

Planning and Property Development Department Civic Offices

25th February 2020

To the Chairperson and Members of The South East Area Committee

With reference to a Proposed Lease of the Ground Floor unit of Palace Street, Barnado Square, Dame Street, Dublin 2

Dublin City Council is the owner of the office premises at No. 3 Palace Street, Barnardo's Square, Dublin 2.

A part of the ground floor of the premises is currently vacant and Fáilte Ireland which is seeking a premises in that area has expressed its interest in using the available space to develop a Tourist Information Centre with a particular focus on Dublin Tourism.

Fáilte Ireland considers that the benefit of a Tourist Information Centre at Barnardo Square would be that it will encourage visitors to see and spend more in the area thereby enhancing the public realm and providing a boost to the local economy. It would also support the economic opportunities of *Dubline* to the area and capitalise on existing investments.

Fáilte Ireland has committed to an initial investment of €300,000 (€30,000 per annum over a proposed 10 year term) to establish a high quality, visitor focused Information Centre with estimated ongoing annual overhead costs in the region of €40,000 including the payment of commercial rates to Dublin City Council. With an annual labour cost to run the centre in the region of €230,000 it is projected that Fáilte Ireland's investment in the centre over the lifetime of the proposed lease agreement would be circa €3 million.

It is proposed therefore to grant a lease of the unit to Fáilte Ireland subject to the following terms and conditions:

- That the leased area shall be part of the Ground Floor of No. 3 Palace Street, Dublin 2, comprising a self-contained unit of c.50 sq. m. as shown on the attached map SM-2019-0234.
- 2. That the term of the lease shall be for a period of ten years, commencing on a date to be agreed between both parties.
- 3. That the lessee will be required to sign a Deed of Renunciation, with the benefit of prior legal advice.
- 4. That the lease shall be on an internal repairing and insuring (IRI) basis.
- 5. That the full market rental value of €32,500 shall be abated to €500 (five hundred euro) plus VAT, per annum, for the duration of the lease, to be paid quarterly in advance, by electronic transfer. The rent is abated on the basis that the premises is used solely for the purpose outlined at No.6 below. In the event that the premises cease to be used for that purpose the rent shall revert to the full market rental value.

- 6. That the lease shall permit Fáilte Ireland to use the property as a Tourist Information Centre with a particular focus on the Dublin Region and Dublin Project, and not for any other purpose. All window displays must be in relation to Dublin Tourism and Dublin.
- 7. That prior to carrying out any works to the subject unit, including fit-out works, full details are to be provided to and agreed with the council. The applicant shall be responsible for securing the necessary planning permission for any proposed works and the change of use and will incur the full costs of planning and the works required.
- 8. That the lessee shall not erect any signage on the external walls of the building without receiving the prior consent of the council and full planning permission for same.
- 9. That the lessee shall indemnify the council against any claim for compensation which might/may be made by any party arising out of fit-out works and construction works being carried out on the demised premises, or any working areas or on any access points thereto.
- 10. That the lessee shall keep the premises in good condition and repair during the term of the lease.
- 11. 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.
- 12. That the lessee shall pay a service charge, which shall include a contribution to the sinking fund. The charge shall be apportioned appropriately based on the lessee's percentage occupancy of the overall building.
- 13. That the subject unit is separately metered and the lessee shall be responsible for the cost of all utilities.
- 14. That the lessee shall obtain Public Liability Insurance indemnifying Dublin City Council in the sum of €6,500,000 for any one incident and Employers Liability Insurance of €13,000,000, and shall provide proof of such insurances to Dublin City Council.
- 15. That the lessee shall not sell, assign, grant any sub interests, sub-divide, alienate or part with possession of the subject property.
- 16. That upon expiration or sooner determination of the lease, the lessee shall at their own expense remove all materials not belonging to Dublin City Council (if the council so require it) and shall leave the property clean and cleared to the satisfaction of the city council.
- 17. That each party shall be responsible for their own professional fees in this matter.
- 18. That the lease shall contain all the covenants and conditions normally contained in city council leases of this nature and any other terms and conditions as may be deemed appropriate by the Law Agent.

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

02/03/2020
Date



