



Grand Parade & Undercroft
Viability & Options Report
April 2013

Making Bath & North East Somerset an **even** better place to live, work & visit

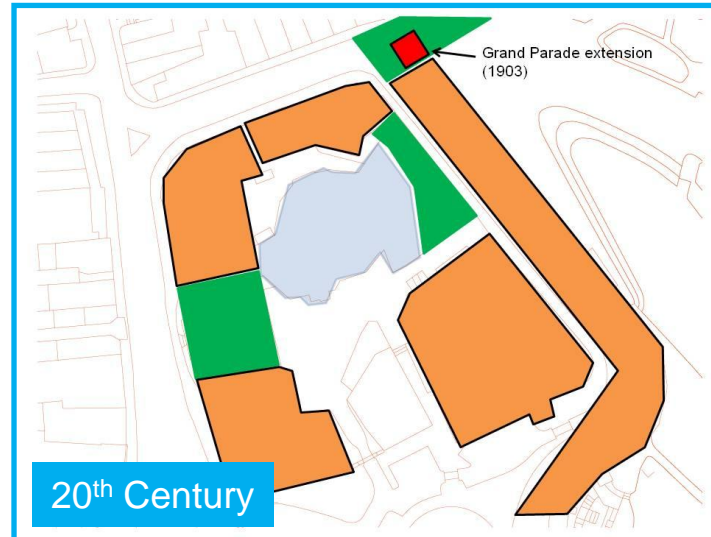
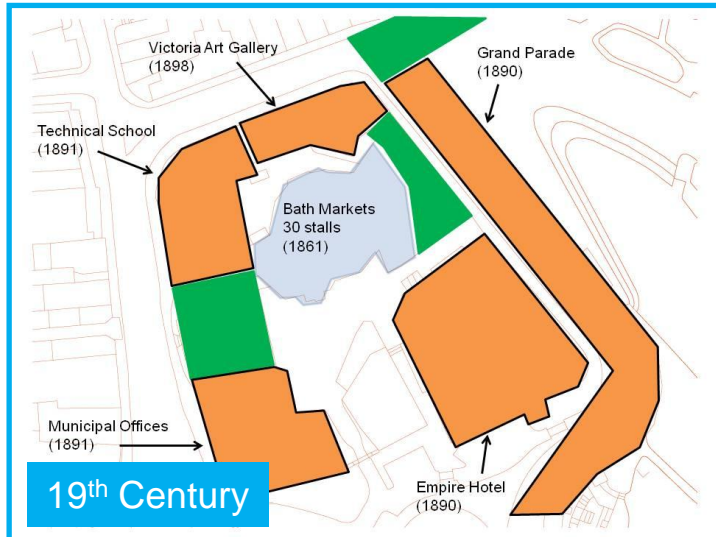
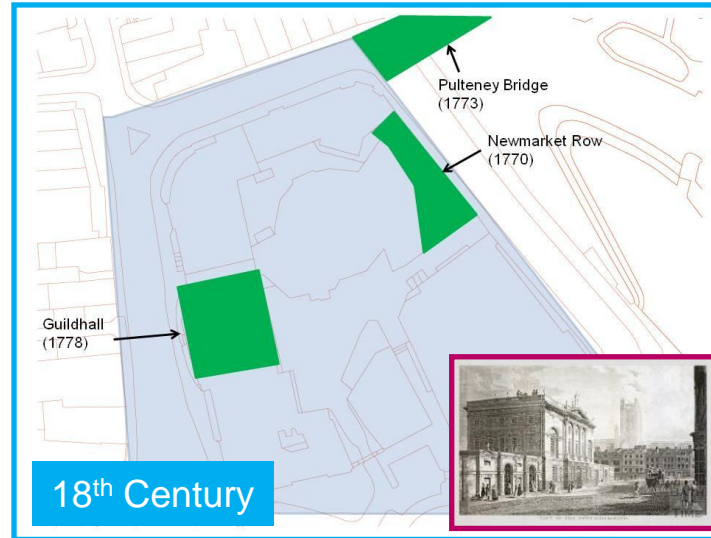
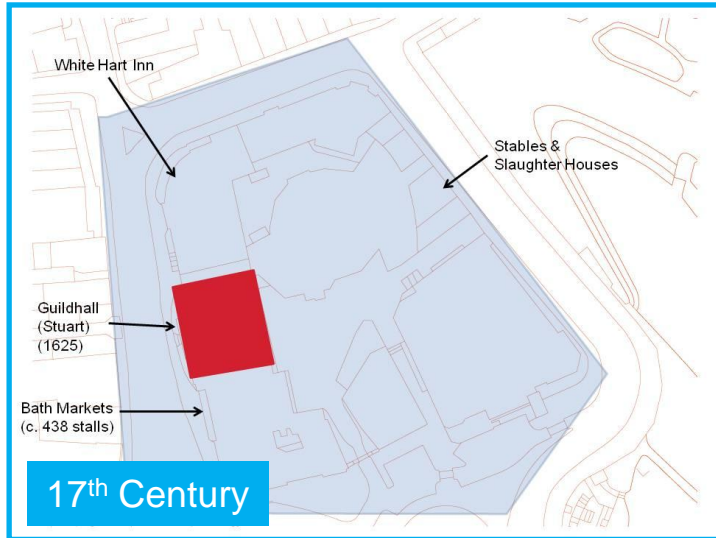
- Executive summary
- Objectives
- History of the site
- Consultation
- Legal title
- Design
- Development appraisal
- Procurement
- Risks
- Timeline



- The Grand Parade & Undercroft project is a viable development opportunity only if it is delivered in four phases, namely:
 - Phase 1 – the Colonnades and Empire Colonnades, including re-opening access routes via Boatstall Lane, Parade Gardens and Slippery Lane – this is an exciting and well supported development opportunity – a capital investment by the Council of £5.29m is expected to generate new revenue streams of over £300k p.a.
 - Phase 2 – enhancing Bath Markets – this is important for creating a destination point, and should be developed in partnership with a Developer that specialises in Markets
 - Phase 3 – redeveloping Newmarket Row, including residential accommodation on the upper storeys – this should be considered further, in consultation with potential development partners, when the existing leases are near to expiry
 - Phase 4 – other associated development opportunities (e.g. Pulteney Bridge, Boat Dock) – subject to external funding
- There is positive support for the project from key stakeholders (including English Heritage, Bath Preservation Trust, Guildhall Market Traders, Empire Hotel Residents and Friends of Victoria Art Gallery)
- The Environment Agency has been consulted about flood risks and managing public safety. They have also noted an aspiration to re-develop the Radial Gate (possibly into a Lock)
- Design options have been prepared for minimum and maximum development schemes, albeit there are a multitude of options in-between these schemes
- The procurement strategy for Phase 1 and 2 has been agreed with the Council's Audit and Procurement Team

- Create a new fully accessible destination point for tourism and business within the City
- Retain the Guildhall as the Headquarters of the Council
- Enhance the community function space within the Guildhall
- Bring redundant space back into use for community and commercial benefit
- Enhance the Bath Markets
- Re-provision of up to 20 car parking spaces in an alternative location
- Maximise heritage potential
- Bring the river frontage alive, including the Colonnades and land adjoining the Boat Dock
- Offset the running costs of the Guildhall through the generation of revenue and (possibly) capital receipts

History of the Site



These plans show how the site has been continually developed over the last four centuries; thereby supporting the view that further development of this site is appropriate (as long as it is sympathetic).

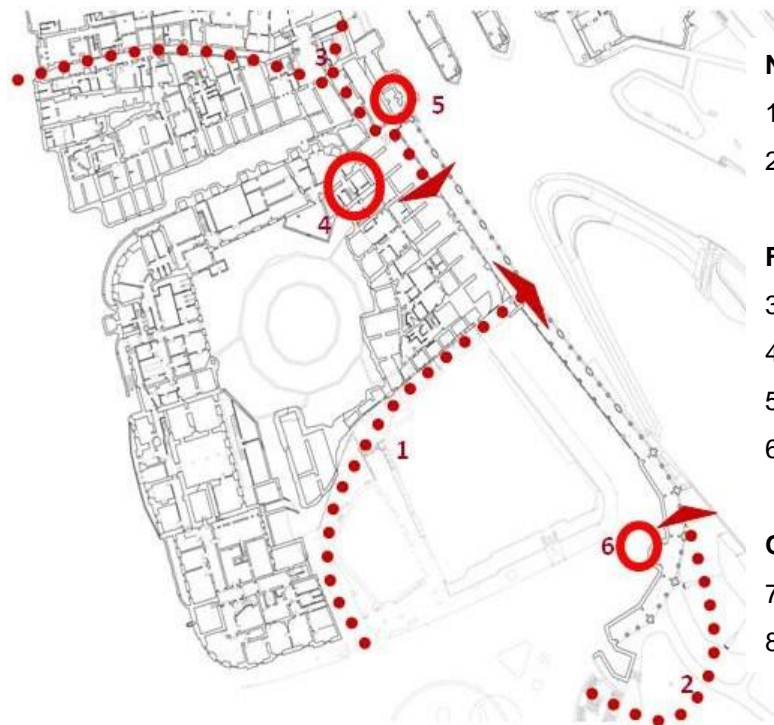
It is proposed that an historical record of development for the site is produced as part of the project. This will also document any future development.

- There has been positive support for the project from key stakeholders
- Meetings have been held with the following stakeholder groups:
 - English Heritage (x4)
 - Bath Preservation Trust
 - Guildhall Market Traders (x2)
 - Empire Hotel Residents
 - World Heritage Steering Group
 - Bath Tourism+
 - Bath Improvement District
 - Friends of the Victoria Art Gallery
- Briefing sessions have also been held with:
 - B&NES Cabinet
 - B&NES Planning Authority
 - B&NES Heritage Services
 - Liberal Democrats Group
 - Conservative Group
 - Ward Councillors
- The Environment Agency has been consulted about flood risks and managing public safety. They have also noted an aspiration to re-develop the Radial Gate (possibly into a Lock).



- B&NES owns all of the freeholds necessary to procure a Development Partner
- Bath Markets are vested in B&NES under the Bath Corporation Act 1963, although there are no positive obligations on B&NES to provide a market in the Act
- The maximum term of a market lease is 7-years
- A developer could develop the market as licensee, the freehold of the Guildhall Markets could be retained by B&NES and the rental income received by B&NES could be assigned to the developer
- There are 32 tenancy agreements; 25 of which are protected by the Landlord and Tenant Act 1954
- A phasing strategy is required for vacant possession (based on B&NES commitment for continuity of business trading)





Necessary Options

- 1. Boatstall Lane (re-open)
- 2. Parade Gardens (re-open)

Future Options

- 3. Slippery Lane (re-open)
- 4. Victoria Art Gallery stair (re-modelled)
- 5. Pulteney Bridge stair (new)
- 6. Grand Parade Stair (new)

Other Options

- 7) Footbridge
- 8) Park & Glide (Boat Service)

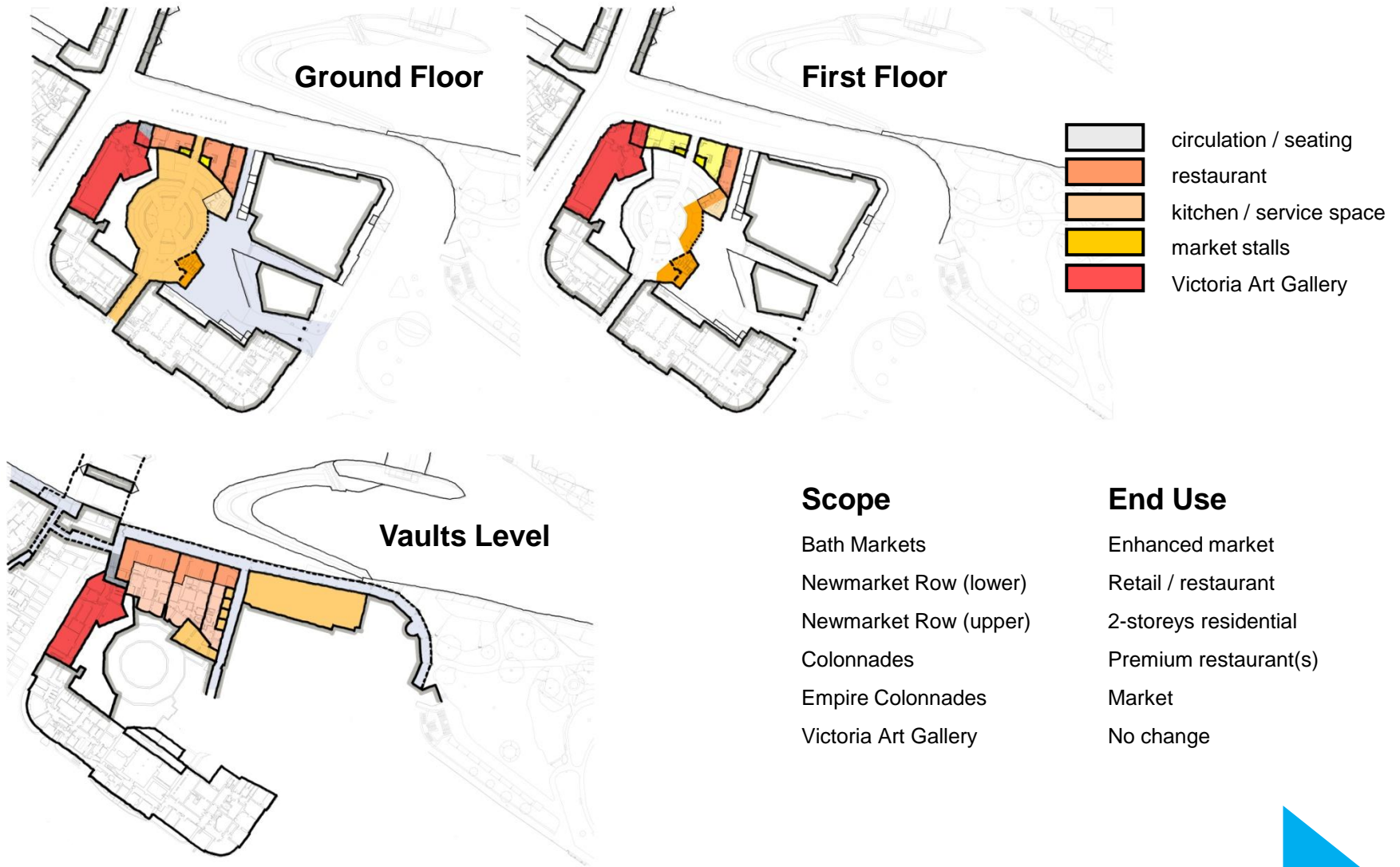
Issues

- Security
- DDA / Security
- Ownership / DDA / Manhole / Security
- DDA / Security
- EH Concerns / Lottery Funding
- DDA
- Viable?
- To be explored

Design Minimum & Maximum Schemes

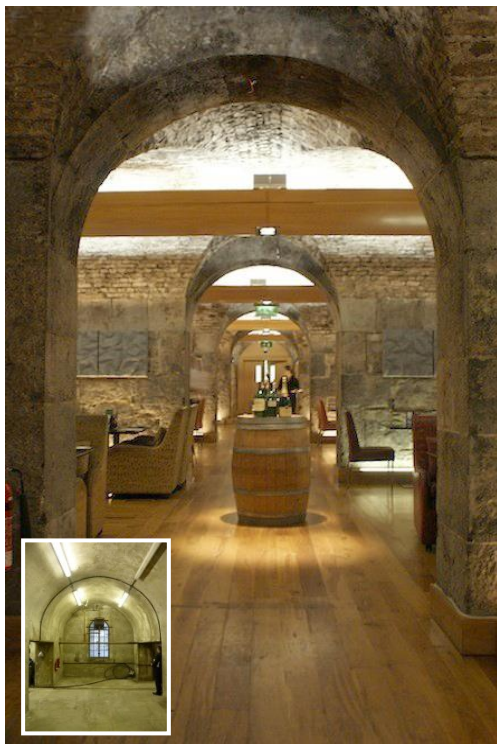
- Viability study has considered the Minimum and Maximum Schemes
- Multiple options between the Minimum and Maximum schemes
- Opportunity to Phase development to suit vacant possession, funding, etc
- Opportunity to Package development to suit Development Partner(s) expertise (i.e. commercial, residential, etc)







Bath Markets (Enhanced)



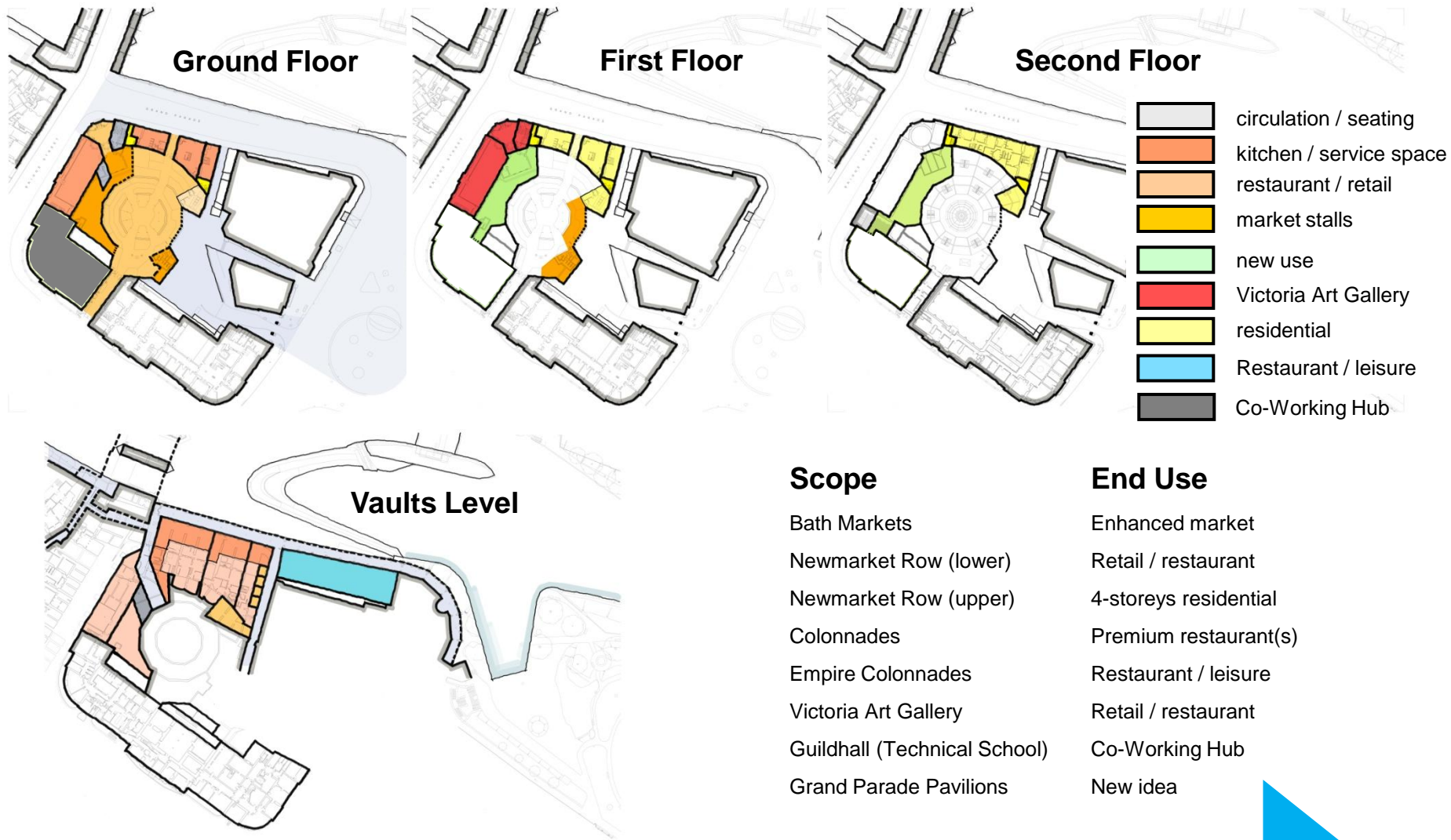
Colonnades Restaurant

(Photo: TBC)

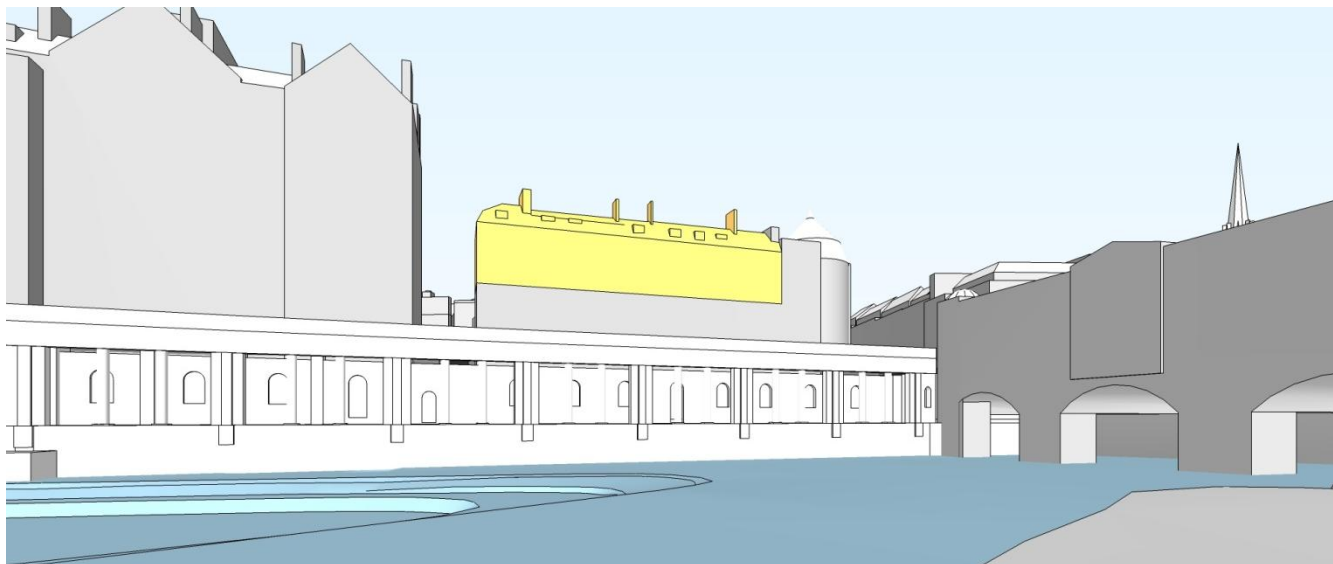


Empire Colonnades Market

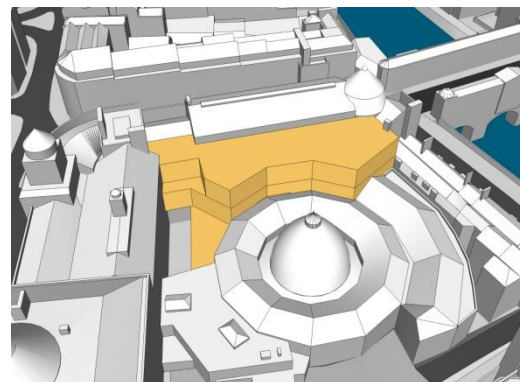
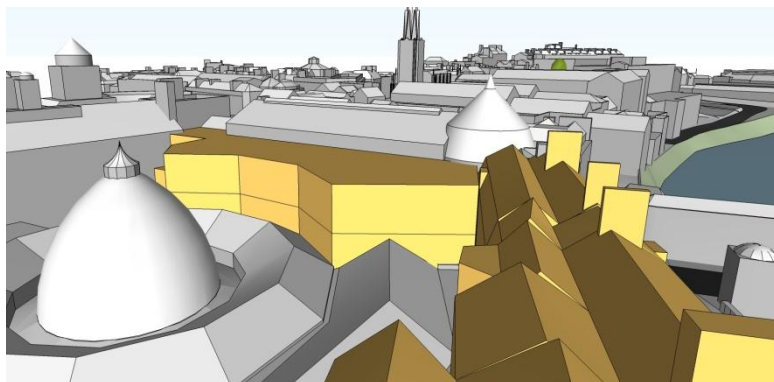
(Photo: Borough Market, London)



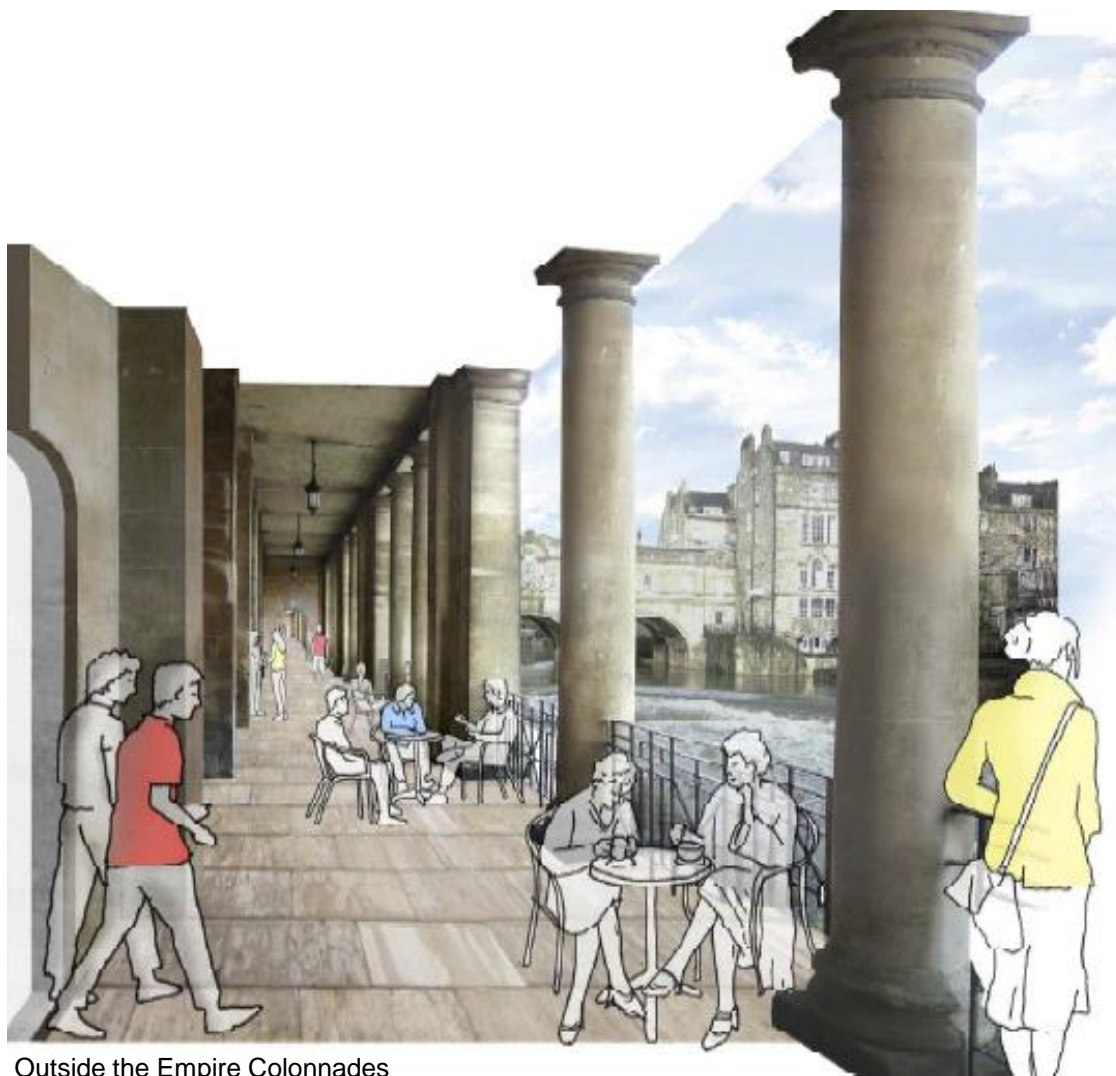
Design Maximum Scheme



View from across the river showing two additional storeys on Newmarket Row



View of roofscapes from the Empire Hotel, including the new in-fill opportunity



Outside the Empire Colonnades



View of the Colonnades from across the River

- Development is viable in a PHASED APPROACH
- Phase 1: Colonnades and Empire Colonnades
 - Restaurants
 - Delivered by B&NES (subject to a pre-let agreement)
 - Significant interest has been received from 'higher end' restaurant companies
 - New revenue stream for B&NES from rent (c. £300k p.a.), plus new business rates
- Phase 2: Bath Markets
 - Market specialist Development Partner required
 - Assist in developing a City strategy for an enhanced / enlarged market
 - Opportunity for weekend markets on High Street and Grand Parade
- Phase 3: Newmarket Row
 - Retail and residential development
 - Timing to suit existing leases, which start to expire from 2015
- Phase 4: All Other Opportunities
 - Subject to external funding (e.g. Lottery)
 - Dictated by economic / market conditions

- The procurement strategy must establish a **fair process** for all potential bidders
- The proposed strategy has been agreed with the Council's Audit and Procurement Team
- Phase 1 (The Colonnades) will require procurement of various surveys / investigations, a design team and a main contractor. These services will be procured via Pro Contract using a pre-qualification and tender process.
- The various surveys / investigations and a design team will be appointed following Cabinet approval
- The main contractor will be appointed after Planning Permission is granted (subject to any conditions imposed by Cabinet)
- Phase 2 (Bath Markets) will require a Specialist Market Operator who will be granted a licence by the Council to collect market rents in lieu for enhancing / developing the markets

The key project risks are:

- Unable to agree a pre-let from restaurant operator(s) for Phase 1
- Significant objections to the development opportunity from key stakeholders and the general public, which in-turn results in the planning application being delayed / refused
- Structural integrity of the existing buildings is unknown
- Potential development partners for Phases 3 and 4 are not interested in the project due to site constraints

Grand Parade & Undercroft										Bath & North East Somerset Council											
Dr Jon Folly		Date Now: 18 Dec 12	Date updated: 29 Nov 12																		
Risk No	Description	Date Entered on Register	Risk or Opportunity?	Risk/Opportunity Owner	Category	Current Mitigation Score										Strategy to Manage Risk	Commentary on Current Status of Action Plans				
						Likelihood					Impact										
						1	2	3	4	5	1	2	3	4	5						
R101	The development opportunities are constrained by legal issues, such as land ownership and the master plan.	13-Sep-12	Risk	Legal Advisor - BURGESS SALMON	Legal	5														Treat	Burgess Salmons appointed to carry out legal due diligence
R102	Significant objections to the development opportunity from key stakeholders and the general public.	13-Sep-12	Risk	PR Consultant - CREATIVE	Communications	5														Treat	Stakeholder consultation program led by Creative
R103	Structural integrity of the existing buildings is unknown	13-Sep-12	Risk	Project Manager - CAPITA SYMONDS	Professional	5														Treat	Complete a condition survey of the existing buildings, including geotechnical survey
R104	Potential development partners are not interested in the project due to site constraints	13-Sep-12	Risk	Project Manager - CAPITA SYMONDS	Professional	5														Treat	Complete all information about the site, and provide to potential partners
R105	The core scheme does not provide sufficient return on investment to attract a Development Partner.	22-Oct-12	Risk	Client - BINES	Professional	5														Treat	Review strategy with English Heritage about the viability and economic aspects
R106	English heritage object to the development proposals, which in-turn results in the planning application being delayed / refused	22-Oct-12	Risk	Client - BINES	Communications	5														Treat	Early dialogue with English Heritage about the viability and economic aspects
R107	Archaeology finds during the works and add cost	22-Oct-12	Risk	Project Manager - CAPITA SYMONDS	Physical	5														Treat	Avoid any excavations that might disturb archaeology
R108	Utilities services in the vicinity of the site are unknown	22-Oct-12	Risk	Project Manager - CAPITA SYMONDS	Physical	5														Treat	Carry out searches
R109	Capacity of utility services is insufficient for proposed development leading to major network upgrades (time and cost risks)	22-Oct-12	Risk	Development Partner	Physical	5														Treat	Work with utility providers about spare capacity
R110	Changes to network and capacity may be insufficient for proposed development leading to major network upgrades (time and cost risks)	22-Oct-12	Risk	Development Partner	Physical	5														Tolerate	Work with utility providers about spare capacity
R111	Government Agency object to development of the Colonnades for flooding / river issues	22-Oct-12	Risk	Project Manager - CAPITA SYMONDS	Professional	5														Treat	Early dialogue with the EA about flooding / river issues
R112	Obtaining a licence to sell alcohol for any new restaurants / cafes / bars	16-Nov-12	Risk	Client - BINES	Professional	5														Treat	Internal BINES discussion
R113	Obtaining a licence to provide outside seating areas for new restaurants / cafes / bars	16-Nov-12	Risk	Client - BINES	Professional	5														Treat	Internal BINES discussion
R114	City wide marketing strategy required	16-Nov-12	Risk	Client - BINES	Professional	5														Treat	Develop a market strategy
R115	Cost flow requirements versus available funding / free stream	16-Nov-12	Risk	Project Manager - CAPITA SYMONDS	Professional	5														Treat	Conduct cash flow forecast regularly
R116	Landings under lease for the Empire Colonnades prevents development of this part of the project scope	29-Nov-12	Risk	Client - BINES	Legal	5														Treat	BINES to acquire the lease (work in progress)

- Ongoing Stakeholder briefings
- May 2013 Cabinet approval to commence new scheme (Phases 1 and 2)
- June 2013 Commence detailed design work
- November 2013 Submit planning applications
- Spring 2014 Start construction works
- Christmas 2014 Phases 1 and 2 open for business
(subject to planning permission and pre-let agreements)



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