

STATES OF JERSEY

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ELIZABETH HARBOUR PHASE I WAREHOUSE: LEASE TO CHANNEL EXPRESS (JERSEY) LIMITED

**Lodged au Greffe on 2nd November 2004
by the Harbours and Airport Committee**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to approve the lease to Channel Express (Jersey) Limited, to the south-eastern unit of Elizabeth Harbour Phase I Warehouse coolroom, and outside working area designated E25, E25A and E25C respectively, for a period of 9 years commencing 1st July 2004, to provide–
 - (i) an internal warehouse and lean-to annexe area (cool-room) of 7,591 square feet along with the outside working area E25C, measuring 10,701 square feet;
 - (ii) the entire demise to continue in its present use in connection with the business of storage, handling and transit of goods through the Harbour;
 - (iii) the rental for E25 and E25A, an annual total of £66,041.70, based on a rate of £8.70 per square foot, subject to annual review in line with the retail price index;
 - (iv) the rental for E25C, an annual sum of £5,350.50 based on a rate of 50p per square foot and subject to annual review in line with the retail price index;
- (b) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the Public;
- (c) to authorise the Treasurer of the States to receive the rents as they become due.

HARBOURS AND AIRPORT COMMITTEE

Note: The Finance and Economics Committee supports these proposals on the basis that the Department of Property Services of the Environment and Public Services Committee has assessed the proposed rental value as a fair reflection of comparable market rental values.

REPORT

Channel Express (C.I.) Limited currently leases the warehouse accommodation from the States, at a rate of £8.37 per square foot. This lease terminates on 30th June 2004. The terms and conditions including the rental are similar to those approved by the States for Condor Logistics which occupies the northern half of the building. As with Condor Logistics, it is proposed in the new lease to include the outside working area as it is used exclusively by the lessee and for reasons of ensuring responsibility under health and safety.

The heads of terms of the lease are as follows –

LESSOR:	Harbours and Airport Committee on behalf of the Public of the Island.
LESSEE:	Channel Express (C.I.) Limited
DEMISED PREMISES:	E25 – South Eastern unit Phase I Warehouse, Elizabeth Harbour measuring 4,810 square feet. E25A – South-eastern lean-to of Phase I measuring 2,781 square feet. E25C – External working area measuring 10,701 square feet.
TERM:	9 years commencing 1st July 2004.
OBJECT OF THE LEASE:	The intention is to allow the renewal of the present lease which terminates on 30th June 2004 and to include the exterior working area for reasons of health and safety and increased income.
COMMENCING RENTAL AND REVIEWS:	E25 and E25A £66,041.70 per year based on a rate of £8.70 per square foot. External working area E25C £5,350.50 per year based on a rate of £0.50 per square foot. E25 and E25A and E25C shall be subject to an annual review in line with the retail price index.
TERMINATION:	At the termination of the Lease howsoever caused, the tenant will give up possession of the demised premises including any additions thereto. The lease will also include a break clause to facilitate any operational development of new premises.
USE:	To use the premises only in connection with the business of storage, handling and transit of goods through the harbour.
COMPLIANCE:	Conditions of the Harbours (Administration) (Jersey) Law 1961 and all directions given by the Harbours and Airport Committee and/or the Harbourmaster, pursuant to the Law and all Regulations made under it.
ALIENATION:	Assignment or sub-letting not to be unreasonably withheld.
INSURANCE:	The tenant shall also maintain in force a public liability policy of not less than £5 million in respect of any one occurrence or such other sum above this as the Lessors' insurance company from time to time may reasonably require.
REPAIR AND MAINTENANCE:	The Lessee at all times to substantially repair, renew, paint, decorate, cleanse, maintain and make good.

LEGAL COSTS: Both parties are to pay their own legal costs.

The lease also contains the “Public Interest” clause whereby the premises can be returned to the Public.

