

**ELIZABETH HARBOUR, ST. HELIER: COMMODORE SHIPPING (JERSEY) LIMITED- VARIATION AND  
ASSIGNMENT OF LEASE**

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**Lodged au Greffe on 17th September 2002  
by the Harbours and Airport Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

150

2002

P.161

Price code: B

## PROPOSITION

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

to refer to their Act dated 12th October 1993 in which they approved the lease to Commodore Shipping (Jersey) Limited of 20,000 square feet of land situated in Elizabeth Harbour, St. Helier, shown on Plan 405/1, for a period of 42 years commencing 1st November 1993, at 80 pence a square foot, subject to review every five years, to enable the said company to construct and maintain the second Elizabeth Harbour warehouse/transit shed at its own expense; to note that the area stated in the lease on completion of the construction of the warehouse/transit shed was 21,390 square feet, and that the lease commenced on 2nd September 1994, and to agree-

- (a) to vary the terms of the lease to the said company to increase with effect from 2nd September 1994, the actual area occupied by the said company from 21,390 square feet to 21,702 square feet, as shown on Drawing No. P54901;
- (b) to vary the terms of the lease to the said company, with effect from 1st January 2001 to include the area of land surrounding the building, measuring 49,857 square feet, shown on Drawing No. P54902, at an annual rent of 50 pence a square foot, subject to review every five years;
- (c) to authorise the Greffier of the States to sign the said drawings on behalf of the States;
- (d) to permit the assignment of the lease from Commodore Shipping (Jersey) Limited to Commodore Properties Limited, with effect from 1st January 2001;
- (e) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the public;
- (f) to authorise the Treasurer of the States to receive the additional rental due in paragraphs (a) and (b) above.

### HARBOURS AND AIRPORT COMMITTEE

## Report

A forty-two year lease with a twenty-one year renewal was granted to Commodore Shipping Jersey Limited from 2nd September 1994, for an area of land measuring 21,390 square feet for the purpose of constructing the Phase II Transi Building at its own expense in the Elizabeth Harbour area.

There are three matters contained in the Proposition, namely - that once constructed the building was larger than the area of land leased; that the lessee requested the assignment to its newly formed property company; and, more recently, the desire on behalf of both parties to have the lease to the area immediately surrounding the building for reasons which follow.

The matter of the Assignment and the amendment to allow for the increase in the footprint of the building was agreed in principle by the Harbours and Airport and Finance and Economics Committees but, due to the legal and administrative costs in processing the changes during 1996, and the workload of the Law Officers' Department at the time, there was tacit agreement between the parties concerned to wait for a better opportunity to formalise matters.

Such an opportunity has now occurred due to the agreement, subject to States approval, to include in the present lease "the area" immediately outside of the warehouse which measures 49,857 square feet. At present this is referred to in the lease for the exclusive use of the tenant of the warehouse and thus there is no issue in denying other port operators working space for their own operations. There are two reasons for the area to be formally part of the overall lease. Firstly the continuing increase in cargo traffic, putting a greater pressure on the outside working area to maintain the throughput of cargo and secondly, and more importantly, the increasing requirements for both the Harbours' administration and the operators to ensure secure and safe areas for port cargo operations. This requirement can only be fully effective in the area in question by providing the operator with a contractual right to use the area which will include contractual obligations to ensure its security.

Furthermore, it will also provide an additional income of £24,928.50 per year subject to review on the same dates and the same basis as the present lease for the warehouse and backdated to commence on 1st January 2001.

The correction to the measurement to the warehouse footprint will also incur additional income to the Harbours, namely the additional 312 square feet at 80 pence per square foot from 2nd September 1994 to 1st September 1999 and then (following the first five-yearly market review) the rate of £1.20 per square foot from 2nd September 1999 to the date of passing the new contract.

There are no manpower implications.