

Agenda Item No: 16
Report To: Cabinet
Date: 14 July 2016



Report Title: Phase 1 Commercial Quarter Office Development (Land Transaction)

Report Author: Stewart Smith, Senior Commercial Development Manager

Portfolio Holders: Cllr Clarkson, Leader of the Council

Cllr Shorter, Portfolio Holder for Finance and Budget, Resource Management

Cllr Galpin, Portfolio Holder for Town Centre Focus and Business Dynamics

Summary:

In October 2015 Cabinet members approved the Council's five-year Corporate Plan, in which a key priority is encouraging economic investment and growth. The Commercial Quarter is crucial to this and, as part of the Council's Big 8 agenda, forms a critical part of the strategy for the economic development of the borough and regeneration of the town centre.

This proposal, at the heart of the town centre, is crucially important in the successful delivery of the Commercial Quarter which it is envisaged will revitalise the town centre and bring with it many economic advantages including:

- employment opportunities;
- linked trips and increased town centre spend;
- an attractive and modern business environment; and
- the catalyst for wider investment and development.

Terms of the above land deal, the first phase of development of the Commercial Quarter, which will deliver 80,500 sq ft of development at Dover Place including office space with retail and restaurants on the ground floor together with car parking and landscaping, have previously been presented to, and agreed in principle by, the Town Centre Regeneration Board at its meetings of 26 August 2015 and 27 January 2016.

Subsequently lengthy detailed design and commercial negotiations have taken place and this report comes to Cabinet requesting that it recommend to Council that it approve the terms for the transaction as they now stand (the "Transaction").

This report will cover all elements of the development proposal

including:

- i. the sale contract relating to land at Dover Place (including the consideration and overage provision);
- ii. the south park car park lease (including the Council's development option);
- iii. the office lease to the Council;
- iv. the planning position;
- v. The land valuation,

It will also seek to highlight the regeneration and economic development benefits that it is anticipated will come from what is proposed and how the Transaction demonstrates the Council's commitment to securing the early regeneration of the town centre.

The Council operates as transparently as it can at all times but there are circumstances where its ability to act commercially would be hindered by the full disclosure of the financial and valuation information and advice it has received and, as such, parts of this report are not made available for publication.

Key Decision: No

Affected Wards: Victoria Ward

Recommendations: That Cabinet is asked to recommend to Council that it:

- i. notes the advice contained within this report;
- ii. notes the valuation advice contained in **Exempt Appendix A**;
- iii. approves the Transaction as set out in paragraphs 10 to 32 below;
- iv. approves the land disposal values in respect of the Dover Place Land and the South Park Land as contained in **Exempt Appendix E**;
- v. authorises the disposals referred to at iv above at the undervalue as set out in **Exempt Appendix E** on the grounds that the land transactions will help to secure the promotion or improvement of the economic, social or environmental well-being of the local area and the undervalue is less than £2m under market value; and
- vi. authorises the Chief Executive in consultation with the Leader of the Council, the relevant portfolio holders, the Director of Law and Governance, the Head of Finance and the Head of Corporate Property and Projects to take the

necessary steps to finalise and complete the legal documentation to enable the Transaction to proceed.

Policy Overview:	The Council's five-year Corporate Plan identifies encouraging economic investment and growth as a key priority. The Commercial Quarter is crucial to this and as part of the Council's Big 8 agenda forms a critical part of the strategy for the economic development of the borough and regeneration of the town centre.
Financial Implications:	The financial implications which are considered in the report relate to the land values received in respect of the land disposals (freehold and leasehold); the costs of the land the Council is required to acquire to be able to deliver the development site; the potential loss of car parking income from the Dover Place car park; the potential impact on rental income generated from International House; the potential cost of the Council exercising its option to buy back the development site should it decide to do so; and the costs associated with the Council's leasing of 23,976 sq ft of office space in the new office building.
Risk Assessment	A Risk Assessment is contained in the report.
Equalities Impact Assessment	Not applicable.
Exemption Clauses:	Not For Publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Appendices:	Exempt Appendix A – Valuation Advice from Watson Day Appendix B – Plans 1, and 3 Appendix C – Computer Generated Image of the Development Exempt Appendix D – Council Land and Lease Costs Schedule Exempt Appendix E – Land Disposal Values
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Report Title: Phase 1 Commercial Quarter Office Development (Land Transaction)

Purpose of the Report

1. To highlight the regeneration and economic development benefits that will come from the proposed development and request that Cabinet recommend to Council that it approves the Transaction the exact details of which are contained in this report.

Background

2. Dover Place was acquired by the Council from the HCA in April 2014. It formed part of the Council's strategic land assembly programme which incorporated other HCA owned sites including International House. The Council's intention has always been to redevelop Dover Place to take advantage of its key strategic location adjacent to Ashford International Station and the extensive development opportunities it affords to deliver the Commercial Quarter.
3. The Ashford Area Town Centre Action Plan (2010) recognised the Commercial Quarter as a site which would play a leading role in job creation for the town centre delivering new office space and public realm. Additionally a master planning exercise carried out by the HCA in 2012 identified the potential opportunities for major private sector inward investment in the Commercial Quarter.
4. The Council's five-year Corporate Plan identifies encouraging economic investment and growth as a key priority. The Commercial Quarter is crucial to this and as part of the Council's Big 8 agenda forms a critical part of the strategy for the economic development of the borough and regeneration of the Town Centre.
5. The first parcel of land for development in the Commercial Quarter was identified as part of an internal master planning exercise undertaken by the Council in 2015. This development opportunity was then marketed by appointed agents Altus Edwin Hill in March 2015 (this included placing an advertisement in the Estates Gazette). Following a presentation to the Town Centre and Regeneration Board a successful bidder was selected and that bid forms the basis of the Transaction having been agreed in principle at its meetings of 26 August 2015 and 27 January 2016.
6. Since then lengthy and detailed design and commercial negotiations have continued and a new full planning application submitted which has resulted in the Council reaching the position it has now and as is explained in paragraphs 10 to 34 below.

Regeneration and Economic Development

7. In 2003 Ashford was identified as one of the "growth areas" in the Government's Sustainable Communities Plan. The Growth Plan Agenda set the context for the current Core Strategy (2008). The Core Strategy sets out a strategic vision for development in the borough including economic strategy and emphasises the importance of job creation that keeps pace with house building and the need for

development that will help revitalise town centres which will be supported in specific site allocations.

8. The Ashford Area Town Centre Action Plan (2010) specifically recognises the Commercial Quarter as a site which will play a leading job creation role for the town centre delivering new office space and public realm.
9. This proposal at the heart of the town centre and consisting of 80,500 sq ft of office space, retail and restaurant space at Dover Place together with car parking (on and off site) and landscaping (the “Development”), is crucially important in the successful delivery of the Commercial Quarter which it is envisaged will revitalise the town centre and bring with it many economic advantages including the following:
 - **Employment Opportunities** – short term jobs will be generated during the construction phase. Many of these jobs will be retained in the borough; this is based on experience elsewhere which shows that this type of employment does often not have a wide catchment. Long term, the Development will provide for a range of employment opportunities which can be exploited both by the local population and from further afield, bringing business and people to the borough. The longer term office based employment opportunities are likely to be higher skilled, providing opportunities that are currently limited.
 - **Linked Trips and Spend** – the increase in town centre footfall will increase the linked trips and spend within the town centre. Studies have shown that office workers very often prefer to eat, drink and socialise within close proximity to their place of work, very often out of necessity rather than choice. Likewise with shopping and leisure activities such as gyms, cinemas and retail. Businesses in the town centre should see increased trade as a consequence of the Development.
 - **Catalyst for wider investment** – the Development will generate growth and act as a key catalyst for wider investment and development in the town centre, specifically the Commercial Quarter, due to the close proximity to the International Station and the 38 minute journey time to and from London St Pancras.
 - **Attractive and Modern Business Environment** – The Development will be the first phase in the realisation of the Commercial Quarter, continuing the transformation of an underutilised and unattractive town centre location into a modern and exciting commercial hub taking advantage of its strategic location and forming a link between the historic core of the town and its mainline domestic and international railway stations.

Phase 1 Commercial Quarter Office Development (Land Transaction)

The Dover Place Land Sale Contract

10. The land sale contract proposes to sell the freehold of land at Dover Place car park shown edged red on **Plan 3** attached at **Appendix B** (the “Dover Place Land”) to Ashford Commercial Quarter Limited (the “Developer”) (a special purpose vehicle formed specifically for the purpose of carrying out the Development) for the land value referred to in para 1 of **Exempt Appendix E** plus overage.

11. The overage provision is there to protect the Council from the Developer making more profit than originally anticipated. The overage provision applies for 20 years from the date of completion of contracts or until the Developer disposes of the whole of the building, whichever occurs first.

12. The overage calculation can be summarised as follows:

$$((A - B) \times 50\%) - C$$

Where:

A = the net receipts (the value of all disposals up to the relevant trigger date less costs)

B = the Buyer's profit (18% of the value of all disposals up to the relevant trigger date)

C = the aggregate of all overage payments paid by the Buyer before the relevant trigger date.

The Developer has provided a list of costs that can be deducted from the net receipts and these "heads" of costs are contained in the contract.

13. It should be noted that overage mechanisms never guarantee future payments and it is often the case that little if anything is recovered.

14. The land sale contract is conditional on a number of things. These include the Council acquiring and transferring (or granting rights over) small parcels of land currently outside of its ownership, and, most importantly, the issue of a satisfactory resolution to grant planning permission for the Development and agreement of the terms of the accompanying s.106 agreement (the "Conditions")

15. The Conditions are there to protect both the Council and the Developer. The Developer will only want to acquire the Dover Place Land and be bound by the various contractual terms if it can be developed in accordance with a planning permission that meets with its satisfaction. In this respect, if the Developer is not happy with the planning permission it can refuse to complete on the deal.

16. Equally, the Council is only agreeing to sell the Dover Place Land on the agreed terms on the basis that it is developed as is proposed in the planning application (which the Council has previously approved the content of). The Council is selling the Dover Place Land because it wants to see the Development delivered. In this respect, whilst the Developer can walk away from the deal if it does not deem the planning permission to be satisfactory, it cannot choose to proceed without planning permission for the Development. This is to try and protect against the Developer buying the land and then doing something else with it (subject to planning).

17. There are other controls which the Council has in place to try and ensure that the Development is carried out or, that steps can be taken by the Council to buy the land back in the event that it is not. These include:

- Placing a restriction on the title to the Dover Place Land which means that for forty years from completion of contracts it can only be used for purposes permitted in the agreed planning permission; and
 - The various option rights that the Council has including the right to buy back the Dover Place Land for £1 in the event that the Development is not commenced within 12 months of completion of the land transfer (see paragraph 31 below).
18. Various rights over the Dover Place Land have been reserved in favour of the Council to ensure that the Development does not impede the further development of the Dover Place Land and the Commercial Quarter.
19. The costs of the land the Council is required to acquire and transfer to enable the Developer to deliver the Development are included in the Council Land and Lease Costs Schedule at **Exempt Appendix D**.

The South Park Car Park Lease

20. The land shown edged red on **Plan 1** attached at **Appendix B** (the “South Park Land”) is to be leased to the Developer on terms set out in para 2 of **Exempt Appendix E**. The lease will be granted simultaneously with the land transfer as soon as the land sale contract Conditions are satisfied (see para 14 above).
21. In addition to the controls referred to in paragraph 17 above, there is an obligation on the Developer to complete works (the specification having been approved with the Council) to create car parking spaces on the South Park Land. Again this is to ensure that the Development is delivered.
22. There is also a restriction imposed in the lease which specifies that the South Park Land can only be used as car parking for the office development on the Dover Place Land. In addition to this, the car park lease cannot be underlet to anyone other than the owners/occupiers of the Development and can only be assigned as a whole to a party who is the registered proprietor of the office development. These provisions ensure, as far as possible, that the car park and its use are linked to the office development on the Dover Place Land at all times.
23. The reasoning behind locating the majority of the car parking for the Development away from the Dover Place Land is because whilst close proximity car parking was identified as essential for the success of the Development (the Altus Edwin Hill (pre-marketing) Office Market Report), locating all of the spaces on the Dover Place Land would have meant that there was little left for the development of the remainder of the master planned Commercial Quarter. Therefore it was proposed by the Council that a lease, together with the car park option referred to below, of the less valuable South Park Land which is located outside of the Commercial Quarter would serve the purpose of providing the required car parking without impeding future development.

The Council’s South Park Car Park Development Option

24. Should the Council wish to build a multi-storey car park on the South Park Land at some point in the future, it can call on the Developer to surrender the car park lease. This is conditional on the Council being able to provide the same number of temporary spaces, which are no further away than the existing ones, whilst the multi-storey is being built and offering the spaces back to the Developer, on the same lease terms, once the multi-story is completed. In addition to this, the car park lease is limited to the air space 2.5m up from ground level. Everything above this height is retained by the Council in order to protect its ability to develop above the car park should it want to.

The Office Leases to the Council

25. The Council is agreeing to lease two floors of office space (totalling 23,976 sq ft) in the Development once it is completed for a term of ten years (2 x 11,988 sq ft leases for 10 years).
26. The annual rent will be determined by multiplying the exact internal area by the rent per sq ft and is subject to an upward only review at year 5. The total estimated costs of the Council leases over the duration of the ten year term are shown in the **Council Land and Lease Costs Schedule at Exempt Appendix D**. The rent review is not provided for in Appendix D on the basis that it is impossible to accurately predict and it is envisaged that any increase will be passed on to a sub-tenant.
27. The Council has agreed to taking the leases on the basis that this is a speculative development for the Developer, being one which is to be built before tenants are in place to take the leases, and the Council is sharing some of the risk with a view to delivering the economic and regeneration benefits referred to previously in this report.
28. The Council's intention is to sub-lease the office space at nil net cost or, potentially, at an uplift and negotiations have already taken place with prospective tenants. The Developer has advised that soft market testing has indicated that there is significant interest in the Development with pre-lets of up to half of the available space (excluding what the Council is leasing) expected after the grant of planning permission. Likewise the advice the Council has received from Watson Day (**Exempt Appendix A**) is encouraging (para 20.8). The Council's solicitors have confirmed that the leases are in an institutionally acceptable form and that they have the necessary flexibility to allow the Council to sub-let or licence as required.
29. It would be remiss of the Council not to consider the potential implications of the result of the recent EU referendum. The outcome has inevitably resulted in a certain amount of uncertainty and anxiety amongst businesses and individuals in the short term and the longer term effects are yet to be fully understood. As a consequence of this, subsequent to the referendum result the Council renegotiated its position in respect of the space that it is letting and agreed a letting strategy, which will be provided for in the legal documentation, and which will ensure that the first 11,988 sq ft of office lets within the Development will be on the basis that the tenants are sub-tenants of the Council (subject to the Council reasonably approving to the proposed sub-tenant). This could potentially limit the Council's exposure to half of what it is letting. The Council would continue to seek to sub-let the remaining 11,988 sq ft that it retained after this.

The Council will play an active role in the marketing of the Development and the Commercial Quarter generally with a view to ensuring its success.

30. The Council has experience of the successful and profitable ownership and management of commercial property including both International House and the Ellingham Industrial Estate

The Council's Option to Purchase the Dover Place Land and the South Park Land

31. An option to purchase will be entered in to which will give the Council the opportunity to acquire the Dover Place Land and the South Park Land in the following specified circumstances:
- If the Developer has not started the development works and has not entered in to a construction contract for the Development within 12 months from the date of completion of contracts, then the Council can acquire the Dover Place Land and the South Park Land back for £1; and
 - If the Developer has not completed the Development within 7 years of completion of contracts then the Council can acquire the Dover Place Land and the South Park Land back for either market value (as independently determined) or the cost of construction works carried out to date (as certified), whichever is the lower amount.
32. If the Council were to want to exercise the Option a report would come to Cabinet seeking the relevant authority.

The Planning Position

33. When the development opportunity was marketed it was with the benefit of outline planning permission granted in 2013 for the construction of a mixed use development comprising office building (B1) with ground floor retail/professional/café/restaurant (A1, A2, A3), landscaping, car parking and associated works (Ref: 11/00382/AS). It was the intention that the proposed land deal would be subject to the outline permission and that the Developer would make the reserved matters application required and deliver the development this provided for. However, further evaluation of the specific opportunities and constraints of the site led to the Developer requesting that it be permitted to submit a new detailed application in place of the existing outline permission which has since expired.
34. The new application (Ref: 16/00554/AS) is for a similar scheme to that in the outline permission. The key difference is the addition of an additional floor and the inclusion of car parking on the South Park Land, something the previous outline permission did not envisage. Modifications have also been made to the design of the building to modify its external appearance. In summary, what is now proposed is a six storey office block delivering circa 80,500 square feet of office space with the ground floor to be used for A1, A2 and A3 uses (retail, professional and financial services and restaurant). Computer generated images of what is proposed are attached at **Appendix C**. The planning application is to be determined by Planning Committee on the 20th of July 2016.

The Land Valuation

35. The valuation advice received from Watson Day is attached at **Exempt Appendix A**. The land disposal values together with explanation are detailed in **Exempt Appendix E, Land Disposal Values**.

Financial Implications

The Financial Implications of the Transaction

36. The financial implications relate to the following parts of the Transaction:
- the land values received in respect of the land disposals of both the Dover Place Land and the South Park Land (freehold and leasehold) which are considered in paragraph 35 above and in **Exempt Appendix A, the Watson Day valuation advice and Appendix E, the Land Disposal Values;**
 - the cost of the land the Council is required to acquire to be able to deliver the development site detail of which is provided for in **Exempt Appendix D, Council Land and Lease Costs Schedule;**
 - the costs associated with the Council's leasing of 23,976 sq ft of office space in the Development are considered in **Exempt Appendix D, the Council Land and Lease Costs Schedule.** In the event that all or any of the 23,976 sq ft of office space that the Council is letting in the Development remains not sub-let, the Council will meet all of the lease costs (rent, service charge, insurance, business rates) pro-rata the un-let space. A total lease cost (rent, service charge, insurance and business rates) per sq ft per year is provided in **Appendix D** and this is considered in the Risk Assessment below;
 - the potential impact on the income currently generated by International House which is considered at paragraph 43 below;
 - the potential loss of car parking income from the existing car park on the Dover Place Land which is considered in paragraph 37 below; and
 - the potential costs of the Council exercising its option. Depending on the circumstances in which the Council is seeking to exercise the option, the price of buying both parcels of land back will be either £1, in the event that the Developer has not started the development works and has not entered a construction contract for the Development within 12 months of the date of completion of contracts or, in the event that the Development is not completed within 7 years from the date of completion of contracts, either at market value (as independently determined) or the cost of construction works carried out to date, whichever is the lower amount.
37. As a consequence of the Development the Council could lose some of the income it currently generates from the car parking spaces on the Dover Place Land. However, those people displaced from Dover Place could be absorbed in other Council owned car parks in the vicinity, none of which are operating at full capacity, resulting in little loss of income. On the unlikely assumption that none of the displaced car parking is absorbed in other Council owned car parks, the total lost income would equate to circa £130,000 per annum.

Risk Assessment

38. There are a number of risks associated with the Transaction. The majority of the risk is with the Developer, although there is a risk to the Council both financially and in terms of reputation.

The Development Risks

39. Many of the development risks (the implications following the outcome of the EU referendum, interest rate changes, build cost inflation, recession etc.) are borne by

the Developer. However, if the Development failed to be a success, the Council's reputation would likely suffer as a consequence. Also, if the Developer was struggling to let the property it is very likely that the Council would be in the same position in relation to sub-letting the 23,976 sq ft of office space that it has agreed to lease. The financial consequences of this are that the lease costs (rent, service charge, rates and insurance) would need to be met by the Council for the duration that the office space (or part) remained un-let. Details of the lease costs are contained in **Exempt Appendix D, the Council Land and Lease Costs Schedule** where a total lease cost per sq ft per year is given. Despite the recently negotiated and agreed lettings strategy (paragraph 29 above) there is still a risk that the Development could be completed with the Council as the only tenant in the building (albeit potentially with one floor sub-let). There is also the risk that the market rent, when it comes to sub-letting, is less than the rent the Council has agreed to pay under its agreement for lease and the Council would then need to meet the shortfall.

The Council's Sub-tenants Experience Financial Difficulty/Defaults

40. The strength of covenant of the sub-tenants the Council is sub-leasing to will each be evaluated at the time that any sub-lease is negotiated with the usual checks being carried out and references obtained. However, in the event that one of the sub-tenants started facing financial difficulties or became insolvent there is a risk that monies due would not be recovered and the Council would again have to meet all of the lease costs for the duration that the office space (or part) remained un-let.

The Developer Experiences Financial Difficulty/Defaults

41. The materialisation of a development risk or external factors may result in the Developer experiencing financial difficulties. As a Special Purpose Vehicle there is no recourse to a parent company or any guarantee should the Developer fail to perform any of its obligations (although note the option to purchase the Dover Place Land and the South Park Land lease are registered against the land and so exercisable against successive owners). The consequence of this could be to delay or frustrate the completion of the Development. In this scenario, in the absence of agreed resolution, both the Dover Place Land and the South Park Land could potentially lay vacant and undeveloped for a significant period of time and until the Council was able to exercise its option. Exactly when the option could be exercised would depend on whether or not the Developer had started the development works or not (see paragraph 31 above). There are also costs associated with the Council exercising the option which are considered at paragraph 36 above.

The Developer Delays Completing the Development for other Reasons

42. Various controls are in place to try and protect against the risk that the Developer acquires the land and then does not deliver the Development. However, these controls do not guarantee that the Development will proceed as envisaged and there is a risk that the Developer could land-bank the site after carrying out the minimum amount of work necessary to avoid the Council being able to exercise its option in the first twelve months. In this instance the Council would have to wait 7 years to be able to exercise its option to buy the land back. During those 7 years the Council would be unable to do anything in respect of either the Dover Place Land or the South Park Land in the absence of agreement being reached with the Developer and its funder.

The Impact on International House and other Council owned Office Space

43. The Council owns International House and lets office space in the building generating significant income. The significant increase in the supply of office accommodation could negatively impact on the demand for office space at

International House thereby reducing the amount of income generated there. Alternatively, the success of the Development could increase the demand for office space in the Commercial Quarter and therefore at International House ultimately leading to an increase in rents and income.

That the Transaction does not get approved and the Development and the Commercial Quarter do not go ahead for the Foreseeable Future

44. If the Transaction is not approved then it is almost certainly the case that the Development will be significantly delayed. This will undoubtedly negatively impact on the Council's delivery of the Commercial Quarter, the Development being intended as the catalyst leading to further investment and development. It is impossible to accurately forecast how widely the impact of this would influence town centre investment and regeneration generally. It is reasonable to suspect that if the Council were to show signs of losing confidence in town centre investment others would likewise follow. Pursuing any of the alternative options considered below would take considerable time and in the context of the current uncertainty surrounding the economy and commercial property market post the EU referendum, a decision not to proceed is likely to result in the Commercial Quarter not being realised in the foreseeable future.

Other Options Considered

45. Not agreeing to the proposed Transaction could mean the Council having to re-market the development opportunity. This will lead to significant delay, it having taken 12 months to reach this stage, and will ultimately delay the delivery of the first phase of the Commercial Quarter. After considerable and detailed negotiation, the Council is not being offered the opportunity to negotiate any of the terms of the Transaction with the Developer any further.
46. An alternative option to marketing the development opportunity would be for the Council to carry out the Development itself. This would mean the Council meeting the cost of the Development and the Council bearing all of the developer's risk. This being a speculative office development, being one which is built before having tenants signed up, and an area where the Council has little development expertise, the risk was considered to outweigh the potential benefit.
47. Given the uncertainty surrounding the economy and the commercial property market, in particular post the recent EU referendum result, the Council could decide to delay doing anything with the site for the foreseeable future and until more confidence has returned to the market and the economy. This would mean losing the opportunity of the Transaction and would cause considerable delay in bringing forward the Commercial Quarter.

Consultation

48. Terms of the above Transaction have been previously been before the Town Centre Regeneration Board.
49. The planning application which is to be a decision for Planning Committee in July has followed the usual consultation process.

Conclusion

50. Taking this decision makes a significant statement about the Council's commitment to the regeneration of the town centre and demonstrates its faith and confidence in the borough. In addition to the numerous economic and regeneration benefits which the Development will bring, it will mark the beginning of the Commercial Quarter. The fact that the Commercial Quarter is one of the Council's Big 8 Projects illustrates the importance and significance that is placed upon its successful delivery. This proposal has been put forward to give the Council and the Developer the best chance of ensuring that successful delivery.

Portfolio Holder's Views

51. Cabinet is asked to welcome and support this exciting opportunity to regenerate the town centre and kick-start development in the new Commercial Quarter. This key strategic site has long been earmarked for development but it is in only since the Council acquired it and undertook its own master planning and marketing exercise that a proposal has come forward. The economic and regeneration advantages which will follow as a consequence of this development will benefit the town centre and the wider borough enormously. Beyond this it will be the catalyst for the Commercial Quarter delivering jobs and opportunities befitting the international town of Ashford. Given the history of the site and how long it has remained undeveloped, if we were to allow this opportunity to pass I fear for how long it would be before we would get the chance to make such a difference again. I am therefore pleased to be able to commend the recommendations to Council.

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