



MINISTRY OF TOURISM TRANSPORT & MUNICIPALITIES

MINISTERIAL STATEMENT

**by the
Jr. Minister of Tourism**

**SUBJECT: Acquisition of Rosewood
Tucker's Point Resort**

19th May 2017

Mr. Speaker, today we celebrate yet another milestone for Bermuda in the East End of the island with the sale of the Rosewood Tucker's Point Resort to TP Holdco Limited, which is a Bermuda registered company and a subsidiary of Gencom Limited. Gencom was founded in 1987 by Mr. Karim Alibhai and is one of North America's leading hospitality and luxury hospitality-related residential real estate investment and development firms and consists of a group of companies involved in all aspects of the hospitality industry.

The Gencom group of companies offers expertise in many distinct areas including finance and capital markets, asset management, design, development and equity management and residential sales and marketing.

In addition, the Gencom management team has a wealth of experience and members of senior management have an average of 25 years of industry experience and an average of 12 years with Gencom's associated companies. Gencom companies' successful track record has led to significant ventures with prominent institutional investors, prominent family groups and other strategic partners both in the United States and internationally. During its foundation years, Gencom's focus was on executing turnaround and repositioning strategies that involved portfolio and single asset transactions within a variety of hospitality segments including luxury, limited-service and full-service assets. Since 1997, Gencom has expanded its focus and

involvement to also include the acquisition and development of luxury mixed-use hotels and resorts with ancillary residential components.

In addition to being one of the largest owners of Ritz-Carlton properties in the brands system, Gencom has had great success in working with and owning assets under multiple brands including Marriott, Hyatt, Wyndham, Hilton, Sheraton, Radisson, Renaissance, Summerfield Suites, Holiday Inn and Intercontinental and has recently expanded this brand presence to exploring opportunities with luxury brands such as Four Seasons, Rosewood, Montage Mandarin Oriental and Aman Resorts.

Mr. Speaker, Honourable Members will be reminded that the Government of Bermuda passed a Hotels Concession Order last year for the Tucker's Point Resort, which was a condition of the sale, and the estimated concession relief is \$13.3 million dollars over five years, which is subject to conditions including training Bermudian staff, hiring Bermudian entertainment and marketing the resort.

Mr. Speaker, this Honourable House is advised that the developer has outlined a renovation timeline which will maximize the hotel's operational ability in the short term, prepare the asset for long term success and, also, take into account the upcoming America's Cup event in 2017.

Mr. Speaker, TP Holdco Limited is committed to repositioning the Hotel to become one of the world's most luxurious resorts offering the best in customer service. The developer will commence with an immediate investment of \$5.8 million dollars being spent in the first year on key renovations, deferred maintenance and capital projects, and is on target to bring a total foreign investment into Bermuda's economy between \$92 to \$95 million dollars.

Mr. Speaker, the anticipated scope of work and cost breakdown by project includes approximately \$6 million dollars on guestrooms; approximately \$6 million dollars on the Point Restaurant relocation, pool enhancement and new lobby bar/lounge; approximately \$2 million dollars on Spa enhancements and repositioning; approximately \$2 million dollars on meeting space and boardroom renovations; approximately \$2 million dollars on the Beach Club and Golf Club; approximately \$2 million dollars on marina enhancements and an additional \$2 million dollars on the general hotel contingency for fees, upgrades, master planning, pre-marketing and 3rd parties.

Mr. Speaker, TP Holdco Limited will embark on a series of real estate development projects over the term of the investment, including an immediate program to develop the existing Harbor Drive land sites into 16 new, for-sale condo-hotel units, which once entered into the hotel rental inventory, will increase hotel

key count by 20 – 30 new additional hotel suites. An additional development, which is targeted as part of the Phase I business plan, is the development and sale of the existing Paynter’s Hill Site 9, which will be developed and sold as a branded Estate Home (it will also be contributed to hotel inventory as a premiere estate home during peak and holiday seasons). The capital expenditure related to these two projects would be above and beyond the scope outlined above and will be further refined and estimated post-closing.

The Hotel presently has a total of 88 rooms of which 28 are superior rooms, 40 deluxe, 12 one bedroom and 8 suites. The Hotel Property also includes two private residence clubs comprising of 340 fractional luxury residence units. During the period of renovation of the Hotel and development of the real estate sites, the Hotel will remain open for business, with only occasional partial/temporary closures where this is otherwise unavoidable.

The commitment made by TP Holdco Limited this week is critical and in line with this Government’s strategy to develop the much needed tourism product to help sustain Bermuda’s tourism now, and for future generations.

Mr. Speaker, on behalf of the Ministry of Tourism, we take great pride in recognizing not only this great news today regarding the

Rosewood Tucker's Point Resort, but all of our partnership's in tourism that we have been cultivating over the last few years.

Bermuda will experience the most exciting event ever to happen in Bermuda's history with the 35th America's Cup starting next week; we are seeing tremendous growth in Tourism statistics in the first quarter of 2017, including, increased air arrivals, additional flights, increased number of cruise ship passengers and cruise calls. We now have smaller ships visiting the Town of St. George after a remarkable upgrade to the Old Town to include Penno's Wharf and the new Hunters Wharf ferry dock.

Mr. Speaker, we have additional ships visiting the the City of Hamilton and shovels in the ground at the L. F. Wade International Airport and the St. Regis Development in the Town of St. George.

The St. George's Bridge works are complete as well as the newly renovated Horseshoe Bay Beach entrance, with its spectacular new wooden foot path and parking area for our visitors to enjoy one of the world's most famous beaches and Bermuda's most renowned attraction.

These are all great reasons to celebrate today.

Thank you, **Mr. Speaker**

