

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE POLICY AND RESOURCES
COMMITTEE ON TUESDAY, 22nd JULY 2003 BY SENATOR P.V.F. LE CLAIRE**

Question

In answer to a question on 10th June 2003 regarding the Hotel on the Waterfront and when it could be expected that details of the building programme would be announced, the President replied that 'by the end of June, it is expected that final approval of the funding bank's Board will be achieved'.

As that date has now passed, would the President inform members of the reasons for the delay and what the timetable is now?

Answer

The terms of a bank offer for senior debt funding have been received by the hotel developer (Jersey Waterfront Hotel Developments Ltd). These terms have conditions attached which have necessitated the introduction of additional equity investment. This additional investment has been identified and agreement in principle has been reached with the additional, new investors. This agreement is now being documented. The funding conditions also require that a guaranteed maximum price for the building works be agreed between developer and builder before the banks final approval can be given. Commercial negotiations with the proposed builder have become challenging recently but a way forward has now been found and confirmation to the bank that a guaranteed maximum price can be secured is expected within 2 weeks. Work is still anticipated to start in the first quarter of 2004 subject to these issues being resolved as planned.