



Ministerial Statement

Senator Lynne Woolridge, JP

Junior Minister of Public Works

Update on Grand Atlantic, November 19, 2014

Madame President, this morning I wish to update the Senate on the situation concerning the Grand Atlantic Hotel Development.

Following the announcement earlier this year that Caribbean-based hospitality, tourism and leisure consultancy firm, MacLellan & Associates, had submitted a successful bid to acquire the development property of Grand Atlantic for conversion to a condo-hotel property, the company was granted a 120-day exclusivity period to advance the project. That period expired on August 14, 2014.

The due diligence process associated with the repurposing proposal included a number of conditions imposed by both parties. On August 14,

2014, there were some issues that were still unresolved, and upon request of the Bermuda Housing Corporation (BHC) and the developers, a further 90-day extension was given to allow matters to progress to a satisfactory conclusion.

Madame President, the additional 90-day period expired on November 11, 2014. As the deadline approached, and despite best intentions, there were a few matters that were still to be resolved. Senate colleagues will note the decision by the Planning Board to require further information on the location of the pool as it was deemed to be too close to the cliff edge. This matter was concluded with a satisfactory granting of the necessary building permit. Most notably, the question of vacant possession of the development and the relocation of the lone family still residing in the development has, until now, delayed some of the negotiations.

Madame President, I am pleased to announce that within this past week, the Government has reached a mutually agreeable solution with

the current (single) unit owners at Grand Atlantic. The family has agreed to transfer out of the Grand Atlantic property to another identified unit once all the conditions are met with the Developers. With this very recent resolution, only a few minor conditions remain to be satisfied, which can be accomplished in a brief extension period. It has been agreed that MacLellan & Associates be granted a further 120 days in order to ensure that the project is well positioned to provide jobs, opportunities for local and overseas investment and a brand new Tourism concept for Bermuda. While it is not expected that the outstanding matters will require the full 120 days, it is my expressed belief that being able to have all issues resolved without the pressure of another deadline will bode well in ensuring that Bermuda and the developers will achieve the best possible outcome.

Madame President, this project is still projected to become Bermuda's first condo-hotel tourism offering. MacLellan & Associates have completed their engineering and construction due diligence for all aspects of the site development, as well as progressing the marketing,

management and operation of the hotel component.

MacLellan & Associates would like to see conversion works underway early in 2015.

Thank you **Madame President**