

**Manchester City Council
Report for Resolution**

Report to: Executive - 7 March 2018

Subject: The Ramada Complex, Deansgate

Report of: Strategic Director (Development)

1. Purpose of Report

To seek the Executive's endorsement in principle of a Strategic Regeneration Framework (SRF) for the Ramada Complex on Deansgate, a key component of the City Centre North Framework area, and the final piece of the 1999 City Centre Renewal Area masterplan. The SRF will be subject to a public consultation, the outcome of which will be reported back to the Executive.

2. Recommendations

The Executive is recommended to:

1. Endorse in principle the SRF for the Ramada Complex, Deansgate, which includes a landmark mixed-use scheme incorporating a hotel, residential development and retail;
2. Request the Chief Executive undertake a public consultation exercise on the regeneration framework with local stakeholders; and
3. Request that a further report be brought to the Executive in due course, setting out comments received, and to include the headline commercial arrangements with the owners of the Ramada Complex.

Wards Affected City Centre

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The scale and potential of development within this area will provide a major focus for new investment in residential development, a high quality hotel and retail amenities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The partners will seek to maximise local employment and training opportunities from this initiative, including apprenticeships during the construction phase.
A progressive and equitable city: making a positive contribution by	The scheme will provide new connections both within the site and to other parts of the city centre, providing improved access for local residents to

unlocking the potential of our communities	the opportunities and amenities within the area. The area will also provide new leisure opportunities, including new public space accessible to all members of the public.
A liveable and low carbon city: a destination of choice to live, visit, work	The delivery of this development will result in a major mixed use scheme on a currently under-utilised site. As well as providing new residential accommodation, there will be public amenities including public realm, retail and leisure opportunities, which will create a desirable location in which to live and spend leisure time. Sustainability is one of the key principles of the SRF, and the development of this site will involve the regeneration of a major brownfield site, providing the opportunity to create a holistic approach to building design to minimise energy use.
A connected city: world class infrastructure and connectivity to drive growth	Located in close proximity to Victoria Station, and the Shudehill Bus Interchange, the site benefits from excellent access to all forms of public transport. The scheme will provide new connections to other parts of the city centre including the retail core and the central business district, the Mediaeval Quarter and Spinningfields. High quality new residential accommodation will be provided as well as significant new public realm.

3. Financial Consequences for the Capital Budget

There will be a renegotiation of the current lease terms to provide for a fundable development lease. This may result in a capital receipt for the Council depending on the final terms of the commercial deal. At this stage, details in respect of how the Council intends to take value from the deal have yet to be concluded.

4. Financial Consequences for the Revenue Budget

The Council has an underlease of the car park within the site. This extends to 420 spaces. This lease expires in line with the expiry of the main headlease from the Council to Urban and Civic. The passing rent paid by the Council for this is £82,443 per annum. The public element of the car park, comprising 340 spaces, is included in the NML car parking joint venture. The asset currently contributes circa £455Kpa to the Council through these arrangements, based on an average performance across the JV portfolio. The remaining 80 spaces are leased at a passing rent of circa £16Kpa to Urban and Civic to service the Ramada Hotel. The commercial negotiations will have regard to mitigating any loss of revenue, both temporary and permanently.

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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 officers above.

Draft SRF - Deansgate Ramada Complex

1. Background

- 1.1 The Ramada Complex occupies a strategic location within the retail core of the city centre, and is the last component of the renewal area to undergo development. The site is bounded by Deansgate to the East, Blackfriars Street to the South, the River Irwell to the West and Victoria Bridge Street to the North.
- 1.2 The city centre renewal area, which has been transformed over the past 20 years into a vibrant, modern, retail-led quarter, has radically changed perceptions of both the quality of architecture and the range and quality of the retail offer in the City. The redevelopment of the Ramada Complex, which sits adjacent to Shambles West and Number 1 Deansgate, has the potential to become a major asset to the area, helping to augment the wider area's attractiveness as a prime mixed-use location. The Complex also provides a strategic link to the Mediaeval Quarter, and its redevelopment will provide a sympathetic and complementary setting for the range of historic buildings there including the Cathedral, Chethams School of Music and the Corn Exchange.
- 1.3 The Ramada Complex is identified in the City Centre Strategic Plan as one of the most exciting and challenging redevelopment opportunities in the city centre.

2. Introduction

- 2.1 The regeneration and renaissance of the city centre has brought wide-ranging benefits to the City-region. It has been taken forward in a strategic and timely way, balancing supply and demand of commercial, residential, retail and leisure developments to ensure that opportunities for new investment have been captured, market and investor dynamism retained, and that ambitious but realistic objectives are delivered through a wide range of effective partnerships.
- 2.2 This has inevitably involved the Council having to make strategic choices and facilitating specific initiatives aimed at maintaining a successful balance of city centre commercial, retail, residential and leisure markets, which has in turn ensured the overall success of the city centre as a destination of choice for those who wish to live, work, invest in and visit the City.
- 2.3 A crucial component of the regeneration process has been the quality levels that have been achieved through place development, manifested in SRFs which support high quality buildings, appropriate public realm and amenity, and a broad range of occupiers and uses. It is this level of quality that has helped to distinguish Manchester from local, regional, national and international competitors, and is something that must be maintained, nurtured and built upon. Going forward, it will remain important to ensure that regeneration initiatives strive to deliver the quality products and outcomes that have sustained the transformation of the city centre to date.

- 2.4 The redevelopment of the Ramada Complex provides an opportunity to continue this quality of development by creating a new gateway destination with a modern and high quality residential offer, diverse retail and amenities, and high quality public realm, and will provide added impetus to delivering further change in the wider city centre north area.

3. The City Centre North

- 3.1 The core area of the regional centre has been transformed over the last twenty years, and such has been the success and pace of change that areas on the northern, western and southern edges of the city centre are attracting significant investor and developer attention, to the extent that the boundary of the city centre was expanded to reflect that growth and an increase in city centre activity. These extended boundaries now represent some of the finest opportunities for continued investment over the next decade.
- 3.2 The City Centre North area has seen significant growth in commercial and residential development, and already has a rich mix of cultural and leisure assets, all combining to create a destination of choice for new investors, occupiers, visitors and residents. Work is underway to ensure that this growth contributes to fulfilling the economic potential of the wider regional centre. This includes the NOMA regeneration scheme, New Victoria, the former Boddingtons site, Great Ducie St, Irk Valley and Medlock Valley, Angel Gardens, and the Mediaeval Quarter. The Ramada Complex is an opportunity to augment this regeneration activity, and play a major positive role as a catalyst for wider regeneration by creating an enhanced positive market perception of the area, while also contributing to the future development of one of Europe's great cities.

4. The Ramada Complex

- 4.1 The Complex is the last remaining component of the 1999 Renewal Area masterplan to be redeveloped, and has been a long standing regeneration priority for the City. The length of time it has taken to bring forward development here demonstrates the difficulties posed by the site's form, function and investment requirements.
- 4.2 The Complex comprises an area of approximately 1.4 hectares and occupies a highly prominent location at the northern end of Deansgate at the intersection of the principal cross-city centre routes of Piccadilly/Market Street and Deansgate. There is an existing hotel on the site, which was constructed in the 1970s, and which makes no positive visual contribution to the surrounding environment. There is also a restaurant and a public car park plus the derelict offices fronting onto Deansgate. The SRF area also includes the site at 39 Deansgate, which currently comprises ground floor retail units, with office uses on the upper floors. The boundary also extends into the Medieval Quarter masterplan area to the north and the adjoining streets and junctions to the south and east. This is to allow for the contribution to place-making, building setting and connections to be properly addressed. The site has

excellent public transport accessibility, being within easy reach of rail, bus and metrolink connections.

- 4.3 The site has previously been subject to major redevelopment proposals. Planning Permission was granted in 2009 for a mixed use scheme over four new buildings, 599 car parking spaces and the creation of a riverside walkway along the entire length of the Irwell frontage. The life of this planning permission was extended by a further 12 months however, it was not implemented and lapsed in April 2014.
- 4.4 The Complex currently detracts from the setting of the Cathedral, the mediaeval core and from the character of the adjacent Cathedral and Parsonage Gardens Conservation Areas, and has been in urgent need of investment for some time. The buildings do not connect well to the River Irwell and the listed bridges at Blackfriars Street and Victoria Bridge Street. There is very little ground floor activity and overall the pedestrian experience is poor.
- 4.5 In addition to completing the long awaited remaining strategic objectives of the original city centre renewal programme, the redevelopment of this site will give momentum to the wider objective of better integrating areas outside the Inner Relief Route with the city centre.
- 4.6 There are significant constraints to demolishing and redeveloping the site, given its structural layout, and the layered components of the existing buildings. This has posed difficulties for previous owners in both masterplanning and funding terms, and has been one of the principal reasons that development has taken such a long time to be brought forward. In recognition of these challenges, Urban and Civic, the developers of the site, are proposing to demolish all of the existing structures on the site and to develop it as a single phase for a landmark, mixed-use scheme providing active frontages on all sides, and high quality public realm including new riverside public spaces.
- 4.7 The proposed mix of uses and elements includes:
- a distinctive residential offer of circa 600 one, two and three bedroom units;
 - a 5* hotel incorporating circa 250 guest rooms with conferencing and leisure facilities;
 - flexible, ground floor retail accommodation -incorporating lifestyle retail, restaurants and food retailing;
 - high quality, publicly accessible open space where people can pass through or sit and relax in, and which opens up the river and views to the cathedral; and
 - improved pedestrian connections and experience in this part of the City Centre, through the rebalancing of what are currently wide and heavy roads dominated by motor vehicles.

5. Vision and Design Evolution

- 5.1 There are four key objectives underpinning the architectural vision for the site:

- Create an active and vibrant place to live, dwell and enjoy alongside a new, significant piece of public realm; a new destination within the City Centre.
 - Reveal the River Irwell, creating opportunities for riverside living and intimate dining.
 - Re-connect the site to its historic setting by providing permeability through and around its edges, whilst maximising views to local assets such as Manchester Cathedral, the River Irwell and Deansgate.
 - Create a development of high architectural merit that complements the existing and future skyline of the City, located at a key City Centre intersection with the opportunity to engage with both the river and the cathedral.
- 5.2 As part of the design evolution, a three block arrangement around a central courtyard has been developed (see Appendix 1). The three components define a series of high quality public spaces with riverside impact, providing for a complementary mix of uses.
- 5.3 Along Deansgate, the site opens up to give back over 8,000sq m of publicly accessible open space to the City (58% of the total area) embracing this important historic street, and strengthening the connection to the Medieval Quarter Masterplan and adjacent central retail core.
- 5.4 The central courtyard provides a welcoming and vibrant space at the heart the scheme surrounded by food and beverage outlets that animate the public realm. The position and orientation of each building has been carefully considered to maximise available sunlight within the courtyard, creating an environment suitable for external dining and pop-up events.
- 5.5 Animated frontages and public spaces provide life and activity to the key approaches from Blackfriars Bridge and Victoria Street Bridge. Restaurants will be accessed directly from the courtyard, with intimate dining areas located to benefit from views over the river. Breaks between the buildings at ground floor will invite views towards the river's edge from within the central courtyard. These characterful and well-connected public spaces remain at street level, working with the topography of the site to lead the pedestrian through the heart of the scheme.
- 5.6 The SRF seeks to draw on the heritage of the site, re-instating an animated frontage to Deansgate and re-connecting the site to the River Irwell. The buildings will follow the precedent of presenting a hard edge to the river, with landscaped terraces allowing the opportunity to sit above the river's edge.
- 5.7 The opportunity for views towards the Grade I listed Manchester Cathedral to the north-east of the site have been considered and maximised, with the buildings and landscape positioned to provide a framed view from the centre of the site. This strong visual connection to a key heritage asset will create a desired route for movement through the site from the south towards the Medieval Quarter, Exchange Square and Victoria Station.

5.8 The scale of the buildings has been carefully considered to respect local heritage assets whilst providing a landmark scheme on this prominent site within the city. Adjacent to Cathedral Gardens at the north-east of the site, a tall building will signify this important site and start of Deansgate.

6. Regeneration, Community and Economic Benefits

6.1 The SRF area will deliver a series of significant regeneration benefits, which in turn will help drive wider economic growth objectives, enhancing productivity and improving quality of life within the city. This will include:

- 600 high quality new homes.
- New jobs: Creation of new employment opportunities for local residents during the construction phase of development, through local labour agreements, and within the hotel and other ground floor non-residential uses following completion. Urban & Civic has been in discussions with the existing hotel operator, Marriott, to ensure a responsible and sustainable approach to existing employment on the site. Overall the development will lead to a net increase in employment opportunities, providing an estimated 300 jobs once operational, as well as significant construction phase employment.
- A new fuller service international hotel offer to support Manchester's expanding and diversifying business base and broader visitor economy.
- Local Socio-Economic Impact: The redevelopment of the SRF site will open up a range of social and environmental benefits to residents in nearby wards. This will include the provision of local labour agreements, including apprenticeships, throughout the construction programme.
- Connectivity: Improving pedestrian permeability and accessibility. The development will extend the vibrancy of Deansgate and link development between Spinningfields and the Medieval Quarter.

7. The City Council's Interest

7.1 The Council owns the freehold of the site, which is on a 125-year lease from 25 March 1980, currently held by Urban and Civic. There is currently 87 years unexpired, which renders the lease unfundable to secure the regeneration outcomes outlined in this report. This lease is on full repairing and insuring terms, and there is a nominal ground rent reserved under the lease.

7.2 The car parking spaces within the Complex are leased back by MCC by way of a peppercorn underlease which expires in 2105. The Council has granted a further underlease out of its interest to the City-wide car parking JV agreement with NCP. This underlease contains development breaks and expires in [July] 2019. There is also an underlease back to Urban and Civic of a level of parking out of the Councils underlease, again coterminous with the Council and Urban and Civic Headlease which expires in 2105. This lease has a passing rent of £16k pa.

- 7.3 To facilitate the redevelopment of the site the current leasing arrangements will need to be collapsed and a new fundable development lease between the Council and Urban and Civic put in place. To protect the Council's position and provide appropriate controls this will be captured by an agreement for lease, conditional on securing planning in accordance with the adopted version of the SRF. The headline commercial arrangements with the owners of Complex will be the subject of a further report to Executive in due course.

8. Conclusion

- 8.1 The redevelopment of the Ramada Complex would represent the realisation of the final piece of the City Centre Renewal Area masterplan established in 1999 to guide redevelopment of the bomb-damaged area of the city centre. It would also consolidate the transformation of the rest of the retail core, which has been achieved through world-class retail development, high quality public realm and strong pedestrian connections.
- 8.2 As one of a number of strategic development sites in this area, the Complex will help to secure the transformation of the wider north city centre, as a destination for new mixed-use development that builds on its existing cultural and heritage assets.
- 8.3 The proposed mix of uses will generate around 300 new permanent jobs, as well as significant demolition/construction phase employment. The development contemplated by the SRF is projected to deliver significant GVA to the city region.
- 8.4 Currently, there are 420 car parking spaces at the site. While some new car parking will be re-provided to service the complex, the exact number has yet to be determined, and there will be a large reduction overall of general parking. With the current demand for developable land across the city centre, this issue will become more pronounced as car parking sites are lost to development. While the use of public transport is always strongly encouraged over private car usage, there is still a demand for car parking to service businesses, shoppers and visitors. A number of new multi-storey car parks are proposed to meet this demand, for example at NOMA and Circle Square, however officers are working closely with TfGM to consider how and in what way new car parking can be delivered to service the regional centre, on the basis that this should be considered at sites on the periphery to reduce cross-city vehicle movements, reduce pollution, and create a safer, more enjoyable environment for pedestrians and cyclists.
- 8.5 Recommendations can be found at the front of this report.

9.0 Legal Considerations

- 9.1 Subject to Executive approval, a further report will be brought forward after the public consultation exercise, setting out the comments received and containing a final version of the Framework. If the Framework is approved by

the City Council it will become a material consideration for the City Council as Local Planning Authority.

