

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES BY THE DEPUTY  
OF ST. JOHN  
ANSWER TO BE TABLED ON TUESDAY 24th FEBRUARY 2009**

**Question**

Would the Minister please inform the Assembly as to the current position and status of the due diligence being undertaken in respect of Harcourt and the proposed Development Agreement under preparation by Waterfront Enterprise Board (WEB) and advise the anticipated timeline for bringing these matters to the Assembly?

Given that the project was to be at no cost to the Island, and in light of the current economic downturn and the difficulties being experienced with UK and Irish banks in obtaining funding for commercial developments, will the funding for the project still be provided in full by the proposed developer or will the States be required to provide loan guarantees or part funding for the project?

Has the proposed developer funded the architectural and other consultancy services to date or has this been funded by the States or WEB and, if so, how much has been expended to date on the project including fees paid to Hopkins Architects Limited by the Planning Department and WEB?

**Answer**

The Waterfront Enterprise Board received the latest PricewaterhouseCoopers (PwC) financial report on Harcourt in October 2008 and the report from Trowers and Hamlins on the draft development agreement in November 2008. The latter was provided to the Advisory Panel of States Members and was discussed at meetings in November and December 2008. WEB and Carey Olsen have produced a revised draft development agreement which is currently being reviewed by Trowers and Hamlins prior to discussion with Harcourt. The process is entirely consistent with that agreed with the Advisory Panel in December 2008. It is not clear how long discussion with Harcourt will take. The intention is to lodge the development agreement in May or June, for debate prior to the summer recess.

There is no intention at this stage for any States funding or guarantees to be provided for the project.

The Minister does not have any information on expenditure by Harcourt.

Expenditure on consultants by WEB relating to the Esplanade Quarter development is £449,738 to date. These costs relate to the commissioning of Design Codes, Heads of Terms, Development Agreement, Infrastructure Works Agreement, land transactions and due diligence. All of the work has been undertaken by qualified reputable firms of high standing, including legal advisers, surveyors and accountants. It is normal practice in property transactions for each side to be responsible for their own costs. The costs that have been expended by WEB have been incurred to assist WEB and to protect the position of WEB and the States of Jersey. If the transaction is acceptable to the States of Jersey, WEB will receive guaranteed payments totalling £50 million for the land together with potential sales overages. The costs therefore represent approximately 1% of the base land payment.

The Planning and Environment department since May 2006 have paid Hopkins Architects Limited a total of £267,981 in fees for their work on the masterplan for the Esplanade Quarter. In addition to those fees the Department has also paid £58,608 for the Public Inquiry into the two applications submitted for the same site. The Minister was obliged under the Planning Law to hold a Public Inquiry. Two independent Inspectors and one programme officer were involved in running the Inquiry. A further £6,347 was spent in fees to tabulate and validate results from the first draft of the masterplan in late 2007. To date therefore a total of £332,936 has been disbursed in fees in preparing the new masterplan for the Esplanade Quarter. Against that the planning fees received as a result of the two applications submitted have come to a total of £397,562. To date therefore the costs of preparation of the masterplan have been met and more by the fees demanded from the applicants in order to register and process the applications. The Minister for Planning and Environment has as a result a masterplan

endorsed by the States and the property of the Minister of Planning and Environment which has been used as a development framework by Harcourt Developments Limited and may be used by other developers should it become necessary.