

To: The Mayor and Each Member of Limerick City and County Council

Report to Council on the Hanging Gardens Project and next phase development

10th March 2016

1.0 Background

The *Limerick 2030 – An Economic and Spatial Plan* ('2030 Plan') adopted by Council in June 2013 set a target of creating 12,000 jobs (5,000 in the city centre) through the identification and development of a number of strategic/transformational projects in the City.

Over the past two years the strategic sites identified in the 2030 Plan have been prioritised as a matter of critical importance to the future economic development of Limerick. Significant background progress has been made advancing the development of these projects. However, the complexity of site acquisition, procurement and development has taken much more time than previously anticipated. The 'Opera' site continues to move forward according to the process set out in March 2015 and will advance to preferred bidder stage in Sept 2016 in line with previous up-dates to Council.

However, the timelines on the 'Hanging Gardens' project have proven more difficult to meet and need to be advanced at a much quicker pace. Our experience using LCO Ltd as the SPV (special purpose vehicle) in the development of Troy Studios proved it to be a very effective development vehicle. We now intend to use this experience and this vehicle (LCO) to fast track the advancement of Hanging Gardens.

2.0 The Current Situation

LCO Ltd is a wholly owned company of Limerick City & County Council which was used to secure and develop the the Troy Studios property and project and has proven to be very successful. It is our intention with Council approval to transfer the 'Hanging Gardens' Project into LCO Ltd to expediate its development.

It is important to note that the asset will remain in the ownership of the Council, being the sole shareholder of LCO Ltd.

Company law(2014) has changed and to comply with requirement under the companies act (2014), LCO will become a Designated Activity Company (DAC). This provides protection for the local authority as a DAC is a:

- more suitable to a local authority,
- allows more control over assets,
- it is more similar to the traditional type of companies that the Council are used to
- there are more safe guards in place by that I mean it must have at least two Directors as opposed to one for a limited company
- its constitution includes the traditional memorandum and articles of association
- its memorandum states the objects of the company whereas a limited company does not require an objects clause

3.0 Proposal

To take advantage of the vehicle so successfully used by Council to advance the Troy Studios Project, it is proposed to move the 'Hanging Gardens' Office development forward in a similar vein. This requires that Council formally transfer the asset to our wholly owned LCO company under the section 183 process to enable the project move forward with all appropriate speed. The Council will then be in a position to recruit and allocate the necessary resources to advance the project which have to date restricted its progress.

4.0 Recommendation

I recommend to Council the approval of the Section 183 transfer.



Dr. Pat Daly
Director of Service