



Agenda:

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Appended report to this report is exempt/confidential under Access to Information Rule 10.4. (3)

Report of the Director of City Development

Executive Board

Date: 21st July 2010

Subject: Development Proposals for the Sovereign Street Site

Electoral Wards Affected:

City & Holbeck

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

The Council owned Sovereign Street site represents a high profile development opportunity in the city-centre that has the potential to contribute to the economic prosperity of Leeds. It is currently used as an at grade temporary surface car park. The site's redevelopment has been under review following the cancellation of the previous development proposal in July 2008 and holds the potential to incorporate high quality greenspace at its heart that responds to the aspirations identified in the City Centre Vision Conference 2008.

This report concludes that the Council should progress with the development of a new Planning Statement for the site that seeks to incorporate the provision of mixed use development, greenspace and car parking that also responds to the flood alleviation issues on the site. The Confidential Appendix also outlines proposals for the phased delivery of the site that seeks to mitigate the risks associated with the delivery of large scale development in the current economic climate.

1.0 Purpose of the Report

1.1 The purpose of the report is to update members on work undertaken on the potential redevelopment of Sovereign Street and:-

- to seek Executive Board approval for the preparation of a Planning Statement for Sovereign Street to assist with the future development of the site

- update members of the outcomes to date regarding the feasibility works undertaken on the development of new greenspace at Sovereign Street
- inform members of the site's potential to deliver a new city centre greenspace whilst exploring the potential to retain an element of car parking and commercial development
- to request approval to engage directly with a potential occupier who has approached the Council regarding the opportunity to bring forward a pre-let opportunity on the site.

2.0 Background

- 2.1 The Sovereign Street site is located at the heart of Leeds City Centre, close to Leeds Railway Station and the River Aire (Appendix 1). It comprises 1.16ha of gently sloping land and is currently used as an at grade temporary surface car park. It sits directly to the south and west of the City Centre Conservation Area and close to the Riverside Quarter and site has remained undeveloped since the demolition of the former Queens Hall in 1989. It has subsequently been operated as a car park and let on separate leases to two car park operators.
- 2.2 The site is one of Leeds' most high profile development opportunities and was marketed in early December 2002, with an approved Planning and Development Brief. The Brief set out the development principles and options for the redevelopment of the Sovereign Street site. The primary objective of the Brief was to secure a mix of complementary uses, which would create activity and vitality throughout the day and night.
- 2.3 A preferred developer was selected by Executive Board on 7th April 2004 who was Simons Development Ltd. The centre piece of their proposed scheme were to be twin storey towers, one of 47 storeys and the other 29 storeys and was known as Criterion Place. However despite the Council agreeing to extend the Initial Condition Period and the acceptance of the offer, Simons failed to submit a planning application. A revised offer was considered by Executive Board on 16th July 2008 was determined that it did not represent 'best consideration' at that time. Accordingly, Executive Board agreed that the revised offer received from Simons would not be accepted and the Council would continue to receive rental income from the site, which is generated from car parking, in the short term, with future options for the site to be considered.
- 2.4 In January 2008, the Leeds City Centre Vision Conference brought together key players from business, local government and community organisations to generate a collective 20 year vision and prospectus for the development of Leeds City Centre. The requirement for new quality greenspace towards and to the south of the River Aire was apparent following an audit of all existing, publicly accessible sites.
- 2.5 In view of this position, the Council has given consideration to how it can bring forward high quality greenspaces in the city-centre over the medium-term, utilising its own landholdings which would be complementary to longer-term proposals for a City-Centre Park. On 13th February 2009, Executive Board agreed that, following the rejection of the revised Simons offer for the Sovereign Street site, this land could potentially deliver a new city centre greenspace which:-
- improves connectivity in the city centre to and beyond the River Aire
 - provides a high quality environment which balances the recreational needs of visitors, residents and workers
 - can function as a civic space in its own right

- facilitates the delivery of new commercial developments that frame the greenspace and support its financial viability
- enhances the reputation of Leeds and the city centre as a liveable environment
- is designed with sustainability, climate change and flood alleviation in mind

2.6 Accordingly, Executive Board in February 2009, agreed to the implementation of feasibility works required to explore:-

- The site's potential to allow development plots within it that can generate a significant capital contribution to the creation of a new quality greenspace.
- The technical feasibility of developing a new quality greenspace whilst retaining a car park on site, whether through constructing the new park at a first floor level or constructing an underground car park.
- The creation of linkages to the south of the river potentially utilising a pedestrian footbridge for example, to make the space more accessible
- The approximate capital and revenue costs of delivery of this new quality greenspace, including the car parking and the pedestrian footbridge

2.7 These works have been undertaken and the summary findings to date are presented within this report.

2.8 In the report to Executive Board in February 2009 it was highlighted that consideration was also being given to the potential for the site to provide a new bus terminus for the city in close proximity to the Train Station. Ongoing consideration has been given to this proposal by the Highways and Transportation Service of the Council and Metro. As a result of the cancellation of the former Transport Innovation Fund, there is now little prospect of funding being available for a new bus station scheme at the Sovereign Street site within any foreseeable timescale and for this reason consideration is now being given to other options to provide better bus and rail integration in the vicinity of the rail station.

3.0 Main Issues

3.1 Feasibility Outcomes

3.1.1 Further to the recommendation from Executive Board in February 2009 for 'the implementation of feasibility works required to explore the development of a new greenspace at Sovereign Street' feasibility and scoping works for Sovereign Street were undertaken. This report provides an update regarding the headline issues which have been identified which will guide and inform the site's future development.

3.1.2 Flood Risk

The most significant change in The Government's spatial planning policy approach to development, relates to flood risk, which is set out in Planning Policy Statement 25 (PPS 25). The aim of PPS 25 is to ensure that flood risk is taken into account at all stages of the planning process to avoid inappropriate development in areas at risk of flooding. This change in planning policy has significant implications on the development potential of the Sovereign Street site and necessitates a reappraisal of the principles established in the 2002 Planning and Development brief. Appendix 2 indicates that a significant part of the Sovereign Street site now falls within 'Zone 3a High Probability of a 1 in 20 year flood' under the Leeds City Council Strategic Flood Risk Assessment (SFRA). A small proportion sits within 'Zone 3ai High Probability of a 1 in 100 year flood' with some more peripheral areas sitting within 'Zone 2 Medium

Probability > 1 in 100 year flood'. The northern part of the site however, which amounts to approximately 20% of the remaining area, does not sit within the flood risk area at all (Appendix 2). This situation will have a significant impact on the future form, use and layout of any development proposals brought forward and will require sequential and exception testing and a flood risk assessment.

3.1.3 Car Parking

One of the biggest issues in relation to development of Sovereign Street is the potential loss of car parking spaces in a critical location for access to the railway station, the city centre in general and new proposed developments in close proximity including the Trinity Quarter retail development. In addition, the Council currently generates some £850k revenue per annum from the car park, which is a major consideration. Consequently, thought has been given to the options for including car-parking on the site, subject to the planning considerations for the provision of car parking, in addition to high quality greenspace. In summary three options have been explored.

Option 1 – Underground Car Parking

Option 1 is to provide an underground car park, below a proposed new greenspace, which will have no effect on over ground flood storage, with an envelope of car parking completely sealed from the 200 year flood event. This option has been discounted on cost grounds as the construction costs would be excessively high relative to the car park fees generated.

Option 2 – Parking at Grade

Option 2 is to provide a surface grade car park with a green park on its roof at first floor level. Due to the nature of the requirements in terms of constructing first floor greenspace (piled foundations, supporting columns, reinforced concrete steps, roof slabs and retaining walls, etc, the potential car parking spaces will be substantially reduced compared to an underground car park delivering up to 200 spaces. Accordingly, the business case does not work with the car park income generated being too low relative to the estimated construction cost.

Option 3 – Multi Storey Car Parking

Option 3 is to consider multi-storey car parking at the rear of the site that comprises part of a proposed development block and sits outside of the flood zone. This option would appear to be the optimum solution for the provision of car parking on the site as identified in Appendix 3, due to it being a more cost effective proposal in the context of the flood alleviation issues on the site.

3.1.4 Pedestrian Footbridge

In order to ensure that any greenspace developed at Sovereign Street enhances connectivity south of the River Aire, it is proposed to explore the potential to provide a pedestrian footbridge across the River Aire. There are two possible routes for the footbridge which are identified in Appendix 3. The first is on the site of the Concordia Bridge – a new bridge previously considered by the former Highways Department in connection with the former Supertram scheme, located east of Sovereign House. The other is located further west between Sovereign House and Victoria Mill/Brasserie Blanc. In either case further feasibility works are required to establish the optimum location for a footbridge that would connect to the City Centre Park proposal outlined in a separate report.

3.1.5 Greenspace

In recognising, the perceived lack of greenspace in this part of the city-centre, it is proposed to incorporate the provision of high quality greenspace into the development proposals for the site. This proposition is complementary to the flood risk issues identified above and recognizes that an intensive redevelopment of the site is now no longer a practical proposition. High quality greenspace will also help to promote distinctive, vibrant and landmark development proposals which will help to cement Leeds' position as the regional capital. Sovereign Street presents the opportunity to bring forward development which has high quality greenspace at its heart and is an exemplar sustainable scheme.

3.2 Draft Planning Statement

3.2.1 The primary objective for the site under the previous Sovereign Street Planning Brief was to secure a mix of complementary uses, which will add life and vibrancy to this part of the city. However, since the aspiration for additional, high quality greenspace including a City Centre Park has emerged, the site at Sovereign Street was highlighted as a potential site to deliver a new greenspace. In the light of this, it is deemed prudent to undertake further works in relation to the development of an up to date Draft Planning Statement that will facilitate the delivery of a co-ordinated masterplanned solution for the site including car parking, high quality greenspace and a pedestrian footbridge and potential development plot locations, but will allow the phased delivery of developments incrementally to take account of the current economic climate. As a start to this process work has been undertaken by the Civic Architect to look at a potential redevelopment of the site which incorporates high quality greenspace and takes account of the flood risk issues identified, car parking provision and development footplates. This indicative proposal is outlined in Appendix 3 and facilitates a phased approach to development and supports a mix of uses, including:-

- Offices
- Bar/restaurant
- Car parking – Short stay
- Greenspace
- Footbridge

3.2.2 Accordingly, it is apparent that the Council needs to consider whether it wishes to bring forward the site for redevelopment, or retain it in its current form as a surface car park. In looking at these two options above, consideration needs to be given to the economy, the need to support the recovery of the development sector in Leeds, and facilitate the aspirations outlined in the City Centre Conference in 2008.

3.2.3 It is clear that since 2008 a significant number of planned developments have stalled or been cancelled. Therefore the potential to bring this site forward for development requires careful consideration. It is recognised that whilst the retention of the car park retains revenue for the Council, it does not optimise the site's potential to support the economic development of the city and enhance its position as the region's capital and economic powerhouse.

3.2.4 Accordingly, it is felt that bringing the scheme forward has advantages, however the approach adopted needs to have regards to achieving the following outcomes:-

- The delivery of high quality development that enhances Leeds' reputation as the economic powerhouse of the region
- Provision of high quality greenspace that is complementary to any development brought forward
- Retention of car parking on site, subject to justification of need that has the potential to provide ongoing revenue and supports the vitality of the city centre.
- The potential for the Council to strengthen its asset bank through the creation of a grade A city centre development, which it may retain some form of leasehold or equity stake in

3.2.5 In considering the above it is felt that the most appropriate way forward in the current economic conditions is to bring the site forward for phased development within the context of an agreed masterplan. In particular, the phased delivery of the scheme provides the means for reducing the developer risk, by breaking the site down into manageable opportunities that would be more deliverable in the current market conditions.

3.2.6 It is proposed that the indicative layout outlined in Appendix 3 is developed further and tested as a Planning Statement based on the uses identified. In addition consideration needs to be given to the phased delivery strategy for the site which is detailed in the Confidential Appendix, in the non public part of the Executive Board agenda which is marked as confidential under Access to Information Procedure rule 10.4.3. [The information contained in the Confidential Appendix attached to this report relates to the financial and business affairs of a particular, and of the Council. This information need not be registered under statutes such as the Companies Acts, or the Charities Acts. The disclosure of this information would, or would be likely to prejudice the commercial interests of the particular person, as they are a major business and disclosing the information would reveal their future intentions to their competitors. In turn, this would be likely to jeopardise the Council's ability to pursue a phased delivery of the scheme. Whilst there is always some public interest in disclosure, there will be future reports to the Executive Board, placing more information in the public domain, as and when the phased delivery of the site progresses, and there will be further publicity for the scheme via the planning process. Therefore in all the circumstances of the case, it is considered that the public interest in maintaining this exemption outweighs the public interest in disclosing this information at this point in time.](#)

4.0 Implications for Council Policy and Governance

4.1 The development proposals including the creation of a new greenspace at Sovereign Street will assist the Council in achieving several of its objectives, notably:-

- **Vision for Leeds 2004 -2020**
 - **Going up a League** – Best place in the country to live and work with a high quality of life for everyone
 - **Narrowing the Gap** between the most disadvantaged people and communities and the rest of the city
 - **Developing Leeds' role as the Regional Capital**, contributing to the national economy as a competitive European city, supporting and supported by a region that is becoming increasingly prosperous

- **Leeds Strategic Plan 2008 – 2011**
 - **Enterprise and Economy** - Increased international competitiveness through marketing and investment in high quality infrastructure and physical assets, particularly in the city centre
 - **Culture** – Enhanced cultural opportunities through encouraging investment and development of high quality facilities of national and international significance
 - **Health and Wellbeing** – Reduced health inequalities through the promotion of healthy life choices and improved access to services

5.0 Legal and Resource Implications

5.1 The Sovereign Street site is not in the current Capital Receipts Programme. The potential value of the development proposals outlined and the costs associated with the greenspace proposals are contained in the Confidential Appendix included in this Agenda. Further work will be undertaken to refine the potential values generated as the Planning Statement before the site is developed and reported back to Executive Board. Included in this work will be an analysis of the potential mix of finances generated by the scheme in terms of revenue from the car parking, office ground rent(s), as well as a capital receipt.

6.0 Conclusions

6.1 Sovereign Street is a high profile site in the ownership of the City Council that has the potential to be transformed into a high quality development that will make a significant contribution to the life and vibrancy of the city. This could include the provision of new quality greenspace in the city centre which would help to address the need identified in the City Centre Vision Conference 2008. Accordingly, it is deemed appropriate to develop a Draft Planning Statement that will facilitate its redevelopment, and consider the potential to incorporate high quality greenspace, mixed use development and car parking. In addition, the Council will progress proposals to bring forward the phased development of the site which are considered further in the Confidential section of this report.

7.0 Recommendations

- 7.1 Members of Executive Board are requested to consider the proposals for the redevelopment of the Sovereign Street site and:-
- approve the preparation of a Draft Planning Statement based on the mix of uses outlined, including high quality greenspace
 - authorise officers to progress the phased delivery of the site for redevelopment based on the proposals outlined in the Confidential section of this report and instruct officers to report back once greater certainty has been obtained on the capital and revenue values that may be generated .

Background Papers

Sovereign Street Feasibility Report 2009
Sovereign Street Planning and Development Brief 2002

