

\$200M development for Beach Bay

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JD Layton of Beach Bay Land Ltd signs the first phase agreement for the \$200 million development. Left to right: Deputy Premier and Minister of Tourism Hon Moses Kirkconnell, Cabinet Secretary Samuel Rose, Mr Layton, Tourism Councillor Joey Hew.

A \$200 million hotel development is coming to the district of Bodden Town.

The Cayman Islands Government and Beach Bay Land Ltd (BBLL) signed the formal agreement for the development of a five-star hotel in the Beach Bay area on Thursday 24 September.

According to the Deputy Premier Hon Moses Kirkconnell, the project will create 1,000 jobs, with 750 in the construction of the hotel and 350 permanent jobs in hospitality services.

Mr Kirkconnell also noted it would create more jobs indirectly, through increased demand for tour operators, rental cars, and tourism attractions.

The development, once constructed, will include restaurants, retail outlets, spas and other commercial interests. Mr Kirkconnell explained that this development would add a further 200 rooms to the current 5,200 rooms available island-wide.

"I am especially pleased that 12 days after the groundbreaking for the extension of the airport we are once again marking another important milestone for our tourism industry," said Mr Kirkconnell. "The signing of this agreement marks the start of phase one of a new tourism development that will greatly enhance the country's tourism product."

This first phase will cost \$200 million, with continuing investment in further phases of development of the area. Mr Kirkconnell described the investment in this project from the private sector as “encouraging” as it demonstrated financier and investor confidence in the Caymanian economy to “yield solid returns for generations.”

Mr Kirkconnell said that it was a necessary step in improving Cayman’s infrastructure, along with the Owen Roberts International Airport extension, describing the Caymanian economy as one of the “fastest growing and strongest economies in the Caribbean region.”

“This project will act as a catalyst for the development of the district of Bodden Town while offering an alternative to Seven Mile Beach,” said John David Layton of BBLL.

“It’s been a long road to travel, but we have been in intense negotiations for the past two years and today we see the fruition of those efforts,” Premier Hon Alden McLaughlin said of the agreement.

Mr McLaughlin explained that concessions are capped at 12.5 per cent of the \$200 million expected cost to build the development. Government will be giving up potential income of about a \$25 million to help ensure that the hotel and condo project gets built.

According to the Premier, the government will recover that expenditure by receiving income for decades into the future from hotel room tax, visitor spend, duty from the sale of the condos and more.

“Equally important is the added economic benefit from the jobs that will be created directly and indirectly by this project. It is estimated to increase the Islands’ Gross Domestic Product by nearly two per cent,” said Mr McLaughlin.

The agreement calls for plans to be submitted within a year, but it is anticipated that work will commence in 2016.

Filed by Rory J McDonough