

STATES OF JERSEY

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JERSEY TOURISM: RELOCATION AND LEASE OF NEW OFFICE ACCOMMODATION

**Lodged au Greffe on 1st February 2005
by the Economic Development Committee**

STATES GREFFE

PROPOSITION

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

- (a) to approve the lease by the public from Islands Development Limited of a newly constructed office building on a site near the junction of The Esplanade and Castle Street, St. Helier (shown for identification purposes on Drawing No. 101 Rev. B), comprising approximately 6,650 square feet of office space; with the lease to be concluded upon completion of the fitting-out and for a period of 21 years, on a tenant's full repairing and insuring basis; at a commencing rental of £109,300.00 per annum subject to review at a level of 2.5% per annum after 3 and 6 years, with open market reviews after 9 years and every 3 years thereafter, on condition that the public will be entitled to break the lease after 9 years to coincide with the initial open market rent review; with the relocation of Jersey Tourism into the new offices to be carried out at nil expense to the Public with each party being responsible for their respective legal and professional costs in connection with the proposed letting;
- (b) to authorise the Attorney General and the Greffier of the States to pass the necessary contract in connection with the lease; and
- (c) to authorise the Treasurer of the States to make any payment on behalf of the public as it becomes due.

ECONOMIC DEVELOPMENT COMMITTEE

- Notes:
- 1. The Environment and Public Services Committee's comments are to follow.
 - 2. The Finance and Economics Committee supports the proposition and notes that the initial rent payable by the Tourism Department has been pegged to the current sum paid for its existing offices and that no further funding is required. Any future increases in rent will have to be met from the cash limits of the Economic Development Committee.

REPORT

In 2002 the States agreed to the effective transfer of a number of sites, including the area known as the Island Site, to facilitate their onward development in accordance with the Waterfront Master Plan (P.45/2002 refers). Consequently, this site was let by the Public to the Waterfront Enterprise Board (WEB) for 150 years commencing on 7th November 2003 at a nominal rent of £1 per annum. Whilst in the case of Liberation Place a key objective shall be the creation of a new Transportation Centre, the entire area will at the same time undergo comprehensive development and refurbishment incorporating a broad variety of uses, including residential, retail and commercial elements. Its status as a Site of Special Interest shall be respected by the restoration of several important buildings in this location including the existing Tourism Offices.

Planning permission to enable the scheme to proceed has recently been granted with a completion date of December 2006. In order to provide access and servicing for the new Transportation Centre as well as Liberation Place as a whole, it is proposed that Jersey Tourism be relocated, whilst retaining a prominent town centre location. These arrangements shall necessitate internal reorganisation and more efficient use of space than at present, whilst separating its services into 2 distinct business units. Its current premises comprise approximately 13,000 square feet/1,208 square metres of usable space including visitor services, offices, stores, dispatch communal areas, for which a rental is paid to WEB of £109,300 per annum.

Jersey Tourism wish to provide continuity of service and therefore it is proposed that its relocation shall be completed by way of a 2-stage process, having regard to the development programme for the site as a whole, yet seeking to contain costs wherever possible. As such rental costs to be incurred by the Public shall be pegged to the pre-existing rental payable to WEB in respect of the existing offices in the sum of £109,300 per annum. Similarly, physical relocation of the offices and its dispatch facility on site shall be carried out at nil expense to the Public.

Following interim arrangements that will see the partial relocation of some personnel to Albert House for approximately 24 months on a rent-free basis, the department's office-based staff shall relocate to a newly constructed office building to be situated towards the junction of The Esplanade and Castle Street. Its existing storage and dispatch facility shall be relocated off-site, to the Barette Commercial Centre, St. John where the developer, Islands Development Limited, shall make available suitable storage premises, comprising 2,400 square feet at nil rental cost to the Public for a period of 9 years. The replacement of 3 car parking space for the department's States'-owned vehicles will also be provided by agreement with the developer on a rent-free basis for the same period within reasonable proximity to the new site.

It is proposed the Public take a 21-year contract lease in respect of the new office building at a pre-determined rental of £109,300.00 per annum equating to £16.43 per square foot in terms of net lettable floor area. To be fitted-out in accordance with the department's requirements by the development company, the building shall provide approximately 6,650 square feet comprising visitor services, together with a mix of cellular and open plan offices and meeting rooms on the remaining floors.

Mindful of the possible changes to be brought about through Ministerial Government the lease shall contain a tenant's option to break the lease after 9 years, to coincide with the initial open market rent review contained in the lease, and the accommodation itself will be available for use throughout the term by other States' departments in the event of it being relinquished by Jersey Tourism. In addition, subject to the Landlord's prior consent, the Public will have the ability to sub-let 2 floors of accommodation within the building without any adverse impact upon the rent payable by the Public as stated above.

The Department of Property Services has conducted negotiations in respect of the provision of replacement buildings for use by Jersey Tourism on the most cost-effective terms. It is considered the premises identified in the Report are operationally satisfactory and shall be occupied at fair and reasonable rents, whilst enabling the long-awaited development of the Island Site to proceed, in accordance with the permit granted by the Environment and Public Services Committee. The Economic Development Committee considers that, in order to serve customer needs, its Visitor Services Centre should be in a prominent town-centre location. Although it recognises that the Tourism and Marketing back-office staff could be located out of town, further splitting of personnel in a department already spread across 5 different sites would be both more costly and less efficient.

The existing revenue budget, equivalent to the rent presently paid to WEB, shall be used to meet the proposed rent for the replacement offices, subject to indexation. With the dispatch stores and car parking relocated to other sites that will be utilised rent-free for an initial 9-year period, it is envisaged the relocation can be undertaken on a cost-neutral basis.

There are no additional financial or manpower implications for the States arising from this proposition.

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 CLIENT: [unreadable]
 LOCATION: [unreadable]
 DRAWING NO: [unreadable]
 DATE: 4.10.11

DRAWN BY: [unreadable]
 CHECKED BY: [unreadable]
 APPROVED BY: [unreadable]

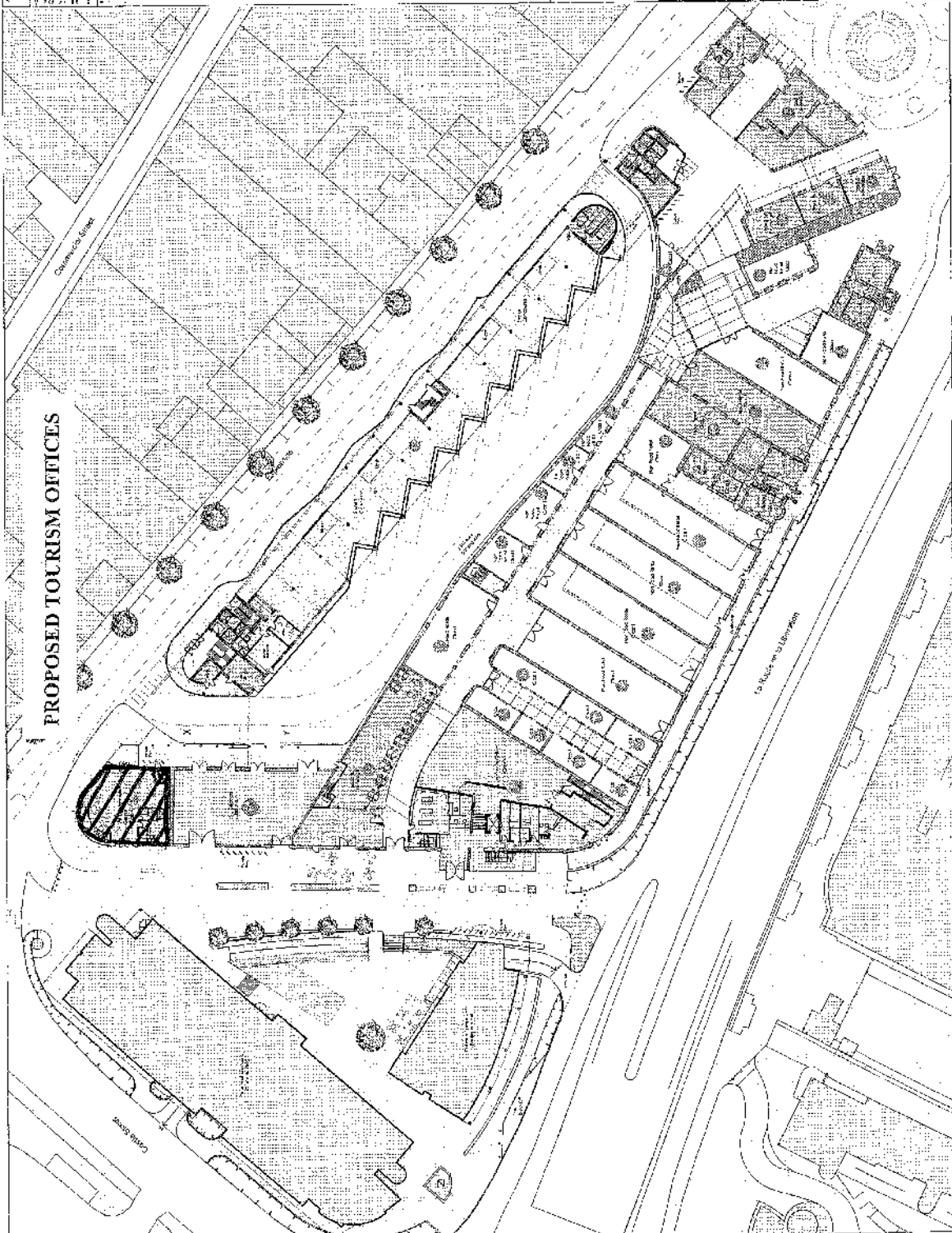
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PROPOSED TOURISM OFFICES

Dunrobin Avenue

To Rotorua via Ulpurua



ask mason

ask mason
 ARCHITECTS
 100-102 RIVERVIEW AVENUE
 ROTORUA
 PH: 07 348 1000
 FAX: 07 348 1001
 WWW.ASKMASON.CO.NZ

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