



MINISTERIAL STATEMENT
THE GRAND ATLANTIC PROJECT: UPDATE
The Hon. Patricia Gordon-Pamplin, JP, MP
Minister of Public Works
Friday, 16th May, 2014

Mr. Speaker,

I am pleased to rise this morning to announce that the Caribbean based hospitality, tourism and leisure consultancy firm, *MacLellan & Associates* has entered into a Memorandum of Understanding with the Bermuda Government to upgrade and re-position the Grand Atlantic residential development on South Shore, Bermuda into a Tourism product.

MacLellan & Associates is a full service, consultancy and appraisals practice, established in 1997, which specializes in the hospitality, tourism and leisure sectors in the Caribbean and Atlantic Islands. A member of the Caribbean Hotel and Tourism Association (CHTA), MacLellan & Associates is the largest consultancy group based in the region, comprising of a team of experts that have in-depth knowledge of Caribbean countries.

The proposed redevelopment of the Grand Atlantic site will create a condo hotel which will make use of existing construction and bring a new all-suite tourism product to Bermuda that is very popular in other jurisdictions. It is expected that the project will provide jobs and tourism opportunities for the wider sector of Bermuda.

OBMI and Coldwell Banker Bermuda Realty have been named as the local associates that will work with MacLennan and Associates to assist in the repurposing of the Grand Atlantic development into a new Tourism Development Product to be known as the "Bermudiana Beach Resort".

Mr. Speaker,

OBMI is a global leader in architectural design with an experienced team of professionals both in Bermuda and internationally. Founded in Bermuda in 1936 (as OBM), OBMI is a co-author of the Bermuda National Tourism Master Plan and uniquely positioned to assist with the revitalization of the Bermuda Tourism Industry. The OBMI Principal for this project is Mr. Colin Campbell. Bermuda Realty Company Limited is one of the largest local real estate offices and offers services in residential and commercial real estate sales and rentals, land and valuation surveying, residential and commercial property management, vacation services and auctioneering. Bermuda Realty is affiliated with the global entity of Coldwell Banker (since 1998). The Principal for this project is Mr. Brian Madeiros.

Mr. Speaker,

Mr. MacLellan and his principals were on Island recently to discuss, among other things, timelines for completion of major works to transfer the Grand Atlantic Development into a tourism entity, overseas investors' interest in Bermuda, and opportunities for future growth in Bermuda.

In the hospitality industry, a condo hotel is defined as a development which is legally a condominium but which is operated as a resort offering short-term rentals

of hotel suites with a Front Desk and resort leisure facilities. It is anticipated that the units at Grand Atlantic will be sold as a combination of investment and vacation homes.

Mr. Speaker,

When owners are not in residence, they can leverage the marketing and management provided by the hotel operator to rent and manage the condo unit as it would any other hotel room. This will be a welcome addition to Bermuda's current hotel inventory and a completely unique product for our market.

The MOU has an exclusivity clause until late summer which will enable MacLellan & Associates and their local industry partners to finance the acquisition and associated development costs of the Project.

MacLellan & Associates have been fully briefed on the public concerns expressed regarding the cliff face. They have studied the existing engineers' reports, have consulted with their own engineers, and during the period of exclusivity, will have the opportunity to liaise further with their own engineers on this matter if they choose to do so.

Mr. Speaker,

Currently MacLellan & Associates is working to finalize the financing arrangements for significant design changes, incorporating resort amenities and identifying a hotel operator that is willing to partner with investors in the opportunity presented by this development for a new tourism product in Bermuda.

Mr. Speaker,

Honourable members will be aware that two of the units at the Grand Atlantic had been sold to private individuals. In order to ensure vacant possession for the new developers, the Bermuda Housing Corporation has already relocated one of the purchasers and is working on transferring the remaining resident family located in the development to another suitable property.

I am confident that this project will prove to be financially beneficial to Bermuda as well as one that creates employment and has a positive social impact.

Thank you Mr. Speaker