

**WRITTEN QUESTION TO THE PRESIDENT OF THE ENVIRONMENT AND PUBLIC SERVICES  
COMMITTEE BY THE DEPUTY OF ST. JOHN**

**ANSWER TO BE TABLED ON TUESDAY 9th NOVEMBER 2004**

**Question**

- (a) In the Notification of Standing Order Decisions for 14th October 2004, it was stated that an assignment of a lease for a 99 year period was entered into with Premier Services Marine Engineering Limited for The Quarry, Gorey Pier, Gorey Pier Road. Would the President advise members of the chronology of events and correspondence between the years 2001 to October 2004, between the Property Services Department and Premier Services Marine Engineering Limited, giving reasons for the delays in corresponding with the Company, if any? and,
- (b) Would the President advise members of the annual rental, in actual figures, proposed for the site and how the figures have been arrived at?

**Answer**

For ease, the answer to parts (a) and (b) can be stated as follows –

In October 1999, following the demise of Gorey Boat Builders and Indy Marine, the buildings at the Quarry site were left in poor condition, which caused difficulties in finding a new tenant to take-up occupation. The property therefore remained vacant.

Because the lease to Gorey Boat Builders and Indy Marine had been a full repairing lease, the administering department did not have a specific budget for repair and maintenance, nor was capital funding available to invest in the property in order to achieve a financial return.

The Planning and Environment Committee of the day, with encouragement from the Harbours and Airport Committee, decided that it would wish, if at all possible, to see a marine engineering facility continue at the property in Gorey. It instructed Property Services to advertise for expressions of interest in re-developing the site.

The premises were advertised in the Jersey Evening Post in June 2000, and as a result there were six tenders received. Only one was a marine related business, this being from Premier Service Marine Engineering. The Committee instructed Property Services to negotiate a redevelopment/lease package with that company.

Negotiations began in August 2000 with the company, but much consideration had to be given to what could be built on the site bearing in mind its sensitive location and the fact that any lease agreement would be subject to the lessee obtaining the relevant planning approvals. Planning Officers were included in discussions at an early stage. There were also concerns in respect of rock stabilisation to the rear of the site which delayed progress.

Premier Service Marine Engineering approached the Committee to seek approval for demolition of the existing buildings to enable a detailed survey to be undertaken. The Committee did not agree to demolition, preferring that it should wait until a development scheme had received approval. This led to protracted negotiations. The Planning Office called for a model of the scheme, as plans alone could not demonstrate the size and dimensional constraints of the site.

In addition, the Planning Office recommended that any building on the site should be of high quality (i.e. granite walls, slate roof, wooden windows, etc.), which meant that substantial investment would be required by any developer to provide a building that would be acceptable to the Planning and Environment Committee. Therefore, Premier Services Marine Engineering would need substantial security of tenure with the degree of investment that would be required.

For that reason, it became necessary to then devise a rental formula within the lease without benefit of plans or an approved development scheme and which would give some security for Premier Marine to obtain funding for the development of the site.

To assist Premier Services Marine Engineering, on 8th November 2001, following further consideration of a request for the site to be cleared at public expense, the Planning and Environment Committee decided that if Premier Services Marine Engineering would meet the demolition costs at approximately £10,000 at its own expense, in the event that planning permission was not forthcoming within 12 months, the Committee would underwrite those costs.

After more negotiations, agreement was eventually reached on a long lease of 99 years and a formula for rental which in the absence of an approved scheme provided for four per cent of the estimated rental value of the completed development rising to 6% after 15 years. The rental was proposed as being reviewed every five years. That lease agreement now awaits States approval having been already approved by the Environment and Public Services Committee and the Finance and Economics Committee. (Property Services is working on the basis that the likely rental value is £8 per sq ft for the workshop and £11,000 pa for each of the flats, dependant on what is actually given planning approval by the Committee).

Since 2000 when the tender was awarded to Premier Service Marine Engineering a number of the unsuccessful applicants have continued to show an interest in the property. The Gorey Improvement Group believes that this asset should be used in the best interests of the community.

The Environment and Public Services Committee reaffirmed in July of this year that it is of the opinion that as a public asset the land should be used to obtain best value for the public and not just the local community.

If planning approval by the Environment and Public Services Committee is forthcoming and the development of the site remains viable to the Premier Service Marine Engineering, the lease agreement will then be completed.

It was necessary for the Environment and Public Services Committee to be involved with the decision making process throughout the whole negotiation because of the sensitive nature of the site, its potential uses, and the number of interested parties. This in turn added additional time to the negotiating process.

In summary, the constraints put on the site by the Planning Office meant that the original concept put forward by Premier Service Marine Engineering had to be modified, namely a smaller building at a higher cost, thereby leaving the company little funding for the rental of the site. However, it would achieve the planning requirements in a very prominent site without the need for public funding, but with the public retaining the reversionary interest therein. These were considered important factors due to the site proximity to Gorey Castle.

There were six sets of written correspondence between the Property Services and Premier Service Marine Engineering between 2001 and October 2004, together with correspondence with other parties. Numerous verbal communications also took place during that period between Premier Services Marine Engineering, their architects, planning officers and Property Services officers.