

**WRITTEN QUESTION TO THE PRESIDENT OF  
THE HARBOURS AND AIRPORT COMMITTEE  
BY THE DEPUTY OF ST. JOHN**

**ANSWER TO BE TABLED ON TUESDAY 24th MAY 2005**

**Question**

Recently the President unveiled a £14 million capital programme for the Harbours; would he explain to members in detail how the money to service the £14 million will be raised, and, in particular, whether such funding will be raised by increased harbour and landing dues or above the cost of living charges to existing harbour users/tenants?

**Answer**

Jersey Harbours intend to raise the necessary capital in the form of a commercial loan underwritten by pre-letting agreements with the prospective Elizabeth Harbour warehouse tenants. The funding of the project is based on the open market sale and rental valuations freely entered into on new leases for new and existing property by the prospective tenants, which will be achieved after negotiation; Harbour Dues do not contribute towards the funding of this project. The final rents have not yet been agreed and are subject to further commercially sensitive negotiations. Capital and interest payments are expected to be covered fully over the period of the borrowing by the warehouse rents and not by any above cost of living increases to Harbour Dues or other income streams.

The financial package has had in principle approval from the Finance and Economic Committee, subject to approval of the final business case by its Capital Projects Sub-Committee, planning in principle and final successful negotiations with prospective tenants.

The projected returns show the scheme to be viable both on a cash flow and investment appraisal basis, creating significant value for Jersey Harbours and the Island.