

50 LA COLOMBERIE AND 1 LITTLE GREEN STREET, ST. HELIER: CONDITIONS OF SALE

**Lodged au Greffe on 3rd July 2001
by the Public Services Committee**



STATES OF JERSEY

STATES GREFFE

180

2001

P.102

Price code: B

PROPOSITION

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

to refer to their Act dated 11th July 1995 in which they approved the sale of an area of land situated at the south-west junction of La Colomberie and Little Green Street, St. Helier to Mr. Andreas Sophianou, and to their Act of 11th May 1999 in which they agreed to enter into a contract or deed of arrangement with Mr. Sophianou modifying the relevant condition contained within the contract of sale by the Public dated 24th May 1996 in order to extend by one year the original three-year period within which Mr. Sophianou was contractually bound to develop the land and to agree -

- (a) to enter into a contract or deed of arrangement with Mr. Andreas Sophianou modifying the relevant condition contained within the deed of sale by the Public to Mr. Sophianou (completed on 24th May 1996) as amended by a deed of arrangement dated 10th September 1999 of land at the junction of La Colomberie and Green Street, St. Helier in order to allow Mr. Sophianou an extended period of one year in which to commence to develop the land;
- (b) to agree that the modification of the contract or deed of arrangement shall specify the following -
 - (i) that Mr. Sophianou shall apply for permission under the Island Planning (Jersey) Law 1964, as amended, to develop the land and, if such permission is granted, will apply forthwith for permission under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended, to develop the land, and will commence the development of the land within six months of the date of issue of the latter permission;
 - (ii) that Mr. Sophianou be permitted to sell the development to a third party for such sum as may be agreed between them, notwithstanding that the said contract of sale dated 24th May 1996, as amended by the deed of arrangement dated 10th September 1999, bound Mr. Sophianou-
 - (A) to develop the land before 24th May 2000, (being four years after the date of sale by the Public) and he has not done so;
 - (B) not to sell or alienate in any manner whatsoever the whole or any part of the land within five years of the date of sale;
 - (iii) that the Public shall be entitled to purchase the land from Mr. Sophianou for the sum of £35,000 in the event that Mr. Sophianou, or any successor in title, fails to comply with all or any of the conditions set out in sub-paragraph (b)(i) above, and in such circumstances Mr. Sophianou, or any successor in title shall pay all reasonable legal fees incurred by the Public in exercising this option;
- (c) that Mr. Sophianou will pay all reasonable legal fees incurred by the Public in connection with the transaction; and
- (d) to authorise the Attorney General and the Greffier of the States to pass the necessary contract on behalf of the Public.

PUBLIC SERVICES COMMITTEE

- Notes:
1. The Finance and Economics Committee's comments are to follow.
 2. The Planning and Environment Committee's comments are to follow.

Report

The States, by their Act dated 11th July 1995, adopted a proposition of the Public Services Committee and approved the sale of an area of approximately 2,000 square feet of land, situated at the south-west junction of La Colomberie and Green Street, to Mr. Andreas Sophianou, for a consideration of £30,000, plus the ceding of an area of land from Mr. Sophianou to the Public at the front of No. 7 Francis Street, measuring approximately 200 square feet. Contracts were subsequently passed before the Royal Court on 24th May 1996.

The land sold was surplus to the Public's requirements following the widening of Green Street between La Colomberie and Green Street car park. The land acquired was required for the widening of Francis Street.

A condition of the transaction was that Mr. Sophianou would agree to develop the land in accordance with plans which were to be approved in advance by the Planning and Environment Committee, within three years from the date of transfer of ownership (24th May 1996). Failure to comply gave the Public the right to buy back the land for the sum of £35,000.

Mr. Sophianou was unable, for various reasons, to conform to this timescale and requested an extension of one year to enable plans to be drawn up and development completed. The States were asked and, on 11th April 1999, gave their approval for an extension of one year to expire on 24th May 2000.

Mr. Sophianou has informed the Public Services Committee that he has been unable to develop the site for a combination of reasons, including the constraints of the site and difficulty in obtaining finance.

The main constraint on Mr. Sophianou has been the inability to obtain finance with the conditions originally imposed which prevented his selling or alienating the development within the period of five years from the date of sale. This was seen by potential lending institutions as a constraint in being able to recover an outstanding debt should Mr. Sophianou fail to complete the development and they were not prepared to offer finance on that basis.

As the land has not been developed within the contractual period, the Public now has the option of buying back the land for £35,000.

The prime objective of both the Public Services Committee and the Planning and Environment Committee, in selling the site, is to see a visually enhanced corner site by developing it with an architecturally acceptable building.

Both Committees believe that the most effective way of achieving this is to release Mr. Sophianou from what is now seen as an unfair condition which prevents him from progressing the development.

Without the condition, preventing the sale or alienation of the development, Mr. Sophianou would be able to recover some of the expenditure he has incurred in seeking professional advice over a lengthy period and an unsightly area of land will be developed.

Mr. Sophianou has received an offer of finance on this basis which would allow him to make an almost immediate start on the development already approved by the Planning and Environment Committee. That can only take place with the agreement of the Public and would be subject to the terms and conditions as set out in the Proposition.

If Mr. Sophianou does not commence the development within one year of the date of the agreement with the Public, or within six months of being given permission under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended, whichever is the longer, the Public will be entitled to purchase the land for £35,000.

It is considered that to enable the States to achieve their prime objective, that the corner site is developed with an architecturally acceptable building, this proposal is the most suitable way of achieving the goals desired for all concerned and to ensure that Mr. Sophianou can proceed with the development and recover any loss and expenditure incurred by him in attempting to develop the site in isolation over the past four years.

There are no additional manpower implications for the States.