

Old Club Med Hotel  - demolished August 25, 2008



Old Club Med, imploded at 10 am.



Old Club Med site, after implosion at 10 am August 25, 2008. After more than 2,500 truckloads of demolition debris have been cleared away, construction can begin on the flagship new hotel, to be Bermuda's newest, to be managed by Park Hyatt.



Former Club Med, now a historic picture, imploded, no longer a distinct landmark for vessels and aircraft

On August 25, 2008 at 10 am the huge building shown above was finally imploded, recorded on television and by the Discovery Channel of the USA, to make way for a new Park Hyatt Hotel. With the property Bermuda Government owned, it had been abandoned since 1989 and was up for lease. The Park Hyatt (St. George's) Resort Act 2008 places ownership of the land south of St. Catherine's Point earmarked for the hotel and golf course in the hands of Government. It will then be leased to developer Addax Holdings Ltd. for Bazarian International who have promised to produce in 2009 or thereabouts the brand-new Park Hyatt (St. George's) Resort. D. H. Griffin Wrecking Company, of North Carolina, won the contract for the implosion of the ten-storey building and began preparing the site for implosion on July 16, 2008. Griffin owner Rusty Griffin and his employees drilled a total of 2,000 holes into the various columns that support the structure. The holes were later filled with dynamite, over 700 pounds in total, to ensure the building's implosion. The explosions were scheduled to bring down the building in a carefully timed and organized manner, like a line of dominoes. Explosions in the core of the building, the old elevator shafts, weakened the centre of the structure first, pulling the wings of the hotel inward. More explosions followed moments later to weaken more of the structure, feeding the collapse. In total, there were 12 "slices" leading outward, each timed to bring the building down onto itself, rather than falling away. T. H. P. of Ohio conducted engineering surveys of the structure to ensure it was imploded safely. All asbestos-containing material were removed from the site before implosion occurred and local contractors only will be used to remove the debris and rubble as soon as it has been deemed safe to do so. The asbestos was taken to the Government quarry for storage in conditions approved by the Ministry of Health. All living in the area near the site were evacuated from the area temporarily and cared for by the Government at another location. Residents living in GE03 and GE05 postal codes received brochures in the mail and were advised to block their roof gutters. Bermuda Water Consultants monitored air and water for pollution levels to make sure there were no health risks.

The Bermuda Government is committed to handing over a clean site to developer Bazarian International on December 31, 2008, ahead of the creation of a \$294 million dollar Park Hyatt hotel to be managed by Park Hyatt, plus residence complex (condominiums, see below) and golf course. The new complex proposed for the Club Med site includes a 200-room hotel as well as 140 condos, some of which will be available for hotel guests, and 40 fractional ownership units. It's a \$294 million project that will include swimming pools, tennis courts, five restaurants, bars and an 18-hole golf course designed by champion golfer Nick Faldo. In March 2008, Mr. Bazarian of Bazarian International also announced that he had entered a deal with Park Hyatt hotel chain as the operator and brand of the development.

He also said his company was also interested in enhancing Fort Albert and Fort Victoria, which he claimed were also part of the property. "We'll definitely have it built by 2012. It's going to be spectacular. We are going to keep to the culture of the UN Heritage concept. We want to use the forts and enhance them." Before that can take place, however, David Durham, of Building Blocks Construction, will have to truck away three to four thousand tons of debris. They would try to recycle as many materials as possible, but that the work could take between six to eight weeks. The debris that cannot be recycled will be dumped at the Frederick L. Wade Airport dump.

The move will finally end a deadlock on the derelict facility which has been a source of frustration for St. George's residents since Club Med closed in 1988. It had an uneasy life. It had started as a Holiday Inn, which failed. It became a Lowe's Bermuda, which failed, then a Club Med Hotel. The Park Hyatt (St. George's) Resort Act 2008 also sets out the concessions and terms of lease for the resort, placing ownership of land south of St. Catherine's Point in the hands of Government. Developer Addax Holdings Ltd., for Bazarian International, will be granted a 131-year hotel lease. An annex to the Act also asked the House of Assembly and Senate to approve an initial 120-year lease for the additional 11.77 acres of St. George's Club to 'St. G Club Ltd', for an annual rent of \$200,000. Regarding the hotel lease, the Minister of Works and Engineering will be responsible for leasing land to the developer for up to 131 years, with an "automatic renewal" for a further 131. The lease for the 180 condominiums (40 of which will be owned by tourists on a fractional basis) will be for 262 years. When the owner is not in the unit, the unit will be voluntarily rented out through the hotel to transient visitors. The fractional units will be subject to all of the services and amenities that are afforded to a regular hotel room, such as housekeeping, bellman, etc. The Park Hyatt development will also include staff housing. The development will also include staff housing (to be situated on land off Redboat Lane North, a sewage treatment and water desalination plant, reverse osmosis plant, beach club, tennis courts, sun deck, docking facilities, restaurants, shops, a spa and fitness centre. Commercial and service vehicles will be allowed to bypass the St. George's Traffic Ordinance 1967, in that they will have access "to travel on certain routes that would otherwise be restricted". They are granted access to the hotel via Government Hill Road and also Wellington Street, and "any other alternative route, as may be necessary from time to time". Speed limits however, will be in force. The hotel concessions granted to the developer by the Act include:

- One year's "full relief" on customs import duty for building materials, furnishings, fixtures and construction equipment;
- Five years' exemption from land tax for the hotel, fractional and condo units;
- Five years' exemption from hotel occupancy tax to the equivalent amount spent on sales, advertising and marketing of the Park Hyatt hotel and golf course;
- Five years' exemption from hotel occupancy tax to the value of 50 percent of the amount spent on Bermudian entertainers;
- Five years' employer's payroll tax exemption to cover 100 percent of training and education costs for Bermudian employees (to a maximum 90 percent tax exemption);
- A reduction in the Bermuda Immigration Protection Act 1956 land-holding charge for first disposition of each fractional share, from 18 percent of the value of the share to 10 percent;
- Full exemption from the land-holding charge for first disposition of a condo unit, which must be rented out by the hotel to tourists for ten months of the year. Otherwise the charge is 18 percent of the value of the condo. And if the licence holder opts out of the rental programme, the land-holding charge is ten percent the original value of the condo;
- Full exemption from the Bermuda Immigration and Protection (Rental and Use) Regulations 2007 charge on the rental of a unit, provided the condo is rented by the hotel to tourists for ten months of the year.



Until August 25, 2008 it was very big, shuttered-up building on the top of the hill near Fort St. Catherine Beach, with gorgeous sea and land views, among the best in all Bermuda, the dominant landmark in the area by air and sea. It had a troubled history. It began life as a leased Holiday Inn. It failed, the leasehold was sold, became a Loews Inn, failed again, then became a Club Med resort until 1989, when it again failed. The building reverted to landlord the [Bermuda Government](#), owner of the land and property. Fort Victoria was leased with the property, and became the site of the hotel's swimming pool and tennis courts as it was lost forever to visitors and those who appreciate unique British military property.

Smaller picture left, from a different angle, by author Keith A. Forbes, shows another view of the hotel and fort. The

now-derelict site, instead of being without any human occupation, was, until April 2007 when they were finally ejected - the home of trespassers, more than 33 homeless folk who have taken refuge in the formerly vacant staff dormitories of the once bustling hotel, despite the many "no trespassing" signs. They joined forces to form a 'People's Alliance' in a bid to make the derelict building a better place to live. Many of the people are skilled and have jobs but are unable to afford the Island's high rents and cost of buying a home. They have been dubbed Bermuda's 'working poor' - part of a growing segment of the population caught in the housing trap. They ranged in age from 14 to 56 and bonded together to pool skills and food under the People's Alliance banner. They included skilled laborers, carpenters, beauticians and even some Government workers. They ran the Alliance to ensure each resident has access to food and that their most basic needs were met. Some visited grocery stores to see if they would give food that would otherwise be thrown away. Their efforts were successful and they had a relatively good supply of nonperishable food. They had power and furniture, some found there, others scrapped, plus TVs and more, inside the rooms. The property looked like it had been battered by a strong hurricane. All escaped the exorbitantly high rents and costs of housing elsewhere. They were aware that they would be forced to leave if the property is leased, but were happy that they had a roof over their heads and were not forced to live in Bermuda's public parks and beaches. This is a side of life other Bermudians and tourists do not see, except when publicity results when the Police are called. In late 2007 the discovery of asbestos halted plans to demolish the former Club Med and prompted squatters to move back in after being evicted by the Government.

Despite its stunning setting for a top-class resort, the property has remained vacant for more than 18 years with several investors putting forward ambitious plans, backed by tens of millions of dollars, only to have them collapse.

In December 1993, the United Bermuda Party's Jim Woolridge became the first in a string of Tourism Ministers from both major parties to claim that good news on Club Med was just around the corner. He announced that he had met with a group of businessmen from Massachusetts who had viewed the site and were interested in building a new hotel. But before anything could move forward, the Government had to deal with the fact that Club Med still held the lease to the land on which the hotel stood. In 1995, the French resort company proposed reopening 100 of the hotel's 340 rooms and simultaneously slashed its asking price for the building from \$32 million to \$13.5 million. Its argument was that it would be easier to sell the business as a going concern. But the Government rejected the proposal, as Works & Engineering Minister Leonard Gibbons pressed ahead in taking Club Med to court to reclaim the property, arguing that the company was in violation of the terms of its lease. When the matter went to Supreme Court in August 1995, Puisne Judge Vincent Meerabux reversed his decision on whether to send the matter to arbitration and legal proceedings began that were to continue, on and off, for more than two years.

In February 1996, Club Med approached Government with a proposal to reopen the hotel by May of the following year. The Government set aside its legal action and compromise agreements were reached on re-licensing requirements relating to fire safety, sewage treatments and room standards. Club Med decided reopening would not be possible until the spring of 1998, but in March 1997 proposed to reopen as a timeshare property. Government responded by re-launching its legal action to take back the lease. The result? Club Med gave up the lease in September 1997. In 1998 the Atlanta-based Camberley Hotel Company was in the frame as the next potential developer. Talks between the company and Government progressed well over the subsequent months and by July the company had come to a labour agreement with the Bermuda Industrial Union and had set early 2000 as a target opening date. A month before the November 1998 General Election, Camberley president Ian Lloyd-Jones said his company's \$32-million revamp plan for the hotel would be put on hold until after the poll. The Progressive Labour Party won the election and David Allen replaced David Dodwell as Tourism Minister. Talks continued, but by May 1999 the Camberley deal was close to collapse due to finances, or the lack thereof. By late 2000, Mr. Allen sparked some optimism by announcing that Malaysian development company Aman Capital wanted to redevelop the site. But by December 2001, the plans had effectively collapsed. In September 2002, after a short battle with cancer, Mr. Allen died. Three more bids to redevelop the hotel site were considered by Government, but one of the competing groups got fed up with waiting for a decision by late 2002.

1997. A year later, the St. George's Renaissance Consortium, backed by Canada-based Quorum, led by Wanda Dorosz, got the nod for a limited-term exclusivity agreement. Costs were estimated at around \$80 million and the group wanted to be in business by 2005. They claimed to have spent more than \$2 million on the project that would have brought a Four Seasons hotel to Bermuda. The consortium's \$220 million plan, unveiled in November 2003, included demolishing the old building and replacing it with a hotel of at least 90 bedrooms and a cottage complex of 90 condominiums, designed in a European style with public squares and fountains. An underground theatre, seating between 400 and 500 people, would be used for cultural events and the consortium had gathered support from several overseas cultural institutions which would have resulted in world-class theatre coming to the island. By March 2005, the plans remained on track, with a much-increased cost estimate of \$210 million and the Four Seasons hotel chain set to manage the resort. However, by December 2005 the Renaissance group, with its \$220 million worth of financing in place and primed to press ahead, was dealt a major blow when it appeared Government stopped talking to it. The next move was unveiled by Dr. Brown in January 2006 when he revealed that talks had started with US-based KJA Company and Jack Avedikian. Ten months later this agreement was terminated.

It was hoped that if and when the property is resurrected it will be bull-dozed and rebuilt as a five-star hotel for an as yet unnamed hotel operator who will agree to the property and land being only leased, not bought outright. This has been the main stumbling block to date. A testing 'signature' golf course is also on the cards to give the new hotel, if built, an extra hook for attracting visitors to the East End.

May 9, 2007. Construction work on the five-star St. Regis hotel at the former Club Med site is to begin this year, Premier Ewart Brown pledged at a public meeting. Dr. Brown said he wanted to reassure "pessimists" that ambitious plans to transform the derelict building would not go the same way as a string of similar proposals which have collapsed in the past few years. He said work would begin as soon as Carl Bazarian, of Bazarian International, the investment banking firm behind the scheme, completes negotiations over a lease with the Ministry of Works and Engineering. "Carl Bazarian is a very serious and committed developer. I'm very confident that he will keep his word. We need to see that building leveled. We need to see it gone. That will be the very first phase of the work done. I wanted to come here tonight and reassure you that nothing has got in the way. The brand that's been mentioned is St. Regis. You don't get a much more luxurious brand than St. Regis. Club Med is to St. Regis as a dwarf is to a giant. We are bringing something that can make a difference in the town. I have challenged the mayor and alderman to help make St. George's alive again. It's been too sleepy. Business doesn't thrive in a town that sleeps." The new St. Regis resort is expected to be completed in three years. It is likely to have up to 150 units, comprising one- two- or three-bedroom apartments and villas, and will be a maximum three storeys high.

May 2008. The plan was changed, to build a Park Hyatt, not a St. Regis, once the present structure is demolished. Blame for the delays has been attributed to the huge amounts of asbestos found in the present building.