

<b>Subject:</b>	<b>Peter Pan Leisure Site, Madeira Drive - Development Proposal</b>		
<b>Date of Meeting:</b>	<b>12<sup>th</sup> March 2015</b>		
<b>Report of:</b>	<b>Assistant Chief Executive Interim Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Ian Shurrock</b>	<b>29-2084</b>	
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<b>Ward(s) affected:</b>	<b>East Brighton</b>		

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To seek approval to grant Landlord's consent, subject to final determination of Heads of Terms by Policy & Resources Committee, for the Sky Wide Open development on the former Peter Pan site on Madeira Drive. "Sky Wide Open" is a working title and will be subject to change.
- 1.2 This report details the process that officers have undertaken to market this site for redevelopment and the selection process which has resulted in the preferred developer being chosen.
- 1.3 The marketing of the site has taken place at the same time as the Seafront Infrastructure Scrutiny Panel. The panel highlighted the importance of seeking investment into the seafront. This development (which is being paid for by external funding with no council funding) is improving an area that has been neglected for several years.

**2. RECOMMENDATIONS:**

- 2.1 That the Economic Development & Culture Committee agree to grant Landlord's consent for the Sky Wide Open development on the former Peter Pan site on Madeira Drive.
- 2.2 That the committee agrees for officers to negotiate Heads of Terms for the required Agreement to Lease and Lease, which would then be considered by the Policy & Resources Committee for approval.

### **3. RELEVANT BACKGROUND INFORMATION:**

- 3.1 The former Peter Pan amusement site is located on Madeira Drive just to the west of the Yellowwave beach volleyball venue and opposite Concorde II music venue (see appendix 1). The site is 0.24 hectares with a 116m frontage and is currently flat derelict land. The site has had a variety of temporary uses and was marketed for a permanent leisure development in late 2012.
- 3.2 The letting particulars identified the site as a potential opportunity for leisure based development, children and family themed leisure attractions and wet and dry sports attractions. This letting process resulted in a preferred developer Karma Resorts being chosen to operate a spa, beach club and restaurant. However, after protracted negotiations Karma altered their offer and finally withdrew after the council's insistence that their proposal to construct a stand-alone restaurant was not acceptable, as the primary use required was for a leisure facility.
- 3.3 The site was remarketed in summer 2014. An updated site brochure was produced and the brief was for a leisure development opportunity for which 8 applications were received.
- 3.4 The applications were assessed using a scoring matrix to determine the strongest proposals. The 5 top scoring proposals were selected for interview by a panel consisting of council officers and the letting agents. The proposal called Sky Wide Open presented by a consortium of local leisure operators and property developer was chosen by the panel as the preferred development.
- 3.5 The scheme will be promoted as a national centre for open water swimming with community access and an all year-round leisure destination (see appendix 2). Proposed facilities include:
- 50m 8 lane outdoor heated sea water training pool, changing/shower facilities,
  - indoor endless/ training pools,
  - sauna, studios for training, exercise and yoga, therapy rooms,
  - café/restaurant,
  - leisure-centric shops, offices, function room,
  - bike lock-up/hire, watersports hire,
  - water safety and awareness courses with a lifeguard training academy.

The proposal would provide a centre of excellence as well as community accessible water based activities, offering a wide range of leisure facilities which would complement existing uses of the seafront location. We are not aware of a 50m sea water pool currently existing in this country and this would be a new innovation, with technical challenges that the developers are confident they can meet.

- 3.6 The granting of Landlord's consent will enable the preferred developer to advance the proposal further into a scheme for which the Heads of Terms for the required Agreement to Lease and Lease can be negotiated. This would include agreement on the potential phasing of the scheme to ensure that the provision of leisure facilities is prioritised. The indicative proposal for the phasing is shown in appendix 2.

- 3.7 Due to the city's location as the nearest part of the coast suitable for sea swimming and easy access for a wide catchment of people, Brighton & Hove is popular for open water swimming. However, most swimmers have nowhere to change, leave their belongings or shower afterwards.
- 3.8 The preferred developer believe the city is ideal for open water swimmers to use as a base, to become a centre of excellence for this fast-growing sport and to make the activity more accessible for all thus encouraging increased participation. Due to the mix of activities on offer the centre will not only attract open water swimmers but will appeal to pool fitness swimmers, triathletes, fitness enthusiasts and beach visitors. The city has a shortage of pool facilities and the 50m pool would therefore be seen as complementary, rather than in competition with other pool provision.
- 3.9 Residents and visitors can make use of the pool and changing facilities either through a membership scheme or on a pay as you go basis. The café/restaurant, shops, therapy rooms and Watersports hire will have open access to the public.
- 3.10 The objective behind Sky Wide Open is to rekindle the cultural, historical and social land-sea associations that the city has and builds upon the traditions of the city from 250 years ago and the practices of the celebrated Dr Richard Russell.
- 3.11 The developers all own local businesses and have a passion for open water swimming. These comprise:
- Copsemill Properties: a Brighton based property development company with a commercial and residential portfolio;
- SwimTrek: the world's biggest open water swimming operator, coordinating holidays, events, races and coaching clinics in Brighton, nationally and overseas;
- Swimmergy,:an open water swimming coaching business, providing pool, sea and dry land courses for people of all ages and abilities;
- 3.12 The Sky Wide Open proposal is an exciting and unique development opportunity which will provide water based leisure attraction for the seafront. The draft Seafront Strategy identified Madeira Drive as a key area of the seafront in need of regeneration. Building on the success of the Seafront Development Initiative between the two piers, there is potential to establish Madeira Drive as an all year round leisure destination for residents and visitors alike.
- 3.13 Existing businesses on Madeira Drive already present an assortment of leisure opportunities for a variety of different user groups. Examples include Yellowwave Beach Sports Facility; Peter Pans playground providing free family play facilities and Concorde II live music venue providing nighttime entertainment. The addition of the Sky Wide Open facility to the seafront portfolio will not only provide a new public attraction and directly enhance the site, but it will complement the existing uses adding to the overall offer on Madeira Drive.

- 3.14 The development site is currently an enclosed hardstanding which is located to the north of the Volks Railway line and has remained vacant for many years. The proposal seeks to use the whole of the existing site with the pool to be built on the beach. A crossing point over the railway line will connect the pool to Madeira Drive. Therefore, there will be changes to public beach access as a result of the development, as happened with the Yellowwave Beach Sports Centre.
- 3.15 The project will be funded through private investment and bank finance with no council funding. The level of investment from the developer will be approximately £3.2 million. The development of this vacant site will create both direct and indirect employment opportunities.
- 3.16 Officers will negotiate the terms for a lease to provide a rental income acknowledging the major investment in the site proposed by the developer. It is envisaged that an Agreement for Lease will detail the full extent of the works to be carried out by the developer. Officers will seek to finalise Heads of Terms as quickly as possible and seek approval thereto by Policy & Resources Committee.
- 3.17 Planning permission will be sought by the developer following Landlord's consent and public consultation. It is envisaged that subject to all permissions being granted the developer could commence building in 2016.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The developer intends to undertake a public consultation exercise utilising the site for marketing and promotional activities.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The financial implications will be determined by the negotiations on the Heads of Terms which will need to be based on a sound business case and ensure that best consideration is met.

*Finance Officer Consulted: Michael Bentley*

*Date: 6/02/2015*

##### Legal Implications:

- 5.2 When the proposed Heads of Terms have been agreed they will be considered for approval by Policy & Resources Committee.

*Lawyer Consulted: Bob Bruce*

*Date: 06/02/2015*

Equalities Implications:

- 5.3 Sky Wide Open intends to make disabled access a fundamental part of its proposal. The design includes plans for a boardwalk to allow wheelchair users improved access to the beach and sea.

Sustainability Implications:

- 5.4 Sustainability requirements will be incorporated into the design of the development.

Crime & Disorder Implications:

- 5.5 The facility will be open all year therefore providing additional controlled activity and security in a currently underutilised area of the seafront.

Risk and Opportunity Management Implications:

- 5.6 The financial risk in relation to the development will rest with the developer. Existing businesses within Madeira Drive will benefit from the new investment and increased footfall.

Public Health Implications:

- 5.7 This proposal will provide a facility where local residents can undertake exercise and promote wellbeing in a high quality, relaxing environment.

Corporate / Citywide Implications:

- 5.8 This proposal will provide employment and training opportunities for local residents and will act as a catalyst for the regeneration of Madeira Drive.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Location Plan of Peter Pan Site
2. Site Plan of Proposal

**Background Documents**

1. Peter Pan Site Brochure