

Memorandum by the Hon. Minister of Education, Culture
and Tourism on the development of tourism North of
the Victoria Lines.

The development plan for the North and North-West region has now been published. A copy is attached for your reference.

Ministers will note that, with the exception of Campbell Battery in the Tal-Blata area, the sites identified for tourist development, cover only hotel projects which have already been approved by the Government.

2. The Tourist Board had received a number of applications for the construction of hotels in the North and North-West region. These applications have been hanging fire for a considerable time, pending the publication of the development plan for the region.

3. The publication of the plan has, however, left us in much greater doubt with regard to the Government's policy in general and particularly in regard to the manner in which further development is to take place.

4. It is understood that, although, very little indication has been given in the plan of the areas on which tourist development could be allowed, each application will be considered in Cabinet on its own merits. Even if this were so, such a policy would not be conducive to a well-planned and organic growth of tourism infrastructure. On the contrary, it would encourage sporadic development along the coast and the dissipation of activities on tourist amenities on the part of a number of developers, whose efforts could be co-ordinated in such a way as to produce common resort amenities in an area of high density development.

5. The policy of high density development on a number of selected areas, if adopted, would considerably reduce the cost of providing municipal services, which would otherwise have to be provided to a large number of individual hotel units scattered along the coast. The development phase has been reached where we should start thinking in terms of resorts rather than resort hotels, in terms of high density development in selected areas rather than low density development scattered all over the Islands.

6. Comprehensive resort development is only possible where large areas of land are available. Usually private property is not extensive enough to allow for this type of development, or if it is in some instances, land is put to real estate development, which appears to be more lucrative than development for tourism purposes. This being so the Government's role in tourist development from the point of view under comment becomes even more important.

7. If the resort development policy is adopted, it will fall on the Government

- (a) to identify the sites which are best suited to resort development;
- (b) to prepare a development plan for the area, setting out the number, type, standard and sizes of hotels to be contained in the area, as well as the ancillary amenities which should be provided;

/(c).....

- (c) to prepare general specifications;
- (d) to set the ground-rent in respect of each hotel unit and of the commercial sites within the development area, having regard to the non-revenue earning elements within the site or the elements of marginal revenue earning;
- (e) to formulate a clear-out policy as to how either whole areas or parts thereof would be conveyed to entrepreneurs.

8. With regard to (d) above and to what is stated in para 6, the ground rent to be charged by the Government should be an "incentive rent" in order to attract investment to the planned and comprehensive development areas proposed by Government, rather than scare entrepreneurs to private land where development might not necessarily be planned on the desired lines.

9. Enclosed is a list of applications for assistance under the Aids to Industries Law in connection with the construction of hotels in the North and North-West region. The position is that none of these projects is projected within the areas indicated for development and therefore according to para 4 each application will have to be considered at Cabinet level. If this is resorted to, then the conditions of lease and particularly the quantum of the ground rent will certainly be altered from those offered to developers at the time the application was filed.

10. In this atmosphere of uncertainty, it would be safer, and more acceptable to the entrepreneurs, if we were to write to all the applicants to inform them that their application (along with that of others, where there are more than one contender for the site) has been turned down.

11. Where steps will have been taken as per para 7 hereof, the Tourist Board will be in a much better position to deal with developers, who will be informed, before they file their application what is expected of them within the context of the plan for the area. The invitations to file applications for the development of areas, or of sites within the area, could be extended to the original applicants as well as to anybody who wishes to apply.

12. Enclosed is a plan showing the pattern of hotel development and the areas proposed for high density and comprehensive development.

13. Ministers are requested to consider as a matter of urgency whether they agree to a Government policy as per para 7 and in the affirmative to instruct the Public Works Department, Lands and the Malta Government Tourist Board to get on with the preparation of plans, rent by plots, etc. Subject to the above Ministers are also asked to agree to immediate action as per para 10.

17th February, 1968.

LIST OF HOTEL PROPOSALS BY AREA.
IN THE NORTH AND NORTH-WEST REGION

	Size (beds)	Capital Expenditure	Type of Development
<u>I. TAL-HARTA/MISTRAL AREA</u>			
1. Valtur, S.p.A.	610	£2,297,000	hotel
2. Falcon Nest Co. Ltd.	150	300,000	hotel and village
3. James Byrne, M.B.S.	300	580,000	hotel
4. Coleiro Brothers	400	1,000,000	Resort including hotel
5. John H.D. Madin & Partners	500	955,000	hotel

NOTE: With the exception of Campbell Battery (No. 5) the sites applied for by the other four applicants have not been included in the Development Plan for the North and North-West Region. If it is Government policy that, excepting the Campbell Battery site this area should remain undeveloped, it is proposed that the applicants be so informed. With regard to Campbell Battery, it is for the Government to decide whether proposals for the development of the site, under set terms and conditions, should be invited from the public.

II. MARSA/MELLIEHA AREA

1. Mr. J. Attias	250	-	-
2. Kenneth Thorne Ltd.	-	150,000	Holiday Village
3. Darak Associates Inc.	502	1,110,000	hotel
4. Inland Securities and Finance (Malta) Ltd.	400	820,000	hotel and villas
5. Malta Steel Dev. Co. Ltd.	100	101,000	hotel
6. Ocean Park Dev. Ltd.	1,000	2,406,000	mixed development

NOTE: None of the sites in question is included in the plan. If the policy outlined in attached memorandum is adopted, action as per para 10 therein is recommended.

III. GHEJNA BAY

1. Kondial Travel Agency	370	250,000	hotel
2. Ghejna Bay Dev. Co. Ltd. { a }	120	120,000	hotel
{ b }	100	90,000	hotel

NOTE: The sites applied for are not included in the plan and it is understood that the Cabinet is not in favour of the land around Ghejna being developed. Action as per para 10 of the memorandum is indicated.

IV. GULDEN BAY (GHEJN TUFFIEMA)

1. D.G. Smith	320	617,500	hotel and three restaurants
2. King, Milton & Associates } Real Estates Ltd. }	400	1,248,300	hotel
3. Mr. Moses Fenech	440	730,000	hotel
4. Dr. S. Camilleri LL.D.	400	-	hotel
5. Basil Eyston	400	-	hotel
6. Mr. Norman Barrington Cork } and Sir V. Paikes }	300	-	hotel

Size
(beds)

Capital
Expenditure

Type of Development

V. WHITE TOWER - MARZA

1. Marrovin Ltd.	-	-	hotel, chalets and villas
2. White Tower Dev. Co.	1,626	1,500,000	extensive development of the north east side of Marfa Peninsula
3. Charles Fortis	-	-	hotel
4. Mr. A. B. Pattison	350	100,000	two hotels, villas and chalets
5. Mr. H. Drake	-	2,000,000	tourist resort
6. Mr. C. Fairweather	-	-	

VI. BAHAR-IC-CAUHAQ

1. Coesta Sarralida Hotels	500	1,000,000	Resort
2. Mediterranean Airways Ltd.	400	1,500,000	hotel
3. Malta Projects Ltd.	320	750,000	hotel

NOTE IN RESPECT OF ITEMS IV, V AND VI: } These three areas are proposed for high density and comprehensive development. If the policy outlined in attached memorandum is accepted by the Government, the procedure recommended should be followed. It is suggested that immediate action be taken as per paragraphs 7 and 10.

VII. QALA S. MARFU

1. D. O. Boky B.Sc. (Eng.) M.I.C.E.	200	-	hotel
2. Malta Properties Ltd.	-	-	Tourist centre
3. W. Bamber & N. Ryama	-	-	Tourist centre
4. Z. J. Athens	400	-	hotel
5. Mrs. A. S. Hyman	100	-	hotel
6. Beal Estates (Malta) Ltd.	400	1,749,000	hotel

NOTE: This site is not indicated as a development area in the Regional Plan for the North and North-West; neither is it suggested that it should be granted for tourist development if the suggestion is accepted to develop the Bahar-ic-Cauhaq site as a high density and comprehensive development area. If the recommendations outlined in the attached memorandum are accepted, then the procedure would be to write to the applicants in terms of the contents of paragraph 10 thereof.

1. Touristic Estates Ltd.

A capital grant, fiscal aid and the provision of essential services in connection with the construction of a 100-bed hotel (capital outlay £110,000) on a site partly owned by the applicants and partly by the Government. It is understood that the building application has not been approved by the Public Works Department.