



EXPLANATORY STATEMENT

accompanying the

DRAFT TOLL SCHEME

for the

LIMERICK SOUTHERN RING ROAD PHASE II

NATIONAL ROADS AUTHORITY

St Martin's House
Waterloo
Road
Dublin 4.

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1

Introduction

1.1

Description of the Limerick Southern Ring Road Phase II

The Limerick Southern Ring Road Phase II, referred to in the Draft Toll Scheme as the “Proposed National Road”, extends from the commencement of the east facing On/Off Ramps at the Rossbrien Interchange immediately west of the Limerick Southern Ring Road Phase 1 in County Limerick, to the commencement of the On/Off Ramps where the dual carriageway ties in to the existing N18 at Cratloe Castle in County Clare at the northern end of the proposed scheme. The Proposed National Road also includes a link road (national road also) that connects the mainline alignment at Coonagh West with the existing Clonmacken Roundabout. The Proposed National Road is to be linked by ancillary roads with the existing road network through a grade separated junction at Rossbrien, a grade separated junction at Dock Road, a roundabout at Clonmacken, and a grade separated junction at the tie-in with the existing N18 at Cratloe Castle. The total length of the dual carriageway section of the Proposed National Road, which forms part of the overall bypass of Limerick City is 10 km approximately. The total length of the single carriageway section of the Proposed National Road which links the mainline via the Coonagh West grade separated junction with the existing Clonmacken Roundabout is approximately 3 km.

A map showing the location of the Proposed National Road, the toll collection locations and ancillary roads is provided as Schedule A of the Draft Toll Scheme.

1.2

Benefits of Proposed National Road

Construction of the Limerick Southern Ring Road Phase II will result in many benefits for the national network and also for the region. The Proposed National Road will:

- Complete the Southern Ring Road scheme in accordance with the objectives of the current development plans for Limerick County, Clare County and Limerick City Councils;
- Improve access from the National Primary network to the Greater Limerick Area;
- Remove unnecessary through traffic from the local road network, thereby reducing congestion and improving environmental standards and safety;
- Provide traffic relief in the centre of Limerick City and allow the City Centre to develop in accordance with the Limerick Planning Land Use and Transportation Study (PLUTS) which defines the ‘Gateway Vision’ statement for the Greater Limerick area;
- Provide traffic relief in residential areas in the City and County of Limerick;

- Sustain economic development, and
- Improve safety in Limerick City - building the new road will reduce traffic fatalities and reduce the number of minor and serious accidents and resulting injuries.

1.3

Public Private Partnership Process

In the National Development Plan, 2000-2006 (NDP), the Government have set a target of securing €2.35 billion (at 1999 prices) of private finance for Public Private Partnership (PPP) projects generally, including at least €1.27 billion for national roads. Securing the injection of private finance is vitally important in order to accelerate the delivery of the public capital programme designed to remedy Ireland's infrastructural deficit. Without the €1.27b of private funding the National Roads Authority's road construction programme would be delayed substantially and current deficiencies, which threaten regional development and continued economic growth, would not be effectively addressed.

The NDP identifies PPPs as an important and integral element of the overall planned investment in economic infrastructure projects. The Limerick Southern Ring Road Phase II together with ancillary roads, was included in the NDP as a pilot PPP project. Substantial funding for the scheme is anticipated to be provided by the private sector under this approach and, accordingly, the project has not been included in that element of the national roads programme that is funded in a conventional manner, namely, exclusively from Exchequer resources and, where appropriate, EU aid.

It is proposed to procure the construction and operation of the Limerick Southern Ring Road Phase II together with ancillary roads through a Design/Build/Finance/Operate arrangement. This will encompass a long-term concession period, in the order of thirty years, during which the Concessionaire will recoup some or all of the up-front construction costs and on-going operation/maintenance costs through the collection of tolls.

PPP schemes are used successfully throughout the world as a means of providing vital public infrastructure and of ensuring operation and maintenance to a high standard over the long term for the benefit of the user. At the heart of the PPP approach is the concept that better value for money can be achieved for suitable projects through the utilisation of private sector enterprise, enhanced scope for innovation and the allocation of risk to the party best able to manage it. Also, importantly in a national context, the injection of private finance will accelerate the delivery of the public capital programme designed to remedy Ireland's infrastructural deficit.

In the case of the Limerick Southern Ring Road Phase II, the PPP approach and the provision of private sector funding will enable the earlier delivery of this project than might otherwise be possible under the conventional roads programme. It also makes it possible to simultaneously progress construction of other important projects which are

included in the overall roads programme and which do not have the capacity to attract significant private sector funding.

1.4

National Development Finance Agency

The PPP mechanism is the proposed financing mechanism for the scheme. However, the Authority is statutorily required to seek the advice of the National Development Finance Agency (NDFA) on the financing of the scheme with the objective of maximising value for money for the Exchequer through the identification of the best financing packages and the application of commercial standards in terms of evaluating financial risks and costs for each project.

To the extent that the Authority, following consultation with the NDFA, amends or changes the PPP mechanism described in section 1.3, it would be with the objective of increasing the benefit to the Exchequer.

The NDFA was established, pursuant to the National Development Finance Agency Act, 2002, to assist in providing cost effective finance for public investment projects. The Agency:

- provides advice to State Authorities, including Government Departments, to assist them in evaluating financial risks and costs of public investment projects, and
- assesses optimal financing for public investment projects (including PPPs) such as those set out in the NDP and other infrastructure priorities, and
- in certain circumstances, may raise finance for public investment projects.

1.5

Statutory Procedures

The Draft Toll Scheme for the Limerick Southern Ring Road Phase II and its accompanying Explanatory Statement have been prepared in accordance with the statutory provisions of the Roads Act, 1993, as amended by the Planning and Development Act, 2000.

In accordance with these legislative enactments, the following provisions apply as part of the statutory procedures:

- A Notice is published informing that a Draft Toll Scheme has been prepared and indicating the place and times where the Draft Toll Scheme and accompanying Explanatory Statement can be inspected, and including a statement of the time limits within which members of the public can make objections in writing to the Authority.
- Copies of the Draft Toll Scheme and Explanatory Statement are made available for inspection by the public for a minimum period of one month from 5th March, 2004 to 16th April, 2004.

- Objections to the Draft Toll Scheme may be made in writing, only, to the Authority before 5.00 pm on 4th May, 2004.
- A Notice is served on Limerick County Council, Limerick City Council, and Clare County Council informing them that a Draft Toll Scheme has been prepared for the Limerick Southern Ring Road Phase II and stating that representations may be made in writing under Section 57 of the Roads Act, 1993, as amended, to the Authority within a specified period.
- If objections to the Draft Toll Scheme under section 58 of the Roads Act, 1993, as amended, are received and not withdrawn, the Authority will cause an oral hearing to be held into the matters to which the objections relate. The report and recommendations of the person appointed to hold the hearing will be considered by the Authority prior to determining whether or not to adopt the Draft Toll Scheme.
- The Authority may adopt the Draft Toll Scheme with or without modifications or may refuse to adopt it.

2

Provisions of the Toll Scheme

2.1 *Proposed National Road to be Tolled*

The Draft Toll Scheme describes the location of the Proposed National Road which is proposed to be tolled. The description is also set out in paragraph 1.1 of this Explanatory Statement, with details of the toll collection locations stated in paragraph 3.1.

2.2 *Purpose and Effect*

The purpose of the Draft Toll Scheme is to establish a system of tolls in respect of the use of the Limerick Southern Ring Road Phase II.

The effect of the Draft Toll Scheme, if adopted, is to facilitate the provision of the Limerick Southern Ring Road Phase II, together with ancillary roads through a PPP mechanism as detailed in section 1.3 of this Explanatory Statement. A Design/Build/Finance/Operate contract will be used to procure the construction and operation of the scheme. As part of this arrangement it is proposed that the contract will include a long-term concession period during which the concessionaire will recoup (in part or in full) the up-front construction costs and on-going operation/road maintenance costs through the collection of tolls.

The benefits of this approach are to utilise, in conjunction with the public sector, the efficiencies and expertise of the private sector, along with private sector finance, in developing, constructing and operating the Limerick Southern Ring Road Phase II.

2.3 *Classes of Vehicles and Road Users*

Subject to statutory limitations in force from time to time and safety requirements in respect of the tunnel, the Limerick Southern Ring Road Phase II is intended for use by all classes of vehicles and road users permitted to use a public road.

2.4 *Toll Charges*

There are two toll collection locations on the Proposed National Road. The estimated amounts of the tolls that it is proposed to charge at each of the two toll collection locations are given in Table I.

TABLE I: Estimated amounts of the tolls proposed to be charged at each of the two toll collection locations

CLASS OF TRAFFIC	ESTIMATED TOLL CHARGES	
	€(excl. VAT)	€(incl. VAT @ 21%) *
Motor Cycles	0.676	0.818
Motor Cars	1.296	1.568
Buses or Coaches	2.310	2.795
Goods Vehicles with a design gross vehicle weight not exceeding 3,500 kilograms	2.310	2.795
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having two or three axles	3.268	3.955
Goods Vehicles with a design gross vehicle weight exceeding 3,500 kilograms and having four or more axles	4.170	5.046

Notes:

* The toll (inclusive of VAT) that would actually be charged would be rounded in accordance with bye-laws.

For information, these charges are exactly the same as those adopted by the Authority for the N8 Fermoy, N25 Waterford and M1 Drogheda Toll Schemes.

The term “goods vehicle” shall be taken to mean a mechanically propelled vehicle which is substantially constructed or adapted for the conveyance of goods or burden of any description whether in the course of trade or otherwise and shall also be deemed to include agricultural tractors.

The charges specified above are an estimate at August 2003 prices and may be updated periodically in line with increases in the Consumer Price Index or increases in Gross National Disposable Income. The tolls actually to be charged will fall to be specified in bye-laws to be made by the National Roads Authority under section 61 of the Roads Act, 1993, as amended by section 274 of the Planning and Development Act, 2000.

A discount of at least 10 per cent of the prevailing toll charge shall apply in respect of pre-payment for 20 journeys.

The toll charges shown are at a level such that it is anticipated that a public sector subsidy will be necessary for the project. The level of toll charges necessary to fully fund the project from toll revenues alone would be considerably higher. The specified toll charges stated above have been developed by the Authority to ensure charges are set at an affordable level, and are consistent with balancing the objectives of producing satisfactory revenue and attracting substantial traffic onto the new road.

3

Toll Facility

3.1

Description

Two toll plazas are proposed for the scheme. It is proposed to locate the mainline toll plaza on the dual carriageway section between the grade separated junction on the Proposed National Road at Coonagh West and the grade separated junction at the tie-in with the existing N18 at Cratloe Castle. In addition, a secondary toll plaza is proposed on the single carriageway section between the grade separated junction at Coonagh West and the tie-in to the existing Clonmacken roundabout. Due to the arrangement of the Coonagh West grade separated interchange, there is no link between the Clonmacken link road and the new dual carriageway north of the interchange. Thus a road user cannot pass through both toll facilities in undertaking one journey on the scheme. Both locations are indicated on the map attached as Schedule A to the Draft Toll Scheme

It is proposed that the Mainline toll plaza will involve the management of the order of seven lanes in each direction with varying combinations of manual payment, automatic coin machine, and electronic toll collection (ETC) lanes being possible under different traffic loading conditions. This arrangement includes for the provision of a dedicated express lane for ETC. It is proposed that the Clonmacken Link toll plaza will ultimately involve the management of the order of four lanes in each direction. The Clonmacken Link toll plaza also includes the provision of a dedicated express lane for ETC. The overall toll system will be required to provide:

- a secure and reliable system for the collection of tolls due;
- users with a safe, speedy and efficient passage through the toll plaza;
- users with flexible and convenient methods of paying the tolls due, and
- toll collection staff with a safe and secure environment in which to carry out their duties.

3.2

Catering for Traffic Growth

In relation to the toll plazas, future expansion may involve additional lanes at the toll plazas and changes to the toll plaza arrangements in the interests of traffic management efficiency and the safety of road users as traffic flows increase. ETC will be available at all times and a dedicated express ETC lane is also to be provided in each direction. The aim of the provision of ETC facilities is to promote the overall objective of increased traffic management efficiency and safety of road users as traffic flows increase.

4

General Arrangements for the Toll Road

4.1

Funding

The Limerick Southern Ring Road Phase II, together with the ancillary roads, has been designated as a PPP project. Accordingly, it is expected that the capital cost of the design and construction of the Limerick Southern Ring Road Phase II, inclusive of the tolling system, together with the maintenance costs for the scheme and the tolling system will be partly met by private financing initiatives together with some public sector contribution. A tendering process specifically geared towards PPP will be undertaken. At the end of this process a consortium (termed the “Concessionaire”) will be selected and will be responsible for all aspects of the scheme, including financing. It is proposed that the Authority will award a long-term contract to the Concessionaire to Design/Build/Finance/Operate the Limerick Southern Ring Road Phase II including ancillary roads. The awarding of this contract will be in accordance with EU procurement procedures.

4.2

Construction

It is proposed that the Concessionaire will be responsible for arranging the detailed design and construction of the Limerick Southern Ring Road Phase II and all ancillary works. All detailed design and construction will be in accordance with the pertaining statutory approvals and will be to the requirements of the Authority.

4.3

Maintenance and Operation

The PPP contract will require the Concessionaire to be responsible for the operation and maintenance of the Limerick Southern Ring Road Phase II, including the tunnel, bridges and ancillary elements. In addition, the Concessionaire will be responsible for the operation of the tolling facilities and the provision of all necessary management, administrative and other staff. The Authority may consider extending the maintenance functions of the Concessionaire to cover other elements of the adjoining national road network.

5 Traffic and Revenue

5.1 *Predicted Traffic Flows*

The estimated average daily traffic flow predicted on the mainline dual carriageway section of the Limerick Southern Ring Road Phase II at the anticipated year of opening, 2008, (and passing through the mainline toll plaza location) is 22,157 vehicles with approximately 7% Heavy Commercial Vehicle content. The estimate of the average daily traffic flow for the mainline plaza in the year 2028 is 29,326 vehicles of which approximately 7% will be Heavy Commercial Vehicles.

The estimated average daily traffic flow predicted to pass through the Clonmacken Link toll plaza at the anticipated year of opening, 2008, is 4,968 vehicles with approximately 7% Heavy Commercial Vehicles.

The estimated average daily traffic for the Clonmacken Link toll plaza for the year 2028 is 11,324 AADT with approximately 7% Heavy Commercial Vehicle content.

5.2 *Tolling Revenue*

Based on the daily estimates of the traffic volumes, as set out above, using the Limerick Southern Ring Road Phase II, the gross amount of toll revenue in the year of opening, 2008, is estimated to be €15.2m million, excluding VAT, at year 2003 prices.

6

Scheme Costs

6.1

Scheme Cost and Cost of Tolling

The estimated capital cost (excluding the estimated capital cost of tolling the road) of the Limerick Southern Ring Road Phase II and the ancillary roads (inclusive of design, land acquisition and other related costs) is approximately €352 million, including VAT.

The estimated capital cost of tolling the Proposed National Road is €19.6 million, including VAT, and the annual toll operating cost is estimated as €3.96 million, including VAT. These costs are based on year 2003 prices.