

DEVELOPMENT BRIEF

Paper Number	Approval Date
<Commercial Team use only>	<Commercial Team use only>

Summary			
Type	Project	Version No.	1
Proposed By		Date Proposed	17.03.16
Department/Team	Operations / Business Infrastructure	Project Category	
Title	West Riverside Preferred Developer & SI Contribution		

Summary Description
<p>This project will allow SE to appoint a preferred developer for the 17.8 Ha (44 Acres) West Riverside site situated between Loch Lomond Shores and the centre of Balloch.</p> <p>Heads of Terms have been agreed with the developer who will undertake a detailed assessment of the site and bring forward a detailed masterplan for a phased mixed use leisure development.</p> <p>This will bring SE one step closer to realising the long-standing aspiration of delivering an internationally attractive tourism and leisure destination at West Riverside and complete the wider Loch Lomond Shores development. The private sector investment in commercial development is currently estimated in excess of £30m, which will be delivered on a phased basis over a 3-5 year period.</p>

Description & Strategic Rationale
<p>Loch Lomond Shores (LLS) is a visitor destination at the South end of Loch Lomond and comprises a Jenners Department store, retail mall, aquarium and various café/restaurants. It is positioned as a gateway for visitors to the wider National Park and is an internationally recognised, five star tourism destination.</p> <p>SE led the development of this project which was completed in 2002 and retains a significant heritable interest in LLS comprising the landlord's interest in the retail unit ground leases, the ownership of Drumkinnon Tower (leased to Merlin who operate the aquarium) and title to the Common Parts (i.e. car parks, pedestrian circulation areas etc).</p> <p>LLS has seen visitor numbers increase by 16% over the past five years. Initial data indicates towards this trend continuing in 2016. A study carried out by the Moffat Centre (2016) identified LLS as one of seven key Scottish tourist attractions to record more than one million visitors in 2015. LLS (1.25 million visitors) is the only tourism destination within the top seven attractions to be located out with Edinburgh or Glasgow.</p> <p>This success follows the implementation of a new strategy at LLS aimed at broadening the appeal of the destination by improving the 'Play' activities on offer. Recent additions include Drumkinnon Bay Pontoon, Bird of Prey centre and, Treezone ropes course.</p> <p>Identifying an opportunity to build on this success SE, in partnership with Loch Lomond and Trossachs National Park Authority (LLTNPA), has been promoting West Riverside and the undeveloped sites within LLS for leisure based development in order to further boost economic activity in the National Park.</p> <p>As a result of our marketing campaign and subsequent closing date, Flamingo Land Limited (FL) has been identified as the preferred developer at West Riverside.</p> <p>The strengths of the FL proposal included; a proven track record for delivery of mixed use leisure developments, access to (non-debt) funding and, the ability to meet economic objectives stated within the development brief.</p> <p>The FL proposal is schematic and subject to refinement upon completion of various site investigations</p>

and a full business model. The proposal currently comprises of five development areas with a monorail system, cycle routes, pathways and miniature railway to transport visitors around the site.

The development (Appendix 1) is centred on a concept of three main visitor hubs:

- Hub1 : New Station Square – arrival from public transport / pedestrian
- Hub2 : Woodland Gate – arrival with cars
- Hub3 : Observation – activity destination and key link to LLS

West Riverside is considered to be a strategic link from the centre of Balloch to LLS and more widely as a Gateway to Loch Lomond and west Highlands.

Ultimately SE’s objective is to generate additional economic activity within the National Park with a particular focus on attracting non-Scottish visitors. This development can deliver on a number of key objectives within the National Park including increasing the time visitors spend in the area, increasing number of overnight stays, establishing a night-time economy and providing a strong physical link between Balloch town centre and LLS.

Development of West Riverside still presents a significant development challenge in terms of physical constraints with issues associated to ground conditions, flooding and infrastructure capacity. It is anticipated SE funding will be required to close the gap between cost and value to make private sector investment financially viable. It is anticipated that funding support will be required for delivery of enabling infrastructure and public realm works. This contribution will be made via a combination of grant funding, direct works or an adjustment to the site sale price. The total value of investment required will be determined during the detailed design phase and will be subject to approval of a full business case via the project lifecycle.

FL propose to undertake a series of robust site investigations encompassing a range of geotechnical, ecology, flood risk, utilities, and access studies, among others. These investigations will be used to inform the final layout of the FL development which will form the basis for agreeing the SE funding package.

On completion of this phase of work, the project team will seek formal approval for the preferred implementation strategy, proposed investment by SE and subsequent disposal of land to FL.

Should FL decide not to progress with their proposed development, SE’s financial contribution to the site investigations will provide key technical information which will inform future strategy at West Riverside.

Strategic Fit			
Business Plan Area	Business Infrastructure		
Sector Supported	Tourism	Priority	Medium
Any other relevant Strategic Fit			
Relevant public bodies providing support or having strategic remit in project area	Loch Lomond & Trossachs National Park Authority		

Key Project Development Milestones/Outputs/Deliverables <i>(including Project Reviews)</i>	
Description	Est. Date

•	<p>[Redacted content]</p>		<p>[Redacted content]</p>
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Planned Duration							
Development Phase				Delivery Phase			
From	Mar 16	To	Feb 17	From	Feb 17	To	August 22
Where appropriate state any time pressures on this proposal							
Preferred developer identified and outline Heads of Terms have been agreed but still to go through both sets of legal teams.							

Estimated Costs (including VAT where appropriate)			
Organisation	Dev. Funding	Delivery	Total
Flamingo Land Limited	[Redacted]	[Redacted]	[Redacted]
Scottish Enterprise	[Redacted]	[Redacted]	[Redacted]
Total	[Redacted]	[Redacted]	[Redacted]

What will Development Funding will be used for?
[Redacted]
(1) [Redacted] contribution to site investigations undertaken by preferred developer ;
<ul style="list-style-type: none"> • identifying extraordinary foundation costs due to poor ground conditions, • highlighting insufficient capacity in local utility/drainage networks, • flood protection / risk • if treatment / removal of hazardous waste is required • Assist SE to achieve open market value when disposing the site
(2) provide budget for property & engineering advice;
(3) Support the completion of a development agreement with preferred development.
Section of E&NT (Scotland) Act 1990 (for Development Funding)

People Resources Required (during Development)				
Role	Name (if identified)	Days	Frequency	Duration
SRO	[Redacted]	0.5	Monthly	4 years
Project Manager	[Redacted]	1	Weekly	4 years
SRO Development Opportunity?				Yes/No
Additional supporting comments on the People Resource requirements (if appropriate)				
Support will be required from SE Legal and SE Procurement colleagues to ensure project is compliant with policy.				

Dependencies/Interfaces
State any relevant relationships with other activity in the organisation and/or partners both existing and to be investigated
SE has worked in partnership with LLTNPA to develop the initial brief, marketing material, supported on tender evaluation and identification of preferred developer. As the planning authority, LLTNPA will remain an active partner and play a supporting role in the development of these proposals.

Send your completed Development Brief for approval (once saved) to Project Lifecycle mailbox at projectlifecycle@scotent.co.uk