



**GUIDELINES: SUBMITTING
APPLICATIONS FOR**

Approved Residential Schemes

**WITHIN THE ECONOMIC
EMPOWERMENT ZONES (EEZS)**



January 2024

Background

The Bermuda Government seeks to stimulate growth in Bermuda's economy, and in particular within the Island's 4 Economic Empowerment Zones (EEZs – Northeast Hamilton, Somerset, South East Hamilton and St. George's), by widening the scope of potential investment through providing for the creation and support of Residential Approved Schemes.

In line with the Government's commitments contained in the 2017 Platform; the 2017 and 2018 Throne Speeches; and the 2018/2019 Budget Statement, suitable approved schemes will address economic inequality; stimulate economic growth; and empower entrepreneurs.



EEZs are designated geographical areas where special programmes are implemented to relieve hardship or economic disadvantage or to assist disadvantaged persons to achieve equal opportunity. An EEZ is achieved through developing and implementing a system of policies to close the gaps of inequity that exist in certain designated geographical areas in comparison to other areas in Bermuda. The work that takes place in an EEZ is focused on striking a balance between the economic environment (economic equality); the social environment (access to services); the physical environment (high quality design); and the community environment (good quality of life).

The BEDC was tasked with partnering with others in order to establish and regenerate EEZs across Bermuda. This includes working with key stakeholders to address local community issues; providing economic tools to help local businesses thrive; and engaging external partners to invest in these zones.

North-East Hamilton from the early 1900s, became the hub of the black experience where professionals prospered and began to build legacies. St. George's, as our founding Capital, settled in 1612, laid the foundation for our Island's continual development and growth. Somerset also has a long and rich history and its families have played a vital role in Bermuda's development since 1840. As the gateway to the city, South East Hamilton plays an important role by providing key commuter routes into and out of Hamilton. It also plays a key role in Bermuda's economy as it hosts the container docks. Notwithstanding the rich histories within these 4 zones, it is evident that additional investment is needed for the areas to reach their full potential economically, physically, and socially. As such, the Residential Approved Scheme initiative provides a mechanism by which the Government, the EEZ stakeholders, and the country can achieve this goal.



These areas, like many others, have simply been unable to keep pace with the economic and social changes of the country. Although these areas have maintained a strong sense of identities and have a rich blend of cultures, commerce, and industry, statistically compared with other areas of Bermuda there is a deficit from a socio-economic perspective and in some cases, even from a physical development perspective. The Government believes that with the right blend of legislation and policies, the EEZs can enjoy economic growth and success, which will also inject the Island of Bermuda with the same.

The BEDC over the years has developed various incentives and policy tools aimed at assisting businesses to grow and become more sustainable. However, it is recognized that developing an EEZ is not just focused on business development and that it also requires a wholistic approach. As such, in Fall 2019 amendments to the Economic Development Act 1968, the Companies Act

1981, and the Bermuda Immigration and Protection Act 1956 were undertaken and approved to facilitate this approach. As such, the Economic Development Act 1968 has been updated to permit the Minister responsible for Economic Development to approve schemes and to provide the criteria to which the Minister should have regard in designating a development an Approved Scheme.

All Approved Schemes will be subject to the negative resolution procedure and as such will be signed by the Minister coming into force once published in the official gazette, which will bring further transparency and certainty to the process. Once that occurs, they will be laid before both Houses of Parliament.

Policy

Both local companies and exempted companies are now permitted to acquire or hold residential units forming part of an Approved Residential Scheme (**ARS**) as a mechanism to further stimulate the economy. This increases the potential participants in the **ARS**, and in doing so further diversifies the scope of potential demand for residential units in an Approved Scheme.

Developments which existed before November 1st, 2019 are included in the changes made to the Act. This means that if there existed developments, consisting wholly or part of residential valuation units, in one of the EEZs which was either approved as an Approved Scheme or was implementing an Approved Scheme in the EEZ before November 1st, 2019, it is considered an **ARS**.

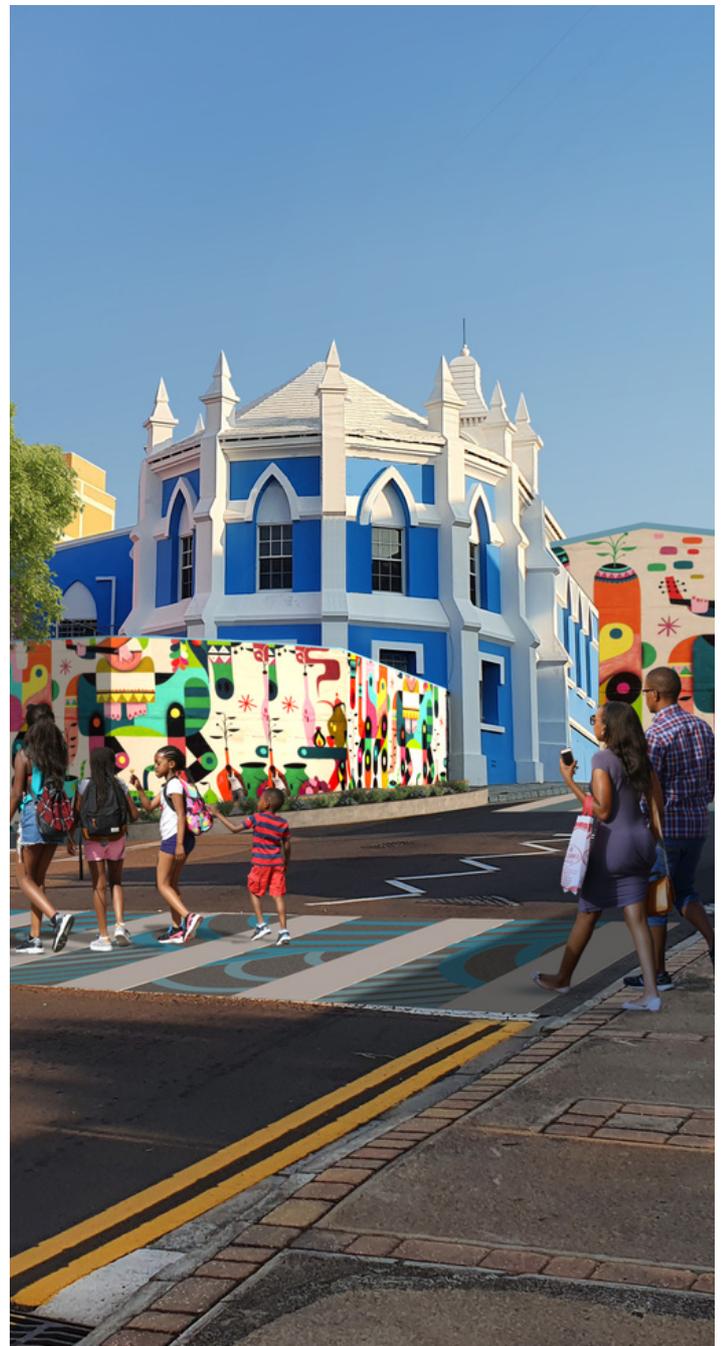
For the purposes of ensuring good title, approval of an **ARS** shall not be withdrawn so that title to any unit purchased will not be restricted or otherwise affected by the immigration status of the purchaser.

In order to develop a process for continued investment within the economic empowerment zones, land license fees associated with purchasing of the residential units will go into an EEZ community development and investment fund to assist with investing in the people and the programmes in the respective Zones.

The intent of this policy is to address economic inequality; stimulate economic growth; and empower entrepreneurs in areas of Bermuda which have historically not had the level of investment compared to other areas of the Island. In addressing these areas, the intent is not to create conditions which

facilitate gentrification and the displacement of the residents, businesses, and property owners within these zones.

By considering gentrification as the potential negative impact of the EEZ regeneration on lower-income residents, the Government must do all it can to ensure policies and practices are designed in a way to protect those most at risk of housing vulnerability and displacement.



Application Process

The following lays out the process for which to make an application for an **ARS**, what will be required to submit, and how the Government will assess those applications. They clearly identify the criteria to meet for approval by the Minister. This is to ensure that there is compliance and fairness in the process.

All applications must be made in writing to the Minister on the application form prescribed with supplementary attachments provided including the following information:

1. The name, address, contact, and relevant information of the owner and developer of the proposed development;
2. The name of the current property owner and the address of the property to be developed;
3. Details of the proposed development scheme including anticipated benefit to the EEZ, its stakeholders, and Bermuda;
4. Details if the current property owner will be involved in the proposed new development and **ARS**;
5. Details of any historical economic ties to the proposed development site;
6. A business plan for the proposed development including feasibility data, project costs, details of development team involved, legal structure, financing required, anticipated financier, projected revenue, customer market, and any other details deemed necessary;
7. Details of the conceptual and preliminary architectural design which takes into consideration the various planning and development requirements for the project site along with the desired goals of the **ARS**;
8. Details on the estimated number of jobs which will be created by the approved scheme;
9. Details on the estimated number of Bermudian workers projected to be involved with the development project;
10. Details on the estimated number of Bermudian apprentices involved in the development project; and
11. Details of the number of residential units available for Bermudian purchasers as well as the number of residential units set aside as "affordable housing" within the overall development.



Assessing Applications

The Minister shall have regards to the following criteria in designating a development an **ARS** under the Act:

1. Details of the holdings and business interests of the owner;
2. Details of the holdings and business interests of the developer;
3. Statements of the business history of the owner for the previous five years;
4. Statements of the business history of the developer for the previous five years;
5. Details of how the proposal will improve not just the physical, but the socio-economic factors within the Economic Empowerment Zone; including (i.) affordability to tenants and residents, and (ii.) prevention of displacement;
6. Details of the level of pre-proposal engagement with the stakeholders within the Economic Empowerment Zone;
7. Details of any requests for Government concessions and exemptions;
8. Details of the potential economic investment within the EEZ;
9. If the owner and/or the developer is an existing local company or exempted company operating in Bermuda, confirmation of meeting the Bermuda's Government current benefit obligations (e.g. taxes, social insurance, pension, health, etc.);
10. If the owner and/or the developer is an existing local company or exempted company operating in Bermuda, confirmation of meeting the Bermuda's Government current fiduciary obligations (e.g. annual filings, beneficial ownership, economic substance, etc.);
11. Such information as may be necessary to satisfy the Minister as to the financial viability of both the developer and the development; and
12. Such other information as the Minister may reasonably require.

For queries on Approved Residential Schemes, please contact Erica Smith, Executive Director at esmith@bedc.bm or (441) 292 -5570.



The 4 Economic Empowerment Zones (EEZs)



North East Hamilton EEZ (NEHEEZ)

The boundaries of the NEHEEZ and the focus on this part of the City were informed by the City of Hamilton Plan 2001 which was approved by the legislature in July 2002 and had an objective “To achieve the economic and social regeneration and environmental improvement of North-East Hamilton”.

The Plan itself underscored the land in the north-east quadrant of the City as having the majority of the City’s residential population and highlighted that although the area had a strong sense of community and was culturally and architecturally distinct, the area also had a negative image and was in need of economic regeneration.

The NEHEEZ boundaries are Victoria Street to the South, North Street to the North, King Street to the East and Cedar Avenue to the West. This area constitutes the north-east quadrant of the City of Hamilton and is 59.5 acres made up of approximately 25 square blocks consisting of over 300 households and over 200 businesses.

The 4 Economic Empowerment Zones (EEZs)



St. George's EEZ (SGEEZ)

The boundaries of this zone follow a more fluid configuration aligned with topography of the areas versus the more rigid formation in NE Hamilton. The areas designated as economic empowerment zones and are mainly focused around The Town of St. George. The boundaries of the zone were informed by the following criteria:

- A desire to focus along main access roads and main commercial hub areas;
- A desire to focus on locations that needed economic incentives and assistance;
- A desire to focus on locations that have capacity for additional development - that means having a current land use zoning that is favourable to commercial, home occupation, light industrial, and other economic use; and
- A desire for inclusion of some tourism and community sites to drive opportunities for partnerships and synergies.

The SGEEZ is 333.96 acres – approx. 50% of St. George's Island. The boundary starts on Mullet Bay Road near Mullet Bay Park and ends on Cut Road near St. George's Dinghy & Sports Club. The boundary focuses along the commercial core in the Town where the majority of businesses are located – along Mullet Bay Road, Duke of York Street, Barrack's Hill, and Cut Road. It also includes the land encompassing Meyer's Boatyard, Fort St. Catherine, the former Club Med and the St. George's Golf Course. The SGEEZ has over 100 businesses and thousands of residents.

The 4 Economic Empowerment Zones (EEZs)

Somerset EEZ(SEEZ)

The boundaries of this zone also follow a more fluid configuration aligned with topography of the areas. The areas designated as economic empowerment zones and are mainly focused around Somerset Village. The boundaries of the zone were informed by the following criteria:

- A desire to focus along main access roads and main commercial hub areas;
- A desire to focus on locations that needed economic incentives and assistance;
- A desire to focus on locations that have capacity for additional development - that means having a current land use zoning that is favourable to commercial, home occupation, light industrial, and other economic use; and
- A desire for inclusion of some tourism and community sites to drive opportunities for partnerships and synergies.



The SEEZ is 305.26 acres. The SEEZ fully encompasses constituencies 34 and 35, and borders 33 and 36. The boundary starts on Somerset Road at Willowbank and ends on Mangrove Bay Road at Watford Bridge before it changes into the lands under the remit of WEDCo. The boundary focuses along the commercial core where the majority of businesses are located – along Somerset Road, Manchester Street, and Mangrove Bay Road. It also includes the land encompassing Sandys 360, Willowbank, 9 Beaches, and Cambridge Beaches. The SEEZ has over 100 businesses and thousands of residents.

The 4 Economic Empowerment Zones (EEZs)



South East Hamilton EEZ (SEHEEZ)

The area for the South East Hamilton Economic Empowerment Zone (SEH EEZ) is primarily focused on enhancing the economic prospects of this part of the city. The SEH EEZ, encompassing approximately six city blocks plus the cargo docks, lies almost entirely within the City of Hamilton's limits. It is bounded by Court Street to the west, Victoria Street to the north, and the Hamilton Harbour shoreline to the south, with its eastern boundary running along the city's eastern edge to include some adjacent properties. The total area of the SEH zone is about 41 acres, of which 33 acres are developable.

The land use in SEH is predominantly commercial, occupying approximately 26 acres of the developable area. This includes spaces for commerce such as docks, parking lots, and vacant land ready for development. A survey conducted in May 2022 revealed the presence of approximately 183 business locations and 7 residential buildings in the area, with the highest concentration of businesses located on Front Street, particularly in large multi-tenant office buildings. However, this level of development is not uniform throughout SEH. Among the 183 business locations, 38 were vacant at the time of the survey, and the occupied spaces predominantly comprised various service-based businesses, with a significant presence of salons/spas and health-related services.

Approved Schemes Application Form

DEVELOPER(S) DETAILS

1) Applicant: Mr. Mrs. Ms. Other

First Name Last Name Middle Initials

Residential Address Parish Postal Code

Mailing Address (if different from above) Parish Postal Code

Home Telephone Work Telephone Cell Number

Email Address Bermudian Yes No If No, Nationality _____

ID # ID Type

2) Applicant: Mr. Mrs. Ms. Other

First Name Last Name Middle Initials

Residential Address Parish Postal Code

Mailing Address (if different from above) Parish Postal Code

Home Telephone Work Telephone Cell Number

Email Address Bermudian Yes No If No, Nationality _____

ID # ID Type

DEVELOPMENT COMPANY DETAILS

Name of Business Title Business Start Date

Approved Schemes Application Form

Business Address _____ Parish/State _____ Postal/Zip Code _____

Payroll Tax ID # _____ Social Insurance # _____

Business Structure: Partnership Registration # _____
Incorporated Company Registration # _____
LLC Registration # _____
Cooperative Registration # _____

Registered Company Name _____ Corporate Secretary _____

Registered Office Address _____ Parish/State _____ Postal/Zip Code _____

Mailing Address _____ Parish/State _____ Postal/Zip Code _____

REFERENCES & OTHER CONTACTS

Name of Professional Reference _____ Telephone Number _____ Email address _____

Name of Professional Reference _____ Telephone Number _____ Email address _____

DEVELOPER GOVERNANCE HISTORY

Are you current with Payroll Tax, Social Insurance, or do you have an agreed payment plan? Yes No
If applicable have you made all required Registrar of Companies filings? Yes No
Do you have any outstanding debts with Bermuda Credit Association? Yes No
Do you have any outstanding judgments or are you a defendant in any suits or legal actions? Yes No
Have you ever been convicted of an offense for fraud, dishonesty, or violence? Yes No

DEVELOPMENT SITE DETAILS

Development Site Address _____ Parish _____ Zip Code _____

Development Site Sq. Footage _____ Development Site Zoning _____

Current Owner's Name _____ Email Address _____ Telephone number _____

An architectural rendering of a modern building named Sofia House. The building features a prominent facade with large, colorful, abstract geometric patterns in shades of red, yellow, blue, and pink. The ground floor is a glass-fronted entrance. To the right, a multi-story building with cantilevered balconies and colorful panels is visible. The scene is set on a city street with pedestrians, a stroller, and a church spire in the background under a clear blue sky.

CONTACT US

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