

**Manchester City Council
Report for Resolution**

Report to: Executive – 25 July 2018

Subject: First Street Development Framework Update 2018

Report of: Strategic Director (Development)

Summary

This report presents Executive Members with a draft updated Development Framework for First Street, and requests that the Executive endorse the framework in principle, subject to a public consultation on the proposals.

Recommendations

The Executive is recommended to:

1. endorse in principle the Development Framework for the First Street area;
2. request the Chief Executive undertake a public consultation exercise on the Development Framework with local stakeholders; and
3. request that a further report be brought forward, following the public consultation exercise, setting out the comments received.

Wards Affected Deansgate

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 First Street Development Framework will provide the catalyst for further investment and employment in the area. The draft 2018 framework proposes an increase in the amount of office space, which will bring more businesses and employment to this part of the city centre.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The redevelopment of this area will continue to facilitate the creation of a substantial number of new jobs in a range of employment sectors (including Technology, Media & Telecommunications (TMT), healthcare, Research & Development industries, and technical advisory businesses), and at a range of levels. The partners (MCC, Ask Real Estate & PATRIZIA UK) will seek to maximise local employment and training opportunities from this initiative.

<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The First Street site is a significant new development in the city centre offering job, leisure and entertainment opportunities for Manchester residents, as well as new homes.</p> <p>The scheme will provide new connections to other parts of the city centre and surrounding communities, providing improved access for local residents to the opportunities and amenities within the First Street area.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>The First Street development will provide a new and vibrant neighbourhood at the southern gateway to the city centre.</p> <p>Extensive new high quality public realm and open space is proposed by the First Street Development Framework, which will significantly improve the environment of this part of the city centre.</p> <p>The proposed developments and quality of the public realm is a significant factor in determining the character of the area.</p> <p>The intention to continue to encourage independent, niche and creative uses and businesses will create a distinctive experience. The new cultural facilities will help establish First Street as a key cultural hub for the city.</p> <p>The development of First Street involves the regeneration of a major brownfield site. The Development Framework includes a commitment to the highest sustainability standards within the proposed commercial development through innovative building design, promoting low energy use. Sustainable design and development principles will be tested at planning application stage.</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>The First Street area benefits from strong public transport links, with both rail and Metrolink stations and the Metroshuttle service within close proximity, reducing the need for car travel to and from the area. The Development Framework prioritises pedestrian walkways and cycling access, which will provide links to surrounding neighbourhoods and city centre districts. High quality new commercial accommodation will be provided as well as significant new public realm.</p>

	New homes are also proposed at First Street South, enabling people to live close to the employment and leisure opportunities offered by the city centre.
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- **Full details are in the body of the report, along with any implications for**
- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None directly from this report.

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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.

- Report to Executive 24 November 2010: Development Framework for First Street
- First Street Development Framework: 2010
- Report to Executive 16 March 2011: First Street Development Framework

- Reports to the Executive: 25 July 2012:
- First Street Development Framework Update
- First Street North Update
- First Street (Confidential Report)
- First Street Development Framework: July 2012
- Report to Executive - Manchester Piccadilly and Oxford Road Capacity Scheme: 29 October 2014
- Report to Executive - Northern Hub - Network Rail Manchester Piccadilly and Oxford Road Capacity Scheme – Transport and Works Act Order Application: 21 January 2015
- Report to Executive 29 July 2015: First Street update
- Report to Executive 4 November 2015: First Street Updated Development Framework Consultation
- First Street Development Framework: 2015
- First Street Draft Development Framework: 2018

1.0 Introduction

1.1 First Street is a long-standing regeneration priority for Manchester City Council and its partners. Development to date has established the area as a destination within Manchester city centre.

1.2 In November 2015, the Executive approved an updated Development Framework for First Street, which built upon the key achievements made since the previous framework in 2012. The updated framework sought to ensure that development continued to meet the needs of a growing economy and population, and delivers a neighbourhood of choice. In particular, it incorporated a number of additional sites to the west of Medlock Street and identified the opportunity to deliver a desirable residential neighbourhood at First Street South, responding to the growing demand for residential accommodation.

1.3 The 2012 and 2015 frameworks identified four core areas:

First Street North - the first phase of redevelopment, anchored by the major new cultural facility, HOME, and providing the footfall and amenities to attract occupiers to the rest of the site.

First Street Central - a new office destination, providing flexible accommodation targeted at a range of commercial occupiers.

First Street South – the opportunity to provide a quality residential offer, which can enhance and reinforce the wider neighbourhood, providing footfall and spending power.

Creative Ribbon – the opportunity to build on the existing cultural facilities in the area, and the anchor provided by HOME, to further grow the creative business sector, and establish First Street as a new cultural district within the city centre.

2.0 Background & Context

2.1 Significant development has taken place at First Street since the 2012 and 2015 frameworks. Achievements made to date include the following:

- **First Street North** is now complete and well-established, with HOME as its key anchor; the first Melia Hotel in the UK outside of London; Manchester's first VITA serviced accommodation development; a multi-storey car-park; a range of leisure and retail outlets; and new public spaces, including a new public square.
- The first phase of **First Street Central** was the creation of new office accommodation at Number One First Street, which is now fully let, bringing around 1,000 jobs to the city centre. This illustrates how First Street has successfully addressed its target market of occupiers seeking flexible, competitively priced, city centre accommodation.

- Construction of No.8 First Street – a Grade A, 170,000 sq ft Grade A BREEAM Excellent office building - is due for completion in late 2018. Building on the success of Number 1 First Street, a pre-let to Gazprom and Odeon Cinemas has already been secured, with discussions ongoing with other potential tenants.
 - At **First Street South**, planning permission was granted for a 624 apartment, built-to-rent development in June 2016 (No.11 on the plan at Appendix 1). Construction is expected to commence during 2018.
 - The public square created to the south of HOME forms an important public space within the city centre, complementing the surrounding cultural uses. A new east-west route has been created, linking Medlock Street to Cambridge Street via HOME and the surrounding uses at First Street North.
- 2.2 Manchester is one of the fastest growing cities in Europe. Employment growth of 8.9% is forecast in Manchester between 2016 and 2025 (and 14.1% in the period 2016 to 2036). This growth rate is forecast to add 35,200 jobs to the Manchester economy, taking the total employment level towards 430,000 in 2025.
- 2.3 The Manchester office market remains highly competitive, building off the strength of the local economy and the desire for businesses to locate here. Continued strong uptake of office space in the city centre has led to a shortage of Grade A office space as demand outstrips supply. The Manchester Office Agents Forum consider that with only around 160,000 square feet of Grade A accommodation presently available, 2018 will present great opportunities to capitalise on the constrained supply of quality office accommodation.
- 2.4 First Street's unique location within both the city centre and Corridor Manchester, supported by the mix of uses delivered to date, mean it is ideally placed to attract businesses within key growth sectors, such as Technology, Media & Telecommunications, healthcare, Research & Development industries, and technical advisory businesses, that will add significant value to the economic base of Manchester. This is evidenced by the lettings secured at Number 1 and No.8 First St to date.
- 2.5 In order to fully realise First Street's potential contribution to the continued growth and regeneration of Manchester city centre, the masterplan for the area needs to build upon its success to-date, and maximise the commercial offer within the area, to help meet the demonstrated need for more quality office space in the city centre.
- 2.6 An updated draft Development Framework has, therefore, been produced for First Street, in order to respond to the changes in the economic climate since 2015, and to continue to meet the strategic policy and regeneration objectives of the City Council and its partners. The rest of this report summarises the updated framework, for Members' consideration.

3.0 First Street 2018 Development Framework

- 3.1 The focus of the 2018 Development Framework is to update the development principles for the First Street Central area only, based on the context outlined above. The development and design principles, and the proposals for First Street North, First Street South, and the Creative Ribbon, remain unchanged, although an update on development of these areas, and some factual amendments, have been included to bring the framework up to date.
- 3.2 First Street Central is now an established office location, demonstrating the success of its unique location and distinctive offer of large, flexible Grade A office floorspace, at a price which is lower than the 'central' part of the city centre. The lettings secured to date have created a critical mass of quality occupiers, fuelling further demand, and setting the conditions, for significant further growth in the area. In order to capitalise on this popularity, and respond to urgent ongoing demand for Grade A office floorspace in the city centre, a higher scale and density of office accommodation is now feasible.
- 3.3 Plots 9 and 10 of the masterplan (please see the plan attached at Appendix 1) are expected to form the next phase of development in the area and have been subject to further viability and design analysis. As a result of this analysis, increased scale and density of commercial development is proposed on these two plots. This will ensure that First Street can meet the level of demand in the area and maximise its contribution to the city's economic growth.
- 3.4 It is considered that buildings of up to 17 storeys on plots 9a and 10a, and 10-12 storeys on plots 9b and 10b are considered suitable and deliverable. This would increase the density of office provision within First Street Central from 2.1 million to 2.47 million square feet, maximising the potential growth and employment benefits to be derived from the site.
- 3.5 Specific operator demand has been identified for a hotel within First Street Central, which would complement the Melia Inside offer at First St North. There is an opportunity to incorporate this into one of the commercial office buildings on Plots 9 or 10 of First Street Central, ensuring that the primary commercial office function of this part of the masterplan is not diluted. This provision would broaden the offer within First Street, and could help unlock commercial office development.
- 3.6 An increased scale of building within First Street Central would also respond to the increased scale of surrounding development, including at Great Jackson Street and Whitworth Street West, and create a powerful visual connection between the southern edge of the city centre and its core. The approach maintains the focus on the provision of high quality public realm and landscaping central to First Street.
- 3.7 There may be an opportunity to introduce flexible commercial, retail and leisure uses along the Wilmott Street frontage of First Street Central, enhancing linkages to the residential communities to the south. The viability of this would

need to be demonstrated in terms of occupier demand and the ability to interact positively with the public realm along this route.

- 3.8 Mixed use development (which shall include commercially led development) may also be appropriate on sites on Medlock Street. Alternative uses will only be deemed appropriate where they are demonstrated to include and facilitate the delivery of commercial office floorspace as part of the development, and where they meet the Council's planning and regeneration policies and objectives.
- 3.9 The key principles underpinning the 2015 First Street Development Framework have been carried forward to the draft 2018 framework, to ensure the distinguishing characteristics of First Street Central are retained and the success to date built upon. The function of First Street Central remains as a dynamic new business address which forms the "commercial heart" of First Street and provides vital employment. The draft updated framework also reinforces the overarching approach to public realm, accessibility, movement and circulation, urban design and architecture, that has been successfully defined within previous versions of the document.
- 3.10 The urban design criteria have been updated to reflect the increase in heights and mix of uses proposed within the draft 2018 framework, as well as to reflect the development delivered to date. This includes the addition of the following criteria:
- Where a mix of uses within a building is proposed, the need to address the design and management of these within the planning application.
 - Flexible commercial, retail and leisure uses along the Willmott Street frontage that interacts positively with the public realm.

4.0 Delivery Milestones

- 4.1 It is considered that planning applications for Plots 9 and 10 will come forward when there is sufficient occupier interest at No. 8 First Street, as the building reaches completion. However, it is possible that an application for the first of these plots could come forward as early as summer 2018 in light of significant occupier demand in the Manchester market.

5.0 Conclusions

- 5.1 The right set of circumstances now exists to support the next phase of development at First Street and to maximise its contribution to the city centre's growth. The 2018 draft First Street Development Framework provides a further refinement of the proposals for First Street, focusing on the First Street Central area, in light of the sustained improvement in Manchester's economy. In particular, it responds to growing demand for new office accommodation within the city. It also reflects the potential for complementary hotel accommodation to be included within First Street Central.

- 5.2 Significant demand has been shown to exist for the First Street office concept. Number One First Street is fully occupied and No.8 First Street is currently 47% pre-let, with construction due to complete in late 2018.
- 5.3 Furthermore, with on-going development in regeneration areas nearby – in particular, at Great Jackson Street, on Whitworth Street West and around St Peter's Square – there is an opportunity to deliver a powerful visual and functional connection between the southern edge of the city centre and its core.
- 5.4 Recommendations appear at the front of this report

6.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 6.1 The First Street Development Framework will provide the catalyst for further investment and employment in the area. The draft 2018 framework proposes an increase in the amount of office space, which will bring more businesses and employment to this part of the city centre.

(b) A highly skilled city

- 6.2 The redevelopment of this area will continue to facilitate the creation of a substantial number of new jobs in a range of employment sectors (including Technology, Media & Tele-communications (TMT), healthcare, Research & Development industries, and technical advisory businesses), and at a range of levels. The partners will seek to maximise local employment and training opportunities from this initiative.

(c) A progressive and equitable city

- 6.3 The First Street site is a significant new development in the city centre offering job, leisure and entertainment opportunities for Manchester residents, as well as new homes. The scheme will provide new connections to other parts of the city centre and surrounding communities, providing improved access for local residents to the opportunities and amenities within the First Street area.

(d) A liveable and low carbon city

- 6.4 The First Street development will provide a new and vibrant neighbourhood at the southern gateway to the city centre. Extensive new high quality public realm and open space is proposed by the First Street Development Framework, which will significantly improve the environment of this part of the city centre. The proposed developments and quality of the public realm is a significant factor in determining the character of the area.
- 6.5 The intention to continue to encourage independent, niche and creative uses and businesses will create a distinctive experience. The new cultural facilities will help establish First Street as a key cultural hub for the city.

- 6.6 The development of First Street involves the regeneration of a major brownfield site. The Development Framework includes a commitment to the highest sustainability standards within the proposed commercial development through innovative building design, promoting low energy use. Sustainable design and development principles will be tested at planning application stage.

(e) A connected city

- 6.7 The First Street area benefits from strong public transport links, with both rail and Metrolink stations and the Metroshuttle service within close proximity, reducing the need for car travel to and from the area. The Development Framework prioritises pedestrian walkways and cycling access, which will provide links to surrounding neighbourhoods and city centre districts. High quality new commercial accommodation will be provided as well as significant new public realm. New homes are also proposed at First Street South, enabling people to live close to the employment and leisure opportunities offered by the city centre.

7.0 Key Policies and Considerations

(a) Equal Opportunities

- 7.1 The site has the capacity to create a significant number of new jobs, as well as residential and leisure opportunities. The proposals will provide new connections to surrounding neighbourhoods, providing improved access to local residents to the opportunities within the First Street area. In addition, there is a commitment to ensure that design standards throughout the development will comply with the highest standards of accessibility.

(b) Risk Management

- 7.2 The development partners are required to develop, instigate, monitor and manage an appropriate and robust risk management strategy. Whilst this is owned by the development partners, risk management is considered at the Project Board and is therefore monitored and managed throughout the delivery of the development.

(c) Legal Considerations

- 7.3 Subject to Executive approval, a further report will be brought forward after the public consultation exercise, setting out the comments received and any changes to the final version of the framework. If the Development Framework is approved by the City Council, it will become a material consideration for the Council as Local Planning Authority.

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- B. 020716 - Issues for Presentation
- A. 020716 - Issues for Presentation
- C. 020716 - Issues for Presentation

5plus architects

PROJECT: Plot 10A Fire Street
TITLE: Fire Street SIF
DATE: 2018-07-18
DRAWN BY: JMM
CHECKED BY: JMM
PROJECT CODE: 05682_MP_0005
INFORMATION
www.5plusarchitects.com

