

Comhairle Cathrach
& Contae **Luimnigh**

Limerick City
& County Council

29th August, 2023

To: The Cathaoirleach and each Member of the Metropolitan District

Proposed Disposal of Option in Perpetuity - 700 year lease over Arthurs Quay Car Park

1. Introduction

It is intended that the following proposed disposal of an "Option in Perpetuity" to enter a 700 year long-term lease over Arthurs Quay Car Park will be included on the Agenda for the November Full Council Meeting.

2. Description and Location of Property

The subject property is located as part of the Arthurs Quay Shopping Complex, Patrick Street, Limerick

3. History of Property

The Arthurs Quay Shopping Centre complex was originally purchased by a Developer with the assistance of "Limerick Corporation" as it was then known, compulsorily acquiring part of the property to assist the development.

In 1989, the owners of the property and Limerick Corporation (as it was then) entered into a 21 year lease (that has since been extended) with Berryvale Ltd and Doncove Ltd (the developers) over the car park and the Corporation was granted an "option in perpetuity" to take on a 700 year long term lease of the car park, "at a sum equal to the greater of IEP3,510,000 or the amount of principle and interest outstanding in respect of the loan facilities from AIB to Doncove and Berryvale at the date of completion". The terms of the proposed 700 year lease were agreed in 1989 and contains various restrictive covenants over the future operation of the car park, in particular an onerous repairing clause.

A sub-lease for the operation of the car park was later granted by Limerick Corporation to TCE Management Ltd, still being the current operators of the car park.

In 2019 the loan with AIB was repaid in full, which altered the “option in perpetuity” to be exercised at a nominal value of €1.

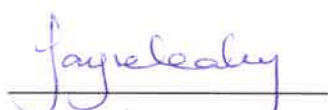
It is foreseen that substantial capital works, as provided for in the repair clause, will need to be undertaken in relation to the car park, which, if Limerick City and County Council (LCCC) were to enter into the agreed 700 year lease, would fall to the Council to finance.

The owners of the Arthurs Quay complex has placed the property on the open market for sale, which would attract outside investment into Limerick.

Negotiations were entered into between LCCC and the property owners re the buyout of the “option in perpetuity” as the existence of this option would impact on any future investment in the complex.

4. Executive Recommendation to Council.

The proposal before the Members is to note the proposed disposal of the “option in perpetuity” for an amount of €2,100,000.



Jayne Leahy
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Rural, Culture & Community Development
Limerick City & County Council

