

**Manchester City Council
Report for Resolution**

Report to: The Executive - 2 December 2015
Subject: Great Northern Complex
Report of: The Chief Executive

Purpose of the Report

This report provides Members with details of a draft Strategic Regeneration Framework (SRF) for the Great Northern Complex, and seeks the Executive's endorsement in principle of the draft Development Framework for the area. The Framework would help to guide development in a way that reflects its physical and locational characteristics, supports future growth and complements existing developments in adjacent areas. The report also seeks agreement for a public consultation exercise to be undertaken on the draft Framework.

Recommendations

The Executive is recommended to:

1. consider and endorse the principles set out in the draft Great Northern Complex Strategic Regeneration Framework;
 2. note the comments on the delivery strategy, set out at Section 7 of this report; and
 3. request the Chief Executive to undertake a public consultation exercise on the draft SRF with local residents, businesses and other stakeholders, and report back to a future meeting of the Executive.
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Wards Affected: City Centre

| Community Strategy Spine | Summary of the contribution to the strategy |
|---|--|
| Performance of the economy of the region and sub region | The comprehensive redevelopment of this site will provide a major focus for new investment and the growth of jobs, and make a major contribution to the economic performance of the civic quarter. |
| Reaching full potential in education and employment | This site occupies a prime location with the civic quarter, and will provide opportunities for local employment, training and procurement. |

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| Individual and collective self esteem – mutual respect | |
| Neighbourhoods of Choice | By bringing forward comprehensive redevelopment, the site can make a positive contribution to the function of the Civic Quarter, and add to the overall offer of the regional centre. Further more, there will be opportunities for local residents to benefit from the scheme. |

Financial Consequences – Revenue

None

Financial Consequences – Capital

None.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Report to Executive – The Civic Quarter - Framework – 21 October 2009
- Report to Executive – The Civic Quarter Regeneration Framework – 10 February 2010
- Draft Strategic Regeneration Framework – Great Northern November 2015

All held in Room 303, Town Hall

1. Introduction

- 1.1 The Regional Centre is the primary economic driver of the Manchester City Region, and its continued development is critical to our growth plans for both the city and the wider City Region. The economic health, vitality and competitiveness of the regional centre continue to be crucial to the long term success of the regional economy. The regeneration of Manchester's civic quarter, at the core of regional centre and containing some of its most significant buildings, is pivotal to the next phase of growth of the city centre economy. A Regeneration Framework was adopted by the Executive in February 2010, in order to guide and bring together investment and development opportunities in a unified way, to create a critical mass of positive change. Investment opportunities include the transformation of the Town Hall Complex and St Peter's Square, further growth of Manchester Central, and commercial developments such as No 1 and 2 St Peter's Square. Significant progress has been made in delivering the Regeneration Framework, with a number of investments already well underway.
- 1.2 The Great Northern complex is a major site, in a prime location in the Civic Quarter. The site covers a 4.5 hectare area and accommodates a number of established uses including a multi-screen cinema, casino, car parking and retail/leisure uses. Notwithstanding the uses that exist within the site, it has generally underperformed and represents an underutilised part of the city that has failed to fulfil its potential to become a leading city centre destination. Since acquiring the site in 2013, Tobermoray Sarl, owners of the Great Northern, has been developing proposals to reenergise what is a strategically important and historically significant site. That process has led to the preparation of a framework, the content of which is summarised in Section 4 of this report.
- 1.3 The site is of major significance in a number of ways. It is within the conference quarter based around Manchester Central, making it vital that it is redeveloped comprehensively and to the highest quality standards. Its location also provides the potential for a redeveloped site to make an important contribution to supporting the conference quarter, adding to the offer of high quality leisure opportunities, which are needed if Manchester Central continues its drive to attract high end conferences and international associations.
- 1.4 The vision for the Great Northern Warehouse is to create a new mixed-use development of local and regional importance. The site has the potential to extend the high quality environment that already characterises the city centre, introduce new residential, leisure and commercial facilities, enhance connectivity, and maximise wider regeneration benefits. Its redevelopment needs to be brought forward in a way that complements existing developments in adjacent areas within the city centre, such as Spinningfields, First Street and those along the Corridor.

2. Background

- 2.1 In addition to the established uses referenced at 1.2, the site has more recently: accommodated a programme of events focused on Great Northern Square; introduced independent restaurants and food concepts including Almost Famous, Home Sweet Home and Friday Night Food alongside the All Star Lanes; and, introduced “Central Working” and the Barclays Accelerator Programme as a direct result of relationships built in London’s Tech City. These uses have proved to be popular and successful. They provide an indication of the potential of the Great Northern following implementation of an appropriate strategy.
- 2.2 The site as a whole has for some years underperformed in a number of ways:
- The Cinema has never fully developed its potential as an anchor to other uses which elsewhere are typically associated with this use.
 - The complex has not maximised its presence, and has never really managed to become an established part of the commercial, cultural and leisure offer within the city
 - No one has developed a coherent vision capable of being delivered in a manner that is complementary to the rest of the city centre: the complex has never developed its own identity, has no real sense of place, has not to date been perceived as a city centre destination, and has had a number of vacant units at any one time.
 - The existing retail units along Deansgate Terrace have been fully let at the ground floor and have on the whole been successful. However, there is an opportunity to further raise the quality of uses along what is the key interface and key front door to the Great Northern complex.
 - The unbroken length of the Deansgate façade together with the location and configuration of entrance points and routes through the complex make it difficult to navigate and as a consequence the site is very poorly integrated into the wider city centre.
 - Level changes across the site reinforce its current limited impenetrability. A particular issue is the high level street to the rear of Deansgate Terrace and adjacent to the cinema box (created to allow the formation of servicing areas beneath), together with stepped access into the scheme from Deansgate.
 - The uses on the site also fail to take real advantage of its key asset: the Grade II* Listed Great Northern Warehouse.
 - There has been some anti-social activity in the area and associated problems.
 - The Great Northern Square has under-performed as a public space. The amphitheatre space has rarely functioned as it was intended.
- 2.3 The Framework is therefore based on an identified need to address these issues of underperformance as well as providing a strategy to ensure that the

Great Northern complex can play its part in the economic growth, attractiveness and quality of life in the city. This takes into account Manchester's significant economic and population growth targets underpinning the city centre's role as the principal driver and focal point for economic growth within its City Region and indeed the North West.

3. Context

- 3.1 The Great Northern site represents a major strategic opportunity capable of delivering extensive and comprehensive redevelopment, re-modelling and refurbishment of an extensive area of the city centre. As such, its future development must be considered carefully in order to ensure that investment complements established regeneration initiatives elsewhere in the city centre.
- 3.2 The site can be described as being in a pivotal location in the context of the city centre's economic growth and regeneration strategies, lying between the city centre's well established districts – the Civic Quarter, its conference facilities, The Corridor and Spinningfields – as well as its emergent districts to the south. These emergent areas include Great Jackson Street, First Street and St John's. These are locations with clearly articulated regeneration strategies that aim to deliver added value, and complementary economic growth in the city centre.
- 3.3 Connecting these areas through the Great Northern site will maximise the value of the investment and regeneration taking place. It will act as a further catalyst to regeneration and the extension of high quality uses to the Southern Gateway of the city. Facilitating improvement to the Great Northern complex will also provide better connections to key public transport nodes such as Deansgate Interchange and St Peter's Square. This will further support the significant levels of public investment in these facilities by adding back value into the City.

4. The Great Northern Framework

- 4.1 The Framework is based on a strategy that will undo the damaging late 1990's interventions to the property and address the fundamental constraints that have impaired its ability to contribute successfully to its true potential as a strategic site. It identifies an existing opportunity to better utilise and fully realise the true value of the Great Northern's key assets, including its heritage assets, to create a new permeable "high value" mixed use city quarter. This is to be achieved through a thoughtfully considered and viable phased development plan working around existing occupiers within the buildings.
- 4.2 In developing the strategy for the site, a number of key considerations have been taken into account, which can be summarised as follows:
 - Deansgate's status in the street hierarchy of the city centre as a significant north-south street means it is imperative that the revised scheme addresses this important relationship. As part of this there may be opportunities to create external seating areas and introduce complementary tree planting.

- There is an opportunity to maximise public benefit through the quality of uses and establishing pedestrian friendly linkages and connections. Through the treatment of heritage assets on the site and through re-working the Great Northern Square, it can become an important public space, acting as part of a wider network of public spaces in the city centre including nearby spaces such as Albert Square, St Peter's Square, Hardman Square, St John's Garden and Barbirolli Square.
- By tackling underutilisation and rationalising some of the uses within the existing Leisure box for car parking and other uses, there is potential to free-up the upper levels of Great Northern Warehouse and adjoining areas for alternative treatments and uses.
- The existing atrium should be removed as part of re-visiting and reconfiguring the access to the Cinema.
- It is imperative that the site's unique history and heritage assets together with the careful curation of the end uses is combined, to ensure that something unique for Manchester is created not simply a replication of what already exists.
- There is an opportunity to reveal more of the heritage significance of the Grade II* Listed Warehouse and to repair its setting. It is proposed to convert the Great Northern Warehouse to residential use. The Warehouse will form the centrepiece to the scheme and is planned to be delivered as soon as is practicable in the sequence of development.
- It is intended to create a new pedestrianised "street" at ground floor level to the rear of the Deansgate terrace running the entire length of the property from Great Northern Square to the Hilton Hotel. This street will be activated by opening up new retail frontages to as many retail units as possible along Deansgate and to insert new retail and restaurant units within the ground floor of both the listed warehouse and the car park block to the rear. Existing tenants on the ground and part first floor would remain in situ. The only unit that will be demolished is the ex-Dwell retail unit, to open up the gateway through to this important new north/south street.
- At first floor – The Casino will be retained and potentially extended to enable the restaurant to be accessed separately from the Casino. The "atrium" between the listed warehouse and the rear leisure box (where the cinema box office is situated) will be demolished to create a new ground floor piazza beneath. (Car access to the car park will be relocated to Watson Street). The poorly performing Deansgate mews at First floor will be demolished and brought down to grade. The intention is to leave the cinema at the second floor level but the access to this unit will be relocated to the new north/south pedestrianised street and will be positioned towards the southern end of the street.

- There is an opportunity to reintroduce a significant commercial building on the northern edge of the site adjacent to Peter Street. Prior to its redevelopment in the late 1990s, this site contained a commercial building of considerable height and mass (originally screening what was a service yard for the goods warehouse and in later years a surface car park).
 - Reconfiguration of the Great Northern Square is required in order to promote its use as an active space where events can take place that support the vitality of this important part of the City Centre and add value to its overall offer.
 - The Peter Street / Deansgate Corner should be addressed, including removal of the clock tower feature which detracts from the setting of Listed Buildings and townscape in the area.
 - A public space will be created, at grade, between the Warehouse and the existing Leisure Box. This would enhance the setting and appreciation of the warehouse, and create a further node of activity along the new north south and enhanced east-west linages through the site.
 - Alongside high quality residential uses, a proposed mix of complementary uses will equally combine to create this distinctive sense of place and will ensure life and vitality on weekdays, in the evenings and at the weekend.
 - To the south of the site, it is considered that there is potential to introduce taller, elegant residential buildings.
 - The role of Watson Street should be reviewed and the potential explored for traffic calming, shared surfaces and generally improving connectivity. Active uses at ground floor level, including the productive re-use of the viaduct arches on the east side of Watson Street will be introduced.
 - The proposals will be implemented via a phasing strategy with the first phase commencing on site in 2016, and the final phase being delivered in 2024.
- 4.3 Overall, the masterplan envisages the delivery of some 800,000sqft (net) of accommodation, broken down as follows:
- 85,000sqft of offices in a new landmark building on Peter Street.
 - Some 265,000sqft of retail, restaurant and leisure spaces forming a series of pedestrianised public streets and squares through the site from north to south and east to west.
 - A “right sized” cinema of some 50,000sqft together with approximately 1,000 public car spaces. It should be noted that there will be the same number of NCP car parking spaces at the end of the development as exist at present, all within the southern leisure box, and parking provision relevant to the range and scale of uses across the site.
 - 400,000sqft of residential apartments, to be delivered in phases.

4.4 The suggested phasing of the proposals can be summarised as follows:

- Phase 1, 2016 - 2018: reconfiguration of Great Northern Square together with the development of a 97,000sqft office and leisure building on Peter Street.
- Phase 2a, 2018 - 2020.: loft style apartments, likely to be for sale, within the upper floors on Deansgate Terrace.
- Phase 3a, 2021 to 2024: conversion of the upper floors of the Great Northern Warehouse, from car parking use to residential use and associated removal of the car parking ramps. This will be facilitated by the introduction of a central atrium and garden to draw in natural light, achieved whilst retaining the original historic, listed roof structure and supported by Historic England who have been engaged in the masterplanning process to date.
- Phase 3b, 2021 to 2023: reconfigure the rear leisure building and remove the first floor plaza and Deansgate Mews levels to create new animated retail frontages along the ground floor facades of the building. The upper parts of the leisure box will include extended car parking (relocated from the warehouse) together with a reduced size cinema and further residential accommodation in the form of a tower.
- Phases 3 and 3b will provide an at-grade north south pedestrian route running between Deansgate Terrace and Great Northern Warehouse with improved retail configurations and active frontages at ground floor. This will also facilitate a new at –grade square between the Warehouse and existing leisure box.
- Phase 3c, commencing 2021: high quality penthouse apartments, wrapping the existing leisure box and sitting above Deansgate Mews.
- Phases 4, commencing 2022/2023: A residential tower of some 200,000sqft positioned at the north eastern corner of the leisure building in order to animate Watson Steet with shops and restaurants at ground floor and to provide a visual draw along this street. The tall building will complement the existing Beetham Tower immediately to the south.

5. **Role of the Great Northern Complex**

- 5.1 The Great Northern presents a significant opportunity to realise its potential to deliver a positive mix of uses, in a high quality environment, which can create a new destination within Manchester City Centre and thereby make a fuller contribution to the economic growth of Manchester and the wider City Region.
- 5.2 There is an opportunity to make the Grade II Listed Warehouse a centrepiece of the scheme, set within a much higher quality public realm, and to introduce a significant quantum of high quality residential uses together with retail, commercial, culture and leisure uses that will create an environment that appeals to both potential residents and employers.

5.3 There is a genuine opportunity to properly utilise the building and enhance its setting – to establish a place that people want to either live, work, visit and spend leisure time, or simply pass through and enjoy as they navigate through one area of the City Centre to another.

5.4 It should also be noted that, as outlined above, tourism, culture and the arts have an important role to play in the growth of the City Region's economy, including in the support of other growth sectors and residential development, and the opportunities for retention and enhancement of existing, together with provision of new facilities within the Great Northern should be maximised.

6. Complementing City Centre Regeneration

6.1 The site has been identified as having a pivotal location in the context of the City Centre's economic growth and regeneration strategies. Great Northern sits in amongst areas that have been the subject of major investment and regeneration, or will be the subject of investment as a result of current plans. The Great Northern provides a key stepping stone between these areas and it will be re-worked through implementation of the framework principles in order to function successfully and add to the coherence and legibility of the city centre.

6.2 The proposed uses identified in the framework have been established to complement rather than compete with adjoining regeneration areas. Importantly, proposed uses have been identified that will activate the proposed public spaces and connections and which will allow the Great Northern Warehouse to be used in an appropriate way that will properly embrace the significance of this important heritage asset.

6.3 The resulting residential accommodation will be high value and unique amongst the city centre's offer.

6.4 Flexible leasing strategies as part of a carefully considered occupier management strategy will be implemented to encourage a mix of uses in the area involving start-up businesses and independent operators as well as established operators.

6.5 Building on the commitment to independent occupiers such as Almost Famous, Friday Night Food Fight and Home Sweet Home and the success this has generated at the site, the aim will be to attract a mix of authentic independent retailers. That mix will be targeted in a manner that will reinforce the brand of the place – quite literally the ambition is for the Great Northern to be a showcase for the best of the north.

7. Delivery Strategy

7.1 Tobermory Sarl, wholly owned by Peterson Group and working in partnership with Trilogy as development manager, is proposing a radical approach to the comprehensive development of the Great Northern complex, which is solely

needed. Peterson Group is a private family company based in Hong Kong, but with extensive business interests across the globe. Peterson currently controls a portfolio of over £1Bn in Hong Kong and London.

- 7.2 The group has been in active discussions with officers for some time about their proposals for the complex. Previously, officers have had concerns about the ownership and delivery capacity for the Great Northern. However, Peterson has provided a detailed analysis of both their approach to development and their funding capacity and strategy. Their past experience includes 5* hotels, residential developments and office and retail developments, some in partnership with other developer organisations based in the UK.
- 7.3 Peterson has the investment capacity and ability to draw in funds to support the full scheme. They have already established indicative interest from debt providers, and have the required equity to enable the development to proceed on a speculative basis. Their methodology has provided officers with the most persuasive approach to development for this site in many years.

8. Conclusion

- 8.1 The re-working of the Great Northern site will bring back to life what is a strategically important and historically significant site through the delivery of a new mixed use city centre destination which is well connected, distinctive and offers life and vitality at all times through the year, day and night. It will transform the image of the area as a place to occupy, visit and invest. It further enhance the area's contribution to the overall city centre offer which in turn will attract visitors to Manchester and help to create job opportunities here and within the wider city centre.

9. Key Policies and Considerations

(a) Equal Opportunities

- 9.1 A key aim of the redevelopment of the Great Northern complex is to support the creation of new employment opportunities. There is a commitment to ensure that design standards comply with the highest standards of accessibility.

Recommendations are at the front of this report