

Hirai Nobuko TOKYO EM

From: Kamimura Tomoko TOKYO EM
Sent: 2015年5月22日金曜日 11:34
To: Barrington Anne HOM TOKYO EM
Subject: RE: Re Annex I
Attachments: Extract from Inspection Report Embassy Tokyo, 2013.pdf

Ambassador,

Apologies for the misunderstanding. Please find attached.

Thank you,
Tomoko

From: Barrington Anne HOM TOKYO EM
Sent: Friday, May 22, 2015 10:33 AM
To: Kamimura Tomoko TOKYO EM
Subject: Re: Re Annex I

Tomoko,

Could you please add under Annex I: Extract from Inspection Report Embassy Tokyo, April 2013

Thanks
Anne

On 22 May 2015, at 10:28, "Kamimura Tomoko TOKYO EM" <Tomoko.Kamimura@dfa.ie> wrote:

Ambassador,

Please find attached. I hope I understood your instruction correctly.

Best regards,
Tomoko

From: Barrington Anne HOM TOKYO EM
Sent: Friday, May 22, 2015 9:39 AM
To: Kamimura Tomoko TOKYO EM
Subject: Re Annex I

Tomoko,

Grateful if you would mark it: Extract from Inspection Report Embassy Tokyo, 2013.

Anne
Anne Barrington / Ambassador of Ireland / Ireland House / 2-10-7 Kojimachi / Chiyoda-ku / Tokyo
102-0083

<Extract from Inspection Report Embassy Tokyo, 2013.pdf>

ANNEX I: Extract from Inspection Report Embassy Tokyo, April 2013

32. The Chancery accommodation has been leased by the Embassy since 1994. The building is in a central location in Chiyoda-ku although some distance from the Residence. The Chancery is in an Ireland House format that occupies 5 of the 6 floors. The Embassy takes up the top 3 floors, the IDA and EI are on the bottom two and a private Japanese firm is on the 3rd floor. There are a number of disadvantages to having the Embassy spread out over 3 floors including duplication of facilities, supplies and technical equipment. There are no shower facilities in the building (a problem with the humid summers). Internal travel between the floors is via a rather slow lift or an external staircase very exposed to the elements and certainly probably not suitable for individuals with vertigo. The Conference Room/Library on the 4th floor, which is named after Lafcadio Hearn, is a good asset and often used for events. However, the limited space available on the 4th floor means that the Cultural attaché's office is quite isolated here. The space in the Embassy is used well although access to storage is very limited requiring the Embassy to rent storage space for archives elsewhere.
33. The Ambassador and others who use the building expressed concern about its ability to withstand a significant earthquake centred in Tokyo. Although the building is only around 20 years old, it predates the Kobe earthquake and is not built to post-Kobe standards. There was significant superficial damage to property within the Embassy following the 2011 earthquake, in contrast with the residences of the HQ-based officers that are built to post-Kobe standards. There is a crisis management plan for the building but the Review Team understands that the management company has not yet organised a trial evacuation. Following the Great East Japan Earthquake, the management company were asked to review the safety of the building. They conducted an internal review and pronounced the building safe. **The Review Team recommends that the management company for the Chancery be asked to organise a crisis exercise. The management company should also be asked to get an independent safety audit rather than to rely on its own internal assessment. Following completion of these two recommended actions at an early date, the Ambassador should update his advice and recommendations to HQ on the earthquake risk to Embassy staff and the Chancery building on an urgent basis.**

34. The Review Team visited the Embassies of Sweden, Luxembourg and the EU delegation in Tokyo. Generally, it would appear that many foreign Embassies in Tokyo are purpose-built to house the offices, residences and showcase representational areas for each country. (This is the case for both Sweden and the EU delegation). There are many advantages to co-location, including significant savings on costs, travel times, and ease of organising events, as well as the opportunity to brand the country more effectively. Co-location makes it easier for a Mission to resume operations following a natural disaster if, of course, the buildings are constructed in line with post-Kobe earthquake standards. Following the Great East Japan Earthquake, the Embassy secured sanction to try to find a new Chancery building nearer to the Residence or indeed a suitable building for co-location. Unfortunately, no suitable options were identified and a subsequent increase in rents has made the option of moving less likely. **The Review Team recommends that, following an independent assessment of the safety of the Chancery building, the question of co-location or moving the Chancery be reviewed.**
35. The Residence is located in the area of Minato-ku which is also quite central and the site of many Embassies. The Residence, which has been leased since 2002, is in a building that is regarded as one of the safest in Tokyo. It has a number of advantages including one of the few public areas of an Irish Residence which showcases indigenous purpose-built Irish furniture. The overall impression is tasteful and gives a contemporary impression, pleasing to the Japanese aesthetic without being clichéd. It also has a pleasant outdoor space although given the local climate this can only be comfortably used for part of the year.
36. There are, however, a number of disadvantages to the Residence some which may not be easily remedied. The number of private rooms is small and they are sometimes pressed into service for official events especially around St. Patrick's Day or for high-level visits. Storage space is limited and private space is used for furniture storage which means that visiting Ministers cannot be accommodated in the Residence if it is being used for official entertainment functions. While the private space is sufficient for the current incumbents, accommodating a family with children would be very difficult, if not impossible. There are also restrictions in catering facilities, especially the lack of a cool room which results in ad hoc solutions for storing food which needs to be chilled. The low ceilings in the apartment and limited storage space for visiting guests' property are particularly evident at larger events such as the St. Patrick's Day reception which can be uncomfortable and overheated. There are also increasingly noticeable signs of wear and tear on the carpets and sofas which may require attention soon. Finally, the Residence can be difficult to find which means that guests frequently get lost and requires a greater number of the local staff to be present to guide guests to the correct location.

37. **The Review Team also inspected the accommodation of the other HQ-based officers. These are both located in Minato-ku near the Residence which is a requirement of the consular crisis plan established since the 2011 earthquake. The DHoM apartment has been inherited from the previous officer. This apartment was secured at a reasonable rent for Tokyo and would be a sufficient size for an officer with children. The apartment for the Third Secretary is adequate but certainly no more than adequate, and would not suit a family, as it is too small. The representational space in both apartments is quite small both which limits the opportunity for representational events.**

Conlan John HQ-FINANCE

From: Barrington Anne HOM TOKYO EM
Sent: 22 May 2015 06:14
To: Conlan John HQ-FINANCE
Subject: Tokyo Embassy draft proposal
Attachments: Embassy for Tokyo Proposal.docx

John,

I'm running this draft by you to see if it is adequate. All views welcome.

Anne

Anne Barrington / Ambassador of Ireland / Ireland House / 2-10-7 Kojimachi / Chiyoda-ku / Tokyo 102-0083

Proposal to Purchase New Embassy/Ireland House for Tokyo

Business Case

Summary

The Minister for Public Expenditure and Reform, Mr Brendan Howlin, together with SG Watt visited Tokyo in March, 2015. Both indicated that despite tight fiscal restraints, capital expenditure for a new Embassy/Ireland House in Tokyo could be made available this year. A site has been identified in Tokyo that may be suitable for an Ireland House arrangement. On the basis that there is no liability, the Embassy proposes to approach the [REDACTED] before the end of May to express an interest. What is required in HQ is an approach to D/PER to ascertain if the funding is available.

Business Case

The annual rental bill for Ireland House HQ based office and residence accommodation is nearly €1 million. Given that Japan is our 11th largest trading partner, a stable democracy and a like minded powerhouse in the region it is unlikely that Ireland will ever quit Japan. It can be expected that rent will remain at this high level and likely increase over time.

For that €1 million annual investment Ireland has a very inadequate footprint in Japan, especially in comparison to our competitors (see annex I: Inspection Report extract). From the courtesy calls I made on more than 40 Ambassadors since arrival, it is clear that Ireland's footprint is significantly below what is adequate. Both the IDA and EI Directors in Tokyo agree.

In December I was approached by a lawyer who has long been associated with the property market in Tokyo and in January he made an unsolicited proposal concerning a new Embassy project. [REDACTED] concerned converting the amount paid out in rent to a long term purchase arrangement which would involve a public, private partnership (PPP). This seems to make a lot of sense as the end result will be that:

- The rental outlay on inadequate property, can be converted into a capital investment on a property designed to our needs, and the State will own an asset in anything from [REDACTED] years;
- The asset can be purpose built, similar to comparator countries such as Finland, Belgium and Luxembourg thus enhancing Ireland's footprint in Japan, and
- Combining the Chancery and residence space will give more adequate representational areas.

With the assistance of [REDACTED] the Embassy has now identified a green field site which is surplus to Government of Japan needs. The advantages are:

- The property is located in a good and upcoming neighbourhood that is being redeveloped and upgraded not far from the [REDACTED] embassies, and
- As it is owned by the Government of Japan it can be purchased for an Embassy at below market value.

[REDACTED] have appraised the market value of the site at [REDACTED]. This is before the discount which must be negotiated by the Embassy with [REDACTED]. [REDACTED] also estimate that, taking into account building and height restrictions, the property that could be built on the site would be adequate for the needs of an Ireland House.

My understanding is that Ireland will enter into a PPP only on the basis of owning the site on which the building is to be built. So the first step is to secure the land. How and when we develop that land is an issue to be addressed later. As to any PPP building project itself, this does require considerable manpower to supervise. However, it should be possible to build in a local project manager into the PPP financing model.

Proposal

Clearly it will take time to appraise any proposal and access funding, if funding is available, from the Department of Public Expenditure and Reform. In the meantime, however, I am concerned that we do not lose an opportunity to secure what may be a suitable site. I would propose therefore:

- To approach [REDACTED] before the deadline of end May and indicate Ireland's interest in the site to develop an Embassy/Ireland House (subject to there being no liability entered into on doing this).

I would be grateful if you or the CFO could approach D/PER and explore the possibilities of accessing funding for this project which, as I indicated at the start, was indicated to be available by Minister Howlin and SG Watt. As far as I understood it this capital funding is available this year and may not be so readily available in future years.

Anne Barrington
22 May, 2015

Hirai Nobuko TOKYO EM

From: Tsuda Shingo TOKYO EM
Sent: 2015年4月1日水曜日 10:24
To: Barrington Anne HOM TOKYO EM
Cc: Milton Elliot TOKYO EM; O'Leary Diarmuid TOKYO EM
Subject: RE: Sent on behalf of [REDACTED]

Anne-san,

I talked with [REDACTED]. He wants to show us one candidate property to be in competitive bidding for public use in June. It is in [REDACTED] 4-5 minute walk away from the [REDACTED]. It is near from here. According to him, it is not 100% perfect place, but it is worthwhile considering as a candidate. If we are interested in that property, he will check and study how competitive it would be in bidding and the possible price level. If it is feasible to us after his check and study, we will need to contact [REDACTED] of [REDACTED] for our participation in competitive bidding. Could you give me your convenient dates and times during the next week for looking at this candidate property if the process above is OK with you?

Shingo

From: Barrington Anne HOM TOKYO EM
Sent: 31 March 2015 13:36
To: Tsuda Shingo TOKYO EM
Subject: FW: Sent on behalf of [REDACTED]

Shingo San,

Have you had a chance to talk to [REDACTED] about this yet?

Anne

From: Barrington Anne HOM TOKYO EM
Sent: 26 March 2015 11:43
To: Tsuda Shingo TOKYO EM; Milton Elliot TOKYO EM
Cc: O'Leary Diarmuid TOKYO EM; Conlan John HQ-FINANCE
Subject: Fwd: Sent on behalf of [REDACTED]

Colleagues,

To see please correspond and from [REDACTED] on the proposed property deal. Grateful if you would examine the attached documents.

While we are still awaiting word from HQ re the public procurement aspects, it may be no harm to look at a number of properties that are available. My only concern is that we do not give the impression that we can do this, if in fact we cannot.

Anne

Begin forwarded message:

From: [REDACTED] <[REDACTED]>
Date: 25 March 2015 10:32:05 GMT+9
To: "<Anne.Barrington@dfa.ie>" <Anne.Barrington@dfa.ie>
Cc: [REDACTED], [REDACTED], [REDACTED],
[REDACTED]
Subject: Sent on behalf of [REDACTED]

This message is sent on behalf of [REDACTED]

Dear Ambassador Barrington,

Re: Irish Embassy Tokyo Redevelopment Project (for convenience let us simply refer to this as the "Development Project" for now)

In regard to the Development Project please find attached for your information the following documents prepared by [REDACTED]

- i. List of potential properties currently listed for upcoming open bidding
- ii. List of potential properties currently designated for public use
- iii. Structure diagram of the relevant structure [REDACTED]
- iv. [REDACTED] contact numbers by district

The documents are only available in Japanese so we suggest that Mr. Tsudo take charge of them for the moment. [REDACTED] and he will no doubt be in contact.

Please note that Japanese law and practice respecting procurement and disposal of public assets is an area which [REDACTED] and ourselves have dealt with on a number of occasions. Properties deemed surplus to government requirements generally fall into two broad categories: 1) properties for acquisition by private parties for purely private purposes and 2) properties for acquisition by public entities. The latter are usually Japanese national or sub-national government entities and the intended uses of the assets are therefore for 'public' purposes, however there is one exception to this second category which as we have outlined to you previously which exception covers foreign sovereigns acquiring such assets for the purpose of an Embassy establishment.

Properties in category 1 will be sold by strict application of public bid rules and valued on similarly strict rules. We intend to brief you on the Japanese land valuation system during a meeting for that purpose at some future point.

Prices for properties designated for public use are valued by the authority generally at an appreciably lower price than those sold for strictly private purposes.

At least one finance option for the Development Project is via a P3 model with (to note just one example we have discussed with you in the past) a long term lease-hold interest being provided on the same property to a third party with that income stream dedicated to the cost of acquisition/construction and so forth. That said, it should be our intention to persuade the authority at the earliest stage that our Development Project's intended use is nevertheless of a public nature and thereby worthy of treatment as such both in

valuation and bidding. You will see that the characterization issue becomes somewhat more sensitive or even complex but bear in mind that there are several precedents already built by foreign sovereigns here in Tokyo which have followed just such a path (and we would be well served in noting this fact clearly and often!). Whether such an approach succeeds or not is of course very much uncertain, but at this stage we suggest that it is well worth the effort.

You will see therefore that our recommendation of meeting with the authority in charge (████████████████████) still pertains and we suggest that this be initiated by the Embassy via ██████████ to the the appropriate persons in ██████████ ██████████ has uncovered a name or two there and Tsudo-san need merely ask him) for transmission to named officials in the ██████████ (and ██████████ has the names and titles for Mr. Tsudo to include).

We would ask for at least a meeting between us and ██████████ and perhaps ██████████ with Tsudo-san and the appropriate official at the ██████████. We would then forsee a further meeting this time with senior officials in that authority to which we would escort you ambassador.

We need however to start the process an in so doing hopefully obtain more information on other surplus Japanese government real assets which may be or might be expected to become, available for our purposes.

██████████ will be in touch to coordinate site visits to candidate properties with ██████████ and colleagues.

I would be happy to discuss the above with you at greater detail by phone or in person.

Best regards

██████████

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Hirai Nobuko TOKYO EM

From: Barrington Anne HOM TOKYO EM
Sent: 2015年3月31日火曜日 13:35
To: Tsuda Shingo TOKYO EM
Subject: FW: Sent on behalf of [REDACTED]
Attachments: Open Bidding.pdf; ATT00001.htm; Public use.pdf; ATT00002.htm; [REDACTED].pdf; ATT00003.htm; [REDACTED].pdf; ATT00004.htm

Shingo San,

Have you had a chance to talk to [REDACTED] about this yet?

Anne

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[REDACTED] will be in touch to coordinate site visits to candidate properties with [REDACTED] and colleagues.

I would be happy to discuss the above with you at greater detail by phone or in person.

Best regards

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]