

Belfast City Council & Londonderry/Derry City Council

Shaping our own future

The case for Accelerated Development Zones in Northern Ireland:
A Proposal for our Gateway Cities



What could the future Derry and Belfast look and feel like?

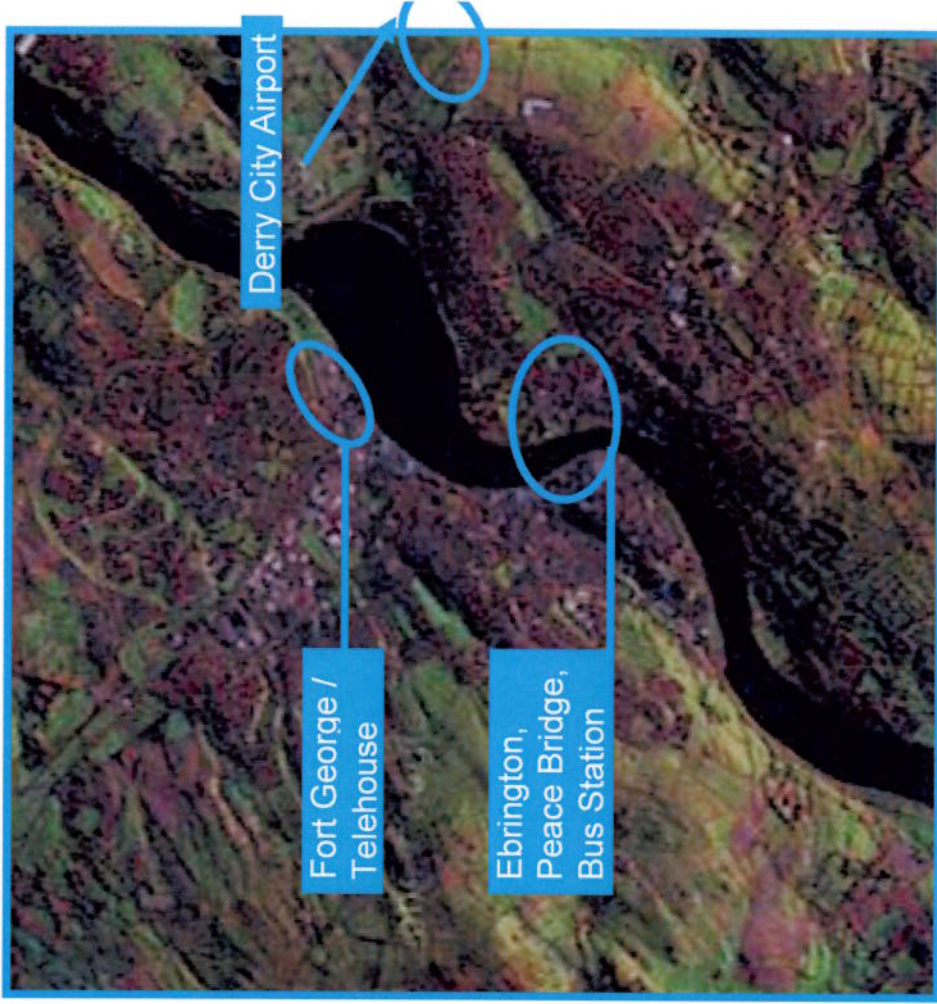
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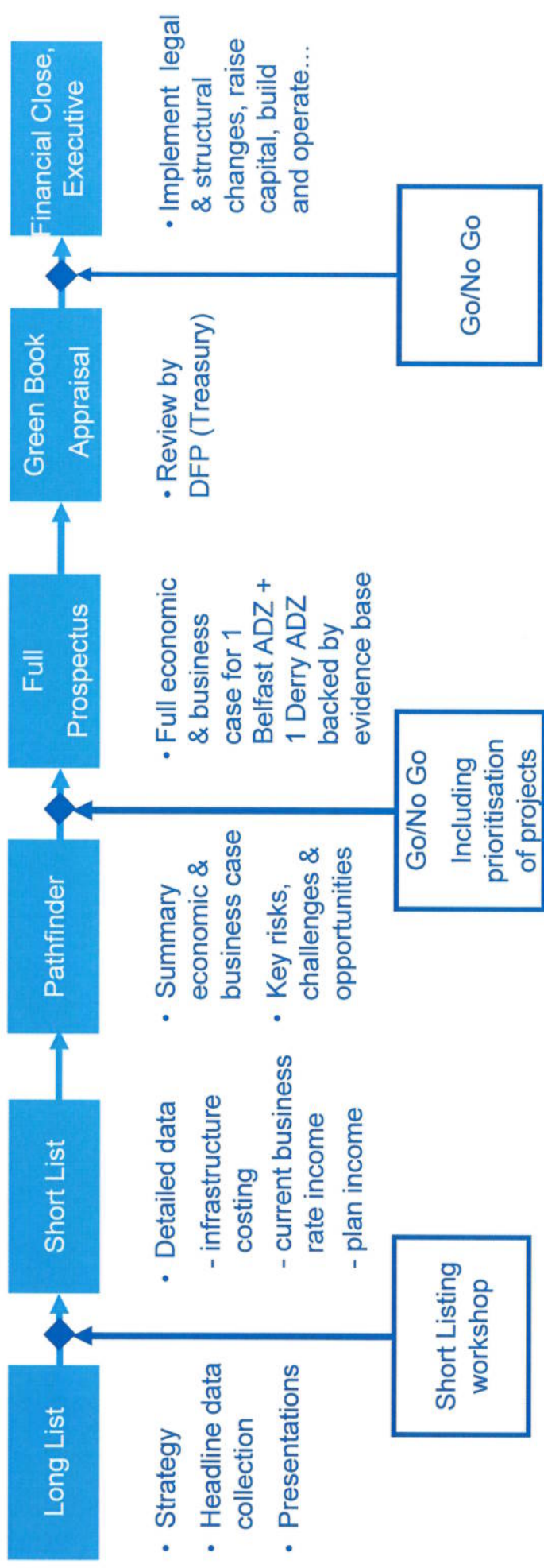
The case for Accelerated Development Zones

- 2010 Election → fiscal austerity in UK
- Impact on National vs Regional vs Local/City spending not known, but significant
- Impact on Derry, Belfast in terms of competitiveness, FDI attractiveness, jobs & general wealth creation
- Requirement for regeneration does not make allowances for government budget constraint
 - if anything, it augments the need
- ADZs – the ring-fencing of incremental business taxation inside defined city zones – could provide Belfast & Derry with additional, accelerated investment to support large-scale, urban regeneration projects
- “the Government will continue to examine the framework that would be needed to implement Tax Increment Financing and consider the primary legislation that would be needed if schemes were to be introduced”

Potential sites for ADZs



What would be involved in establishing an ADZ?



Why do you need a prospectus?

- Clearly define specific parameters of the ADZ area, highlighting scale & type of commercial development to be included
- Present clear case for specific infrastructure investments being required to unlock development
- Highlight the potential financial & economic benefits
- Demonstrate clear understanding of borrowing period & development timeframe
- Understand & mitigate against the range of potential risks
- Provide confidence that proposals are likely to be both supported & implementable
- Demonstrate that all options for sourcing investment have been considered
- Create focus to consolidate stakeholder support for projects, borrowing

What do you get in your prospectus?

- A vision for growth
- A road map for delivery
- The role for Accelerated Development Zones
 - An overview of the strategic and policy context – exploring the key drivers of the identified infrastructure programme and proposed funding approach, the limitations of established funding mechanisms and the key strategic benefits which the programme of investment could bring;
 - For up to three sites in both Belfast/Derry
 - A consideration of the financial implications of proposed infrastructure works, including consideration of delivery timescales, capital requirements, availability of other funding from established tools and frameworks, borrowing requirements, development likely to be unlocked by infrastructure works and associated impacts on key revenue streams (such as business rates and council tax);
 - A clearly defined ADZ boundary for each proposal, designating the geographic area to be included within proposals and the timeframe for development schemes;
 - The quantum and type of existing and anticipated commercial development within that area;
 - Indicative phasing of development within the ADZ, and occupancy assumptions financial analysis to outline the potential level of borrowing that could be sustained for infrastructure investment based upon the anticipated increase in business rates as a result of development
 - risk assessment to explore the potential financial implications of variations in the key assumptions underpinning the proposed scheme

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