

HOTEL CONCESSION (WYNDHAM BEACH AND SPA RESORT) ORDER 2006

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HOTELS CONCESSION ACT 2000

2000: 28

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Whereas Southampton Beach Resort Ltd. has by application dated 24 June 2003 applied for a Hotel Concession Order under section 3 of the Hotels Concession Act 2000 in respect of the Wyndham Beach and Spa Resort redevelopment;

Whereas the Minister of Tourism and Transport, having considered the application, is satisfied that the redevelopment is in the national economic interest of Bermuda;

The Minister of Tourism and Transport, with the agreement of the Minister of Finance, in exercise of the powers conferred upon him by section 4 of the Hotels Concession Act 2000, makes the following Order:

Short title

1 This Order may be cited as the Hotel Concession (Wyndham Beach and Spa Resort) Order 2006.

Interpretation

2 In this Order—

"Act" means the Hotels Concession Act 2000;

"hotel" means the Wyndham Beach and Spa Resort as developed by the hotel developer;

"hotel developer" means Southampton Beach Resort Ltd., a company incorporated in Bermuda;

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"hotel redevelopment" means the Wyndham Beach and Spa Resort redevelopment described in the hotel developer's application submitted under section 3 of the Act;

"opening date" means the date on which the hotel redevelopment is certified by the Minister to be complete;

"planning permission" means planning permission granted for the hotel redevelopment under the Development and Planning Act 1974.

Concessions

3 (1) Subject to paragraph 4, the hotel developer shall in respect of the hotel redevelopment be entitled to the following concessions —

- (a) for a period beginning with the commencement of this Order and ending on the first anniversary of the opening date, full relief from customs import duty otherwise payable on the importation of building materials, furnishings, fixtures and equipment (excluding construction equipment) necessary for the building, furnishing and equipping of the hotel redevelopment;
- (b) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption of 82 per cent from the land tax otherwise payable in respect of the hotel, up to an amount not exceeding \$134,000 in each year of assessment;
- (c) for a period beginning with the opening date and ending on the second anniversary of that date, exemption of 23.46 per cent from the hotel occupancy tax otherwise payable in respect of the hotel to an amount equal to the sums expended by the hotel developer on marketing the new capital developments of the hotel, up to an amount not exceeding \$197,900 in any year;
- (d) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption from the employer's share of the payroll tax otherwise payable in respect of persons employed by the hotel, of an amount equal to 100 per cent of the sums expended by the hotel on training Bermudian employees of the hotel, up to an amount not exceeding \$119,500 in any year;
- (e) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption of 23.46 per cent from the hotel occupancy tax otherwise payable in respect of the hotel to an amount equal to 50 percent of the sums expended by the hotel on entertainment

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provided by Bermudian entertainers to an amount not exceeding \$38,550 in any year; and

- (f) reduction of one third of the land licence fee otherwise payable under section 83 of the Bermuda Immigration and Protection Act 1956 in respect of the first disposition of each qualifying unit.

(2) For the purposes of subparagraph (1)(d), the employer's share of payroll tax means that portion of payroll tax which the employer is not entitled to deduct from an employee's wages under section 19 of the Payroll Tax Act 1995.

Terms and conditions

4 (1) To qualify for the exemption from customs import duty under paragraph 3(1)(a), the hotel developer must —

- (a) within a period of six months (or such later time as the Minister may approve) from the date of the grant of planning permission, diligently proceed with the construction of the hotel redevelopment;
- (b) use his best endeavours to ensure that the construction of the hotel redevelopment will be completed and the hotel redevelopment will open on a day not later than two years from the date of this Order, or such later date as the Minister may approve; and
- (c) comply with procedures established by the Collector of Customs for this purpose.

(2) To qualify for relief from the hotel occupancy tax under paragraph 3(1)(c) the hotel developer must, for the relevant period —

- (a) show to the satisfaction of the Minister that sums equal to the amount of the exemption claimed have been expended by the hotel developer on the marketing of the hotel;
- (b) comply with guidelines on the marketing of the hotel issued by the Minister; and
- (c) provide an annual audited statement of accounts showing the amounts expended on such marketing.

(3) To qualify for the exemption on payroll tax under paragraph 3(1)(d), the hotel developer must, for the relevant period—

- (a) comply with guidelines on the training of Bermudian employees issued by the Minister;

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- (b) satisfy the Minister that appropriate training has been provided in accordance with the guidelines; and
 - (c) provide an annual audited statement of accounts showing the amounts expended on such training.
- (4) In this paragraph, "relevant period" means the period for which the exemption is claimed.
- (5) To qualify for relief from the hotel occupancy tax under paragraph 3(1)(e), the hotel developer must, for the relevant period —
- (a) show to the satisfaction of the Minister that entertainment has been provided at the hotel by Bermudian entertainers in accordance with guidelines issued by the Minister;
 - (b) provide an annual audited statement of accounts showing the amounts expended on such entertainment.

Commencement

5 This Order shall come into operation on such day as the Minister may appoint by Notice published in the Gazette.

Made this 2nd day of April 2006

Minister of Tourism and Transport