



**Belfast City Council**

<b>Report to:</b>	Parks and Leisure Committee
<b>Subject:</b>	Proposed Lease at Sir Thomas and Lady Dixon Park
<b>Date:</b>	14 November 2013
<b>Reporting Officer:</b>	Andrew Hassard, Director of Parks and Leisure, Ext. 3400
<b>Contact Officer:</b>	Cathy Reynolds, Estates Manager, Property and Projects Department, Ext. 3493.

<b>1</b>	<b>Relevant Background Information</b>
1.1	<p>At its meeting on 15 November 2012 the Parks and Leisure Committee agreed to the marketing of office space located above the Stables Restaurant at Sir Thomas and Lady Dixon Park. This decision was subsequently approved by the Strategic Policy and Resources Committee at its meeting on 23 November 2012.</p> <p>These premises were vacated by Belfast City Marathon Limited in February 2013 and have lain vacant since that time. In February 2013 the Council appointed Frazer Kidd &amp; Partners, a Belfast based firm of Chartered Surveyors, to market the property on the Council's behalf. The property was placed on the market in March 2013 and following a period of marketing the Council have now received a proposal from a prospective tenant, which Frazer Kidd &amp; Partners recommend as representing the best rent obtainable from the property at this time. The main terms of the proposed letting are set out in Appendix 1 to this report.</p>
1.2	
1.3	

<b>2</b>	<b>Key Issues</b>
2.1	<p>The offices above the Stables Restaurant at Sir Thomas and Lady Dixon Park have been adequately marketed. At the end of this marketing process the proposals contained in Appendix 1 are considered to represent the best which can be achieved at the present time.</p>
2.2	<p>The prospective tenant is a small Information Technology Services Company formed in 2006 and who would propose to re-locate from their present accommodation close to Queen's University. Any proposed letting remains subject to satisfactory financial information being made available regarding the Company's financial status.</p>

<b>3</b>	<b>Resource Implications</b>
3.1	<p><b>Finance</b></p> <p>The rent proposed by the tenant is £8,500 per annum and the tenant will pay a proportion of the Council's costs associated with the maintenance of the property and the costs of heating and power etc. associated with the tenant's use of the property etc. The tenant will also be responsible for payment of any rates falling due in respect of the property. The Council is presently liable for all maintenance costs associated with this area and for any rates payable. The Rates for the whole of the current year (2013/14) would be £5914. The Council is proposing to carry out works to the premises at a total cost of £7,000 and the prospective tenant will make a contribution towards this amount (see Appendix 1). The works are being funded out of the Stables budget.</p>
3.2	
	<b>Human Resources</b>
3.3	No additional human resources required.
	<b>Asset and Other Implications</b>
	This property is not presently required for Parks and Leisure purposes and the leasing of this space currently represents the best use of this asset.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no equality or good relations issues associated with this report.

<b>5</b>	<b>Recommendations</b>
5.1	Committee is recommended to approve the proposed leasing of the first floor offices above the Stables Restaurant at Sir Thomas and Lady Dixon Park, to Xootec Limited on the basis of the terms detailed in Appendix 1 to this report, subject to the approval of the Strategic Policy and Resources Committee in accordance with Standing Orders and an appropriate legal agreement to be drawn up by Legal Services.

<b>6</b>	<b>Decision Tracking</b>
	Director of Parks and Leisure to liaise with Director of Property and Projects to ensure the necessary approval obtained at the next available meeting of the Strategic Policy and Resources Committee.

<b>7</b>	<b>Key to Abbreviations</b>

<b>8</b>	<b>Documents Attached</b>
	Appendix 1 – Heads of Terms agreement with Xootec Limited

## **APPENDIX 1**

## **Heads of Terms**

The following proposals have been made by Xootec Limited and are considered to represent the best available terms at this time.

- Prospective Tenant:** Xootec Limited, current registered address 54 Elmwood Avenue, Belfast, BT9 6AY.
- Lease Duration:** 2 years, with tenant's option to continue on a year to year basis thereafter, subject to a maximum total term of 5 years. This does not rule out the possibility of the grant of a new lease at the end of 5 years but it provides the Council with the opportunity to recover the premises should they be required for other purposes at that time.
- Rent:** £8,500 per annum, payable monthly in advance, subject to review after 5 years, should the tenant hold-over on the lease beyond the end of the five year term.
- Permitted Use:** Offices in connection with Information Technology support services.
- Repairs/Buildings Insurance:** The Council to be responsible for internal and external repairs and Buildings Insurance and the Tenant to be charged the associated proportionate costs as part of a Service Charge.
- Heating and Lighting:** The Council will provide heating and lighting to the property and any 'common' areas, and the Tenant will be charged the proportionate costs associated with this provision as part of the Service Charge.
- Rates:** The Tenant will pay all rates which become due in respect of the property with effect from commencement of the lease.
- Works:** The Council will carry out minor works to the property at a total cost of approximately £7,000 to install air conditioning units, a shower and a secure cabinet. The Tenant will repay to the Council 50% of the cost of these works through monthly payments totalling £1750 per annum (in addition to the Rent/Service Charge). The works are considered to be of general benefit and would make the property more attractive to any future potential tenant.