

# Limerick City & County Council Supplementary Development Contribution Scheme for the R526 Link Road (Phase 3)



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## 1.0 Introduction

Section 49 of the Planning and Development Act 2000 (As Amended) enables a planning authority when granting a permission under section 34 of the Act, to include conditions requiring the payment of a financial contribution towards the cost of any public infrastructure service or project. Subsection 1 of Section 49 specifies that the project or service shall be specified in a Supplementary Development Contribution Scheme (SDCS) made by the Planning Authority. They are supplementary in the sense that they are separate from, and in addition to, the General Development Contribution Scheme under Section 38 of the Act.

The making of such a scheme is a reserved function of the elected members. The project or service shall be provided either by the Planning Authority or may be carried out by any other person pursuant to an agreement with the Local Authority. The project or service must be of benefit to the development to which the planning permission relates.

Section 49 requires that the Supplementary Development Contribution Scheme specifies:

- the public infrastructure project or service to which it relates
- the area or areas within the functional area of the planning authority to which it relates
- the basis for determining the contributions to be paid

A scheme may make provision for the payment of different contributions in respect of different classes or descriptions of development and shall state the basis for determining the contributions to be paid. In the area for which the scheme is adopted these contributions will be payable in addition to those payable under Section 48.

A scheme may allow for the payment of a reduced contribution or no contribution in certain circumstances, in accordance with the provisions of the scheme.

The scheme is effective from the date the scheme is adopted by the Elected Members.

## 2.0 Definitions

Section 49 (7) of the Planning & Development Act gives the following meaning to “public infrastructure or service”-

- (a) *The provision of particular rail, light rail or other public transport infrastructure, including car parks and other ancillary development;*
- (b) *The provision of particular new roads;*

- (c) *The provision of particular new sewers, wastewater and water treatment facilities, service connections or watermain and ancillary infrastructure;*
- (d) *The provision of new schools and ancillary infrastructure*

### 3.0 The Project

#### **Background:**

In August 2016 the Department of Housing, Planning, Community and Local Government announced funding of €200 million under the Local Infrastructure Housing Activation Fund (LIHAF), with €150 million of funding from the Exchequer and the other €50 million to come from Local Authorities. The LIHAF is a key element of Pillar 3 of *Rebuilding Ireland: An Action Plan for Housing & Homelessness*. The objective of the fund is to provide infrastructure to relieve critical infrastructure blockages to enable the accelerated delivery of housing in urban areas where there is a high demand. An application by Limerick City and County Council for the construction of a road in Mungret was successful.

The proposal was for the construction of a link street approximately 2.7 km in length, with an approximate cost of €14,919,363.19, which would have the potential to unlock lands for the provision of a significant number of houses on residentially zoned land and would also contribute to the delivery of a post primary school in the area. €10.5m of the development cost was granted funding through the LIHAF initiative, which would provide infrastructure and facilitate the development of houses by 2021. Match funding of 25% is required from the Local Authority, which is in the order of 2.625m.

The existing General Contribution Scheme 2017 – 2021, lists the Mungret Distributor road additional phase as one of the projects to be funded from the scheme. The project was listed following a submission from the Department of Education to facilitate the delivery of an access to a proposed secondary school site. As this section of roadway is already covered under the existing scheme it shall be excluded from any Supplementary or Special Contribution Scheme and therefore does not form part of this scheme.

The delivery of the entire network is key to the operation of traffic and the movement of new and existing communities in the area. The R526 Link is the end part of this road network and is not funded under the LIHAF initiative or the General Development Contribution Scheme. The construction of this roadway will provide a fully connected route from the R859 through to the R526, will increase permeability and unlock lands for the provision of approximately 1,950 new homes on public and private lands in the long term. A masterplan has been prepared for the entire lands in Mungret with a proposed

Part 8 planning application for 250 houses due to be submitted to the Planning Authority in Quarter 3 of 2020 on part of these lands.

The Southern Environs Local Area Plan 2011 – 2017 (as extended) sets the policy context for the development of the lands in Mungret. Relevant policy support is provided as follows:

**Objective T 4: New link roads**

(a) It is an objective of the Council to ensure safe and adequate access to existing and developing districts within the Environs by seeking the provision/ improvement of new link roads and junctions as shown on Map 3 as shown on the Masterplan map and Map 3. In the layout and design of link roads attention shall be given to the context and interface with surrounding land uses in compliance with the Design Manual for Urban Roads and Streets(DoECLG,2014).

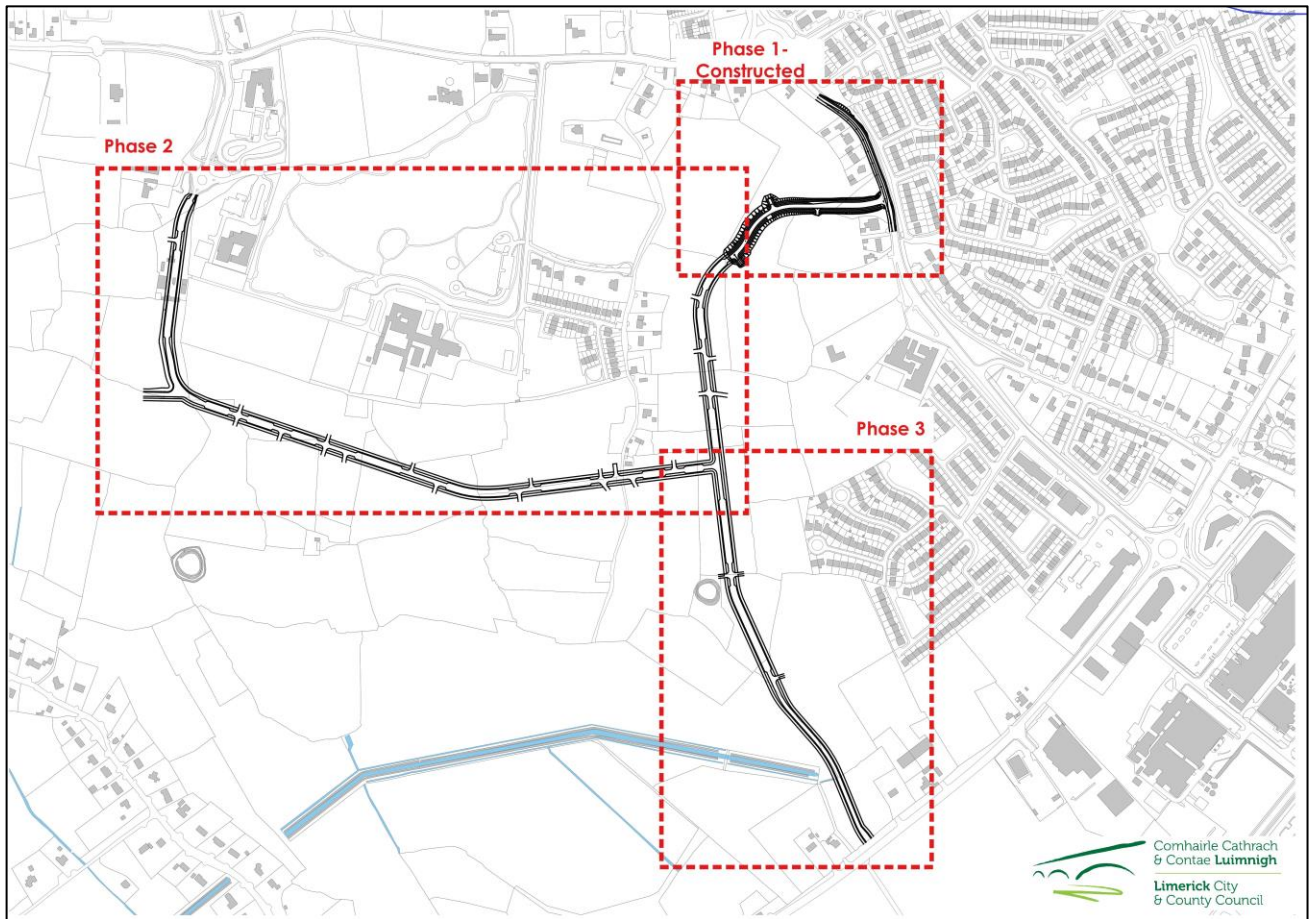
(b) Proposals should make provision for the accommodation of bus services along the most significant link routes, which shall include identification of bus stopping and turning areas, as well as carriageway capacity and through routes.

(c) Consideration shall be given to preparing a Supplementary Development Contributions Scheme to secure the provision of new link roads in the area.

It should be noted that the alignment of the new roads in the plan is indicative only and they shall definitely be aligned as part of the detailed design and development process. Similarly the location of junctions is indicative and the exact position for construction purposes will be dependent on detailed design.

The R526 Link Road will consist of works including the construction of 820m of roadway with cycleways and footpaths and associated infrastructure, which will serve new development lands in the vicinity of Mungret College and the proposed secondary school.

The proposed road will be 19.4 metres wide and will consist of 2 x 2m footpath, 2 x 2m cycleway, 2 x 1.2m grass verge, 1 x 2.5m car parking and a 6.5m carriageway.



**Fig. 1 – Extent of Road Infrastructure proposed**

#### **4.0 The basis on which the contribution has been determined**

The Planning and Development Act 2000 (Amended) require a Supplementary Development Contribution Scheme to state the basis for determining the contribution to be paid in respect of the public infrastructure project to which the scheme relates. In this regard, Limerick City & County Council have examined the following:

- Identified the lands that will benefit from the proposed road project;
- Identified the percentage of total cost of infrastructure which is applicable and what portion of the cost that Limerick City and County Council will bear;
- Identified the optimum rate of levy to maximize the yield;
- Identified the appropriate rates for different classes of development;
- Identified unit basis for application of the levy;
- Identified potential exclusions from the levy and assessed the impact on revenue from their exclusion,

| <b>Undeveloped Land zoning</b> | <b>Area(hectares)</b> |
|--------------------------------|-----------------------|
| Residential Development Area   | 82.39                 |
| Retail/Commercial              | 0.64                  |
| Industrial                     | 1.65                  |
| Education and Community        | 12.7                  |
| <b>Total</b>                   | <b>97.38</b>          |

**Table 1 - Benefitting Lands**

## 5.0 Cost of proposed Infrastructure

The overall cost of the delivery of the proposed infrastructure is expected to be €6,859,661.74

| <b>Schedule of Costs of the R526 Link Road</b> |                      |
|--|----------------------|
| Road Construction Costs *                      | €6,517,161.74        |
| Land Purchase Costs                            | €300,000.00          |
| Stamp Duty 7.5%                                | €22,500.00           |
| <b>Total</b>                                   | <b>€6,859,661.74</b> |

\*- excluding Irish Water recoupable costs

**Table 2 – Costing breakdown of proposed scheme**

| <b>Total cost of R526 Link Road - excluding Irish Water costs</b> | <b>Other sources of funding NTA</b> | <b>Amount outstanding from LCCC</b> |
|---|-------------------------------------|-------------------------------------|
| €6,859,661.74   | €1,666,666.00                       | €5,192,995.74                       |

**Table 3 – Costing breakdown of proposed scheme after NTA funding applied**

It is considered that the majority of expenditure will benefit new or improved services but a proportion of existing development will also be supported. Only that part of the capital expenditure which will benefit new or improved services is used in the calculation of the amounts to be met by the levies on new development.

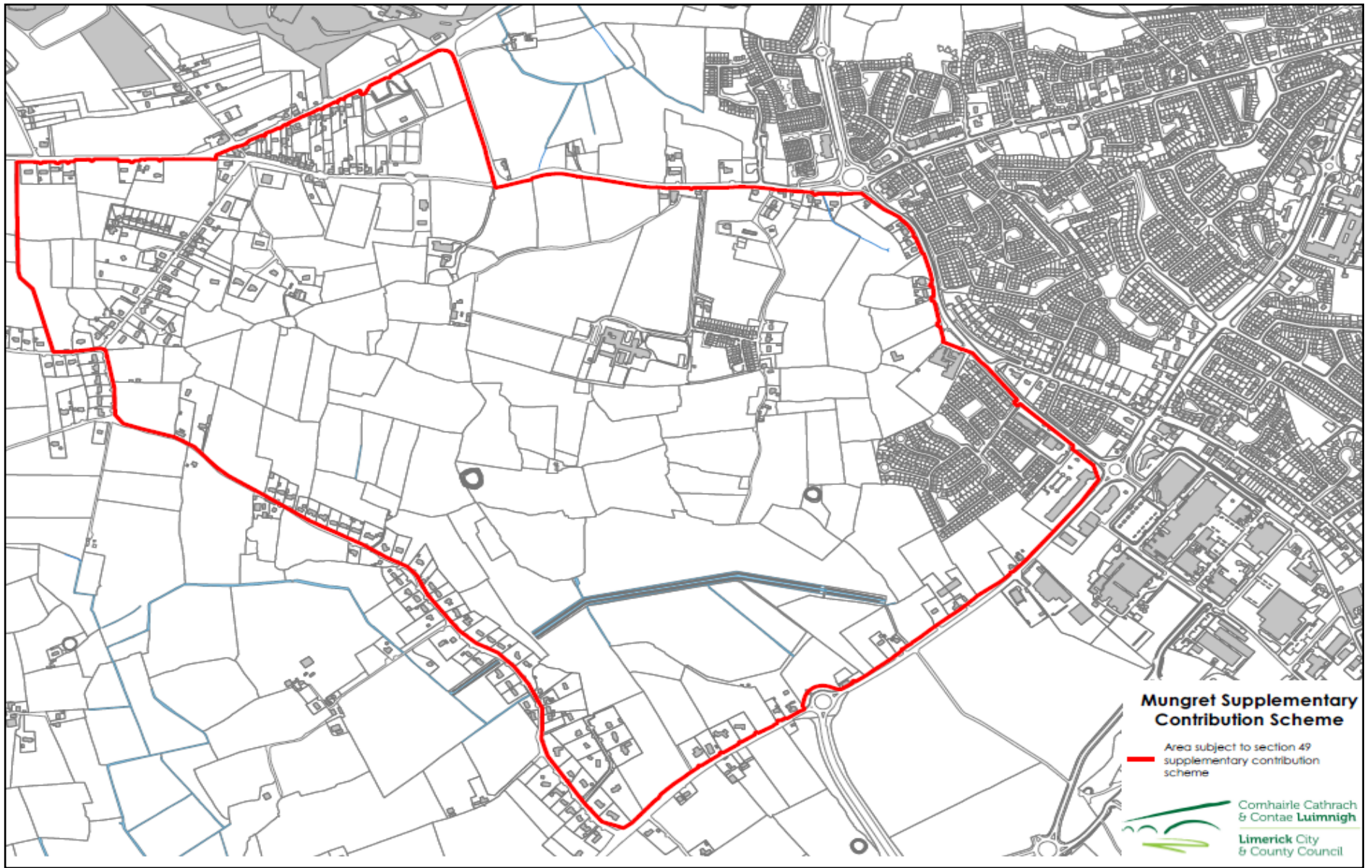
**Explanatory Note:** The R526 Link Road has an approximate cost of €6,859,661.74m. The development of this final link in the Mungret Distributor Road network will complete the accessibility and permeability through the Mungret lands and facilitate the opening up of lands with the potential for delivery of circa 1,950 houses. It will also facilitate increased permeability for the surrounding neighbourhoods and accessibility to the schools and the



public park and playground. It is noted that 250 of these units are subject to a Part 8 planning application by the Local Authority and therefore will not be liable for development contributions. The commitment given by the NTA to provide funding of circa 1.66m to the development results in a requirement of €5,192,995.74 to be raised through this scheme.

## **6.0 The area to which the Scheme relates**

The scheme applies to the area highlighted in red in Map 2 below. All development within this area will be subject to the supplementary scheme save for the exemptions outlined below.



Map 2 Area to which the

## 7.0 Rate of Contribution to be paid

Rates outlined below shall be applied to planning permissions granted within the area, subject to the exemptions listed in Section 8 below:

- Dwellings - €3,000 per unit
- Apartments - €2,250 per unit
- Affordable Houses - €1,500 per unit
- Non Residential/Commercial/Retail - €70 per m<sup>2</sup>

The estimated number of new residential units to benefit from the road is 1,950. It is estimated that 10% of this number will be apartments which will be charged at a rate of 75% of the residential rate. The application to the LIHAF scheme specified that 40 affordable houses units would be provided and it is anticipated that approximately 1,000m<sup>2</sup> of non-residential development will also benefit from the road.

Part V of the Planning and Development Act requires that 10% of residential development with 9 or more houses on a site area in excess of 0.1 hectare shall be subject to the provisions of Part V. Such houses are not subject to development contributions as set out in Section 8. On the basis of a predicted 1,950 units on these lands, there is potential for 195 Part V units.

|                                      |   |                         |                    |
|--------------------------------------|---|-------------------------|--------------------|
| 1520 houses                          | x | €3,000=                 | € 4,560,000        |
| 195 apartments                       | x | €2,250=                 | € 438,750          |
| 40 Affordable Units                  | x | €1,500=                 | € 60,000           |
| 1,000 m <sup>2</sup> non-residential | x | 70 per m <sup>2</sup> = | € <u>70,000</u>    |
| <b>Total</b>                         |   |                         | <b>€ 5,128,750</b> |

## 8.0 Exemptions

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

- Provision of facilities by organisations which are considered to be exempt from planning fees as outlined in Part 12, Article 157 of the Planning and Development Regulations 2001 as amended, except where specified below. \*
- Voluntary organisations or voluntary/co-operative housing bodies as outlined in Part 12 Article 157(2) of the Planning and Development Regulations as amended.
- Social housing including those which are provided in accordance with an agreement made under Part V of the Planning and Development Act 2000 (Amended) or which are provided by a voluntary or co-operative housing body, which is recognised as such by the Council. \*\*

- Re-use of a protected structure for residential or commercial purposes. (Note: all extensions to protected structures will be charged at the appropriate rate).
- Non-fee paying primary schools and secondary schools.
- The provision of transmission or distribution lines for conducting electricity or telecommunication lines.
- Development provided for individuals who are in receipt of funding under Housing Adaption Grant Scheme in respect of new development up to 150sqm. Development above this size will be subject to the standard residential charges set out in the General Contribution Scheme for Limerick City and County.
- Broadband infrastructure (masts and antennae)- Mast and antennae, dish and other apparatus/equipment for communication purposes which form part of the National Broadband Plan (NBS) as defined by the Department of Communications, Energy and Natural Resources.
- Renewable energy development which are not supplying electricity to the national grid including small scale renewable energy developments generating energy primarily for onsite usage. Note: This exemption does not apply to proposed renewable energy development primarily delivering energy off site(for sale), whether for use in Ireland or for export to another market.
- Not for profit Childcare Facilities.
- Ancillary surface car parking.
- Ancillary non - surface residential car parking.
- The non-built elements of recreational facilities.
- Entrance gates/railings/fencing etc.
- Elevational alterations.
- Internal layout changes where no additional floor area is proposed.

\* “where a planning application consists of development, designed or intended to be used for social, recreation, educational or religious purpose by the inhabitants of a locality, or by people of a particular group or religious purpose denomination, and is not to be used mainly for profit or gains,  
Is designed or intended to be used as workshop, training facility, hostel or other accommodation for persons with disability and is not to be used mainly for profit or gain”

\*\* “Where a planning application consists of or comprises the provision of houses, or development ancillary to such provision, which is proposed to be carried out by or on behalf of a Body approved for the purposes of Section 6 of the Housing (Miscellaneous Provisions)Act, 1925 (no. 18 of 1992) and is not used mainly for profit or gain”

## 9.0 Reductions

A reduction of 50% will apply where Affordable housing units are provided, in accordance with an agreement made under Part V of the Planning and Development Act 2000 (as

amended) by a housing body, which is recognized as such by the Council or as part of the Government's various Affordable Housing Schemes.

## **10.0 Manner of Payment**

The supplementary development contribution will be attached as a condition of planning permission at the above rates and in conjunction with a condition applying the rates for development under the General Contribution Scheme. Such contributions will be attached to all planning permissions issued within the scheme area as defined above as and from the date the scheme is adopted by the Elected Members. Following the adoption of this scheme an application cannot be subsequently appealed to An Bórd Pléanala, unless the applicant considers that the levies have not been properly applied.

The planning authority will collect the levies and any monies collected under the terms of the Scheme will be retained by it and placed in a separate account, which can only be applied as capital for the provision of the R526 Link Road (Phase 3) project.

The levy under this Supplementary Development Contribution Scheme shall be payable at the commencement of development or in a phased manner to be agreed with the Planning Authority.

## **11.0 Duration of the Scheme**

This Supplementary Development Contribution Scheme shall take effect upon the formal adoption of this scheme by the Council. The duration of the Supplementary Development Contribution Scheme shall be for a period of 25 years from that date unless and until some other period of time shall be substituted for that period by order of the Council.

The level of contributions received will be monitored on a regular basis, and if the anticipated contribution generated by the Scheme is realised earlier than 25 years, then proposals for the early termination of the Scheme will be submitted to the Elected Members of Council.

## **12.0 Monitoring and Review**

The Planning Authority, having regard to circumstances prevailing at that time may review the Supplementary Development Contribution Scheme from time to time. Where it is proposed to reduce the level of contributions payable this may be attained by an amendment to the existing scheme when agreed upon by the Elected Members. Any increase in contributions will require the adoption of a new or amended scheme by the Council.

The Planning Authority shall provide Elected Members with a progress report on the Section 49 Supplementary Development Contribution Scheme every two years. The objective of this Progress Report would be to advise on progress being made in the Scheme catchment area in relation to monies levied, monies collected, and progress of the development of associated infrastructural projects.