



With reference to the proposed disposal of the Regional Materials Recovery Facility at Merrywell Industrial Estate, Ballymount Road Lower, Dublin 22 to Irish Packaging Recycling Unlimited.

Background

The Regional Materials Recovery Facility (MRF) located at Merrywell Industrial Estate, Ballymount Road Lr. Dublin 22, as shown on Map Index No. SM-2020-0203, is owned by the four Dublin Local Authorities but registered in the name of Dublin City Council. The facility, located in the administrative area of South Dublin County Council, was built to process the dry recyclable material collected in the green bins by the four Dublin local authorities in the Dublin region. The four councils exited the waste collection market and so no longer provide a waste collection service in their respective areas.

The MRF was commissioned in late 2008 and was designed to have a life cycle of 20 years. Following the councils exit from the waste market and in order to keep the facility in beneficial use, it was decided to offer the MRF to the market. There was very little interest from waste operators as they tend to build bespoke MRFs to suit their individual needs. A short term commercial letting of the facility was given to Industrial Packaging & Recycling (IPR) in January 2012 for a period of 11 months pending a decision by the councils on the long term use of the facility. In 2013 and following the advertisement of the MRF for lease, Dublin City Council on behalf of the Dublin Local Authorities entered into a 10 year lease of the facility to Ballymount Material Recycling Facility Limited, a subsidiary company of IPR at a rent of €150,000 per annum. This lease is due to expire on 30th September 2023.

The technology required for processing materials in the MRF is constantly changing and evolving. Much of the original state of the art technology that was designed for the MRF is already obsolete and has been replaced by the lessee who has expended upwards of circa €3m in this regard and the facility is now more than half way through its life cycle. Further capital investment is required to keep the facility operating at its optimum capacity.

The lessee has indicated that it has plans to invest further capital monies in the facility and has applied to the Council to purchase the facility as there are only 3 years remaining on the lease. Having regard to the need to constantly upgrade the technology and as the councils no longer require the facility, the Chief Valuer was instructed to open negotiations with the lessee.

It is now proposed to dispose of the facility to IPR, subject to the following terms and conditions, which the Chief Valuer considers fair and reasonable:

1. That the subject property comprises premises together with all plant and equipment therein and site known as the Regional Materials Recovery Facility (MRF), Merrywell Industrial Estate, Ballymount Road Lower, Dublin 22 and which is shown outlined in red on attached map SM-2020-0203.

2. That the disposal price shall be the sum of €6,500,000 (six million, five hundred thousand euros) plus VAT (if applicable), payable in the following manner:
 - a) 10% upon signing of the contract;
 - b) 90% balance payable upon completion of this transaction.

The disposal price shall be shared between the four Dublin Local Authorities based on population. The City Council's share shall be €2,675,400 (41.16%)
3. That Dublin City Council holds Registered Freehold Title. Dublin City Council is acting on behalf of the four Dublin Local Authorities in this transaction i.e. Dublin City Council, South Dublin County Council, Dún Laoghaire-Rathdown County Council & Fingal County Council.
4. That this disposal is subject to the condition that the subject property shall remain in use as a Materials Recovery Facility. The Council's written consent shall be required if there is a change of use and, in consideration of that application for consent, the Council shall take into account any changes in macroeconomic circumstances or any other legitimate reasons why the property is no longer to be used as a Materials Recovery Facility and such consent of the Council shall not be unreasonably withheld.
5. That the Proposed Purchaser is Irish Packaging Recycling Unlimited with registered number 438417, having its registered office at Panda Waste Management Solutions, Ballymount Road Upper, Dublin 24, D24 E097.
6. That the subject property is held under lease dated 10th October 2013 by Ballymount Material Recycling Facility Limited from Dublin City Council, for a term of 10 years from the 1 October 2013 at an initial rent of €150,000 (one hundred & fifty thousand euro) per annum.
7. That the tenant is a subsidiary company (as defined by Section 7 of the Companies Act, 2014) of the Proposed Purchaser and all of the lease covenants shall be fully complied with until the completion of this transaction, including the payment of rent and all outgoings.
8. That the tenant shall surrender the lease (see term 6 above) back to the Council on completion of this transaction.
9. That any VAT and/or stamp duty arising in the completion of this transaction will be the responsibility of the Purchaser.
10. That all outstanding charges including, inter alia, rates, taxes, charges shall be paid in full prior to the completion of this transaction.
11. That each party will be responsible for their own costs and fees in this matter.

The property to be disposed of was acquired from Walkersteelstock Ireland Limited and Oxigen Environmental Limited.

The disposal shall be subject to any such covenants and conditions as the Councils 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.

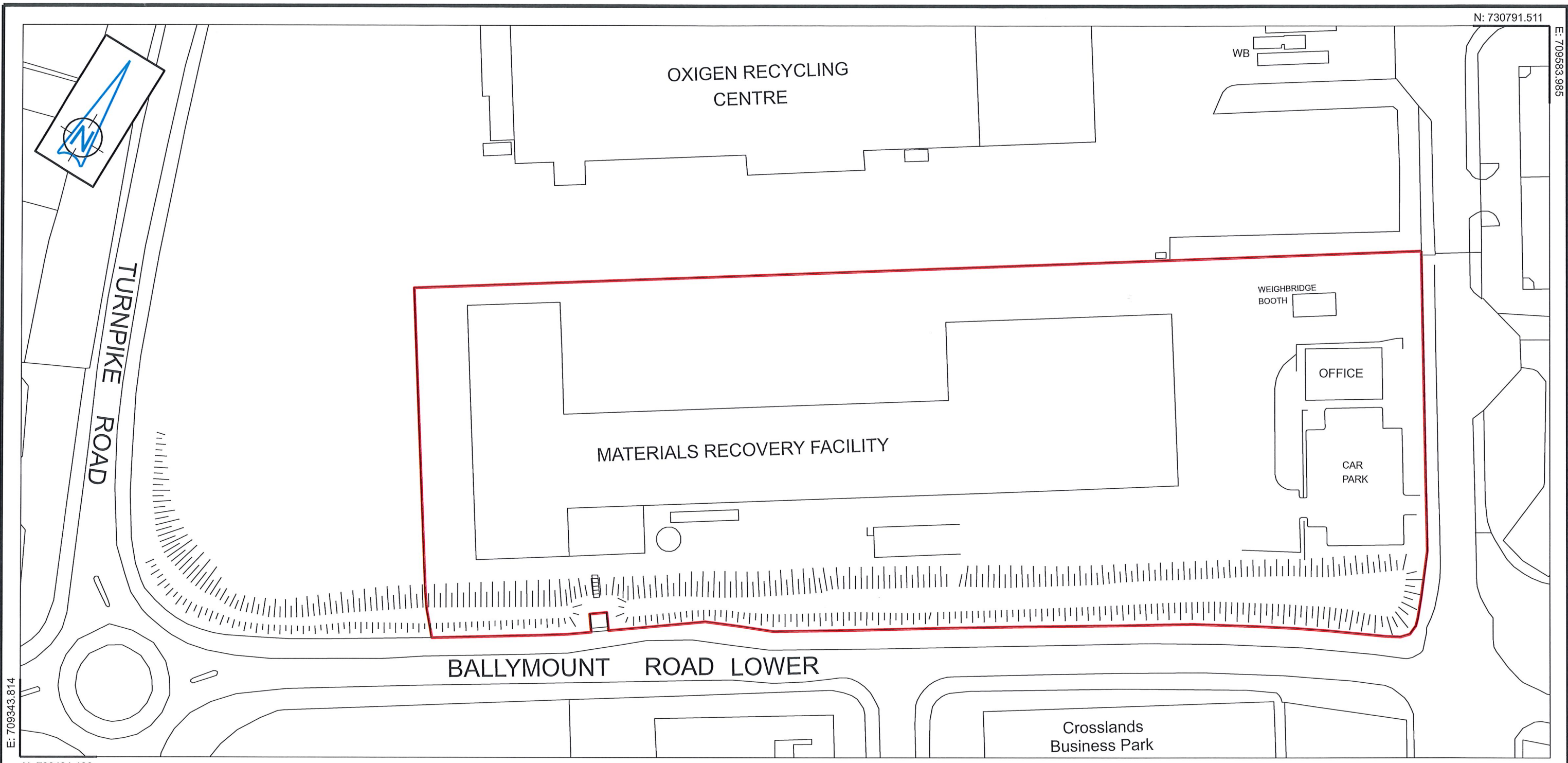
This report is submitted in accordance with the requirements of Section 183 of the Local Government Act, 2001.

Resolution:

"That Dublin City Council notes the contents of Report No. 116/2020 and assents to the proposal outlined therein".


Richard Shakespeare
Assistant Chief Executive

27th April 2020



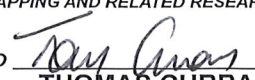
Materials Recovery Facility
Ballymount Road Lower

Dublin City Council to Irish Packaging Recycling Unlimited
Disposal of Fee Simple



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

An Roinn Comhshaoil agus Iompair
Rannán Suirbhéireachta agus Léarscáilithe
Environment and Transportation Department
Survey and Mapping Division

O.S REF 3327-12, 3327-13	SCALE 1:1000	FILE NO F:\SM-2020-0203 - 001 - A.dgn	INDEX No	DWG No	REV
DATE 18-02-2020	SURVEYED / PRODUCED BY T. Curran	THIS MAP IS CERTIFIED TO BE COMPUTER GENERATED BY DUBLIN CITY COUNCIL FROM ORDNANCE SURVEY DIGITAL MAPBASE			
Dr JOHN W. FLANAGAN CEng FIEI FICE CITY ENGINEER		SURVEY, MAPPING AND RELATED RESEARCH APPROVED			
		APPROVED  18/02/2020 THOMAS CURRAN ACTING MANAGER LAND SURVEYING & MAPPING DUBLIN CITY COUNCIL			
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