

013876
Presented
24/12/69

Ministry Paper No 34

Acquisition of Amity Hall Property

I wish to bring to the attention of this Honourable House the proposal of the Government to acquire Amity Hall property, in the parish of Saint Catherine, and to seek the authority of the House to guarantee a loan being obtained by the Agricultural Development Corporation for this purpose.

2. This property consists of 3,200 acres of land, and is currently leased by the Agricultural Development Corporation for a period of 30 years from the 1st January, 1953 on the following financial terms:-

- (a) during the first period of 6 years - rental £4,000 p.a.
- (b) during the second period of 6 years - rental £4,500 p.a.
- (c) during the third period of 6 years - rental £5,000 p.a.
- (d) during the fourth period of 6 years - rental £5,500 p.a.
- (e) during the fifth period of 6 years - rental £6,000 p.a.

Rental is payable quarterly on the last days of each of the months of March, June, September and December.

3. Under the terms of the lease, there is a covenant which requires that at the expiration or sooner determination of the tenancy, the Corporation is to yield and deliver up to the lessor the land and buildings and at least 800 acres of the lands in guinea grass, well established and appropriately shaded. There is no provision in the lease for compensation for any permanent improvements made to the land by the lessee, such as roadways, canals, irrigation works, drainage and reclamation work, with the result that at the end of the lease, whatever structures or other developments the Corporation will have undertaken on this property will automatically fall to the lessors.

4. The Corporation acting on behalf of the Government has reached agreement with the Trustees of the Estate to acquire the property on the basis of the terms and conditions which are set out in the Appendix to this Ministry Paper.

Under these terms and conditions the Corporation is required to pay a price of £287,500 as follows:-

2.

(a) Initial payment on possession - £96,030

((N.B.) Of this initial payment an amount of £53,530 will be used by the Corporation to acquire Land Bonds of a face value of £65,000, to meet the terms and conditions of payment as set out by the vendors and the remaining £42,500 will be paid in cash).

(b) The balance of £180,000 to be a loan from the Executors, which is to be secured by four promissory notes to be issued by the Corporation in favour of the Executors for £45,000 each, and which will be payable respectively on the first, second, third and fourth anniversary of the date of completion. Each of the notes will provide that no interest is to be payable thereon up to its due date for payment, but if any note is not paid on its due date for payment, then interest will be payable on the amount of the note until payment, at the prime lending rate of commercial banks in Jamaica prevailing for the time being.

5. The main reasons for wishing to purchase this property are:-

- (i) to retain an established quarantine station which currently is being used for the imported **breed-improvement** stock. Its proximity to Kingston facilitates the work of the Veterinary Division;
- (ii) to provide a suitable site for the proposed Prison Farm, and so release the lands now occupied by the St. Catherine District Prison for other desirable development;
- (iii) to provide for the expansion of Agricultural Training Centres which will become increasingly important in future years;
- (iv) to provide a permanent centre for the calf rearing programme which is an integral part of the Dairy Development Programme;
- (v) to relieve Government of the burden of leasehold depreciation charges amounting to some £13,800 a year which have to be carried under the lease

/agreement....

agreement in order to liquidate over the remaining life of the Corporation's tenancy, the capital development charges that have been spent on the land.

6. Advantages of the Purchase

- (i) If the property is purchased, the A.D.C. will be able to carry out further capital improvements, from time to time which it would not normally undertake during tenancy.
- (ii) The usual development charges which arise when properties are purchased will not be necessary. Moreover, since the property is already in the hands of the Government, the Government is aware of its capabilities.
- (iii) At the price offered, the cost to Government of acquiring this property is an average of £115 per acre for the level irrigable land. In the parish of St. Catherine, similar lands are sold for prices far in excess of this figure.
- (iv) The improvements made to the property by the Corporation up to now, which would normally fall to the lessors when the lease expires, will accrue to Government.

7. Under Section 10, Sub-sections (2) and (3) of the Agricultural Development Corporation Law, Chapter 3, however, it is provided as follows:-

"(a) ~~With~~ the approval of the House of Representatives the Minister may guarantee in such manner and on such conditions as he may think fit the payment of the principal and of interest on any authorised borrowings of the Corporation made otherwise than by way of advance under sub-section (1) of this section.

(b) Where the Minister is satisfied that there has been default in the re-payment of any principal monies or interest guaranteed under the provisions of this

/section.....

section, he shall direct the re-payment out of the assets and revenue of this Island of which there has been such default."

In view of this, the approval of the House of Representatives is required for the Minister of Agriculture and Lands to guarantee the payment of the principal of and interest on the loan being made to the Corporation by the Executors of the Estate.

8. I therefore propose to move in this Honourable House a Resolution to comply with the requirements of the Law.

J. P. Gyles
Minister of Agriculture and Lands
5th August, 1968.

M.P. No. G2121^{T.J.}

APPENDIX

1. The purchase price is to be £287,500 payable as set out hereunder in exchange for the two duplicate Certificates of Title for the lands and a registerable transfer signed by the executors in favour of you and your nominees.

The purchase price is to be payable -

(a) as to £65,000 in land bonds,

and

(b) as to the balance in cash provided that the executors will lend you a sum of £180,000 on the terms hereinafter set out so that only £42,500 will be payable immediately in cash and you will give the executors the four notes for £45,000 each hereinafter mentioned.

3. The title to the lands shall be free of incumbrances (as your lease will terminate) save and except for the existing grant of easement to the Jamaica Public Service Company Limited for the maintenance of the existing power lines on the property which grant is now protected by caveat. There is also the further proposed grant of easement to the Jamaica Public Service Company Limited mentioned in paragraph 10 below.
4. Completion by transfer and payment of purchase money will be on or before 30th September, 1968 as to which time shall be of the essence of the contract.
5. The land bonds will be dated as of the date of completion so that interest thereon will accrue as from that date and their term will expire on the twentieth anniversary of that date.
6. The £180,000 to be lent to you by the executors to enable you to complete payment of the purchase money will be secured by four promissory notes issued by you in favour of the executors for £45,000 each which will be payable respectively on the first, second, third and fourth anniversaries of the date of completion. Each of the notes will provide that no interest is to be payable thereon up to its due date for payment, but if any note is not paid on its due date for payment, then interest will be payable on the amount of the note or on

/so.....

so much of it as remains unpaid computed from the due date for payment of the note until payment, at the prime lending rate of commercial banks in Jamaica prevailing for the time being. The payment of the notes and any interest thereon will be secured as mentioned in the succeeding paragraph hereof.

7. The approval of Government will be first obtained by you pursuant to section 9 of the Agricultural Development Corporation Law for your borrowing the said sum of £180,000 upon the terms herein mentioned, and Government will, pursuant to section 10 of that Law unconditionally guarantee payment by you of each of the notes and of any interest that may become payable thereon.
8. Rental under the lease will be payable computed up to the date of completion and no rental in respect of the period thereafter will be payable.
9. All costs of and incident to the transfer and the creation of the notes including all stamp duties and registration fees and the vendors' solicitor's costs of the transfer (computed according to the Jamaica Law Society scale) will be borne and paid by you provided that such costs shall not include any charges incurred in perfecting the vendors' title.
10. As you are aware the executors with your consent and approval have agreed to grant to the Jamaica Public Service Company Limited a further easement for a 138kV transmission line from its Old Harbour power station across the property. If that grant is completed before the date of completion the land will be sold and transferred subject also to that grant of easement. If the grant of easement is not completed before the date of completion you will assume and take over the obligations of the vendors, as owners of the property, to make that grant of easement. The arrangement with the Jamaica Public Service Company Limited is that the company should pay the owners of the property a sum of £1,000 for the grant. If this offer is accepted and the purchase is completed you will be entitled to that £1,000 whether or not the further grant of easement is perfected before or after the date of completion. If this offer is not accepted or the purchase is not completed the executors as owners will be entitled to the £1,000.