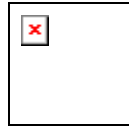


**SUNBURST INVESTMENTS LIMITED (J.M.T. (1987) LTD.):  
LEASE OF LAND AT LA COLLETTE II, ST. HELIER**

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**Lodged au Greffe on 4th July 2000  
by the Planning and Environment Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

180

2000

P.128

Price code: B

## **PROPOSITION**

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

- (a) to approve the lease by the public to Sunburst Investments Limited (holding company of JMT (1987) Limited, trading as Jersey Bus) of an area of land of no less than 50,000 square feet at La Collette Phase II, for a period of 42 years at an appropriate market rental to be agreed with the Finance and Economics Committee, on satisfactory completion of the in-filling and infrastructure works, on the heads of terms set out in the Appendix to the report of the Planning and Environment Committee dated 22nd June 2000, for the purpose of constructing a building for the garaging of buses and the ancillary uses associated with the maintenance, cleaning and re-fuelling of its public service vehicle fleet;
- (b) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the Public.

### **PLANNING AND ENVIRONMENT COMMITTEE**

## Report

In accordance with the States development plan for La Collette and the Weighbridge, discussions commenced in 1994 between the Planning and Environment Committee and Jersey Motor Transport Express Ltd. (JMT), negotiating for the relocation of the company's garage at Caledonia Place to La Collette. Discussions involved JMT relinquishing leases of the garages at the Parade and Georgetown both identified "bad neighbours" and the redevelopment of the JMT buildings at the Weighbridge to improve the appearance of the area in conjunction with the relocation of the bus station to the Island Site.

The Managing Director of the Waterfront Enterprise Board Ltd. (WEB) was involved in these discussions. In order to ensure that the Policy and Resources Committee Review Group, which was set up at that time to look at WEB's strategic plans, was aware of all developments, the Planning and Environment Committee kept the Chief Adviser fully informed. No objections were received.

In June 1995 heads of terms were agreed with the JMT for an area of land at La Rue Gossett, La Collette, and its lawyers were instructed to draw up agreements. WEB agreed to the proposal, provided it was possible to secure the relocation of the buses parked on New North Quay at that time.

The area of land for which terms were agreed was considerably less than that previously reserved for the JMT in 1991 when the La Collette Development Plan had been produced. Following representations made by the Jersey Marine Traders Federation in 1992/3, the western part of the site was set aside for boat storage given its close proximity to the La Collette slipway, from which the boat hoist operates.

In March 1996 when the Planning and Environment Committee was about to bring a proposition to lease the site to the JMT, further representations were made by, and on behalf of the Jersey Marine Traders Federation that the entire area be allocated for boat storage. This was in the light of possible future growth in their industry as a result of the construction of the new Elizabeth Marina.

A meeting of all parties took place on 11th April 1996 and an officer group was asked to review the proposals for La Collette in detail.

Their report concluded that the agreement to relocate the JMT should go ahead. These proposals were supported by the Public Services Committee as it was seen as a strategic requirement for the operators of the public transport service. The Planning and Environment Committee decided to respond to the requests of the Marine Traders and commenced further negotiations with the JMT to secure an agreement for their eventual relocation to the new La Collette II industrial area, should this become necessary as a result of future requirements for boat servicing. Such negotiations resulted in agreement on a suitable formula for the further relocation of JMT in due course.

This agreement provided an option for the States to relocate the JMT, at the States' expense on an equivalent basis, and on the basis that the buildings which the JMT erect at La Rue Gossett would become the States' property and be available for re-allocation to the Marine Traders.

Further meetings took place with the Harbours and Airport Committee who were prepared to accept this arrangement and with the Marine Traders who were not prepared to do so.

In October 1996, WEB advised the Planning and Environment Committee that it no longer supported the proposals and called for further meetings with the Public Services Committee and the JMT. These discussions took place at the end of 1996 and although new suggestions were put forward to bring forward the availability of a site at La Collette Phase II, no practical and acceptable alternative was identified which enabled the early move of the JMT.

In April 1997, the Harbours and Airport Committee advised the Planning and Environment Committee that it was necessary to ensure that the Marine Traders had adequate land available to enable the expansion of the marine leisure industry and to secure the provision of the dock hoist facility which was to be funded by the Waterfront Enterprise Board Limited.

It was therefore necessary to consider carefully the allocation of land at La Collette and reconsider the proposed re-location of the JMT.

The Planning and Environment Committee having considered a number of possibilities for re-location of the JMT workshops concluded that if land at La Collette Phase II could be made available on completion of the in-filling, it would be preferable for the JMT to re-locate to a permanent site, avoiding the necessity for temporary moves in the interim.

In 1997, the area of land at La Rue Gossett was transferred to the Harbours and Airport Committee for long term marine use,

which would be of beneficial use to the development of the Waterfront and Marina area.

Identifying an area of land suitable for the re-location of the JMT Workshops and garaging has been difficult, bearing in mind the need for it to be located within an acceptable distance from the Weighbridge terminus, but the Committee has identified that an area of land at La Collette (Phase II) could be made available to the Company on completion of the in-filling, associated ground works and infrastructure. This would not be available, with the current progress of in-filling, until 2002/3 at the earliest. The Committee has lodged a Report and Proposition with the States on the allocation and zoning of land at La Collette II for industrial use, with the agreement of the Public Services Committee and the Waterfront Enterprise Board Limited. To give the JMT Limited some security in advance of that, the Committee is asking the States to give formal agreement that a minimum of 50,000 square feet will be made available for the Company to occupy on the date of completion of the in-filling and associated infrastructure. The Heads of terms are included as an Appendix to this report.

It will not be possible to agree the actual area of site until the infrastructure works are completed and the area measured. The proposal would be to lease an area of at least 50,000 square feet for a period of 42 years at an appropriate market rental to be agreed, with five yearly rent reviews to open market rental value. The land will be leased to Sunburst Investments Limited at a fair market rental based on open market rental value. The JMT Limited has incurred some abortive expense in terms of architectural and legal fees in preparing and submitting a Development Application for the garage and workshop buildings it intended to build at La Rue Gossett. The Committee proposes that this should be taken into account in agreeing the ground lease for the land at La Collette. It should be noted that the Heads of terms (No. 13 of the Appendix) includes a provision for the garage and workshop to be transferred to any other company which may at any time during the period of the lease take over the responsibility of operating the Island's public bus service.

At this time, it is not possible to identify the location of the land precisely, but in asking the States to agree the allocation of this area of land, the Committee believes that it is both fulfilling previous agreements to re-locate the company and providing the security that the JMT Limited requires to successfully plan its future operation as a bus company.

22nd June 2000

### Heads of terms

- |     |                           |   |   |
|-----|---------------------------|---|---|
| 1.  | <b>Lessor</b>             | - | Administering Committee for La Collette II for and on behalf of the public of the Island.   |
| 2.  | <b>Lessee</b>             | - | Sunburst Investments Ltd. or any other successor in title being the property holding company of Jersey Motor Transport (1987) Limited or such other agreed company to act as lessee, subject to parent company acting as guarantor.   |
| 3.  | <b>Lease commencement</b> | - | Upon passing of lease contract through Royal Court.   |
| 4.  | <b>Demise</b>             | - | The site area to be a minimum of 50,000 square feet although a defined site to be agreed in due course between the parties.   |
| 5.  | <b>Term</b>               | - | Standard 42 year ground lease with no option arrangements for either party.   |
| 6.  | <b>Rental</b>             | - | Subject to an appropriate market rental to be agreed with the Finance and Economics Committee, payable quarterly in advance.  |
| 7.  | <b>Rent review</b>        | - | Five yearly upward only rent reviews to open market rental value.   |
| 8.  | <b>Costs</b>              | - | Each party to bear their own professional costs.  |
| 9.  | <b>Site development</b>   | - | Plans for proposed site development to be approved by the Planning and Environment Committee.   |
| 10. | <b>Planning</b>           | - | Subject to compliance with necessary planning permit and any conditions attached thereto.   |
| 11. | <b>Alienation</b>         | - | Retention of firm control considered a key objective and therefore assignment not permitted without the consent of the administering Committee. Sub-letting to be permitted at the absolute discretion of the administering Committee as landlord. Any consent must have due regard to the user clause. |
| 12. | <b>Repairs/Insurance</b>  | - | Tenants full repairing and insuring obligation.   |
| 13. | <b>User clause</b>        | - | To be used only for parking,  |

servicing, cleaning and garaging of buses together with the administration and other specified ancillary uses of JMT (1987) Limited, Jersey Bus or Tantivy Blue Coach or any other subsidiary coach company owned by Diamond Jersey (1990) Limited or any other successor in title.

If at any time JMT (1987) Limited/Jersey Bus cease to operate from the site or less than 50 per cent of the site is used in connection with the provision of a public bus service operated by Jersey Bus or JMT (1987) Limited, then the landlord has an option to determine the lease upon an agreed notice period subject to paying compensation to the JMT (1987) Limited for any building or buildings that it may have constructed on the site. There is to be a total prohibition against retailing from the site.

- 14. Time scale** - Agreed time parameters for the commencement/completion of the development on site, once a planning permit has been obtained.
- 15. Alterations/Improvement** - With the prior approval of the administering Committee on behalf of the public of the Island. subject to the usual consents.
- 16. Approvals** - Terms of agreement to be approved by the Administering Committee, Planning and Environment Committee and the Finance and Economics Committee.
- 17. Public indemnity** - The lessee shall be obligated to keep the necessary public liability insurance regarding the location of the site, currently stipulated at £30 million, or at such level as deemed appropriate by the administering Committee.
- 18. Contamination** - Lease to specify, upon vacation, for the site to be left without contamination and in accordance with the administering Committee's requirements.
- 19. Other terms and conditions** - As deemed necessary by the Law Officers Department and to be agreed between the parties.

The lessee shall re-locate all

operations from the Weighbridge and Island site area, other than those facilities which are agreed to be absolutely necessary.

The lessee is to enter into a separate contract undertaking that should the Weighbridge building ever be sold the public of the Island will be given first refusal to purchase the site at an open market value.

The lessee to enter into a contract undertaking that upon re-location of its operation from the Weighbridge building the property will not continue or will not be used by or for any other coach company or industrial use.