grants, and local business tax concessions. Together with the EEC funding, this has meant an injection of £104 million into the region between 1975 and 1984'. (SEEDS, 1989). The following is a breakdown of the Public spending in the region:

Table 8: Public Spending in the Nord-Pas- de- Calais Region, 1975-84

Regional Policy: Grants stand at £3,050 for each new job created with extra for some areas of £4,350 per job. In 2 years - 1983 and 1984 - £8.35 million was spent in this way. It was increased to £6 million for 1986 alone.

Job Creation Grants (for jobs not in construction or mining): £1,740 for each of first 30 jobs created.

Local Business Tax Concessions announced in July 1983 for any firm setting up in the region before the end of 1986. No taxes for the first 2 years.

Fabius Plan saw £7 million invested in new Electrolysis Plant; a payment scheme aimed at creating 10,000 new jobs; a grant of £13 million to the firm of Sodinor to create a further 5,000 jobs; an EEC assisted grant for new technology of £87 million.

EEC Assistance totalling £132.8 miilion: In total this amounted to **£696 million State Aid** by October 1986. By contrast, East Kent, at the other end of the Tunnel is becoming a highly depressed area. "Unless the Government Acts now".

(Source: South Yorkshire Rail freight Project Group, c.1989; SEEDS, 1989).

In the UK, on the contrary, regional economic development aid in the region of Kent 'consists of Enterprise Zones offering capital allowances of up to 100% for firms setting up in the area'. A small amount of money is also available from Kent Economic Development Board for new firms. The Department of Industry also offered support by setting up a co-ordinating section to disseminate information on contracts for the channel work. The task has even been left to the Kent County Council to co-ordinate the public sector involvement (e.g. fire and police services, government agencies etc.), 'but they are doing this on voluntary basis and have no powers...they can not stipulate that Eurotunnel must take labour from the local region, they can only encourage them to, by jointly providing training', hence, a mismatch of skills between those required for the construction work and those locally available.

In France, on the contrary, SEEDS found that all large developments such as the Eurotunnel Construction, have to go through special procedures which address the following issues: the accommodation of construction and other workers; training in the skills needed for construction, and retraining and dispersal when the project is finished. In return, Eurotunnel agreed to take 70% of its labour force from Nord-Pas-de-Calais - a measure intended at ensuring that the region has a fair share of the jobs and contracts. In this sense, 'there is close collaboration between local authorities, companies, educational establishments and government'. In effect, it could be assumed that the much anticipated arrival of the TGV in the region, en route for Britain and Belgium, has acted not only as an accelerator of physical development but economic growth as well.

Row (1991) in his article "Property's Fast Track" explains that France's ambitious plans to extend high-speed train (TGV) lines across its territory and link them with neighbouring countries' networks (of which Britain happens to be one), 'are creating new opportunities for commercial property development. The French Government anticipates an investment of FFr. 200 million over the next 20 years implanting high-speed rail arteries from the north to the south and east to the west, plus opening the gates to TGV traffic with Spain, Italy Switzerland, Germany and Belgium'. In addition, Row emphasised that the French TGV

could start travelling between the British and French capitals in 1993, 'whether or not Britain by then has sorted out the building of a high-speed line from the Channel Tunnel Link to London'. Meanwhile, the (UK) Government official report of 26th July, 1993, has confirmed that the TGV passenger/freight traffic would be fully operational between the two capitals, from May 1994, although not running at high speed in the UK for some years.

8.11: Mixed Economy Companies

The Mixed Economy company (Sociétés d' Economie Mixte -SEM), Renard (1990), was created during the 1950s in order to link in the same entity, public authorities (mainly départements and municipalities) and private companies, the public authorities owning at least 50% of the capital.

Legally, within a precise limit, their activities include land development, building and management of facilities. These Companies, according to Renard, 'are not subject to the somewhat bureaucratic constraints of administrative law, and they allow public authorities to collect private finance for general interest objectives (public facilities, social housing, etc.)'. At the beginning of 1988, there were 925 SEM engaged in various developments:

* 350 in Social Housing,
* 240 in Infrastructure, and
* 336 in management of public facilities (Source: Renard, 1990, p.158).

In 1990, there were about 1,000 SEMs out of which 200 were controlled by the Caisse de Dépôt et de Consignations. In addition:

> "Decentralisation has brought about some development of municipal SEMs. As a whole, SEM represents a substantial part of the market (over £700 million pounds of public facilities built in 1987) and their activities cover a wide range , from the management of water and sewage networks to public parking, leisure parks and management of the Eiffel Tower".
>
> (Renard, 1990)

Furthermore, Hall and Edwards (1992), in their research proposal on "Public-Private Co-operation in Infrastructure Provision", identified a number of countries in which public-private sector co-operation has achieved a major success; France is amongst these countries:

> "the French **Sociétés d' Economie Mixte**, first established more than forty years ago, were first mainly used for housing development and redevelopment and associated social Infrastructure, especially transport. At first usually the private contribution was minimal; the funding mainly came through specialised public lending organisations, such as the **Caisse de Dépôt et de Consignations**, but more recently, they have become more genuine example of public-private participation, as in the public transport system in Orléans and the Marseilles métro."

Hall and Edwards also drew from the experience of the OECD (1991) which revealed that in Britain organisations such as the Société d' Economie Mixte 'would probably be regarded as public sector organisations and therefore subject to public sector borrowing controls'. They argued that there is much to learn from the French experience, hence they recommend: "we should be particularly interested in studying the application of this model to development of road or rail infrastructure and associated urban development, as in the extensive developments taking place around TGV stations in such cities as Nantes, Lille, Lyon (Satolas) and Massy-Palaiseau." The gare d' Austerlitz-Tolbiac-Masséna Project in Paris, now under implementation, is an equally good example.

8.12: Eurodisney Experience

Perhaps the most illuminating indication of how differently these problems are tackled in France is the Eurodisney project. The site extends over five different municipalities, covering an area of 1,785 ha, with a population of 3,500 inhabitants. The New Town Development Authority for Marne-la-Vallée (Etablissement Publique d' Aménagement -EPA), had previously purchased the site and it was 'made over at cost price (purchase, primary urbanisation and general expenses) to Société Pivot', a company specifically set up by Eurodisney for this purpose. The government further contributed to the development by extending the Regional Express Rail line (RER Line A) roughly 13 km to the site, 'plus a

series of turn-offs and feeder roads for the highway , and improvement to the major road network and local water system' (Balducci, 1988).

i: **Dimensions and Contents**: The project was divided into two phases:

* **phase 1**: from 1988 to 1992, and * **phase 2**: from 1992 to 2017

Phase 1: By the year 1992, the following development operations were planned:

a: a Theme Park ("Magic Kingdom"), based on the Disney parks in North America, covering 60 ha and splitting up into 5 sectors: La Grande Rue; Le Pays de l' Aventure; Le monde de l'ouest; Le Pays Imaginaire; and Le Pays de la découverte;

b: a golf course and golf club with 200 rooms;

c: hotels with 5,000 rooms;

d: sales outlets, restaurant facilities, and an auditorium covering 22,000 m^2

e: 30,000 m^2 for offices;

f: a residential quarter with 500 units;

g: a manufacturing area of 50,000 m^2

h: a camping area with 500 places.

Phase 2: By the end of the year 2017, the Park would include the following:

a: a Theme park - its extension or 'a second park built alongside';

b: two golf courses (plus a golf club and 200 rooms in phase 1);

c: hotels (19,000 rooms - including the 5,000 in phase 1);

d: a residence with 2,400 dwellings ("time share");

e: retail sales outlets, restaurant facilities, and auditorium covering 65,000 m^2;

f: a congress centre covering 40,000 m^2;

g: offices for 700,000 m^2;

h: residential quarters with 5, 400 units;

i: a camping area (2,100 places).

EPA were to undertake the provision and installation of 'relative ratio of public service facilities as work on the project' progressed.

ii: Promotional Structure

'At least 50% of Société Pivot's capital must be owned by French or EC companies or private individuals, while Walt Disney itself will hold 16.67% of the share package'.

iii: Financing

The overall cost of the operation to Société Pivot, by the completion of phase 2, 'has been estimated at around FFr.40 billion (including the FFr.15 billion cost for the phase 1); 40% of this investment is guaranteed by a low-interest public loan, 35% in various bank loans, and the rest raised through the shareholders'.

iv: Policies

In February 1984, Walt Disney Company had selected France (based on the result of a competition for selection, held amongst the European Countries), as the location for the Eurodisneyland theme Park. Initial contacts were established with the Ministry of Foreign Trade and Tourism. In late 1984, observed Balducci, there was a change of management at the Walt Disney Company, however, 'the incoming President Michael Eisner reinstates the project and suggests Marne-la-Vallée as the location'. Similarly, the elections in France in 1986 lead to a change of government. 'The incoming Prime Minister, Jacques Chirac, appoints J R Bernard as sole negotiator on the project but the Government's commitment to the development of the project remains unchanged'. This step demonstrates that the project is bigger and far more important than politics in the sense that it had a continuity through a change of government.

In March 1987 the signing of the final contract took place. In the agreement, the French public sector commitment to the project includes:

a: extension of the RER, at its own expense, new motorway links and primary routes, totalling FFr.1.6 billion;

b: to buy, and then sell the land to the operator at cost;

c: to offer the operator a loan of FFr.3.85 billion at special rates;

d: to reduce Value added Tax (TVA) on admission tickets from 18% to 7 % (with a law offering the same concession to all other French Theme Parks).

At the same time the Agreement was set up, the Eurodisneyland Project was declared a **"Project of General Interest"**. The advantage of this is to 'allow for wide range of measures to be implemented on the territory included in Sector IV of Marne-la-Vallée (outside the perimeters of the project) which will prevent other similar projects from opening in the area, and would guarantee controls on current developments from the points of view of architectural and environmental functions and features'.

In another separate Agreement between Walt Disney Company and EPA-Marne, 'the operator (i.e. Walt Disney) was given the control of Sector III of the New Town'. This means that Walt Disney, through Société Pivot, 'would have the guaranteed pre-emptive rights on recreational and hotel developments'.

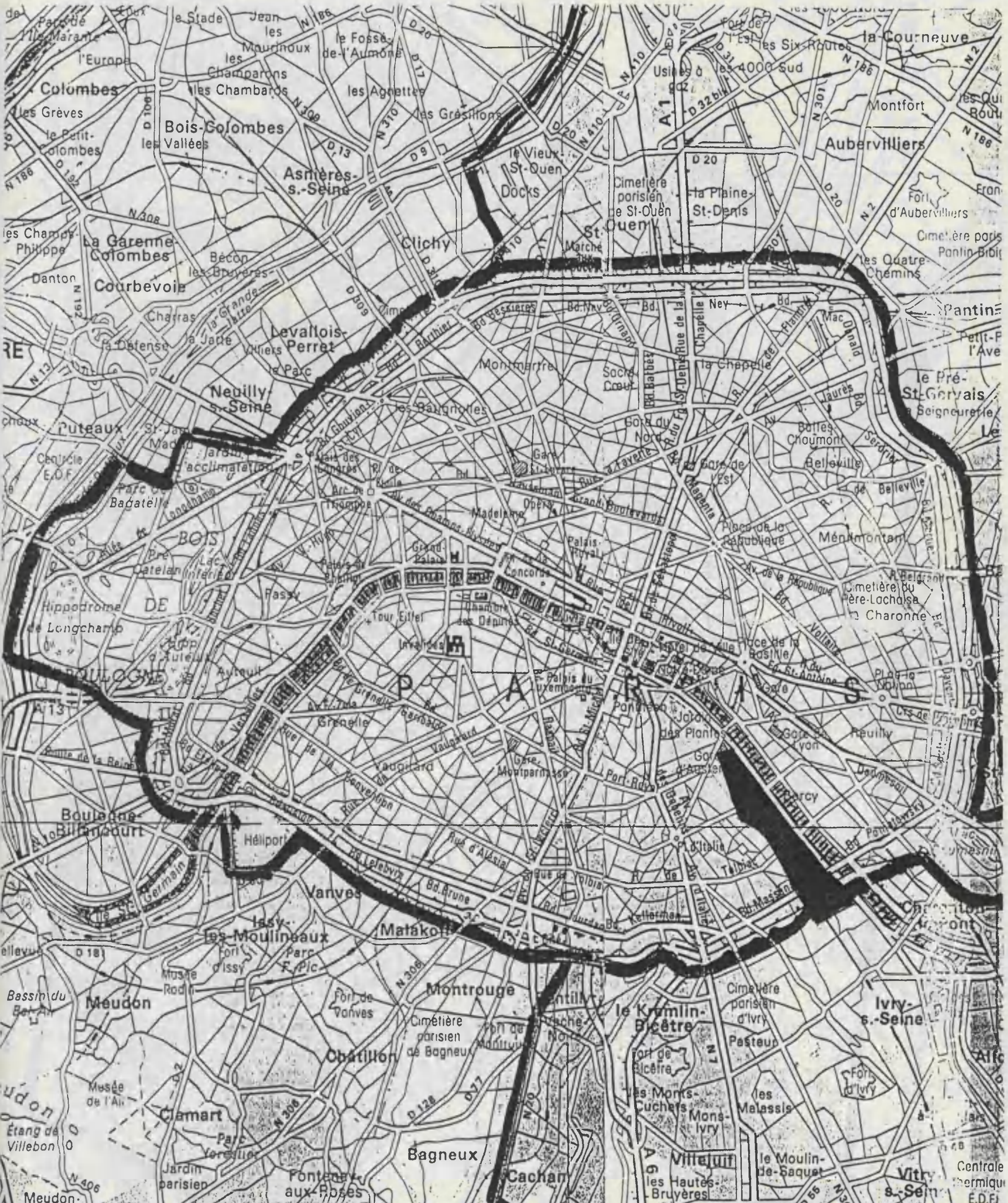
Lessons from the project have, to some degree, clarified the French Government commitment and policies on major development projects.:

* it shows the respect and the value attached to Time, e.g., in February 1984, the establishment of contact between Eurodisney and the Ministry of Trade and Tourism; and in March 1987, the signing of the final contract took place, very soon afterwards and without unexpected delays.

* it shows consistency/continuity of policies irrespective of political philosophies, e.g.., the change of government from the Socialist to the Conservative in 1986 did not alter the negotiation process, neither did slow down the momentum and enthusiasm towards the signing of the final project contract.

* it shows the French State as willing to make major resource commitments (loans, infrastructure) and thus dramatically to reduce the risk for any private investments.

Fig. 8.1: Project site location in the context of Paris



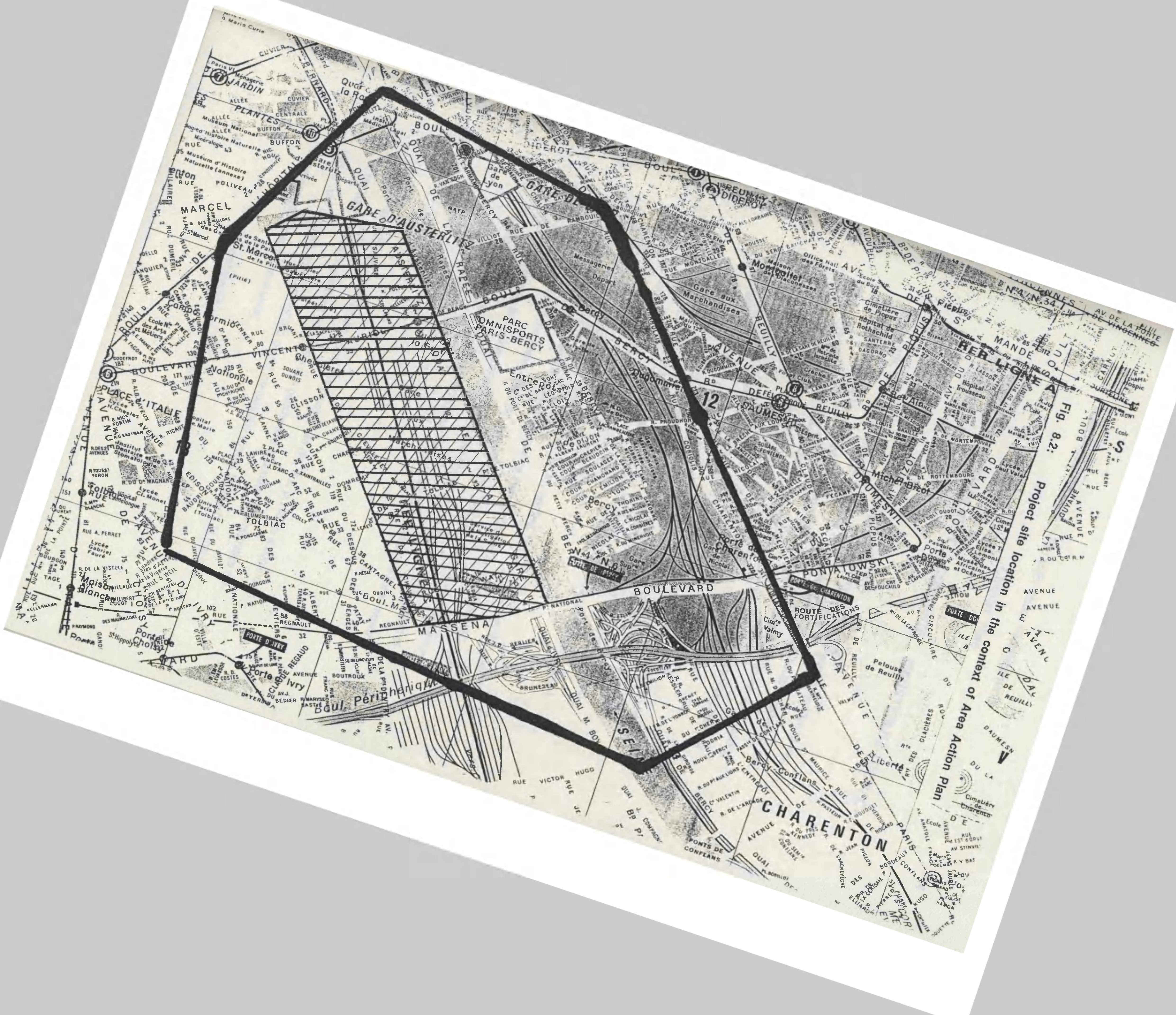


Fig. 8.2: Project site location in the context of Area Action Plan

Chapter Nine

ZONE d'AMENAGEMENT CONCERTE d'AUSTERLITZ-TOLBIAC-MASSENA (ZAC ATM)

In descriptive analytical terms, all that is located north, east and west of the River Seine, in Paris, is annotated with the term "rive droite", while that to the south, south-east and south-west is "rive gauche". The case study area, Austerlitz-Tolbiac-Masséna, located in the south-east of Paris, falls on the rive gauche and in the 13th Administrative District of the City (fig. 8.1, p.132).

The "Schéma de secteur Seine Sud-Est" - similar to an Action Area Plan in Britain, and the "Schéma Directeur d' Aménagement et d' Urbanisme (SDAU)" of 1976 and 1977 - which is equivalent to the Structure Plan in Britain, both emphasised the great potentials of the South East sector of River Seine, Paris, as a vital contributing factor to balancing development towards the east of the City.

In the late 1970s and early 1980s, the Central Government, in a bid to steer development in the direction of the east through the Structure Plan, embarked on a transformation of the "rive droite" of the Seine - the 12th Administrative District - via a chain of developments comprising the construction of the Palais Omnisports de Paris-Bercy, the siting of the Ministry of Finance, and the redevelopment of gare de Lyon and its environs, mostly with modern office blocks.

9.1: THE SITE

According to the SDAU (Structure Plan), the present site (fig. 8.2, p.133) is a continuum of the above development but it falls in the rive gauche and in another administrative district. It was originally intended for two grand international events for which, in the end, France was not chosen. These were:

* the universal exposition of 1989, and

* the summer Olympic games of 1992.

It is located about 3 kilometres from place Châtelet, the centre of Paris and about 0.5 kilometre from gare de Lyon via le pont de Bercy. It is midway between La Défense (West of Paris) and Marne-la-Vallée (East of Paris). It is directly linked to the boulevard Périphérique from the south-east and approximately thirty to forty minutes drive from either Charles de Gaulle or Orly Airports.

The boundary extends from the Jardin des Plantes and the western limit of the Quartier Latin to the immediate suburb of Ivry in the south-east. Its length along the River Seine is 2.5 Kilometres and covers an area of 130 ha.. This represents 1.2% of the entire surface area of Ville de Paris and 18.2% of the 13th Administrative District (13^{e} Arrondissement) of the City. The land owners include:

*	Assistance Publique (l' Hôpital Salpêtrière) ..	5% ..	6 ha.
*	Central Government	7% ..	9 ha.
*	City of Paris	29% ..	38 ha.
*	SNCF (French Railways)...	50% ..	65 ha.
*	Grands Moulins de Paris & Others	9% ..	12 ha.
	Total	100% ..	130 ha

Of the 38 hectares owned by the City of Paris, 13 hectares (located at the goods yard of Tolbiac) had been ceded by the SNCF, through the Act of 22 March 1988. This was intended to accommodate the international events earlier mentioned. It was also revealed, following an interview with Madame Py-Mokrane of the Service Technique de l' Urbanisme, Arche de La Défense, that la Ville de Paris had also acquired the Grands Moulins de Paris with its 6 hectares of land from its owner - Mr Bouygues increasing the holding of the City to 44 hectares.

The pattern of landuse was characterised by a strong presence of rail associated activities which date back to the year 1865, and which actually caused a barrier or hindered relationships in the Development Projects in both Paris 12th and 13th (SEMAPA 1992). Of

the 44 hectares owned by the City, 21 ha. were dominated by the railway installations, while a half of the SNCF holding was also subjected to the same activity. Prominent amongst these are the National Depot for Postal Services, the SNCF Maintenance and Services Depot, Rail Shunting Operations and Installations, and the Goods Yards.

9.2: POLICIES

At its meeting of 21st March 1988, the Conseil de Paris came up with policy statements for the development of the site. These include:

* a recognition of the importance of the SNCF operational requirements and the need to preserve same with a clear intention of enabling the SNCF to valorise the site and attract land value capture for the proposed development;

* a recognition of the need to repair the "separation" (of Paris 12 and 13) caused by the SNCF operational activities; and

* a recognition of the need for both the City of Paris and the SNCF to enter into close consultations and come up with consensus for resolving the outlined issues.

This eventually led the two parties to create the **SEMAPA** - Société d' Economie Mixte d' Aménagement de Paris which is composed of the following partnership representations:

Members	Number of Representatives	Total Share of Contribution: %
Ville de Paris	7	57
SNCF	2	20
Real-estate Agency for the City of Paris	1	10
The Central Government	1	5
Region Ile de France	1	5
Organisations for Collecting 1% for Social Housing	-	3

Source: SNCF, Ref. 07/93

On 13th December 1988, the SEMAPA, la Ville de Paris and the SNCF signed the contractual agreement which empowered SEMAPA to conduct studies on the site, based on the recognition of the issues outlined in the previous meeting of the Conseil de Paris, held on 21st March 1988. The studies were to cover 40 ha. of the site. These included:

* the site between the rail track installations and the River Seine, and
* the site between boulevard de l' Hôpital and boulevard Masséna.

The studies focused on various hypothetical alternatives such as the creation of a chain of public open spaces, the design layout along the rail tracks, the future townscape along the River Seine, and the displacement of the gare d' Austerlitz, and its relocation at the periphery of Paris, in the east.

In 1989, both the officials of the City of Paris and of the SNCF conducted further detailed studies to test the hypothesis of displacing the station. The Report of the studies was not in support of the displacement; instead, it argued:

i: the need to maintain the station in the heart of the city, in order to preserve its historical past with the rail transport;

ii: the inconvenience, consequent upon the displacement, that would ensue following the further separation of gare de Lyon and gare d' Austerlitz, whose proximity has, all along, constituted an important "bipole" (dipolar) for the SNCF;

iii: that it would entail an enormous difficulty to find another suitable site of equivalent public transport facilities, and drew illustrative examples from the experience of the 1970s, when the gare Montparnasse was moved for a similar inner-city project;

iv: the very serious impact on the rail tracks in the proximity of Paris, considering the hypothesis that the farther the new rail track installations from the City, the more the need for more land requirements for the new installations and terminals; and

v: the achievement of such operations would incur considerable costs and delay.

By early 1990, the City of Paris had extended the studies to cover the entire surface area of the site, 130 ha., and to consider the decking of the railway network installations. On 25th June 1990, the development proposals for the site were approved.

At the same time, the City Government agreed with the SNCF to maintain gare d' Austerlitz on its actual site, on condition that the rail track installations were rationalised or reduced to the minimum. The outcome of this permission was the conceptualisation of concrete decking over the (considerably reduced) rail network and an eventual rupture of the urban separation that had persisted between Paris 12th and 13th, since the late 1860s.

In effect, the SNCF agreed to commission feasibility studies for the decking and the making of Masterplan proposals, and illustrative drawings for the decking and the rail works.

Furthermore, in view of the potentials of the high property value generating returns that often accompany the completion of rail associated and station development projects, and in addition to the relevance of such projects to urban development projects, the City of Paris and the SNCF both agreed to form a joint partnership for the development operations. The partnership in SEMAPA provides that the financial results of the operations (either deficit or surplus) would be shared as follows:

* City of Paris: 80% (some of which could pass to the smaller shareholders -see table above).
* SNCF: 20% or a sum of FFr.400 million from the returns that would be generated, or whichever is greater.

In addition, in view of the constraints often associated with implementing construction projects related to complex rail works (as identified in the study reports) the City of Paris ("l' Aménageur") has delegated the powers of "Maîtrise d' Ouvrages" and "Maîtrise d' Oeuvre" to the SNCF for all the underground construction and engineering works. This

means that the SNCF has been given the mandate of the Project Consultant and would implement, monitor, and inspect all the underground project construction works, including the proposed decking operations. It would also be responsible for hiring contractors and preparing the cash flow requirements to ensure a smooth and hitch free implementation. In response to this new challenge, the SNCF, on September 1, 1990 created a new Development Agency - **ATM**, Direction de l' Aménagement Austerlitz-Tolbiac-Masséna.

In June 1991, the Council of the Administrative District, Paris 13th, approved the project proposals. This was later followed by the approval from the General Council of the City of Paris, which in addition, designated the power of "Maîtrise d' Ouvrages" (Developer) for the site to SEMAPA, and also empowers it to commercialise the development. These approvals paved the way for the formal signing of agreements between the SEMAPA and the SNCF - a procedure that actually established the delegation of power to the latter.

9.3: THE RAIL WORKS

According to the SNCF, a due consideration of the following factors had been instrumental to ceding its land to the City of Paris for the development:

i: that the Department of Lands for Paris always determines the price to be paid for lands;

ii: that the potentials of the rail exploitation would not be affected by the development; some installations were, therefore, either transferred from one point to another, on the site, or completely outside the site, with improvement to the capacity of the installations as well;

iii: that the new installations would have the capacity to support the future increase in rail traffic generation;

iv: that the decking operations would be related to the phasing of the project implementation.

Between mid 1991 and early 1992, the SNCF, through the ATM, mobilised on site for the preparatory works. Their operations were aimed at:

i: rationalising the rail tracks to minimise the amount of decking that would be constructed, and to have more access to land for the development;

ii: displacing the RER station of Masséna, from its original site and relocating it under the decked site along rue de Tolbiac, to form an interchange with the proposed Météor (an automatic Underground). It would be provided with waiting/arrival halls of 7,000 m^2, designed to accommodate about 50,000 commuters.

iii: the removal of the termini of all the suburban trains from gare d' Austerlitz and their relocation at the future gare Masséna on the site;

iv: maintaining the strategic location of gare d' Austerlitz by retaining the services of the regional rail traffic, and adding the services of a European TGV (between the year 2005 and 2010), and by connecting the station to other TGV stations of Paris, so as to encourage and facilitate the optimum use of the City's TGV stations;

v: increasing the rail installation complex and capacity of the Austerlitz-Tolbiac-Masséna from, 4 to 6 (3 lanes in each direction), with a view to supporting a projected 60% increase in the future rail traffic generation, up to the year 2030. The six-lane track would run from Paris to Choissy-Le-Roi, and would increase further between the latter and Brétigny;

vi: displacement of other rail associated activities (PTT, SERNAM, Trains-Autos-Accompagnée, Maintenance and Services Depot, etc.) from the site, and relocating them at the suburb- preferably Ivry.

vii: an extension of a nearby Underground, Line No 10, from its terminus, at the gare d' Austerlitz, to form an interchange with the relocated Masséna RER Station.

viii: the construction of an automatic Underground, le Météor, that would link the site to the stations of St. Lazare, Madeleine, Pyramides, Châtelet, Lyon, Bercy and Dijon (all on the rive droite), and the stations of the new interchange at Masséna, Tolbiac-Nationale, and Maison Blanche (all on the rive gauche).

By the second half of 1992, the engineering work of the decking commenced. A total distance of 47.5 km of rail installations, covering over 50% of the site area, would be modified, while decking engineering works spanning over an area of 32 ha and 2.5 km long would be executed.

Fig. 9.1: Functional Diagram of the rail network installation before modification

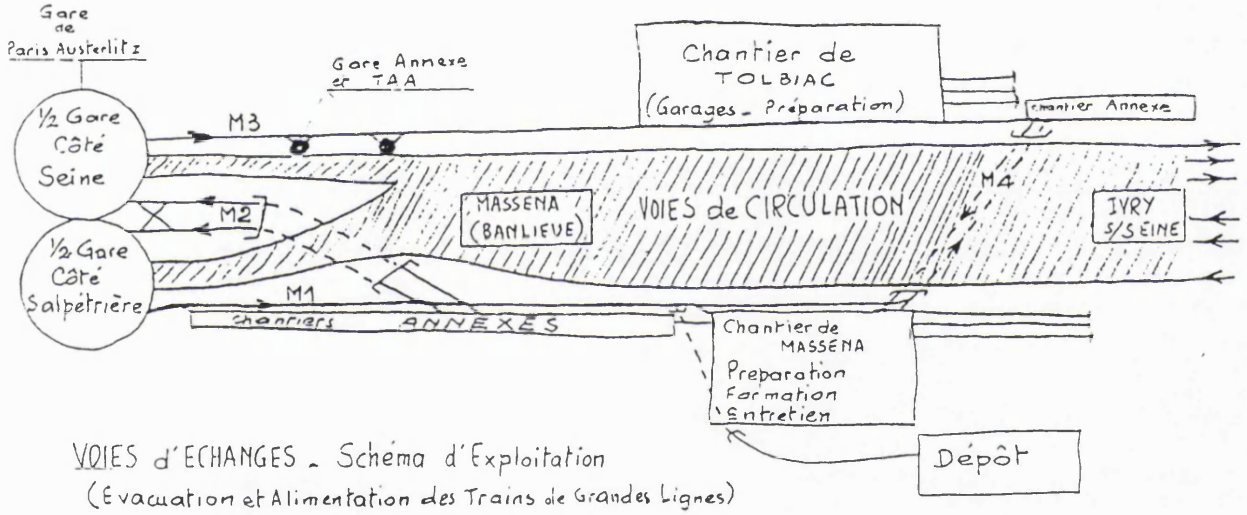


fig. 9.2: Original rail Installation diagram and the proposed project elements

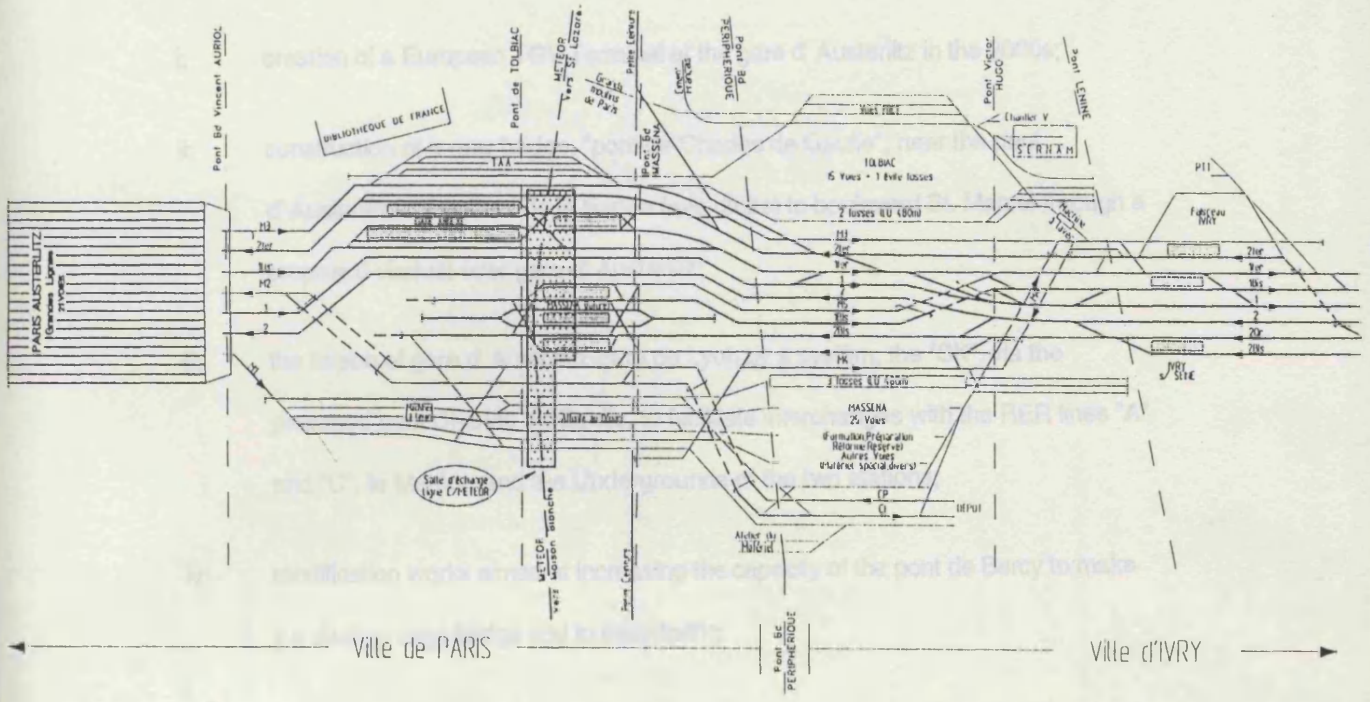
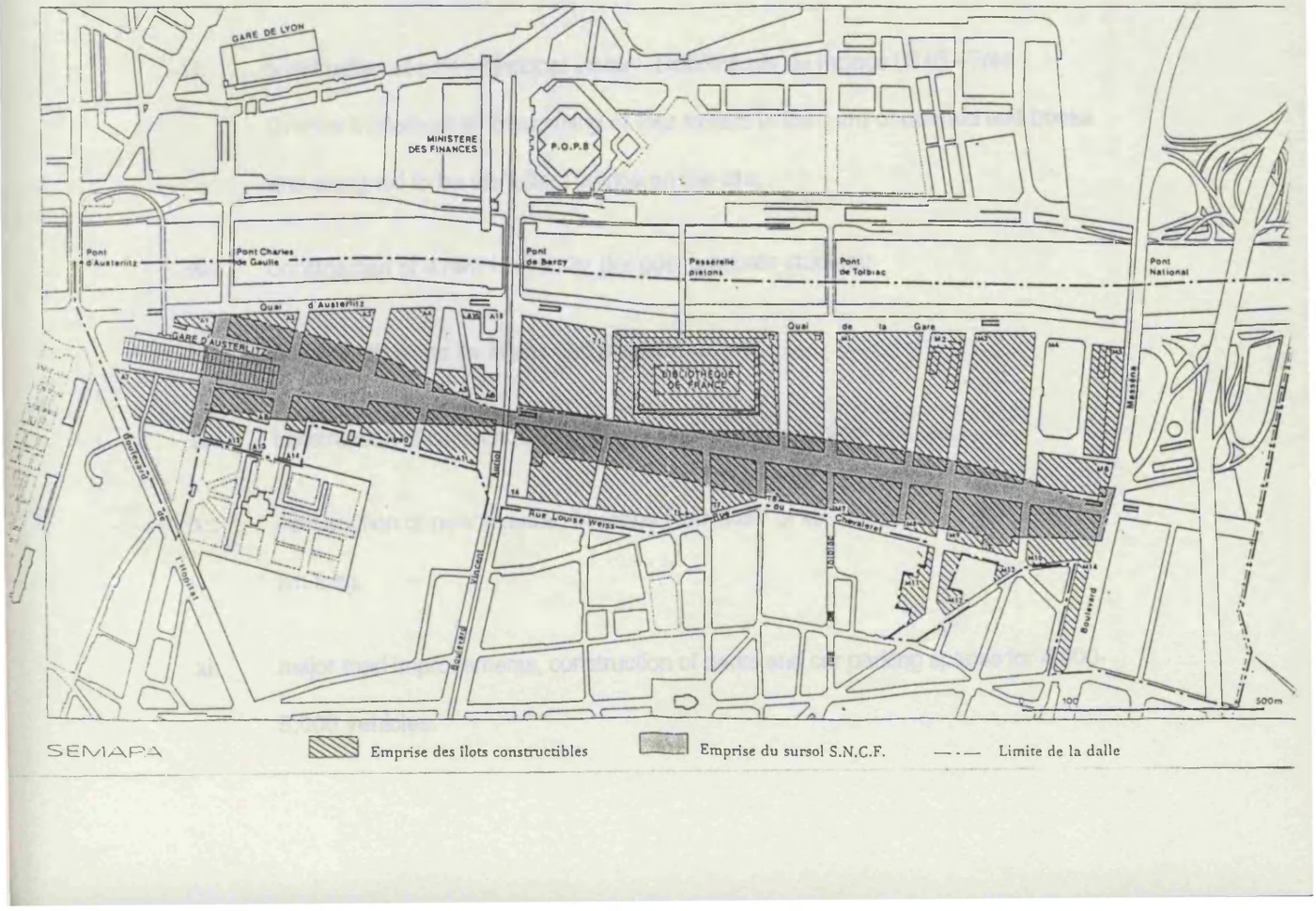


fig. 9.3: Proposed surface area of the rail installation after modification



9.4: PROJECT DESCRIPTION

The programme would involve the following major elements:

i: creation of a European TGV Terminal at the gare d' Austerlitz in the 2000s;

ii: construction of a new bridge, "pont de Charles de Gaulle", near the pont d' Austerlitz to link Quai de la Rapée (rive droite) to boulevard St. Marcel through a proposed viaduct over gare d' Austerlitz;

iii: the liaison of gare d' Austerlitz-gare de Lyon by a system, the "SK", via the proposed pont Charles de Gaulle, to facilitate interchanges with the RER lines "A" and "C", le Météor, and the Undergrounds of the two stations;

iv: modification works aimed at increasing the capacity of the pont de Bercy to make it a dual carriage bridge and to ease traffic;

v: relocation of the RER station of Masséna at the intersection of rue du Chevaleret and rue de Tolbiac, to facilitate the proposed interchange of RER line "C" and the le Météor;

vi: construction of a new National Library, Bibliothèque de France (TGB - Très Grande Bibliothèque) comprising of four towers in the form of opened text books and designed to be the tallest edifice on the site;

vii: construction of a new University (for post graduate studies);

viii: Creation of centre for artists and graphic arts;

ix: construction of social housing, offices and commercial floor spaces.

x:: construction of new Avenue, "Avenue Nouvelle" of six lanes -40 m wide and 2.5 km long.

xi: major road improvements, construction of parks and car parking spaces for 4,000-5,000 vehicles.

Fig. 9.4: **Proposed major infrastructure and services**

9.41: Major Floorspace Requirements (SEMAPA, 1992):

I: **Office floorspace** designed to provide employment for 60,000 people:

.. .. 900,000 m^2

including:

* 70,000 m^2 for occupation by the Ministry of Interior (Home Office)
* 30, 000 m^2 for the Departments of the Regional Council of Ile de France.

ii: **Housing floorspace** designed for a population of 15,000 to 20,000: ..

.. .. .520,000 m^2

including:

of about 5,200 housing units of about 100 m^2, to include about one third of social housing at low rent; one third of social housing for the middle class; and one third of social housing for the high income class. Provisions have been made for Artists' work shops and for the housing needs of the old people, in the social housing category at low rent.

iii: **Commercial activities, service industries** (Hotel, Banking, boutiques, Restaurant and other services) designed for 800 .. .. .. 250,000 m^2

including:

* 150,000 m^2 intended for self employment and craft/light industries;
* 100,000 m^2 for commercial services at the ground floor of buildings;

It is also intended to construct a church at the junction of Tolbiac-boulevard Masséna.

iv: **Major public facilities**: .. .. over 300,000 m^2

including:

* 80,000 m^2 for the proposed University a population of 5.000 students;
* 200,000 m^2 for the Bibliothèque de France;

* 20,000 m^2 for the extension of the Hospital Services (Pitié Salpêtrière) to provide accommodation and other facilities;
* 40,000 m^2 for centre for artists and graphic arts.
* 4,000 - 5,000 public car parking spaces;

v: Leisure Parks

* 40,000 m^2 for the creation of a promenade along river banks;
* 7,000 m^2 for the extension of the square Marie-Curie;
* 6,000 m^2 for a park at the Grands Moulins;
* 4,000 - 5,000 m^2 for the creation of other squares on the site.

vi: Social Infrastructure for the local community: .. .. 30,000 m^2

This would include:

* a college for a population of 600 pupils;
* a gymnasium and a sports ground;
* five elementary/kindergarten schools;
* day care centres and nurseries;
* two local libraries;
* squares/meeting points

9.5: PROPOSED DEVELOPMENT

Consultations by a Team of Experts

The site has been divided into three principal development zones in order to facilitate the development operations, namely: Austerlitz Zone, Tolbiac Zone and Masséna Zone.

An interview with Madam Py-Mokrane, revealed that the project conception was by the City of Paris, via its Department of Town Planning and Physical Development (Direction de l' Aménagement et de l' Urbanisme), and the Parisien Planning association (Atelier Parisien d' Urbanisme). However, the "Austerlitz-Salpêtrière" sector of the zones, due to

its historical importance and special character, was given a special consideration. According to the work of Loriers M. of SEMAPA (1992), ten Architects of international repute had been invited in the autumn of 1992, by the City of Paris and the SEMAPA, for **consultations** (and not competition), with a view to evolving an urban design concept for this sector of the site. The team comprised:

i: Bertrand Warnier

ii: Denis Valode et Jean Pistre

iii: Estevan Bonell

iv: Fabrice Dusapin et Francois Leclercq

v: Jean Nouvel

vi: Kenzo Tange

vii: Norman Foster

viii: Phillipe Chaix et Jean-Paul Morel

ix: Renzo Piano

x: Rodolphe Luscher

According to Loriers, the experts were to identify the development opportunities and come up with positive ideas that would facilitate the making of masterplan proposals and the implementation of the scheme. They were also to assist in responding to questions during the public inspection of the scheme proposals.

Following the brainstorming exercise of the team, the site characteristics that were recommended as the potentials for capturing the development opportunities are:

i: The River Seine with its 2.5 km length on the site;

ii: Place Valhubert, a historical centre located in the front of the Jardin des Plantes, 20 ha., has the potentials of becoming a nodal point articulating the proposed Avenue Nouvelle with the Quai d' Austerlitz and the boulevard de l' Hôpital;

iii: the gare d' Austerlitz, with its "spectacular grand hall", could be conserved and transformed into the biggest TGV station in the Capital;

iv: The Pitié-Salpêtrière Hospital, with its various rich historic monuments, and research centres, covering a land surface area of 25 hectares, should be exploited to constitute interesting view points, notably towards the river side and the proposed development.

The team also recognised the potentials of other important elements that had been defined in some earlier study reports and development proposals. These include:

* the proposed pont de Charles de Gaulle that would connect the south end of Boulevard St. Marcel to the rive droite;

* the proposed Avenue Nouvelle that would divide into two branches at its west end, with one branch feeding into the arrival hall of gare d' Austerlitz, while the other branch would feed into the existing urban highway.

* the proposed siting of about 327,000 m^2 (part of the proposed 900, 000 m^2 mentioned supra) of office floorspace in the proximity of the station area could enhance the emergence of a new and attractive urban centre.

In order to enhance the development operations of the sector, the team was requested to draw up a draft/tentative construction programme proposals.

Fig. 9.5: Development potentials of Austerlitz-Salpêtrière sector

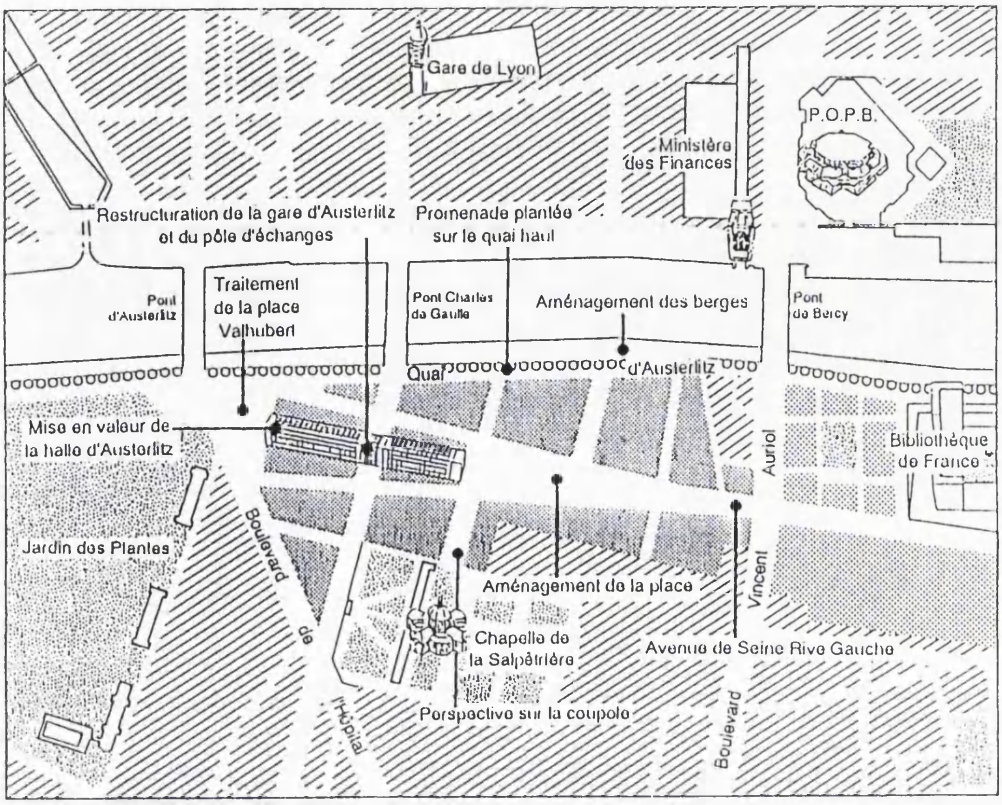


Fig. 9.6: Aerial view of Austerlitz station and its environs from Quai de la Rapée

Le quartier d'Austerlitz, vue aérienne.

Fig. 9.7: **Arrival Hall, gare d' Austerlitz between 1865-1870** (Boudon A, SEMAPA, 1992)

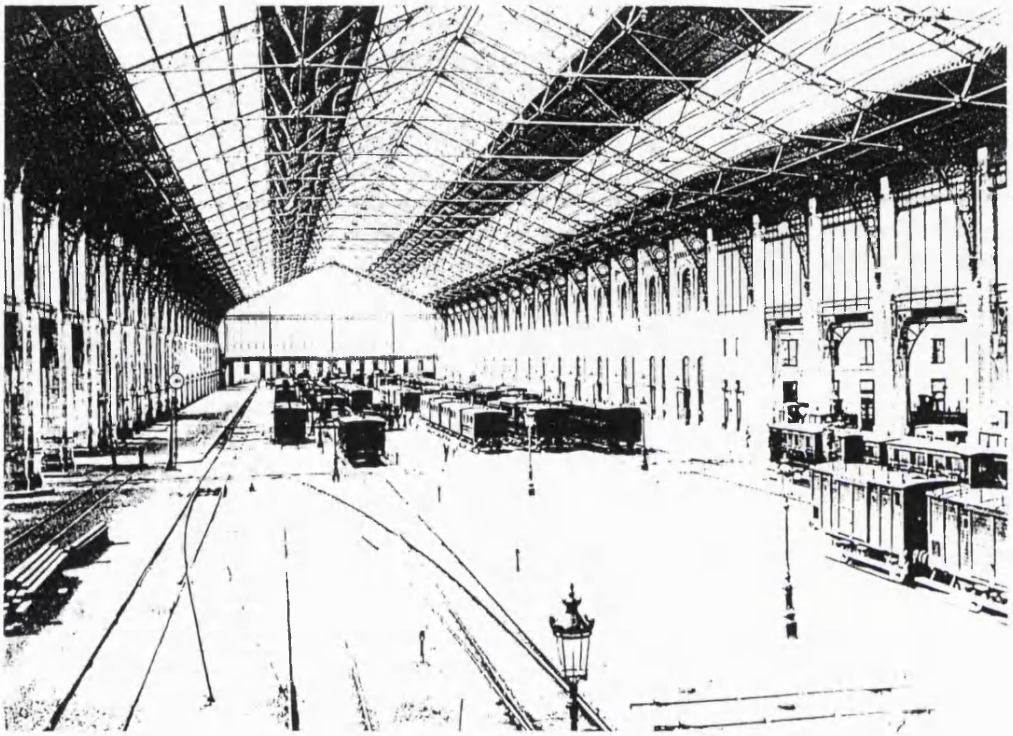
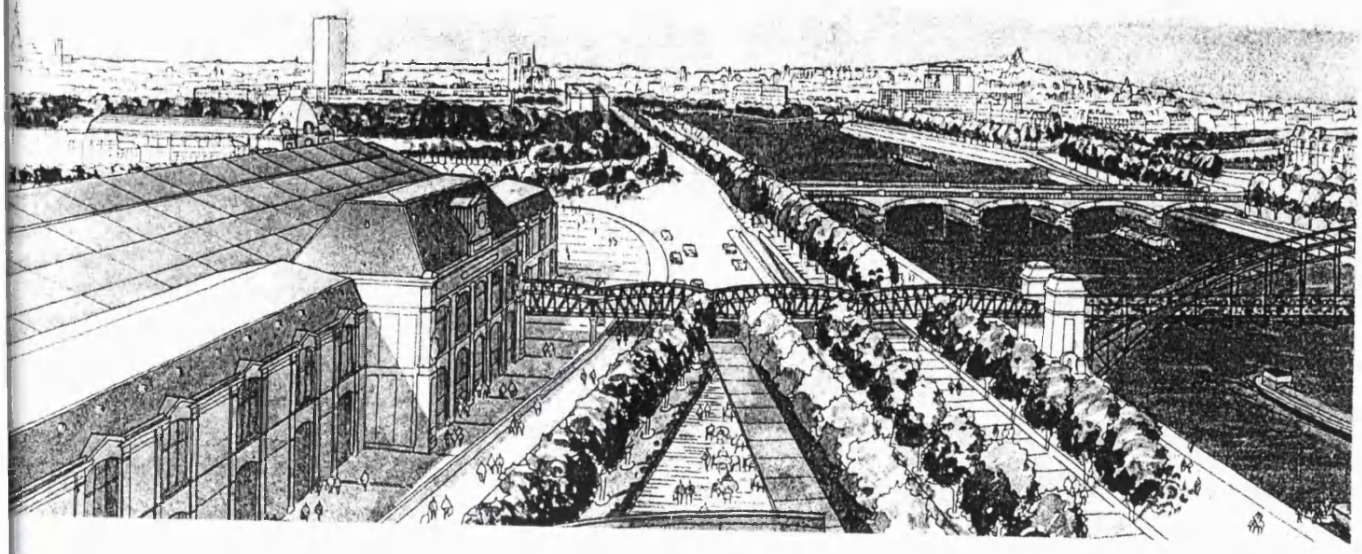


Fig. 9.8: **Artist's Impression of Austerlitz station after the operation**



9.6: MAJOR DEVELOPMENT ELEMENTS:

i: **Building Construction**: this would include a total surface area of 1.7 million m^2 of offices, housing, commercial floorspace service sector industries, a University, Bibliothèque de France, parks and open spaces (see floorspace requirements para. 9.41, pp.145, for details).

The offices would be constructed mainly on the decking, above the rail networks, whilst the housing apartments would be sited principally on natural soil. The maximum heights of the buildings/offices on the site would be 35 metres - a traditional height of about 6-9 floors - above the ground level.

ii: **Bibliothèque de France**: Designed by Dominique Perrault, would represent a net surface area of 288,000 m^2, to constitute the largest library "au monde de la langue française", and the largest public space in the development area. It would be dominated by 4 big towers 80 m high -the tallest structures on the site- each designed in the form of book, opened at an angle of 90 degrees, and located at the corners of the library base. It would provide for an esplanade of approximately 7.5 ha. (the size of place de la Concorde), with a length of about 380 m, along the Seine. The construction works commenced in 1992.

The court yard, to be surrounded by the reading halls, would constitute a basement with garden plants -similar to the Palais Royal Garden- over an area of one hectare. Its length and breadth would be 187 m x 58 m, the depth would be 24 m, and the surface area: 11,000 m^2. The garden would be exclusively reserved for the use of the library users, while the remaining 6.5 ha, the esplanade, would generally be accessible to the public.

The building would form a major view corridor with the Parc de Bercy -12.5 ha, rive-droite, and be directly liked to the Parc by a foot bridge to be constructed over the Seine.

On completion (1995-1997), the library would receive about 25,000 visitors daily, and assume the status of the Bibliothèque Nationale by acquiring all the national archives, "videogrammes", micro-films and other documents -numbering about 17 million- presently stocked at the current National Library and Centre Pompidou.

Fig. 9.91: Work progress on the Bibliothèque (April 1993)

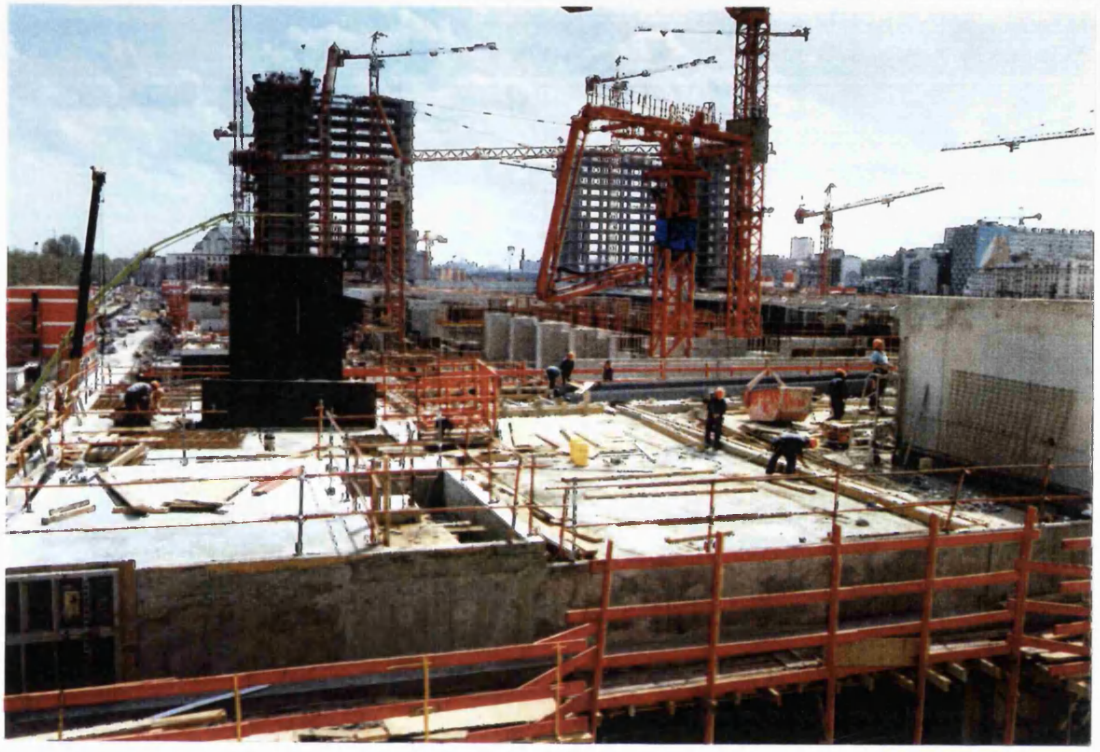


Fig. 9.92: Architect Perrault's model of the Bibliothèque (1992)

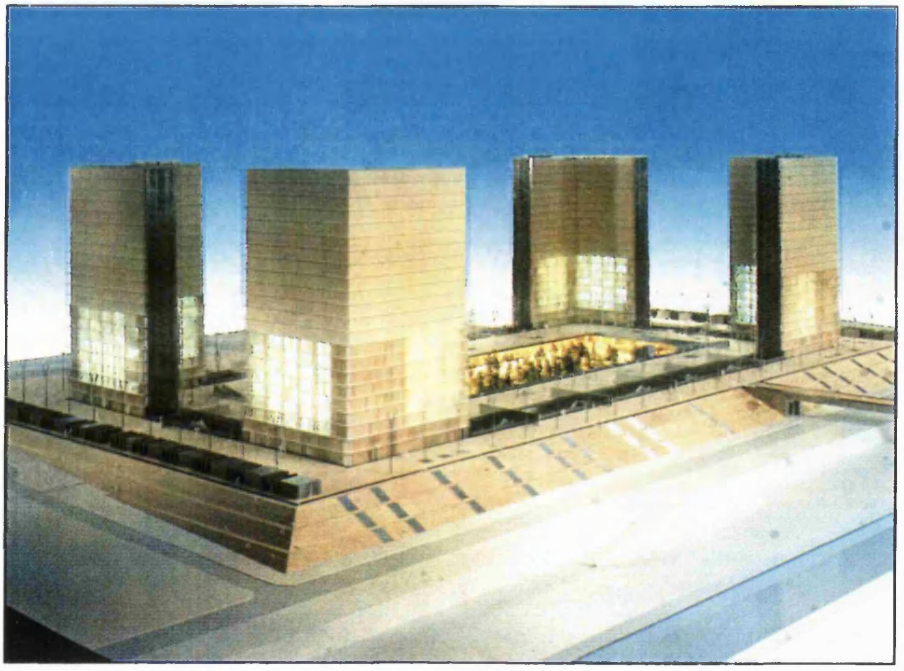


Fig. 9.93: Model height of the Bibliothèque in relation to the development

Fig. 9.94: Model of the Bibliothèque in relation to the ZAC

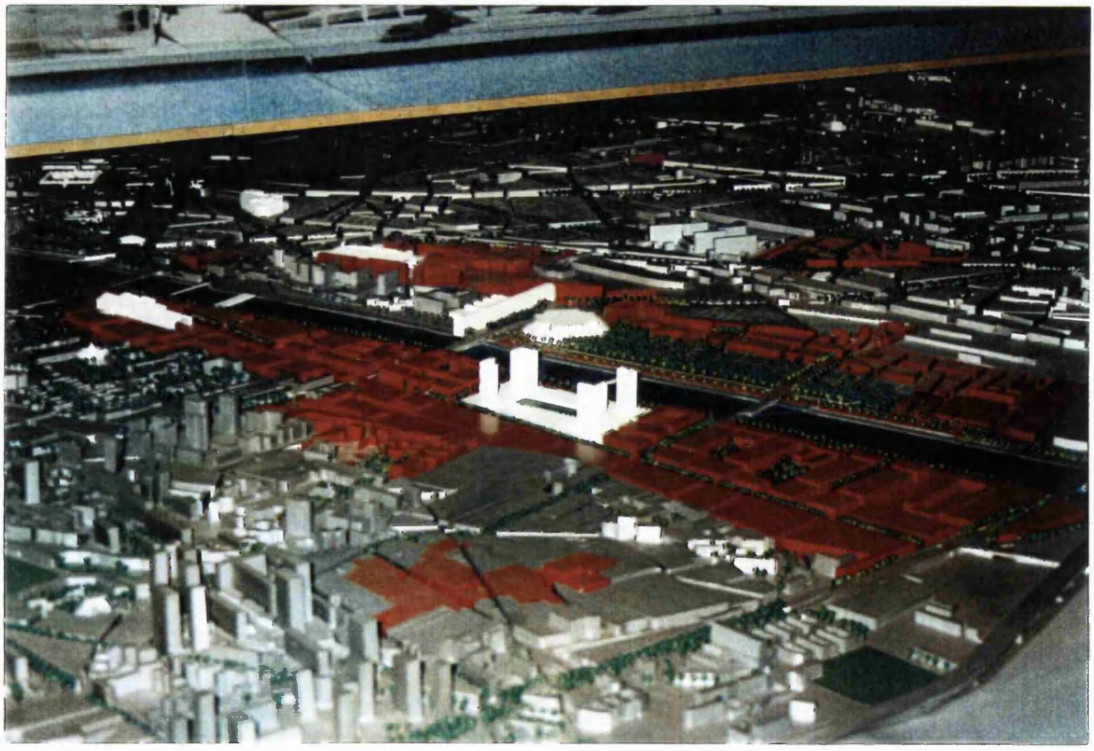
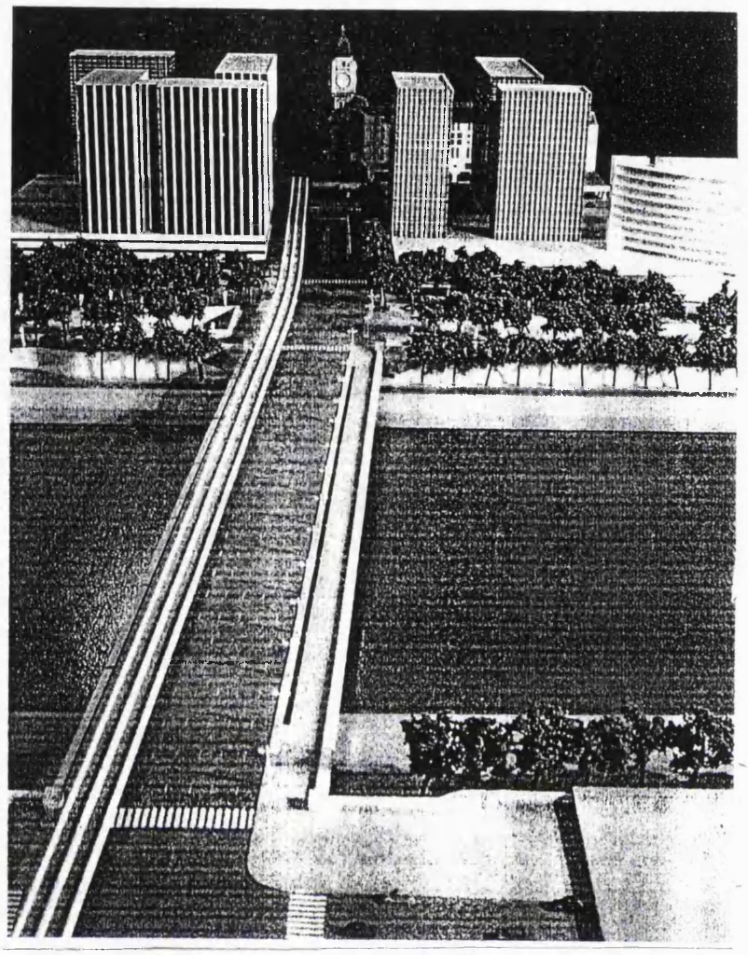


Fig. 9.95: **Architect Arretche-Karasinski's design of the proposed pont de Charles de Gaulle** (Barreau, SNCF, 1992)



Cross Section of the bridge

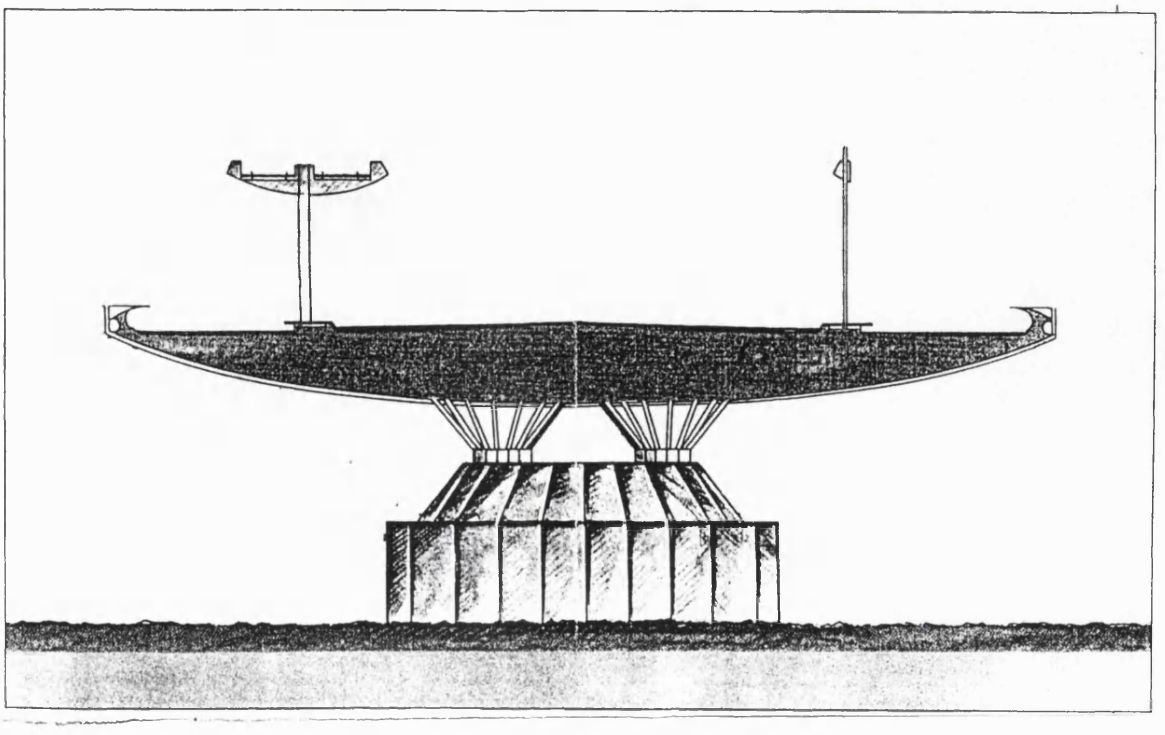


Fig. 9.96: **Proposed RER and Underground Station of Masséna** (SNCF, 1992)

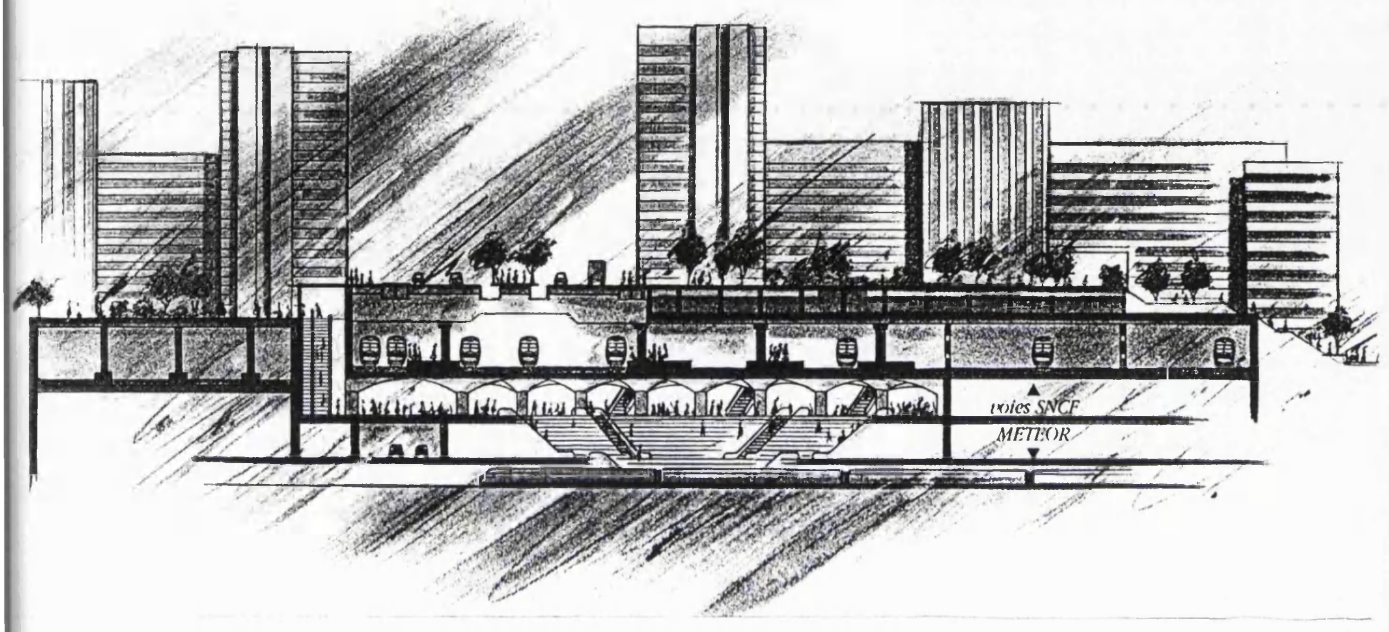
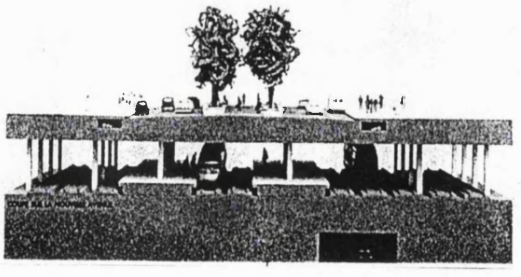


Fig. 9.97: **Proposed infrastructure alignment under the decked land** (SNCF, 1992)



iii: **l' Avenue Nouvelle**: creation of a new large "Longitudinal Avenue", 40 metres wide and 2.5 kilometres long, above the decked rail network installations, to constitute the "back bone" of the development. It would be oriented toward the big hall of gare d' Austerlitz, creating a view corridor ,"point de mire", and enhancing the relationship of the Station building with the development. It would transverse boulevard Masséna, rue de Tolbiac and boulevard Vincent Auriol, to finally divide into two branches towards the approach of the Austerlitz Station. One of the branches would feed the arrival hall of the station, while the other would feed Place Valhubert.

iv: **Underground Highway**: It is intended to construct an underground highway right under the proposed Avenue Nouvelle, to run south-east from pont d' Austerlitz and to feed the boulevard Périphérique on the right side of Boulevard Masséna. It would be a two lane under ground highway running in the same direction, and parallel to the rail network installation (that is also lying under the Avenue). This is aimed at reducing the traffic on the proposed Avenue, and on the pont de Bercy up to the interchange along boulevard Masséna, on the Périphérique.

The height of the tunnel would be limited to 3.3 m in order to exclude very heavy vehicles.

v: **Underground Primary Road**: Another two lane underground primary road, running in the north-west direction (that is, towards pont d' Austerlitz), would be constructed under the Quai de la Gare (an existing primary road). This is intended to allow for a reduced traffic movement on the Quai and enhance the distribution of the local traffic between Paris 12th and 13th, and within the development area.

vi: **Transversal Roads**: Development proposals include the improvement and the extension of the existing main roads in the direction of the river. The objective is to integrate the development in the 13th Administrative District, and at the same

time, to connect the District with the rive droite through an improved road network. The most prominent amongst the proposed transversal connection is the extension of Boulevard Saint Marcel to connect with the proposed pont de Charles de Gaulle. The construction would include a 35 metre wide viaduct, that would ply over the arrival hall of the gare d' Austerlitz, to link the boulevard with the bridge.

9.7: PROJECT COST

The total project cost estimate is **FFr.25,000 million** -£2.5 billion (SEMAPA, 1993). This would include costs for:

* the land acquisition;
* site preparation and related works;
* civil and construction works;
* publicity and commercialisation; and
* interest and loan charges.

The project would be regarded as viable if, at the end of the operations (Bruneau, 1993),

Total Income – Expenditure ≥ 0

At an interview with Madam Py-Mokrane, that was conducted by the author in Paris, in April 1993, it was revealed that the City of Paris raised a loan of FFr.1.7 million from the capital market, to support the operation.

Part of the questions that were raised at the interview were aimed at getting to know who were the lenders and their conditions of lending. Are they private, public or semi-public institutions?. What is the role of the Caisse de Dépôt et de Consignations in the operation?. Is there any grant, and from who?.

The answers to these questions confirmed that:

* there are no grants; it is considered that the City of Paris -the major "Actor" is the next richest public institution after the Central Government;

* at the time of the interview most of the lending institutions (including la Caisse de Dépôt et de Consignations and the Banks) were still extensions of the French Government Institutions. Their roles may well change under the proposed Institutional reform exercise carried out by the recently elected Conservative Government.

* public-private partnership models for funding development projects have largely replaced grant supported projects that characterised the 1970s and the early 1980s.

* The project would be largely financed by the SEMAPA except for the following:

Projects	Funding Institutions
Bibliothèque de France	Central Government
Gare d' Austerlitz	SEMAPA (c.95% of modification work)
Concrete Decking	SEMAPA, c. 98%; RATP, c. 2%
The University	Central Government
Le Météor	RATP - Régie Autonome de Transport Parisien, and the Paris Regional Council

* With regard to the payment of costs for the land acquired from the SNCF, the method adopted reflected the good cordial and close relationship between the SNCF and all the organs of the Government, in particular, la Ville de Paris. At the negotiations, the City of Paris agreed to pay the SNCF the minimum evaluated value on the acquired land, before the commencement of the operation, and to pay the Company, at the end of the operation, 20% of the profit to be generated or the sum of FFr.400 million (or whichever is greater). All parties to the agreement expected substantial increases in property values to result from the development and they wanted to pre-determine their shares in the valorisation. This is a procedure at which the SNCF is an expert institution and for which it is

believed to be well equipped. The stations of Montparnasse, Châtelet-Les Halles, Lyon and La Défense are good examples of such operations.

Another pertinent question that I raised was in respect of the proposed enormous office floorspace, which according to my own analysis could lead to creating a new and modern space that could, in return, lead to the abandonment or eventual dereliction of the previous office floor space in the City. Drawing further from the experience of the Docklands, I asked the French officials: "In the event of an over supply of office floorspace what happens? ". The reply was that "maintenant on construit à l' échelle de l' Europe". This was further strengthened by the argument of the Director of SEMAPA, Mme. Cornil: "it is incontestable that commercial floorspace is a source of major employment; for some, it constitutes the tertiary sector and for others, a speculative market. .....The empty office floorspace in the Capital are parts of the old construction which are not adaptable to the standard of modern office space requirements and which, in addition, could not obtain the prime competitive market price." (Agence France Presse-AFP, March 9, 1993).

9.8: RESISTANCE/OPPOSITION FROM PRESSURE GROUPS

Between July 23 and September 6, 1991, the Ecologist and other local pressure groups took the Government of the City of Paris to the local Tribunal, filling a motion to stop the Government from carrying out the proposed development. The cores of their motion were that:

* the Square Marie Curie , a designated Site of Special and Scientific Interest (Zone Naturelle), included within the development zone of Austerlitz, can not and should not have been part of the ZAC, based on the French Planning Regulation requirements (Code de l' Urbanisme).

* the proposal to create a green space along the Seine is unacceptable; instead, the entire river bank -2.5 km- bordering the ZAC, should be provided with a public promenade. The contention was that the notion of green space does not guarantee access to public use.

* the greening proposals (flowers and shrubs/tree planting) lack enough or adequate provisions commensurate with the scale of the proposed development.

* the public was not adequately represented at the plenary session of the meeting of the Conseil de Paris, of 19th December 1990, that voted in favour of the establishment of the ZAC.

(Official Report of Judgement: from the Archives of the SNCF -ATM- 1993)

9.81: Commission of Enquiry:

According to the Report of the earlier Commission, the Place Marie Curie, like all green sites of more than 1,000 m^2, is designated as a Zone Naturelle -ND (Area of Special Character), while Article L.311-1 (Schedule 2) of the Code de l' Urbanisme provides that 'a ZAC can only be created, through a POS, in an Urban Area or in a designated future Urban Area/New Town'. (Le Journal de Seine Rive Gauche, Ville de Paris, 1991)

The Commission concluded that the choice of the City Government to include the Square in the ZAC could only be possible if its status as a Zone Naturelle is first modified to that of an Urban Area (Zone Urbaine -Zone UMa).

9.82: Judgement of the Tribunal Administratif de Paris:

The tribunal, while delivering judgement on 11th March 1993, based its ruling on the following technical points:

* that the inclusion of the Square Marie Curie in the perimeter of the operation was inadmissible, whilst the provision for green spaces is also insufficient. In effect the Zoning Plan (Plan d' Aménagement de Zone -PAZ) for the three development areas -Austerlitz-Tolbiac-Massèna- was declared null.

* the legal document that established the acquisition of the site for public use should have been signed by the Ministre de l' Equipement (a Minister with similar

function of the SoSE, in Great Britain), instead, it was signed by the Prefect for the Region of Paris. In effect the document was also declared null by the tribunal.

(Official Report of Judgement: from the Archives of the SNCF -ATM- 11th March 1993; see also "Le Quotidien de Paris", 12th March 1993, p.162.

The implication of the judgement is that work execution on the project site has to stop. A new public inspection of the development proposal has to be conducted to prepare the ground for a new decision of the Conseil de Paris, with a view to establishing a new ZAC. This, according to Le Quotidien de Paris, 'may take one year to achieve'. The phasing of the project and the delivery dates of its various elements have equally been affected.

However, la Ville de Paris filled an Appeal the same day on the ground that:

* the development proposals provides for the planting of 3,000 plants/trees part of which a promenade covering 4 ha. would benefit from; and that
* construction work on site could continue pending the determination of the appeal.

Meanwhile, my visit to the project site, on April 23 1993, revealed that construction work on the Bibliothèque de France was fully in progress. Is this not part of, or the nucleus of the entire project?.

Fig. 9.98: Work progress on site, April 23, 1993

LE QUOTIDIEN DE PARIS

1 2 MARS 1993

A Austerlitz, Tolbiac, Masséna on arrête tout

Le tribunal administratif de Paris a annulé hier le plan d'aménagement de zone (PAZ) et la déclaration d'utilité publique du secteur Seine rive gauche. Il s'agit des 130 hectares en bord de Seine plus connus sous le terme Austerlitz-Tolbiac-Masséna.

Le tribunal a annulé le PAZ en arguant du fait que l'actuel square Marie-Curie, compris dans le périmètre de l'opération, ne devait pas y figurer et que dans ces conditions on relevait une insuffisance d'espaces verts. Sur ce point, la Ville a précisé hier que les nouveaux quartiers s'ouvriront sur la Seine, le long d'une promenade plantée de 4 hectares, qu'ils comporteront plusieurs jardins publics et que trois mille arbres d'alignements nouveaux vont y être plantés. La Ville a donc décidé de faire appel devant le Conseil d'Etat en demandant au juge qu'en attendant l'issue de cette procédure les travaux puissent continuer.

Le tribunal administratif a également annulé la déclaration d'utilité publique sur un point de forme. Celle-ci a été signée par le préfet de région, alors qu'elle aurait dû l'être par le ministre de l'Equipement. La Ville va donc devoir, si le jugement est confirmé par le Conseil d'Etat, recommencer l'enquête d'utilité publique. Ce qui prendra environ un an.

L'état des travaux

Aujourd'hui, à l'exception des tours de la Grande Bibliothèque, qui s'élèvent au rythme d'un étage toutes les semaines, les travaux Seine rive gauche ont été lancés voici environ dix-huit mois.

A Austerlitz, les travaux ont commencé en 1991 sur les terrains de l'ancienne usine de production d'eau de la SAGEP.

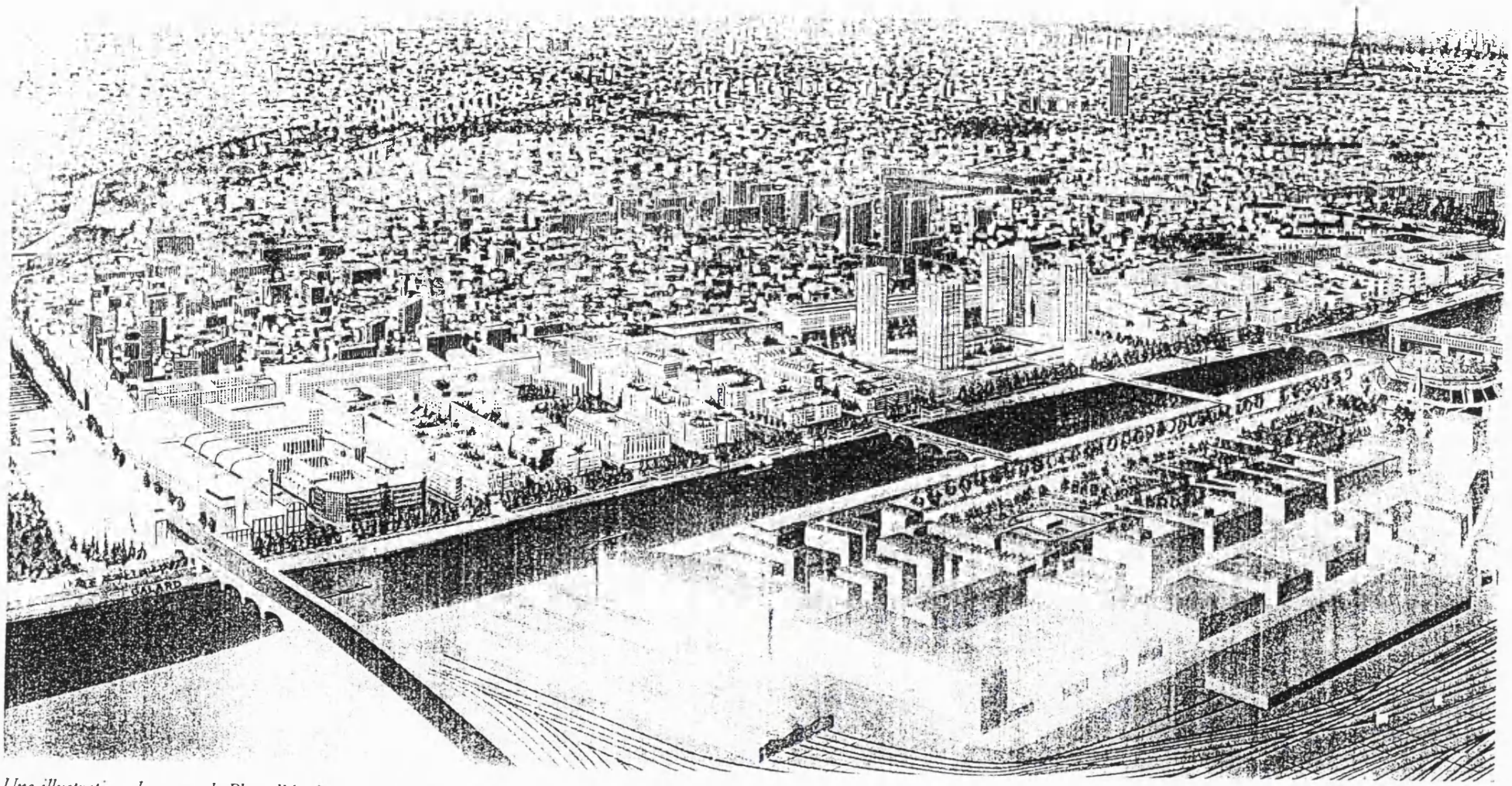
Une nouvelle usine a été reconstruite en souterrain. En bordure du quai, les cinq premières travées des magasins generaux du port autonome ont été démolies pour permettre les travaux du futur pont Charles-de-Gaulle.

A Masséna, deux grands chantiers ont été ouverts, celui d'une gare provisoire et celui de la gare d'échanges RER-Météor. Des travaux qui vont durer quatre ans. Une gare provisoire fonctionne depuis le mois de novembre dernier.

A Tolbiac, la libération des terrains a commencé en 1991. Aujourd'hui, seule demeure, à l'angle du quai et du boulevard Vincent-Auriol, une usine SNCF de production d'électricité. Les travaux du premier des trois parkings de mille places ont commencé. La galerie technique, qui accueillera les futurs réseaux, est terminée le long du boulevard Vincent-Auriol. Elle va se poursuivre à plus grand gabarit, quai de la Gare. Il s'agira d'un ouvrage d'imposante dimension, 12 m sur 4,75 m. La construction des immeubles de logement en bord de Seine devait commencer à la fin de l'année. C'est là où les ennuis vont commencer pour l'operateur. Car la décision du tribunal administratif ne permet plus d'engager des travaux qui font l'objet d'un permis de construire. Celui de la gare Météor a été déposé hier. Il risque d'être bloqué.

Que peut-il se passer maintenant ? Les travaux de construction vont être arrêtés. On se trouvera donc devant des chantiers et des terrains vagues au milieu desquels se poursuivra la construction de la Grande Bibliothèque, qui, elle, a son permis. Si le jugement est confirmé, la Ville devra revoir le projet pour y incorporer des espaces verts, mais combien en faudra-t-il pour satisfaire les juges ?

L'opérateur fera remarquer que c'est tout l'équilibre de l'opération qui est menacé. Si on ne construit pas les bureaux prévus de chaque côté de la grande avenue qui couvrira les voies SNCF, comment financera-t-on la dalle de couverture ? Si on ne couvre pas du tout le chemin de fer, on laissera une coupure horrible dans le 13e arrondissement. Les écologistes ont gagné une manche aujourd'hui, mais ne risquent-ils pas de se trouver demain devant un projet, à l'économie, qui sera le pire des résultats.



Une illustration de ce que le Plan d'Aménagement de Zone de Seine Rive Gauche permettrait de réaliser en bord de Seine, d'Austerlitz à Ivry.

Fig. 9.99: Relationship of the development with the rive droite and the rest of Paris in the future.

PART FOUR

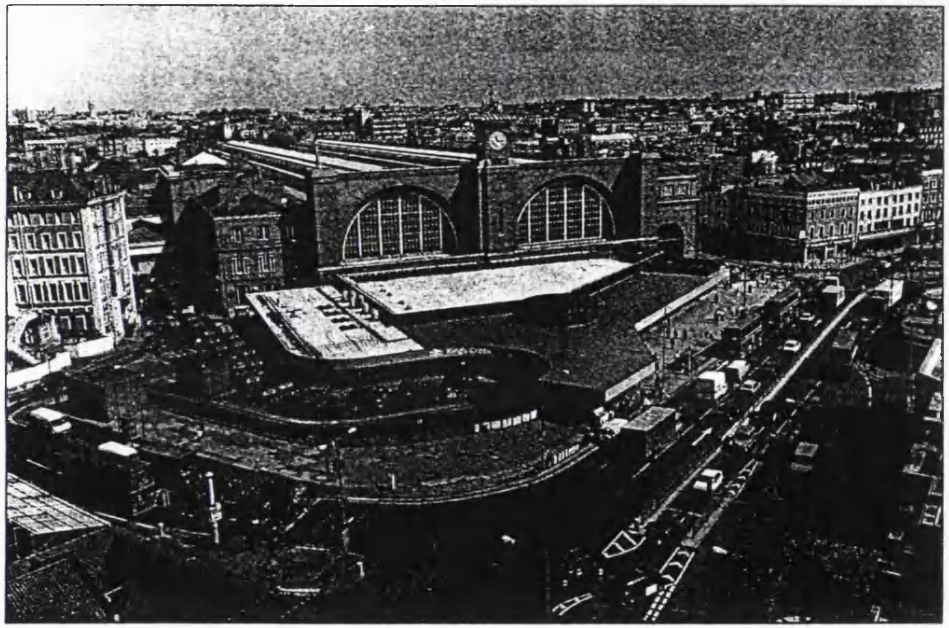
Table 9: Project Comparative summary: Paris & London

	Paris	London
Name of Project	"ZAC" Austerlitz-Tolbiac-Massèna (ATM)	King's Cross Railway Lands
Policy	* Devt. to the East to attract investment & bridge the gap between the West & East	* "Regeneration" via the Private Property Market on Speculative Methods.
	* Consultation with internationally renowned Architects to evolve a coherent urban design concept/guidelines for the redevelopment of the Conservation Area of Austerlitz.	* Redevelopment & urban design concepts were left to the competence of the selected developer, whose proposals are apt to opposition/negotiation/conditions.
Area Covered	130 hectares	54 hectares
Major Land Owner	SNCF	BR
Location	South-east of Paris rive-gauche	Northern fringe of London Central
Site Characteristics	Principally Railway lands (Goods Depot/Maintenance Yard)	Principally Railway lands (mostly derelict)
Acquisition for Devt.	Mainly public lands; minimum evaluated land value as compensation to SNCF (largest land owner), at the commencement of Project, and 20% of the profit or FFr 400 million (or whichever Is greater) that would accumulate from the development after project completion;	Mainly owned by British Railways, National Freight Consortium, British Gas, British Waterways (and other lesser owners). Maximum down payment of land compensation (often involving powerful and artful negotiations) is vital before project implementation.
Site Owners:	City of Paris/SNCF	BR, NFC (Others)
Major Developer	SEMAPA/ATM	LRC (joint private subsidiary of Rosehaugh Stanhope & NFC)
Major Property Owners after Devt.	City of Paris; SNCF; Central Govt.	LRC; BR
Major Elements of Devt.	* Bibliothèque de France to constitute the heart of the devt.;	* A Central Park with a Boulevard around it would form the heart of the devt.;
	* A large Avenue (Avenue Nouvelle), 40 m wide to form the back bone of the devt.;	* The new Concourse Building to form the gate way to the development area;
	* rehabilitation/transformation of the "Grands Moulins" to Cité des Arts/Museum and for employment in the related profession.	* transformation/rehabilitation of the "Granary" to Cité des Arts/Museum and for employment in the related profession.
Office floorspace	900,000 m^2	487,725 m^2
Residential	520,000 m^2	150,962 m^2
Current Status of Project	Development in Progress	Commencement subject to "Royal Assent" on the BR's Bill & LBC planning permission, & property market recovery
Devt. Concept	Land value capture through Rail Station redevelopment	Speculative Development based on Private sector initiatives
Method of Finance	Public/Private at c. 80% Public Investment	Largely Private sector at c. 98% investmt.
Constraints	Implementation slowed/stopped by legal apparatus	Technical/Procedural Delays (p.166) make commencement of project most uncertain
Project Cost (about)	£2.5 billion	£1.4 billion
Construction Period	20 years	10 years
Other Similarity	Station (TGV) /inner city redevelopments	Station (TGV) /inner city redevelopments

All change at King's Cross

Railway Lands plan delayed

Jon Walter



King's Cross faces six months more uncertainty following the Government's announcement that it prefers St Pancras Station as the international terminal for Channel Tunnel trains.

The surprise statement has thrown into the melting pot plans for the huge underground terminal and massive office development on the 134-acre Railway Lands site.

The Government wants Union Railways, the company set up by British Rail to build the Channel Tunnel link, to confirm St Pancras as the terminal before a final decision is made on the route of the Tunnel link

Further work would be needed on the environmental, planning and safety aspects of the proposals.

The St Pancras option would mean a new railway track across the Railway Lands site linking the station with the North London line. To handle the longer and heavier international trains, covered platforms would be built extending north towards St Pancras Gardens. The original proposal for a large international terminal under King's Cross would be reduced to just two new tracks.

Camden Council leader Cllr Julie Fitzgerald feels that four years hard work could now be wasted. "We have had to spend £750,000 making sure that local people's interests are protected. Now we seem to be back to square one.

These delays could have been avoided if British Rail and the Government had accepted the Council's advice and studied all the options for the terminal, including St Pancras. This would have avoided the continuing blight of an area which already suffers from severe social problems.

The Council wants to see proposals developed to benefit local people and the local economy, as well as improve safety and efficiency," she said.

Union Railways are consulting the public along the whole length of the route and will hold meetings with local groups and councillors.

For details contact Camden's Environment Department on 071-860 5911.

Fig.10: **King's Cross Project: decision delayed further** ("Camden Citizen", May 1993)

Chapter Ten

TOOLS AND DYNAMICS FOR PUBLIC-PRIVATE RELATIONS IN DEVELOPMENT OPERATIONS

In order to establish a relation, there must be some sort of joint venture or partnership. With regard to projects requiring the participation of different actors, certain government policies play vital roles in establishing this relation or partnership. What are these policies?. What are their impacts on the various agents -land owners, investors, developers, consultants, public agency planning officers, politicians and community groups, etc.- involved in redevelopments, such as in King's Cross and Austerlitz?. This chapter surveys the key features of UK and French thinking on public-private development arrangements.

10.1: POLICIES:

In UK, the institutional reform introduced by the Central Government, from 1979, brought about changes in the public policy. The following are the relevant (key) legislative changes and government circulars, which have direct or indirect impact in the public-private relations, in the development process.

Circular 9/80 Land For Private House Building	Introduced the requirement for joint studies between LPAs and House Builders, and modified the basis on which land availability should be assessed, to increase the supply of marketable housing land for house builders.
Circular 22/80 Development Control: Policy and Practice	Sought to reorient development control practice by, for example, placing the onus of proof more firmly on the LPA, strengthening the role of marketability considerations, and emphasising different standards between protected and other areas.
Circular 12/81 Historic Buildings and Conservation Areas	Confirmed government's determination 'to implement current policies to preserve the best of our heritage', and set out new procedures concerning listed buildings and conservation areas.
Circular 23/81 Development Plans	Stressed that plans and reviews should only be prepared where there was a 'clear need', and emphasised the importance of speed, conciseness, and minimum surveys and public participation.
Circular 22/83 Planning Gain	The response to the 1981 Property Advisory Group Report 'Planning Gain'. Provided Guidance on the terms on which 'conditions and obligations' could reasonably be imposed on developers.

Town and Country Planning Act 1984	Altered the relationship between Crown land and planning system, in particular by allowing Crown to apply for planning permission before disposal. (Expanded in Circular 18/84.)
Circular 14/84 Green Belts	Advise that boundaries should be drawn so as not to include land which it was unnecessary to keep 'permanently' open.
Circular 15/84 Land for Housing	Introduced requirement for at least two years' supply on which development could start straight away.
Circular 15/84 Industrial Development	Expanded Circular 22/80 in relation to ways of encouraging industrial development.
Circular 1/85 Test for Reasonableness	Sets out the circumstances in which certain types of benefit can reasonably be sought in connection with granting planning permission and provides the tests of the reasonableness of seeking a planning obligation from an applicant.
Circular 14/85 Development and Employment	Further downgraded the status of development plans in the determination of planning application.
Circular 31/85 Aesthetic Control	A reassertion of the main principles of Circular 22/80
Local Government Act 1985	Provided for the abolition of the Greater London Council and The Metropolitan County Councils.
Housing and Planning Act 1986	A response to the 1985 White Paper 'Lifting the Burden'. Introduced Simplified planning Zones and a revision of the Use Classes Order involving a widening a certain classes. Introduced the Urban Regeneration Grant enabling government grants to be paid direct to private companies and individuals involved in inner city regeneration.
Circular 13/87 Changes of Use of Buildings and Other land	A detailed guide to changes resulting from the Town and Country Planning (Use Classes) Order 1987, which put into effect the provision of the 1986 Act concerning use classes.
Circular 16/87 Development Involving Agricultural Land	Stressed the need to set the safeguarding of good quality agricultural land alongside the need to foster diversification of the rural economy.
Circular 16/91: Planning and Compensation Act 1991 Section 106 Agreement	Enables a planning obligation to be entered into by means of unilateral undertaking by a developer as well as by agreement between a developer and a local planning authority.

Note: This is a selective list. It does not, for example, include changes to the General development Order. Circulars are referred to by their DoE number and in some cases the titles are abbreviated.

Sources: Griffiths, R. (1990) "Planning in Retreat?", in "Radical Planning Initiatives", pp. 21-23; DoE Circulars.

The effect of these policies manifested in the deregulation of planning, the release of public land, the reduction of the role of government as developer, the effective end of regional policy and its replacement with urban initiatives. In addition, it sparked off changes in the finance sector by attracting overseas capitals and property development companies. The development industry, almost entirely British owned before the mid-

1980s, 'is now subject to competition from overseas professionals, banks, financiers, investors and construction firms' (Healey and Nabarro, 1990).

A further impact of the deregulation was the establishment of new relationships within the development process, with permission being granted by new public bodies using different funding and professional advice. This was the case in the Docklands where the Government used public investment, either directly through low-cost land sales, or indirectly through investment in infrastructure, with a view to stimulating private sector investment. However, it was difficult to measure the success of this relationship in that the industry has a tradition of secrecy as regards information arising both from the confidentiality of negotiations and the role of knowledge in the competition between firms.

10.11: Legal Agreement and Obligations

One of the impacts of the resource cutbacks introduced by the Thatcher Government in 1979 was that local Authorities found agreements necessary to reinforce their regulatory powers in managing development projects and in providing a means of dealing with the impacts of development. Government policies, through Circulars 1/85 and 16/91, acknowledge these arrangements as long as the negotiated agreements and obligations directly relate to the proposed development and equally satisfy the "test of reasonableness".

10.12: Partnership Approach

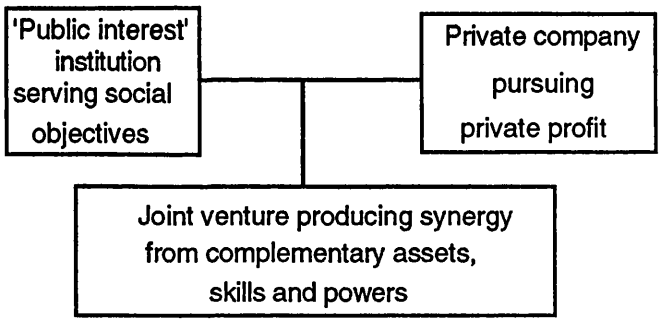
The concept of partnership with regard to Development is identified as *"pooling the resources of the private and public sectors is the way to achieve real success in the inner cities"* (HMSO, 1988).

Mackintosh (1992) argued that the synergy model might be called the "ideal" partnership model, or the public face of partnership. 'It is the model implied by (UK) government statements about public-private partnerships to regenerate inner city', as in the above

quotation from the 1988 inner cities White Paper. The underlying idea about the model is the cross-boundary partnerships of two distinct economic sectors, each with identifiable pools of assets and capacities, and with clear and distinct objectives. For example in public-private partnerships (as opposed to commercial joint ventures) which this thesis is about, the public sector (e.g. British Rail or local government) at least, could be seen as representing or pursuing social (non-commercial) ends or interests, while the private sectors could represent the pursuit of commercial ends or interests.

The essence of joint venture, through the synergy model, is 'the creation of additional profits through combining different assets and powers, and an associated negotiation process over the distribution of those profits, partly to increase the returns to private share-holders, and partly to serve social needs'. The model diagram below (Mackintosh, 1992) further analyses the approach.

SYNERGY (PARTNERSHIP) MODEL (Mackintosh Version, 1992)



Note: the model envisages a joint venture between a profit seeking commercial firm and a "public interest" organisation of some kind (a government organisation, a non-profit charity) with non-commercial (social) objectives

Source: Local Economy, Vol. 7, No. 3, Nov. 1992, p. 214)

The property-led regeneration partnerships, in UK, in the late 1980s, was based on this model. The expectation therefrom included a large element of additional profits to be extracted from the combination of public sector land assets and private investment capital. Thus, the government, as observed by Healey (1990) was caught up in a paradoxical situation, pushing more effort for land and property development onto the private sector through strategies of deregulation and privatisation, while at the same time it had to

provide support needed to 'lever' the private sector into areas adversely affected by economic change.

Critics, particularly local communities directly affected by this policy labelled this form of "partnership" approach as a form of privatisation of public policy and assets. This could have accounted for the emergence of local pressure groups in King's Cross neighbourhood , in 1987, when news about the proposals to redevelop King's Cross Railway Lands was leaked to the local community through the "Architect's Journal" and local news papers. 'Since the property slump, this form of synergy has virtually vanished. However, the City Challenge bids tend to take an optimistic view of the potential profitability of leveraged private cash; but government regulation prevents the public sector from rebuilding its assets as it should be able to do in a depression' (Mackintosh 1990).

With regard to France, it appears that this synergy model is the bedrock on which the Mixed Economy Companies and other relevant Development Agencies have "successfully" thrived.

In France, up till the beginning of the 1980s (Renard, 1990) Planning, especially Local Plans ('Plans d' Occupation des Sols' or POS) were seriously criticised for a number of reasons: lack of flexibility, side effects on land market (part of which is the restriction of development rights), excessive role of the national government in the preparation and approval process and limitation of land supply, all of which, it was argued, resulted in increased land prices.

10.13: Decentralisation of Planning Machinery: The National Government response to the accusation was the decentralisation laws of 1983. This law was designed to ease the "planning crisis" and increase the flexibility of local plans, through the possibility of choosing between two different procedures to change a POS, either by 'revision' or 'modification'. A revision, supposed to include important changes in the plan, is prepared and approved in the same way as the general preparation plan. But the second possibility, modification, can be implemented in a much quicker and simpler way since it implies only a

decision of the municipal council and a public enquiry before approval. 'Other public authorities, including the state, do not have the possibility of opposing it. The only possibility left is to submit the plan to a court, but this serious option is seldom used' (Renard, 1990).

10.14: Regulation to Promote Land Supply: However, developers argued that deregulation did not address the issue of land supply for development. This criticism led to the promulgation of the December 1986 law, which aimed at relaxing regulations and constraints on the land and housing markets, 'with the hope of thus giving an impulse to new development, a sector that provided jobs for 1.5 million people, in the construction industry' (Renard, 1990).

The most significant factor of the 1986 law is that it facilitated the release for sale or the disposal of land stocks in the possession of public institutions and authorities. For instance, in an attempt to promote land supply, public firms such as SNCF (French Railways) and RATP (Public Transport of Paris) were allowed financial incentives through the sale of their land. The process was that an authority which sold a piece of land would keep three-quarter of the sale price and allow one-quarter of the transaction to be absorbed into the general budget of the state. In the event some local authorities (City of Paris) were tempted to sell off lands in prime locations. This policy of promoting land supply must have attracted international investors and developers in to the French construction industry, thereby causing an 'internalisation' of land and property development process, as in the UK.

In some respects, common trends between Britain and France seem to be evident, notably the relation of partnership between public and private sectors in the development process. They both appear to have greater reliance on private sector initiative and criteria in the development process, and the increasing 'flexibility' in planning practices.

The major policy initiative within the French Planning system has been the decentralisation which effectively shifted control over planning schemes and decision to the local

mayors. The Mayors, as observed by Renard, now 'have considerable autonomy in bargaining with developers, particularly over the level of developers' contribution. They also control the way policies are expressed in plans, allowing more sensitivity between the form and content of plans and local circumstances'. The implication, as argued by Healey et al 1990) is that the autonomy could be developed either to make policies more effective in resisting development or to assist in promoting development.

10.2: SUMMARY ANALYSIS

France	**England**
Before 1981, Planning Machinery 'centralised' in the hand of the National Govt.	Before 1979, Planning Machinery 'centralised' in the hand of the Metropolitan Authorities, County Councils, Local and District Councils.
Deregulation and decentralisation, from 1981, ushered in more power/decision making process in local plans preparation to municipal authorities.	Deregulation and decentralisation ushered in new urban initiatives 'resulting in the diminution of the planning powers of the Municipal Authorities'.
Deregulation favours a rise in the numbers and operations of the established institutions for development operations financing, e.g. the Mixed Economy Companies	Deregulation backed with resource cut-backs, incapacitated local councils to undertake large scale developments. It also gave rise to the emergence of new private property companies.
Deregulation to attract private sector development interest and **increase** the capability of local authority to carry out development.	Deregulation to attract private sector development interest and **reduce** the capability of local authority to carry out development.
Regulation and incentives to ease and promote the stock of land supply in the holding of public institutions, to attract and promote development. All public institutions encouraged to sell land	Directives/Circulars empowering new Development Agencies to sell land for 'market-led' development, Enterprise Zone Initiatives, etc. Pressure on local councils to sell their land either largely due to fear that land would be taken over by UDCs or put up for auction by Section 99 notices
Deregulation aimed at releasing land for development and attracting more private sector investment.	Deregulation aimed at attracting private sector investment in development and job creation.
'Decentralisation has placed policy-making in the hands of commune mayors, who generally have little interest in the revision of structure plans.' (Healey and Nabarro, 1990)	'District and Central Government are conspiring to reduce the role of county planning, despite the increasing discussion of the need for some regional planning.' (Healey and Nabarro, 1990).

10.3: THE POTENTIALS OF CITY CHALLENGE APPROACH

From all indications, it is apparent that there is much to learn from the French practice, whilst some of the good home policies should be reviewed, and merged with these lessons, to improve the public-private relations. So far, it appears that the City Challenge Approach (p.24) has some potential and opportunities that could be exploited and re-modelled to respond to the required alternative method for funding inner city redevelopment projects in the UK.

The model was introduced at a time of grossly limited and scarce resources. One of its key objectives was to involve both public and private agencies in the regeneration of the inner cities. 'Getting private sector leverage as one of the criteria for successful bidding, while Government intervention in the local economy is only seen as acceptable if the private sector also invests' (de Groot, 1992). Other positive aspects of the approach are:

a: the requirement for broad based partnership linked to the strategy for an area -this has forced greater co-operation of departments within authorities.

b: the requirement for a competitive bidding format and the demonstrative involvement of a range of external agencies including the private sector;

c: it conferred a lead role on the local government (by paying the project money directly to them) and placed them back at the centre stage in a strategic and representational role for the locality. Thus, 'the local government has been forced to increase its efficiency and speed of operation because of the short time scale in preparing bids'. (Bryant, 1993)

d: it assumes that geographic and social targeting are the most effective ways of getting economic transformation, and that regeneration is not just about physical development.

It seems, therefore, that the City Challenge approach with its timing of introduction, is en route to finding positive and practicable solutions to the issues on inner city redevelopment

and infrastructure financing. However the core of the technical problems with the approach is best exemplified by de Groot:

> "producing a comprehensive and agreed regeneration programme, with a multiplicity of funders and partners from the private and the public sectors together with the local community, emphasises that local authorities need to have the capacity and culture for operating strategically. It also means that the concept of strategic leadership and collaboration has to work internally within the council itself."
>
> (de Groot, 1992)

CONCLUSION

The thesis has attempted to demonstrate the complex procedures and the reality of the situation when public and private investors are involved in negotiations concerning inner city redevelopment, using urban railway termini redevelopment proposals as case studies. The recapitulation of events on the proposed King's Cross/St. Pancras project has described these issues but the complexity of the events is the essence of the case, so only a rather full account could convey it.

The King's Cross Railway Lands redevelopment proposals have revealed that various interests are involved, and these often cause delay in the negotiations. Prominent amongst the interests represented are:

a: the Local Authority and adjoining ones;
b: the local community/pressure groups;
c: the land owners;
d: British Railways;
e: the Central Government and its Ministries;
f: the developers;

It is incredible that a project that was conceived and initiated in 1987, at the height of the property market "boom", has, up till May 1993, not taken off the ground (p.166).

The successive planning applications by the LRC/British Railways on one hand, and the British Railways' separate planning applications and Parliamentary Bills (for the concourse building/low level station), on the other, characterised by various changes and alterations to floorspace provisions in the project proposals have all been examined, we conclude:

i: that there was an imprecise definition of what technical and social infrastructure is required.

ii: that there is conflict of interests between the public and private establishments (and others) about what should be provided.

iii: consequent long delays during negotiations.

iv: the judgement of all parties that it was preferable to go on negotiating than to go for a public inquiry.

v: the volatile property market meant that at the peak of the boom, a very high infrastructure cost could and would have been financed by private investment, but the moment/opportunity slipped away because of factors (i)-(iii) above.

In the end all these interests and processes put together, combined with the physical conditions, render the King's Cross Railway Lands fundamentally an expensive site for speculative development and a difficult one on which to secure private funding of infrastructure. The problems can be summarised in three main points:

(i): LBC's use of the developers' proposals as the basis for seeking conditions/ agreements and thus infrastructure provisions. This, in addition to the "protection" conferred on the developer via the right to appeal against, or challenge, the scope of a section 106 agreement, put the developer at an advantage during negotiations, or rather, it enabled the developer to dictate the pace of negotiations in that he has the money for the capital investment (which the local authority often needs to maintain or sustain the provision of social infrastructure). This meant that LBC had to be very cautious in the negotiations.

(ii): The differences between all the interest groups mentioned at the beginning of this chapter. Closely linked to the negotiations in (i), developers argued that further reductions in the negotiated commercial floorspace (finally 487,725 m^2) would put the project viability in doubt based on the high cost to be incurred on the on-site infrastructure. Local community pressure groups were against the proposed demolition of some listed and unlisted buildings, as well as the scale and composition of the development, while the land owners' requirements for land profits, would have required the down payment of a considerable amount before mobilisation on site.

> The most defiant of the interests is the recent declaration by the Central Government that St. Pancras Station 'is now almost certainly (in March 1993) the preferred location of the proposed Channel Tunnel Terminal, after much money and material resources have been committed on the King's Cross site (p.166).

> **(iii)**: at the policy level, from the on-set of the project events and negotiations, LBC has been very cautious of the situation that would warrant the SoSE to call in the applications for his decision. LRC, likewise chose not to appeal at any stage but to go on negotiating. This judgement means that LBC needs adequately qualified and experienced professional/technical staff, to determine the planning applications not only on time, but effectively. In some cases, LBC has had to commission experts or consultants to advise on some aspects of the application, so that at each stage of negotiations, they (LBC) would have evidence on which to argue and could avoid being penalised for having acted "unreasonably".

> Another factor of delay is the debate over the Private Bill on the Railway Works and its subsequent approval by the Commons. Who knows when this Bill would ever be listed for discussion/approval?. Without this happening, Royal Assent to the Bill will ever remain a dream to come true. Above all, the granting of planning permission by the Council has already been subject to obtaining Royal Assent.

Delay and uncertainty have enormously added to the costs of the project. Resources were being expended with no return and no clear date at which any returns might start. This further reinforced the fact that the site is fundamentally very expensive to develop.

With regard to France, the ATM project has demonstrated how the government machinery and the cordial relationship between the public and private institutions have positively contributed to the smooth take off of the project. The Government set the pace and initiatives for redevelopment towards the east of Paris, through the redevelopment of Gare de Lyon and Quai de Bercy - by siting the new Ministry of Finance and the Parc Omni-sports de Bercy (on the rive droite, opposite to the ATM project site). It also demonstrated its

commitment to growth by being the first to mobilise on the project site and commenced one of the major project elements -la Bibliothèque de France. All this approach is enough to attract international business concerns to want to invest in the French construction industry. The near total absence of restriction on public sector spending and borrowing, also makes the construction industry apparently a lucrative investment environment. The borrowing of the sum of FFr.1.7 million from the capital market (although this appears not much but it demonstrates commitment), by the City of Paris, for the project, is an indicator of the thriving construction industry.

Another observation is that the importance of regular consultation with the public or local community, as well as their effective involvement in the final decision making, on project packaging, should not be underestimated.

> With regard to the King's Cross project proposals, the developers' inappropriate consideration of this factor has resulted in the emergence of local pressure groups that came up with formidable objections and alternative Plans -"The People's Plan". These objections resulted in revised planning applications, as well as added delays as a result of considering these applications.
>
> On the Austerlitz project, the inability or in-attention of the agencies responsible for the project to spot the clause or directive in the Planning Regulation, that forbids a "Zone Naturelle" from being an integral part of a ZAC, should be regarded as a serious professional error. At the same time, the local pressure group's capability to spot this error and use it as a strength to back up their representation at the Tribunal of Inquiry, on the ground that the public was not adequately represented at the plenary cession of the Conseil de Ville de Paris that approved the project, demonstrates that the era of "laissez faire" is over. It also signals the positive input that could be derived from the public, if efforts are intensified to seek their contribution.

Furthermore, like all industrialised countries, France is also having her taste of the economic recession but the approach she adopts to keep the construction industry going, is based on the notion that the survival of other important sectors of the economy are dependent on the construction industry. These include special banks like the Caisse de Dépôt et de Consignations, Merchant and Commercial Banks, Insurance Companies, Régie Immoblier de Paris, etc. This is one of the main reasons why the Government is not only actively involved in the public-private partnership model of project financing, but at the same time, bearing some of the investment risks by financing, in most cases, the delicate or crucial part of the project elements (p.158). Eventually, all these adopted measures always put the Government at an advantage during partnership negotiations with potential investors.

Whilst the City Challenge may have some appeal as breaking the British barrier to public-private partnership, the government has announced the end of the programme before any results have been evaluated. However, the model has established policy guidelines which could be blended with the lessons from France, to evolve an alternative funding mechanism and at the same time improve upon the public-private relations. Accordingly, some suggestions and tentative guidelines have been highlighted in appendix I (p.182)

"Like all tools of production, cities require adequate capital investment, skilful operation, methodical maintenance and periodic investments. This means giving due attention to the infrastructure networks, structures and services that allow the city to function efficiently."

(Okunfulure, 1990)

Therefore, incurring (sustainable) debt to regenerate the city, through the provision of adequate urban infrastructures and services, as well as consolidating on the existing ones should be seen as a worthwhile investment.

Thus, if public-private relations are to be responsive and effective in urban redevelopment, via major projects, the comparison of King's Cross and Austerlitz-Tolbiac-Masséna suggests the following helpful guidelines:

i: reduction of great uncertainties and risks which arose in the British case from lack of clarity and decisive planning at Central and Local Government levels;

ii: the need for a machinery in which conflicting interests can work towards compromise rather than growing conflict and delay;

iii: the unavoidable need for Government (particularly Central Government) to play a central role in guaranteeing and partially financing the project.

iv: adequate enlightenment and apparent involvement of the public/local community are vital to the success of inner city redevelopment programme.

APPENDIX I

TENTATIVE GUIDELINES FOR AN ALTERNATIVE FUNDING MECHANISM (see p. 180, para. 2)

One feature of the cases examined, and especially of King's Cross, is the lack of public funding. In this appendix, I outline a proposal based on World Bank Working Paper (1986) with a view to evolving a funding mechanism (Project Loan Funds) by using the existing financing institutions, to lend project funds to the local authorities and other development agencies (UDCs, URAs, etc).

Sources of Funds

i: **Foreign Loans** from multilateral institutions would provide a good source and long term repayment schedule, as well as, comparatively low interest rate. The European Development Bank could be a window to look at for the take-off funds. Subsequent funding could be sourced locally.

ii: **Domestic Loans**: This would be proportional and at the same time a commitment from the home lending institutions. Their involvement in the operation would instil some level of financial discipline and encourage prudent resource management in the local authorities.

Benefiting Local Government/Agency

The Commitment by the benefiting Local Authority/Agency is the most vital of the whole process. They must have packaged the project proposals in readiness for the implementation, and with their partners (e.g. Housing Corporation, Chamber of Commerce, property developers, privately owned companies, Training and Enterprise Councils, etc.), must have committed funds for about 5% of the total project package, at the time the proposals are being submitted for consideration for the Project Loan Fund. In addition, the intending borrower (the Local Government/Partner{s}) should be able to contribute 20%-35% (excluding the initial 5% for the project preparation) of the total project package

The Domestic lending Institution

The proportion of the commitment of the lending institution should be 15% (min) to 20%, of the total project package. It would also administer the disbursement of the foreign component part (40% max.) of the Project Loan Fund and keep the project loan account.

Institutional Arrangement for the Foreign Loan

This could be lodged at the Bank of England (or its designated agency). It is intended to be a common pool whereby the Domestic lending Institution would come to lodge applications for the percentage proportion of his client(s). Each project that is submitted for project loan consideration automatically becomes a sub-project in the records of the Bank of England (or its designated agent). There must be a ceiling to the sub-project loan amount to be considered, with the area of sub-project funding clearly specified.

The Domestic Lending Institution would maintain a project account where both the Project Loan Fund for its client(s) and the clients' counterpart share, including the counterpart share of the Domestic Institution itself, would be lodged. Interested or Participating financial Institutions could be drawn from

* the Merchant Banks;
* Insurance Companies and Pension Funds;
* Commercial Banks

An alternative arrangement could be the creation of a bank purely for infrastructure financing. It would be charged with looking for both local and international project loan funds and would disburse funds directly to beneficiaries. However its implications are that it might end up having in its kitty, the partnership contribution that would have formed part of the contributive share of the local authorities' commitment to the project, and defeat the objective of the programme. It could also end up like any other bank that must declare profit at the end of the year.

Eligibility Criteria

All Local Governments, Development Agencies, etc are eligible to participate in the programme should the initiatives to participate come from them. They would also be free to negotiate with the Domestic financing institution of their choice. In particular, a local government/beneficiary agency would be required to demonstrate a surplus of recurrent revenue over recurrent expenditure (on their other activity), beginning in the year in which the project would be formerly submitted for Project loan consideration and approval.

In addition, the local authority and partners should have financed studies and designs on the project, while the Project Loan Fund, in addition to physical works, would finance the contract documentation and contract monitoring and supervision (which are essential) for project preparation and implementation.

No local government or agency would be allowed to submit new projects for appraisal until previously approved sub-projects in the local government area is substantially underway or, submit new projects for appraisal if it is delinquent in complying with the terms and conditions of previously approved sub-project loans.

Availability of Funds

A borrowing agency fulfilling the Project Loan Funding selection criteria would be eligible for project financing subject to the availability of funds. Also, loans to any beneficiary agency from the Project Loan Fund would be permitted to **not more than 20%** of the total project Loan Fund portfolio. Thus the contributive shares would be as follows:

Local Authorities & Partners	25% min
Participating Domestic Financing institution	15% min. - 20%
Project Loan Fund	40% max. (20% of the total portfolio)

If a local government/partners are only able to finance just 25% of the project cost, one or some of the following issues could be given attention:

i: the project is ambitious and too large, therefore not viable;

ii: the studies were ill prepared;

iii: there is need for prioritization studies;

iv: the local government is in red and could be faced with the problems of counterpart funding;

v: the authority needs rescue through institutional strengthening, or reform.

Project Composition

Given the severity of the present economic problems, emphasis could be placed on:

i: rehabilitation and maintenance of existing infrastructure and services;

ii: strengthening the capacity of the institutions involved in the management and maintenance of urban infrastructure through the provision of appropriate training for key staff and, through the introduction of more effective systems of planning, budgeting, collections, financial control, maintenance programming and execution. This step will definitely respond to the fears expressed by de Groot.

iii: preference could be given to projects which are capable of contributing to the efficient functioning of productive urban economic activity, e.g., central business districts/areas, markets, industrial areas, etc.

iv: special consideration may also be given to urban upgrading projects which integrate the provision of infrastructure and urban services within a particularly defined urban area which houses a significant percentage of the urban poor. (This is one of the issues the City Challenge approach tried to address).

Eligible Projects

The following types of infrastructure projects could be eligible for financing:

i: **water** - repair and rehabilitation of existing plant, networks and services and, minor network extensions;

ii: **roads** - repair and rehabilitation of existing networks and construction of new linkages to aid traffic flow and to relieve congestion;

iii: **drainage** - repair and rehabilitation of existing networks and construction of new priority channels;

iv: **markets** - repair and rehabilitation of facilities and services;

v: **English Heritage** - upgrading areas of special character and conservation areas to enhance and bear relationship to a proposed development;

vi: **Parks/Sites of Special and scientific Interest** - upgrading sites to enhance the environment and promote nature watch.

In view of these proposals, one might be eager to raise questions as to what would become of Development Agencies like the Urban Development Corporations, or the Urban Regeneration Agencies -URAs- (recently inaugurated)?. Would there not be a duplication or overlapping of functions? The answer to the latter is no; the UDCs and URAs are part of the Agencies that could draw loan funds from the mechanism. Assuming the government reviewed the policies that established these agencies, and eventually they were advised to look for funds from the capital market, and be profit oriented, the Project Loan Fund could be one of the avenues for their survival.

Furthermore, in view of the high degree of urbanisation in Great Britain (57 local Authorities with Urban Status), it would take considerable length of time before the UDCs and the URAs could ever meet up with the developmental needs of most local authorities, while the elected officers would like to account for their stewardship to the electorates. Hence the

PLF (which is recommended to be baptised as **City Regeneration Fund**) could fill this gap. Indeed. the mechanism if adopted, could begin to play the role similar to that of the Caisse de Dépôt et de Consignations, in France.

However there is still a burden to lift off the local authorities and other relevant agencies, before the mechanism could be optimally exploited - the restriction on public borrowing and spending would have to be relaxed. This step would further enhance their negotiation capability with potential project partners and investors, and would also demonstrate Central Government's commitment to its recent declaration to encourage public-private finance initiatives (p188).

The Government's private finance initiative

A look at the preliminary guidance issued following the Budget.

The Government's private finance initiative, announced in the last Autumn Statement, is intended to enable the public and private sectors to work more closely together, exploring opportunities for development such as joint ventures.

It does not only concern very large projects, although it is those which were principally mentioned in this year's Budget as being able to go ahead as a result of such joint ventures. The key points in the Budget are that:

- the Channel Tunnel Rail Link will proceed as a joint venture between public and private sector;
- British Rail and BAA plc have agreed a joint venture to build the Heathrow Express as a fast rail link between Heathrow and Paddington;
- Crossrail will be reviewed in order to involve the private sector to the greatest possible extent;
- advisers are to be appointed to involve the private sector in transport measures around the Firth of Forth, including a new crossing, and in the Central Scotland Fast Link;
- improvements are planned to tax relief available for expenditure incurred before enterprises begin trading to remove possible obstacles to the undertaking of major projects with a long lead-time.

Joint ventures

In HM Treasury's preliminary guidance joint ventures are defined as being projects where both the public and the private sectors contribute to the project and both share in the returns. There may be types of joint ventures where the returns may be service benefits to the public sector, such as a shared facility, however it is made clear that the public sector return will be a wider social benefit than can be calculated in financial terms, and indeed this is the specific intention of the initiative announced in the Autumn Statement.

The requirements for such projects include:

- control of the joint ventures rests with the private sector;
- private sector partners are selected by competition;
- the Government makes a contribution, on which a ceiling is set. After taking this contribution into account, costs are recouped from users or customers;
- the allocation of risk (and reward) between the contracting partners is clearly defined and agreed, with private sector returns genuinely subject to risk.

Joint ventures can comprise:

- a single corporate entity in which the Government has a non-controlling equity stake;
- an arrangement involving separate organisations, including public sector bodies, which act jointly or severally;
- a project which is taken forward by the private sector with the Government contributing grants, loans, existing assets or ancillary or associated works (or a combination of these).

Appraisal of joint ventures

The expenditure by the public sector must first be appraised taking the following into consideration:

- value for money;
- whether the project is technically feasible;
- whether private sector participation is financially viable (after taking the Government's contribution into account);
- whether the project delivers wider social benefits, service benefits or direct financial returns that justify the Government's contribution.

The appraisal will be undertaken in line with existing published Government principles and will have the following as its objectives:

- to establish the likely financial costs and revenue plus any wider costs and benefits;
- to identify the size of public sector contribution that is likely to be needed to make the project financially attractive to the private sector. The subsequent competition will help set a ceiling on the Government's contribution;
- to establish whether the Government contribution is justified in terms of the wider benefits (and costs) of the project, or direct service benefits to the public sector or direct financial returns, and in the light of the benefits that can be obtained from other uses of the money;
- to consider the risks associated with the project and how these might be allocated between the public and private sectors;
- to establish the institutional framework for the joint venture and the degree of control to be exercised by the respective joint venture partners.

Involvement of nationalised industries and local authorities

The Government has stated that it is anxious to encourage private sector companies to come forward with proposals for joint ventures for infrastructure developments. Nationalised industries can already undertake joint ventures on the basis of financial costs and revenues. They may participate in joint ventures that involve wider benefits but in such cases, as with those of local authority projects with a central government element, the Government will take the lead as "purchaser" in appraising the project and determining the size of the public sector contribution.

The competitive process

Depending on circumstances, a single competition or a sequence of competitions covering different stages of the development of the project may be appropriate. A common development option is for the design and development to be carried out in the public sector and the project then put out to competition, but the guidance suggests that it may be appropriate to involve the private sector at an earlier stage as a holder of equity. If a competition is then held before construction begins, the private sector partner at the design stage can be compensated by the sale of its equity if it is unsuccessful at the later stage.

Government will be developing the guidance outlined above in the light of experience.

APPENDIX II

ENVIRONMENTAL STATEMENT (see p.67, para. one)

Specified Information

The 'specified information' as required by the regulations, schedule 3 (paragraph 2) are:

a: a description of the development proposed, comprising information about the site and the design and size or scale of the development;

b: the data necessary to identify and access the main effects which that development is likely to have on the environment

c: a description of the likely significant effects, direct and indirect, on the environment of the development, explained by reference to its possible impacts on:

human beings;
flora;
fauna;
soil;
water;
air;
climate;
the landscape;
the inter-action between any of the foregoing;
material assets;
the cultural heritage;

d: where significant adverse effects are identified with respect to any of the foregoing, a description of the measures envisaged in order to avoid, reduce or remedy those effects; and

e: a summary in non-technical language of the information specified above.

King's Cross Specified Information

The following is a summary of the Environmental Statement submitted by LRC/BR:

i: Soil

The Railway Lands, in general, used to be industrial land; storage and transportation were likely to be subject to some soil contamination arising from these activities. The information is suggesting that good site management, monitoring and other measures that would ensure that no adverse environmental effect arose from the preparation of the site for development.

ii: Surface Water and Water Quality

The information foresees no significant long term impact of the development on water quality in the Canal but it proposes site drainage control aimed at reducing potential significant effects on water quality and flora and fauna of the canal. In addition, it predicts no aquatic life mortality events during the construction period.

iii: Ecology

The information highlights the principal nature conservation species that are centred around the canal. These include: one 'rare' plant (*Sisybrium iro*), a scarce species of bird (black redstart), pipestrelle bats that are recognised as feeding on the canal, and a pair of kestrels. The information recognises that construction work would almost certainly displace the black redstart and kestrels from their nesting sites; but proposes measures to minimise disruption to the former. The statement concludes that the proposed extensive areas of green space, in addition to the new natural park would be of benefit to wild life.

iv: Pests and Diseases

In recognition of the micro biological risks associated with recreation activities and outdoor work, such as construction, the proposals intend to take precautions against such risks during project implementation.

v: Air Quality

With reference to public records and assessment on the site, the information highlighted that the concentration of chemical emissions associated with activities in urban areas, do not exceed the EEC or the WHO standards. It proposed to reduce and effectively manage the dust nuisance that often affects air quality during such project construction.

vi: Micro Climate

Wind, temperature and sunlight have been identified as important climatic factors that could have impacts on the proposed development. The statement intends to provide detailed designs of buildings that would respond to problems of wind turbulence. It predicts that wind speed on the site would be reduced by the development., and foresees no perceptible temperature change as a result of the proposed development. It also indicates that all residential buildings would receive the levels of sunlight recommended in the DoE guidelines.

vii: Public Utilities

The infrastructure that would be affected in the development area during construction are the gas holders and governors located south of York Way; gas and water mains and electrical main service located within the highway. The information proposed to relocate the affected utilities to ease construction, and to provide new ones to meet the requirements of the new development.

viii: **Open Space Provision**

The landscape elements contained in the proposals include:

* a 34 acre public park;
* the creation of a new civic square in the northern part of the development, and "green fingers" that would link elements of the site;
* the "relocation" and the enlargement of the Camley Street Natural Park

The landscaping is intended to enhance the setting of the listed buildings, improve open space provision, create opportunities to provide recreational and leisure facilities and improve the ecological environment.

It is important to note that the King's Cross residents strongly objected the relocation of the Camley Park and this was favourably considered by the Council.

ix: Cultural Heritage

The proposed cultural heritage to undergo various changes include the following:

* ten listed buildings;
* King's Cross Conservation Area;
* Regents Canal Conservation Area;
* Local and strategic views; and
* Archaeological heritage

x: Noise and Vibration Constraints

Studies undertaken on the impact of environmental noise and vibration as they would affect the layout, landuse and form of the proposed buildings within the development site, include:

i: Airborne noise from railways including the Channel Tunnel Rail Link.
ii: Vibration and structure-borne noise from railways.
iii: Road traffic noise.
iv: Industrial and commercial noise.

v: Construction and demolition noise.

Mitigating measures that are would to minimise or eliminate these issues would be selected from the following:

i: Residential units that would be subjected to airborne noise from railways would need insulation and they could be treated as an inhabitable noise barrier;

ii: A suitable design could be achieved to overcome the effects of vibration and structure-borne noise from railways;

iii: With reference to road traffic, internal road layout would be designed to minimise road traffic impact on the main residential areas. Sound insulation would also be required for the facades of certain residential and commercial buildings;

iv Industrial and commercial noise might be reduced or eliminated by various forms of noise protection;

v: Temporary disturbance during construction would be limited by planning and phasing of the development.

The statement recognises that after project completion there would be slight increases in traffic noise levels, in all roads adjacent to the development site, but it forecasts that noise levels in some sections adjacent to York Way would be substantially reduced. In addition, it notes that noise from station announcements, particularly from the proposed new station on the North London Line, could prove intrusive, as such, it intends to adopt measures that would minimise the noise.

On the construction site activities, measures such as screening and sensitive positioning of noise generating-plants with fixed access routes for heavy goods delivery, and limiting noisy operations to day time working, have been proposed.

xi Traffic

The statement includes the impacts of both the construction and the completed development. The intended mitigating measures are as follows:

With regard to the **Construction Period,** a series of site management measures including control over site working hours and on the hours of deliveries; maximising the use of rail to import and export site materials and fill; management of site access/egress for goods, and routing of heavy goods vehicles away from residential streets, are intended to be introduced.

On **Completed development,** the intended mitigating measures would include improvement to the junctions of Euston Road, Pentonville Road and Gray's Inn Road. Traffic management measures, with a new system of signal controlled junctions that would restrict the use of residential streets, and the expansion of British Rail parking service at King's Cross, would be introduced.

On **Pedestrian Severance,** measures would include consideration of new pedestrian crossing facilities at the junction of York Way and Euston Road, and a review of the traffic at the Midland Road and Goodsway junction.

On **completion,** the development is predicted to be capable of generating around 45,000 pedestrian daily trips, most of which would begin and end within the development area. Part of the forecast is that Cross-boundary trips would include employees movement at both office and lunch time periods.

xii: Development Programme and Construction Methodology:

In order to accommodate the proposed works under the British Railways Bill, the development programme has been envisaged to commence at the east of the park and north of the canal. The park would be an early feature of the development while residential developments would cover all phases of the implementation. The delivery of concrete materials and the evacuation of spoil are mostly intended to be by rail, but due to certain unavoidable limitations, the delivery of a number of construction materials would most likely be by road.

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