



FORT CLARENCE BEACH PARK CHANGE OF MANAGEMENT

FACT SHEET

Urban Development Corporation

The Urban Development Corporation was established by an Act of Parliament in 1968 as an agency of the Office of the Prime Minister. Its mandate has been to '*make development happen*' through the ownership, management and development of strategic real estate on behalf of the Government of Jamaica. It is a completely self-financed organisation, endowed with designated lands including natural resources and attractions from which it is to generate revenue to support further development. Since 2016, the UDC has been assigned to the water and works portfolio of the Ministry of Economic Growth and Job Creation in recognition that its viability is key to national economic growth.

UDC Designated Area – Hellshire, St. Catherine

The Hellshire Hills in St. Catherine became a designated area of the UDC in 1968. A comprehensive development plan was created to be carried out in phases –with only phases one and two Hellshire Bay, developed- with a significant portion of the area to be preserved as conservation lands. Eight subdivisions - Seafort, Johnson Hill, Upperfort, Edgehill, St. Georges, St. Georges Cliff, Sandhills and Sandhills Bay - were sold on the market as development blocks and individual lots. Other housing developments in the area have been and are currently being undertaken by National Housing Trust (NHT) as well as by private developers.

Beaches at Hellshire

The development plans for Hellshire included community and recreational spaces of which the Fort Clarence Beach and Half Moon Bay Hellshire Fisherman's Beach were key elements. In 1976, the UDC opened the Fort Clarence Beach Park as a family friendly attraction in Hellshire. Over the years, the management and operations of the facility have been leased twice on ten (10) year contracts: from 1992-2002 to Gold Star Promotions and in 2003 to McGaw Enterprises which was terminated in 2006. The UDC has and continues to maintain ownership of this important national asset. In 2001, a ten (10) acre section of beach at Half Moon Bay, commonly referred to as Hellshire Beach, was transferred to be held on behalf

the local fisherman's cooperative to allow them to plan for and manage their development outside of the remit of the UDC.

Operations and Losses

Other than the periods of lease mentioned above, the UDC has been the sole operator of the Fort Clarence Beach Park which generates revenue by entry fees, beach chair rentals, vendor licences and event fees. The most recent admission cost was set in 2013 as J\$250 for adults and J\$100 for children. The Corporation has carried full responsibility for the property management including staff costs, taxes, utilities, security, cleaning and maintenance. Fort Clarence Beach Park has had a decline in patronage and steady increase in losses over the past 3 years. Losses for the period from 2016-2019, totalled J\$29.03 million and the July 2019 year-to-date figures show a loss of J\$7.4 Million. The influx of Sargassum being experienced across the Caribbean has considerably impacted the operations of the beach and served to reduce patronage and increase expenditure.

Lease Attempts since 2012

In 2012, further to the assessment of the viability of key attractions, the UDC collaborated with the Development Bank of Jamaica (DBJ) to seek companies to manage and operate a number of UDC owned beachfront properties including Fort Clarence. The Expression of Interest process was handled by PriceWaterhouseCoopers (PwC) and advertised both locally and internationally through Jamaica Promotions Corporation (JAMPRO) investment deck but yielded no bidders. Subsequently, in March 2015 a Request For Proposals (RFP) to diversify the offerings and so enhance the Customer experience was advertised locally but that process was aborted.

Lease to Guardsman Hospitality Ltd

In April 2017, the UDC returned to the market with an Expression of Interest (EOI) to manage and operate the facility which elicited five responses. PwC was selected as the intermediary company to manage the process. Following on the EOI, the Request for Proposals yielded a sole bidder, the Guardsman Hospitality Ltd. (GHL).

Further to the comprehensive review of their bid, a twenty five (25) year lease agreement has been entered into effective 1 September 2019 with GHL. This is based on their development plan which proposes major investments including upgrades to the infrastructure and facilities as well as new land and sea based activities.

Staff and Vendor Considerations

The staff complement of twenty (20) at Fort Clarence was initially advised about the impending change of management through meetings in February 2019 and formal notification in June. A series of training and change management activities have been held to prepare the staff for the transition, including resume writing, interview skills and financial

management. Some members of staff have been transferred to the UDC head office and all others have been interviewed by the new lessee.

The three (3) food kiosk operators at Fort Clarence Beach Park, who were on monthly leases, were advised of the impending changes through on-site meetings and were given over two (2) months' formal notice of the handover. The new lessee has indicated the intention to advertise the concession opportunities and welcome applications from the former operators.

Development Plans

The UDC has prepared development concepts and guidelines for the upgrading of Fort Clarence from as far back as 2014. The plans look at improved access, parking, service and guest facilities with consideration for the ecology of the beach. As property owners, the UDC will review the final plans of the lessee as well as monitor implementation and operations to ensure the integrity of and compliance to development goals.

August 30, 2019