



Project Cambridge

Connecting the Station to the City Centre

tax increment financing
prospectus

September 2009
Committee Draft v4.0



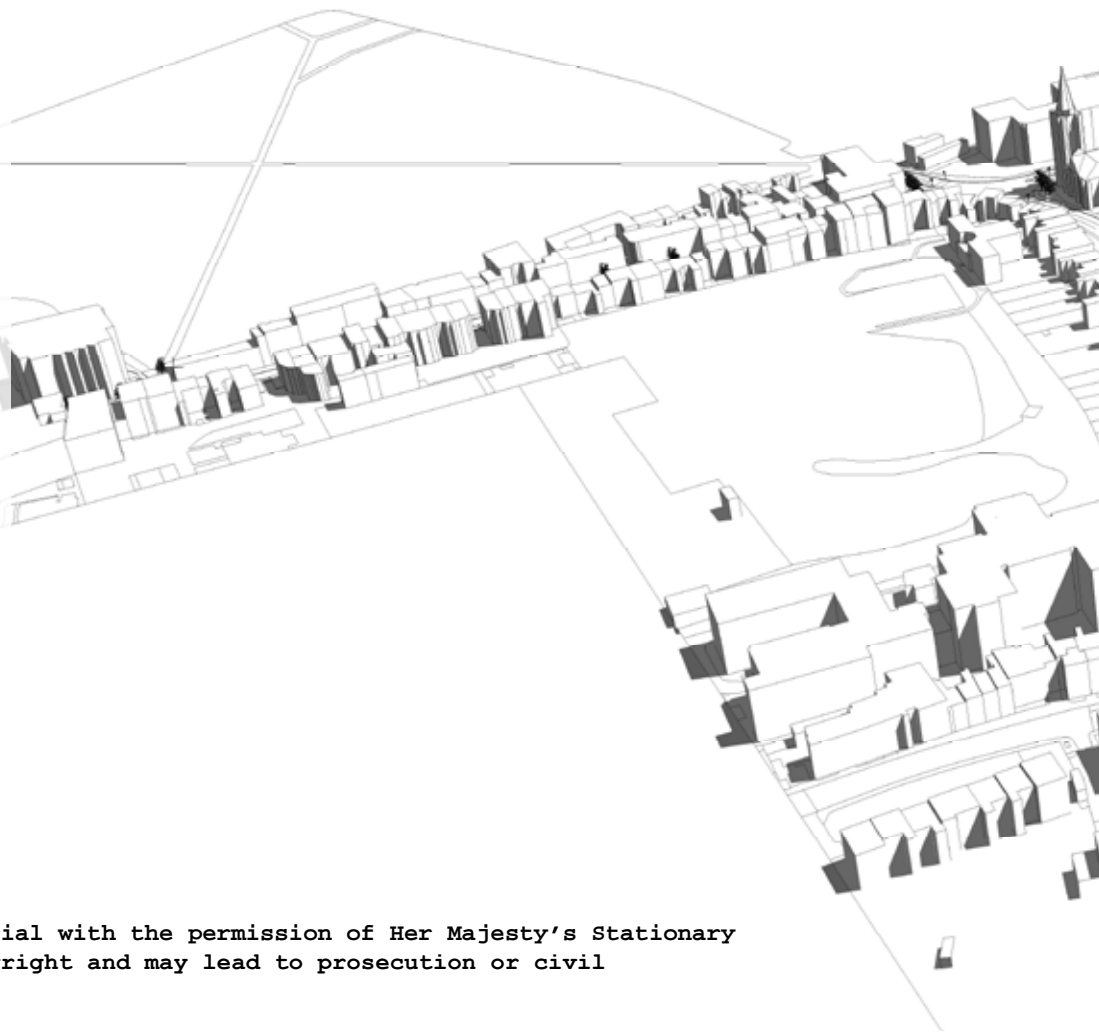
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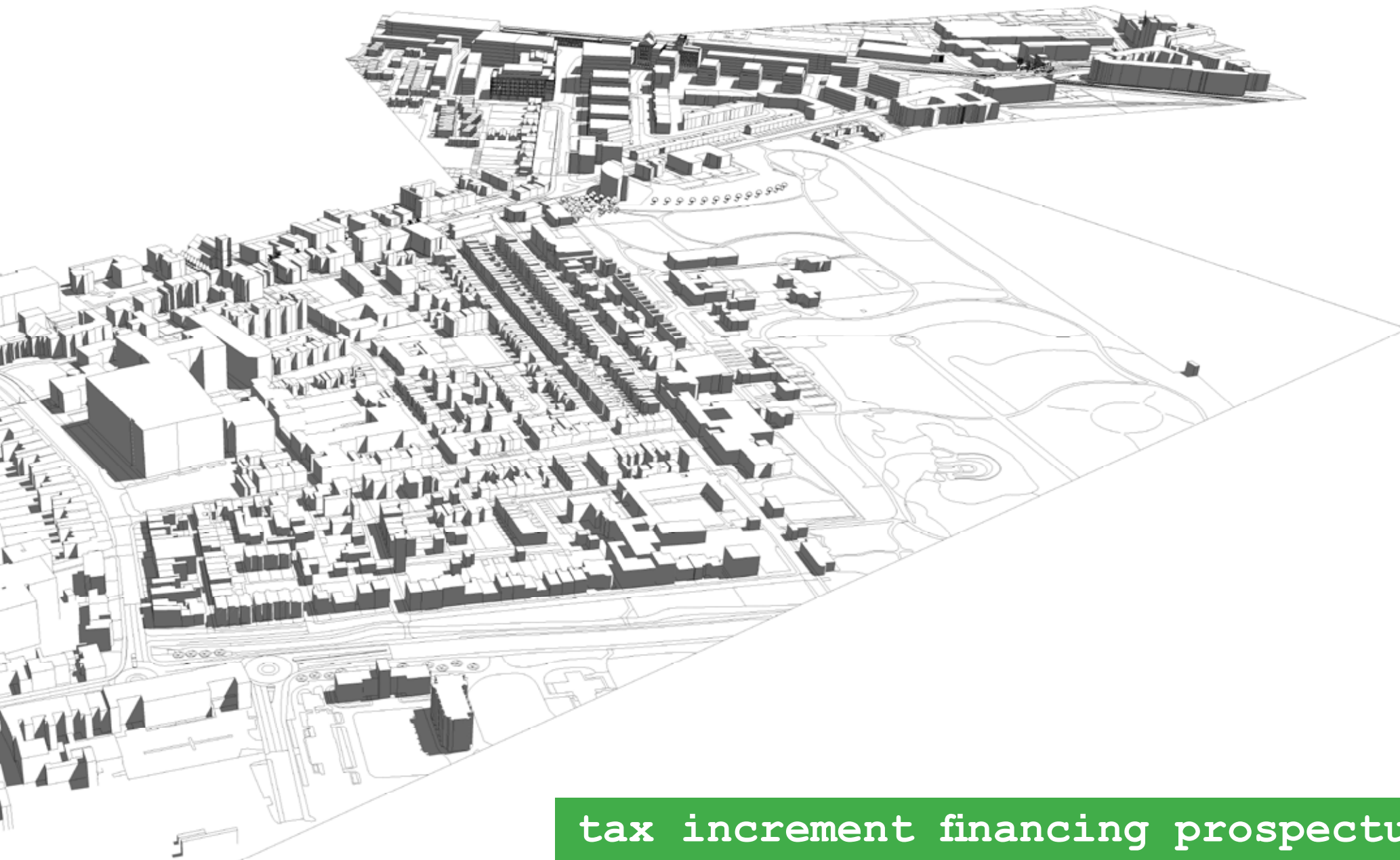


Cambridgeshire
Horizons
driving forward sustainable communities

Project Cambridge

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tax increment financing prospectus

Welcome to Project Cambridge!

Cambridge is a growing City and a key player in the London-Stansted-Cambridge-Peterborough growth area. The City will see significant growth in the coming decade, with a target of 19,000 new dwellings by 2021, as well as the development of the new settlement at Northstowe and other developments within the sub-region.

Cambridge rightly deserves its place at the heart of the region and will continue to play a pivotal role as a place of knowledge, learning, innovation, retail and commerce. The City boasts one of the most successful high technology business clusters in Europe with the best-skilled workforce in the UK. Housing growth, combined with other development, such as the Cambridge Biomedical Campus at Addenbrooke's Hospital, the continued development of the Cambridge Science Park and the two Universities reinforces Cambridge's key role within the growth area. As a centre of prosperity and growth Cambridge will be one of the places that can lead the UK out of recession.

'as a centre of prosperity and growth Cambridge will be one of the places that can lead the UK out of recession'

However growth cannot be delivered unless a way can be found to fund major infrastructure projects. The key challenge is therefore how to deliver the infrastructure needed for a growing City and how to provide the things people need to live their lives in a sustainable way making walking, cycling and public transport the *real* alternative.

Tax Increment Financing (TIF) can provide the tool for the delivery of infrastructure and the key to unlocking this growth. Project Cambridge will create the right conditions for achieving an increment in the business rates income, which over time can be used to fund the infrastructure projects identified in this prospectus. Project Cambridge will provide the mechanism for delivering the much-needed infrastructure in this part of the city, in advance of future development, and ensure that Cambridge continues to be an attractive place in which to live and work.

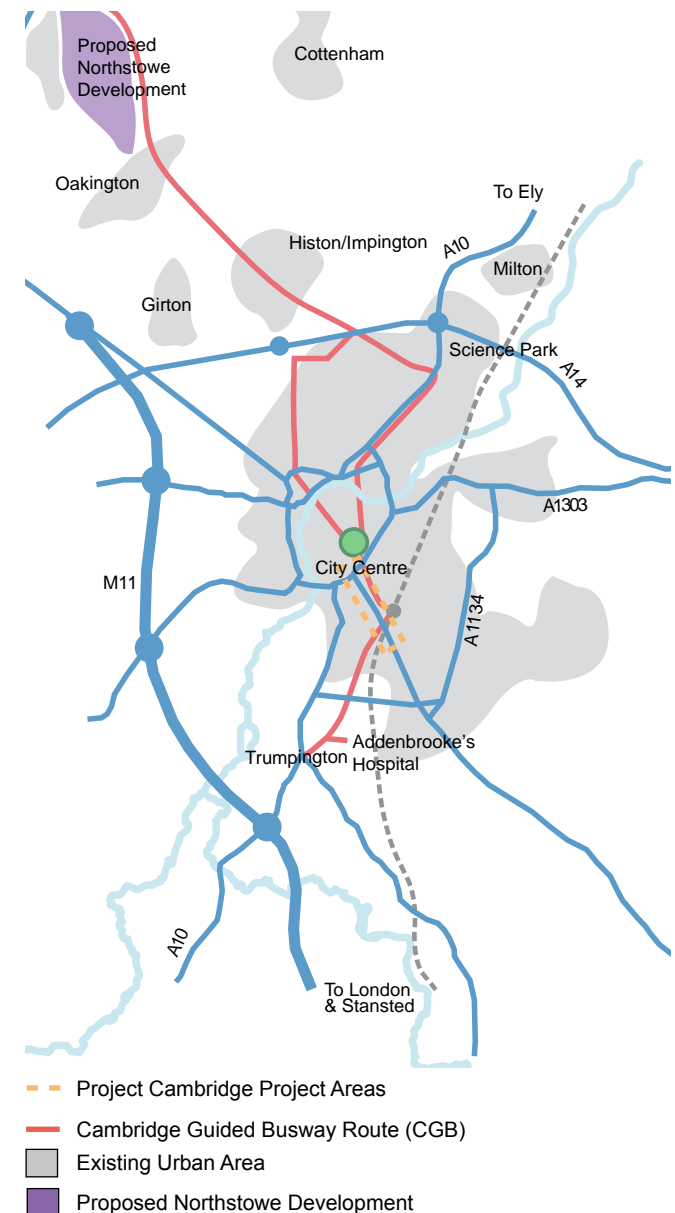


Figure 1: City Context Plan of Cambridge

TAX INCREMENT FINANCING IN CAMBRIDGESHIRE

Tax Increment Financing has been an area of interest for Cambridgeshire for some time. We see it as a way of delivering further investment in public infrastructure, during a period where developer contributions are under pressure, government funding is scarce, and the current grant mechanism fails to reward growth. We believe Tax Increment Finance is one of several measures that can help to ensure the delivery of continued sustainable growth.

Project Cambridge will secure the up-front investment in the Station Road and Hills Road/Regent Street Corridor that will then be repaid by the subsequent increase in business rate revenue. The financial model underpinning the bid takes a very prudent view of the likely gains, which are likely to exceed the amounts simply required to repay the investment.

Financial case and tax yield

The overall approach has been to identify the net gain in business rates payable within the area as follows:

- Identify and exclude business rates being lost through demolition or site clearance;
- Estimate the business rates value of the proposed new build;
- Estimate the impact of the improvement on other business rate in the surrounding area

(upper estimate only); and

- Adjust for exemptions, vacancy rates and collection rates.

The minimum expected additional business rate yield would provide for **£25m** of investment, repayable over 25 years.

The upper expected additional business rate yield could provide **£55m**, or halve the repayment period.

A summary is shown in table 1 below and full details are available on request.

	£000 Minimum	£000 Upper
Rateable Value of buildings to be removed	(£2,285)	(£2,285)
Rateable Value of new build	£7,637	£12,700
General improvements in business rate in surrounding area	£0	£1,000
Exemptions/reliefs	(£533)	-
Vacancy/empty property allowance	(£477)	(£794)
Collection rate	99.7%	99.7%
Net increase in rateable value	£4,327	£9,593
Increase business revenue p.a	£2,090	£4,633
Prudential borrowing capacity	£24,585	£54,508

Table 1.

Broader Financial Benefits

- The projects focus on a specific area of Cambridge, but it is considered that the proposals will deliver benefits well beyond the immediate area.
- The benefits of the transport corridor will enhance business growth potential and increase the value of premises outside the immediate station area.
- The integrated transport approach will support the links to Northstowe, the Science Park and to Addenbrooke's Hospital. The station is also a major hub into the region.

Risk and sensitivities summary

- The financial case is built around minimum expectations of additional business rate take and the scheme is therefore **low risk**.
- Only the impact on business rate impact in the immediate area of the station is considered, but there is likely to be a positive impact throughout the corridor.
- Additional gains through corporation and income tax streams will accrue to the Treasury and do not underpin our financial model.
- The revaluation impact in 2010 is likely to be positive, but is not included at this stage.
- Direct public interest in the project also minimises risk such as the already secured investments in Guided Busway and station platform upgrade. Additional contributions from developer to affordable housing and general infrastructure costs are nearing agreement.

A brief history

The historical problem

Cambridge railway station was built in 1845, just 1 mile (20 minutes walk) from the City Centre. At the time this was felt to be a desirable location to reduce the likelihood of undergraduates travelling to the 'vices' of London!

Decades of growth have resulted in the Station being absorbed into the wider City. But this growth has not created a high quality link for pedestrians, cyclists and public transport users from the Station into the City Centre and vice-versa. Development that has grown up along the route is now a space to pass through and negotiate rather than a place to stop and enjoy.



Figure 2: Hyde Park Corner c. 1950

Existing situation

Stepping out of the station, the first impression of the City is one of disorientation and confusion. For the visitor, it is simply not clear where the City Centre actually is, nor how far. Poor quality public realm combined with a fragmented and frustrated pedestrian and cyclist experience currently characterises this route into the centre and makes the distance feel further.

'the station provides a 'global gateway' to the city'

Cambridge is connected to the world via Stansted airport and the Station provides a 'global gateway' to the City and to the wider region. Yet at a local level the connection between the station and the City Centre is broken. The CB1 redevelopment around the station and creation of the new transport interchange will dramatically improve the first impression of Cambridge. Project Cambridge will complete the integration of this area into the wider city. Cambridge deserves better – Project Cambridge will help to deliver better!



Figure 3: Lack of adequate cycle parking facilities at Hills Road Local Centre



Figure 4: Traffic congestion, Hyde Park Corner



Figure 5: Restaurant fronting Hills Road



Figure 6: Regent Street



Fig 7: Walkable neighbourhood analysis of Hills Road Local Centre showing 400m and 800m walking distances

Project Cambridge Project Area

The Vision

'a high quality green link connecting the City Centre to the station'

Part of Cambridge's character is defined through the green corridors that provide green links from the City Centre out to the countryside. These defining features provide the inspiration for a new vision for the route from the Station to the City Centre. Connecting the Station and the City Centre together for the first time using a high quality 'green link' lies at the heart of Project Cambridge.

Project Cambridge embraces all aspects of 'green'. Obviously opportunities to physically green the route through the introduction of trees and other planting will be maximised, but there are other aspects which can be addressed to make this a truly 'green' and 'sustainable' solution. These solutions will be explored further in the Key Projects section of this prospectus.

Project Cambridge will therefore connect, for the very first time, the station with the City Centre through the creation of a high quality public realm, a rediscovery of the shops and services that line the route and the improvement of the pedestrian and cycle experience on the route into the City centre. The Tax Increment Finance scheme will deliver these improvements.

So what exists already?

Cambridge has been incredibly fortunate to secure two crucial infrastructure projects within the study area. The Cambridgeshire Guided Bus (CGB), which is nearing completion, will provide a high quality link into the City from Huntingdon to the north of Cambridge and from Trumpington in the south. Funding for a high quality 'bus only' link into the Station area from Hills Road has been secured by the County Council and is scheduled to start on site in early 2010.

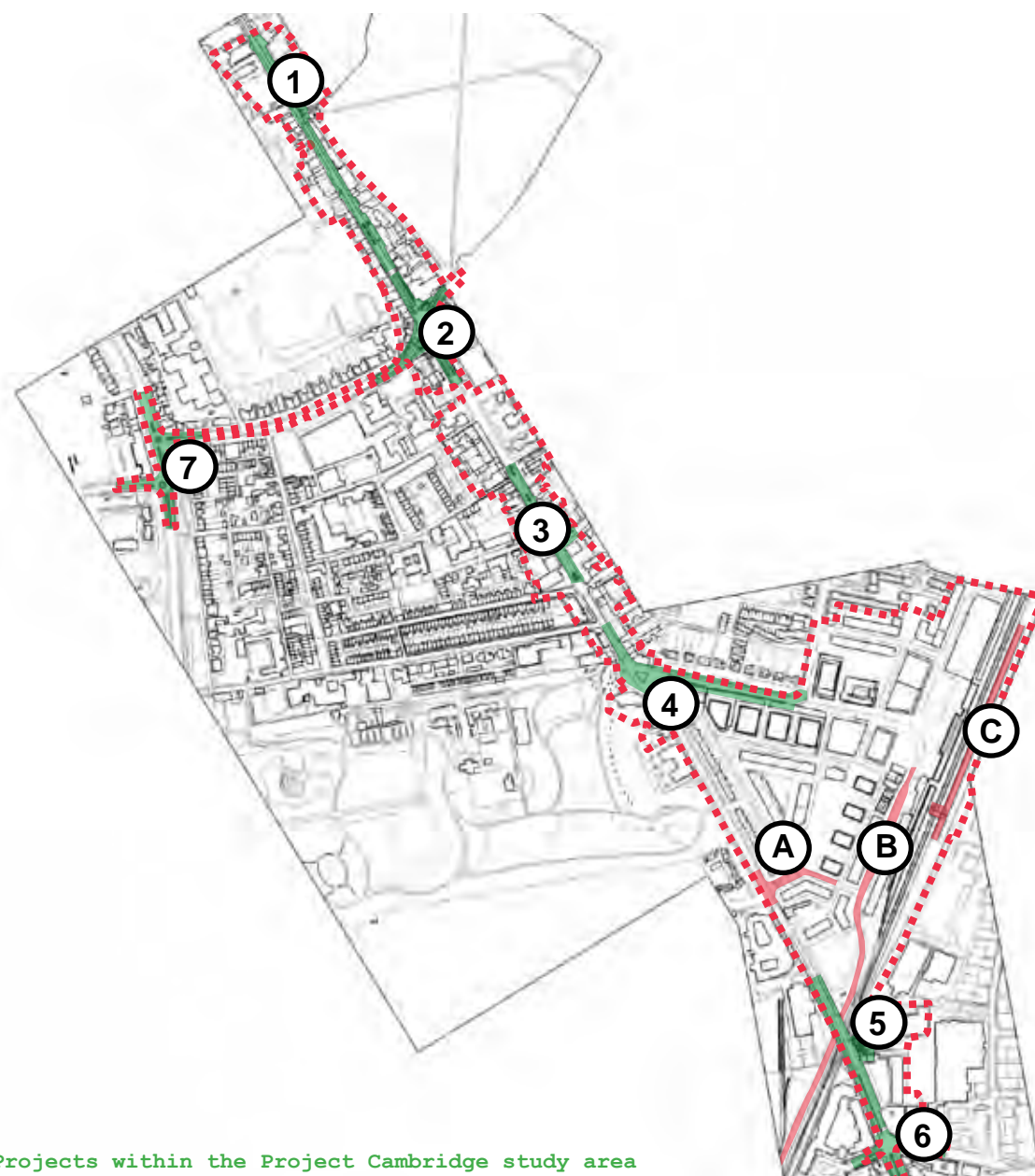
In addition there have been new developments, some now built and others with either outline or reserved matters approval, which have already transformed or will shortly transform areas along the route. These developments will help

to put the heart and soul back into this part of Cambridge.

The redevelopment of the area around the station through the consented CB1 scheme, to be developed by Ashwells plc, is central to the redevelopment of the area. CB1 will deliver a high quality mixed use scheme focused on a new station square alongside a state of the art new transport interchange for bus, bike and rail.


'Project Cambridge aims to provide the missing pieces of the jigsaw puzzle'


Project Cambridge aims to provide the missing pieces of the jigsaw puzzle. The projects outlined in this proposal will compliment existing committed proposals and provides our chance to deliver a coherent vision for a high quality 'green link' from the Station into the City Centre. All of which will enhance the ability of Cambridge to maximise its economic and environmental potential. Project Cambridge is our opportunity to leave the City with a legacy of which we can all be rightly proud.



Project Cambridge Key Projects

1. Regent Street
 2. Hyde Park Corner
 3. Hills Road Local Centre
 4. Station Approach
 5. Cambridge Leisure
 6. Cherry Hinton Road Junction
 7. Lensfield Road Junction
-
- A. Brooklands Avenue Junction Bus Link
 - B. Cambridgeshire Guided Busway (CGB)
 - C. Cambridge Railway Station Central Island Platform

 Project Cambridge Project Area

 Project Cambridge Key Projects

 Existing Infrastructure Projects

Fig 8: Key Projects within the Project Cambridge study area

What will Project Cambridge do?

Promoting people power

Cambridge is a very 'walkable' place and a place that is great to cycle around. Recently awarded Cycle Demonstration Town Status, Cambridge is a place where people like to get on their bikes!

'Cambridge is a very walkable place and a place that is great to cycle around'

In 2001, twenty-six percent of journeys in the City* were made by bike. Today this figure is nearer to 30%, which when compared to the national figure of 2.8%, demonstrates why in Cambridge the bike is king. With the Station just 1 mile from the City Centre opportunities to promote both walking and cycling need to be maximised.

At present, these 'green' transport modes have to compete with cars, vans and lorries. Decades of highway engineering to improve capacity and

flows of motorised vehicles have taken precedent over the 'green' options.

We have a chance to redress the balance. County and City members and officers have already been to see the exemplar traffic calming scheme at Kensington High Street in London and are enthusiastic to embrace this concept as a new way of managing vehicles and regaining the balance in favour of pedestrians and cyclists. The seven Key Projects highlighted in this prospectus are collectively focused on improving the pedestrian and cycle experience along the route from the Station into the City Centre.



Figure 9: Cycling in Cambridge

*Data from the 2001 census shows that 26% of journeys to work by Cambridge residents are by pedal cycle. For Cambridgeshire as a whole the figure is 9.1%, which is much higher than the average 2.8% for England.

Promoting place

Part of the problem with the route from the Station into the City Centre is that it is simply a corridor to pass through with little incentive to stop. Project Cambridge is about lifting the quality of the area through rediscovering the meaning of 'place'.



Figure 10: Hills Road Local Centre proposal

Promoting local shops and services

Hills Road will be transformed from space that people simply pass through, into a place where character and distinctiveness are used to their advantage. This is an opportunity to add real value and quality to the area.

'an opportunity to add real value and quality to the area'



Figure 11: Local shops and services within the Hills Road Local Centre

Imagine being able to cross the street from one side to the other as and where you want to because vehicle speeds are low and because as a pedestrian or a cyclist you are important. The projects on both Hills Road and Regent Street will allow you to do just that, to engage with the street and the shops and services that lie along it. Such places create a vibrant user experience and add to the vitality of urban places. Such places foster a sense of community, are inclusive and reinforce local identity and character. Such places are good for people and the businesses that trade along them. Project Cambridge will add real value both commercially and socially to the Hills Road and Regent Street area.



Figure 12: Local Shops and services along Regent Street

Promoting connectivity

The area to the south of the Station around, and including Cambridge Leisure, has seen considerable change in recent years. Development of a scale and density not seen in the City before has changed this area dramatically. Cambridge Leisure provides a new destination close to the Station. Project Cambridge will ensure that people are put first with high quality and inclusive links between the major movement generators on the route from Cambridge Station.



Figure 13: Cambridge Guided Busway (CGB)

Project Cambridge Key Projects

Project Cambridge will be realised through a series of key projects that, when linked together, will either create or facilitate the creation of a high quality pedestrian and cycle route from the Station into the City Centre.

The following pages provide an outline of these projects and the improvements that will result from them through their implementation. The proposals shown in the key projects are illustrative only and further detailed design work will be needed should the bid be successful.

Cambridge is a progressive City. It is a City open to new ideas and new ways of working, from the discovery of DNA to embracing the digital revolution Cambridge is a place that leads the way. Therefore shouldn't Cambridge also embrace new ways of place making? Project Cambridge will deliver seven Key Projects that will create a bold, coherent and people focused route between the Station and the City Centre. The Project Cambridge Key Projects are identified in Figure 14.

Key Projects

1. Regent Street
2. Hyde Park Corner
3. Hills Road Local Centre
4. Station Approach
5. Cambridge Leisure
6. Cherry Hinton Road Junction
7. Lensfield Road Junction



Proposed CB1 Development Area

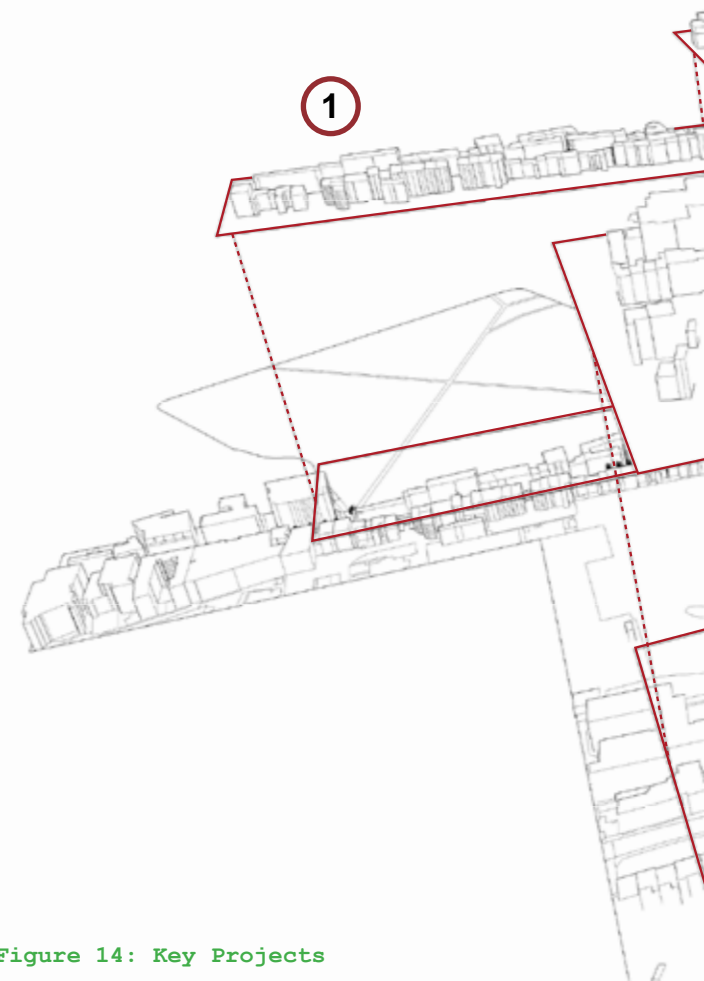
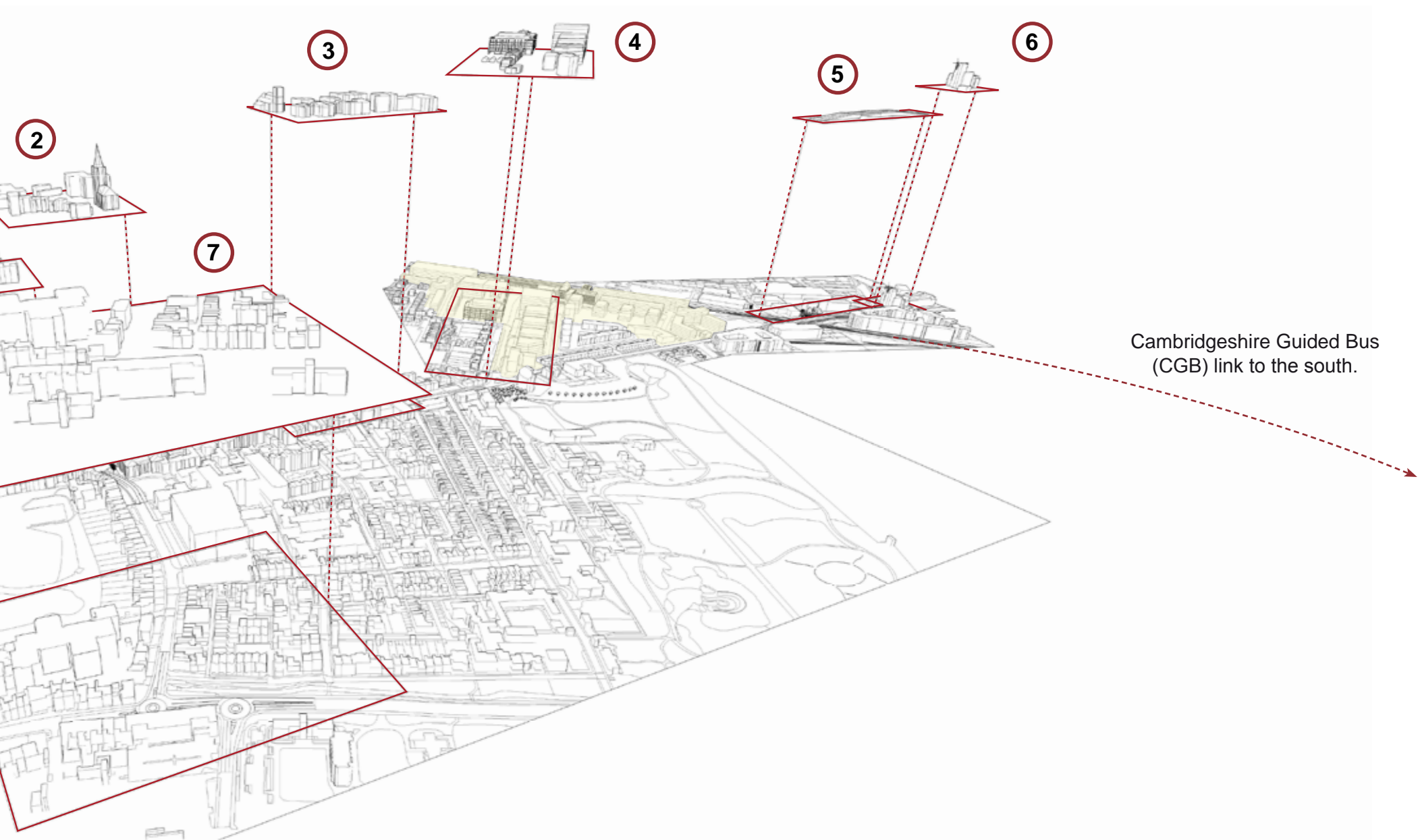


Figure 14: Key Projects



Project 1: Regent Street

Regent Street has a number of cafes, bars and restaurants located along it and experiences high volumes of pedestrian traffic. Project 1 will introduce wider pavements to better cope with demand, reduce street clutter and provide improved cycle parking facilities.

Street trees in key locations will link into planting on Parker's Piece and provide the green continuity established further along the route on Hills Road.

'reduce street clutter and provide improved cycle parking facilities'

The approach taken to Regent's Street will be similar to the model adopted for the Hills Road Local Centre further along the route. However reduced vehicle flows in the street, due to the introduction of rising bollards beyond Park Terrace, mean that there is the potential to be even more radical.



Figure 15: Regent Street looking south showing the new crossing to Parker's Piece



Figure 16: Plan showing improvements to Regent Street



Figure 17: Existing view of Regent Street

Project 2: Hyde Park Corner

Did you know that Cambridge has its very own Hyde Park? Currently a bisected and heavily trafficked junction on the ring road, this junction has the potential to create something better for Cambridge.

'simplify the pedestrian experience'

Historic photographs show a drinking fountain in the middle of the junction and a horse trough on Hills Road. The ambience was very different to the experience now! Project 2 looks to reallocate space and improve the setting of the Our Lady of the English Martyrs Church and increase pavement widths in front of the terrace opposite. At the moment pedestrians have to negotiate 3 crossing points to go from Regent Street to Hills Road and on to the Station. The existing filter lanes and the channelling of pedestrians does not create an acceptable link at this crucial point on the journey to and from the station. Project 3 will simplify the pedestrian experience through more direct crossings and will investigate the



Figure 18: Hyde Park Corner as proposed with simplified pedestrian crossings and widened pavements (inset: Existing situation)

potential for single stage crossings on all arms of the junction.

All approaches to the junction will have advanced stop lines for cyclists in recognition of the key function this route has in terms of commuter cycle movements. Cycle lanes on the approaches, and continued along Hills Road, will help prioritise cyclists at these busy junctions.

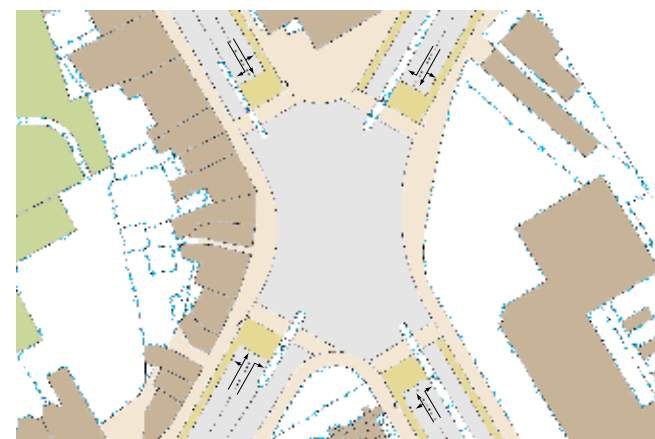


Figure 19: Proposed changes to the Hyde Park Corner junction

Project 3: Hills Road Local Centre

Project 3 will reconnect both sides of the street and improve the pedestrian experience. Crucially it is an opportunity to rediscover the function and vitality of the 'high street'.

It will be achieved through traffic management and the introduction of a 20mph zone through the local centre. Reduced vehicle speeds combined with a new central island will create an environment in which users can cross from one side to the other without having to use conventional pedestrian crossing points. The surface treatment of these central islands will be the same as the pavement and will also include elements traditionally associated with the 'edges' of the street such as cycle parking. This will help to reduce the visual dominance of the carriageway.

The change of road layout and street design at Hills Road Local Centre will effectively mark the arrival point into the

revitalised hub of Hills Road. The definition of shops as a place rather than simply a space will shorten the perceived distance from the Station into the City Centre.

'an opportunity to rediscover the function and vitality of the 'high street''

With reduced vehicle carriageways and a reduction in street clutter through the removal of pedestrian guardrails and the provision of cycle parking on the central island, pavement widths will be increased and uses within the shops will have room to 'spill out', enlivening and activating the edges of the route. This will allow unrestricted pedestrian movement along the street and allow cafes and bars to put tables out and so enliven the street.

Where pedestrians cross side streets they will be able to do so on a level surface and with priority over vehicles turning into the street. Such an approach is conducive to lower vehicle speeds and is essential in redressing the balance in favour of pedestrians. Opportunities to introduce street trees will physically green the area.

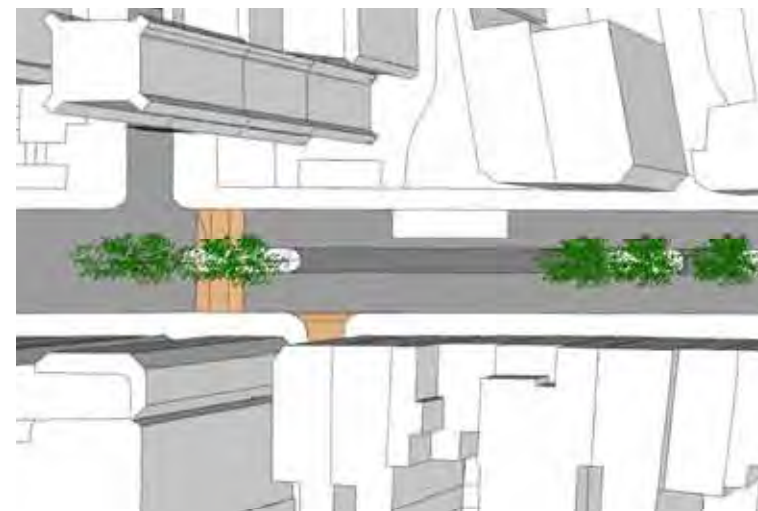


Figure 20: Proposed Improvements to Hills Road Local Centre



Figure 21: As existing - vehicle space dominates



Figure 22: As existing - Poor junction detailing and wasted threshold space



Central Island - reduced vehicle speeds (20mph), central islands and improved pedestrian crossings



Figure 23: Proposed improvements - showing central islands containing cycle parking and street trees



Bollard and surface treatments (Liverpool Rope Walks)



Central islands to accommodate cycle parking (Kensington High Street)



Drop kerbs used at all pedestrian crossing points (Kensington High Street)



Removal of barriers at pedestrian crossings (Kensington High Street)



Surface Treatment to approach roads (Central Park, Birmingham)

Figure 24: Precedent images for Hills Road

Project 4: Station Approach

The development at CB1 will provide the needed bus interchange and high quality public realm at the Station. This combined with the Cambridgeshire Guided Bus and bus link will help to ensure that public transport facilities will be in place to meet the demands of a growing City.

'creation of a clear link from the Station down to the junction of Hills Road'

The approach to the Station has historic as well as more functional significance. Project 4 will link the proposed CB1 Station Square down to Hills Road through the creation of high quality public realm. The result will be the creation of a clear link from the Station down to the junction with Hills Road and culminating in the relocation and improved setting of the War Memorial acting as the counterweight to the Station building at the other end of the vista.



Figure 25: Proposed improvements with wider pavements, relocated war memorial and improved crossings



Figure 26: Plan showing proposed changes to the Station Road junction



Figure 27: Existing Station Road junction

Project 5: Cambridge Leisure

Cambridge Leisure is located south of the Station across Hills Road Bridge. Getting to Cambridge Leisure on foot currently takes determination and grit. Not two qualities normally associated with leisure activities! Project 5 aims to improve the connection into Cambridge Leisure from Hills Road. It will change the emphasis from an unwelcoming and unattractive set of steps to a vibrant and exciting studio and gallery space complementing the creative nature of 'The Junction' venue.

**'equal accessibility
for all users'**

The result of Project 5 will be the creation of a street with activity and animation, an improved physical and visual connection into Cambridge Leisure from Hills Road Bridge, and crucially will be equally accessible for all users through the improved steps and new lifts.



Figure 28: 'Welcome to Cambridge Leisure'. Cambridge Leisure as proposed; Gallery and art spaces compliment the creativity of the existing junction venue



Figure 29:
Existing access



Figure 30: Bespoke coffee kiosk by Thomas Heatherwick



Figure 31: Proposed view from Cambridge Leisure to the new gallery and studio space



Project 6: Cherry Hinton Road Junction

Project 6 marks the southern end of the area covered by this prospectus. The area around the junction has seen significant change in the last 5 years and the consented 'Living Screens' scheme at the south east corner of the junction will complete this redevelopment area. Project 6 will create a quality connection from these new developments on all sides of the junction through to Hills Road and Cambridge Leisure.

This is achieved through applying a new approach to traffic management and traditional highway engineering whilst at the same time recognising the significant role that this junction has in terms of the wider highway network. Single stage crossings will be provided if feasible and the whole geometry of the junction tightened to create a less hostile and better connected pedestrian environment.



Figure 32: Cherry Hinton Road junction - proposed changes to junction geometry with improved and additional pedestrian crossings

'the whole geometry of the junction tightened to create a less hostile and better connected pedestrian environment'



Figure 33: Existing arrangement of Cherry Hinton Road Junction

Project 7: Lensfield Road Junction

Project 7 forms the final piece of the jigsaw puzzle. Although located outside the main Project Cambridge area, it is critical to the overall success of the other projects. At the moment Lensfield Road and The Fen Causeway junctions combine to form a bottleneck in the City and result in traffic backing up on to Gonville Place to the east of the Hyde Park junction. If improvements are to be made in Project 3 then Project 7 needs to happen!

Project 7 will simplify and rationalise the layouts of the two junctions and improve queuing capacity for the turn on to Fen Causeway. A more simplified arrangement will benefit pedestrian movements too with a crossing providing a more direct link from The Fen Causeway to Lensfield Road.

**Estimated Cost
£2.5 million**



Figure 34: Existing arrangement of Lensfield Road and The Fen Causeway Junctions



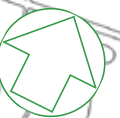
Figure 36: Existing arrangement of Lensfield Road Junction (looking south)



Figure 35: Proposed changes to Lensfield Road and The Fen Causeway Junctions



Figure 37: Existing arrangement of Lensfield Road Junction (looking north)



Conclusion:

PROJECT CAMBRIDGE

Project Cambridge thinks about the infrastructure needs of Cambridge in a new and more radical way. But the Key Projects aren't just about delivering infrastructure, they are about creating a sustainable and co-ordinated vision for the kind of place we want Cambridge to become as we all deal with the challenges of growth. Crucially the projects will improve connectivity within the City through supporting and prioritising more sustainable transport modes and deliver the right conditions for continued business and economic growth. The TIF mechanism provides a real way of achieving this shared vision.

The Projects outlined in this prospectus are equally important in delivering this co-ordinated and shared vision. They demonstrate a well-considered and comprehensive approach to tackling the key design challenges along the route from the Station through to the City Centre and connecting new and existing developments together. Good places lie at the heart of helping

to create sustainable communities. Project Cambridge will deliver the change from simple spaces to pass through, to the interesting and vibrant places that people will stop in and enjoy.

Project Cambridge is good for Cambridge and the surrounding area as the City continues to be a catalyst for innovation and growth. Cambridge - a truly progressive historical City with a bright future!

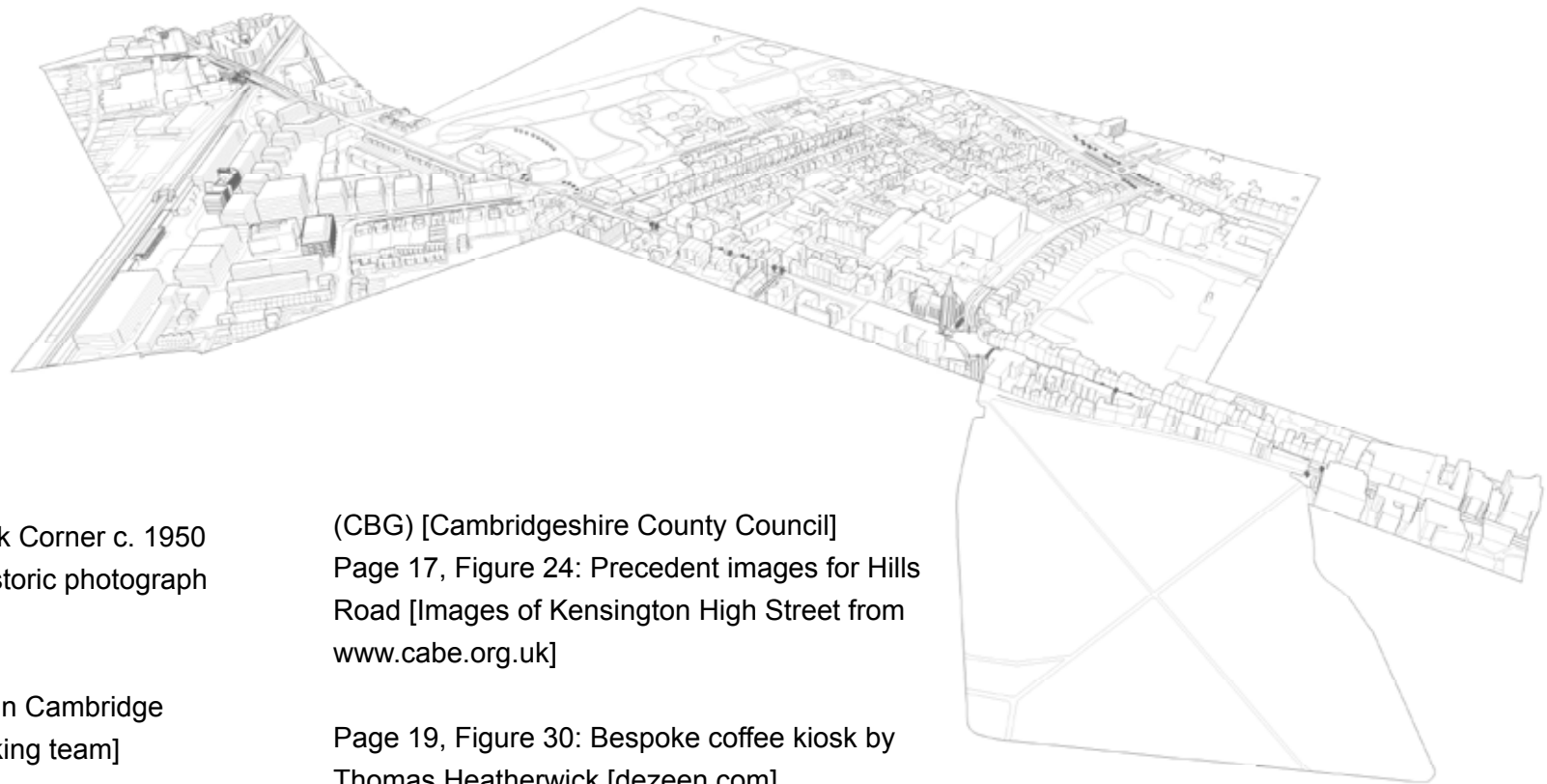


**Estimated Total Cost
£25 million**

*'Cambridge - a truly
progressive historical
City with a bright
future!'*

Image Credits

All photographs and images within this prospectus were taken or created by the Cambridge City Council and South Cambridgeshire Joint Urban Design Team, with the following exceptions;



Page 6, Figure 2: Hyde Park Corner c. 1950
[Cambridge City Council historic photograph collection]

Page 10, Figure 9: Cycling in Cambridge
[Cambridge Cycle and Walking team]

Page 11, Figure 13: Cambridge Guided Busway

(CBG) [Cambridgeshire County Council]

Page 17, Figure 24: Precedent images for Hills Road
[Images of Kensington High Street from www.cabe.org.uk]

Page 19, Figure 30: Bespoke coffee kiosk by Thomas Heatherwick [dezeen.com]

Cambridge Hills Road Tax Increment
Finance Scheme prospectus produced
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