



DEVELOPMENT CONTRIBUTION SCHEME

23rd of September, 2013.

Limerick City Council

Planning & Economic Development Department

Development Contribution Scheme 2013 - 2016
Section 48, Planning & Development Acts, 2000-2013

Development Contribution Scheme 2013 - 2016

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1.0 INTRODUCTION

Sub-section (1) of Section 48 of the Planning and Development Act, 2000-2013 ('The Act') enables a planning authority, when granting a planning permission under Section 34 of the Act, to include conditions for requiring the payment of a contribution in respect of public infrastructure and facilities benefiting development in the area of the planning authority, and that is provided, or that it is intended will be provided, by or on behalf of a local authority (regardless of other sources of funding for the infrastructure and facilities).

(a) Subsection (2) of Section 48 of the Act requires that the basis for the determination of a contribution under subsection (1) shall be set out in a development contribution scheme made under this section.

(b) A scheme may make provision for payment of different contributions in respect of different classes or descriptions of development.

Subsection (3)(a) of Section 48 specifies that a scheme shall state the basis for determining the contributions to be paid in respect of public infrastructure and facilities, in accordance with the terms of the scheme.

Subsection (3)(b) In stating the basis for determining the contributions to be paid, the scheme must indicate the contribution to be paid in respect of the different classes of public infrastructure and facilities which are provided or to be provided by any local authority and the planning authority shall have regard to the actual estimated cost of providing the classes of public infrastructure and facilities, except that any benefit which accrues in respect of existing development may not be included in any such determination.

Subsection (3)(c) A scheme may allow for the payment of a reduced contribution or no contribution in certain circumstances, in accordance with the provision of the scheme.

Subsection (15)(a) specifies that a planning authority may facilitate the phased payment of contributions under Section 48 of the Planning and Development Acts, 2000-2013 and may require the giving of security to ensure payment of contributions.

1.1 DEFINITIONS

Section 48 of the Planning and Development Acts, 2000-2013, gives the following meaning to 'public infrastructure and facilities':

- (a) the acquisition of land,
- (b) the provision of open spaces, recreational and community facilities and amenities and landscaping works,
- (c) the provision of roads, car parks, car parking places, sewers, waste water and water treatment facilities, service connections, watermains and flood relief work,

- (d) the provision of bus corridors and lanes, bus interchange facilities (including car parks for these facilities) infrastructure to facilitate public transport, cycle and pedestrian facilities, and traffic calming measures,
- (e) the refurbishment, upgrading, enlargement or replacement of roads, car parks, car parking places, sewers, waste water and water treatment facilities, service connections or watermains,
- (f) the provision of high-capacity telecommunications infrastructure, such as broadband,
- (g) the provision of school sites, and
- (h) any matters ancillary to paragraphs (a) to (g).

‘Scheme’ means a development contribution scheme made under Section 48 of the Act.

The methodology for preparing a development contribution scheme is set out in *Development Contributions Guidelines for Planning Authority, January 2013*.

1.2 BASIS FOR DETERMINATION OF CONTRIBUTION

The basis for determination of a contribution under the Limerick City Council Development Contribution Scheme 2013 - 2016 (‘the Scheme’) is as follows:

- (a) The amount of the costs which are attributable, in the years to 2015, to the four classes of public infrastructure and facilities (listed in Table A of Appendix 1 which is annexed to this Scheme).
- (b) The aggregated floor areas in square metres of projected development, in the years to 2015, in each of the classes or descriptions of development, namely, residential class and industrial/commercial class. (c) The development contributions payable per square metre of residential development, and of industrial/commercial development were determined upon consideration of a number of factors including:
 - o Eligible costs of projects
 - o Expected quantum of development
 - o The level of existing contribution rates

1.3 DEVELOPMENT CONTRIBUTION SCHEME

This Limerick City Council Development Contribution Scheme 2013 - 2016 (‘the Scheme’) is made under Section 48 of the Planning and Development Acts, 2000-2013 (‘the Act’). Under the Scheme, Limerick City Council will, when granting a planning permission under Section 34 of the Act, include conditions for requiring the payment of a contribution (the amount of which is indicated below under the heading ‘Level of Contribution’) in respect of public infrastructure and facilities benefiting development in Limerick City and that is provided, or that it is intended will be provided, by or on behalf of Limerick City Council (regardless of other sources of funding for the infrastructure and facilities).

1.4 LEVEL OF CONTRIBUTION

Under the Scheme, the contributions to be paid (except where an Exemption or Reduction applies, see Article 10 below) in respect of the different classes of public infrastructure and facilities are as follows:-

(a) Residential Development

The proposed contribution rates for residential development are set out in the following table:

TABLE 1: Proposed contribution rates for residential development (including apartments):

Location	Residential Development Up To 120m ² per unit	Residential Development 120m ² To 150m ² per unit	Additional Floor Area Per m ² per unit
City Centre	€1,500	€2,812.50	€28.05
Regeneration	€500	€937.50	€9.35
Other	€2,000	€3,750	€37.50
Agriculture	€4,000	€7,500	€75

1. The first 40sq metres of extensions to a residential development will be exempt from payment of the contribution (subsequent extensions or extensions over and above 40square metres to be charged at the residential rate per square metre).
2. Residential developments that propose a BER rating in excess of A2 shall receive an additional discount of 10%. This shall be allowed following certification of the completed dwelling and wil be deducted from the final phase payment.
3. Where an existing dwelling is proposed to be demolished and replaced with a new dwelling an offset of 100% of the floor area of the dwelling to be demolished shall be applied to the contribution and no additional contribution in respect of public open space shall be levied.
4. Works to a protected structure shall receive an additional discount of 50%.

Apartments shall be charged a per unit fee in accordance with the above rates. The conversion of building to residential use will be charged at the differential rate between the existing and proposed use.

The Limerick City Development Plan provides the discretion to the Council to determine a financial contribution in lieu of all or part of the open space requirement for a residential development. The contribution in lieu of open space will be levied at the following rate:

- o €50,000 per acre to purchase land
- o €50,000 per acre for development costs

Applications for retention will be charged at the full rate as outlined in Appendix 4.

(b) Commercial Development

The proposed contribution rates for commercial development are set out in the following table:

TABLE 2: Proposed contribution rates for commercial development per m²

Location	Industrial	Warehousing	Retail Warehousing	Retail/ Restaurants/ Takeaways & Other Commercial Not Included In An Other Class	Office/ Medical Surgery	Hotel/ Nursing Homes/ Guest Houses/ Gyms/ Schools
City Centre	€37.50	€30	€60	€75	€75	€37.50
Regen	€12.50	€10	€20	€25	€25	€12.50
Remainder	€50	€40	€80	€100	€100	€50

1. Open storage/Hard surface commercial space development, other than car parking shall be liable for development contribution at one third of the relevant rate.
2. Development consisting of the change of use of premises will be charged at the differential rate between the existing use and proposed use.
3. Works to a protected structure shall receive an additional discount of 50%.
4. Where an existing building is proposed to be demolished and replaced with a new building an offset of 100% of the floor area of the building to be demolished shall be applied to the contribution.
5. Bus Shelters shall be charged €2,000.
6. Advertising structures which are not related to the premises that they are attached to will be charged €5,000 irrespective of location.
7. Substations / Switch Rooms will be charged €2,000.

Applications for retention will be charged at the full rate as outlined in Appendix 4.

The Limerick City Development Plan provides the discretion to the Council to determine a financial contribution in lieu of car parking for a particular development. The contribution will be levied at the rate of €1,500 per space.

Note 1: These rates of contribution shall be updated effective from 1st January each year during the life of the Scheme in accordance with the Wholesale Price Index (Building and Construction Materials) (See Article 12 of the Scheme below). The above rates are effective from the adoption of the scheme.

Note 2: The floor area of proposed development shall be calculated as the gross floor area. This means the area ascertained by the internal measurement of the floor space on each floor of a building (including internal walls and partitions) including mezzanine floors. In the case of multi-unit residential buildings, the total floor area will be included excluding ancillary car parking as outlined below

Note 3: New extensions to existing developments will be charged at the above rates also.

Note 4: In the case of temporary permissions the rates of contribution will be as follows:

- o 33% of the normal rate for permissions up to 3 years
- o 50% of the normal rate for permissions up to 5 years
- o 66% of the normal rate for permissions up to 10 years

1.5 EXEMPTIONS

The following categories of development will be exempted from the requirement to pay development contributions under the Scheme:

- (i) Development by charities for non-profitable development
- (ii) Social and Affordable housing units, including those which are provided in accordance with an agreement made under Part V of the Act (as amended under the Planning & Development (Amendment) Act, 2002) or which are provided by a voluntary or co-operative housing body, which is recognised as such by the Council
- (iii) Ancillary surface car parking
- (iv) Ancillary non-surface residential car-parking is exempt
- (v) Ancillary non-surface non-residential car parking to be reduced by 50%
- (vi) Non-fee paying primary schools and secondary schools
- (vii) Development by voluntary not for profit clubs, non-statutory groups/organisations for non-commercial community related developments
- (viii) The non-built elements of recreational facilities (e.g. playing pitches, golf courses)
- (ix) Entrance gates/Railings/Fencing etc
- (x) Elevational Alterations
- (xi) Internal layout change – Where no additional floor area is created or there is no change of use
- (xii) Power lines
- (xiii) Broadband and mobile telephone infrastructure.
- (xiv) Sewer/Drainage/Road Construction/Provision of infrastructural facilities shall not be charged
- (xv) Developments grant aided by IDA/Enterprise Ireland or Limerick Enterprise Board will be exempt for all contributions

1.6 PAYMENT OF CONTRIBUTION

Conditions requiring payment of the contributions provided for in the Scheme will be imposed in all decisions to grant planning permissions made following the making of the Scheme by the Council. The operative date of the scheme is from 23rd of September, 2013.

The contributions under the Scheme shall be payable prior to commencement of development or as otherwise agreed by the Council. Contributions shall be payable at the index adjusted rate pertaining to the year in which implementation of the planning permission is commenced. Outstanding balances may be subject interest charges.

The Council may facilitate the phased payment of contributions payable under the Scheme, and the Council may require the giving of security to ensure payment of contributions.

1.7 APPEAL TO AN BORD PLEANÁLA

An appeal may be brought to the Board where the applicant for planning permission under Section 34 of the Act considers that the terms of the Scheme have not been properly applied in respect of any conditions laid down by the Council.

1.8 REVIEW OF SCHEME

The Scheme may be reviewed from time to time by the Council having regard to circumstances prevailing at the time. After a review of the Scheme, a new Scheme may be made.

1.9 SPECIAL DEVELOPMENT CONTRIBUTIONS

A special development contribution may be imposed under Section 48 of the Act where exceptional costs not covered by the *Limerick City Council Development Contribution Scheme 2013 - 2016* are incurred by the Council in the provision of a specific public infrastructure or facility. (The particular works will be specified in the planning conditions when special development contributions are levied). Only developments that will benefit from the public infrastructure or facility in question will be liable to pay the special development contribution. Conditions imposing special contributions may be appealed to An Bord Pleanála.

This Scheme is effective in respect of permissions granted from the date of the adoption of the proposed scheme - 23rd of September, 2013.

APPENDIX 1

REVIEW OF CURRENT SCHEME

The existing development contribution scheme dates from 2004 and therefore does not reflect the current economic situation. Furthermore, it does not reflect the emphasis placed on economic development and employment creation as outlined in the *Development Contributions Guidelines for Planning Authority, January 2013*. The following general issues have also been identified as an issue that should be addressed in the new scheme:

- Did not differentiate between different types of development – retail, office, warehousing, factory, were all viewed as the same.
- In the case of demolitions no allowance was made for the existing building.
- Charged for signage.
- Charged for change of use subsequent to a premises being developed though the property was never occupied. In general the change of use charge was deemed excessive.
- Did not incentivise the city centre.
- Apartments were charged at a commercial rate.

APPENDIX 2

EXPECTED LEVELS OF DEVELOPMENT

The Limerick City Development Plan, 2010-2016, estimates the projected number of dwelling units required to 2016 as 9,149. For the period of the contribution scheme this equates to 4,575 units.

The level of commercial development to support this scheme is estimated to be approximately 90,000m². This development will take the form, of both new and change of use developments. This equates to 20m² per dwelling. The majority of this is expected to consist of office/retail development

APPENDIX 3

ELIGIBLE EXPENDITURE AND ALLOCATION OF COSTS

Limerick City Council adopted a capital programme for the period 2012 -2015 in March 2012. The programme proposed €219 million of capital works. In accordance with the provisions of the Planning and Development Acts, 2000-2013, the eligible expenditure is set out in Table 3 below.

HOUSING/REGENERATION

Description	2012	2013	2014	TOTAL
House/Site Purchases	€12,000,000	€9,000,000	€7,000,000	€28,000,000
TOTAL	<u>€12,000,000.00</u>	<u>€9,000,000.00</u>	<u>€7,000,000.00</u>	<u>€28,000,000.00</u>

TRANSPORT

Description	2012	2013	2014	TOTAL
ROAD DESIGN & CONSTRUCTION				
<i>Coonagh-Knocklasheen Distributor</i>	€3,000,000	€24,000,000	€16,100,000	€43,100,000.00
<i>Childers Road Upgrade</i>	€250,000	€3,500,000	€4,600,000	€8,350,000.00
<i>Green Routes</i>	€2,000,000	€2,000,000	€2,000,000	€6,000,000.00
CITY CENTRE PEDESTRIANISATION				
<i>William St/Sarsfield St</i>	€1,000,000	-	-	€1,000,000.00
<i>O'Connell St detailed design</i>	€500,000	-	-	€500,000.00
<i>O'Connell St Pedestrianisation Works</i>	-	€3,000,000	€3,000,000	€6,000,000.00
<i>John's Square Public Realm Works</i>	€500,000			€500,000.00
<i>Orbital Route Works</i>	€1,000,000	€1,000,000	€500,000	€2,500,000.00
<i>Harvey's/Howley's/Bishops Quay Improvement Works</i>	€3,000,000	€1,800,000	-	€4,800,000.00
<i>The Medieval Quarter/Nicholas Street</i>	€400,000	€4,000,000	€1,600,000	€6,000,000.00
OTHER				
<i>MWASP</i>	€150,000	-	-	€150,000.00
<i>Smarter Travel</i>	€400,000	€400,000	-	€800,000.00
TOTAL	€12,200,000.00	€39,700,000.00	€27,800,000.00	€79,700,000.00

WATER SERVICES

Description	2012	2013	2014	TOTAL
WATER NETWORK MANAGEMENT				
<i>Trunk Main Dock Road to Ennis Road</i>	€300,000	-	-	€300,000.00
<i>Trunk Main Commissioning</i>	€1,000,000	-	-	€1,000,000.00
<i>Clareville WTP</i>	€300,000	-	-	€300,000.00
<i>Mains Rehabilitation</i>	€2,500,000	€2,500,000	€1,000,000	€6,000,000.00
WATER CONSERVATION				
<i>Water Conservation Projects</i>	€1,000,000	€3,000,000	-	€4,000,000.00
TOTAL	<u>€5,100,000.00</u>	<u>€5,500,000.00</u>	<u>€1,000,000.00</u>	<u>€11,600,000.00</u>

RECREATION & AMENITY

Description	2012	2013	2014	TOTAL
LANDFILL				
<i>Longpavement</i>	€1,000,000	-	-	€1,000,000.00
COMMUNITY & PARKS				
<i>City Wall Conservation</i>	€50,000	€50,000	€50,000	€150,000.00
<i>City Playground Equipment</i>	€32,000	-	-	€32,000.00
ENVIRONMENT				
<i>Landfill Remediation</i>	€10,000	€1,000,000	€1,000,000	€2,010,000.00
CEMETRIES				
<i>Mount St. Laurence Extension</i>	€400,000	-	-	€400,000.00
TOTAL	<u>€1,492,000.00</u>	<u>€1,050,000.00</u>	<u>€1,050,000.00</u>	<u>€3,592,000.00</u>

ANCILLARY

Description	2012	2013	2014	TOTAL
ECONOMIC DEVELOPMENT INITIATIVES				
<i>Arthur's Quay</i>	-	€200,000	-	€200,000.00
<i>Strategic Site Development</i>	€6,000,000	-	-	€6,000,000.00
TOTAL	<u>€6,000,000.00</u>	<u>€200,000.00</u>	-	<u>€6,200,000.00</u>

TABLE 3: SUMMARY OF PROPOSED ELIGIBLE PUBLIC INFRASTRUCTURAL PROGRAMME

CLASS OF EXPENDITURE	AMOUNT	POSSIBLE GRANTS ETC	SHORTFALL	PERCENTAGE
Acquisition of Land	€28,000,000	€28,000,000	0	0%
Open Space & Recreation	€3,592,000	€1,747,000	€1,845,000	14.79551%
Roads & Transport	€79,700,000	71,175,000	€8,525,000	68.36407%
Water & Sewerage	€11,600,000	€9,700,000	€1,900,000	15.23657%
Community & Ancillary	€6,200,000	€6,000,000	€200,000	1.603849%
TOTAL	<u>€129,092,000.00</u>	<u>€116,622,000.00</u>	<u>€12,470,000.00</u>	<u>100%</u>

It is proposed that all contributions raised shall be allocated in the following manner:

TABLE 4: PROPOSED DIVISION OF CONTRIBUTIONS

Class of Infrastructure	Proposed Percentage Allocation
Transport	40%
Water Supply & Waste Water Services	40%
Recreation & Amenities	18%
Community & Ancillary	2%
TOTAL	<u>100%</u>

Note:

- (i) Contributions levied in respect of car parking shall be assigned to Roads & Transportation in its entirety.
- (ii) Contributions levied in respect of public open space shall be assigned to Community and Parks in its entirety.

Having regard, to the profile of the capital programme it is considered that a substantial portion of the expected spending is to support future residential development namely in the vicinity of the Coonagh to Knockalisheen Road and property purchase (€71 million). Therefore in accordance with the relevant guidelines, residential development should be levied 67% of total contributions and commercial developments 33%. Furthermore, it is considered that the majority of expenditure will support existing development and other publically funded programmes such as regeneration. Therefore it is proposed that 20% of the total capital budget be levied.

APPENDIX 4

PROPOSED RATES OF CONTRIBUTION

To achieve the proposed yield from the scheme the following rates of contribution are proposed.

RESIDENTIAL DEVELOPMENT

Class Of Infrastructure	Residential Development Up To 120m ² per unit	Residential Development 120m ² To 150m ² per unit	Additional Floor Area Per m ² per unit
Transport	€1,600	€3,000	€30
Water Supply & Waste Water Services	€1,600	€3,000	€30
Recreation & Amenity	€720	€1350	€13.50
Community & Ancillary	€80	€150	€1.50
TOTAL	<u>€4,000.00</u>	<u>€7,500.00</u>	<u>€75.00</u>

COMMERICAL DEVELOPMENT

Class of infrastructure	Industry	Warehousing	Retail Warehousing	Retail/ Restaurants/ Takeaways And Other Commercial Not Included In An Other Class	Office/ Medical Surgery	Hotel/ Nursing Homes/ Guest Houses/ Gyms/ Schools
Transport	€20	€16	€32	€40	€40	€20
Water Supply & Waste Water Services	€20	€16	€32	€40	€40	€20
Recreation & Amenity	€9	€7.20	€14.40	€18	€18	€9
Community & Ancillary	€1	€0.80	€1.60	€2	€2	€1
TOTAL	<u>€50.00</u>	<u>€40.00</u>	<u>€80.00</u>	<u>€100.00</u>	<u>€100.00</u>	<u>€50.00</u>

APPENDIX 5

PROPOSED YIELDS

The anticipated levels of development would yield a maximum of €27,300,000 approximately based on 4,575 residential units charged at €4,000 per unit and 90,000m² of commercial development charged at €100 per m². However, given the failure of the city to meet its population targets and the continued decline of the city centre, it is considered necessary to propose a number of adjustments to the proposed contribution rates and to reduce the contribution of the proposed scheme to the capital programme to 10% reflecting better alternative sources of finance. These adjustments are set out below:

- o That all residential development be discounted by 50% (excluding agricultural zoned land). This proposal reflects the population stagnation that has occurred in the city in the last census period.
- o It is proposed that all private housing proposals within the regeneration areas be discounted by a further 75%.
- o Within the city centre as defined in the Limerick City Development Plan a discount of 25% will be applied. This reflects that most residential development within the city centre will involve either the change of use of a structure or the demolition of an existing structure both of which are proposed to be accounted for within the scheme.
- o Developments grant aided by IDA/Enterprise Ireland or Limerick Enterprise Board will be exempt for all contributions.
- o All change of use applications.
- o All commercial development in the regeneration areas shall be discounted by 75%.

The revised contribution rates based on the above are set in table 1 and table 2 of the scheme.

Potential Yield:

Tables 5 and 6 below sets out the possible yields taking into account the primary adjustments.

TABLE 5: ESTIMATED YIELD FROM RESIDENTIAL DEVELOPMENT

LOCATION	UNITS	100%	50% DISCOUNT	ADDITIONAL DISCOUNTS	TOTAL YIELD
		€	€	€	€
Regeneration	1000	4000000	2000000	1500000	500,000.00
City Centre	885	3540000	1770000	442500	1327500
Remainder	<u>2690</u>	<u>10760000</u>	<u>5380000</u>	<u>N/A</u>	<u>5380000</u>
TOTAL	4575	€18,300,000.00	€9,150,000.00	€1,500,000.00	€7,207,500.00

TABLE 6: ESTIMATED YIELD FROM COMMERCIAL DEVELOPMENTS

<u>LOCATION</u>	<u>AREA</u>	<u>100%</u>	<u>TOTAL DISCOUNT</u>	<u>TOTAL</u>
City Centre	50,000	5,000,000	3,281,250	€1,718,750.00
Remainder	40,000	4,000,000	1,500,000	€2,500,000.00
TOTAL	90,000	9,000,000	4,656,250	€4,218,750.00

- Notes:**
- (1) 50% of developments in the city centre will be change of use
 - (11) 25% of developments elsewhere will be change of use
 - (111) 50% of the remainder development is assumed to be IDA sponsored employment and therefore exempted

The resulting yield from the proposed scheme is estimated to be €11,426,250.00 prior to any other levies in lieu of parking and open space etc. It is considered that proposed scheme is well aligned to the capital programme in accordance with government guidelines.