



## **Ministerial Statement**

**By**

**The Hon. Zane Desilva, JP, MP**

**Minister of Housing and Municipalities**

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### **MORGAN'S POINT DEVELOPMENT COMPANY UPDATE 2025**

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**Mr. Speaker,**

I rise today to provide Honourable Members with an update on the work of the Morgan's Point Development Company, or MPDC. This Government recognises the significance of the Morgan's Point site, not only for its physical scale, but for its potential role in Bermuda's future economic and social development. It is therefore important that I take this opportunity to apprise the House of the progress that has been made in strengthening the Company's operations, ensuring good governance, preparing the site for redevelopment, and setting the stage for long-term strategic decisions.

**Mr. Speaker,**

By way of context, Mr. Speaker, Honourable Members will recall the long and difficult history of the Morgan's Point site. What began as a land swap for Southlands in 2011 was heralded as an opportunity to deliver significant hotel and residential development. Successive proposals included boutique hotels, branded condominiums, and a luxury resort anchored by the Caroline Bay Marina.

However, as was outlined when the Morgan's Point Company Act 2022 was introduced in this House, the project was beset by financial instability from its inception. Construction proceeded on the basis of a \$165 million Government guarantee, rather than on the financial viability of the project itself. When the project defaulted, the Bermuda Government was legally obligated to honour that guarantee. To date, taxpayers have borne more than \$230 million in direct costs and interest payments, with little to show beyond an unfinished site and a marina.

It is precisely because of this painful history, **Mr. Speaker**, that the work of MPDC today is centred on discipline, transparency, and rigorous due diligence.

Every step now being taken, from corporate governance and compliance, to feasibility analysis and structural assessments, is designed to avoid the mistakes of the past. Our aim is to ensure that this critical national asset is managed responsibly, in the public interest, and with the long-term goal of securing the best value for Bermuda.

**Mr. Speaker,**

Earlier this year, Government provided support to MPDC to establish its operational base and to commence feasibility and clean-up activities. Since that time, the Company has concentrated on building the necessary foundations for sound management and effective oversight. One of the first steps has been the formal onboarding of Carey Olsen as Corporate Secretary. This appointment ensures that the Board of Directors is operating in full compliance with its statutory and fiduciary obligations. In addition, MPDC has confirmed its compliance with the Personal Information Protection Act, and appointed a dedicated Privacy Officer to oversee all data protection responsibilities. These measures speak to a strong commitment to transparency, accountability, and proper governance.

**Mr. Speaker,**

On the financial and operational side, MPDC has made notable progress. Bank accounts have been established and funded through Bermuda Commercial Bank, and the Company has successfully addressed vendor payables and regulatory fees. Work is currently underway to secure Directors and Officers' liability insurance, which will further protect both the Company and its Board. The Company is also in the process of finalising the appointment of accounting and legal service providers to provide ongoing professional support. Taken together, these steps represent a deliberate effort to ensure that the Company's operations are robust, compliant, and fit for purpose.

**Mr. Speaker,**

Recognising the complexity of the work at Morgan's Point, MPDC has engaged an operations and project management consultant to oversee the various workstreams. This arrangement ensures that activities ranging from feasibility studies to site readiness preparations are properly coordinated and delivered with efficiency. It also provides Cabinet with the assurance that the project is being managed with professional discipline.

**Mr. Speaker,**

In terms of site readiness and clean-up, MPDC has developed a phased plan to address both immediate and long-term requirements. The first stage has involved assessments of hurricane preparedness, as well as cost estimation exercises to inform contract negotiations. These are critical steps in ensuring that the site is safe, secure, and maintained responsibly. The next stage will involve the engagement of contractors to carry out on-site clean-up work. Honourable Members will appreciate that such work must be undertaken with the highest regard for health, safety, and environmental standards, and MPDC is taking care to ensure that these considerations are given full weight.

**Mr. Speaker,**

On the development side, the Company has not stood still. Board members and consultants have undertaken site visits and due diligence exercises, and communications have commenced with leading structural engineering firms. I can advise Honourable Members that site visits are intended to be held in the near future, during which engineers will conduct detailed structural assessments and prepare property condition reports for buildings R1 through R5.

These reports will form the backbone of a comprehensive redevelopment strategy, providing clear evidence of what is feasible and what investment will be required.

**Mr. Speaker,**

A further critical element of this work is the feasibility study now underway. This study is updating the financial model originally prepared in 2021, taking into account the effects of inflation, site degradation, and current market conditions. The updated model will allow the Company, and by extension Government, to consider a range of options for the site's redevelopment. These options include direct development by MPDC, public-private partnerships, or the potential disposal of certain assets through sale or lease. In each case, the analysis will ensure that decisions are grounded in rigorous financial assessment and strategic foresight.

**Mr. Speaker,**

Looking ahead, the Company has set out its next steps. These include finalising the appointment of its accounting and legal service providers, securing D&O insurance coverage, engaging contractors to carry out the phased site clean-up, completing the structural engineering assessments and property condition reports, and advancing the feasibility work to a point where firm recommendations can be brought before Cabinet. These steps represent steady progress, but also a clear trajectory towards enabling long-term redevelopment at Morgan's Point.

**Mr. Speaker,**

In closing, I wish to emphasise that the Morgan's Point Development Company is now well established and is diligently advancing its mandate. While much work lies ahead, the foundations are now in place to support an informed and strategic approach to the redevelopment of this important site. I look forward to returning to this Honourable House in due course with further updates, as the Company moves from planning into implementation.

**Thank you, Mr. Speaker.**