


JESSICA  
(Joint European Support for Sustainable Investment in City Areas)  
Key findings from Scottish feasibility study

27 May 2009



Quality In Everything We Do

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Study brief

To answer the following questions:

1. How could JESSICA be successfully used to unlock/facilitate the implementation of regeneration schemes?
2. What is the optimal structure for JESSICA?
3. How would the preferred JESSICA structure be delivered?



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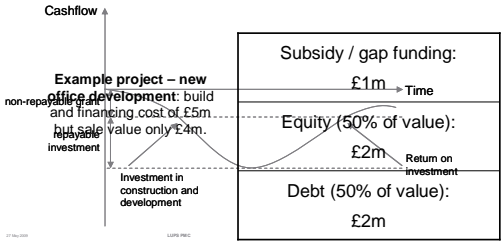
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How could JESSICA be used?

- ▶ A new product to fill a gap in the market
- ▶ Investment rather than, or in addition to, grant



Example project - new office development: build and financing cost of £5m but sale value only £4m


Investment in construction and development

Subsidy / gap funding: £1m

Equity (50% of value): £2m

Debt (50% of value): £2m

Return on investment



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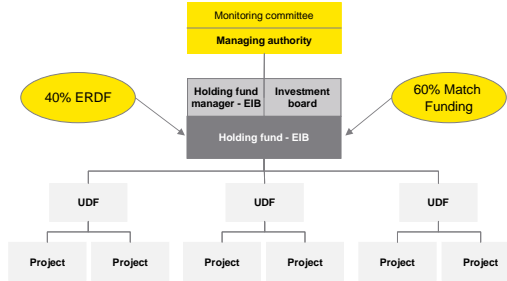
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What is the optimal structure for JESSICA?



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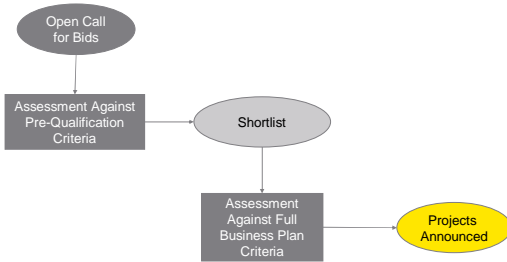
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How would JESSICA be delivered?



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Next steps

- 1 Review and approval of feasibility study report
- 2 Resolution of match funding issue
- 3 Confirmation of "PQQ" criteria
- 4 Memorandum of Understanding and Funding Agreement to be negotiated with European Investment Bank (EIB)
- 5 Appoint Investment Board
- 6 Communication to market

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