

11/10/2021

To the Chairperson and Members of
The Central Area Committee

Meeting: 09/11/2021

With reference to the proposed lease of the former depot at Coleraine Street Dublin 7 to Inner City Enterprise.

Dublin City Council's Housing and Community Department provided housing maintenance services from the depot at Coleraine Street, Dublin 7. In 2018 the services were relocated and the depot has since been in use by the DRHE, most recently as a Covid-19 cold weather facility.

The Council was contacted by a number of organisations who expressed an interest in acquiring a lease of the former depot and after reviewing the applications, the Housing and Community Department recommended a lease be offered to Inner City Enterprise CLG.

Inner City Enterprise (ICE) is a not-for-profit charity and was established in 1992 to advise and assist unemployed people in Dublin's inner city to set up their own businesses or create their own self-employment.

ICE in partnership with the Dublin City Local Enterprise Office have identified the need for affordable, accessible and flexible enterprise hub in the Dublin 7 area.

Therefore it is proposed to grant a lease to Inner City Enterprise CLG, (the Lessee) subject to the following terms and conditions which the Chief Valuer considers to be fair and reasonable:

1. That the demised property is shown outlined in red on the attached map index no. SM-2020-0202
2. That Dublin City Council shall grant a 15 year lease on a full repairing and insuring basis commencing from a date to be agreed between parties.
3. That the market rent shall be €160,000 (one hundred and sixty thousand euro) per annum, plus VAT (if applicable), payable quarterly in advance by direct debit.
4. That the market rent shall be abated and the initial rent shall be €60,000 (sixty thousand euro) per annum, plus VAT (if applicable) as long as the property is used as an enterprise hub by ICE.
5. That the Lessee shall allocate up to 40% of the space to clients at abated rates for social enterprise use and the remaining 60% will be offered to anchor tenants and other start-ups at standard rates. A description of the various rates will be included in the ICE Business Plan for the depot which will accompany this lease.
6. That the Lessee will be granted a rent-free period of the first 12 months.
7. That the rent shall be subject to five yearly rent reviews. At the first review, the rent shall be reviewed to reflect 75% of the full market rental value and at the second review, in year ten the rent shall be reviewed to reflect 100% of the full market rental value, Or at each review such lesser percentage that Dublin City Council shall, at its absolute discretion deem appropriate, having regard, inter alia, to the information provided by the Lessee under conditions 8 and 9 below.

8. That the Lessee shall be obliged to provide to Dublin City Council copies of any licences created for tenants. All licences will be for a term of maximum five years and must include a Deed of Renunciation.
9. That the Lessee shall be required to provide full details of the annual licence fee income received by the group at the demised property at each rent review.
10. That there shall be a break option in favour of the proposed Lessee at the end of the fifth and tenth year, on six months written notification. No penalty shall apply. The exercise of either break option is subject to all outstanding rent at the appropriate rate being cleared up to and including the date of handover of possession.
11. That the Lessee shall have an option to apply to the Lessor to purchase the subject property at the full market value during the term of the lease.
12. That a schedule of condition, repair and works shall be agreed between parties prior to the execution of the Lease.
13. That the Lessee shall be responsible for carrying out the schedule of repair, works programme and fit-out of the premises by a date to be agreed between parties and shall be responsible for all associated costs.
14. That the Lessee shall be responsible for obtaining all relevant permissions to include planning permission in relation to the proposed works and use of the premises and all associated costs.
15. That the Lessee shall meet each and every requirement of the City Council's Fire Officer and any Health and Safety Officer appointed by the Council, at all times. Failure to comply with this condition shall be a ground for forfeiture of the lease.
16. That in the event of the demised property ceasing to be used for such purposes it shall revert to the Council free of charge. On receipt of four weeks notification from the Council, the Lessee will provide vacant possession of the property free from all encumbrances and the Lessee shall return the property to the Council in a similar or improved state of repair and condition to that which it obtained at the commencement of the Lease. The lessor shall not be responsible for any costs associated with tenant improvements to the demised property.
17. That the lessee shall not sublet, subdivide, alienate or assign the lease, or any part thereof, without receiving prior consent in writing from the Council, save for those licence agreements created for tenants as set out under condition 8 above.
18. That in the event of the Lessee ceasing to trade or becoming insolvent/bankrupt the demised property shall revert to the Council free of charge.
19. That the Lessee shall be responsible for all outgoings including rates, charges, taxes, utilities and any charges that may become payable on the demised premises during the period of the lease.
20. That the Lessee shall ensure that its use and occupation of the property shall at all times comply with all necessary statutory requirements.
21. That the Lessee shall ensure that the subject property is adequately secured at all times.
22. That the proposed Lessee shall be responsible for appropriate insurances as determined by Dublin City Council, including Public Liability Insurance and Employer's Liability Insurance, and shall indemnify Dublin City Council against all actions, proceedings, costs, claims, demands and liabilities whatsoever arising from all and every activity carried out or promoted by the Lessee and its agents in connection with the facilities on the premises. It shall not do or suffer to be done any activity in any part of the premises which would render void or voidable the insurances of the premises.
23. That the Lessee shall permit the Council at all reasonable times to enter upon the property to view the condition thereof.

24. That the proposed Lessee shall not erect any signage on the external walls of the building without receiving the prior consent in writing of Dublin City Council.
25. That upon expiration or sooner determination of the lease, the Lessee shall at its own expense remove all materials not belonging to Dublin City Council and shall leave the property clean and cleared to the satisfaction of the City Council.
26. That the Lessee shall be responsible for keeping the entire property including, inter alia, the lands, all buildings including external walls/gates/doors and boundaries etc. in good and substantial repair and shall carry out all necessary maintenance/repairs to the Council's written satisfaction.
27. That each party will be responsible for its own costs arising from this transaction.

The agreement shall contain such other covenants and conditions as deemed appropriate by Dublin City Council's Law Agent.

No agreement enforceable at law is created or is intended to be created until exchange of contracts has taken place.

Paul Clegg

Executive Manager

27/10/2021

Date