

To the Chairperson and Members of
The South Central Area Committee

Meeting: 11th December 2019

Item No:

**With reference to the proposed lease of a ground floor unit at 78 The Coombe, Dublin 8, to
Drunken Apple Woman Ltd.**

Drunken Apple Woman Limited holds the subject property under a Short Term Business Letting Agreement dated 19th August 2016 for a term of four years and nine months from the 19th August 2016. The subject property is outlined red on attached Map Index SM-2015-0909.

The upper floor of No. 78 and the adjoining premises No. 77/77A The Coombe are being renovated by Housing and Residential Services to provide a 1 x 4-bedroom and 1 x 1-bedroom units of social housing accommodation.

As a result of the renovation works the footprint of the area leased to Drunken Apple Woman Limited will be altered. It is not possible to vary the existing lease to reflect the changed area footprint but the lessee is agreeable to surrender the residue of the lease in return for the grant of a new longer lease.

Drunken Apple Woman Limited successfully operates a bookshop at the premises and has proven to be a very good lessee. In view of this and the fact that significant disturbance will be caused to the lessee during the renovation, including the necessity to cease trading for a period of time, Dublin City Council is prepared to consider the grant of a new lease subject to statutory approval being granted.

The Chief Valuer has reported that agreement has been reached with Daly Lynch Crowe & Morris Solicitors, legal representatives for Drunken Apple Woman Ltd, and is prepared to recommend the grant of a new lease subject to the following terms and conditions which he considers to be fair and reasonable:

1. That the Lessee holds the premises comprising a ground floor retail unit at 78 The Coombe, Dublin 8 extending to a net internal area of approximately 27 sq. m. as outlined in red on Map Index No. SM-2015-0909 under a Short Term Business Letting agreement dated 19th August 2016 for a term of four years and nine months from the 19th August 2016.
2. That the Lessee will surrender the existing Short Term Business Letting and Dublin City Council will grant a ten year lease of the subject property effective from the earliest possible date. A formal map will be prepared to reflect the revised property area as proposed under the redevelopment shown on the attached Plan 1.
3. That the new lease shall be for a term of ten years at a rent of €3,000 (three thousand euro) per annum on an internal repair and insuring basis, with a Rent Review at the end of year five linked to increases in the Consumer Price Index. The arrangement relating to the rent review relates to this proposed ten year lease only.
4. That the rent of €3,000 (three thousand euro) per annum will continue to apply until the first rent review and that the rent shall be payable quarterly in advance by direct debit.

5. That the new ten year lease agreement will include a term requiring the Lessee to provide Dublin City Council or its Nominee with vacant possession of the property for a 4 week period to commence no later than 1st February 2020. That a commencement date for the works shall be agreed between the parties with two weeks' notice.
 - (a) If the above works overrun (beyond the agreed 4 week period), the Council will pay compensation to the Lessee of €1,000 (one thousand euro) per week in full and final settlement for the Lessee's cooperation until the unit is made available.
 - (b) That the Lessee will be granted a 4 week rent free period for the works period. There will be no compensation or reduction in rates liability for the works period.
6. That the Council shall be prepared to compensate for the Lessee's reasonable costs incurred during the works period limited to the removal and storage of the contents/stock only. That the Council will accept no responsibility for any claims for losses that may be incurred during the removal and storage period of the contents/stock. That the Lessee's fixtures/fittings (only) remaining within the unit during the works period will be re-instated to their original condition as required. The photographic schedule of the fixtures / fittings must be agreed between the parties in advance.
7. That the grant of a new lease shall be subject to the proposed Lessee signing a Deed of Renunciation, renouncing any rights under Landlord and Tenant Legislation.
8. That the subject premises shall be used solely as a bookshop and also used for literature/book related community events and meetings.
9. That the proposed Lessee shall be responsible for all outgoings, including rates, taxes, utilities that may become payable and indemnify Dublin City Council against all outgoings.
10. That the proposed Lessee shall not sell, assign, sub-let, sub-demise, sub-divide, alienate or part with the possession of the demise or any part thereof without the prior written consent under seal of Dublin City Council. That any purchaser, assignee or sub-lessee must be of good financial standing. Consent shall not be unreasonably withheld by the Council.
11. That the proposed Lessee shall obtain Public Liability Insurance indemnifying Dublin City Council in the sum of €6.4m for any one incident and Employers Liability Insurance of €13m, if applicable and shall provide proof of such insurances to Dublin City Council on request.
12. That the Council shall be prepared to contribute a sum of €3,000 (three thousand euro) in full and final settlement for the Lessee's legal cost incurred in this regard.
13. That the proposed Lessee shall be liable for the payment of stamp duty, VAT or any other statutory cost which may arise on the creation of the new lease.

The grant of lease shall be subject to any such covenants and conditions as Dublin City Councils Law Agents in their discretion shall stipulate.

The dates for the performance of any of the requirements of the proposed agreement may be amended at the absolute discretion of the Executive Manager.

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

Paul Clegg

2nd December 2019

Executive Manager