

25/10/2023

To the Chairperson and Members of  
The South Central Area Committee

Meeting: 18/10/2023

Item No:

---

**Lease of the Regional Materials Recovery Facility (MRF) at Merrywell Industrial Estate, Ballymount Road Lower, Dublin 22.**

---

The four Dublin Local Authorities purchased the Regional Materials Recovery Facility at Ballymount Road Lower, Dublin 22, as shown on Map Index No. SM-2023-0585, to process the dry recyclables collected in the green bins in the Dublin region. This facility is licenced by the EPA to carry out waste activities under the Third and Fourth Schedule of the Waste Management Acts 1996 to 2007. Licensed waste activities include repacking, storage, recycling or reclamation of organic substances, metals / metal compounds and other inorganic materials.

Report No. 22/2013 assented to the lease of this facility to Ballymount Material Recycling Facility Limited for 10 years at its meeting on 14<sup>th</sup> January 2013. This lease expires on 30<sup>th</sup> September 2023.

Due to a group re-structuring in 2017, Ballymount Material Recycling Facility have requested that the proposed new lease be granted to Irish Packaging Recycling Unlimited Company and with the guarantor being Beauparc Utilities Holdings Limited, as it has sufficient net worth to provide surety to the Council.

It is proposed to grant a further lease subject to the following terms and conditions which the Chief Valuer considers to be fair and reasonable:

1. The demised property comprises the premises together with all plant and equipment therein known as Regional Materials Recovery Facility (MRF), Merrywell Industrial Estate, Ballymount Road Lower, Dublin 22 and which is shown outlined in red on attached map SM-2023-0585.
2. The lease shall be for a term of six years commencing on 1<sup>st</sup> October 2023 upon expiry of the existing ten year lease, for the permitted user of a Materials Recovery Facility (MRF) and related uses only.
3. The rent for the first year of the term shall be the sum of €410,000 (four hundred & ten thousand euro) per annum, payable monthly in advance by standing order or electronic funds transfer. VAT is not applicable in this case.
4. The rent shall be subject to annual reviews by reference to variations in the Consumer Price Index, subject to a maximum annual increase of 2%.

5. The tenant will also pay a plant and machinery rent of €75,000 (seventy five thousand euro) p.a., for six years (i.e. plant value agreed at €450,000). VAT is not applicable in this case.
6. The tenant may operate a break option at the end of every year, subject to six months prior written notice and subject to full compliance with the Decommissioning Management Plan (see term 16 below) and payment of all outstanding plant and machinery rent (see term 5 above).
7. The tenant shall provide written updates every six months to the Council of their progress in relocating to an alternative property ("relocation plan"). This written relocation plan update will include details on site acquisition, planning permission, EPA approvals, construction progress etc. (as applicable) and expected timeline for vacating the demised property.
8. This lease may be extended for a maximum of two years. Lease extension will be subject to six months prior application by the tenant and provision of an acceptable detailed relocation plan. Lease extension will also be at the Council's sole discretion subject to the Council being satisfied that the tenant has made and is continuing to make satisfactory progress in sourcing an alternative property.
9. The tenant shall be responsible for fully repairing and insuring the demised property.
10. The tenant shall be responsible for the payment of rates, facilities/service charges, utilities, taxes and all other charges for the demised property. All outstanding charges under the existing lease shall be cleared prior to the granting of this lease. *(Please note that there is outstanding rent due as a result of annual CPI rent reviews of €70,763 (seventy thousand seven hundred and sixty three euro)).*
11. The lease shall contain a Renunciation clause.
12. The tenant shall not assign or sublet the demised property. Inter-company assignment is excluded from this clause provided the Guarantor (Beauparc Utilities Holding Ltd) remains in place.
13. The tenant shall not carry out any building structural alterations without the prior written consent of Dublin City Council.
14. The tenant shall indemnify Dublin City Council against any and all claims arising from its use of the property. The tenant shall hold building insurance, plant insurance, Public Liability insurance (minimum of €6.5 million) and Employers Liability insurance (minimum of €13 million) and contents insurance.
15. The tenant's use and occupation of the demised property shall comply with all necessary statutory consents and approvals including planning permission and EPA licence.
16. Upon expiry of the lease or lease extension period or operation of a break option, the tenant shall yield up the demised property including all additions, alterations and improvements in good condition, clean and cleared to the satisfaction of the Council and in full compliance with the Decommissioning Management Plan and Condition

10 of the EPA Waste Licence (W0263-01). The tenant shall remove all plant and equipment and dispose of or, relocate in a suitable manner, at its own cost.

The tenant will submit a copy of its detailed and costed Decommissioning Management Plan to the Council, prior to submitting to the Environmental Protection Agency for approval. All costs of the Decommissioning Plan, decommissioning works and surrender of the EPA licence for the demise are at the tenant's own cost.

17. The tenant shall be responsible for the payment of any Stamp Duty that may arise on the creation of this lease.

18. Each party shall be responsible for its own legal costs in this matter.

The disposal shall be subject to any such covenants and conditions as the Law Agent in her discretion shall stipulate.

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

**Máire Igoe**

**10/10/2023**

\_\_\_\_\_  
**Máire Igoe**  
**Acting Executive Manager**

\_\_\_\_\_  
**Date**