

MEMORANDUM FOR THE CABINET BY THE MINISTER OF JUSTICE
AND PARLIAMENTARY AFFAIRS

Emphyteutical grants of Government sites for
the construction of hotels and tourist project.

1. It is proposed to establish forthwith a policy, whereby Government sites earmarked for the construction of hotels and other tourist projects are to be given out and allocated under a system of open competition. Under this policy, the prospective developer presenting the best project and the one that offers the best return to Government should be given the first option.

2. The practice hitherto followed in the majority of cases was for the would-be-developer to take the initiative and point out a site and submit his project for the approval of the Tourist Board. Afterwards the matter was dealt with by the Departments concerned. No publicity was given to the fact that the particular site was available for development.

3. This practice, which is to a certain extent haphazard and leaves room for criticism, must now give way to a more stable and equitable policy in the allocation of Government-owned land.

4. The Director of Public Works agrees that Government sites earmarked for construction of hotels should be given out under a system of competition. However, he raises certain problems and objections, which in his opinion, may militate against the smooth running of this policy. The main obstacles, which in the opinion of the Director have to be studied before the implementation of this policy, are the following:-

- 1) Setting up of a Committee to:-
 - a) draft conditions to govern the competition; and
 - b) report on the entrants and recommend to Government a first choice;
- 2) Decide which land is to be competed for;
- 3) Define quite clearly what use is to be made of the land;
- 4) Notify the public of this offer of Government land and the conditions attending the offer;
- 5) Give a time limit for the receipt of applications;
- 6) Decide what information must be submitted by applicants; and
- 7) Fix criteria by which to judge the applications.

I do not feel however that these objections

should be a deterrent to the adoption of the proposed new policy, since, even as things are at present, all applications are fully vetted out by the Tourist Board as regards planning of the projects, financial stability of the promoters, and all other matters and details pertaining to the particular project.

5. In the circumstances, and keeping in view the points raised in preceding paragraphs, I see no reason why the proposed new procedure should not be as follows:

- (a) Government would publish a plan of the site earmarked for leasing out for the construction of a hotel, and invite any interested parties to submit projects to the Tourist Board for the development of the site within, say two months.
- (b) Besides giving the usual information as to the size of the project, its cost, the financial status of the applicant, etc., as in the past applicants would also be required to state what ground rent they would be prepared to pay for the site.
- (c) On the expiration of the time limit the Tourist Board would proceed, as in the past, to examine the applications received and to make its recommendations. The amount of ground rent offered would be one of the factors, but by no means the most important factor, which would be taken into consideration by the Tourist Board.

As will be seen the only real difference between the proposed policy and the one hitherto followed, would be (a) the publicity given to the proposed empheteutical concession, and the invitation to the public to submit applications and (b) the inclusion of the ground-rent as one of the factors which the Malta Government Tourist Board would consider in order to decide on their recommendations as to the project to be selected.

6. The same procedure should be adopted in those cases where some considerable spade work has already been done or where some positive commitment already exists. These applicants should be invited to compete in the same manner as recommended above.

7. Honourable Ministers are requested to decide whether the proposed new policy is to be adopted in preference to the present practice, which leaves much room for improvement.

3rd February, 1968.

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