

**Report of the
Cork Docklands Development Forum**

Foreword

I would like to thank Minister Micheál Martin T.D. for nominating me to Chair the Cork Docklands Development Forum. I would also like to thank all who participated in the Forum for their constructive engagement.

A particular tribute is due to the Cork City Council and the Manager, Joe Gavin, for setting out the vision for Docklands and for making considerable progress towards its realisation over the past seven years.

Cork Docklands is an ambitious project but one in keeping with Government Policy and with Ireland's ambition to take its place as a leading knowledge economy. A project of this scale cannot be regarded as simply regional but of national and, if done properly, of international significance. All involved in the Forum buy into the ambitious vision and one of the key issues now is to put in place the Special Purpose Agency, as recommended by the Forum, to ensure the coordinated realisation of this vision.

There is significant private sector enthusiasm for the project but there are a number of key issues that need to be resolved if the project is to become a reality. Foremost amongst these are:

- Relocating and remediating the SEVESO sites within the South Docks
- Building of the Eastern Gateway Bridge
- Relocation of the non-container activities of the Port of Cork

This report sets out a clear agenda for the resolution of these issues and the solutions will require:

- Government investment in the necessary infrastructure
- A financial measures package to facilitate and assist the development

If these measures and the necessary investment is provided the Forum is confident the project will transform Cork and Ireland by establishing a vibrant and sustainable City Quarter with an excellent quality of life.

Having examined international best-practice and having reviewed the factors that contributed to the success of the Dublin Docklands Development it is clear that a single-focus agency reporting directly to Government represents the optimum vehicle to ensure the coordinated delivery of Cork Docklands. An exclusive focus is necessary to ensure the delivery of a Project that will be the most extensive and complex carried out in the State since the Dublin Docklands.

Whilst current economic uncertainties are such that the allocation of large-scale funding is now a major challenge, the Cork Docklands Project is of such national importance and significance that in the opinion of the Forum, the Government should make the necessary phased funding and financial incentives available over the 25+ years of the project. The scale of the investment that would be triggered by this investment would, in the medium to long-term, deliver a significant result on the Governments' initial (pump priming), investment. It would also result in a major decentralised hub of economic and cultural activity outside of the Dublin Region.

On behalf of the Forum I would like to thank everybody who assisted with our work and we look forward to a constructive dialogue with Government and the implementation of the Cork Docklands Project.

G. T. Wrixon

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Executive Summary

Summary of Cork Docklands Development Forum Report

The redevelopment of Cork Docklands is identified as a priority project in the National Development Plan 2007-2013 (NDP), the National Spatial Strategy 2002-2020 (NSS) and the Irish Government's submission to the European Union in 2006 regarding the content of the EU Regional Aid Map for Ireland 2007-2013.

As Ireland's second city, Cork was recognised by the NSS to have the potential to be developed as a counterpole to Dublin and create a second major node of development in Ireland.

The NDP recognises that public investment in physical infrastructure is necessary to trigger subsequent private investment in the area. In particular, the NDP identifies the need for priority investment in roads, water services, port relocation and associated infrastructure to facilitate the Cork Docklands regeneration and stimulate private investment in the area.

The Forum Report identifies the key issues that need to be addressed in order to make the Cork Docklands Development a reality. These are set below

1 The strong rationale for developing Cork City (and Docklands is the only significant area left for development within the City), as the second largest city outside of Dublin, to act as a counterpole to Dublin and to build on the Atlantic Gateways initiative. Docklands has the potential to attract and accommodate 22,000 new residents and provide 27,000 jobs. **(Chapter 1)**

2 The identification and attraction to Docklands of key economic drivers and cultural magnets will be essential to the realisation of the vision and its sustainability. A key part of making a success of the Cork Docklands development is that of creating a strong vision or branding for the area that will be strongly marketable both nationally and internationally in an increasingly competitive environment. Evidence from other developments, including the Dublin Docklands and overseas examples, strongly suggests that once the major economic drivers are anchored in an area, the ancillary services will quickly follow. Cork Docklands must be positioned to attract both indigenous and foreign-owned business to the area, as well as researchers, students and tourists. A particular focus will be on bringing industry and 3rd level together with a view to building a real Knowledge Zone or Technopolis in Docklands. **(Chapter 2)**

3 The critical infrastructure needed has been identified, costed and phased over the lifetime of the project – out to 2027 at least. The development, by its nature, will require significant state investment up-front – i.e. over the next 5 years, before returns on this investment begin to be realised. This front-loading of infrastructure expenditure is essential in view of the infrastructure-led approach required, given the current status of Docklands. The option of Public Private Partnerships (PPP) needs to

be pursued further as a means of providing some of the major infrastructure.

(Chapter 3)

4 A number of significant constraints and barriers exist to the development of the Docklands. The constraints include the requirement for greater access through a new Eastern Gateway Bridge (application under the GIF) and the need to relocate non-conforming land uses from the area. The most significant barrier to the development is the presence of 3 SEVESO sites (one being State owned – NORA) which effectively block 77% of the land from being developed because of Health & Safety restrictions on residential uses near such sites. Since the establishment of the Forum, a process has been initiated following positive engagement with the EU Commission, to lodge a formal notification of the intention of the Irish Government, to aid the relocation of these activities from the Docklands, to more suitable Greenfield locations outside of the urban area. This application will be made under the Environmental State Aid Guidelines. Government commitment to aiding this relocation (approx. €10 m. for the two privately owned sites) through tax incentives or grants will be required if it is to be progressed. **(Chapter 4)**

5 The Forum discussed how to incentivise the development of the Docklands using a range of financial measures, including tax incentives and grants, which would address the constraints and barriers to its development and ‘pump prime’ those developers and economic drivers willing to commence work on the Docklands at an early stage – this was primarily based upon an earlier submission by Cork City Council (August 2007) which sought a number of tax incentives.

A cost-benefit study was commissioned by Cork City Council and carried out by Ernst & Young. After some further work to the study, which was undertaken in consultation with the Department of Finance and the City Council, that Department is broadly satisfied that the CBA is in line with its guidelines in terms of the methodology underpinning the study. In the context of Budget 2008 and the Finance Bill, the Government indicated that it may consider the introduction of tax based or other financial incentives in order to stimulate the Docklands development. That Department is broadly satisfied that the CBA is in line with its guidelines. However, any package of financial measures, including tax incentives will need to be considered further by the Department of Finance. **(Chapter 5)**

6 Finally, a critical issue to be addressed was that of the institutional arrangements needed to bring this project forward, over the next 15 to 20 years **(Chapter 6)**. The options considered were:

- a) Cork City Council to continue to lead.
- b) Set up a new independent Cork Docklands Development Authority, modelled on the Dublin Docklands Authority.
- c) Set up a Special Purpose Agency under the Local Government Services (Corporate Bodies) Act 1971 that would have a mandate to develop the Docklands, working closely with Cork City Council and reporting to the Minister for the Environment, Heritage and Local Government. This model was used recently to set up the Limerick Regeneration Companies. The Agency would have a finite life-span.

All evidence and experience from abroad and in Ireland, points to the absolute need to set up a focused entity to drive projects of this nature. The forum reached a consensus that the best way forward was the establishment of a Special Purpose Agency which would work closely with the Local Authority and other key stakeholders. If approved by Government this body could be established very quickly by way of Statutory Instrument.

In addition, and in order to ensure that the impetus behind the Forum Report and the progress achieved to date by Cork City Council are maintained, the High Level Implementation Group will be tasked to oversee the ongoing development of the Docklands and the coordination of the State's response to this work in close conjunction with the City Council. The Group will also be tasked with progressing the other key recommendations contained in the Forum's Report (set out in Chapter 7) and in particular to prioritise the funding needed to aid the relocation of the two privately-owned SEVESO sites (estimated at approx. €10m total) in order to free up the land needed for development.

7 In summary, the Report (**Chapter 7**) recommends that the Government:

- Put in place the appropriate institutional arrangements and resources needed to bring this project of national and international significance forward in a timely manner, as outlined in the Report of the Forum;
- As a priority, agree to committing the required exchequer resources (either by way of tax incentives or grant-aid) necessary to ensure the ordered and timely relocation of the existing SEVESO sites, which are an immediate barrier to development, so that the formal notification to the EU for approval for such incentives can proceed;
- Commit the required exchequer resources needed to ensure that the critical infrastructure identified for the area is adequately funded and delivered to schedule;
- Introduce the appropriate tax and other incentives for the redevelopment of the area, as set out in Chapter 5 above and in the Cost-Benefit Study submitted to the Department of Finance.

1 Introduction:

1.1 Background and Overview

The redevelopment of the Cork Docklands is potentially the most significant urban regeneration scheme, outside of Dublin, in the history of the State. The proposed development is a project of regional, national and, indeed international significance, comparable to similar docklands developments in cities such as Barcelona, Hamburg and Helsinki.

The statutory plans already in place, anticipate that over the next 20 years the population of Cork Docklands will increase from 500 to approximately 22,000. Both national and local plans envisage the transformation of the Docklands into a new mixed urban quarter over the next 20 years delivering at least 9,500 new residential units. The South Docks Local Area Plan states that the City Council's preferred option for compliance with Part 5 of the Planning and Development Act 2000, relating to the provision of social and affordable housing, will be the provision of these units on site. It is estimated that this will provide 1,425 affordable housing units and 475 social housing units over the period of the project. This will substantially improve social balance in this part of the city and also provide employment opportunities for the occupants of these social and affordable dwellings in close proximity to their homes.

The regeneration of Cork Docklands has the potential to create and sustain in the region of 27,000 new jobs.

Cork is the second city of Ireland and as such is the obvious location for a major node of development that will act as a significant counterpole to the Greater Dublin Region. Its strengths include its status as the largest city in the Republic of Ireland outside of Dublin and its scale (which is equivalent to the combined populations of the other regional cities of Galway, Limerick and Waterford), a strong economic base, outstanding education facilities from pre-school to fourth level, a range of significant cultural facilities, a tradition of good strategic land use planning, a national and international transportation hub, a large hinterland extending over much of Munster and an outstanding natural setting.

The redevelopment of Cork Docklands is identified as a priority project in the National Development Plan 2007-2013 (NDP), the National Spatial Strategy 2002-2020 (NSS) and the Irish Government's submission to the European Union in 2006 regarding the content of the EU Regional Aid Map for Ireland 2007-2013.

Of all the regional cities, Cork was recognised by the NSS as having the most immediate potential to be developed to the national scale required to complement Dublin

1.2 Overview of Cork Docklands

Cork Docklands (Docklands) encompass an area of 162 hectares (ha) and is located to the east of the City Centre (see Map in Appendix 9).

Cork Docklands, being contiguous to the city is ideally placed to form part of an important national node. Docklands is currently home to a range of profile buildings and important infrastructure in the City. Key locations within Docklands include Custom House Quays, Kent Station, the GAA stadium -Páirc Uí Chaoimh, the Showgrounds and Kennedy Park. Other landmark buildings in Docklands include the

10-storey and 12-storey grain stores/silos and the 5-storey Power Station. Docklands also encompasses a 4km river frontage of major urban design potential downstream of the City Centre.

To understand the current profile of Docklands, it is important to identify in spatial terms the main geographical characteristics of the area. This can be summarised as the following four key existing and emerging areas/precincts as set out originally in the Cork Docklands Development Strategy 2001 and adapted for the North and South Docks Local Area Plans:

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- North Docks: Penrose Quay, Station Core, Kennedy Spine North and North Docks;
- South Docks Central District: Centre Park West, Centre Park East; Monahan's Road West and South Docks
- South Docks Western Neighbourhood: East City Centre (part of), Victoria Road (part of) and Kennedy Spine South,
- South Docks Eastern Neighbourhood: Power Station, Monahan's Road East, Parkside and Marina Park.



- 1 East City Centre
- 2 Penrose Quay
- 3 Station Core
- 4 South City / Seavoy
- 5 Victoria Road Precinct
- 6 Kennedy Spine North
- 7 Kennedy Spine South
- 8 North Docks
- 9 Centre Park West
- 10 Centre Park East
- 11 South Docks
- 12 Monahan's Road West
- 13 Power Station
- 14 Monahan's Road East
- 15 Parkside

1.3 National Policy Context

Historically, cities and towns have played an important role in the economic and social development of their surrounding areas, because of the concentration of wealth, governance and universities within such centres. A UK study¹ found that the types of economic sectors that lead the growth of advanced economies are heavily concentrated in or near major cities and that the attractiveness of these cities has a major impact on the competitiveness of regional economies as a whole.

Much modern economic growth continues to be urban-led, particularly in terms of knowledge-based enterprises which benefit from highly educated workforces, access to research and development facilities, specialist support services, and good IT and transport connectivity. Current international thinking, therefore, endorses the role of “Gateway” cities as the economic drivers of their hinterland regions².

Ireland competes for internationally mobile investment against other countries. The characteristics of our City Regions represents the locational basis through which such competition operates. Dublin is a powerful international magnet for such investment. Ireland needs other such city-region magnets to attract internationally mobile investment and to facilitate the promotional work of the industrial development agencies. The Cork City Region provides by far the strongest base for the creation of a second major magnet for internationally mobile investment in Ireland.

Two statutory Local Area Plans are in place for Cork Docklands – the North Docks Local Area Plan and the South Docks Local Area Plan. The key target quanta are c. 22,000 residents and 27,000 jobs in the period to 2027. To put the development in context, it is the equivalent of placing a large Irish town in a city centre location. The achievement of these targets is central to the delivery of critical mass within the Cork Gateway, and will facilitate the NSS Goal of Balanced Regional Development. The redevelopment of Cork Docklands is thus of strategic national importance.

1.3.1 Cork Area Strategic Plan

The potential for creating a new, modern, mixed use district in the city docklands area was identified in the early stages of the development of the Cork Area Strategic Plan (CASP) 2001-2020³. The CASP Study was commissioned jointly by Cork City and County Councils in 2000 to position Cork to become a leading European city region which is globally competitive, socially inclusive and culturally enriched. The CASP was finalized and published in 2001. It is currently being reviewed and updated.

While the area covered by CASP is much larger than the docklands area (see map of the Cork Area Strategic Plan, appendix 5), the docklands is at the heart of the CASP area, is contiguous to the city centre and presents a unique opportunity to build a modern, sustainable and integrated new city quarter, with extensive, highly desirable river-frontage development. International comparators emphasise the key role of river-frontage for the successful development of urban renewal projects.

1 “Our Cities are Back”, Office of the Deputy Prime Minister of the UK, November, 2004.

2 See chapter 2 “Gateways: Why are they important?” in Implementing the NSS: Gateway Investment Priorities Study, published by Forfás and DEHLG in 2006.

3 http://www.corkcity.ie/casp/strategic_plan/

Metropolitan Cork has a population of over 270,000⁴ and is the largest urban and economic centre in the South West Region. It has a strong economic base, with extensive Foreign Direct Investment (FDI) particularly in sectors such as Information and Communications Technology, pharmaceuticals and life sciences. It has a thriving and growing indigenous sector. It also benefits from strong academic facilities, a modern airport and significant port and deepwater facilities. The key challenge now is to accelerate its rate of development and population growth, focusing particularly on the potential of the city's central area – the Docklands.

CASP emphasises the need for urban regeneration within the City. In that context there is a particular emphasis on the redevelopment of Docklands, which will help to consolidate Cork as a European location for enterprise and significantly contribute to the commercial life of the City. The National Spatial Strategy (NSS) 2002 confirmed Cork's status as a major Gateway and endorsed the CASP strategy.

When regional planning guidelines were first prepared in 2003/04, the Department of the Environment, Heritage & Local Government estimated that the South West Region should aim for a population of about 670,000 by 2020. This target was revised upwards in 2007 to 784,000, based on economic growth patterns. A population target of 488,000 is planned to be accommodated within the CASP area and the plan is currently being updated to reflect these revised targets.

In brief the key growth statistics envisaged by the Draft CASP update over the period to 2020 are:

- Population +110,400
- Households +73,500
- Jobs +45,000

The draft CASP update provides for additional population of 30,478 and jobs of 15,443 in the City area. The delivery of the Local Area Plans for Docklands, both north and south, is critical to the City achieving its projected target and to the implementation of CASP Strategy as a whole. In this context, Cork Docklands is expected to make a significant contribution towards meeting overall employment and residential targets as it is estimated that 22,000 residents and 27,000 new jobs will be provided over the period to 2027 (which is seven years beyond the time-horizon of CASP).

1.3.2 National Spatial Strategy 2002-2020

The Government designated the first 5 Gateways – Dublin, Cork, Waterford, Limerick and Galway – in the National Development Plan 2000-2006, and charged the Department of Environment, Heritage and Local Government (DEHLG) with responsibility of preparing a National Spatial Strategy (NSS) which would identify other Gateways and Hubs to foster balanced regional development.

The NSS, published by the Government in 2002, is a 20-year planning framework designed to deliver more balanced regional development. It designated 9 Gateways – including Cork – whose location and scale support the achievement of critical mass necessary to sustain strong levels of employment growth in their regions.

4 Metropolitan Cork as defined in the Cork Area Strategic Plan

Of the regional cities, Cork was recognised by the NSS as having the most immediate potential to be developed to the national scale required to complement Dublin.⁵

The NSS endorsed the Cork Area Strategic Plan (CASP), adopted by the Cork City and County Councils in 2001 (updated in 2008). CASP seeks to build on Cork's many assets, including its port, airport and Third level institutions, to integrate land use and transport thereby, improving its public transport and other infrastructure. In this regard, the Department of Transport allocated funding, earlier this year, for an in-depth study on future public transport requirements, to be completed by end 2008.

The NSS is implemented within the framework of regional planning guidelines made under the Planning and Development Act 2000; the guidelines for the South West Region, adopted in 2004, prioritise the development of the Cork City Gateway as a dynamic and progressive European City Region, which would attract both people and investment. Within the City, the regional planning guidelines identified a particular focus and opportunity in the Docklands area for revitalisation as a mixed-use area.

1.3.3 National Development Plan 2007-2013

Following-on from both the CASP and the NSS, the regeneration of Cork Docklands was identified in the National Development Plan 2007-2013⁶ as one of the key development and investment priorities for the Cork Gateway. Cork Docklands is a significant "brownfield"⁷ area of 162 ha with a current population of c. 500. However it has the potential to benefit an immediate broader area that has been identified as the "Cork Urban Renewal Area"⁸ (CURA).

The NDP states that the area has the capacity to accommodate an additional population of at least 15,000 people. In fact, the revised key target⁹ quanta are c. 22,000 residents and 27,000 jobs in the period to 2027. The regeneration of this area will result in the attraction of internationally mobile investment to Ireland and significant commercial activity with associated job creation opportunities.

The NDP recognises that investment in physical infrastructure to trigger subsequent private investment in the area is necessary. In particular, the NDP identifies the need for priority investment in roads, water services, port relocation and associated infrastructure to facilitate the Cork Docklands regeneration and stimulate private investment in the area.

1.4 EU Policy Context

The European Union has advocated the regeneration of derelict and underused sites in preference to urban sprawl and development on greenfield sites for many years:

The Green Paper on the Urban Environment (1990) stressed the redevelopment of derelict, underused or abandoned land to save existing open space and land on the

5 The National Spatial Strategy 2002-2020 People Places and Potential (p. 44)

6 National Development Plan 2007-2013 Transforming Ireland (p.68)

7 Brownfield land is previously developed land, which is or was occupied by permanent structures and associated fixed infrastructure. It may be contaminated or derelict also.

8 CURA is defined in the Irish Governments 2006 submission on the Regional Aid Map 2007-2013

9 These targets were set in the recently approved North Docks and South Docks Local Area Plans

outskirts of cities from development. It recognised the complexities of this approach often required a firm lead from public authorities

The Commission Guidelines for the URBAN II Initiative highlight¹⁰ mixed-use and environmentally friendly brownfield development as one of the priorities of the initiative and this is seen as leading to reduced pressures on Greenfield development and urban sprawl.

The “Commission Communication: Sustainable Urban Development in the European Union: A Framework for Action” (October 1998) regards the promotion of settlement patterns that minimize land take and urban sprawl as important

In 2006, the Cork Urban Renewal Area was included in the Regional Aid Map 2007-2013 by the European Union following a proposal by the Irish Government. The submission was predicated on the fact that the redevelopment of the Cork Docklands as a major brownfield site was more environmentally sustainable than the equivalent redevelopment of greenfield areas at the periphery of the city. However, it recognised that the area faced barriers which could mitigate against it in comparison with other areas (see Chapter 4).

The proposed development of Cork Docklands is therefore entirely consistent with EU as well as National policy.

1.4.1 Lisbon Agenda

The redevelopment of Cork Docklands Area would deliver one of the objectives of the Lisbon Agenda ‘*to make Europe a more attractive place to work and invest*’. The 6th Environment Action Plan¹¹ (E.A.P.) of the European Community 2002-2012 called for the development of a Thematic Strategy on the Urban Environment with an objective of contributing to better quality of life through:

- An integrated approach concentrating on urban areas;
- Providing an environment where the level of pollution does not give rise to harmful effects on human health and the environment; and
- Encouraging sustainable urban design.

The Thematic Strategy has defined four priority themes including urban management, sustainable transport, construction and urban design. The Strategy states that avoiding urban sprawl offers environmental advantages for land use, transport and heating contributing to less resource use per capita. It also cites integrated urban design that avoids urban sprawl and reduces soil-sealing thus promoting bio-diversity with a particular emphasis on reuse of brownfield sites. If implemented at all levels, the Strategy will ultimately contribute to the improvement of the quality of the urban environment, making cities more attractive and healthier places in which to live work and invest thereby reducing the adverse environmental impact of cities on the wider environment.

The development of the Docklands area encompasses all four priority themes, set out in the North and South Docks Local Area Plans.

¹⁰ Urban II Initiative See

http://www.ndp.ie/viewdoc.asp?fn=/documents/eu_structural_funds/community/community-initiatives.htm&mn=eusy&nID=6

¹¹ Environment Action Plan (EAP) <http://ec.europa.eu/environment/newprg/intro.htm>

1.5 Cork Docklands Regeneration and Sustainable Development

The concept of sustainable development does not easily lend itself to precise definition. Comhar (the National Sustainable Development Partnership) considers that sustainable development must encompass environmental protection, economic development, and social development in an integrated manner. To use the United Nations definition, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”, in other words ensuring that today’s growth does not jeopardize the survival of future generations. Sustainable development thus comprises three elements – economic, social and environmental – which have to be considered in equal measure at the political level. The strategy for sustainable development, adopted by the EU in 2001 and amended in 2005, is complemented inter alia by the principle of integrating environmental concerns with Irish, European and Global policies which impact on the environment.

In an urban regeneration context such as Cork Docklands, sustainable development objectives include:

- Protecting the quality of water, air, soil and other natural resources, and remediating contaminated sites
- Promoting a diverse range of environmentally-sustainable economic activities
- Prioritising walking, cycling and public transport, e.g. by encouraging higher residential densities within walking distance of public transport stops
- Promoting energy-efficient development, e.g. using renewable sources such as solar, biomass or wind, and minimising heat loss from buildings in cold weather
- Encouraging a good social mix, and providing a range of house types for different household sizes and age groups
- Providing open spaces for recreation, “green lungs” and biodiversity
- Minimising waste production and maximising recycling
- Promoting a range of environmentally sustainable technologies
- Protecting the built heritage, e.g. by finding suitable new uses for historic buildings and the redevelopment of existing buildings in an energy efficient manner
- Avoiding flood risk and designing for climate change.
- Promoting the use of sustainable methods of construction and materials of construction
- Promoting carbon neutral development

Cork Docklands represent the last major redevelopment opportunity in the city and the area has the potential to become a model for sustainable urban living and for the achievement of the objectives of the 6th Environmental Action Plan. As a brownfield site, the area provides an ideal opportunity to encourage sustainable urban design and transport systems, through the development of a high-density mixed-use urban quarter. Dockland has the scale to become a model for sustainable use of energy that could become a benchmark for urban regeneration in Europe. (See also Appendix 4)

Cork Docklands, if developed in a coherent and properly integrated way, has the potential to be **the most energy efficient and sustainable urban redevelopment project in Europe** and an international model for future brownfield urban regeneration.

1.6 Action to date by Cork City Council

Over the past seven years, Cork City Council has initiated a series of actions which have steadily progressed the implementation of the project. These are set out in Appendix 3. These actions include providing a focused organizational response to the project through the Docklands Directorate and Docklands Policy Committee, establishing a statutory local planning framework, establishing the broad extent of contaminated land, energising local stakeholders and potential developers, engaging with Government regarding the EU Regional Aid Map, defining the economic potential of Cork Docklands and carrying out various infrastructure studies.

Currently the Environmental Impact Study and Compulsory Purchase Order process for the Spine Roads and Bridges Consent has commenced with An Bord Pleanála under Section 51 of the Roads Act 1993 as amended by Section 9 (1)(e) of the Roads Act 2007 and by the Planning and Development Acts 2000-2006.

1.7 Establishment of Cork Docklands Development Forum

The redevelopment of Cork Docklands is of strategic national importance. In recognition of this, the Government established the Cork Docklands Development in December 2007. Membership of the Forum and its terms of reference are set out in Appendix 1.

The objective of the Forum is to promote the effective coordination and delivery of sustainable¹² investment by the State, particularly in roads, water services, port relocation and associated infrastructure to facilitate the docklands regeneration, in order to stimulate private investment. The initial priority of the forum will be the development of an over-arching framework for the work of Government Departments, Local Authorities and State Agencies on the development of the Cork Docklands Area. The Forum is also tasked with addressing options in relation to incentives to overcome key barriers to the development of the area.

1.7.1 Overview of the work of the Forum

The Cork Docklands Development Forum has met on eight occasions since its first meeting on 10 December 2007. The inaugural meeting was attended by Minister Micheál Martin, T.D., (then Minister for Enterprise, Trade & Employment) who expressed his strong support for the project.

Two sub-groups of the Forum were established to look at issues such as economic and cultural magnets of attraction, and the need for state aids / tax incentives. These sub-groups have met regularly between Forum meetings, to progress the two issues. In addition, the Chair and other members of the Forum have visited international dockland developments in London, Helsinki, Bremen and Hamburg in order to compare and benchmark Cork against other docklands developments. Officials¹³ have also commenced engagement with the EU Commission with a view to agreeing a state aid package to incentivise the relocation of key inhibitors to the development of the docklands. This is dealt with in detail in Chapter 4.

¹² Sustainable embraces economic, social, environmental and cultural elements

¹³ Officials from Departments of Finance, Enterprise, Trade & Employment, Environment, Heritage & Local Government and the Docklands Directorate.

The Forum has engaged on a broad range of issues, which are key to the Docklands Development project. These include proposals, which are under consideration as part of the development, such as the relocation of the Port of Cork, incentivising development, the need for a fast and reliable public transport system and a broad range of other infrastructural projects. The topics discussed were set out by either a member of the Forum or by an appropriate external presenter and included:

- Docklands Infrastructure Requirements
- Strategic Development Plan for Port of Cork
- National Roads Authority strategy and plans in place
- Transport 21 and Beyond
- Update on first major planning application received for the Docklands
- Benchmarking with International Docklands Developments (Hamburg; Bremen; London and Helsinki);
- Bio Fuels – particularly for use in public transport
- Broadband and Cork Metropolitan Area Network (MAN)

The Forum has managed to carryout a significant amount of research, investigation, discussion and consideration of the issues in the short time since its establishment.

2 Economic and Cultural Magnets of Attraction

2.1 Introduction

While the broad vision for the Cork Docklands is that of a mixed-use urban development, with a strong community and well-developed social infrastructure, the Forum believes, in line with the thinking and focus of Cork City Council, that the Cork Docklands project has the potential to be a project of major national and international significance. With the commitment of Government and with the right structures and funding in place, the project provides a real opportunity to build a dynamic economic and social magnet that is compatible with balanced regional development and, in the context of the National Spatial Strategy and the Atlantic Gateways initiative, could be pivotal in developing a second major node of development in Ireland.

The Cork city-region is recognised in the NSS and in CASP as the engine of growth for the South West region. The economic, social and cultural regeneration of the city is therefore crucial to the future success of the region. The NDP gives similar recognition and priority to this fact. The city centre and Docklands will play critical roles in revitalising Cork and in providing the locations for many new homes and businesses which are central to the envisaged growth over the period to 2020.

A key part of making a success of the Cork Docklands development is the requirement to create a strong vision or branding for the area that will be strongly marketable both nationally and internationally in an increasingly competitive environment.

Evidence from other developments, including the Dublin Docklands, strongly suggests that once the major economic drivers are anchored in an area, the ancillary services will quickly follow. Cork Docklands must be positioned to attract both indigenous and foreign-owned business to the area.

A key question must be:

- | |
|---|
| ➤ What will mark the Cork Docklands out as an outstanding new urban area of national and international significance and attract businesses, residents, students and tourists? |
|---|

With its city centre location and hugely attractive water-frontage, the area is well positioned to capitalise on the development potential.

While the Forum agrees that the Cork Docklands should aim to be the most energy efficient and sustainable urban redevelopment in Europe, there is a clear need to focus on the type of economic and cultural activity that will drive and sustain this new urban quarter.

Broad themes of **knowledge** and **tourism** have been identified by the Forum as being major attractors for the project.

2.2 Potential Economic Drivers

The Forum recognises the importance of identifying and building on the existing strengths of the area.

Cork has an international status as a Centre of Excellence in Life Sciences (including traditional pharmaceuticals, bio-pharma and medical technologies) and Information & Communications Technologies (ICT), with many top global companies based in the greater Cork area for many years including Apple, EMC, Boston Scientific, Pfizer, GSK, Janssen, Novartis, Eli Lilly, Schering-Plough and Pepsico.

In the South-West region as a whole, 30% of the workforce has completed third-level education. This is in line with the national average.

Cork is a university city with over 22,000 full-time third-level students (the second largest in Ireland, after Dublin) in two major third-level institutions – University College Cork (UCC) and Cork Institute of Technology (CIT). Both UCC and CIT are currently seeking additional campus space to support their development strategies. Every effort should be made to ensure that the Docklands area is attractive as the location for any possible third level expansion.

There are a number of major RTDI¹⁴ assets. Tyndall National Institute Research Centre (formerly the National Microelectronics Research Centre) for example engages almost 400 researchers focusing on the areas of ICT, photonics, nanotechnology and micro-technology, and offers a wide range of industry support services.

The further development and facilitation of research and development innovation in Cork, building on its Bio-pharmaceutical, ICT and medical centres of excellence, and in collaboration with industry, provide major opportunities to be pursued vigorously and effectively. The development of a new “Knowledge Zone” or “Technopolis” in the Docklands area is a real possibility with effective leadership, groundwork and promotion. In fact, the National Development Plan lists the “*continued development of the city’s R&D capacity, such as the recently opened Tyndall Institute*” as being a priority for the Cork Gateway.

The Forum is of the view that the Cork Docklands, with the existing cluster activities in the Cork area, along with a strong third level and research capability, is ideally placed to capitalise on the emerging focus on the development of convergent technologies in areas such as Life Sciences and ICT.

The Forum is agreed that the major economic drivers for Cork Docklands are likely to include the following:

- Bio-Pharmaceuticals Research and Development opportunities;
- Other Life Sciences (including food/functional food technologies);
- Information & Communications Technologies (ICT)
- Sustainable energy industries;
- Internationally Traded Services (including internet content and Financial Services); and
- Medical diagnostic services and medical technologies;

The identification of the economic drivers or “magnets”, that will help the vision for the Docklands development to become a reality, is intended to focus on areas of particular strength in the Cork area. The above list is presented in a non-prescriptive

14 Research, Technology, Development and Innovation.

and non-limiting way. Clearly, as the project progresses, further work will need to be undertaken by the key stakeholders and by the body charged with leading the development of Cork Docklands in developing the possibilities, based on present strengths and future possibilities.

Taking account of the areas identified above, and the trend towards convergent technologies, the Forum believes that appropriate future CSETs (Centres for Science, Engineering and Technology¹⁵) and SRCs (Strategic Research Clusters) in relevant sectors could be located in Docklands, with industry and the Third/Fourth level (UCC/Tyndall Institute/CIT) working together to win such projects for the Cork area.

Equally, the establishment of a National Competence Centre¹⁶(s) in a relevant sector, already clustered in the area, could act as a magnet (e.g. high-end Manufacturing technologies/processes, as recommended in the recent High Level Group Report on Manufacturing,¹⁷ that would be industry-led, working in close cooperation with Third/Fourth level e.g. UCC/CIT and others).

2.3 Cultural/Tourism Magnets

Cork has significant potential as a tourism destination. The opportunity exists to build on its European City of Culture (2005) status to take advantage of the increasing interests of visitors in cultural activities, that are unique to Ireland, and of the trends toward city breaks, which to date in Ireland have primarily been attracted to Dublin.

The development of appropriate tourism magnets will enhance the attractiveness of Cork to visitors and investors more widely and complement the development of Cork Docklands while also integrating Cork into the longer-term strategy for developing the Irish tourism product as a whole. As with the economic drivers, the greatest potential is likely to lie in developments which build on Cork's distinctive strengths, its cultural and physical heritage and those elements that make visiting Cork a memorable and unique experience - including the new Docklands that we believe will come into being through this strategy.

At a national level, Fáilte Ireland's Tourism Product Development Strategy 2007-2013, based on extensive research, sets out a clear set of parameters for developing magnets and attractors that complement and build on existing strengths, while filling identified gaps. The Fáilte Ireland South West Operational Plan sets out some of the ways in which the South West can play its part. There is a need to build on that evidence-based foundation, identifying longer-term opportunities and potential.

Cork already has one of the few national cultural institutions wholly operated outside of Dublin. The Boards of Management of the Crawford Art Gallery and other national cultural institutions should be consulted about ways in which their collections and operations might be utilised in this regard. Many of the items in those collections are not on permanent display and with appropriate arrangements could be made available if a suitable exhibition and curatorial location was developed.

15 CSETs were established to fund researchers who will build collaborative efforts that develop internationally competitive research programmes with researchers from industry. CSETs help link scientists and engineers in partnerships across academia and industry to address crucial research questions.

16 See "The Report of the High Level Group on Manufacturing Report" (Page.55)

17 See

www.entemp.ie/publications/enterprise/2008/reportofthehighlevelgrouponmanufacturing.pdf

While there are many important transport collections across the country, the provision of a national Transport Museum in Cork could form a tourism and cultural attraction of unique relevance and importance. Cork Docklands, with its original Ford factory and maritime past, would be a suitable location for such a facility.

Cork hosts world-renowned annual festivals, e.g. Cork Jazz Festival, Cork International Choral Festival and a number of internationally important sailing festivals. There is an extensive network of social and cultural facilities in Cork such as the Crawford Gallery, Cork Opera House, Cork School of Music, the Everyman Theatre and the Glucksman Gallery, which provide a base from which to further develop Cork's strong arts and cultural activity base.

Sport has played a very significant role in the social and cultural life of Cork. Cork County GAA board has developed draft proposals for the redevelopment of Pairc Uí Chaoimh as a modern stadium with an increased capacity of 60,000 from the current capacity of 43,500, together with ancillary facilities to serve as a Centre for Sporting Excellence, which would greatly enhance existing sports facilities in the Docklands area. Cork County GAA Board propose to advance this development in discussion with Department of Arts, Sport and Tourism and Cork City Council.

As with the overall vision, this section does not seek to set excessively prescriptive limits on the options, but to point out directions in which project promoters could best support national, regional and local development of tourism and the broader economy.

Areas of potential include:

- Cork's maritime and industrial heritage - which could be the basis for a Maritime/Transport Museum.
- A National Diaspora/Genealogy Centre (building on the existing Queenstown experience); such a Museum or Centre should complement developments elsewhere (e.g. a Diaspora Centre in Cork could focus on the UK and European Diaspora - reflecting its current access links).
- It could also support water-based activities - thus complementing the overall vision of Docklands as a living place - linking to the Outer Harbour integrating any developments with cruise-based tourism (which may dock elsewhere in the Harbour).
- The new Docklands could develop a Life sciences based Experience/Modern Science Museum, reflecting Cork's strengths in this area. This would tie-in well with the development of the Knowledge Zone or Technopolis mentioned above.
- Building on the existing proposals for an event centre, e.g. through identifying a suitable heritage building for major event banqueting.
- Cork's present-day cultural strengths e.g. the "intangible heritage" of Cork's food culture.
- Complementing the presence of the Crawford Gallery upstream, a National Cultural Institution or a branch of a National Cultural Institution could be developed, linking with the vision of the Docklands as a home for the information and media industries, which are increasingly converging with the world of design, crafts and the visual and plastic arts.

2.4 Forum Recommendations

Recognising the importance of the economic and cultural dimensions of branding and marketing the Docklands both nationally and internationally, the Forum recommends that:

1. The body charged with bringing the Docklands forward working closely with the relevant State Agencies (IDA Ireland; Enterprise Ireland; Science Foundation Ireland and FAS), the Third and Fourth Level Sectors, Industry and Investors should strongly pursue the development of projects / investments that are in line with those identified in this Chapter. A particular focus should be on bringing industry and Third and Fourth level bodies together with a view to building a real Knowledge Zone or Technopolis in Docklands.
2. The body charged with bringing the Docklands forward, working closely with the Department of Arts, Sport, and Tourism, and other relevant key stakeholders such as the Council of National Cultural Institutions and Failte Ireland be asked to develop a Cultural masterplan for the Docklands area, building on Cork's strengths, as identified above, and with close links to the theme of Knowledge.

3 Infrastructural Priorities

3.1 Introduction

The National Development Plan recognises that investment in physical infrastructure to trigger subsequent private investment in the Docklands area is necessary.¹⁸ In particular, the NDP identifies the need for priority investment in roads, water services, port relocation and associated infrastructure to facilitate the Cork Docklands regeneration.

While the South Docks area has the potential to accommodate about 22,000 new residents and 27,000 new jobs, regeneration on this scale will require very substantial investment in new infrastructure. The following issues need to be addressed in order to facilitate redevelopment of this brownfield area:

- While close to the city centre, the South Docks area has very poor transport links with the rest of Cork and more widely with national transportation routes. New bridges (the Eastern Gateway Bridge and Water Street Bridge) across the Lee and the upgrading of the internal road network, particularly Centre Park Road and Monahan's Road are needed to open the area for redevelopment, particularly on the scale envisaged.
- In particular, public transport – sustained by relatively high density residential development within Docklands – is required to connect the area with the city centre, Kent Station, and the wider City. The options for either bus rapid transit or a light rail system within Cork are being examined at present in the context of the update of the CASP which is nearing completion.
- The water supply and drainage system needs to be upgraded.
- The area is low-lying and prone to flooding – a problem likely to be exacerbated by climate change. Quay walls need to be strengthened and upgraded and the ground levels within the area need to be raised.
- New schools and other community facilities, together with new parks and civic spaces, will be required to serve the needs of people living, working and visiting Docklands.
- Social and Affordable Housing

3.2 Infrastructural priorities

Development on the scale proposed for the Docklands site requires major infrastructure provision to be put in place, as part of a well-defined and phased delivery strategy. These requirements are identified and considered briefly in this section.

It should be noted that the list of priorities outlined briefly below, is not a menu from which priorities can be chosen selectively with the possibility of delaying or not putting others in place. The overall package of infrastructural requirements must be

¹⁸ See National Development Plan 2007-2013 – Transforming Ireland (Page 59).

implemented in full, on the phased basis outlined and costed in Table 1 (see page 21), in order to realize the full potential of the docklands development.

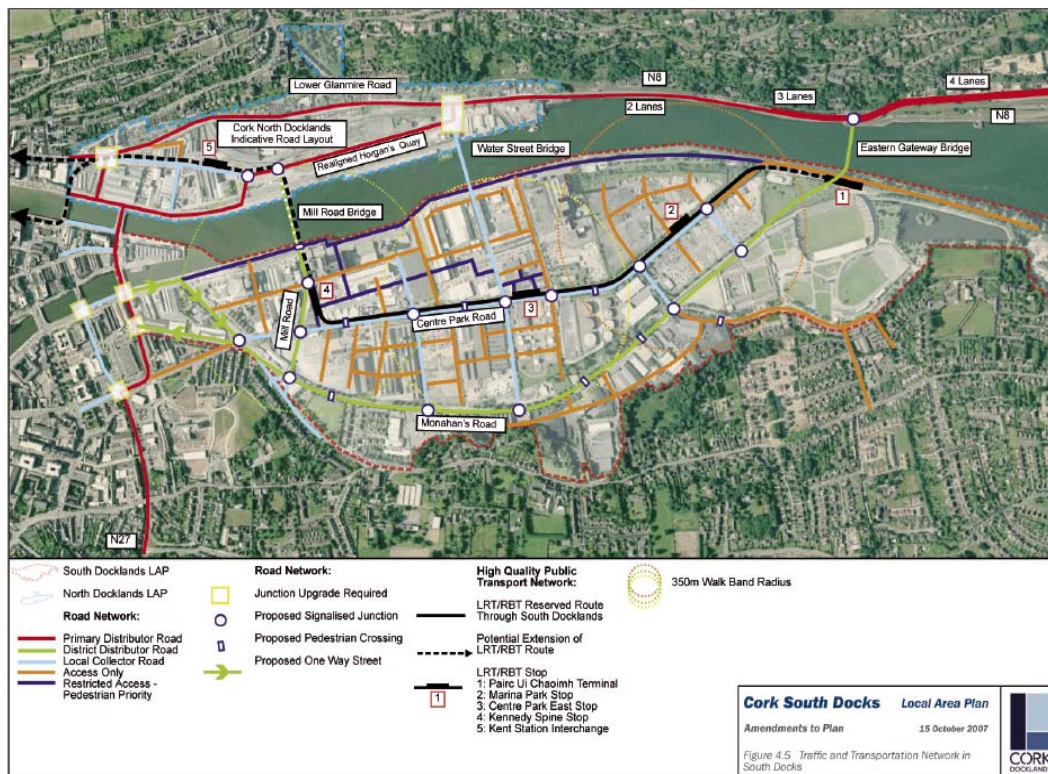
Specific infrastructural projects considered essential for the redevelopment of Docklands include:

3.2.1 Bridges and roads

- **Eastern Gateway Bridge:** The bridge will provide immediate access from the east (and Jack Lynch Tunnel) to the eastern parts of the Docklands and also to the South Docks generally linking into Monahan's Road as the main distributor which will then feed into the heart of Docklands. A submission has been made by Cork City Council for Gateway Innovation Funding to deliver this bridge, which is a prerequisite to support initial developments.
- **Water Street Bridge and approach roads:** This bridge will provide access for both vehicles and public transport in the initial phases of development and will provide access mainly from the west and north of the city. Linked to this bridge is the continuation of the Bridge Road to Centre Park Road initially and then onto Monahan's Road. The upgrading of Centre Park Road, in parallel with that of Monahan's Road, is, particularly, important to open up the core of the South Docklands area between the Marina and Victoria Road for development.
- **Mill Road Bridge:** This is an additional bridge to the North Docks, further improving permeability on both sides of the River Lee and relieving the very busy gyratory system at South Link Road, Collins / De Valera Bridges and Eglinton Street. This bridge also has the advantages of servicing the western sector of the South Docks with public transport along with direct access from the South Docklands to Kent Station. Accordingly, this bridge will also provide for the long term routing of high quality public transport.

It is proposed that the Eastern Gateway Bridge and Water Street Bridge when approved will both incorporate opening spans wide enough to facilitate port access requirements for trading in the short to medium term. They will also facilitate the long-term access of pleasure and larger visiting ships, which have traditionally tied up very close to the city at the Point of the Island where the two channels of the river Lee converge. This will protect and support the highly desirable marine heritage aspect to the Docklands development.

Bridge Locations and Internal Road Network



3.2.2 Public transport

The design and timely roll-out of a high-quality, integrated transport plan is crucial to the viability of the Docklands area as recommended by this Report and detailed in the Cork City Council Local Area Plan. This was a clear lesson learned from the experience of overseas regeneration projects visited by Forum members (Hamburg, London, Helsinki, in particular).

- Bus Service:** A quality bus service will be implemented in the South Docks, to promote sustainable modes of transport and to reduce the level of car traffic in the area. The proposed route will create a South Docks Public Transport Hub at Centre Park Road.
- Kent Railway Station:** The improvement of main line rail services and the redevelopment of Kent Station (within the North Docks area), including its re-orientation to the River Lee, in keeping with the CASP recommendations, are considered to be integral elements of any package of measures to upgrade public transport.
- Light Rail/Bus Rapid Transit:** As part of the current Update of the CASP Strategy, the City Council has employed consultants to

examine the feasibility of providing either a rapid bus system or a light rail system within Cork, including connecting Docklands with the city centre, Mahon, and the wider city. The consultants are expected to report by Autumn 2008.

3.2.3 Flood protection and mitigation

The Docklands is generally located on land that has been reclaimed from the River Lee estuary. The river is tidal and ground levels are generally below high tide level, with the area being protected from flood inundation by the existing quay walls. The Docklands is vulnerable to flooding during extreme high tides, a vulnerability that is expected to increase due to the consequences of climate change, a general rise in sea levels and an increase in the severity of Atlantic storms.

A detailed study of flood levels in the Lee catchment is currently being undertaken by the Office of Public Works in conjunction with the City and County Councils on the issue of both fluvial and tidal flooding in the whole of the Lee Catchment (from source to harbour). The consultants have undertaken an early assessment of the Docklands and a strategy has been devised which involves:

- Significant raising of ground levels
- Provision of a quayside barrier, to be integrated into the new public realm
- Flood resilience measures in transition zones at the city end of Docklands.

3.2.4 Water supply and drainage

A feasibility study undertaken by consulting engineers in 2003 identified that demand projections to cater for the redeveloped Docklands area indicate an overall shortfall in water supply. However, the study also noted that a limited amount of development can be serviced from the existing system. It is critical therefore, that the medium to long-term requirements of the Docklands be provided to facilitate more significant levels of development.

The existing foul sewer network has sufficient capacity to accommodate the redeveloped Docklands through local upgrades and extensions to the existing network and is, therefore, not a constraint to development.

In the South Docks, the surface water drainage system was reviewed (linked to the flooding study) and a modified approach to storm drainage is now being proposed based mainly on the approach of increasing ground levels within the Docklands area.

3.2.5 Services and utilities

Electricity:

The local network within the development area will require substantial upgrading and expansion to facilitate the increased load arising for the redevelopment of Cork Docklands. The City Council are engaged with the ESB to design a new network to support the large scale development and integrate the network into the newly proposed raised road system.

Natural gas:

A major natural gas transmission line is located within Cork Docklands and is part of the national transmission grid and has adequate capacity for any foreseeable development needs. However this high pressure pipeline is not suitable in a high density location and the City Council is working with Bord Gais Eireann to provide for a rerouting and restructuring of the network in the Docklands to facilitate the large scale development while meeting the needs of the existing services to the city.

Waste management:

It is intended to provide a new, innovative waste collection system for the South Docks, consistent with the commitment to developing a sustainable, eco-friendly quarter.

3.2.6 Education**Primary and second levels:**

The Department of Education & Science's Forward Planning Unit has been working with the Cork Dockland's Directorate to identify the sites required for the provision of the primary and post-primary school needs in the South Docks Local Area Plan. The requirements involve 1 hectare each for 2 primary schools (both of which will be 32 classroom schools) and 2.2 hectares for a post-primary school that will cater for 1000 pupils.

Third level:

It is of critical importance to the realisation of the full potential of the Cork Docklands that high-spec third level space is an integral part of the project. This is a *sine qua non* for the development of an urban knowledge-based zone or Technopolis, where research and business can work together in a fully integrated way. University College Cork currently requires 120,000m² in additional campus space to support its development strategy and Cork Institute of Technology is also seeking to expand. Every effort should be made to ensure that the Docklands area is attractive as the location for such Third level expansion.

Both UCC and CIT have indicated that they are, in principle, favourably disposed to looking at the Docklands area as a location for their expansion projects. One proposal involves the development of an Architecture, Art and Design and Media Centre, as part of a bigger creative centre that could be part of the Docklands. Critical to their decision will be considerations such as the availability of land and the provision of a fast, reliable public transport system that will connect existing campuses to the Docklands area.

3.2.7 Communications**Broadband:**

The importance of the availability of high-speed, reliable broadband and international connectivity cannot be overstated for a high-density, knowledge-based urban community such as the Cork Docklands. The Cork City Metropolitan Area Network (MAN) provides high-speed broadband connectivity around the city and is routed through South Docklands along Monahan's Road. The MAN complements other existing carrier-specific fibre networks already available in Cork (e.g. Eircom, BT). The North and South Docks will be served by the extension of the existing MAN along the Quays

and/or Centre Park Road. It is anticipated that the global telecom operators will service the larger companies with high capacity circuits for data and voice services. The wireless operators will provide wireless broadband services to businesses and residences.

It is intended to provide a carrier-neutral network that will enable ICT infrastructure to act as a key attractor for the South Docks. This provision will be made by providing cable ducts in each street and boulevard, which will facilitate the connection of residential units, employment enterprises and commercial facilities.

The MAN enables every operator to customise products to meet the requirements of the end-customer. Fibre has the inherent flexibility to allow this sort of customisation. The existence of the MANs allows different types of operators to provide numerous types of services to end-customers. This in turn will facilitate competition between the suppliers in the market to the benefit of business and residential customers in Cork Docklands.

International Connectivity:

In terms of international connectivity, the Forum is of the view that the presence of a Direct International Connectivity Point would be a unique attractor for Cork and the wider region and add to the overall attractiveness of Ireland as a location for the type of internationally mobile and other investment targeted in Chapter 2. It would also improve national resilience. There is recent evidence that data centres are reluctant to locate outside of Dublin due to the perception of inferior connections to the international connection points. These perceptions represent a real barrier to the location of international mobile investment to Ireland.

A preliminary feasibility study¹⁹ has identified a suitable international cable running off the South Coast of Ireland. The Forum is of the view that this preliminary study should be evaluated, urgently, by IDA Ireland, the Department of Communications, Marine and Natural Resources and the Telecoms Regulator to identify the national, regional and local added-value that would arise from such connectivity to global telecommunications infrastructure. A full feasibility study should be undertaken as necessary.

Investment in the MAN and international connectivity is intended to support regional competitiveness, which is a Government policy objective. These policy objectives are strongly supported by the Forum and should be relied on to overcome difficulties in this area, including the need to ensure that in terms of international connectivity, Cork is well placed to compete in cost and quality terms with Dublin or other international centres.

Data storage:

There is limited data storage capacity in Cork. The City is dependent on data storage capacity in Dublin or in other jurisdictions outside of Ireland. Accordingly competitive backhaul infrastructure to Cork, within Ireland, is critical to the provision of state-of-the art telecommunications services in the City. The development of a high-capacity Data Centre would improve the capacity of Cork to host data, thereby enhancing the City's attractiveness to investors. The feasibility of providing such a data centre should be examined at the same time as the feasibility study on international connectivity referred to above.

19 Cork City Council - New Tier 1 International Fibre Connectivity to Cork (January 2008)

3.3 Estimated infrastructure costs

The following are the cost estimates for the provision of essential infrastructure in the Docklands Area based on figures supplied by Cork City Council:

Table 1

Project	2009-2014	2015-2020	Total
Bridges:			
a) Eastern Gateway Bridge	€80 m		
b) Water St. Bridge + roads	€77 m		
c) Mill Road Bridge + roads		€55 m	€212 m
Roads:			
a) Monahan's Road	€65 m		
b) Centre Park Road	€68 m		€147 m
c) Internal roads		€14 m	
Public transport	€23m	€30 m	€53 m
Water supply	€10 m		€10 m
Schools	€15 m	€15 m	€30 m
Cultural / Community facilities	€15 m	€16 m	€31 m
Flood protection / quay walls	€23 m	€24 m	€47 m
Parks	€32 m	€31 m	€63 m
Waste management		€22 m	€22 m
Totals	€408 m	€207 m	€615 m

Notes:

- a) Where no specific phasing over the period from 2009 to 2020 was indicated, the estimated costs were spread over the two 5-year periods.
- b) Utility, water supply, drainage and public realm costs are included in the road projects costs, because of the integrated approach to the delivery of such infrastructure, as indicated earlier.
- c) The cost of Cultural / Community facilities is estimated – no definite proposals have been identified for such facilities in Docklands to date.
- d) Section 3.2.7 above discusses the possibility of undertaking a feasibility study on the need for International Connectivity. If such a connection were deemed appropriate the estimated cost of such cabling would be in the region of €30m – this has not been provided for in the above table.

3.4 Funding the provision of essential infrastructure

As outlined in Table 1 above, essential infrastructure – including schools, community facilities and parks in addition to physical infrastructure – is estimated to cost about €408 million over the next five years. This represents c.66% of the total estimated costs over the period to 2020. This front-loading of infrastructure expenditure is essential in view of the infrastructure-led approach required given the current status of Docklands.

The Forum, in the limited time available to it, has not been able to identify with a high degree of certainty what funding sources might be available to meet such costs between now and 2014. In general, these sources include:

- Central Government funding for projects such as schools
- The Gateway Innovation Fund (Cork City Council submitted a bid in respect of the Eastern Gateway Bridge – no decision has yet been made on any of the GIF bids)
- Development contribution schemes administered by local authorities.

A very basic estimate would suggest that these might raise about €150 million by 2014, which leaves a significant funding gap. Further analysis is required to see how this gap can be narrowed. The Forum notes that a number of the infrastructural projects required to open up the Cork Docklands for development are national in character and considers that this should be reflected in the funding model adopted.

In this regard, the Forum noted that a number of the infrastructural items highlighted in this Report do not appear to be included in the NDP commitments of a number of Departments. While this situation reflects the development of detailed infrastructural plans for the Docklands after the NDP was completed, the Forum considers that these items are central to the planned development of the area and, as such, should be prioritised in the context of the mid-term review of the NDP and any emerging transfers of funding from areas of expenditure. The Forum would encourage the Government to assist those Departments in this situation to secure the additional funding to ensure that they can deliver on the infrastructure highlighted in the Report.

The Forum fully recognises that there are significant costs involved in the provision of the infrastructural items identified in the Report which are required to facilitate the regeneration of the Docklands, particularly in the context of an economic downturn and the related pressures that this may create for the Exchequer finances. However, it also recognises the positive potential long-term impact that the Docklands project will have in economic, social and environmental terms. As a result, it considers that this potential, especially in light of an economic downturn, out-weighs the short-term costs of providing such infrastructure and it would recommend that this view is factored-into any consideration by the Government of providing assistance to the Docklands.

3.5 Public private partnerships

A PPP is a contractual arrangement between the public and private sectors, with clear agreement on shared objectives, for the delivery of an asset or service that would otherwise have been provided through traditional public sector procurement.

The essence of a PPP project is that the private sector will do one or more of the following :

1. provide private finance to fund the project;
2. enter into a long term [greater than 5 years] service contract;
3. undertake the design and construction of an asset on the basis of an output specification prepared by the public sector and designed to meet broad performance targets;
4. enter into a joint venture arrangement with the public sector to provide a service or asset.

In an Irish context, Public Private Partnerships are seen as an important element in delivering the capital investment programmes as set out in the National Development Plan. A Framework for Public Private Partnerships has been agreed between the government and social partners.

The Forum recommends that the body charged with progressing the Docklands project, further explore options in the area of PPP to expedite the provision of critical infrastructure.

3.6 Infrastructural priorities – overall conclusions

Two important conclusions can be drawn from the review of Docklands infrastructural priorities:

- 1) Development in Docklands must of necessity be infrastructure-led. The existing infrastructure, by and large, is simply not capable of supporting the kind of intensive, mixed-use development envisaged, which is very different in scale and nature from the current pattern of low-intensity port-related or quasi-industrial uses. This implies significant front-loaded capital investment in essential infrastructure, particularly infrastructure identified as critical for the first phase of development over the next 5 years (see Table 1 above).
- 2) Much of the required physical infrastructure must be provided in a phased, co-ordinated manner. For example, it is proposed to raise the level of existing roads such as Centre Park Road to prevent flooding; this will have significant implications for the provision of water supply, drainage, energy supply, broadband and waste management and for the timing and cost of development projects along this main spine route within the South Docks.

3.7 Forum Recommendations

1. The Forum urges the Government, through its relevant Departments and Agencies, to commit the capital funding required for priority infrastructure projects to enable the Docklands development to get off the ground within the next 5 years. Further detailed analysis of project costs and likely sources of funding should be undertaken immediately with a view to closing the apparent funding gap identified in this chapter. The Forum is strongly of the view that many of the physical infrastructural projects (*roads, bridges, water supply and drainage, energy and communications, flood protection*) are closely inter-related, and, therefore, their delivery needs to be carefully co-ordinated. A holistic approach to funding and rolling-out such projects is essential.
2. The Forum attaches great importance to the need for an effective public transport system for Cork, including Docklands and urges the Government to ensure that appropriate funding is agreed and put in place.
3. In terms of international connectivity, the Forum is of the view that the presence of an International Connectivity Point would be a unique selling point for Cork with clear advantages for the Docklands project. The Forum recommends that the preliminary study (referred to at 3.2.7 above) should be fully evaluated in terms of value added for Cork Docklands.
4. It is of critical importance to the realisation of the full potential of the Cork Docklands that high-spec third level space is an integral part of the project. Accordingly, the Forum strongly supports both UCC and CIT expanding into Docklands to support their development strategies and to act as a magnet for the development of a Knowledge Zone or Technopolis, with strong links to industry, and recommends that this be pursued by the body charged with bringing the docklands project forward.

4 Constraints on Development

4.1 Introduction

When compared to greenfield development, there are a number of clear inhibitors to the development of brownfield sites. Greenfield developments have reduced development costs compared to brownfield sites such as Docklands and certain other advantages such as large parking provision. However they can have a larger ecological footprint due to commuting patterns, remoteness from public transport, use of previously undeveloped land, loss of habitat, etc. As already outlined in Chapter 1, avoiding urban sprawl through high density and mixed-use settlement patterns offers environmental advantages regarding landuse, transport and heating, which contribute to less resource use per capita.

Docklands can also take advantage of existing infrastructure, is more easily accessible to the entire CASP area as it contains the public transport hub at Kent Station and will deliver considerable socio-economic benefits. Thus development of Docklands would be considerably more sustainable than developing greenfield sites in the wider CASP area.

With regard to developing the Cork Docklands, the following additional constraints need to be overcome:

- Eastern Gateway Bridge;
- Legacy issues relating to land-uses e.g. SEVESO²⁰ activities and land contamination;
- Relocation of other non-conforming activities (in particular the Port of Cork);
- Risk of tidal flooding – The flood mitigation measures needed have been outlined in Chapter 3 above, and it is not proposed to address them again in this Chapter.

4.1.1 Relocation of the Port of Cork

Cork city quays currently handle over one million tonnes of dry bulk, liquid bulk and break bulk annually. The relocation of this trade, perhaps on a phased basis, is essential to free up lands, including the City Quays, in the Docklands for regeneration. Such relocation would be in line with the international trend for estuarial port activities to move downstream and conforms with planning principles of good land use.

The Port of Cork Company is supportive of docklands regeneration. The company has invested considerable time and resources in the preparatory work required for the construction of a replacement facility downstream. As a commercial State company the Port of Cork is required to approach the relocation as a commercial venture.

²⁰ The EU SEVESO Directive seeks to protect public safety – particularly in terms of new development – around sites where dangerous substances are stored. Under the Regulations transposing the Directive into Irish law, planning authorities must notify the Health and Safety Authority (HSA) of any planning applications within specified distance of SEVESO sites. The HSA will advise the planning authority of any recommended safety precautions; high density residential development is not normally permitted on lands immediately adjoining such sites.

Unlike some of the other ports that are looking to relocate out of city centre locations, Port of Cork has limited land holdings in the Docklands area. The company has been in discussions with the City Council regarding vacating the city quays. The City Council have recently served the company with two compulsory acquisition orders in the Docklands area. The port company has some concerns regarding the impact these would have on the operational efficiency of the port.

The Ports Sub-Programme in the NDP 2007-13 highlights the importance of the State's port companies investing in developing new port capacity to meet demand. It does not provide for any direct Exchequer funding for port infrastructure.

The forum urges all relevant stakeholders (Department of Transport, Port of Cork and Cork City Council) to continue to seek a resolution of this matter.

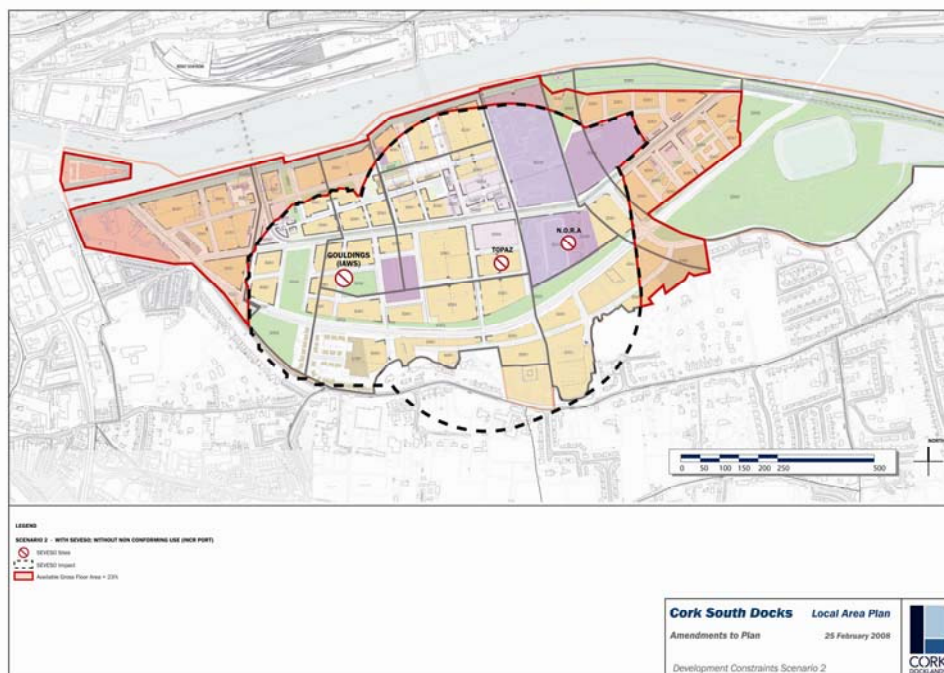
4.2 SEVESO Sites within the South Docks

Of the barriers identified above, the most significant, in terms of commencing the docklands regeneration, is the location of the SEVESO sites.

As can be seen from the map below, the current location of three SEVESO sites in the South Docklands inhibits the development of approximately **77%** of the developable land. This is clearly the most critical barrier to address in the immediate term.

There are three SEVESO sites currently located within the South Docks area, i.e., the sites occupied by:

- Topaz Energy Ltd.
- NORA (National Oil Reserve Agency)
- Gouldings Fertilisers Ltd.



Clearly, the presence of these sites severely limits and constrains development on more than three quarters of the Docklands area. They represent major barriers and disincentives for developers to invest in Docklands when compared to other locations in the CASP area, where large land banks can be assembled for greenfield developments and developed at a lower cost. The Topaz Seveso activity is particularly severe and inhibits the development of c. 55% of the gross floor area of the South Docklands as set out the recently approved Local Area Plan.

The strategy of Cork City Council is to encourage the relocation of the activities on these sites to more suitable locations (e.g., with suitable deep water access if required).

4.2.1 Remediation

Due to the nature of the historic landuses on these, and other sites in the area, site contamination/remediation is a significant issue. The remediation of such contamination is, essentially, the creation of a public good. In accordance with the Polluter Pays Principle, the cost of remediation normally falls on individual landowners, under the planning process, for development projects in the Docklands area. This would involve a considerable cost imposition on landowners/developers in the Docklands area relative to the development cost of a greenfield site which represents a further barrier to development which requires to be addressed jointly between the landowners and the public authorities.

4.3 The case for State intervention

As outlined above, the major obstacle to the development of the Cork Docklands is the presence of the SEVESO sites in the area.

As previously indicated, one of the key objectives of the regeneration of the Docklands is to increase the population from approximately 500 at present to a target of some 22,000 residents, with 27,000 jobs, in the period to 2027. This objective is not attainable, without the relocation of the SEVESO activities.

The recently agreed Community Guidelines on State Aid for Environmental Protection introduce the possibility of granting aid for the relocation of establishments similar to those located on the Cork Docklands SEVESO sites in accordance with Council Directive 96/82/EC on the control of major accident hazards involving dangerous substances (the "SEVESO II Directive"). The Guidelines state that (1.5.10, para. 54)

"Past accidents have shown that the location of an establishment covered by the SEVESO II Directive is of crucial importance as regards both the prevention of accidents and limitation of the consequences of accidents on people and the environment. State aid may, therefore, be justified if the relocation is made for environmental purposes."

Section 3.1.11, para. 135(a) of the Guidelines state that investment aid for relocation of undertakings to new sites for environmental protection reasons shall be compatible with the common market within the meaning of Article 87(3c) of the EC Treaty provided that:

"The change of location must be dictated by environmental protection or prevention grounds and must have been ordered by the administrative or

judicial decision of a competent public authority or agreed between the undertaking and the competent public authority.”

“Environmental Protection” is defined in the guidelines as meaning:

“..any action designed to remedy or prevent damage to physical surroundings or natural resources by a beneficiary’s own activities, to reduce the risk of such damage or to lead to more efficient use of natural resources, including energy-saving measures and the use of renewable sources of energy”.

In 2006, the Cork Urban Renewal Area was included in the Regional Aid Map 2007-2013 by the European Union following a proposal by the Irish Government.

The submission was predicated on the fact that the redevelopment of the Cork Docklands as a major brownfield site was more environmentally sustainable than the equivalent redevelopment of greenfield areas at the periphery of the city. It recognised that the area faces barriers which would seriously mitigate against its development in comparison with other areas, unless they are removed.

The submission also outlined how the redevelopment of the Cork Docklands could deliver substantial socio-economic benefits to the RAPID Areas²¹. The Irish Government’s 2006 proposal to the EU also included designation of the Docklands for tax incentives as a policy option to assist its redevelopment, and this was also referenced in the opening sentence of the submission:

“In the context of the Commission’s Regional Aid Guidelines for 2007-2013, this paper proposes, and outlines the rationale for, the designation of the docklands area of Cork and a contiguous area, to be described as the Cork Urban Regeneration Area (CURA), under Ireland’s Regional Aid Map, 2007-2013, in order to facilitate possible tax based or other financial incentives for urban regeneration in the area over that period.”

and in Paragraph 2 which stated that

“...the Irish Government retains tax incentivisation as a possible policy tool, should economic conditions require further action to regenerate specified urban areas.”

4.4 Proposed application to EU Commission

In light of the case set out above, the Irish Authorities have commenced engagement with the European Commission with a view to scoping out what would be possible in terms of providing targeted incentives, compatible with EU guidelines, that would remove the environmental risk associated with the operation of non-compatible activities, including SEVESO activities in an urban setting and would significantly assist in the development of the Cork Docklands area. It is important to note that this process can extend over a long period of time and that, ultimately, the critical

21 RAPID Programme (Revitalising Areas by Planning and Investment) is a Government initiative, which targets 45 of the most disadvantaged areas in the country. The Programme aims to ensure that priority attention is given to the 45 designated areas by focusing State resources available under the National Development Plan. The Programme also requires the Government Departments and State Agencies to bring about better co-ordination and closer integration in the delivery of services.

decisions lie with the EU Commission. Accordingly, further and early progress in this area requires a strong mandate and support from Government.

The Irish Authorities are of the view that grant-aiding the relocation of the SEVESO activities to more appropriate sites is fully compatible with EU policy and objectives and will not distort intra-community competition or trade in any way. The achievement of this objective may be done through the establishment of tax incentives or by way of grant-aid to assist the relocation of the activities. However, this will depend on the nature of the activities concerned and the costs of their relocation and commencement of operations in a new site.

Once the initial barriers to development and environmental risks have been removed, and the freed-up land remediated, this will allow the Docklands area to be developed in line with the plans and objectives outlined above, with a view to creating a sustainable urban living space, with key economic drivers being attracted to the area, in line with the vision of creating a dynamic knowledge zone that promotes enterprise activity closely linked to third level research. Only by removing the environmental hazards and barriers to development will the authorities be in a position to encourage the development of such targeted activities.

4.5 Forum Recommendations

1. The Forum recognises the critical importance of relocating the SEVESO sites and of dealing effectively with the remediation problems associated with them. It welcomes the progress to date on these issues since the Forum was established. It urges the Government authorities to continue their work with a view to submitting, in the coming months, formal notification to the European Commission for approval for State intervention under the Environmental State Aids Guidelines as a priority.
2. Recognising the need for the early and timely re-siting of these activities, the Forum particularly urges the Government to immediately signal its commitment to assisting the relocation of the SEVESO operations, so that the process of consultation can be advanced speedily with the European Commission, with a view to securing early Commission approval.
3. The Forum recommends that the Government should urgently consider the relocation of the National Oil Reserves Agency (NORA) site to a more appropriate site outside Docklands. This would help reduce the significant barriers to the full development of the South Docks, and would also provide an encouraging precedent for the relocation of the other two SEVESO sites.

5 Incentivising the Docklands Development

5.1 Introduction

The Government submission to the EU in 2006 for the National Regional Aid Map, approved by the EU for the period 2007-2013 states that:

“In the context of the Commission’s Regional Aid Guidelines for 2007-2013, this paper proposes, and outlines the rationale for, the designation of the docklands area of Cork and a contiguous area to be described as the Cork Urban Regeneration Area (CURA), under Ireland’s Regional Aid Map 2007-2013, in order to facilitate possible tax based or other financial incentives for urban regeneration in the area over that period”.

In August of 2007, a Cork City Council submission to the Government sought support for a number of proposed tax incentives over the 2007-2013 six year period to underpin the regeneration of the Docklands area.

The submission envisaged that the incentives would cover the following types of development:

- 1) Over-coming barriers to development;
 - a) Relocation of SEVESO activities
 - b) Remediation of contaminated land
- 2) Relocation of non-conforming land uses and activities incompatible with the planned regeneration;
- 3) Provision of certain public infrastructure by private sector organisations;
- 4) Provision of premises for targeted sectors of economic activity; and
- 5) Residential accommodation for owner-occupiers and investors.

5.2 Analytical basis for the incentives

The identification of the incentives was based upon previous analytical work undertaken by the City Council, namely the “Cork Urban Renewal Area – Outline Funding and Designation Submission (June 2006)” and the “Cork Urban Renewal Area – Outline Designation Submission (August 2007)”. These submissions sought Government funding and designation for tax incentives to support the development of the Cork Docklands under the National Development Plan 2007-2013 by highlighting the key areas which, it was felt, required funding and designation for incentives within overall policy and socio-economic contexts.

In November of 2007, a further analysis on the proposed tax incentives, *Cost Benefit Study of the Proposed Tax Relief Incentives for the Cork Docklands*, was undertaken and submitted to the Government. This work, which was commissioned by the Council from Ernst & Young Consultants, involved a cost benefit analysis of the proposed incentives. The five major landowners in the South Docks met the study team and presented their views in October 2007. The study, which identified and quantified the benefits and costs of the incentives, concluded that the principal benefit related to market efficiency and economic impact where investment by the Government through the tax incentives and directly by landowners leads to an increase in output and income in the economy. The analysis also found that the development of the Docklands is seriously constrained by a mix of SEVESO sites and the presence of land-uses incompatible with urban regeneration (mainly port-

related activities). The incentives were designed to “help unlock the full development potential of Cork Docklands by encouraging early movers (i.e. developers)”.

At the initial meetings of the Forum, the Department of Finance highlighted a number of concerns with the work commissioned by Cork City Council from Ernst & Young. In essence, the concerns focused on the need for the Study to address a number of areas covered by the Department’s *Revised Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector* (February 2005). In this regard, it was also emphasised by the Department of Finance that a rigorous, independent, cost benefit analysis of any proposed tax incentives was required in advance of any consideration by the Government and that Department for inclusion in taxation legislation. This reflected the outcome of the review of taxation incentives undertaken for the Department by INDECON Consultants and Goodbody Economic Consultants as a result of the Government’s decision outlined in Budget 2005.

A revised cost benefit analysis was undertaken by Ernst & Young in March 2008 which is under review by the Central Expenditure Evaluation Unit of the Department of Finance. This review is close to completion. It should be noted that this review, , relates to the methodology underpinning the work and the related analysis, rather than the costs and benefits identified for the incentives. The costs and benefits have, of necessity, to be subject to a further and separate analysis by the Department of Finance as part of a consideration into the desirability and feasibility of introducing tax incentives along the lines sought by Cork City Council.

The Ernst & Young analysis assessed the impact of each of the proposed incentives on an individual basis on their short-term benefits (over the 2009-2014 six year period from the start of development) and longer-term operational benefits arising once the economic activities directly linked to the incentives have commenced in the Docklands.

In addition to the overall economic benefits of the Cork Docklands Development identified by the Ernst & Young study, the analysis demonstrated that significant social, cultural and environmental benefits would also arise. By their nature, the social, cultural and environmental impacts of the development of the Docklands are extremely difficult to quantify numerically with a high degree of accuracy. However, the beneficial impact of creating a new vibrant urban area from a previously neglected brown-field site, which has the potential to act as a real counter-pole to Dublin, cannot be over-estimated.

5.3 Proposed Tax Incentives

The Forum considers that each of the proposed tax incentives is specific, time-limited and designed to address an identified constraint to the development of the Docklands. They are also designed as a ‘pump-priming’ exercise to encourage those ‘early mover’ developers who commence work on their property portfolios at an early stage with the inherent greater degree of risk and operational difficulties.

A primary consideration of the incentives is to address and overcome the costs involved in relocating those land-use activities and associated remedial works which have been identified as inhibiting the Docklands from reaching its full developmental potential or acting as a barrier to its initial development. A secondary factor is to try to alleviate potential significant costs in investing in infrastructure, and to expedite key infrastructure and socio-economic projects.

Finally, it is also important to encourage investment in business – both indigenous and foreign-owned - and residential premises, which are fundamental elements to the overall success of the planned Docklands development.

5.3.1 Incentives 1A and 1B: Over-coming barriers to development

This incentive relates to the relocation of SEVESO activities and the remediation of contaminated land which have already been discussed at length earlier in this Report. The Forum considers that this incentive is critical to the regeneration of the Docklands as envisaged by Cork County Council, given the significant amount of land that is effectively blocked by the three SEVESO sites in the South Docks and the degree of contamination resulting from previous and existing land-uses involving hydro-carbons, chlorinated solvents and various metals.

In order to address these issues, the incentive proposed (i.e. Incentive 1A) will allow for the provision of 100% capital allowances for the construction of the SEVESO facilities that re-locate from the Cork Docklands. It is also proposed that 100% capital allowances will be provided in the year of construction for capital expenditure on the remediation of contaminated sites (i.e. Incentive 1B). In both cases, expenditure on buildings as well as plant and equipment would qualify. The Cost Benefit Study points out that a grant package could also be considered as a way to incentivise and manage the relocation of the SEVESO sites and states that the impact of a tax incentive which is equal in monetary terms to a grant package, would be the same, according to the model used in the study.

The actions taken to date by the Forum on this incentive, particularly in relation to the positive engagement with the EU Commission, have been outlined in Chapter 4, above. In this regard, it should be noted that there may be State Aid implications attached to any incentive aimed at alleviating the impact of contaminated land given that the remediation of contaminated land is covered under EU rules by the “polluter pays principle” where the cost of remediation normally falls on individual landowners under the planning process for developmental projects in the Docklands area.

Notwithstanding this possibility, the Forum considers that it is critical to establish a mechanism to facilitate the relocation of SEVESO activities given that they effectively hinder the development of 77% of the Docklands area. This can be done through a tax incentive or by other financial means such as grants.

5.3.2 Incentive 2: Relocation of non-conforming land uses and activities incompatible with the planned regeneration

In general terms, this incentive has a broadly similar objective to Incentive 1A: the provision of assistance to SEVESO facilities and also other land-uses incompatible with the development of the Docklands to relocate to other areas within the Cork hinterland. This incentive involves the re-introduction of Capital Gains Taxation (CGT) roll-over relief for businesses engaged in these activities whereby any tax liability (CGT) arising from the disposal of land in the Docklands is not realised until land newly acquired for the re-located businesses is sold at some future date.

The impact of EU State Aids rule, if any, on this incentive require further examination and clarification.

5.3.3 Incentive 3: Provision of certain public infrastructure by private sector organisations

As noted elsewhere in this Report, a significant provision of public infrastructure is required to facilitate the development of the Docklands. A number of key infrastructural projects have been identified which will be needed in advance of any attempt to commence working on the area, these include: flood prevention measures; bridges; schools and other public facilities. The Study concludes that the provision of these key elements of public infrastructure can be provided in a more cost-efficient and timely manner by using the private sector rather than the public sector. In order to incentivise the private sector, and to recognise the costs they would incur in the provision of this infrastructure, a tax incentive is proposed to allow a tax credit of 20% of the capital expenditure incurred by the provider which would be offset against their tax liability for the period in question.

5.3.4 Incentive 4: Provision of premises for targeted sectors of economic activity

The Cork Docklands Economic Study (commissioned by Cork City Council) identified a number of key economic and employment sectors which could serve as potential drivers of activity and major sources of employment in the Docklands; these are also discussed in Chapter 2 of this Report and include activities in areas such as: pharmaceuticals, other life sciences, medical devices, Information Communications Technology, financial services and other internationally traded services.

In order to increase the attraction of the Docklands for these activities, it is proposed that the provision of 100% accelerated capital allowances would be put in place to assist the development of premises for the use by enterprises operating in the targeted economic/employment sectors. This incentive would encourage the initial development of a number of 'early movers' which could then further encourage the development of clusters of related industries over time, creating an ongoing momentum in the area.

The Forum also considers that it will be necessary to put in place other related incentives aimed at facilitating and assisting the establishment of economic drivers in the Docklands such as enterprises which may utilise rented accommodation rather than purchase premises directly. The Forum recommends that the Departments of Finance and the Environment, Heritage and Local Government should examine these proposals in the context of the results of the Ernst & Young Study and in light of incentives that were used previously and successfully to encourage urban development/renewal in Ireland (e.g. Dublin Docklands).

5.3.5 Incentive 5: Residential accommodation for owner-occupiers and investors

A major element of the development of the Docklands involves the provision of a living vibrant community in a new urban quarter for Cork city with an associated increase in residential accommodation of a suitable quality to ensure that the area is residential stable and sustainable over time.

In order to encourage people to reside in the regenerated Docklands, a tax incentive is proposed for the 100% write-off of capital expenditure for owner-occupiers and investors against total income for 10 years in a manner similar to previous urban development/renewal schemes in other parts of Ireland.

5.4 Budget and Finance Bill 2008

There was some expectation that the tax incentives identified by Cork City Council would have been included in the Budget speech of the then Minister for Finance and Tánaiste, Brian Cowen TD, and that legislative provision would have been covered in the subsequent Finance Bill.

Although this did not occur, the Minister for Finance and Tánaiste did mention the Cork Docklands when he introduced the Finance Bill to Dáil Éireann on 6th February of 2008:

“Sometimes I am criticised for what is not in the Bill. In this regard I would reiterate my recent comments on the use of tax incentives for the development of Cork Docklands. The Cork project is at the beginning of a process of evaluation and we need to assess how best to devise proposals that would meet with EU State Aid requirements. It is an exciting project but at this stage it is still a work in progress. An early announcement may not assist in clarifying some of the outstanding issues that have yet to be resolved between the various stakeholders. The special Cork Docklands Forum is expected to report by the middle of the year and I remain open to looking at ways in which the tax code can be used creatively to encourage investment and change behaviour”.

The Forum welcomes the engagement to date by the Government on the proposed incentives, particularly the interest shown by the Taoiseach when he was responsible for the Department of Finance. It looks forward to the examination of this Report by the Government and consideration by the newly-appointed Minister for Finance, Mr Brian Lenihan TD, in the context of the Budget and Finance Bill 2009.

5.5 Government consideration of providing tax incentives

The Forum is aware that any consideration by the Government of providing tax incentives to assist the regeneration of the Docklands will have to take a number of factors into account.

A prime factor in any consideration relates to any required EU approval of tax incentives under State Aid rules, an issue which has already been fully discussed in Chapter 4. In this regard, the Forum is confident that a package of financial measures, which would include some tax incentives or grant aid as appropriate, can be developed, which will meet the approval of the EU Commission especially in addressing the relocation of SEVESO activities and land uses incompatible with the planned regeneration, and the remediation of contaminated land.

However, the Forum strongly urges the Government and, in particular, the Departments of Finance and the Environment, Heritage and Local Government to adopt an imaginative and creative approach to the production of this financial measures package including the provision of adequate funding. In the absence of this commitment, it will be difficult to encourage developers to commence work on the planned regeneration of the Docklands, nor will it be possible to proceed with the formal notification to the European Commission regarding incentivising the re-location of the SEVESO sites.

It is also recognised that, in overall terms, any examination of the case for providing tax incentives for the development of the Docklands will have to consider a number of factors such as:

- the overall context to the future provision of tax incentives as set out in Budget 2005;
- the findings of the INDECON and Goodbody reviews of tax incentives in 2005;
- the general economic and employment situation in the State;
- the economic and employment situation in the Cork region and, especially, the City;
- the position of the property market nationally and regionally;
- the overall regional and national economic, social and environmental benefits of the development; and
- the overall Exchequer position and the amount of taxation that would be foregone through any incentives or money expended on other financial measures such as grants.

In arriving at a final conclusion on the merits of providing tax incentives to assist the development of the Cork Docklands, including further analysis of any costs and benefits, the Forum is strongly of the view that the critical significance of the project on a national and international level, as well as for Cork and its hinterland, must remain of paramount importance.

5.6 Consideration of other financial measures

These factors are also important if a general package of financial measures is created to help the development of the Docklands. In this regard, it is envisaged that such measures would address the relocation of non-conforming land uses and activities currently located in the Docklands but which are incompatible with the planned regeneration such as: car dismantling and tyre re-moulding, etc.

However, the provision of financial help may also involve the allocation of additional funding to Cork City Council to purchase sites currently used by SEVESO and other activities adversely impacting upon the potential of the Docklands. This could be done by agreement with the owners of the sites or by using the option of compulsory purchase orders (CPOs) as discussed in the Ernst & Young Cost Benefit Study. This scenario would involve the Council purchasing the sites in question and then recouping the costs, including any land-remediation costs, when the property is eventually sold for development. The Study considered that such purchase could be an alternative to providing a tax incentive for the SEVESO activities (incentive 1A) but that it could require the Council to become involved in land purchase and associated remediation costs, with the risk of a decline in land prices and a reluctance by developers to commence work on the remainder of the Docklands site until the SEVESO sites were taken into Council ownership and any damage alleviated.

In relation to the provision of financial assistance other than tax incentives, the Forum recommends that the Departments of Finance and Environment, Heritage and Local Government engage fully with Cork City Council and any other Body charged with the development of the Docklands to devise an efficient and effective means of regenerating the area. It is considered that such financial assistance could include the development of a grants scheme and other financial incentives to enable landowners regenerate the Docklands. Consideration could also be given to the provision of support to the attraction of economic, social and cultural activities into the Docklands using grants and other financial incentives.

The Forum fully recognises that there may be significant costs involved in the provision of a financial measures package to facilitate the regeneration of the Docklands, particularly in the context of an economic downturn and the related pressures that this may create for the Exchequer finances. However, it also recognises the positive potential long-term impact that the Docklands project will have in economic, social and environmental terms. As a result, it considers that this potential, especially in light of an economic downturn, out-weighs the short-term costs of providing a financial measures package and it would recommend that this view is factored-into any consideration by the Government of providing assistance to the Docklands.

5.7 The need for tax incentives and other financial measures

The development of the Cork Docklands represents a tremendous opportunity for Ireland to create a new living vibrant urban quarter adjacent to an existing city centre, in a sustainable manner, which can serve as a model for future urban regeneration in this State and internationally. It also enables Ireland to ensure that it can avail of, and benefit from, a number of rapidly emerging new sources of economic and employment growth which could prove to be environmentally, socially and economically sustainable and viable well into the twenty-first century, within the context of a newly-imagined urban setting.

The role of the State is critical in the realisation of this vision. It is critical for facilitating the development of the Docklands by providing the financial means to ensure that this development does not continue to be hindered by SEVESO activities and other land-use activities incompatible with the planned regeneration of this area. The State is also vital for ensuring the timely and adequate provision of public infrastructure required to facilitate the commencement of work by developers in the Docklands.

The need for State investment in the Docklands through the provision of tax incentives and other financial incentives such as grants is recognised and strongly advocated by the Forum. This is in recognition of the very real barriers facing any potential development of the Docklands, many of which represent a legacy from historical land-uses. It also takes account of the potential overall regional and national economic, social and environmental benefits accruing from the development.

5.8 Forum Recommendations

1. The Forum recommends that the Government examine the five tax incentives outlined in this Chapter, with a view to including some, or all of them in the Budget and Finance Bill for 2009 to facilitate the development of the Docklands.
2. The Forum recommends that the Government and, in particular, the Departments of Finance and Environment, Heritage & Local Government, in recognition of the importance of the project regionally, nationally and internationally, adopt an imaginative and creative approach to the production of a financial measures package to facilitate and assist the development of the Docklands, including the provision of adequate funding to the entity charged with progressing the Docklands project and the establishment of tax incentives.

3. In addition to the proposed tax incentives, the Forum recommends that consideration should be given to the development of other tax incentives aimed at facilitating and assisting the establishment of economic drivers in the targeted economic/employment sectors for the Docklands. These measures should be consistent with other urban development/renewal in Ireland.
4. In recognition of the potential EU State Aid issues with proposed tax incentives aimed at the relocation of SEVESO activities, the remediation of contaminated land and the relocation of non-conforming land uses and activities incompatible with the planned regeneration, the Forum recommends that the relevant Government Departments²² continue to engage with the EU Commission to address these issues. In this regard, the agreement of the Department of Finance to incentivise the re-location of the SEVESO sites is a particular priority.

²² Departments of Finance, Environment, Heritage & Local Government and Enterprise, Trade & Employment)

6 Realisation of the Vision

6.1 Introduction

As has been highlighted throughout this Report, the redevelopment of the Cork Docklands is the most significant proposed urban regeneration scheme, outside of Dublin, from both an economic and a social perspective, in the history of the State. It has the potential to be a development of international significance, and is comparable with dockland developments such as Barcelona, Hamburg and Helsinki. The importance of the project is recognised in the National Spatial Strategy and the National Development Plan.

6.2 Institutional Structures

In order to ensure that the Cork Docklands Development happens in a timely, planned and coherent manner, it is essential that the appropriate institutional structures and arrangements are in place.

Over the past seven years Cork City Council has made excellent progress in bringing the Docklands project to this advanced stage and has demonstrated strong leadership and commitment to the proposed development. The Economic Study and the Cost Benefit Analysis of incentivising development, both commissioned by the City Council, as well as the work involved in bringing the two Local Area Plans to adoption by the elected members, are all testament to this.

The Forum recognises and endorses the strong role that Cork City Council has played in bringing the Docklands project to this advanced stage. The City Council must continue to play a central role in the future of the docklands development.

Nevertheless, because of the significance of this development, it is clearly not just a local project, but also one of national importance, and it must be positioned as such. It is important that governance and management structures reflect this fact.

The Forum has, therefore, developed a list of what it believes to be the essential criteria that the body or Institution, charged with delivering on this important project, must have if this project is to become a reality. These are set out below.

6.3 Essential Criteria

The proposed development of the Cork Docklands will only be fully realised if it is driven by a body that is properly structured and resourced and has:

- The capacity to bring a strong focus on the delivery of a major economic and social urban redevelopment project that has national and international significance;
- Relevant experience and expertise in areas such as property development and financial management;
- The capability of developing a strong and visible Cork Docklands development brand and the ability to successfully promote and market the

Docklands, nationally and internationally, as a location of choice for indigenous and mobile investment;

- The appropriate statutory powers – e.g., planning and land use; the development of joint public/ private projects; revenue raising/borrowing, etc.;
- The capacity to secure local authority multi-agency and Government Department cooperation – given the complex nature of the challenges of bringing this project to fruition in a timely manner, a high level of cooperation will be needed between State bodies²³ and Government Departments²⁴;
- The capacity to manage relationships with other key stakeholders including landowners, potential investors and developers, the Port of Cork, Local Authorities, business community and the local community. Creating confidence within the property development sector should be a priority, along with the ability to design and operate an equalisation scheme (see 6.7 below) with developer buy in;
- Strong influence at national level in terms of ensuring that the required funding and incentives are secured and agreed priorities are delivered;
- The ability to coordinate the development in a rational and structured manner in a way that would minimise construction disruption in the area and allow for the planning and phased implementation of, for example, sustainable energy and transportation systems.

6.4 Consideration of alternative institutional arrangements

The Forum considered various alternative institutional arrangements in the light of the criteria outlined above, including:

- ❑ Expanding the role of the Docklands Directorate within Cork City Council, supported by some type of national forum involving Government Departments, State agencies and other stakeholders (this option is preferred by the City Council);
- ❑ A separate Cork Docklands Development Authority, with statutory planning powers, along the lines of the Dublin Docklands Development Authority; and
- ❑ A special purpose agency which would work in close collaboration with the City Council in carrying forward the vision for Cork Docklands.

On balance, the Forum favoured the third option for the reasons set out in more detail below, but primarily because it would bring additional value to the work already carried out by the City Council. A separate Docklands Authority, on the other hand, would require the enactment of primary legislation to establish it.

²³ National Roads Authority, Industrial Development Agency, Enterprise Ireland, Higher Education Authority, Third and Fourth level Institutions, Health Service Executive, etc

²⁴ Departments of Finance; Environment Heritage & Local Government; Transport; Enterprise Trade & Employment; Communications, Energy & Natural Resources; Arts, Sports & Tourism etc.

6.5 Special Purpose Agency

The Forum believes that a Special Purpose Agency, focusing exclusively on the delivery of the Cork Docklands vision and development project, and with the strong involvement of the City Council, would build on the progress already achieved by the City Council by:

- ❑ Giving a national profile to the project
- ❑ Facilitating closer working relationships between the City Council, Government Departments and agencies, and other key stakeholders (such as landowners and other potential investors in Docklands, the business community and adjoining communities)
- ❑ Creating stronger investor confidence in a Government-endorsed project
- ❑ Enabling staff with specialist marketing, project management and other skills to be recruited for the life of the project.

Such an entity could be quickly set up, using well-established mechanisms under the Local Government Services (Corporate Bodies) Act, 1971. This Act enables the Minister for the Environment, Heritage and Local Government to establish (by means of a Statutory Instrument) a body to provide defined services to either the Minister, one or more local authorities, or to any other body designated by the Minister. A corporate body established in this way would have power to sue and be sued in its own name (i.e. to enforce contracts), to employ staff, to borrow money if sanctioned by the Minister, and to acquire, hold and manage land in a specific area.

It is envisaged that the Board of the special purpose agency, appointed by the Minister, would include representatives of key stakeholders in the public and private sector, including in particular Cork City Council. In turn, the Board would recruit a Chief Executive and staff, with the consent of the Minister. The staff of the agency would be contracted on the basis of their relevant skills and experience.

The agency, which would be established for a finite period only, would be charged under its Establishment Order to work with the City Council and other key stakeholders in promoting the physical, economic and social redevelopment of Cork Docklands. Its specific functions would include:

- ❑ Progressing the recommendations set out in this report;
- ❑ To identify critical “hard” and “soft” infrastructure required to secure the development of Docklands as set out in the adopted Local Area plans, and to secure national and local funding and pursue other appropriate incentives for delivery of such infrastructure;
- ❑ To help co-ordinate the timely delivery of such infrastructure by Departments and agencies;
- ❑ To raise the profile of, and market the vision for, Docklands both nationally and internationally;
- ❑ To foster close linkages with third level colleges, research institutions and industry to promote the development of knowledge-based enterprises in Docklands;
- ❑ To provide a forum in which local communities can share in the benefits deriving from a redevelopment project on this scale.

The agency would make an annual report to the Minister, and its accounts would be audited by the Comptroller and Auditor General; both the report and the accounts would be laid before each House of the Oireachtas.

6.6 Ongoing role of Cork City Council

The Forum is strongly of the view that a special purpose agency would only be of value if it supplemented, and not replaced, the role of the City Council. In particular, the City Council should retain its full range of planning functions (i.e. making plans and determining planning applications). The Council will have a crucial role in the provision of roads, bridges, water supply, drainage, flood protection, open spaces as well as a range of other local authority services.

It is envisaged that the City Manager or his representative would be appointed to the Board, and in this capacity would ensure close working relationships between the agency and City Council staff.

6.7 Strategic Development Zone

The Forum strongly believes that the Special Purpose Body and City Council should examine the feasibility of seeking Government designation of some, or all, of Cork Docklands as a Strategic Development Zone (SDZ) under the Planning and Development Act, 2000. This would enable the Council to prepare an SDZ Planning Scheme, which could be based to a very large degree on the approved Local Area Plans for the South and North Docklands. Such a Planning Scheme, once approved by the City Council and An Bord Pleanála, would boost confidence among property investors and developers by:

- Providing a fast-track planning application process and greater certainty in the timing of decisions (permissions which conform with the criteria set out in an SDZ cannot be appealed on planning grounds);
- Encouraging public sector agencies to co-operate more effectively in the phased delivery of both “hard” and “soft” infrastructure (such as public transport and schools), as in the case of Adamstown in South Dublin; and
- Encouraging landowners and developers to work together to ensure a more co-ordinated form of development across property boundaries;
- Ensuring that the development is plan-led as opposed to developer led and is not directed by *ad hoc* decisions.

6.8 Equalisation Scheme

One of the challenges facing the development of the Docklands is the fact that of the 162 hectares involved, only about 32 hectares is in State (local authority) ownership – and most of this is zoned for open space (e.g. the Showgrounds adjacent to Pairc Úi Chaoimh). The rest of the land – i.e. that which has real development potential - is in private ownership, involving approximately 20 major landowners. This means that Cork Docklands is unique among other such developments looked at by the Forum, both in Ireland and abroad (e.g. Dublin, Hamburg, London, Bremen, Helsinki) in that the development lands are, for the most part, in private ownership. Accordingly, as the development must be plan-led, the potential costs and benefits could fall unevenly on developers over the project lifetime. These facts considerably strengthen the case for a special purpose body with the requisite in-house expertise and experience in project negotiation with developers and investors to lead the development of the Cork Docklands Project.

One option that should be considered to overcome this challenge and ensure that the development takes place in a timely and fair way is that of setting up an equalisation scheme, to be agreed between the property owners and the implementing body. This scheme would be designed to ensure equity, fairness and agreement with the Local Area Plan and that development takes place in a coordinated manner, spreading infrastructure costs over the lifetime of the project. The scheme would need to strike a balance between projects that are at different stages of readiness in the development process. The Forum acknowledges that such an equalisation scheme has been under consideration by Cork City Council for some time.

6.9 Conclusion

The experience of other developments of this nature (e.g. Hamburg, London, Bremen, Bilbao, Dublin) would point to the importance of a special purpose body being set up to work in close cooperation with the relevant local authority, and other key stakeholders as being essential to the successful and timely realisation of the overall vision.

The establishment of such an entity would provide a clear and practical signal of Government commitment to the development of Cork Docklands as a major project of national and international importance. Such a signal would be particularly appropriate at the present time of uncertainty in the construction sector in Ireland.

Of all of the developments examined by the Forum (either by way of direct engagement or desktop research), only Helsinki has used the City Authority alone to drive the project, without a separate special purpose entity. The main reason for this is that the City of Helsinki owns almost all of the land to be developed and has control of urban public transport and other critical infrastructure, as well as the power to raise local taxes.

A significant majority of Forum members are of the view that a Special Purpose Agency working closely with Cork City Council is the best means of progressing this very significant project.

6.10 Forum Recommendations

1. The Forum recommends that a special purpose agency, working closely with Cork City Council, be established by Government, under the 1971 Corporate Bodies Act, with a specific time-bound mandate to promote implementation of the overall vision for Cork Docklands set out in the previous chapters. The precise powers and functions of the proposed agency should be discussed in the first instance between the City Council and the Department of the Environment, Heritage and Local Government. The City Council should continue to exercise its full range of functions under the Planning and Development Acts. The agency would report to the Minister for the Environment, Heritage and Local Government
2. The Forum recommends that the Special Purpose Body and City Council should examine the feasibility of seeking Government designation of some, or all, of Cork Docklands as a Strategic Development Zone (SDZ) under the Planning and Development Act, 2000.
3. As an interim arrangement, a High Level Implementation Group should be established under the Minister for Environment, Heritage and Local Government to advise on and oversee the establishment of this Special Purpose Agency.

7 Overall Conclusions

The proposal for the redevelopment of the Cork Docklands is the most significant proposed urban regeneration scheme, outside of Dublin, in the history of the State. The proposed development is a project of national and, indeed international significance, which, in terms of potential economic, social, cultural and environmental impact, compares favourably with similar docklands developments in cities such as Barcelona, Hamburg and Helsinki.

When developed in accordance with the statutory plans already in place, over the next 20 years the population of Cork Docklands will increase from 500 to approximately 22,000. The South Docks Local Area Plan states that the City Council's preferred option for compliance with Part 5 of the Planning and Development Act 2000, relating to the provision of social and affordable housing, will be the provision of these units on site. It is estimated that this will provide 1,425 affordable housing units and 475 social housing units over the period of the project. This will substantially improve social balance in this part of the city and also provide employment opportunities for the occupants of these social and affordable dwellings in close proximity to their homes.

The regeneration of Cork Docklands will create approximately 27,000 new jobs.

The development must be carried out in a coherent and strategic manner, with critical infrastructure going in as a priority. The development must be plan-led as opposed to developer-led.

The redevelopment of Cork Docklands is identified as a priority project in the National Development Plan 2007-2013 (NDP), the National Spatial Strategy 2002-2020 (NSS) and the Irish Government's submission to the European Union in 2006 regarding the content of the EU Regional Aid Map for Ireland 2007-2013.

Of all the regional cities, Cork was recognised by the NSS to have the most immediate potential to be developed to the national scale required to complement Dublin.

The NDP recognises that investment in physical infrastructure to trigger subsequent private investment in the area is necessary. In particular, the NDP identifies the need for priority investment in roads, water services, port relocation and associated infrastructure to facilitate the Cork Docklands regeneration and stimulate private investment in the area.

In 2006, the Cork Urban Renewal Area (of which the Docklands is part) was included in the Regional Aid Map 2007-2013 by the European Union following a proposal by the Irish Government. The submission was predicated on the fact that the redevelopment of the Cork Docklands as a major brownfield site was more environmentally sustainable than the equivalent redevelopment of greenfield areas at the periphery of the city. However, it recognised that the area faced barriers, which could mitigate against it in comparison with other areas.

The Irish Government, in its submission to the European Commission, stated that:

“In the context of the Commission’s Regional Aid Guidelines for 2007-2013, this paper proposes, and outlines the rationale for, the designation of the docklands area of Cork and a contiguous area, to be described as the Cork Urban Regeneration Area (CURA), under Ireland’s Regional Aid Map, 2007-2013, in order to facilitate possible tax based or other financial incentives for urban regeneration in the area over that period.”

And (para. 2) that:

“...the Irish Government retains tax incentivisation as a possible policy tool, should economic conditions require further action to regenerate specified urban areas.”

The redevelopment of Cork Docklands Area provides a timely opportunity to accord with the objective of the Lisbon Agenda ‘to make Europe a more attractive place to work and invest’ and the 6th Environment Action Plan (E.A.P.) of the European Community 2002-2012, which called for the development of a Thematic Strategy on the Urban Environment with an objective of contributing to better quality of life through:

- an integrated approach concentrating on urban areas;
- providing an environment where the level of pollution does not give rise to harmful effects on human health and the environment and
- encouraging sustainable urban design.

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In light of the above, the Cork Docklands Development Forum calls upon the Government to act on the recommendations contained in this Report and, in particular to:

- Put in place the appropriate institutional arrangements and resources needed to bring this project of national and international significance forward in a timely manner, as outlined in the Report of the Forum;
- As a priority, agree to committing the required exchequer resources (either by way of tax incentives or grant-aid) necessary to ensure the ordered and timely relocation of the existing SEVESO sites, which are an immediate barrier to development, so that the formal notification to the EU for approval for such incentives can proceed;
- Commit the required exchequer resources needed to ensure that the critical infrastructure identified for the area is adequately funded and delivered to schedule;
- Introduce the appropriate tax and other incentives for the redevelopment of the area, as set out in Chapter 5 above and in the Cost-Benefit Study submitted to the Department of Finance.