

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY J.H. YOUNG OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 4th FEBRUARY 2014**

Question

Will the Treasury Minister inform the Assembly in detail of the procedures followed by the States of Jersey Development Company to subject the Esplanade Development project to financial appraisal to assess its cost, benefits and risk over the lifetime of the project to completion, to meet the Masterplan requirements and advise whether this appraisal has been subject to independent professional review and evaluation either by the Treasury or external practices prior to submitting the Planning applications for this development and, if so, when and by whom and will the evaluation report will be published?

Answer

States of Jersey Development Company Limited (“SoJDC”/“the Company”) undertakes regular financial appraisals of its various development projects.

In respect of the Esplanade Quarter, SoJDC has appointed leading cost and procurement consultants EC Harris (“ECH”) and Colin Smith Partnership (“CSP”). ECH/CSP provide all cost information to SoJDC in relation to the first phase of the Esplanade Quarter, which has been re-branded the “Jersey International Finance Centre” (“JIFC”).

SoJDC has also appointed a highly reputable firm of commercial surveyors, BNP Paribas Real Estate (“BNP”) to act as the sole letting agent for the JIFC and to provide SoJDC with estimated end values of the completed, fully-let office buildings.

The professional information provided to SoJDC from ECH/CSP and BNP has been input into development appraisals in order to model the expected net financial return of the JIFC.

These development appraisals have been provided to the Minister for Treasury and Resources and SoJDC’s external funder for the first two office buildings and part of the underground public car park.

SoJDC’s development appraisals are highly commercially sensitive. SoJDC is operating in a competitive commercial environment with other third party developers and it would be inappropriate, and commercially damaging, to publicly reveal these development appraisals which would disclose the financial terms of SoJDC’s negotiations with prospective tenants. Third party developers do not reveal such information in the public domain and nor should SoJDC.

The States Assembly has appointed a Board of Directors to oversee, review, challenge and drive the activities of the business. The Non-Executive Directors have significant experience of operating highly successful businesses. It is not the role of the Shareholder to second guess the professional advice that the Board has received and duly considered nor to establish shadow arrangements.