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Press release

25 January 2011

**JOINT REGIONAL GROWTH FUND BID FOR SKYPARK AND
EXETER SCIENCE PARK**

A joint bid to secure £3.85 million of Regional Growth Fund (RGF) support has been submitted by developers to help accelerate the delivery of two multi-million pound strategic employment sites within the East Devon and Exeter Growth Point area, which will provide new land and job opportunities to help further commercial development and growth in the region.

St. Modwen, Devon County Council's joint venture partner on the £210 million Skypark* scheme and Eagle One, the developer for Exeter Science Park have announced that a joint application has been made to the Government's £1.4 billion Regional Growth Fund, as part of the Round One bidding process, which closed last Friday (21 January).

If secured, the funding will provide capital investment to help speed up development at both schemes over the next 12 months and in turn, generate at least 750 private sector jobs in the next 5-10 years. In the meantime, it will create more than 100 construction jobs which will help rebalance the economic impact of public sector posts losses anticipated in the Exeter area. A successful application could also signify the first step in establishing a local revolving infrastructure fund for the Growth Point area.

At Skypark, St. Modwen is seeking £1.1 million to fund a programme of infrastructure and utility works to include the delivery of new service roads and the installation of high voltage cables. This will help pave the way for the development of a sustainable Business Park at the 110 acre site to the north of Exeter International Airport which will accommodate more than 1.4 million sq ft of office, industrial and manufacturing space when complete. Over the next 20 years, Skypark will help create more than 7,500 jobs locally.

At Exeter Science Park, Eagle One has requested a total of £2.75 million to help bring forward the development of the £2.4 million Science Park Centre including 40,000 sq ft of employment space and a £350,000 Public Square. Driven forward by a partnership made up of the University of Exeter, Devon County Council, Exeter City Council, East Devon District Council, South West RDA and the Met Office, the Science Park will encourage innovation, become an engine for wealth creation and help drive forward the development of science and knowledge based business in the Exeter area.

Ian Guy, Senior Development Manager for St. Modwen in the South West, commented: “Over the past 12 months, we have seen some tough market conditions leading to the closure of some major local employers, but Exeter continues to thrive due to the presence of national private businesses and smaller companies who together help retain a highly-skilled workforce in the South West.

“The area also benefits from a strong manufacturing sector export market with many private sector businesses looking for ways to expand operations to take advantage of increasing demand. A lack of employment land supply could hamper this economic development and growth.

“We are expecting a great deal of competition in this bidding process but if successful, it will help inject vital funds in the short-term at Skypark to help kick-start the delivery of works at an earlier opportunity than current market conditions would allow, which will support the Business Park’s development and help attract our first commercial occupier. This will in turn lead to greater job creation for the Exeter area.”

David Harbottle, Senior Development Manager, Eagle One, commented: “The Science Park will help develop Exeter and the surrounding area as an internationally recognised centre for knowledge, research and science based employment. It will help to capitalise on the presence of major organisations including the Met Office, Exeter University and the Peninsula College of Medicine and Dentistry.

“In conjunction with our partners, the Science Park will provide the region with a new flood of research-driven employment opportunities, which will help drive forward the development of a highly skilled and knowledge-based economy in Exeter and the wider area.

“A successful bid would help accelerate the delivery of both the Science Park Centre and Public Square at the development and through this bring much-needed jobs to the area at a time when the local economy requires support to help develop commercial growth and prosperity.”

Both employment schemes are recognised as being vital ingredients of the strategic development programme to the east of Junction 29 of the main M5 and integral to the Growth Point’s delivering sustainable growth and development for and Exeter and the wider sub-region. Skypark and Exeter Science Park are also in close proximity to the Cranbrook new community, where it is anticipated that the development of the first phase of 1120 homes will start on site in the spring of this year.

Exeter City Council Leader, Pete Edwards, who is Chair of East Devon and Exeter Growth Point, commented: “Skypark and Exeter Science Park will complement each other in bringing a wide range of vital new job opportunities to the Growth Point area. This will help to balance out public sector job losses already experienced here and anticipated again in the near future.

“With the close proximity of both developments to the Cranbrook new community, where development of the first phase of new homes is anticipated to start in the spring, it is vital that development at Skypark and the Science Park be brought forward as soon as possible to make sure that people can both live and work in the same area.”

Derek Phillips, Vice President of the Exeter Chamber of Commerce, commented: “The Chamber of Commerce strongly supports this joint bid. It is extremely important for the continued success and prosperity of Exeter and the sub-region for the exciting opportunities presented by Skypark and Exeter Science Park to be achieved as soon as possible.”

The Government is expected to announce the successful applications of the Regional Growth Fund Round One bidding process in April 2011.

Ends.

Caption: Skypark and Exeter Science Park are two key developments within the Exeter & East Devon New Growth Point area.

Notes to Editors

***About Skypark**

The site was formerly run by Devon County Council as part of Exeter Airport. In 2008, the Council concluded that a formation of a Corporate Joint Venture with a private sector partner was required to bring forward the development of 1.4 million sq ft Skypark Business Park development comprising office and industrial/manufacturing space. Following a six-month selection process, St. Modwen was named Joint Venture Partner in February 2009, and the agreements were exchanged in March 2009 with Devon County Council.

St. Modwen was selected as preferred developer in February 2009 and signed the Development Agreement in April 2009. In June 2010 the outline planning consent for Skypark was granted. The partnership structure for the Joint Venture follows the Government's local asset backed vehicle (LABV) methodology and will allow Devon County Council to participate in future value and decision making over the 20 years life of the partnership. Following the completion of a Section 106 Agreement with East Devon District Council, full planning consent was granted in June 2010 for 1.4million sq ft of office and industrial/manufacturing space. In April 2010, St. Modwen along with scheme partners, entered into an agreement to develop a new energy centre on behalf of energy provider, E.ON, supplying a low carbon heating network to serve Skypark and neighbouring residential scheme, Cranbrook.

St. Modwen Properties PLC

St. Modwen is the UK's leading regeneration specialist, operating across the full spectrum of the property industry through a network of seven regional offices including the South West/ South Wales operations and a Birmingham based head office. The company is wholly focussed upon regeneration with expertise in town centre regeneration, partnering with industry, brownfield land renewal, Innovation Centres and education projects.

St. Modwen South West

St. Modwen's South West/ South Wales operations are run from an office in Avonmouth, Bristol. Here the regional team works across the company's vast regeneration project portfolio that comprises a total of 15 million sq ft of commercial accommodation and circa 11,600 homes across both regions.

In the South West, St. Modwen's property portfolio comprises 14 development regeneration projects based across Gloucestershire, Somerset, Avon and Devon. Collectively, St. Modwen manages circa 830 acres (circa 580 acres net developable land) across the region on which it will build over 7 million sq ft of commercial accommodation and create circa 3,600 homes. The company's major projects in the South West region include the £270 million regeneration of Firepool in Taunton and the £210 million Skypark development in Exeter.

For further information, visit www.stmodwen.co.uk

South West region:

Access 18, Avonmouth
Castledown Business Park, Ludgershall
Clevedon
Firepool, Taunton
Gateway 12, Quedgeley, Gloucester
Hungerford Marina, Newbury
Hutton Moor, Weston-super-Mare
Langford Mead, Taunton,
Littlecombe, Dursley, Gloucestershire
Locking Parklands, Weston-super-Mare
Quedgeley East, Gloucester
Quedgeley West, Gloucester
Skypark, Exeter
Westlands, Weston-super-Mare

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