

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY P.V.F. LE CLAIRE OF ST. HELIER ANSWER TO BE TABLED ON TUESDAY 17th
NOVEMBER 2009**

Question

Are there break clauses in relation to the leases signed by the Waterfront Enterprise Board for the swimming pool and leisure facilities on the Waterfront and, if so, what are they?

When do they become available to break and how would the States break these leases prior to the end of the 150 year initial lease agreements debated in the States?

Answer

The States of Jersey approved the 150 year lease of the leisure complex site from the Public of Jersey to CTP (Jersey) Limited on 27th July 1999 (P92/1999).

The Public of Jersey entered a Development Agreement with CTP (Jersey) Limited on 11th August 2000 for the development of the leisure complex and new public swimming pool.

CTP received a capital subsidy of £10.9million from the States of Jersey to cover the construction costs of the swimming pool.

On completion of the swimming pool, the site was leased back to the Public for the remaining term of the head lease (c. 148 years).

On 29th November 2002 CTP provided formal notice of its intention to sell the completed leisure complex development. In accordance with the Overage Agreement, the States of Jersey had the opportunity to negotiate the purchase. On 9th December 2003 the States of Jersey approved P.172/2003 and agreed not to negotiate to purchase CTP's leasehold interest (i.e. the completed leisure complex).

CTP (Jersey) Limited subsequently disposed of its interest to Axa Sunlife Plc that is now the Landlord of the site.

The Public of Jersey do not have the ability to break the long term leasehold interest and under the terms of the leaseback must only use the site as a leisure pool and competition pool with ancillary facilities.

The Public does not pay any rent for the swimming pool site. The Public receives an annual financial contribution from the Landlord of £93,000 (indexed annually). In 2008 the contribution amounted to £101,624.

The Public of Jersey may however assign its interest in the lease.

If the Public of Jersey has assigned its interest, the Landlord may on any 25th anniversary upon giving notice, require the premises for demolition, or re-buildings, refurbishment or reconstruction.