MONT ST. CLAIR HOTEL, BELVEDERE HILL, ST. SAVIOUR AND MASCOT MOTORS GARAGE, GEORGETOWN PARK ESTATE, ST. CLEMENT: EXCHANGE OF LAND

Lodged au Greffe on 15th May 2001 by the Planning and Environment Committee



STATES OF JERSEY

STATES GREFFE

180 2001 P.76

Price code: B

PROPOSITION

THE STATES are asked to decide whether they are of opinion -

- (a) to agree the exchange of ownership of property as follows -
 - (i) the sale by the Public of the property known as Mont St. Clair, Belvedere Hill, St. Saviour, (as shown hatched on Drawing No. 1780/01/25) to Mascot Motors Limited;
 - (ii) the purchase from Mascot Motors Limited of the land and buildings known as Mascot Motors Garage, Georgetown Park Estate, St. Clement (as shown cross-hatched on Drawing No. 1461/01/26) with an additional payment of £185,000 (one hundred and eighty five thousand pounds) by Mascot Motors Limited to the Public and with each party to be responsible for its own legal fees;
- (b) to authorise the Treasurer of the States to receive any payment in connection with the exchange of the said land and buildings and all interests therein and the payment of any legal expenses from the Planning and Environment Committee's Vote of Credit C.0904 Acquisition of Land Major Reserve'; and
- (c) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the Public.

PLANNING AND ENVIRONMENT COMMITTEE

Note: The Finance and Economics Committee's comments are to follow.

REPORT

Background

On the 30th April 1999, the Housing Committee on behalf of the Public of the Island, and with the agreement of the Planning and Environment Committee and the Finance and Economics Committee under Standing Orders, purchased the property known as Mont St. Clair Hotel, Belvedere Hill, St. Saviour from Billion Holdings Limited for the purpose of re-developing the site for social housing. The purchase price was £1,075,000.

Vacant possession of the property was delayed until 30th November 1999 to allow the vendor company to conclude the 1999 tourism season.

In 1999, the Housing Committee appointed the Mason Design Partnership to prepare a re-development scheme for the site. Planning approval was received on the 21st February 2000 for a development of 18 two-bedroom flats.

Throughout the period of the planning process, the Seymour Group of Hotels raised genuine concerns about the adverse effect that the demolition of the Mont St. Clair and the re-development would have on the adjacent Merton Hotel and its tourism business for a period of approximately two years.

The proposed commencement of the demolition and re-development of Mont St. Clair Hotel site was scheduled for October 2001. During the intervening period the Planning and Environment Committee entered into a licence agreement with Seymours Limited to allow the Company to use the Mont St. Clair premises for staff accommodation during 2000, with a further request to use it in 2001 until the proposed demolition of the buildings.

In discussions with Seymours Limited, it became clear that the Company might be prepared to exchange another site in its ownership for the Mont St. Clair site. The site eventually identified was the Mascot Motors Coach Garage at Georgetown. The use of these premises by Tantivy Motors had for some time caused concern with the residents of Georgetown Park Estate and were identified by the Planning and Environment Committee as a 'bad neighbour' operation which should at some stage be re-located.

The Georgetown premises are clearly commercial premises but also, having been owned by the Company since pre-1959, do not come within the Housing Law in respect of who can be housed on the site. Currently, there is a tenant, Tantivy/Blue Coach, which has a lease on the premises until 31st January 2002. By comparison, whilst approximately the same physical area as the Mont St. Clair site, due to its shape and location, the area of land at Georgetown would only be capable of a development of 12 two-bedroom flats and six one-bedroom flats, but the site does have the advantage of being developed for three-bedroom houses, for which the Housing Committee has identified a more urgent need. A preliminary scheme being prepared by the Mason Design Partnership has indicated a likely yield of 11 three-bedroom houses on the Georgetown site.

Current situation

Negotiations between the Department of Property Services and Seymours Limited have been protracted, mainly due to the uncertainty the Company is facing in the present tourism industry decline and to its further consideration of an appeal against the planning decisions of the Company owned La Fantasie site.

An independent valuation of the Mascot Motors site undertaken for Property Services has indicated a value of £1,085,000. Seymours Limited instructed the consultants to undertake a valuation of the Mascot Motors site and they have estimated its value at £1,150,000. Currently, the tenant is paying a rental of £40,000 per year, but vacates the site in nine months. Property Services believe the current open market valuation of Mont St. Clair to be in the order of £1,165,000. In 2000, Seymours Limited paid £50,000 licence fee to the Planning and Environment Committee for the use of the Mont St. Clair premises.

The cost incurred by the Housing Committee in the design and planning of the re-development scheme for the Mont St. Clair site to date is £120,734.10.

Current proposal

The most recent negotiations have resulted in the following agreement in the exchange of sites -

- (a) the Public will exchange ownership of the land and buildings at the Mont St. Clair site for the land and buildings at Mascot Motors Georgetown in the ownership of Mascot Motors Limited;
- (b) Mascot Motors Limited will pay the Public an additional sum of £185,000 (one hundred and eighty five

thousand pounds);

- (c) Mascot Motors Limited will retain any rental payments which have been made by the tenants in respect of the lease of the Mascot Motors Georgetown premises to its termination on 31st January 2002;
- (d) Mascot Motors Limited has confirmed that the lease will not be extended beyond 31st January 2002 to the tenant. The property is to be acquired by the Public subject to the existing lease with vacant possession of the site by that date;
- (e) Mont St. Clair to be occupied by permanent and seasonal staff employed by the Seymour Group or used for occupation by persons residentially qualified as 'A-H' in accordance with the Jersey Housing Law and Regulations. If the main use of the property should change the Housing Committee is to review this agreement;
- (f) Mont St. Clair to be available free of rental payment in 2001 for occupation by permanent and seasonal Seymour Group employees until contracts for the exchange of land have been completed in the Royal Court;
- (g) the contracts for the exchange of land and buildings between the Public and Mascot Motors Limited to be completed at the same date following the formal confirmation of the transactions by the relevant Committees and the States Assembly;
- (h) reasonable access be afforded to representatives of the Housing Committee to enable site and soil investigation surveys to be undertaken at the Mascot Motors Georgetown site.

Seymours Limited has confirmed in writing its acceptance of the exchange of land on these terms.

The original purchase of the Mont St. Clair Hotel for the purpose of housing re-development was effected using Standing Order procedures with the agreement of the Housing Committee, the Planning and Environment Committee and the Finance and Economics Committee, but because an exchange of land is involved in this instance the express approval of the States is required.

Conclusion

The Committee believes that the exchange of land as proposed is beneficial to the Public in that it provides the opportunity for the Housing Committee to develop a site which provides much needed three-bedroom social housing units. In addition it will ensure the re-location of an identified 'bad neighbour' commercial operation from the predominantly residential Georgetown Park Estate. It also alleviates the problems which the Seymour Hotel Group and the Housing Committee would have undoubtedly faced in the re-development of the Mont St. Clair site immediately adjacent to one of the Island's largest hotels during the two year construction period. The design work for the Georgetown site to obtain the necessary approvals would be commenced immediately to ensure that with vacant possession of the land on the 1st February 2002, there would be minimal delay in commencing construction of the houses.

There are no additional manpower implications for the States.