

2.15 Deputy G.P. Southern of The Chief Minister regarding the 150 year leases to be granted on the new proposed Waterfront/Jardins de la Mer project:

Will the Minister advise Members of the overall figures relating to the lifetime profits accruing to the developer on the 150-year lease to be granted on a new proposed waterfront Jardins de la Mer project in order that proposed payments of up to £120 million to the States can be put into some context?

Senator F.H. Walker (The Chief Minister):

This transaction, as with all such transactions, is subject to a confidentiality agreement between the proposed developer and the Waterfront Enterprise Board. However, I can advise Deputy Southern and the House that even though the developer is accepting all of the risks of construction of the infrastructure and buildings and the market risks of letting and selling the space their expected total returns are materially less than the return to the Waterfront Enterprise Board and thereby to the States of Jersey. Furthermore, the land payments to W.E.B. (Waterfront Enterprise Board) are guaranteed, whereas the returns to the developer are not as their return will be dependant on the costs and end values of the scheme, which will fluctuate over time and which are subject to significant risks.

2.15.1 Deputy C.J. Scott Warren of St. Saviour:

Can the Chief Minister assure the House that we, and obviously our descendants, will be getting good value for money over the 150-year period of the lease?

Senator F.H. Walker:

Yes, I can. The States have, through the Waterfront Enterprise Board, negotiated a very good agreement indeed here, which is absolutely to the benefit of the public. I would remind Members that it was not so many months ago that it was anticipated that if the Island was to go ahead with the sinking of the road and the creation of the new tunnel that it was expected that the public would be footing the bill. Here we now have an arrangement where not only is the tunnel paid for by the developer but there is a very substantial financial return to the public on top of it. It is a very good deal indeed.

2.15.2 Deputy G.P. Southern:

Will the Minister reveal to Members the terms on which this 150-year lease is being engaged and indicate to the public what sort of returns are to be made before his Planning Minister returns to the House to finalise the development plans?

Senator F.H. Walker:

That is exactly the same as the Deputy's original question reworded.