

APPENDIX 1 Urban Renewal Incentives Available (Ref: chapter 6)

1994 Urban Renewal Tax Incentives

Owner-Occupier Capital Allowances	An initial allowance of up to 25% in Year 1 and a 4% annual allowance or free depreciation up to 50% in Year 1 and a 4% annual allowance
Investor/Lessor Capital Allowances	An initial allowance of up to 25% in Year 1 and a 4% annual allowance
Double Rent allowance	All traders leasing new or refurbished buildings are entitled to set off double the rent as an allowance against tax on trading income, available for 10 years
Rates Remission	Remission of rates on a sliding scale with full remission in year 1 and one tenth in year 10

Table 6.3 Tax Incentives Applicable: Commercial/Industrial Development

Owner-occupier	An annual allowance of 5% in respect of construction expenditure, and 10% in respect of construction expenditure, is available for each year up to a maximum of 10 years
Investor/Lessor Capital Allowances	Relief against all rental income for: 100% of construction expenditure incurred on the provision of certain rented residential accommodation in designated areas; 100% of the expenditure incurred on the refurbishment or conversion of certain buildings in designated areas into rented residential accommodation.

Table 6.4 Incentives Applicable - Residential Development

In the 1996 Development Plan a number of areas were designated for urban renewal along with the 3 sites under the 1994 scheme and have also been successfully redeveloped e.g. the former C.I.E Freight Depot on Alphonsus Road which is now comprising the County Council offices.

The Government introduced a major new urban renewal scheme in 1999 following a study on the operation of previous schemes. Phase 1 of the new urban renewal scheme (residential incentives) commenced in March 1999. Phase 2 (commercial and industrial incentives) was introduced in July 1999 following the receipt of EU approval.¹

In 1998, 78 Integrated Area Plans, including plans for Dundalk and Drogheda were submitted to the Minister. These plans identified and recommended suitable sites for designation for tax incentive purposes under the new Urban Renewal Scheme. In 1999 the Minister had approved 49 Integrated Area Plans covering 43 towns and cities and both Dundalk and Drogheda had been selected for designation under the new scheme.

1999 Urban Renewal Tax Incentives

¹ <http://www.environ.ie/devindex.html>

Owner-Occupier Capital Allowances	50% initial allowance in Year 1 and a 4% annual allowance up to a maximum of 100% or free depreciation up to 50% in Year 1 and a 4% annual allowance up to a maximum of 100%
Investor/Lessor Capital Allowances	50% initial allowance in Year 1 and a 4% annual allowance up to a maximum of 100%

Table 6.5 *Tax Incentives Applicable: Commercial/Industrial Development*

Table 6.5 displays the types of incentives available for commercial and industrial development and Table 6.6 shows the incentives available for residential development within the designated urban renewal sites.

Owner-occupier	New Construction: 50% of eligible construction costs allowed at the rate of 5% per annum over 10 years against total income Refurbishment 100% of eligible construction costs allowed at the rate of 10% per annum over 10 years against total income
Investor/ lessor	"Section 23" relief 100% of eligible construction refurbishment or conversion costs may be set against Irish rental income (including income from other lettings)

Table 6.6 *Incentives Applicable - Residential Development*

The 1999 tax incentives scheme for urban renewal did not prove as effective as the 1996 incentives in the 1996 Plan. Only two out of the 13 sites designated in 1999 were developed in comparison to 10 out of 19 in the 1996 Plan. Following a report prepared by the Louth Monitoring Committee

*"the general consensus was that the financial incentives offered under the scheme were inadequate to generate sufficient interest when compared to the incentives available under previous successful Urban Renewal Schemes"*²

The main reason why the 1999 scheme was not as successful appears that the incentives offered were much less than the 1996 scheme.

Urban Renewal Achievements within the Town Centre

A number of successfully developed urban renewal sites were undertaken within the town centre since 1996. The following table lists all the development which has taken place within the boundary of the town centre since the 1996 Development Plan;

Urban Renewal Site	Location	Developed Use
UR 1.0 (partly developed)	Former Carroll's premises at	Mixed use development Incl.

² Urban Renewal Scheme 1999, Annual Report for years ended : 1st March 2000, 1st March 2001, Louth Co. Council

	Clanbrassil Street	Residential, commercial & leisure
UR 1.1	Facing onto Roden Place and visible from St. Patrick's Cathedral	Residential development
UR 1.2 (Partly developed)	Hardy's / Gaskin's at Park St.	Mixed use development incl. Retail fronting onto Park St. with residential & commercial
UR 1.3 (partly developed)	Backland areas with frontages onto John St.	<i>Residential development</i>
UR 1.4 (Partly developed)	The former gas works with good frontage onto Bridge Street	<i>Residential development</i>
UR 1.5 (partly developed)	Site with frontage onto both Nicholas Street and onto Linenhall Street and contains O'Hares Mills	Mixed use development incl. retail on ground floor and office space on the upper floors

Table 6.3 Sites developed since 1996 and 1999 Urban Renewal Schemes within town centre

The above sites that have been developed were all designated in the 1996 Development Plan for urban renewal when the previous tax incentive schemes were still ongoing. UR 1.0, UR 1.1 and UR 1.2 were the sites that were also designated under the 1994 Urban Renewal Scheme. It would appear that these sites were developed as a result of the favorable tax incentive schemes that were available at the time. UR 1.5 was partly developed during the 1996 plan period but was also designated again under the 1999 Urban Renewal Scheme.

Urban Renewal Achievements outside the town Centre

Urban Renewal Site	Location	Developed Use
UR 4	Former C.I.E. Freight Depot on St. Alphonsos Road	General business use and mixed uses
UR 5	Former Timber Yard off Ramparts Road	General business use and mixed uses
UR 16 (partly developed)	Underused coal yard with frontage onto both Mill St. and Seatown Place	Residential Use notwithstanding the existing est. use of the yard
UR 17	A disused grain store with frontage onto Seatown Place	Residential development

Table 6.5 Sites developed since the 1996 & 1999 Urban Renewal Schemes outside the Town Centre

Table 6.9 lists the designated sites, which were developed under the 1996 Development Plan when the previous tax incentive schemes were still ongoing. The sites have been successfully developed for general business use and residential development. UR 4 is one of the landmark urban renewal schemes, which has been developed and now comprises the County Council offices and the new public swimming pool. The new swimming pool is due to be completed early in 2002. The Department of Social Welfare is also relocating some of the services to a new building adjacent to the swimming pool. Many of the other successful urban renewal schemes have been for residential development, UR 17 has been developed to accommodate apartments for the disabled while UR 16 has been developed successfully for private residential development.