4.1 Context

Over the past 15-years, Ireland has experienced unprecedented economic growth, with doubling of real GDP figures (Gross Domestic Product). This exceptional growth in the economy has been vital to the current well-being of the country. However, not all areas of Ireland have benefited to the same degree in the levels of growth observed, with many parts of the country continuing to under perform in relation to the national average. Over the past number of years, it has become evident that there is a growing disparity within certain areas of the country with regards to social and economic standards.

There have been a number of government initiatives put in place such as the National Development Plan, the National Spatial Strategy and Transport 21, which aim to assist in the continuing economic growth of the country through achieving better social, economic and physical development, and population growth in all parts of Ireland.

In recognition of the fact that a number of areas of the country rank highly on the scale of deprivation, the government drew up the National Anti Poverty Strategy (NAPS) in 1997 which is aimed at tackling the problem of poverty on several different levels by addressing key areas like educational disadvantage, unemployment (particularly long term unemployment), income adequacy, disadvantaged urban areas and rural poverty.

In March 2001, the Minister for State launched an initiative called Revitalising Areas by Planning, Investment and Development (RAPID) which was to assist in promoting the goals of NAPS. Twenty five locations within the main urban areas of the country were originally identified as the focus of this programme, with an additional twenty provincial locations added in 2002. Three of the main urban centres identified are in Limerick City, namely Moyross, Southill/Ballinacurra Weston and St. Mary's Park.

4.2 Vision

This Chapter describes the economic dimension of the Limerick Regeneration Programme. Subsequent sections of the Chapter set out the overall economic objectives and strategy, the wider external economic context, economic opportunities and constraints, and the main economic components of the Plan.

4.3 Economic Strategy

The introduction to the vision for the regeneration areas states that "the challenge is to transform the areas into the most vibrant and sustainable towns/urban areas/ suburbs in Ireland".

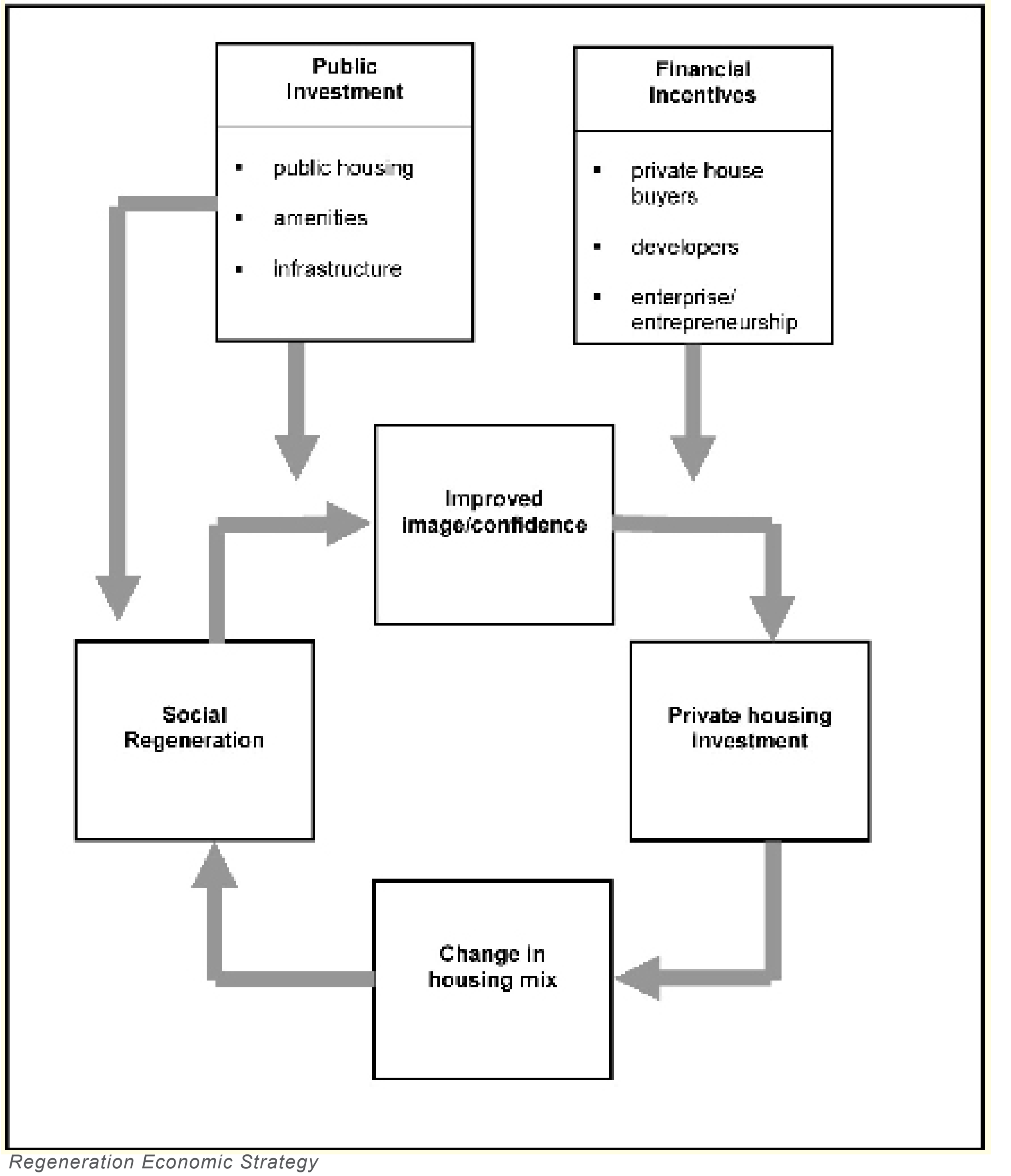
From an economic perspective, successfully putting this aim into practice means that the areas cease to be areas of deprivation and that their socio-economic profile gradually moves from being close to the bottom of the national league to being at or above the national average, i.e. in terms of living standards, education levels, participation in employment, crime levels etc.

The areas must become similar to the typical residential urban quarter of any Irish city. As well as benefiting residents, this means that the areas become assets to Limerick City and its region rather than a perceived liability, and this would in turn allow the City and region to achieve their full national and international potential as a designated National Spatial Strategy (NSS) Gateway City.

This is an ambitious target for the Programme, but anything less is tantamount to advance acceptance of failure.

The economic strategy for the areas underlying the Regeneration Programme reflects the overall aim of economic normalisation of the Regeneration Areas. This necessitates a co-ordinated and interlocking package of interventions designed to:

- Promote the development of economic activities through environmental/infrastructural improvements, tax incentives and institutional support
- Provide lands for economic activity in the areas and developing business, retail, commercial and leisure accommodation
- Provide enterprise space for start up businesses and for local services within the communities.
- Promote the employment of local people in all phases of the regeneration process and in new businesses locating in the areas
- Develop links with local business organisations through networking, mentoring and other forms of partnerships to increase opportunities for employment and business development.
- Support the development of sustainable community enterprises as a mechanism for delivering and managing local services and resources.



Regeneration Economic Strategy

4. Economic Regeneration

- To integrate the areas into the main stream economy of Limerick City.
- Increase private housing ownership in the area;
- Attract new incoming house buyers/residents to the regeneration area
- Increase participation of existing and new residents in the labour force and in employment within and outside the areas
- Encourage greater participation in sport by residents;
- Build on the existing economic drivers in or near the regeneration areas and add additional ones to help open up and "lift" these areas
- Encourage inward investment to the area in housing and enterprise
- Develop leisure and technology parks
- Strengthen education institutions serving the area

These measures, in combination, will create a virtuous cycle as summarised in diagram on the previous page. Public investment and publicly-supported financial incentives will kick-start the process. They will create confidence and address the poor image of the areas. This will stimulate private investment – housing and other – which will attract new residents and commence change in the social mix in the three areas. This will in turn help social regeneration, which will reinforce confidence and an improved image.

This must all occur within the overarching aim of achieving profound social change and regeneration in the areas, in a sustainable manner.

If the Programme is to achieve the social, economic and physical regeneration desired, then all of these areas will require priority. The Programme may fail unless all aspects of the developments proposed happen, as private sector investment in the current uncertain economic climate is risk averse. Upfront State investment therefore has a fundamental role to play in community, sports, housing and infrastructural investment.

4.4 Consistency with Wider External Context

4.4.1 National Development Context

The Programme is fully consistent with wider relevant national economic development policy. In particular, it directly addresses the challenge of regenerating Limerick city centre, as already recognised by the Fitzgerald Report to the Cabinet Sub-committee on Social Inclusion, and provides responses to some of the key recommendations in that report.
It also strongly supports the 'Gateway' approach to national and regional economic development, espoused in the NSS and the National Development Plan (NDP) 2007-13. Key investment priorities have already been identified for the Limerick-Shannon Gateway at NSS and NDP level, and the contents of this Programme will help to address a number of these priorities, including: accelerated delivery of housing renewal in the gateway; re-imaging through urban renewal; development of major road and public transport links; upgrading of public areas; and development of recreational and public amenities.

The Programme is consistent with and supportive of sectoral policies in the areas of business development, tourism, education and training, and local development. Its facilitation of leisure, sporting and arts/cultural facilities, for example, supports strategic aims in the area of tourism and product development, particularly the enhanceent of the tourism capital stock. Provision of quality industrial and enterprise space enhances the attractiveness of the City for inward and indigenous investment, and it also complements the key local development and educational objectives promoted by Government, such as countering disadvantage or promoting equality and social and economic inclusion.

4.4.2 Regional and Loal Economic Strategies

Regional Planning Guidelines:

The main regional strategy that is pertinent to the Programme is the Regional Planning Guidelines (RPGs) for the Mid-West region, which have been put in place to support the implementation of the NSS at a regional level. The RPGs adopt a strategy to mobilise Limerick, Shannon and Ennis as an engine of growth in the international economy. This is seen as needing: the development of the Limerick City core as a vibrant, multi-purpose zone; provision of new targeted zones for industrial development; development of potential in sectors such as life sciences, information and communications technology and digital content; and, crucially, regeneration of disadvantaged areas of the city and implementation of national support mechanisms to assist in this development.

Similar priorities are also identified in the Atlantic Ways Initiative (www.atlanticway.com), which seeks to develop a complementary economic counterpole to Dublin by both strengthening and better integrating the Gateways along Ireland's Atlantic Coast.

CDB Strategy:

Limerick City Development Board has recently revised its Strategy for Economic, Social and Cultural Development. This sets out a vision for Limerick as a dynamic, inclusive, attractive city of opportunity, respect and pride, with the highest quality of life and environment for the community. Its goals include:

- making Limerick more physically attractive
- ensuring that all residents are accommodated in suitable conditions
- promoting equality, social inclusion and substantially reduced poverty

Investment Priorities in Limerick Gateway

Completion by 2010 of the M/N7 Dublin-Limerick motorway, Phase II of the Southern Ring Road and the N69 route to Tralee
The enhancement of the Atlantic Road Corridor, including links to other Gateways, with accelerated priority going to the completion of the Limerick-Galway section of the N18 to high quality dual carriageway
Introduction of enhanced rail service on the Limerick-Dublin route
Improvement of road access to Shannon Airport via the above investment
Development of the Western Rail corridor between Ennis and Claremorris
Creation of an effective bus-based public transport network, including links to Shannon Airport, building on recent fleet investment and widespread bus prioritisation measures
Significant upgrading of the public areas and streets in Limerick city centre and re-imaging of Limerick through a major urban renewal initiative
Implementation of the cultural, recreational and public amenity strategy for Limerick and its wider environs
Strengthening of Research and Development capacity in the City's third-level institutions;
Implementation of a shared innovation strategy between education providers and the enterprise sector to strengthen the city's third level and enterprise sector
The delivery of critical physical infrastructure such as water services and local access roads in a coordinated manner to enable accelerated delivery of housing and the renewal of docklands areas
Development of leisure and technology parks and strategic sites.

Source: National Development Plan 2007-13, pp 69-70

In this regard, it also seeks to prioritise development in RAPID areas, and it highlights Limerick's potential to become an investment, technological, multimedia and design hub. The objectives of the CDB's strategy are in turn supported by the goals of the Limerick City Development Plan 2004-2010, which seeks to promote sustainable economic and community development across the city by ensuring access to suitable housing, reducing social segregation, promoting urban renewal, promoting enterprise and employment, and providing high quality living environments.

City Centre Strategy:

In addition, the Limerick City Centre Strategy, developed by Limerick City Council, explicitly recognises the need to clearly coordinate with the regeneration strategy for the Regeneration Areas so as to ensure clear links with the city centre and its services.

Retail Strategy:

At a sectoral level, the Retail Strategy for the Mid-West Region 2002-11 has a strong influence on economic development within Limerick City. It proposes a hierarchy of retail centres within the city, including Tier 1 (Metropolitan Centres), Tier 2 (Main Retail Centres), Tier 3 (District Centres), Tier 4 (Neighbourhood Centres) and Tier 5 (Local/Corner Shops). The city centre is identified as the only Tier 1 centre, with a Tier 2 centre at Dooradoyle and Tier 3 centres at Caherdavin, Castletroy, Parkway and Roxboro. Also, the preferred location for new retail development is designated as being within a town centre or, where the form and scale of development required is not possible, within edge of town centres. The strategy is currently being reviewed.

State Development Agencies:

State agency strategy and plans will have an impact on development in Limerick City and the regeneration areas, with an increased number of high potential start-ups (HPSUs) in regional locations. In particular, it targets the creation of 200 new HPSUs between 2008 and 2010, with 50% of these to be located outside Dublin. Enterprise Ireland also plans to continue to work with City and County Enterprise Boards (CEBs) and Business Innovation Centres (BICs), to support the development of community-led enterprise centres, work closely with universities and institutes of technology to develop and foster innovative start-ups, and use regional offices to proactively develop companies in all locations.

Shannon Development's enterprise objectives, meanwhile, seek to ensure that the more developed areas of the Shannon Region are enhanced to realise their full development potential and at the same time ensure that the potential of the less developed areas of the region is realised. Suggested flagship initiatives include building a knowledge economy in the region and developing tourism flagship projects, such as the Riverside City concept in Limerick and the development of an international conference centre.

The Regeneration Agencies consider the Limerick Enterprise Board, Shannon Development as key strategic partners for the implementation of the economic regeneration of the designated areas.

Summary Of Issues

Strengths	Weaknesses	Threats	Opportunities
Location The convenient position of the areas to the city make the locations attractive for business activity. This activity would bring new employment opportunities for local people. The existing road network has the capacity to be improved through the development of quality bus corridors and cycle-ways.	**Poor image** The high levels of dereliction and decay, social and educational problems, the issue of criminality and the high levels of unemployment, all contribute to the poor image of the areas nationally.	**Competition** With three local authorities operating within a small area, the city boundary runs close to the city centre, less than 2 km in parts, and as such there is significant competition between lands under the influence of Limerick City Council and Limerick County Council on the southside and to a lesser level on the northside with Clare County Council.	**Development potential** There is significant potential for new residential and commercial development in Ballinacurra Weston and Southill. Existing residential densities are low for lands located close to Limerick City centre.There are also large tracts of undeveloped land which have obvious potential for business use development.
Affordability Housing affordability is good in Limerick, with new house prices almost 12% below the national average and second hand prices over 38% below the national average/	**Poor environment quality** The extensive problem of illegal dumping and littering, in addition to building dereliction and decay throughout the areas	**Accessibility/connectivity** If access and connectivity to surrounding areas and national road infrastruture is not achieved there will be serious consequence for the viability of a number of proposed uses.	**City centre** The City Council-led urban renewal in city centre public space and pedestrianisation adds to the opportunity for combined impact from all the regeneration proposed.
Community and institutional support There are numerous bodies and institutions in Limerick City and county concerned with promoting economic development	**Infrastructural/accessibility issues** Road infrastructure is both uninviting and unsafe, there is a lack of accessibility to surrounding communities		Coordinated approach The Regeneration Agencies provides an opportunity to bring together in a coordinated fashion the potential inputs of the many regional and local agencies operating in the area, and already having responsibility to address and contribute to aspects of the regeneration effort.
Education Limerick benefits from excellent third level educational facilities. These include Limerick University, Limerick Institute of Technology and Mary Immaculate College.	**Low skills/low educational attainment** There are extremely low levels of educational attainment, with truancy posing a major problem. The number of children attending local schools is falling.		
Sport Limerick's sporting offer is strong. Gaelic games, rugby and soccer are vibrant in the city and there are a number of new initiatives currently underway to sustain such activity in the future. These include the redevelopment of Thomond Park and the provision of gaelic and soccer facilities.	**Dependency culture** A significant number of the people unemployed are unskilled and as detailed above, have low levels of education.There is a reliance on social welfare.		•
Tourism Shannon International Airport is only 20 km from Limerick City and acts as a gateway to and from Ireland, particularly with visitors from the United States of America.	.		

4.5 Management of Risk

The costs associated with delivering the objectives of this Plan to both the public and private sector are substantial. With these costs come significant elements of risk for all stakeholders involved in the regeneration. Risk is inherent in any property development, and when development is on such a large scale as this regeneration Plan, the risk becomes even greater as more variables come into play.

The Agencies will adopt a pro-active approach at strategic and project specific levels to managing all risks relating to costs. This approach will form part of the Plan delivery strategy and a process will be put in place to make the best informed decisions within reasonable timeframes.

Due to the complexity of the Plan process, and all its constituent stages, risk will be a factor throughout the life of the regeneration project, and it will be impossible to put in place all risk reduction measures at the outset. Any measures put in place will need to be flexible and monitored and reviewed on a continual basis, particularly at the commencement of future phases.

There are two types of risk involved in property development – systematic and unsystematic risk.

- Systematic risk relates to the market within which the Plan is operating and includes such risks as economic trends, the political environment, fluctuations in interest rates, the social environment, and statutory and legislative changes. The stakeholders in the Plan areas have little or no control over the issues, and it is difficult to quantify these risks. Many of these risks are very relevant considering current economic and property market conditions and the existing hostile environment of the Plan areas.

- Unsystematic risk relates to project-specific risk, and the elements of risk include expertise of the stakeholder as a developer, the quality of the development team, financial risks, planning risks, the development concept, suitability of the development site, construction cost risks and marketing risks. It is possible to put in place measures to somewhat plan for these risks and counteract their affects. However, they are impossible to fully quantify and control.

The programming process, by its very nature, has analysed a number of the unsystematic risks attached to its implementation, and has built in measures and proposals (such as specific development location/site suitability, development concept, mix of use, etc.) to assist in reducing risk. Initially, this involved designing indicative scheme proposals and carrying out extensive feasibility studies on these proposals to identify and classify risk factors. These factors included the source of risk, its effect on the feasibility of an element of the Plan or on the entire Plan, the extent to which it is controllable, the probability of it occurring and the severity if it does occur. This analysis has enabled the Agencies to produce this Plan document.

Further risk analysis is required but cannot be accurately assessed at this point and analysis will be required during the main stages of the phasing process. Throughout the phased Plan implementation process, all relevant risks pertaining to each phase will be reviewed. The risks will be assessed by the Regeneration Agency using quantitative risk assessment techniques. Typical examples of such risks may include construction costs, programme changes or legislative changes. Each of these can be broken down further into several sub-risks.

The Quantitative Risk Assessment will:

1. Identify the risks
2. Establish the extent of the risk
3. Establish the probability of the risk
4. Identify the risk owners
5. Allocate risk
6. Suggest measures to mitigate risk
7. Suggest where risk can be accepted, perhaps at a cost

The results of this assessment will be presented using software packages which utilise the 'Monte Carlo' and 'Latin Hypercube' simulation process. This will produce easy to understand graphs outlining the range of possible outcomes in a manner that is easily adapted to reflect any change in likelihood of risk.

Sensitivity and scenario analysis will also be undertaken on the results of the assessments. This analysis will highlight the most important variables in the risk equation being considered. Risk avoidance, reduction, transfer, sharing or retention measures can then be developed.

<u>We are proposing that a comprehensive Risk Analysis be carried out in 2009 and at the end of each year of the Plan Implementation timescale (2009 - 2018) with the final assessment taking account of all post regeneration issues.</u>

4.6 Financial Incentives

The Urban Renewal Act of 1985 was introduced by the Government in an effort to alleviate the increasing problem of dereliction and dilapidation, which had affected large parts of the inner areas of the towns and cities around Ireland. These schemes were primarily tax based with the core objective of promoting urban renewal and redevelopment, and providing a suitable financial climate for private sector investment in designated towns and cities. Since 1985, a number of urban renewal schemes, under which fiscal incentives were made available for development, have been introduced. The most recent of these was established in 1999 and was based on Integrated Area Plans (IAP's). There is a widely held view that the incentives on offer, particularly in the earlier schemes, were key drivers in attracting private investment into those areas designated for regeneration.

This Plan while not an official IAP, is based on the same principle, as the objective is to integrate the area back into the economy of the city through physical, environmental, social and economic regeneration.

It is considered that the availability of fiscal incentives for private sector development in regeneration areas would assist greatly in the early delivery of the key objectives of the Plan, which include providing a new social mix in the areas and creating employment opportunities.

Provision is available under the Regional Aid Guidelines 2007 – 2013 to provide incentives to support economic development in disadvantaged regions, and these form the main basis for providing State Aid in support of regional development. The incentives are aimed at productive investment or job creation linked to investment. The Regional Aid Guidelines also allow for the provision of incentives to support business start-ups and early stage development of small enterprises. Within the South and West region, Limerick is entitled to regional aid for small and medium sized firms to 2013 and for larger firms until the end of 2008.

Despite the unprecedented economic growth experienced in Ireland over the past 15 years, the regeneration areas have seen little or no private sector investment. In order to attract such investment into the area, suitable and sufficiently attractive incentives targeted at stimulating both supply and demand for accommodation, should be made available for both residential development and commercial development which creates employment opportunities. Residential incentives should only be available to owner occupiers, while commercial incentives should be made available to investors, owner occupiers and tenants, but only where the proposed development will generate employment opportunities for local people.

Proposed Incentives

The proposed Tax Incentives are documented on the opposite page

It is envisaged that any incentive scheme would be administrated by the Limerick Regeneration Agency, with the Agency being the certifying authority. Any developments, for which incentives are sought, must fully comply with the objectives of the Regeneration Programme and with the criteria laid down by the Agency. The provision of such incentives is dependant on Government approval.

Possible Incentives

Party to be Incentivised	Tax Incentive	Price Incentive	Financing incentive	Employment Incentive
Developers	This proposed tax incentive is intended to provide developers with a short term `stock relief' towards the working capital outlay on the construction of residential houses. (see 1 below for an example Extension of 20% I.T. rate to this construction activity.	Below market value land (see 2 below(	Part v exemption (see 3 below)	Linked to local employment conditions (see 4 below)
Non. Developer Employers	Double payroll tax write off (see 5 below)	None	None	Employment grants (Shannon Dev) Enterprise Ireland (city Enterprise board
House purchasers	Double mortgage interest relief (see 6 below) with provision for carry forward of unused interest relief.	Affordable housing based on cheaper land (see 2 below)	a.Stamp duty relief for on first time buyers b.Fixed rate mortgages below market (see 7 below)	None
Commercial/Industrial Investors	Capital allowances on construction cost against all rental income (see 8 below) 20% income tax on rent (see 9 below)	None	Seven years tax claim period, ten years holding period (see 8 below), OR * CGT @40% if sell within 10 years *CGT @20% if sell after 10 years.	Linked to local employment conditions (see 4 below)
Commercial/ Industrial Tenants	Rates Relief (see 10 below)	None	Double rent relief (see 11 below). Stamp Duty Relief	Linked to local employment conditions.

1. Developer `Stock Relief'

This proposed tax incentive is intended to provide developers with a short term `stock relief' towards the working capital outlay on the construction of residential houses.

2. Below Market Value Land for Developers

In order to incentivise developers to complete private developments in the regeneration areas, it is considered desirable that below market land be made available. To ensure that profiteering does not arise, a separate and transparent `land contract' would be available directly to the house purchaser. The benefit of the reduced cost would go directly to the house purchaser.

3. Part v Exemption

Currently all developers must make available 20% of all developments sites for social and affordable housing under part v planning and Development Act, 2000.

It is recommended that any private housing within the regeneration area be exempted from part v Regulations, and be also taken as meeting the part v obligations for other developments, on the basis that same are fulfilling the social policy objectives of this legislation by participating in the regeneration

.

4. Linkage to Local Employment

It is considered desirable to encourage local employment in any investments proposed in the area. A condition of obtaining tax reliefs would therefore be meeting certain criteria of local employment where practicable. There is already precedent for this in the Dublin Docklands Development area.

5. Double Payroll Write-Off

The relief for the long Term unemployed scheme which allows a limited set (i.e. standard figure) tax deduction for qualifying employees and double tax deduction for gross wages and PRSI paid by an employer, could be modified for use in respect of the Regeneration Plans.
As the existing relief is quite detailed, the specific amendments required are not appropriate to this document but, in general terms, would include the following:

- The removal of the condition that the employer must not have had redundancies in the 26 weeks prior to the employment (this would rule out many of most Irish builders in 2008 and into 2009)

- The removal of the condition that an individual may not have availed of the relief previously and that availing of the relief in respect of the Regeneration Plan will not prejudice their qualifying for future relief.
- The extension of the qualifying period from 3 years to the likely construction timeframe for the project.

6. Double Mortgage Interest Relief

The cost of this incentive will not be significant since most purchasers will be taxed at a low rate and the level of borrowing is likely to be low as the house costs will be low. The benefits however will encourage greater participation in the workplace by both spouses even on a part-time basis and will in relative terms be significant for low paid residents. The interest relief should be capable of being carried forward in the event that it is not fully utilised in any given year.

7. Stamp Duty Relief and Fixed Rate Mortgage Interest Relief

(a) It is considered desirable that 100% stamp duty relief be provided to private houses purchased in the regeneration area to minimise the effective cost of purchase. This 100% relief is already available for first time buyers. For other owner occupier purchasers, where the floor area of the house is not in excess of 125 square metres, then no stamp duty is payable. However, where the floor area exceeds 125 square metres and the owner occupier is not a first time buyer then stamp duty can apply.

(b) A major disincentive in the marketplace at present is the uncertainty attached to fluctuating mortgage interest rates. In order to remove this uncertainly, and as a further incentive to purchase in the regeneration areas, a special fixed rate mortgage product could be made available perhaps in partnership, with a major financial institution of the Credit union Movement. Many purchasers are likely to have limited ability to respond to interest rate changes and removing this uncertainty is a desirable policy objective.

4.Economic Regeneration

8. Capital Allowances for Commercial and Industrial Developers

There is considerable positive evidence to support schemes that have in the past granted capital allowance for construction costs incurred in industrial and commercial ventures.
For social policy reasons it is not considered appropriate to extend this relief to rented residential accommodation (usually described as Section 23 type allowances). Poorly managed rented residential accommodation can give rise to badly maintained properties effectively extending ``public housing '' usage to the private rented sector. Given that encouraging private house ownership is a key Masterplan objective, tax allowances for this sector are undesirable.On the other hand, capital allowances in the industrial and commercial sector will encourage investment and job creation and have worked well in the past. Tax relief would be in the form of a tax investment write-off of construction costs incurred against ALL rental sources in the state. It is recommended that the write-off period for these capital allowances be over seven years, while the investment holding period should be ten years. An alternative way of incentivising the holding of the assets for a given time period would be to impose a 40% rate of capital gains tax for disposals within the 10 year period.

9. Income Tax Rate for Commercial and Industrial Developers

To incentivise the market for the purchase of commercial and industrial property for rental, it is proposed that the net rental income arising from such property should be taxable at the 20% income tax rate.

10. Rates Relief

For commercial tenants, some form of relief from rates is desirable. While tenants will be in opposition to claim capital allowances on certain fit-out costs (like all other commercial tenants under current tax legislation), it is desirable to provide additional incentives given the business risks for start-up enterprise in a new area of development. There is a precedent for rates relief under previous Urban Renewal schemes. Our recommendation is for a period of relief of between six and ten years, with a sliding scale of relief in the last four years of the scheme.

11. Double Rent Relief

Double rent relief would provide tenants with an additional tax break in the high risk start up period for new business. Combined with rates, these will provide a good incentive to start up a business. There is a precedent for this relief in the seaside resort scheme.

4.7 Soft Interventions

Alongside investment in hard infrastructure and financial incentives, the Plan should also involve a series of 'soft' interventions by the Regeneration Agency and its partners. This includes the areas of encouraging entrepreneurship, business in schools, education and training, and locating employment opportunities for people outside the areas (particularly for existing residents). The latter will remain important since, in a relatively small urban quarter close to a city centre, there will inevitably be a good deal of inward and outward commuting by people for work, and it cannot be expected that the regeneration areas can be self-sufficient in employment terms.

The nature and extent of these soft interventions is to a large extent a matter beyond the remit of the immediate physical Plan. However, these requirements are likely to include:

- Interaction with the City Enterprise Board regarding the pro-active management of small enterprise space, including CEB support to eligible start-ups and micro enterprises in this space, within the Regeneration Areas. It has already been agreed that the Limerick City Enterprise Board will act as enterprise advisors to the regeneration project during the course of this plan.
- Interaction with Shannon Development across a range of issues, including the potential to utilise each regeneration area as a base for new strategic tourism projects in the Mid-West Region which is currently being examined, and in relation to the development of more proactive promotion of Limerick City as a short-break destination
- Interaction with Enterprise Ireland and Limerick Institute of Technology regarding the funding of incubation space at LIT
- Interaction with the PAUL Partnership, inter alia regarding support complementing that of the City Enterprise Board for the creation of more self-employment in each of the areas

Also in this context, it is envisaged that the Regeneration Agency will require a strengthening of its overall interaction with the economic development agencies. This should be given effect by the appointment of a Director of Economic Development within the Agencies.

4.8 E-Inclusion

In tandem with issues of social inclusion it is now essential to consider issues relating to E-Inclusion when planning and designing major regeneration initiatives. Research conducted throughout Europe has highlighted the emergence of a growing divide representing the 'disparity between different groups and individuals in society in competence in use and of information and communication technologies'. The Information Society Commission (IFC) defines the digital divide in terms of awareness, user-friendliness, competence, reliability and physical access to digital technologies. E-Inclusion itself is closely related to the ability to use new technologies to achieve specific results than to computer ownership or home internet access. In fact international research suggests that the adoption of successful new technologies often reinforces economic advantage, which in turn may have the effect of exacerbating existing social divisions. Therefore, it is important to address issues of access to and individual disposition towards technology, if appropriate inclusion is to be achieved in the regeneration project.

The nature and scale of the proposed Limerick Regeneration presents a significant and cost effective opportunity to deploy appropriate technology infrastructure to ensure that present and future needs and potentials of Regeneration Areas are catered for. In the context of the proposed redevelopment of the regeneration communities, there is a unique and cost effective opportunity to incorporate open access and publicly-owned broadband ducting infrastructure as the Regeneration Areas are being built. This has the potential to deliver enormous benefits to the areas in the medium to longer term. Hence, as part of the regeneration project a comprehensive Broadband Development Project will be established. This strand will be focused on the development of a comprehensive Broadband Network Plan for the areas and the subsequent roll-out of civil infrastructure to facilitate next generation 'Fibre to the Premises' (FTTP) broadband networks.

The following principles should guide the deployment of the infrastructure strand and broadband development in the Regeneration Areas:

- **Build for the future:** All Broadband infrastructure will be deployed with a view to not just meet current requirements, but the needs of the community over the next fifty years. In this context civil infrastructure will be put in place to support a point to point FTTP (Fibre-to-the-Premises) network across the Regeneration Areas. This will be designed to connect directly to the 'LIMERICK MAN' which already runs adjacent to the Regeneration Areas, following NDP investments from the Department of Communications, Energy and Natural Resources along with Shannon Broadband. The new civil infrastructure will include the provision of ducting and micro-ducting, access nodes, distribution nodes and associated infrastructure for residential and business areas. The Limerick Regeneration Agencies will lead the discussion with regard to connecting to existing networks such as the 'LIMERICK MAN' and the management and allocation of capacity of the foreseen broadband network infrastructure to other service providers. It is recommended that working group comprising of representatives from the University of Limerick, Shannon Development, Limerick City Council, PAUL Partnership and the Regeneration Agencies should be established to draft terms of reference for an in-depth feasibility study to examine the potential of Nicholas Street as a digital Hub-cum-Innovation technology centre
- **Open Access and Carrier Neutral:** In line with regional policy (which has been developed via Shannon Broadband and agreed by the local authorities and Shannon Development), all public funded broadband infrastructure will be deployed on an open access, carrier neutral basis. No one service provider will be given preferential treatment and a policy of duct, chamber, cabinet sharing and network sharing will be developed and implemented.

Economic Regeneration

- **Separation of Network and Service Provision:** The separation of network and service provision will underpin the planned approach so that instead of service providers having to invest in their own proprietary infrastructure, they will instead be encouraged to redirect investment towards providing new and enhanced services to the community.

- **Integration with the deployment of other utilities:** Installation costs are the most substantial cost associated with any new fibre broadband network. However, because of the proposed rebuild strategy for the regeneration areas, a unique opportunity exists to incorporate state-of-the-art next generation broadband infrastructure into the design, at minimum cost by incorporating the required duct and micro-ducting into the design specifications for roads and utility paths. Therefore, new road and utility designs in the regeneration areas will be required to incorporate broadband ducting in line with a broadband network plan, and will be developed for the areas.

The regeneration of Limerick will also bring about opportunities for those serving the communities throughout the City to conceive, develop and provide quality services in real and virtual setting. A comprehensive broadband network and the extension to the home space will facilitate the development of ICT based services in all service areas. ICT will also facilitate new and improved service provision in the following areas:

- ICT enabled services for integrated social and healthcare through remote monitoring and tele-medicine
- Remote counselling and support using audiovisual over inter net protocol (AVOIP)
- Virtual Neighbourhood Watch [VNW], to augment the existing and proposed CCTV system and ensure the development and maintenance of sustainable, safe communities through a series of passive security measures. The Regeneration Agencies and An Garda Siochana should establish a working group to draft terms of reference for a feasibility study into technology enabled passive security measures, this would address the following:
    - o Technical and training requirements
    - o Monitoring and management models
    - o Financial implications and potential income generation.
    - o Legal constraints and best practice.
- Digital governance programmes
- Online education and training using internet resources AVOIP tutoring and self-directed learning
- Online career guidance
- Virtual youth clubs, gaming and social networking sites
- The provision of computer terminals to be incorporated in to the standard specification of all new homes in Regeneration Areas

In addition, ICT infrastructure deployed as part of the regeneration programme has the potential to create employment within Regeneration Areas, stimulate economic activity, identify home working opportunities, deliver appropriate training and business development supports, while improving the quality of life for residents. The Limerick City ICT steering group should be mandated to progress this development. These measures will however require significant human and financial resources. Potentially these can be secured under the Local Development Social Inclusion Programme, European funding sources with additional support from FÁS and the Vocational Educational Committee.

Regional Economic Benefits

The main components of the Regeneration Plan are in this document. This section summarises the contents of the Plan as a basis for assessing their economic impact in the city and region as a whole.

In summary the main components include:

- The demolition and/or refurbishment of the existing housing
- Construction for private sale of new housing
- Designation of the zoned area for special investment through tax and other incentives
- Construction of town squares, and sports facilities
- Possible new business park at Delmege, to create up to 2,000 jobs (in Moyross), together with smaller 'incubation units' for start-up industry in both the Moyross, Southill/Ballinacurra Weston and St. Mary's Park areas
- Construction or refurbishment of a range of community based facilities including a community centre, health centre, crèche and sheltered accommodation
- Close partnership between the Limerick Regeneration Agencies and the economic development agencies in the region, i.e. Limerick CEB, Shannon Development, IDA Ireland, Enterprise Ireland, FÁS
- The redevelopment of the LEDP site at Roxboro Road - Southside
- Appointment of a Director of Economic Development within the Agency

Related Regeneration Measures in Limerick
The regeneration of the three areas will be complemented by other urban renewal initiatives that are happening in Limerick City. In particular, their potential positive impact on improving the image and attractiveness of the city will complement Limerick City Council initiatives for pedestrianisation and enhancement of the city centre.

This initiative will incorporate pedestrianisation of O'Connell St as well as a number of other major city centre thoroughfares. This will in turn be complemented by the establishment of a city centre orbital route to improve traffic management and traffic flow, and by the development of riverside pedestrianisation and walkways to improve the amenity resource within the city centre.

City-wide, Gateway and Regional Benefits

Demographic Impact
Regeneration in the Limerick Northside and Limerick Southside areas could have a positive impact on population trends in Limerick City and environs. This is because (a) the regeneration activities will make the Northside and Southside areas more attractive, which will stimulate population growth in the areas, and (b) the overall positive impact of regeneration on the city's wider image should also stimulate population growth.

Between 1996 and 2006, the population of Limerick City and environs grew by just under 15%, from 79,000 to 91,000, whereas the average national growth in population in the same period was nearly 17%. In the same period, meanwhile, the population in the immediate Limerick City area grew by only 1%, while there was a significant decline in the population of the Northside and Southside areas.

Regeneration, therefore, should at least result in a situation whereby the wider City and environs population will grow at the same rate as the national average. For example, projections made by the Central Statistics Office (CSO) suggest that the national population in Ireland will grow by between 26% and 34%, depending on whether growth reaches a 'low' or 'high' scenario. If the same rate of growth is applied to Limerick City and environs, however, it would result in a population growth of between 24,000 and 31,000 within 15 years.

TABLE 1: LIMERICK CITY AND ENVIRONS – POPULATION SCENARIOS 2021

	2006	2021 (High)	2021 (Low)
Ireland	4,239,848	5,687,500	5,356,400
Limerick City and Environs	90,757	121,745	114,658
Difference		30,988	23,901
% Growth		34%	26%

Source: derived from Central Statistics Office

Economic Regeneration

House Price Impact

In recent years, house prices in Limerick City and environs have typically been below both the national average and the average evident in the other major provincial cities of Cork, Galway and Waterford. In 2007, for example, the average second-hand house price in Limerick was nearly €274,000, which was 26% lower than in Cork (€369,000), 21% lower than in Galway (€345,000) and 5% lower than in Waterford (€287,000).

Differences in the housing mix could partially explain differences in house prices . However, the negative image attached to Limerick City and environs, which is due in part to the image of the Limerick Northside and Limerick Southside areas, most likely also places a downward pressure on prices. Therefore, the regeneration of the two areas could improve the image of the city generally, thus providing an uplift in prices and an increase in the value of the housing stock.

According to the Census of Population, for example, there were over 31,600 permanent housing units in the Limerick City and environs area in 2006. An average house price of nearly €274,000 would therefore give a total stock value of nearly €8.7bn.

However, if regeneration activities stimulated an increase in house prices up to average levels for the four provincial cities, the value of the same housing stock would increase to €10.1bn, thereby creating an additional stock value of over €1.4bn. Meanwhile, an increase in house prices up to Galway levels would increase the value of the housing stock to €10.9bn and would create an additional stock value of nearly €2.3bn.

TABLE 2: AVERAGE HOUSE PRICES IN LIMERICK AND OTHER PROVINCIAL CITIES 2005-07

	2005(€)	2006(€)	2007(€)
Limerick	232,271	257,958	273,640
Cork	307,007	353,104	368,523
Galway	317,811	336,948	344,958
Waterford	252,765	282,998	287,483
Average – provincial cities	277,463	307,752	318,651

Note: Prices are for second-hand houses and apartments in city and environs areas. Average used is the simple average of the house prices quoted for each of the four cities, which does not take account of the relative size of the housing stock in each city or recent numbers of house sales.

Source: Department of the Environment, Heritage and Local Government.

As we go to print the housing market generally has become more uncertain (Oct 2008)

TABLE 3: HOUSING STOCK VALUES IN LIMERICK CITY AND ENVIRONS – ALTERNATIVE SCENARIOS

	Stock Value at Limerick Prices	Stock Value at Galway Prices	Stock Value at Average Provincial City Prices
Housing Stock	31,639	31,639	31,639
Average Price 2007 (€)	273,640	344,958	318,651
Housing Stock Value (€m)	8,658	10,914	10,082
Difference (€m)	-	2,256	1,424

Note: Housing stock includes detached houses, semi-detached houses, terraced houses, and flats and apartments.

Source: derived from Census of Population / DoEHLG.

Retail and Visitor Spend

Regeneration within both the Limerick Northside and Limerick Southside areas should substantially improve the image, attractiveness and positive reputation of Limerick City as a place to shop and visit. This in turn should bring indirect benefits in terms of increased retail and tourism spend in the city.

Retail Spend: The most recent available estimates for retail expenditure in Limerick City relate to 2001. In that year, the Retail Strategy for the Mid-West Region estimated that total retail expenditure in Limerick City amounted to €555m in 2007 prices. About €235m of this was attributable to residents, with €320m attributable to visitors.

There are no estimates available for retail sales growth at a regional or local level between 2001 and 2007. At a national level, however, retail sales volumes have grown by 22% in these six years. Assuming similar growth in Limerick, therefore, would give a total retail sales volume of nearly €680m in 2007, with €285m due to residents and €395m due to visitors .

TABLE 4: RETAIL EXPENDITURE ESTIMATES IN LIMERICK CITY 2001

	Convenience	Comparison
Expenditure – 2001 prices (€m)	216.0	234.1
Expenditure – 2007 prices (€m)	266.8	289.2
% Proportion of expenditure due to residents	50%	35%
Expenditure due to residents – 2007 Prices (€m)	133.4	101.2
% Proportion of expenditure due to visitors	50%	65%
Expenditure due to visitors – 2007 prices (€m)	133.4	188.0

Source: Retail Strategy for the Mid-West Region.

Improving the image and attractiveness of Limerick City, however, should help to increase retail spend in the city in two ways:

a) it will attract residents to spend more in the city. In 2001, 89% of all residents' convenience retail expenditure was spent in the city, while 84% of their comparison retail expenditure was spent in the city;

b) it will attract higher levels of retail spend by visitors to the city. In 2001, 50% of all convenience retail expenditure was attributable to visitors, while 65% of all comparison retail expenditure was attributable to visitors.

Therefore, if 95% of residents' convenience expenditure and 90% of their comparison expenditure was retained in the city, total resident expenditure in 2007 would have amounted to €305m rather than €285m. Similarly, if the visitor share of convenience and comparison expenditures grew to 60% and 75% respectively, total visitor expenditure in 2007 would have amounted to €460m rather than €395m. Combined, this means that an additional €80m in retail spend could be attracted to Limerick through increased resident and visitor spend, based on 2007 volumes.

Finally, it should also be noted that increases in housing and in the population in Limerick City generally, which may be generated by the improved image and attractiveness of the city, will also lead to further increases in retail spend.

Tourism Spend: In 2007, indicative estimates suggest that Limerick City attracted about 380,000 overseas visitors, or just under 4.2 visitors per head of population. This is comparable with other similar sized cities in Ireland (especially Cork and Waterford), although the figures must also be treated with some caution as they are based on survey estimates.

TABLE 5: RETAIL EXPENDITURE SCENARIOS IN LIMERICK CITY – BASED ON 2007 VOLUMES

	Convenience	Comparison
Expenditure due to residents – 2007 prices (€m)	162.7	123.5
Actual % of all resident expenditure retained in City	89%	84%
Target % of all resident expenditure Retained in City	95%	90%
Target expenditure due to residents – 2007 prices (€m)	173.7	132.3
Expenditure due to visitors – 2007 Prices (€m)	162.7	229.4
Actual % proportion of expenditure due to visitors	50%	65%
Target % proportion of expenditure due to visitors	60%	75%
Target expenditure due to visitors – 2007 Prices (€m)	195.2	264.7

Source: Retail Strategy for the Mid-West Region.

TABLE 6: OVERSEAS VISITS TO SELECTED IRISH CITIES 2007

	Overseas Visitors	Population (2006)	Overseas Visitors per Capita
Limerick	379,000	90,757	4.18
Cork	715,000	190,284	3.76
Galway	632,000	72,729	8.69
Waterford	205,000	49,213	4.17
STATE	7,739,000	4,239,848	1.83

Note: Figures are based on survey estimates and therefore may not be accurate.

Source: Fáilte Ireland.

However, an enhanced reputation and image, owing to the impact of regeneration in the Northside and Southside areas, should increase the attractiveness of the city for overseas visitors. An increase to 4.5 visitors per capita, for example, would currently bring another 30,000 visitors annually, while an increase to 5.0 visitors per capita would bring an additional 75,000 visitors annually.

Assuming an average length of stay of three days (which is reasonable for a city destination) and an average daily spend of just under €69 (which is equivalent to the 2006 average for the Shannon Region), total revenue earned from overseas visits could therefore increase from €78m to €94m (based on 2007 visits).

Similarly, it would be expected that the regeneration initiatives within the city would have a positive effect on domestic tourism growth. However, there are no figures available to show the scale of domestic tourism activity in the city.

The proposed new sports projects, which are to be situated within both the Limerick Northside and Southside areas, could also provide major new strategic destinations, attracting visitors to the city and the region.

TABLE 7: OVERSEAS VISITS TO LIMERICK – SELECTED SCENARIOS

	Scenario 1	Scenario 2	Scenario 3
Population	90,757	90,757	90,757
Overseas visitors per capita	4.18	4.50	5.00
Overseas visitors	379,000	408,000	453,000
Assumed average length of stay (days)	3.0	3.0	3.0
Overseas visitor days	1,137,000	1,224,000	1,359,000
Average daily visitor spend (€)	68.93	68.93	68.93
Projected overseas visitor spend (€m)	78.4	84.4	93.7
Additional spend (€m)	-	6.0	15.3

Note: Figures are based on survey estimates and therefore may not be accurate.

Source: Fáilte Ireland.

Savings on Public Services
The regeneration of the Limerick Northside and Limerick Southside areas is designed to address a number of serious social problems that exist in both areas. These issues include high levels of crime and associated societal costs; high levels of drugs; above average mortality rates and below average health levels; and socio-economic losses owing to the prevalence of early school leaving and absence from the labour force.

Helping to tackle such issues should also in turn help to reduce demand on key public service areas, which would produce savings in areas such as policing, the prison system, the health service, education and local government. Examples of some of these possible savings are described below.

Policing: Figures available from the Garda Recorded Crime Statistics for 2006 show that recent crime levels in the Limerick Garda Division include:

- 3.17 murders or manslaughters per 100,000 population, which is twice the national average and the highest figure for any division outside the Dublin Metropolitan Region
- 0.17 threats of murder per 1,000 population, which is eight times higher than the national average and four times higher than the average for the Dublin Metropolitan Region

There is also currently an above average level of policing resources attributed to Limerick City, although the duties of all these Gardaí are not necessarily wholly attributable to activities within the city and environs boundary. Even so, with about 440 Gardaí in the city at present, out of a total national force of just over 13,750, Limerick City has 4.8 Gardaí per 1,000 population whereas the average nationally is 3.2 Gardaí per 1,000 population.

TABLE 8: GARDA RESOURCES IN LIMERICK AND THE STATE

	Limerick	State
Garda personnel	436	13,755
Population (2006)	90,757	4,239,848
Garda Personnel per 1,000 Population	4.8	3.2

Note: Figures for Garda numbers in Limerick are based on information for October 2007, quoted in Dáil debates. Figures for total Garda numbers are drawn from the Garda Annual Report 2007, excluding trainees.

Source: An Garda Síochaná, Dáil Debates, CSO.

TABLE 9: GARDA RESOURCES IN LIMERICK – SELECTED SCENARIOS

	Scenario 1	Scenario 2	Scenario 3
Garda personnel per 1,000 population	4.8	4.3	3.8
Population (2006)	90,757	90,757	90,757
Garda personnel	436	390	345
Average annual Garda earnings (2006)	€60,853	€60,853	€60,853
Total annual Garda earnings	€26.5m	€23.7m	€21.0m
Savings	-	€2.8m	€5.5m

Note: Average Garda earnings include overtime.
Source: An Garda Síochaná

Hypothetically, if Garda resources could be reduced from 4.8 per 1,000 population down to 4.3 per 1,000 population, the Garda need would fall from 436 down to 345 based on current population estimates. Based on the average Garda earnings for 2006, therefore (just over €60,000 including overtime, based on CSO estimates), a reduction in Garda need would reduce the Garda salary bill in Limerick by about €5.5m.

Obviously, the population of Limerick City will increase over the timeframe for regeneration, and this will have an impact on the absolute level of need for Garda resources. Nonetheless, regeneration should still show a demonstrable impact on reducing the need for Garda resources if compared to what the likely future need for Garda resources would be under a 'do nothing' scenario.

Furthermore, it should be noted that such salary savings would be accompanied by other savings arising from the reduction in required Garda resources. Also, the cumulative savings arising from such a situation over 20-25 years would provide significant benefits from the once-off investment in regeneration in Limerick City.

Prison System:
Reductions in the levels of crime in Limerick City should also help to reduce the demand for resources in the national prison system.

In 2006, for example, the average daily number of persons in custody within the national prison system was just under 3,200. Furthermore, out of 9,700 persons committed to prison in 2006, some 485 (or 5%) were from Limerick. If regeneration in the Limerick Northside and Limerick Southside areas leads to a reduction in crime levels within Limerick City, this should in turn lead to some reduction in prisoner numbers arising from Limerick.

Within the Irish Prison Service, it is also generally accepted that it costs about €90,000 per annum to keep a prisoner in jail. A reduction in crime levels in Limerick City will therefore provide a saving of €90,000 per annum for every annual prison place that it saves. Furthermore, when annual savings are accumulated over 20-25 years, the total savings arising from regeneration would again become substantial.

Other Savings: Other areas where regeneration in the Limerick Northside and Limerick Southside areas could produce savings in public services would include the health system, education and local government. For example:

- Health savings could be delivered where the regeneration leads to better health and lower mortality rates among the local population through better housing, better employment opportunities, reduced serious crime, improved options for physical and recreational activity etc.
- Improved education levels and reductions in early school leaving could provide benefits in terms of improved employment prospects, reduced social welfare costs and less need for education and training in later years
- Local authority savings could be delivered through reduced maintenance costs, reduced litter costs etc.

Limerick City is the heart of the southern end of a viable complementary economic western counter-pole to the east coast corridor. It has to have a rebuilt economic engine to avail of the new economic opportunity presented by the social and housing regeneration pillars. The effort needs coordination and cohesion.

The Limerick Regeneration Agencies recognise the need for a dedicated Director of Economic Development as an urgent priority to develop and coordinate the implementation of a plan to underpin the Social and Physical Regeneration with a sustainable economic platform in the Regeneration Areas linking in strategically with the city and the region.

The Director ideally will have access to the development agencies in the city and region and work with them to implement a strategy with achievable milestones and hard economic development objectives in the short, medium and long-term.

Drawing from the many reports, studies and analysis that have been conducted in recent years the opportunity to reinvigorate the heart of the city in cooperation with interested public and private sector stakeholders the director will be tasked to develop an economic plan and strategy and to go about implementing it as soon as possible.

'There are few local employers in Moyross, Southill/Ballinacurra Weston and St. Mary's Park. For example, most businesses that operated in the Galvone Business Park adjacent to O'Malley Park left because of security problems. The infrastructure is extremely weak with poor transport links to the rest of the city. Access to both areas is limited, with boundary walls cutting off these estates from the more affluent areas of the city. In some cases roads are deliberately blocked with boulders, and are poorly lit. This also creates a problem for effective policing.'

Fitzgerald Report
April 2007