

MEMORANDUM FOR THE CABINETBY THE HON. ACTING PRIME MINISTERDevelopment of site bordered by Queens -
way, Kingsway and Ordnance Street

Messrs Malta Developments Limited are exploring the possibility of developing this site. Their proposal comprises the erection thereon of an 8/9 storey building (with basement) wherein will be housed the following:

- (a) A Supermarket on the basement and ground floor;
- (b) offices on two storeys up to Queensway level; and
- (c) a first class hotel (150/200 rooms) in the next 5 or 6 storeys.

2. The Company states that no Government grant would be applied for if the project is approved but that in order to make the whole thing viable it would be necessary to have the site on advantageous terms and to have the provisions of the Aid to Industries Ordinance applied in respect of duty free importation and income tax holiday on the hotel section of the project.

3. Before the lease of the site can be considered as requested it would be necessary for the privately owned part of the site presently held by Government on possession and used terms or on public tenure to be acquired by outright purchase. This would involve Government in expenditure tentatively estimated at £65,000.

4. The Hon. Minister of Industrial Development and Tourism considers that the project would be of material advantage to Malta's economy and is of the opinion that at a time when Government is having to pay out hundreds of thousands of pounds as financial grants for the construction of hotels it is very advantageous to find a Company that is prepared to build an hotel without asking for a penny.

5. The Hon. Minister of Works and Housing however objects on the ground that the site would be ideal for the erection of a building to house his Ministry.

6. The Ministry of Economic Planning and Finance are of the opinion that the Company included hotel development in the project so as to be eligible for Government assistance. They state, however, that as the supermarket and offices would ensure a good return on capital outlay it is not so clear whether on their present policy the Company would qualify for Government aid by way of granting the proposed

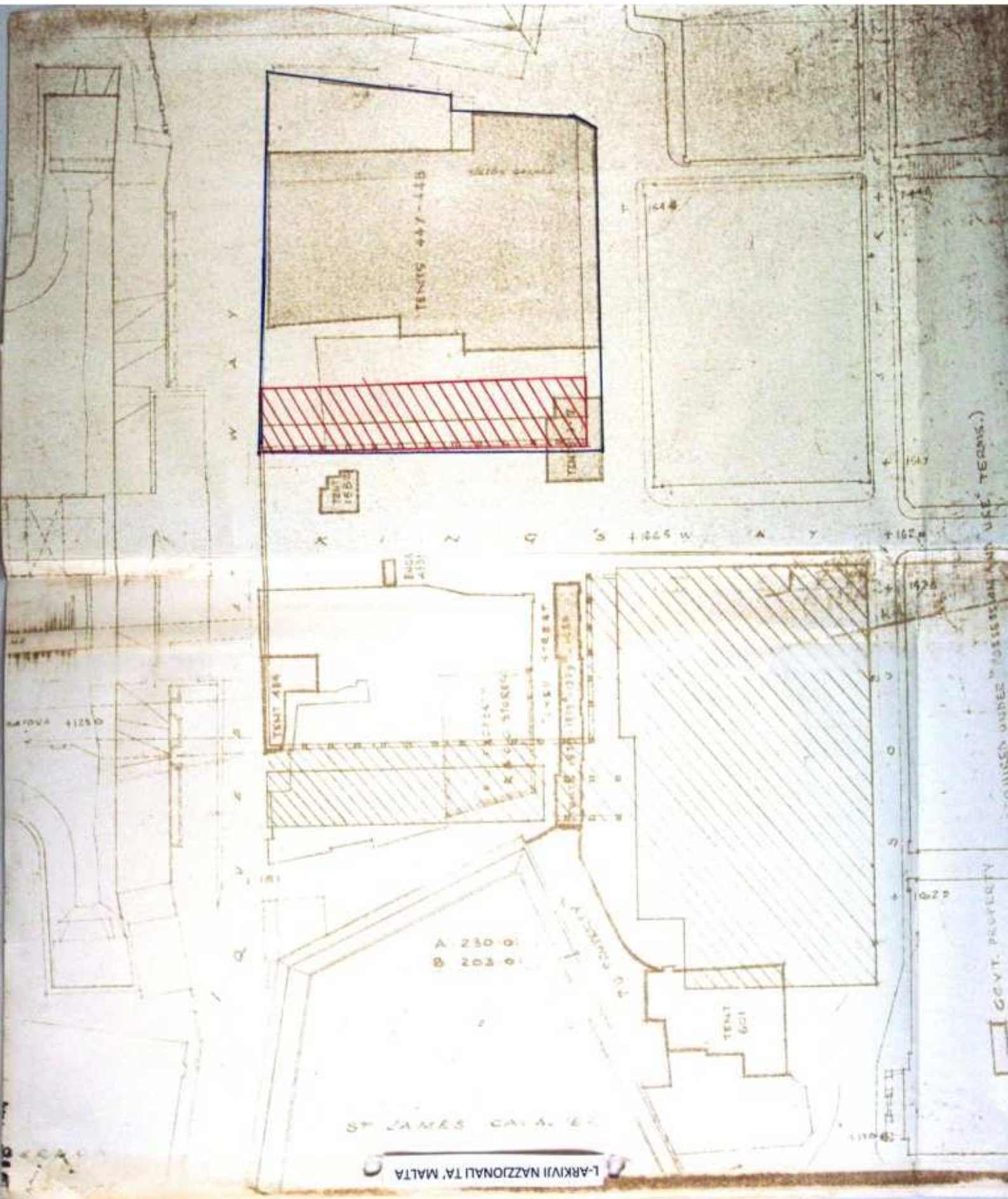
site ...

site on advantageous terms. They also state that if the site were not to be used for a public purpose it would not be fair for Government to dispose of it and that should Government release the site it would have to revert to its rightful owners, who have been requesting repeatedly for its return.

--- 7. Part of the site (shown hatched red on the enclosed plan) forms part of Dr Zavelani Rossi's project in connection with the rebuilding of the Royal Opera House. It is planned as a block of buildings meant to complete the enclosure of the Theatre Square but has no direct connection with the Theatre and could be laid out and built as a separate construction.

8. Hon. Ministers may wish to consider whether a decision can be taken at this stage regarding the development of this site.

22nd June, 1964.



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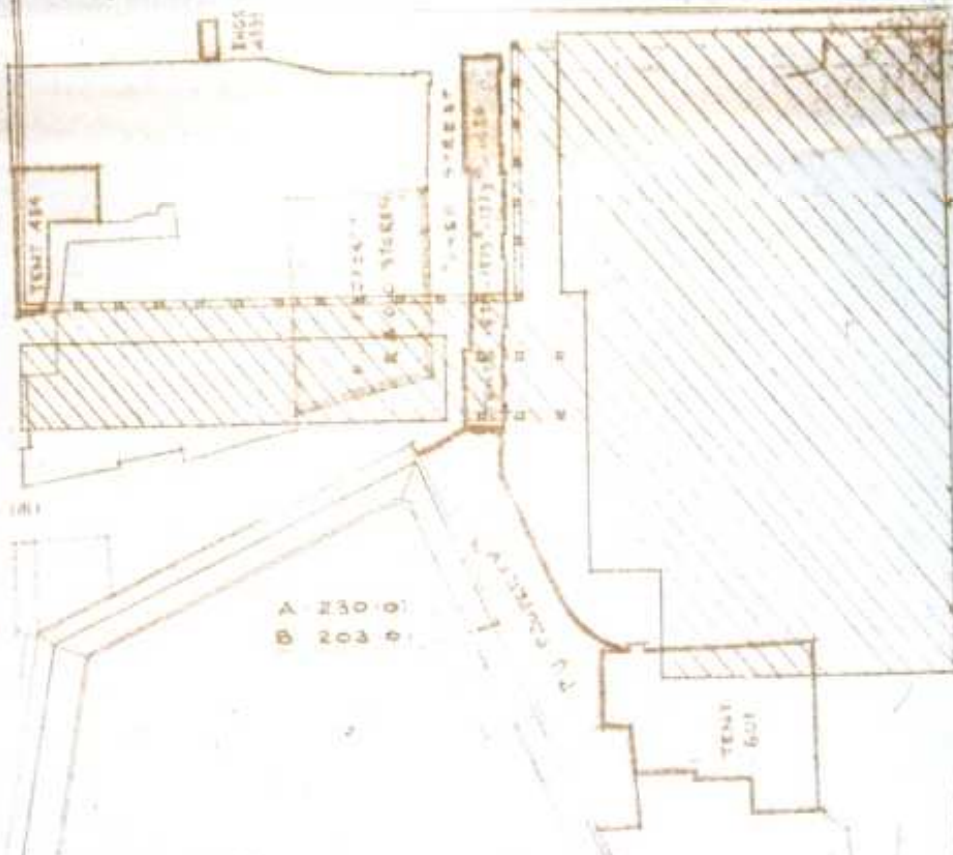
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