

PINK BEACH CLUB – PROPOSED REDEVELOPMENT

ENVIRONMENTAL IMPACT STATEMENT



For

C12 Global Investments Ltd.

ADWICK
P L A N N I N G

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Executive Summary

Introduction

- This environmental impact statement is submitted as part of the required documentation for the in principle planning application submitted by C12 Global Investments Ltd for the redevelopment of the former Pink Beach Club.

Proposed Development

- The proposed development seeks to reinstate the former Pink Beach Club as a premier tourist facility.
- The proposal involves the subdivision of the property into two lots. The western lot will be 7.5 ac in area and the eastern lot 5.5 ac.
- Following demolition of almost all existing buildings on the entire site the western lot will be dedicated to a 34 suite five star boutique hotel, with a high quality gourmet restaurant and beach grill, spa and fitness facilities, beach club, fresh and saltwater pools and access to the western beach and tennis courts. In addition 6 luxury residential condominium units will be built which will offer a form of low density residential living that provides access to all hotel services and amenities.
- The development of the eastern 5.5 acres will involve the construction of a high-end detached residential building with groundskeeper's cottage at the extreme eastern end of the proposed lot. Two existing buildings on this part of the site will also be renovated to create two luxury guest units (no separate assessment numbers are required for the guest units).

Site and Surrounding Area

- The site is the former Pink Beach Club, which served as a 94-room full service hotel until it ceased operation in August 2013. The hotel use had operated on the site since 1947, originally as a cottage colony of 13 rooms.
- The site is laid out as a typical cottage colony with numerous one, two and three storey guest cottages arranged around the property with a central reception/restaurant building.
- The buildings are situated quite close to one another and are served by a variety of additional hard surface features in the form of decks, stairs, walkways, as well as the vehicular access road to the north of them. These buildings are all in poor condition and some in derelict condition, due to prior hurricane damage and having been left unoccupied and unmaintained since hotel closure. In the hotel's last year of operation only 34 of the rooms were in use.
- The Hidden Cove condominium development is situated immediately adjacent to the western boundary of the site. Other higher density residential development is located to the northwest of the property on the opposite side of South Road with open space including Mangrove Lake (nature reserve) to the north and lower density residential development to the east.
- The site is zoned Tourism with Coastal Reserve. There is an Agricultural Reserve conservation area in the northwest corner of the site. The zonings of lands adjacent and opposite the site include Residential 1, Nature Reserve and Residential 2.

Impact Assessment

Land Use

- The site has been used for tourism purposes for many years and the proposal would continue that use. The residential component is permissible on land zoned Tourism.
- The impact on surrounding property is neutral

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Impact on surrounding area	Neg	Mild	Mild	*			
Operation	New beneficial use	Pos	Major	Major			*	

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

- The proposal is generally in line with planning policy. Some negative impacts may be experienced during construction but the creation of a new beneficial use on the site will be very positive.

Terrestrial Ecology

- The property is an existing developed site containing numerous unoccupied and deteriorating buildings.
- There are two natural habitats on the site. Neither is directly affected by the proposals
- Mangrove Lake, a nature reserve, is located near the northern end of the property.

- Certain species of native/endemic trees exist on the site though a number are in poor condition

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Plant removal	Neg	Mild	Mild	*			
	Disturbance	Neg	Mod	Mod	*			
	Dust	Neg	Mod	Mod	*			
	Removal of invasives	Pos	Mod	Mod	*			
Operation	Habitat creation	Pos	Mod	Mod	*			

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- Mitigation measures include protecting native/endemic tree species during construction and, where possible, incorporating them into landscaping proposals for the site. Encouraging wildlife on the site in the operational phase is also proposed. These measures can be included in a construction environmental management plan (CEMP) and an operational management plan (OMP).

Geology/Hydrogeology

- The site is not located over any of the island's groundwater lenses or in a Cave Protection Area
- The former hotel used a reverse osmosis plant to supplement rainwater collected in storage tanks under the buildings on the site to supply potable water. The same means of supply is proposed for the new development.
- The storage tanks of the buildings to be retained following demolition will be used for landscaping and construction. This is unlikely to meet the needs of construction which will necessitate trucking water to the site.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Use of water resources	Neg	Mild	Mild		*		

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- The CEMP and the OMP will make recommendations on the management of water resources in the construction and operational phases of the proposed development

Waste Management

- Little data is available on the amount of solid waste generated by the former hotel but it is estimated that it could be in the range 4.2 – 9.6lbs/day. The waste stream would be likely to have contained a mix of materials including food, glass, paper etc.
- The former Pink Beach Club used different systems for dealing with sewage including cesspits for most of the older buildings and a septic tank with the overflow to a borehole for the newer buildings.
- With fewer rooms the proposed hotel is likely to produce less waste than the previous hotel although it is still estimated to total 38.85 tonnes/yr composed of a variety of materials.
- On the site waste will be collected using a golf cart and taken to a dumpster/compactor located at the facilities building for disposal by a private contractor.
- The proposed development will incorporate a new sewage treatment and disposal system. The system will collect sewage from the development on the western lot and provide secondary treatment with disposal to a borehole. The system will meet

Department of Environmental Protection standards and will be an improvement on the previous disposal methods.

- Demolition and construction activities have the potential to create significant amounts of waste that will need to be disposed of off site.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Demolition & construction waste	Neg	Mod	Mild		*		
Operation	Solid waste disposal Sewage disposal	Neutral Pos	Mod	Mod	*			

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- A demolition plan has been prepared detailing a range of measures to mitigate impacts. The measures include stockpiling materials well away from residential properties, the erection of hoarding and dampening rubble piles to suppress dust.
- The CEMP will include similar measures for the construction phase of the development.
- The OMP will include waste management measures during the operational phase of the development.

Air Quality

- There are no known air quality impacts in the area arising from the operation of the former hotel and it has been confirmed that asbestos is not present in the existing buildings. A demolition permit has been granted.

- The operation of the proposed hotel is not expected to any significant air quality impacts.
- There is a risk that the construction phase of the proposed development will cause impacts such as dust which could adversely affect neighbouring residential properties.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Dust	Neg	Mild	Mild	*			

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- The CEMP will contain measures to mitigate any impacts arising from the construction phase of the proposal.

Climate Change, Energy and Sustainability

- The waterfront location is susceptible to inundation and storm damage and some of the existing building were damaged in Hurricane Fabian.
- The most recent peak Belco demand for the former hotel was 305kW but this was recorded in the last two years of operation when it was not operating at full capacity.
- The main hotel buildings in the proposed development are setback much further in accordance with recommendations in the Coastal Protection Guidelines. The berm will help to protect South Road and Mangrove Lake from inundation.

- The estimated peak demand for the proposed hotel is 30% higher than the former operation but it is providing a range of additional amenities expected in a modern high class tourist resort.
- The development proposes the sustainable re-use of an existing developed site and the re-cycling of some of the demolition materials.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Recycle land/materials Berm	Pos Pos	Mod Mod	Mod Mod	*		*	
Operation	Energy use	Neg	Negligible	Not signif			*	

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- The OMP will incorporate measures to increase energy efficiency in the operational phase of the development.

Transport

- Transport issues have focused on accesses and parking.
- The site has two existing accesses for vehicles. The main entrance is at the western end of the site and is immediately adjacent to a driveway to another hotel property. A secondary access used for maintenance is located at the eastern end of the property.
- Existing parking for cars and motorcycles is limited and informal.
- The revised accesses are intended to improve traffic safety by ensuring that they meet Highways Department access guidelines and by separating visitor traffic from service and delivery traffic.

- The eastern access has been relocated and will only be used by a low volume of traffic.
- The existing main access arrangements are incompatible with general traffic safety and the entrance requirements of a high quality tourist resort. The proposals involve the separation of the hotel visitor traffic from the service and delivery traffic by creating and new access to the back of house facilities building which will be on the site of the existing Gatehouse Cottage. The limited space available means that this will require the access to cross the setback at the eastern end of the Agricultural Reserve conservation area.
- The proposed parking to be provided on the site involves a significant increase relative to that which served the former hotel totaling 45 car spaces and 44 motorcycle spaces in various locations. There will also be 2 taxi parking spaces and each residential unit will have its own parking space. This compares to the assessed parking requirement for the hotel operation of 33 car spaces and 26 motorcycle spaces.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Access across AR	Neg	Negligible	Not Significant	*			
Operation	Improved accesses	Pos	Mod	Mod	*			

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- Mitigation measures will include an “Agricultural Rehabilitation Plan” will be prepared showing proposals to restore the Agricultural Reserve area.

Noise/Vibration

- There are no known adverse noise impacts associated with the operation of the previous hotel on the site.
- As the use of the site is similar to the previous occupier of the property with fewer units proposed the impacts during the operational phase of the proposal development are considered to be neutral.
- Noise impacts are likely to be confined to the construction phase of the proposed development when heavy equipment will be used on site. The potential effects of these construction noise sources on local residents will be most significant within close proximity to specific works sites. The increased volume of construction traffic will also tend to raise noise levels on the road network near the site.
- A crusher will be used during construction but this will be located in the central valley, some distance from residential occupiers so any noise will be attenuated.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Noise from demolition and construction	Neg	Mod	Mod	*			

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- The CEMP will include good construction practice will help to mitigate noise impacts.

Visual Impact

-
- The landscape character of the existing site is typical of an established cottage colony development in Bermuda. The landscape setting of the site varies from high density residential in the west to open space in the north and lower density housing to the east.
 - Public views into the site are from nearby public roads or the ocean. Ocean views are longer distance while those from public roads are limited to those areas near the existing accesses.
 - Private views across the site are primarily from the Hidden Cove development.
 - The demolition and construction phase will have an impact on visual quality in the area.
 - Design details have not been finalised yet but the architecture is intended to be Bermudian in character. The hotel buildings are concentrated in the western part of the site and their scale and massing will be readily absorbed into the landscape. The new buildings will change the relationship with the nearest Hidden Cove block as they will be two storeys whereas the existing buildings are only single storey. The proposed condominiums will appear little different to the existing hotel units.
 - The facilities building is to be built close to South Road but on the site of an existing residential structure.
 - The construction of the berm will be a significant change in the landscape.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Visual disruption	Neg	Mild	Mild	*			
Operation	Berm	Pos	Mild	Mild	*			
	Facilities building	Neg	Mild	Mild	*			
	Hidden Cove Block E	Neg	Mild	Not signif	*			

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- The erection of hoardings will help to mitigate visual disruption during construction.
- The absence of design details and landscaping proposals means that the assessment of these issues has been cautious. Creative design and landscaping will substantially alleviate any potential adverse impacts.

Culture and Recreation

- The application site is a privately owned property that has been used for many years solely for the purposes of the tourism business on the site. No rights to use the property extend to other individuals or entities outside the site.
- The proposed development will not impact any established cultural or recreational activities in the local area.
- No impacts have been identified and no mitigation is required.

Socio-economic

-
- The former Pink Beach Club was established in 1947. For many years it provided an important centre for local employment and contributed to the economic success of the island.
 - The decline of tourism in Bermuda took its toll on Pink Beach Club which eventually went into receivership in 2010.
 - The proposed redevelopment of the Pink Beach Club property will result in a new high class tourist resort being built in Bermuda. The cost of construction is estimated to be \$44 million for the hotel and condominiums and \$7.5 million for the residence and guest accommodation.
 - Employment opportunities could be 80 – 100 jobs during the construction phase and 56 jobs created when the hotel opens.
 - Other indirect impacts would be business opportunities for local service providers and hotel staff requiring rental accommodation in the local area.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Major construction project	Pos	Major	Major	*	*	*	
Operation	New hotel	Pos	Major	Major	*	*	*	

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Health & Safety

- It was difficult for the former Pink Beach Club to keep pace with modern requirements for health and safety without significant investment which was not available.

- It is intended that the proposed development will meet all health and safety regulatory requirements.
- Access driveways have been designed to meet the requirements of emergency service vehicles.

Summary of Key Impacts

	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Operation	Compliance with H&S regulations	Pos	Mod	Mod	*			

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- Notwithstanding the intention to meet health and safety standards the CEMP and the OMP will include recommendations for action in these areas during construction and operation

Conclusions

- Although there are likely to be negative impacts these mostly relate to the construction phase of the proposed development, will be short-term and do not cause irreversible damage to significant environmental resources. Mitigation measures that are proposed will help to alleviate these impacts. The preparation of management plans, too, will provide a platform for on-going control of potential problems in both the construction and operational phases of the development.
- The longer term benefits that are likely to accrue from a new prestigious hotel development will outweigh the short term impacts. The boost for tourism in Bermuda, the creation of employment opportunities in sectors that have suffered in recent

years and the general economic uplift that the development should bring can be expected to have a positive impact on the local area and the island at large.

1. Introduction

- 1.1 This Environmental Impact Statement (EIS) is submitted as supporting documentation for the planning application to re-develop the Pink Beach Club site on South Road in Smith's and Hamilton parishes. The statement is required under policy ENV.4 of the Bermuda Plan 2008 Planning Statement and has been prepared in accordance with the Department of Planning Guidance Note GN106 Environmental Impact Assessments and Environmental Impact Statements.
- 1.2 The EIS is based on the scoping report prepared by Bermuda Environmental Consulting Ltd. modified to take account of revisions to the proposed development and the in principle status of the planning application.

2. **Proposed Development**

Concept

- 2.1 The proposed development seeks to reposition the former Pink Beach Club as a premier tourist facility. A plan of the proposed development is attached at Appendix 1. Following demolition of almost all existing buildings on the entire site in Phase One, the western 7.5 acres of the property will be dedicated to a 34 suite five star boutique hotel, with a high quality gourmet restaurant and beach grill, spa and fitness facilities, beach club, fresh and saltwater pools and access to the western beach and tennis courts. In addition 6 luxury residential condominium units will be built (either in Phase 1 or at a later date) which will offer a form of low density residential living that provides access to all hotel services and amenities. Support facilities include a separate mechanical/electrical supply room for each hotel residence building, secondary sewage treatment, R/O plant, a back-up generator, LPG tanks, parking and staff dormitory.
- 2.2 Phase Two envisages the development of the eastern 5.5 acres of the site which is to be subdivided from the overall property to create 2 lots. The proposed development comprises the construction of a high-end detached residential building with groundskeeper's cottage at the extreme eastern end of the proposed lot. Two existing buildings on this part of the site will also be renovated to create two luxury guest units. As with the development in Phase One the units in Phase Two will have access to all hotel services and facilities. It is intended that the large residential building will be available for lease through the hotel at certain times of the year for use as an exclusive and

secluded luxury retreat. It is understood that the owner has committed to ensure that this unit will be available in the hotel inventory for a minimum of 6 months of the year for at least the first 5 years of operation. Guests to the phase 2 residences will have use of the east beach, with the intent being to create a private guest compound. It is further understood that the owner has committed not to seek a certificate of occupancy on the Phase 2 residences until the Phase 1 component is complete and the hotel is open for guests.

Phase One. Western Lot (7.5 acres)

Hotel

- 2.3 The proposed development is for a 34 room hotel divided in three buildings. Each building will be two storeys high (33' to eaves) but two of the building will have penthouse floors. Each building will have 10 keys and the two penthouse buildings will have 2 additional units. This is a significant reduction in rooms from the previous 94, a strategy that intends to improve the intimacy and exclusive feel of the facility, as well as reclaim a substantial amount of open spaces throughout the site but especially along the coastal area. Traditional Bermudian architecture will be employed with deep, south facing balconies. The penthouse units will utilise approximately half the footprint of the lower levels and be located in the centre of the building so that the penthouse units are setback from the eastern and western elevations of the main structure that supports them.

Restaurant/Reception/Basement Kitchen Building

- 2.4 A two-story building is proposed with the arrival reception located on the upper level. Downstairs will feature a restaurant with a garden terrace, which will be serviced by the kitchen.

Beach Club Terrace and Saltwater Pool

- 2.5 The planned beach club is to be located on the footprint of three pre-existing shoreline cottages that suffered severe damage during Hurricane Fabian and have been abandoned since. These structures are to be demolished with the resulting fill used to raise and level the area previously occupied by their footprint in preparation for the placement of a concrete deck. This deck will extend seaward from an existing rock cut into the hill across to retaining walls on the seaside. This approach virtually eliminates the need for excavation and movement of demolition spoils. The plan calls for a saltwater pool to be created within the footprint of this deck. That will be accomplished by breaking through the top of a large tank that exists under this area, a portion of which will be converting that into a pool and connecting it to an adjacent depression in which a septic tank currently exists. That septic system will be removed and, with minor excavation and the placement of concrete bottom and walls, the pools will be extended to this point. It is proposed that an existing salt water well will be used to supply the pool, with overflows directly into the ocean. No chemical treatments will be employed. A new access path and stairway will be constructed to facilitate access to Hidden Cove's west beach at the western end of the deck. There will be buffer landscaping between the beach club and the Hidden Cove residential units. The eastern end of the deck will terminate where the rock cut curves seaward and ends on the rocky shoreline. This end of the deck will support a bar and grill. A slab supported on columns that extends seaward from the level of the land above the rock cut will provide cover in this area. The service corridor will terminate as a penetration through the

stone wall beneath this suspended slab to provide a service access to the beach club. Restrooms will be provided adjacent to this tunnel.

Ocean View Terrace

- 2.6 The slab above the Beach Club will form the seaward extent of a planned ocean view terrace that forms an amenity in front of the hotel rooms and the restaurant/reception building.

Spa/Pool/Kids Club

- 2.7 The spa and kids club will be provided in two separate single storey buildings to be located to the landward side of the two westerly hotel room buildings. The main pools are located between the spa and kids club buildings.

Service Facilities/Tennis Court

- 2.8 The hotel service and facilities centre will be provided in a single storey building to be constructed on the site of an existing two storey residential building near the main entrance to the site adjacent to South Road. Parking for staff and delivery vehicles will be provided between the building and the road. A new access will be created to the west of the existing main entrance. A tennis court will be located on the roof of the service building.

Condominium Units

- 2.9 Six detached 3-bedroom luxury condominium units will be built to the north of the hotel building. The units will have access to hotel services and amenities. Each will have its own adjacent parking bay accessed from the hotel's main entry drive. All the units will have private outdoor spaces in the form of verandas, patios and garden areas.

Access, Circulation and Parking

- 2.10 The main access and driveway will be amalgamated with the access to Gatehouse Cottage to the west to provide an enlarged hotel entrance with improved visibility. To the west of the main entrance a new vehicle access will be formed to reach the service yard. This will separate industrial/service vehicles from visitor traffic and avoids the necessity of service and delivery vehicles driving through the site. The internal roads will be modified to adjust for a new arrival to the main reception and to promote a car-free environment to the greatest extent possible with guest amenities focused on green/lush and walkable outdoor spaces. The site will be wheelchair accessible. Parking for guests is provided in car parks located near the hotel, adjacent to the facilities building and on the former cycle parking area.

Hotel Manager's Residence

- 2.11 A single dwelling building is to be constructed for the hotel manager near the agricultural land.

Phase Two. Eastern lot (5.5 acres).

Private residence

- 2.12 Generally sited on the footprint of an existing complex of hotel units, a new luxury dwelling is planned. This private residence will feature a new pool and tennis court and will be available for lease through the hotel for at least 6 months of the year during the first 5 years of the hotel's operation. Additionally the function lawn serving the residence will be available by

arrangement for special functions when this does not interfere with hotel bookings.

Garage and Housekeeper Cottage

- 2.13 Adjacent to and with intent to support the new private residence, a new two car garage and resident house and groundskeeper's cottage are planned.

Guest Cottages

- 2.14 Two of the existing structures on site are scheduled to be retained, one a single storey unit and the other a two storey building. With renovation, these will be converted into two units and will also be dedicated for use in the hotel inventory for at least 6 months of each year.

Access and Berm

- 2.15 The proposals include relocating the existing eastern access and raising and adjusting the existing topography of the land in the eastern valley, principally on the site of the existing access and tennis courts. A berm of approximately 12 feet in height will be created built from rubble derived through the demolition of the existing buildings and engineered into stable structures using Geoweb retaining wall system. The berm will be heavily planted to improve the visual presentation of the land to South Road by forming a naturalistic green visual and sound buffer between the public road and the private residence that also functions as a flood protection barrier for the public road and Mangrove Lake during extreme storm conditions.

Civil Works

Electricity

-
- 2.16 It is planned that the existing BELCO feed and transformers will be used for the hotel and condominiums on the eastern site. Initial assessments indicate that, with the widespread use of air conditioning, the proposed development will require 480 kW. Emergency backup generation will be provided during operation to cover life safety and basic lighting for the hotel. The restaurant and kitchen will have full back up power.

Gas

- 2.17 LPG will be provided for cooking in the restaurant. The location and size of the requisite storage tanks has not been finalized. It is intended that this will be detailed prior to the submission for a building permit.

Freshwater

- 2.18 Roof collection and underground storage will be supplemented with the existing R/O plant which will be relocated and restored to satisfy the potable demand and provide a spare feed for the eastern lot.

Waste and Sewage

- 2.19 A new secondary treatment plant is proposed to service the hotel and condominiums. Given the light loading expected from the private dwellings located on the eastern property, it is intended that these will be serviced traditional cesspits in keeping with normal local practice.

Fire Suppression

- 2.20 The main access road is sized to accommodate Bermuda Fire Service's vehicles. A hydrant system will be provided complete with a fire tank and pumping system as required for compliance

with local fire regulations. The swimming pools and ocean provide a supplementary source of water.

Landscaping

- 2.21 The landscape plan will be based on the concept of low maintenance and a high level of visual interest throughout the year. This will be achieved by using a mix of canopy trees, palms, shrubs, lawns and ground cover creating a visually pleasing palette of colour, flower and texture. The site has numerous mature plants which are 'seasoned' to the environment. Many of the better specimens will be relocated and used elsewhere on the site. Some larger mature specimen trees will be left in situ. Others, including existing native and endemic species, will be lifted and relocated in the final landscape plan wherever possible. They will be either incorporated in mixed bed plantings or as groups in prominent areas to make a visual impact. Several areas of coastline contain littoral plantings and these will be retained if deemed appropriate. Larger plants such as Casuarina and any plant whose root systems have the potential to fracture rock will be removed. Low growing littoral material will be planted along coastline to create stability and erosion control.

3. Site and Surroundings

3.1 *Location*

3.1.1 The subject site is the former Pink Beach Club, which served as a 94-room full service hotel until it ceased operation in August 2013. The hotel use had operated on the site since 1947.

3.1.2 The site is located on the Island's southern shoreline at 116 South Road, south of Mangrove Lake and east of John Smiths Bay. The site crosses parish lines; being located partly within Smiths Parish and partly with Hamilton Parish. The site has extensive frontage (over 2000 feet) along South Shore Road (a public road); and approximately 1800 feet of coastline, with one main beach.

3.2 *Existing Conditions*

3.2.1 The subject site is 13 acres in size and exhibits undulating topography. There is a low lying area along South Road in the northwest section, raising up to the central section and falling off southerly to the shoreline. Moving westerly from the central high point, a definitive north-south ridgeline is evident, from which the central section falls steeply away to a low lying area (approximately 50' down to 13'). This low lying area is occupied by two tennis courts and is open and un-buffered along the South Road frontage. East of the tennis courts the lands rise steeply again to the east, while lands to the south along the coastal area remain at the same low lying elevation. This low lying pocket has seen numerous storm inundations over time with storm surge reaching South Road. With the exception of this low, open area, the majority of the western section of the

site which abuts South Road has elevated topography and contains vegetation, both of which help to screen the site well. Other than these areas at higher elevations, which contain mixed dense vegetation, the hotel site vegetation is primarily groomed with dedicated lawn and landscaped areas.

3.2.2 Along the foreshore, the dominant feature is a beach of approximately 0.9 acres located with the eastern section of the site, which then narrows significantly heading east where high cliff faces abut a narrow beach area accessible by existing stairs. Heading west from the beach the foreshore has no beach and gives way to a rocky coastal area with somewhat lower cliff faces. Certain areas along these foreshore cliffs exhibit significant erosion and contain some large concave areas. Evidence remains of seawalls, now fully destroyed.

3.2.3 The Pink Beach Club hotel site was designed and laid out as a cottage colony style resort with numerous hotel room blocks and some guest cottages (1, 2 and 3 storey heights) proximate to a main building where hotel amenities were located, including a pool, restaurant, bar, library and reception. The majority of the coastal frontage is occupied by 11 two and three storey hotel room blocks. These structures are situated quite close to one another and are served by a variety of additional hard surface features in the form of decks, stairs, walkways, as well as the vehicular access road to the north of them. These buildings are all in poor condition and some in derelict condition. 20 of the units had been severely damaged in Hurricane Fabian and were never repaired and re-occupied. In the final year of operation only 34 rooms of the original

inventory had been of a high enough standard to accommodate guests.

- 3.2.4 The main hotel building and pool deck sits atop a central high point on the site, with a significant retaining wall along the south limit – required to alter south sloping topography and ensure the pool deck remained at the same high point and a floor level as the main floor. Various small-scaled maintenance, servicing and storage structures (including a defunct reverse osmosis plant) also exist on the site. Two tennis courts occupy the low lying central section of the site described above.
- 3.2.5 A flat and low lying portion of the site in the northwest corner contains no apparent hotel function. The land is currently disused and has been used as a dumping ground with an abandoned boat, car, vehicle parts and various other debris in evidence. The encroachment of invasive vegetation is ongoing. This area is zoned Agricultural Reserve.
- 3.2.6 In addition to the cottage colony buildings there are three houses with residential assessment numbers. These houses have been used as accommodation for hotel staff.
- 3.2.7 The subject site has three access points from South Road: the main hotel entry road; an access driveway to a cottage belonging to the hotel (No. 112 South Road, “Gate Cottage”), located almost directly adjacent to the main access to the west; and an access just east of the tennis courts which appears to have been service and maintenance related. The main entry is a two way road which runs through the site all the way to the eastern most buildings and also connects to the easternmost

access from South Road. The main road brings vehicular traffic to the parking area just south and east of the entry, and continues up hill to the main hotel building, curves downhill to a loop road in the southeast section of the site which gives vehicular access through to the adjacent residential property – Hidden Cove Condominiums; and continues east servicing the rest of the site.

3.2.8 A now defunct septic tank is situated adjacent to the foreshore near the western limit of the site.

3.2.9 The site contains several wells and associated water rights as issued by the Department of Environmental Protection:

- a) WR1553 – SWRO Well for 37500 iGPD flow – valid to 18 Dec 2014
- b) WR1554 – SWRO disposal borehole for 30000 iGPD – valid to 18 Dec 2014
- c) WR4253 – Sewage effluent disposal 5500 iGPD – expiry due 4 Mar 2014 (existing septic system)
- d) WR4254 – Well for general non-potable water 500 iGPD – expiry due 4 Mar 2014

3.2.10 The hotel site has legal access rights and use of the beach to the west of the site, which falls on lands owned by Hidden Cove Condominiums. No other access rights, easements in favour of, or as encumbrances to, the Pink Beach Club property have been identified (see supporting letter from Wakefield Quin Ltd., the applicant's legal advisers, commenting on this in more detail).

3.3 ***Zoning/Planning Regulations***

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- 3.3.1 The development of the site is regulated by the Bermuda Plan 2008, the current approved development plan for the island. In this plan the base development zone for the majority of the property is Tourism. Tourism zoning is applied to various sites around Bermuda for tourism use in support of the hospitality industry.
- 3.3.2 The coastal strip of the site has a base conservation zone of Coastal Reserve. In addition, an area in the northwest of the property is overlain by an Agricultural Reserve conservation area designation.
- 3.3.3 The Tourism base development zone also extends to the southwest to cover the Hidden Cove residential condominium development. Similarly, the Agricultural Reserve conservation area extends into this residential development.
- 3.3.4 Further to the west and to the northwest of the site the surrounding land is zoned Residential 1 permitting high density residential development. To the north of the application site and east of the Residential 1 land Mangrove Lake is covered by Nature Reserve base conservation zone. This is a protective zoning reflecting the status of Mangrove Lake as an important habitat. West and northwest of the site the land is zoned Residential 2 permitting medium density residential development.

4. Impact assessment

4.1 This section of the statement examines and assesses the anticipated environmental effects that are likely to result from the proposed development both in its construction phase and in its operational phase. The impact assessment is based on the approach laid out in the BECL scoping report.

4.2 Decommissioning impacts have not been included in this report as they are not considered to be significant given the nature of the proposed development or will be similar to those identified in the construction phase of the project.

4.3 Land Use

4.3.1 *Baseline Conditions*

4.3.1.1 The Pink Beach property is a 13 acre coastal site that has been in tourism use for many years. The property contains a large beach and has legal access to an adjoining beach to the west. Existing development on the site reflects its longstanding use for tourism purposes.

4.3.1.2 The former tourism use has ceased and the buildings on the site are unoccupied and deteriorating.

4.3.1.3 Land uses surrounding the site range from higher density residential development to the west and northwest through open space with nature conservation interest to the north to lower density housing to the east of the property.

4.3.2 ***Assessment***

- 4.3.2.1 The property is largely zoned Tourism so that its use for that purpose is permitted. The continuation of a tourism use on the site is, therefore, in line with planning policies. Certain residential-related components have been included in the proposal but these uses are acceptable within areas zoned Tourism and, in any case, the residential components do have a relationship to the hotel which is the dominant feature of the use of the land. The residential uses will utilise hotel facilities and may be used by the hotel as supplementary accommodation. This will help to support the hotel and its facilities and provide a broader range of accommodation including a high class secluded retreat. The phase 2 dwellings would be categorised as hotel residences for immigration purposes. The application calls for 8 units to have separate assessment numbers. These numbers reflect the number of additional units designated for sale to non-Bermudians under the Bermuda Immigration and Protection (Designation of Eligible Condominiums, Tourist Accommodation and Hotel Residences) Regulations 2011 at the property.
- 4.3.2.2 The reintroduction of a tourism use to this site will be beneficial to the site and the surrounding area by replacing the deteriorating structures on the site and regenerating economic activity in the area.
- 4.3.2.3 No development is proposed in that part of the site designated as Coastal Reserve. The use of this part of the site for tourism purposes and the provision of facilities in this area to support tourism is permitted.

4.3.2.4 Subdivision within land zoned for Tourism purposes and in Coastal Reserve areas is permitted subject to certain provisos. Those relating to the use and development of the land can be met in this instance.

4.3.2.5 An area of agricultural land is located in the northwest of the site. The area is an Agricultural Reserve conservation area. This is largely unaffected by the proposed development except for the necessity of an access road to the facilities building to cross the setback to the conservation area at the extreme eastern end of the land. An access across Agricultural Reserve is permitted under policy AGR.7. The impact of this aspect of the development will be covered more fully in the transport section below.

4.3.2.6 As the proposed use of the land is very similar to that which previously occupied the site impacts on surrounding land uses from the operation of the proposed development will be neutral. Any impacts on the surrounding land uses are more likely to be felt during the construction phase.

4.3.3 ***Key Impacts***

i) Construction

4.3.3.1 Affect on surrounding land uses – Disturbance caused by noise, dust and increased traffic during the construction phase is likely to have a negative impact on adjacent land uses. Sensitive receptors will particularly be the residential uses to the immediate west and northwest of the site. The impact is considered to be ***direct*** and ***negative***. As it will be limited to the construction phase it will be ***short-term*** and the magnitude and significance are assessed as ***mild***.

ii) Operation

- 4.3.3.2 Recommencing use of site – The site is currently unoccupied and the existing buildings are deteriorating. The deterioration is likely to worsen. The introduction of a new tourism development as a beneficial use of the land will have a **direct** and **positive** impact on the revitalisation of the local area and of tourism island-wide. The magnitude and significance of this impact is considered **major**.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Impact on surrounding area	Neg	Mild	Mild	*			
Operation	New beneficial use	Pos	Major	Major			*	

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.3.4 Mitigation

- 4.3.4.1 Mitigation measures relating to the construction phase are detailed in later sections of this report.

4.3.5 Conclusions

- 4.3.5.1 The proposed development is seeking to reinstate a similar use on this site to that which existed previously. The proposal is generally in line with planning policy for the site. While there are likely to be some adverse impacts for neighbouring uses during the construction phase the re-commencing of a beneficial use on this property will be very positive.

4.4 Terrestrial Ecology

4.4.1 ***Baseline Conditions***

- 4.4.1.1 The Pink Beach property is an existing developed site. Numerous unoccupied and deteriorating buildings are spread throughout the site and bear testament to its use and occupation as a cottage colony for many years.
- 4.4.1.2 There are two main natural habitats: sandy beach (two separate beaches, the eastern covering approximately 0.8 acres and the western 0.6 acres) and rocky coastal (approximately 0.5 acres), both encompassed in the Coastal Reserve zone which are not directly impacted by the development. The eastern beach is starting to encroach onto the grass bank behind the beach and the owner is keen to encourage this. The western beach is backed by rocky habitat and the Hidden Cove residences. The rocky coastal habitat along the whole property supports typically prostrate buttonwood forming hedgerows (interspersed with occasional buttonwood and tamarisk) that are excellent in stabilising and forming safe barriers on cliffs. This species is extremely salt and wind tolerant. This along with ice plant and Zoysia grass is currently providing substantive stabilisation of soils in the coastal area. A small number of other native coastal plants are found on site including Sea oxeye, Seaside goldenrod and Iodine plant.
- 4.4.1.3 The remainder of the property comprises generally well-kept landscaped garden with a variety of introduced trees and shrubs, some healthy, others not, and a few small patches of low biodiversity-value, secondary invaded woodland which have not been managed for some time. These lie on the extreme north-western and north-eastern edges of the property and are dominated by Mexican pepper, Chinese fan palm, fiddlewood

and casuarina and to a lesser extent Indian laurel and jumbie bean in the canopy and invasive wedelia, asparagus fern, fennel, ice plant and morning glory in the understorey. Potential invasive plants used throughout the site include schefflera species and Japanese yew. A patch of cow cane has become established near the parking lot. The neglected wooded areas support very few plants of substantive landscaping value.

4.4.1.4 There are a few protected species including 11 endemic cedars with the majority being young, poorly placed or in poor condition. None would be considered significant specimens based on the Department of Conservation Services criteria. There are also 3 olivewoods growing on the property, but none of these are large and one of is very poorly placed and vulnerable to redevelopment. 17 palmettos (including young specimens) were found of which a few well-established specimens could be transplanted. One protected Bermuda snowberry specimen was also found. Existing rock walls and natural rock cuts provide good habitat for the endemic maidenhair fern, whilst some grassy areas support abundant bermudiana.

4.4.1.5 Throughout much of the well managed portions of the property good use has been made of ornamental plants as specimens and in numerous hedges. This provides a source of valuable landscape material for use subsequent to site redevelopment. Although invasive in unmanaged areas, the Chinese fan palm has been used extensively across the property to good effect. Several other palm species are also widely planted on the site, enhancing the tropical feeling of the property. Pittosporum, bay grape, natal plum, privet, pandanus, sago and tamarisk are

other species that have been used and remain on the property that are very well suited to the salty and windy coastal conditions of the seaside. Aloe is another hardy, attractive and very useful plant that is widely used currently in gardens around existing structures. Hibiscus has also been used in hedgerows to provide a splash of colour. Easily grown, this species is not as well suited to salty conditions. Several Easter lilies are found emerging in unmanaged areas. Other significant ornamental plants on site include rubber trees, several Indian laurels, Norfolk Island pine, Canary Island date palms and coconut palms.

4.4.1.6 There is also an area of agricultural zoned land (0.9 acres), which has been neglected for some time and is overgrown with invasive weeds and trees, especially around the perimeter. It has also been used as a dumping ground for a car, bikes and sailboat, as well as construction and horticultural waste. There are several young fruit trees as well as a slat house on the site.

4.4.1.7 The development lies directly opposite the Mangrove Lake nature reserve. This 24.7 acre pond is a simple basin fringed by protected red mangroves and characterised by shallow depths averaging 1.40 m. The bottom comprises highly organic matter and the experiences extreme temperature fluctuations. Salinities also range from 26 – 33 ‰. As a consequence, there is an associated risk of severe oxygen depletion in summer months causing fish die offs. The pond is inhabited by the largest population of the protected endemic killifish (approximately 11,000), but interestingly, evidence suggests these are able to survive low oxygen levels (Thomas, 2004). It is also one of only three ponds supporting the protected native Bermuda

Diamondback terrapin (with approximately 60 terrapins) and including nesting areas. The pond also supports protected green herons.

4.4.1.8 According to Dobson (2002), breeding birds observed over the south shore of Bermuda include white-tailed tropicbirds, eastern bluebirds, and a suite of warblers during the fall migration. Gulls and terns may also be seen along the shoreline and further out to sea, whilst various migratory shearwater species can be seasonally observed. All bird species except four in Bermuda, are protected under the Protection of Birds Act 1975, whilst of those observed on the property, the White eyed vireo is listed under the Protected Species Act 2003.

4.4.1.9 Incidental sightings of the critically endangered Bermuda Rock Lizard (*Plestiodon longirostris*) in the near vicinity of Pink Beach Club, suggest that this species is a possible inhabitant of the coastal habitat. However, breeding colonies on this developed site are not expected and a Skink survey was not undertaken.

4.4.2 ***Assessment***

4.4.2.1 The property is an existing developed site and it will eventually be occupied by a similar use but of lower intensity. The longer term effects of the proposal, therefore, are not expected to be harmful to wildlife.

4.4.2.2 Those existing natural habitats that have been identified within the site are not physically affected by the proposals any more than is currently the case by existing development on the site.

4.4.2.3 Sensitive receptors within the site include birdlife and endemic/native vegetation species. While vegetation on the site largely consists of ornamental or invasive species, the presence of certain native or endemic species has been identified and these have been noted on the site survey. The list of endemic/native species found on site and the plan showing their location are attached at Appendix 2. These vulnerable species are likely to be at risk in the proposed development especially during the construction phase.

4.4.2.4 A highly sensitive receptor near the site is Mangrove Lake. It is unlikely that the proposed tourist use of the application site at a lower intensity than the previous use will have any adverse consequences for this ecological resource. However, there is a risk that it could be affected during the construction phase of the project.

4.4.3 ***Key Impacts***

i) Construction

4.4.3.1 ***Plant removal*** – Construction activities will result in the removal of native/endemic plant species where they cannot be incorporated into the landscaping scheme. This impact is assessed as ***direct*** and ***negative***. However, these specimens are generally in poor condition and the magnitude is considered to be ***mild*** and the significance ***mild***.

4.4.3.2 ***Disturbance caused by noise and traffic*** – The construction phase will result in increased levels of noise on the site from machinery and traffic. This will undoubtedly affect sensitive receptors such as birdlife on the site and in the area. The impact is assessed as ***direct*** and ***negative***. It is also considered short–

term and reversible with the impact assessed as ***moderate*** and the significance as ***moderate***.

4.4.3.3 *Dust* – Excavation on the site and moving construction rubble and excavated material to construct the proposed berm is likely to result in dust. Best practice methods of suppressing the transmission of dust will reduce the potential impact on sensitive receptors but it is unlikely to eliminate the impact entirely. The result within the site will be some dust settlement on the leaves of sensitive receptors such as endemic/native vegetation species. The proximity of the Mangrove Lake to the location of the proposed berm means there could be some transmission of dust to that sensitive habitat. The impact of dust is assessed as ***direct*** and ***negative***. However, as it is confined to the construction phase it is also assessed as ***short-term*** and ***reversible***. The magnitude is considered ***moderate*** as is the significance.

4.4.3.4 *Removal of invasive species* – Landscaping on the site will provide an opportunity to remove invasive plant species. It is unlikely to be possible to remove all undesirable species but the landscaping proposals will result in a general upgrading of the quality of the plant life on the property improving habitat and visual quality. This impact is assessed as ***direct*** and ***positive***. This will have ***longer term*** benefits and the magnitude is considered ***moderate*** and the significance ***moderate***.

ii) Operation

4.4.3.5 *Creation of habitat* – More open areas in the eastern part of the site coupled with extensive landscaping proposals will provide an opportunity for habitat creation. Furthermore, the lower

intensity of use in this part of the site will provide a more tranquil environment for wildlife and nesting birds in particular. The impact is assessed as **direct** and **positive**. This **long term** impact is assessed as **moderate** in magnitude and significance.

Summary of Key Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Plant removal	Neg	Mild	Mild	*			
	Disturbance	Neg	Mod	Mod	*			
	Dust	Neg	Mod	Mod	*			
	Removal of invasives	Pos	Mod	Mod	*			
Operation	Habitat creation	Pos	Mod	Mod	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.4.4 **Mitigation**

i) Construction

- 4.4.4.1 Best practice construction procedures should be adopted to minimise impacts on important species and habitats. These should include protecting endemic/native plant species by identifying and fencing them during demolition and taking measures to reduce dust.
- 4.4.4.2 Where possible existing endemic/native species on the site should be incorporated into landscaping proposals for the site.
- 4.4.4.3 It is recommended that a construction environmental management plan is prepared to include measures to minimise impacts on wildlife during the construction phase. This plan, which will include other measures referred to in the following sections of this report, should accompany the building permit application for the site civil works.

ii) Operation

4.4.4.3 Measures to encourage the return of wildlife in the post construction phase should be considered. These could include, for instance, the erection on the property of nesting boxes for blue birds and the possible construction of imitation longtail nesting burrows if suitable locations can be identified.

4.4.4.4 An operational management plan should be prepared which should include measures to protect/encourage wildlife on the site during the operational phase of the development. The plan, which will include other measures referred to in the following sections of this report, should accompany the building permit application for the construction of the hotel.

4.4.4 ***Conclusion***

4.4.4.1 The redevelopment of this site can be expected to have a disruptive effect on local wildlife but probably only during the construction phase of the project.

4.4.4.2 The existing developed nature of the site and its eventual occupation by a similar use means that the longer term consequences of the proposed development for wildlife on the property are unlikely to lead to any permanent loss of habitat or species.

4.4.4.3 The creation of larger open spaces in the eastern part of the property and extensive landscaping incorporating endemic/native species will, over time, be positive for wildlife and habitats.

4.5 Geology/Hydrogeology

4.5.1 *Baseline conditions*

4.5.1.1 The proposed development site is not located over any of the islands ground water lenses. Also it is not situated within a designated Cave Protection Area and there are no known cave locations on the site.

4.5.1.2 Freshwater supplies to the former 94 room hotel were provided by a reverse osmosis plant on the site which supplemented the rainwater storage tanks located beneath the buildings. The capacity of the reverse osmosis plant was 15,000 igpd. The capacity of the storage tanks is not known.

4.5.2 *Assessment*

4.5.2.1 Rainwater storage tanks will be constructed under all the main buildings to meet freshwater demands. The size of the storage tanks will be in accordance with the Public Health (Water Storage) Regulations 1951.

4.5.2.2 Freshwater supplied by the storage tanks will be supplemented by the use of the existing reverse osmosis plant on the site which will be refurbished. The disposal of effluent will be to a borehole in accordance with a Department of Environmental Protection license as is currently the case.

4.5.2.3 Consultant engineers have estimated that the total potable water demand for the proposed hotel and residential uses on the site is likely to be 20,000 igpd. The operation of the existing refurbished R/O plant together with the capacity supplied by the

rainwater storage tanks with average rainfall is anticipated to be sufficient to supply the needs of the proposed development on the site, which, as a consequence, is expected to be self-sufficient in terms of potable water needs. Management plans should be in place to ensure continuity of supply.

4.5.2.4 During the construction phase the water tanks of the three buildings to be retained will be used to supply water for landscaping and construction purposes. However, this is unlikely to be sufficient to meet all construction needs.

4.5.3 **Key Impacts**

i) Construction

4.5.3.1 The construction phase will require additional water resources due to the need to provide regular dampening of rubble piles to prevent dust transmission to sensitive receptors (see below). The water will need to be trucked to the site. This will place a **short-term** burden on the island's water resources. However, the magnitude of the impact and its significance are assessed as **mild**.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Use of water resources	Neg	Mild	Mild		*		

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.5.4 **Mitigation**

4.5.4.1 A construction environmental management plan should be prepared to include measures to manage water resources. The

plan should be included with a building permit application for the site civil works.

4.5.4.2 The operational management plan referred to in para. 4.4.4.4 should include management of water resources.

4.5.5 ***Conclusion***

4.5.5.1 The re-use of the existing R/O plant and employment of traditional rainwater storage tanks to supply potable water needs means that the impact of this aspect of the proposed development is considered to be neutral if the recommended management plans are implemented...

4.6 Waste Management

4.6.1 ***Baseline conditions***

Solid Waste

1.6.1.1 No data exists on how much solid waste was produced by the previous hotel operation on the site. A recent study in UK (WRAP, 2011) has estimated that the median annual waste generation rate for hotels in the UK is 66 tonnes whereas the mean is 149 tonnes. For the former Pink Beach hotel this would equate to a waste generation rate in the range of 4.2 - 9.6lbs/room/day.

1.6.1.2 The same study also estimated that the typical hotel waste stream was composed of the following:

Waste Type	%
Food	37

Paper/cardboard	25
Plastics	15
Glass	10
Other	13

Source: WRAP, 2011

Sewage Disposal

- 4.6.1.3 The former Pink Beach Club utilised different systems for dealing with sewage. The main method employed by many of the older buildings on the property was the use of traditional cesspits. These were supplemented, for the newer buildings, by a septic tank on the eastern side of the property gathering sewage waste from that part of the site. The overflow from the tank was discharged to a borehole.

4.6.2 *Assessment*

Solid Waste

- 4.6.2.1 Based on the above research if a mid-range value (6.9lbs/room/day) is used to calculate waste generation the proposed hotel it could be expected to produce 38.85 tonnes of solid waste over the course of a year. Because there a far fewer units in the proposed hotel this total is significantly less than would have been the case for the original Pink Beach Club hotel operation. However, the estimated amount of waste that could be generated would be increased if the residential uses on the property also used the hotel system but it is not known at present if this will be the case or if they will use the normal residential pick-up.

4.6.2.2 On the assumption that the waste stream for the proposed hotel is similar to that discovered in the above study the waste stream for the proposed hotel could consist of the following:

Waste Type	Tonnes/yr
Food	14.4
Paper/cardboard	9.7
Plastics	5.8
Glass	3.9
Other	5.1

4.6.2.3 This estimate can only provide a general indication of the size and composition of the waste stream but it does provide some sense of the scale of the waste management issues. Within the site collection will be undertaken by golf cart vehicles which will deliver the waste to a suitably sized dumpster/compactor located in the facilities building. From this point waste would be trucked off site by commercial haulers. To effectively deal with waste produced by the site waste management and disposal practices in accordance with the Department of Works and Engineering protocols will be required.

Sewage Treatment and Disposal

4.6.2.4 The proposed development will incorporate a new sewage treatment and disposal system. The system will collect sewage from the development on the western lot and provide secondary treatment with disposal to a borehole. This system, which has been employed in other developments of similar size, has been agreed in principle with the Department of Environmental Protection. The units on the eastern side of the site will have individual cesspits. The decommissioning of multiple cesspits

and reorganisation of sewage disposal to a central facility serving far fewer units than previously will be a significant improvement on disposal methods employed in the former Pink Beach Club.

Demolition & Construction Waste

- 4.6.2.5 The demolition of almost all the existing buildings on the site will generate a significant amount of material. While it is proposed to use much of the clean rubble a large amount of unwanted material will need to be disposed of. Demolition and construction activities have the potential to create significant amounts of waste that will need to be disposed of off site.

4.6.3 *Key Impacts*

i) Construction phase

- 4.6.3.1 *Demolition and construction waste* – The unwanted material generated by the demolition process and construction activities will need to be disposed of through the established procedures. The important receptors in this process will be the various waste management functions of the Department of Works and Engineering with impacts relating to their ability to cope with the increased waste stream. This impact is assessed as ***direct*** and ***negative*** but ***short-term***. The magnitude is considered ***moderate*** and the significance ***mild*** in view of the mitigation measures detailed below.

ii) Operation

- 4.6.3.2 *Solid waste disposal* – Solid waste generation is likely to be reduced as compared with the previous hotel operation on the site. However, by the nature of a hotel operation a significant amount of waste will be generated which will need to be

disposed of. As the proposed hotel will replace a similar use on the site the impact of waste disposal is considered neutral. However, implementing best practice procedures to manage the waste stream will assist the disposal process.

- 4.6.3.3 *Sewage disposal facilities* - the installation of a new sewage treatment plant will be an improvement on the existing system. The new plant will provide secondary treatment with disposal to a borehole in accordance with Department of Environmental Protection standards. The new sewage treatment plant will replace multiple cesspits on the property and provides for a more environmentally responsible way of dealing with sewage generated by development on the property. This impact is therefore assessed as **direct** and **positive**. The magnitude and significance of the impact are considered **moderate**.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Demolition & construction waste	Neg	Mod	Mild		*		
Operation	Solid waste disposal Sewage disposal	Neutral Pos	Mod	Mod	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.6.4 **Mitigation**

i) Construction

- 4.6.4.1 A demolition plan has been prepared and is attached at Appendix 3. This plan has been prepared in consultation with the Department of Works and Engineering and in accordance with their waste management protocols. The principles underlying this plan and which will also underpin waste management during the construction phase are:

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- a) All materials arising from the demolition work would be sorted and stockpiled temporarily within the site, away from neighbouring residential uses.
 - b) Materials will be processed and re-used on site where possible to minimize off-site construction traffic movements, and
 - c) Surplus materials would be dispatched for recycling or disposal off site in accordance with the capacity of the receiving system.

4.6.4.2 Mitigation measures to be employed during demolition and construction to minimise nuisance from dust etc include:

- i. The on-site stockpiling will be on the former tennis court area near the eastern entrance and well away from sensitive residential receptors. Separate stockpiles will be established for clean rubble, wood and metal.
- ii. The use of the eastern entrance will minimise disturbance to residences near the main entrance caused by truck movements.
- iii. Erection of hoarding along western boundary at Hidden Cove to protect residences from dust and rubble.
- iv. Erection of hoarding along the northeast boundary to protect South Road and Mangrove Lake from dust and rubble.
- v. Trucking to be confined to existing paved surfaces and to have their loads covered at all times to prevent dust.

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- vi. Existing vegetation will be retained as long as possible to minimise loose soil surfaces to prevent dust.
 - vii. Sorting materials in the storage area as quickly as possible and the removal of material from site regularly to minimise the size of material piles.
 - viii. Dampening of rubble piles every 72 hours.

4.6.4.3 The construction environmental management plan referred to in para. 4.5.4.1 should also include measures to manage dust and waste during the construction phase

ii) Operation

4.6.4.4 With fewer rooms the waste generation rate of the proposed hotel is likely to be reduced from the previous operation. Notwithstanding this the typical waste stream of a hotel use does provide an opportunity to reduce the amount of waste sent for disposal for instance by composting or recycling. It is recommended that before the hotel operation is commenced an operational management plan is prepared to include waste management in consultation with the appropriate authorities.

4.6.5 Conclusion

4.6.5.1 The proposed development will result in waste being generated in both the construction and operational phases. The use of much of the clean rubble within the site and the segregation and disposal of unwanted materials in accordance with good industry practice will mean that the effect on local waste management capacity will be minor.

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- 4.6.5.2 A reduced amount of waste can be expected to be generated during the operational phase as compared with the previous hotel use. Efforts to divert components of the waste stream will help to minimise impact on local waste management capacity.

4.7 Air Quality

4.7.1 *Baseline conditions*

- 4.7.1.1 Air quality in Bermuda is generally of a high standard and there are no known impacts on air quality in the area arising from the operation of the former hotel on the site.

- 4.7.1.2 Engineers have confirmed that asbestos is not present in any of the existing buildings on the site. A demolition permit has been granted on this basis but subject to the proviso that if any asbestos is discovered demolition work on that building will halt immediately and the required abatement procedures will be instigated.

4.7.2 *Assessment*

- 4.7.2.1 There is no reason to expect that the operation of the proposed new hotel on this site, which will have substantially fewer rooms than the previous hotel, will give rise to any significant air quality impacts. Any equipment on the site with the potential to compromise air quality, e.g. back-up generators, will require an operating license from the Department of Environmental Protection and be required to meet the appropriate emissions standards. Also the lower volume of traffic expected to be generated by the smaller hotel is unlikely to have any adverse impacts on air quality.

4.7.2.2 The impacts for air quality arising from the proposed development are focused on the construction phase of the project. Probably the most significant issue will be the potential for the creation of dust during this phase. Residential uses near the site will be the most sensitive receptors. Certain Hidden Cove properties have been built very close to the Pink Beach boundary and are in close proximity to buildings that are earmarked for demolition. There is a risk, therefore, that these properties will be affected by dust emanating from the construction site. Dust may settle on roofs and contaminate water tanks. Also the operation of heavy diesel equipment near to residential properties could cause a nuisance.

4.7.3 *Key Impacts*

i) Construction

4.7.3.1 Dust creation and the use of heavy equipment – the construction process and, in particular the demolition of the existing buildings and the construction of the berm, are likely to give rise to air quality issues through the creation of dust and equipment use. For the adjoining residential uses that are likely to be most affected these could be a cause of significant nuisance even though they may not be of long term duration. These impacts are considered **direct** and **negative**. They are related to the construction phase only and to certain of the development that are closer to sensitive receptors and are therefore **short-term**. For this reason the magnitude of these impacts are assessed as **mild** as is the significance especially in view of the mitigation measures that are planned.

Summary of Impacts

Phase	Impact	Type	Mag	Signif	Extent
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		(+/-)			L	R	I	G
Construction	Dust	Neg	Mild	Mild	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.7.4 ***Mitigation***

4.7.4.1 Mitigation measures to deal with air quality impacts relating to dust are itemised in para. 4.6.4.2 above and include minimising impacts on residential properties by locating stockpiles away from residences, using paved roads where possible, erecting hoardings to protect housing and dampening rubble piles. The construction environmental management plan referred to above should include these measures.

4.7.5 ***Conclusion***

4.7.5.1 The mitigated impact of the construction phase of the development should assist in minimising any adverse effects the proposal may have on air quality.

4.7.5.2 The operational phase of the proposed development is unlikely to give rise to any air quality impacts.

4.8 **Climate Change, Energy and Sustainability**

4.8.1 ***Baseline Conditions***

4.8.1.1 As a waterfront location the site is susceptible to inundation and storm damage. Certain buildings on the site that were built near to the high water line suffered damage during Hurricane Fabian. The most susceptible area for inundation is the central valley which leads through to Mangrove Lake.

4.8.1.2 The previous operation on the site was a traditional cottage colony with unsophisticated levels of accommodation and facilities. For instance, many of the areas in the hotel were not air-conditioned and the kitchen and sanitation supplies in the main building would not meet current standards for final rinse washing temperature etc. Energy use reflected this level of service and accommodation. The most recent peak Belco demand was 305kW. However, this was recorded in the last two years of operation when it is likely that it was not operating at full capacity. It is possible that before hurricane damage the original hotel had higher consumption rates than in recent years.

4.8.2 ***Assessment***

4.8.2.1 Climate change may increase the risk of storm damage to buildings on the site. The existing buildings on the site that sustained storm damage were located close to the foreshore. To reduce the risk of storm damage the proposed hotel buildings are set much further back in accordance with the Coastal Protection Guidelines. Although there will be a concrete deck area where the existing damaged buildings stand this can be cleared in the event of the approach of a storm. The main hotel buildings will be erected an average of 90 ft back from mean high water. While this may not entirely eliminate the risk of storm damage it will significantly reduce the risk and represents a major improvement on the siting of buildings in the former development.

4.8.2.2 The central valley will still be prone to inundation during a storm surge but this may help to dissipate wave energy from affecting the main building sites as far fewer structures are

proposed for this area. The berm along South Road will help to protect the road from storm damage and reduce the risk of inundation reaching Mangrove Lake.

4.8.2.3 The estimated peak Belco demand for the proposed new development is 430kW. This represents an increase over the last known peak demand of the former operation of approximately 30%. This, however, may not be a true reflection of the energy demand comparison between the two developments. The new facility is geared to providing the amenities that are expected in a modern high class tourist resort. If the resort is to attract the high end visitors it is targeting then these amenities, which include air conditioning in all common areas, spa facilities, heated swimming pool, waste treatment plant etc., are essential.

4.8.2.4 Sustainability is supported in the project by the re-use of existing developed land and materials. The Pink Beach site is an existing developed tourist site and its re-use for that purpose is preferable to the use of a green field site elsewhere on the island. Similarly the intention to use much of the demolition rubble within the site will reduce the need to truck it elsewhere for disposal is a sustainable use of materials.

4.8.3 ***Key Impacts***

i) Construction

4.8.3.1 *Recycling land and materials* – Land is a scarce resource in Bermuda so using an existing developed site for a new project is a more sustainable use of land rather than encroaching on to open space. The use of much of the material resulting from the demolition of the existing buildings reduces the need to truck material to or from the site. The impact of this recycling

approach to the use of land and building materials on public policy relating to land use and encouraging sustainability is considered *indirect* and *positive* and *long-term*. The magnitude and significance of the impact is assessed as *moderate*.

- 4.8.3.2 *Berm* – the construction of the proposed berm will have important functional advantages in terms of storm water inundation. Although there will still be a gateway entrance the berm will provide some protection to South Road and reduce the likelihood of seawater reaching Mangrove Lake during severe storms. This impact is considered *indirect* and *positive*. The magnitude is assessed as *moderate* and the significance *moderate*.

ii) Operation

- 4.8.3.3 *Energy use* – Given that the volume of new building on the site is roughly equivalent to the existing structures and that the proposed development will have many new amenities compared with the former hotel it is not surprising that the energy budget has increased. This is justified on the basis of the need to meet certain standards in the quality of the tourism product in order to attract the right visitors. Nevertheless, the impact of this is on energy policy is considered *indirect* and *negative*. However, as the increase relative to overall Belco output is small and that it is in connection with efforts to upgrade Bermuda's tourism product the magnitude is assessed as *negligible* and gives rise to *no significant impact*.

Summary of Impacts

Phase	Impact	Type	Mag	Signif	Extent
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		(+/-)			L	R	I	G
Construction	Recycle land/materials Berm	Pos Pos	Mod Mod	Mod Mod	*		*	
Operation	Energy use	Neg	Negligible	Not signif			*	

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.8.4 ***Mitigation***

4.8.4.1 *Lower energy demand* – measures should be used to help to lower the demand for energy. These can be quite straightforward such as the use of modern energy efficient lighting (LED's) and control systems to regulate the operation of lighting and cooling systems when not needed. It could also include the use of low solar gain glazing in south-facing glazing. Measures to increase energy efficiency can be included in the operational management plan.

4.8.5 ***Conclusion***

4.8.5.1 The measures incorporated into the design such as setbacks from high water mark and the berm will assist in mitigating the worst effects of storms on the site and surroundings.

4.8.5.2 Energy demand for the proposal is likely to be higher as a result of amenities that are essential to creating a high class resort in Bermuda. This can be mitigated somewhat by introducing measures to promote energy efficiency.

4.8.5.3 The recycling of land and materials is a sustainable use of resources.

4.9 **Transport**

4.9.1 ***Baseline conditions***

4.9.1.1 Key environmental impacts in this issue area chiefly relate to the proposed new access and parking arrangements.

4.9.1.2 The Pink Beach property is currently served by two accesses; one at the eastern frontage on to South Road and the other at the western end. The latter provides the main entrance into the former tourist development and provided the principal point of access for all arrivals at the hotel as well as all service and delivery vehicles. Immediately west of the main access is driveway entrance to Gatehouse Cottage. These access arrangements result in a mix of traffic using the principal access into the hotel site with the potential for conflict between tourist movements and delivery vehicles as well as between vehicles using the main entrance and the Gatehouse Cottage entrance simultaneously.

4.9.1.3 The eastern access appears to have been used only intermittently and mainly by vehicles involved in maintenance of the site.

4.9.1.4 Existing parking arrangements on the site provided only a limited amount of visitor and staff parking for the 94 room hotel. The main car park north of the hotel reception contained approximately 15 car spaces. Parking for rental motor cycles has been created in the north of the property off the main driveway. Otherwise parking arrangements appear to have been informal and overflow parking in the case of events required parking on the hotel driveway or available grassed areas.

4.9.2 ***Assessment***

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- 4.9.2.1 The proposed development of the Pink Beach property envisages changes to the existing access arrangements and the provision of significantly more parking than was available to the previous operation.
- 4.9.2.2 The revised accesses are intended to improve traffic safety by ensuring that they meet Highways Department access guidelines and by separating visitor traffic from service and delivery traffic.
- 4.9.2.3 The eastern access has been relocated further to the west so that it enters the site to the west of the proposed berm. This access will be used by a low volume of traffic as it will only serve the few residences in the eastern lot. Its use, therefore, is unlikely to give rise to any significant traffic impacts.
- 4.9.2.4 The western accesses are more complicated. The existing arrangements are incompatible with general traffic safety and the entrance requirements of a high quality tourist resort. The proposals here, therefore, involve the separation of the hotel visitor traffic from the service and delivery traffic by creating and new access to the back of house facilities building which will be on the site of the existing Gatehouse Cottage. This will allow the main entrance to be enlarged by amalgamating the existing hotel access and the residential access. This will provide more manoeuvring space for vehicles negotiating the entrance, help it meet visibility requirements and allow for visual enhancement. The new access to the facilities building will be created to the west of the existing bus stop. However, the limited space available means that this will require the access to cross the setback to the Agricultural Reserve conservation area.

-
- 4.9.2.5 The proposed parking to be provided on the site involves a significant increase relative to that which served the former hotel. 45 car parking spaces (including 1 taxi space) and 44 motorcycle parking spaces are provided on the site in various locations for staff and visitors to the hotel. The main visitor parking area will be to the immediate east of the hotel reception. Other parking locations are near the facilities building and on the site of the former cycle rental area. In addition to the visitor and staff parking on the site each of the condominium units will have its own car and motorcycle parking space and 2 guest parking spaces will also be provided. The total parking provision on the site is 55 car spaces and 50 motorcycle spaces.
- 4.9.2.6 The parking requirements for new developments are specified in policy TPT.20 in the 2008 Bermuda Plan Planning Statement. However, in this policy parking requirements for hotel developments are not stated and provision, therefore, is at the discretion of the Board. Parking for restaurant and bar uses, on the other hand, are required at the rate of 1 car space and 1 motorcycle space per 10 seats.
- 4.9.2.7 The parking burden for the site is composed of facilities to meet the needs of staff working at the site and parking to serve the proposed restaurants/bars at the hotel. In this analysis parking for the condominiums is discounted as the units have their own parking.
- 4.9.2.8 It is estimated that the hotel will employ 56 people. The modal split for journeys to work in Smith's/Hamilton revealed in the 2010 census suggests that 42% of the staff will arrive by car and

31% by motorcycle with the remainder arriving by other means. Consequently it is estimated that 24 car spaces and 17 motorcycle spaces will be required to meet staffing needs. In addition two restaurants are proposed each intended to cater for 40 - 45 customers. To meet planning policy requirements 9 car spaces and 9 motorcycle parking spaces will be required. Separate provision is not made for the spa facilities as these will primarily cater for hotel guests. Employees working in the spa are included in the overall estimate of staffing needs.

4.9.2.9 The parking requirement for staff and visitors, therefore, is estimated to be 33 car spaces and 26 motorcycle spaces. An additional provision is included in the motorcycle parking provision for hotel guests renting motorcycles. In accordance with a recommendation from the Department of Planning of 1 space per 2 hotel units 17 spaces are required. Consequently, the total requirement is 33 car spaces and 43 motorcycle spaces. The proposed parking provision for the development, therefore, appears adequate to meet the operational needs of the site and provides spare capacity for additional visitors to the site.

4.9.3 ***Key Impacts***

i) Construction

4.9.3.1 *Access across Agricultural Reserve* - the separation of commercial traffic from tourist traffic requires the construction of a new access to the hotel facilities building. The restrictions on space in this part of the site mean that the proposed new access will need to cross the 15 ft setback to the Agricultural Reserve area at its eastern end. The Agricultural Reserve area, however, will be unaffected. The impact is assessed as ***indirect***

and **negative** as well as **long term**. However, in view of the road safety improvements, the fact that accesses are permitted across Agricultural Reserve areas and that this is a marginal encroachment only affecting the setback the magnitude is considered **negligible** and there is **no significant impact**.

ii) Operation

- 4.9.3.2 Improved accesses – changes to the accesses to achieve visibility requirements and avoid conflicting traffic movements will significantly improve road safety in the vicinity of the site. This impact is **direct** and **positive** and its magnitude is **moderate** and significance is **moderate**.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Access across AR	Neg	Negligible	Not significant	*			
Operation	Improved accesses	Pos	Mod	Mod	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.9.4 Mitigation

- 4.9.4.1 Although there is no direct impact on the Agricultural Reserve conservation area the encroachment into the setback area merits some mitigation. These should include any soil on the site of the proposed access road being conserved and distributed over the remainder of the Agricultural Reserve area. In addition the area should be restored and abandoned vehicles and boats removed from the site. These proposals are shown on the “Agricultural Rehabilitation Plan” which accompanies the in principle planning application.

4.9.5 Conclusion

4.9.5.1 Improvements to the accesses to the site and the provision of adequate parking will facilitate the operation of the site and negate any adverse traffic impacts on roads surrounding the site.

4.9.5.2 The proposed new access to the hotel facilities building is required for safety reasons and the marginal encroachment into the setback will have no significant impact. Mitigation measures are shown on the “Agricultural rehabilitation Plan”.

4.10 Noise/vibration

4.10.1 *Baseline conditions*

4.10.1.1 There are no known adverse noise impacts associated with the operation of the previous hotel on the site. Ambient noise levels generated by that use would have been those commonly expected in the operation of a cottage colony-type hotel.

4.10.1.2 Around the site ambient noise levels are those associated with traffic use along South Road.

4.10.2 *Assessment*

4.10.2.1 A qualitative assessment of this issue was undertaken. Given that the use of the site is similar to the previous occupier of the property with fewer units proposed it is not anticipated that noise levels will be significantly different. The impacts during the operational phase of the proposal development are therefore considered to be neutral.

4.10.2.2 Impacts deriving from noise are likely to be confined to the construction phase of the project and, in particular, during the

demolition of the existing buildings and construction of the berm. No piling is proposed in the construction programme so vibration is unlikely to be a significant issue.

4.10.2.3 The sensitive receptors will be the residential occupiers near the western and northwestern limits of the site. The site works are likely to employ the heaviest equipment which will include:

- a) Excavators
- b) Pay loader
- c) Crane
- d) Skip loader
- e) Mini excavator
- f) Tractor head with dumpster
- g) Water truck with tank.

4.10.2.4 The potential effects of these construction noise sources on local receptors will be most significant within close proximity to specific works sites, which may change as the construction phases proceed around the site.

4.10.2.5 General building construction tends to give rise to lower levels of noise as less large scale equipment is involved. However, a crusher will be used on site to create sand and aggregate but is not intended to be used to break down demolition debris. The crusher will be located in the central valley of the site to attenuate any noise impacts for nearby residential receptors.

4.10.2.6 The construction of the berms is likely to generate significant noise but the location is sufficiently removed from residential properties and landform that will shield these properties from the work site that its effect will be significantly attenuated.

4.10.2.7 Increased noise may also result on the local road network due to an increased volume of construction vehicles travelling to and from the site during the construction programme.

4.10.3 **Key Impacts**

i) Construction

4.10.3.1 Noise from demolition and construction activities – noise generated during the construction phase of the project is unavoidable and is most likely to affect residential occupiers at the western end of the site. The impacts arising from noise during the demolition and construction phase will be **direct** and **negative** but **short term**. The magnitude is considered **moderate** and the significance is considered **moderate**.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Noise from demolition and construction	Neg	Mod	Mod	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.10.4 **Mitigation**

4.10.4.1 Good construction practice will help to mitigate noise impacts. This will include the erection of hoarding as a barrier between the site and the closest residential properties, the positioning of longer term equipment likely to generate noise in locations well away from housing and, as far as possible, minimising traffic movements near housing. The construction environmental management plan to incorporate these measures will help to ensure good practice on site.

4.10.5 *Conclusion*

4.10.5.1 The proposed development will inevitably generate noise during the demolition and construction phase but this will be relatively short term and measures can be adopted to mitigate its worst effects.

4.10.5.2 The normal operation of the proposed hotel is expected to be neutral in its impact on the surrounding community.

4.11 **Visual impact**

4.11.1 *Baseline conditions*

4.11.1.1 The landscape character of the existing site is typical of an established cottage colony development in Bermuda. This consists of a central reception/restaurant facility with groups of “cottages” in the Bermuda architectural idiom spread throughout a landscaped and manicured site. This coupled with proximity to beaches and the ocean provides the quintessential Bermuda experience for tourists.

4.11.1.2 The landscape setting of the site varies around the property. To the southwest and northwest of the site it is characterised by relatively dense residential development. The Hidden Cove condominium complex, for instance, immediately adjoins the southwest boundary of the property. To the north of the site the landscape is more open in character encompassing Mangrove Lake and wooded hillsides and golf course beyond. The landscape character to the northeast of the Pink Beach property is composed of lower density residential development in landscaped gardens.

4.11.1.3 Public views of the site are available from public roads bordering the property and from the ocean. The latter will be longer distance views from passing boats and will be of a fairly densely developed resort complex stretching across the entire site. Public views across the site from adjoining roads are limited. The visual experience for the public of the property is largely derived from traveling along South Road past the site. Views into the site are restricted to those around the existing entrances with rock cuts, walls and dense vegetation along much of the road edge preventing visual access. The principal viewpoints are at the main entrance and at the secondary entrance. Even at the main entrance views are short range due to the landform rising up into the site from South Road. Principal visual elements here are the driveway and landscaping and the existing two-storey residential building to the southwest. At the secondary access views are more accessible. The natural valley through the site to the south of Mangrove Lake and the land leveling to create the tennis courts have opened up views across the site. These views across the tennis courts incorporate existing hotel development.

4.11.1.4 Private views across the site are also restricted. The most direct views across the site are those obtained from certain units in the Hidden Cove development. The principal outlook of the units in this development is towards the central pool facility and out towards the ocean but the blocks on the northeast side also have windows facing towards the Pink Beach property. Other viewpoints from private property are long distance.

4.11.2 ***Assessment***

4.11.2.1 In landscape terms the character of the proposed development will generally be similar to the former development on the property although with improvements at the eastern end which is likely to have a more open and landscaped quality.

4.11.2.2 The demolition of almost all the buildings on the site and the re-modeling of the landform to create the development will clearly have an impact on the current visual quality of the locality. However, this is a relatively short-lived phase of the project and views will improve as the development proceeds.

4.11.2.3 The design details and external appearance of the proposed building have not yet been finalised. However, the architecture is intended to be Bermudian in character in keeping with the feel of a small scale hotel development in Bermuda. The hotel buildings are concentrated in the western part of the site which is where the densest development of the existing hotel is located. The hotel buildings, consisting of three clusters of rooms to the east and west of the main reception, will be 2 and partly 2.5 storeys high. This scale and massing set against the backdrop of rising landform to the north will be readily absorbed into the landscape. The proximity of the hotel building to the Hidden Cove development will be similar to existing buildings on the site although these are all single storey. A new two storey building will alter this relationship.

4.11.2.4 Other buildings, such as the condominiums, are arranged around the upper slopes of the central hill will appear little different to the existing hotel blocks.

4.11.2.5 A number of the proposed buildings are to be constructed on the site of existing buildings which will help to reduce their visual impact. This applies, for instance, to the hotel facilities building near South Road which will occupy the site of an existing residential structure.



View of Gatehouse Cottage from South Road

4.11.2.6 A significant change in the landscape as it relates to the site will be the construction of the berm. This will alter the visual experience that current passers-by have when traveling along this part of South Road. Views at present are relatively open across the site but the berm will prevent views into the site and provide a more secluded experience within the site.



View of eastern end of site from South Road

4.11.2.7 The most sensitive receptors as far as visual impact is concerned are likely to be the occupiers of dwellings near the site. This especially applies to the Hidden Cove development adjacent to the western boundary and private houses close to the main entrance. The public traveling along South Road could also be seen as another important receptor as views of the site will change.



View of Hidden Cove Block E from the site

4.11.2.8 The proposed development is not expected to give rise to any significant impacts for longer distance views of the site as the character of the development will be similar to that previously on the site.

4.11.3 *Key Impacts*

i) Construction

4.11.3.1 Visual disruption – as with any major development project the early stages of the site works, involving demolition and general site layout, will result in unaccustomed views of the property as the familiar buildings are removed and the site is prepared for the new structures. This is unavoidable but will be ***short-term***. The impact is considered ***direct*** and ***negative***. However, as it will be short-term the magnitude of the impact is assessed as ***mild*** and the significance is also ***mild***.

ii) Operation

4.11.3.2 Berm – construction details of the berm is not available but it is intended to be approximately 12 ft high. The construction of the berm will restrict views into the site from South Road. The existing views across the hotel site are unexceptional and include the hotel buildings and tennis courts. The dominant feature of the views through this section of South Road is the expansive views across Mangrove Lake. Closing off the views across the hotel site will not affect this view of the landscape. The berm itself will be planted with appropriate vegetation which will help them blend into the landscape. The “greening” of this section of hotel boundary is likely to result in a visual experience that will be a continuation of the existing series of rock cuts and dense vegetation along the south side of South Road. The visual impact of this aspect of the proposal is considered to be *direct* and *positive*. The magnitude of the impact is assessed as *mild* and the significance is *mild*.

4.11.3.3 Facilities building near South Road – the existing residential structure is one of the few visually prominent hotel buildings on this section of South Road. It is a relatively large building of varying height but mostly two-storey. The existing building would be demolished and the proposed facilities building would be erected on the same site. The design details and external appearance of the proposed building have not yet been determined but it would have a simple rectangular plan form and be single storey in height. Accommodation for hotel facilities will be provided within the structure. The roof of the building would be utilised as a tennis court. Netting around the tennis court to retain tennis balls may tend to increase the

apparent height of the building although this is likely to be mostly transparent. The tennis court, in fact, may well add some visual interest to the site. The design and external appearance of the proposed building will need to be handled carefully in view of the semi-industrial nature of the building's use although this is in the hotel operators best interest as the building is located immediately adjacent to the main hotel entrance. The nature of the use of the building and its location near South Road means that the structure has the potential to be more visually intrusive than the existing structure even though it is single storey. In the absence of design details and screen planting proposals the impact of the proposed building is considered potentially *negative*. However, the fact that it is single storey and is on the site of an existing building the magnitude and significance of any visual impact is assessed as *mild*.

4.11.3.4 Hidden Cove – Of the Hidden Cove properties block E will have the closest relationship to the new hotel buildings. Block E has been partially constructed in the setback from the lot line and, in fact, the continued use of the stairs to the upper units will require an easement from the new hotel landowner. The western extremity of the hotel building observes a 15 ft setback from the lot line. The hotel building will be two storeys in height. The Hidden Cove building is three storeys in height although this appears as two storeys viewed from the hotel property. The relationship between block E and the proposed hotel is not ideal but the main aspect of the Hidden Cove building is towards the ocean and the relationship is exacerbated by the setback infringement. Consequently while the impact may be considered

negative for the private owners of that block the magnitude of the impact is assessed as **mild** and is **not significant**.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Visual disruption	Neg	Mild	Mild	*			
Operation	Berm	Pos	Mild	Mild	*			
	Facilities building	Neg	Mild	Mild	*			
	Hidden Cove Block E	Neg	Mild	Not signif	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.11.4 **Mitigation**

4.11.4.1 The absence of design details and landscaping proposals means that the assessment of these issues has been cautious. While the proposed hoardings along South Road and the common boundary with Hidden Cove will help to ameliorate some of the visual disruption that is likely to occur during the construction phase of the development the longer term solution to the identified visual impact issues will require creative design and landscaping proposals. These should include planting the berm with appropriate vegetation and screen planting around the facilities building which should be sensitively designed given its proximity to South Road and the main hotel entrance. Landscaping will substantially alleviate any potential adverse impacts.

4.11.5 **Conclusions**

4.11.5.1 The landscape character of the proposed development will be somewhat similar to the previous cottage colony on the site. Any visual impact is likely to be very local with views into the site only possible at or near the existing entrances.

4.11.5.2 The construction of the berm and the facilities building will be likely to have the most visual impact but landscaping proposals and screen planting will ensure there is no harm to visual quality in the area.

4.12 Culture and Recreation

4.12.1 *Baseline Conditions*

4.12.1.1 The application site is a privately owned property that has been used for many years solely for the purposes of the tourism business on the site. No rights to use the property extend to other individuals or entities outside the site.

4.12.2 *Assessment*

4.12.2.1 It is not anticipated that the proposed development will impact any established cultural or recreational activities in the local area.

4.12.3 *Key Impacts*

4.12.3.1 None assessed

4.12.4 *Mitigation*

4.12.4.1 None required.

4.12.5 *Conclusion*

4.12.5.1 The proposed development will not have any impacts for any cultural or recreational activities in the area.

4.13 Socio-economic Impacts

4.13.1 *Baseline conditions*

4.13.1.1 The former Pink Beach Club was first established on this site with the erection in 1947 of an 18 room cottage colony. Over several decades during the heyday of Bermuda tourism the hotel expanded to reach a maximum size of 94 rooms. During this period the hotel provided an important centre for local employment and contributed to the economic success of the island.

4.13.1.2 The decline of tourism from the 1980's onward took its toll on Pink Beach as it did on many other resorts. The decline at Pink beach was brought into sharper focus from 2003 onwards. In 2003 20 units were severely damaged in Hurricane Fabian and, with little investment in the property in recent years, a further 34 units were dropped from the inventory in 2012. The property has been in receivership since 2010 and from 2010 until its closure in 2013 occupancy rates did not exceed 37%.

4.13.2 *Assessment*

4.13.2.1 The proposed redevelopment of the Pink Beach Club property will result in a new high class tourist resort being built in Bermuda.

4.13.2.2 Development on the western 7.5 acres of the property encompasses the \$44 million construction of an ocean-facing, luxury five star, 35 suite boutique hotel with a high quality gourmet restaurant and beach grill, spa and fitness facilities, beach club and access to the western beach, a freshwater and saltwater pool and tennis courts. In addition six residential

condominium units will be built. On the eastern 5.5 acres development comprises the \$7.5 million construction of a private residence, housekeeper's cottage and pool, and the renovation of two existing cottages to create two luxury guest cottages. These units will be made available as hotel inventory.

4.13.2.3 As well as the capital value of the construction the project will bring much needed employment opportunities in the construction sector and in the hospitality sector. It has been estimated that the construction phase will provide in the region of 80 – 100 jobs on the site. In the operational phase of the hotel it is expected that employment for 56 persons will be provided in the resort. These employment opportunities will be a considerable boost in both sectors which have shown a marked decline in numbers employed over recent years.

4.13.2.4 As staff housing is not being provided on the site an indirect economic benefit for the local area will be that employees are likely to rent accommodation in the local area. This will help to absorb vacant rental units in the area and provide a boost to local household incomes.

4.13.3 *Key impacts*

i) Construction

4.13.3.1 The direct employment of construction workers, the purchase of materials and the use of local services will all contribute to an improvement in economic output. The proposal is a major construction project and this sector will be given a significant boost as other projects wind down. The economic impact will be ***direct*** as well as ***indirect*** and ***positive***. The magnitude of the impact and its significance is assessed as ***major***.

ii) Operation

4.13.3.2 The opening of a new hotel in Bermuda will not only bring direct benefits in terms of job opportunities and foreign currency earnings but indirect benefits in the form of demand for rental housing and the use by the hotel of local service companies. It will also have intangible benefits internationally by raising the profile of Bermuda. These ***direct, indirect and intangible*** impacts are ***positive***. Their magnitude and significance are assessed as ***major***.

Summary of Impacts

Phase	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Construction	Major construction project	Pos	Major	Major	*	*	*	
Operation	New hotel	Pos	Major	Major	*	*	*	

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.13.4 ***Mitigation***

4.13.4.1 None required

4.13.5 ***Conclusion***

4.13.5.1 The construction and opening of a new hotel in Bermuda would bring local and island-wide social and economic benefits. There could also be international ramifications as Bermuda's reputation receives a boost with the news that a high-end resort is planned.

4.14 **Health and Safety**

4.14.1 ***Baseline Conditions***

4.14.1.1 The former Pink Beach Club had been in operation for over 60 years. While it may have met the health and safety standards that were in force at its inception more recently it was failing to keep pace with modern requirements. This required substantial investment in the property which was not available and contributed to the decision to cease operations.

4.14.2 ***Assessment***

4.14.2.1 The proposed development will be designed to the highest standards for health and safety as would be expected at a five star tourist resort. All the required licenses will need to be obtained in order for the hotel to begin operation. This will require close liaison between the project managers and the Department of Environmental Protection on relevant licensing requirements under the Clean Air Act 1991. It will also require close liaison with the Bermuda Fire Service to ensure compliance with the codes published by the National Fire Protection Association (NFPA) on fuel storage (NFPA 30 Flammable and Combustible Liquids Code 2008 (as updated from time to time).

4.14.2.2 The access driveways for the site have been designed so as to meet the requirements of emergency services. This has included providing the ability for emergency service vehicles to access buildings on the Hidden Cove development from the hotel site.

4.14.2.3 During the construction phase the contractor will be required to observe the required health and safety regulations.

4.14.3 ***Key Impacts***

4.14.3.1 There will be a significant improvement in health and safety standards in the new development as compared with the

previous hotel. The age and condition of the former operation were such that modern standards were difficult to achieve without substantial investment. The new development will meet all code requirements and other health and safety regulations. This impact is positive and the magnitude and significance are assessed as moderate.

Summary of Impacts

	Impact	Type (+/-)	Mag	Signif	Extent			
					L	R	I	G
Operation	Compliance with H&S regulations	Pos	Mod	Mod	*			

Mag = Magnitude, Signif = significance, L=Local, R=Regional, I=Island, G=Global

4.14.4 *Mitigation*

4.14.4.1 Notwithstanding the intention to meet all necessary health and safety standards it is recommended that the construction environmental management plan and the operational management plan both address these issues with particular reference to emergency response to accidents, fire and major storms etc.

4.14.5 *Conclusion*

4.14.5.1 All health and safety requirements will be met in the proposed new development. Management plans will ensure on-going compliance.

5. Conclusions

- 5.1 The redevelopment of the former Pink Beach Club to create a new hotel development with associated residential units will transform the site from one have aging and deteriorating infrastructure into a high-end resort with modern facilities. The transformation will not be without impacts as, in a major redevelopment such as that contemplated, there will inevitably be effects within the site, on surrounding properties and possibly further afield. Some of these will be predictable, some less so.
- 5.2 This environmental impact assessment and statement provides an evaluation of these impacts as far as they are known and in the context of the in principle status of the planning application.
- 5.3 The general conclusion to be drawn from the analysis is that although there are likely to be negative impacts these mostly relate to the construction phase of the proposed development, will be short-term and do not cause irreversible damage to significant environmental resources. Mitigation measures that are proposed will help to alleviate these impacts. The preparation of management plans, too, will provide a platform for on-going control of potential problems in both the construction and operational phases of the development.
- 5.4 The longer term benefits that are likely to accrue from a new prestigious hotel development will outweigh the short term impacts. The boost for tourism in Bermuda, the creation of employment opportunities in sectors that have suffered in recent

years and the general economic uplift that the development should bring can be expected to have a positive impact on the local area and the island at large.

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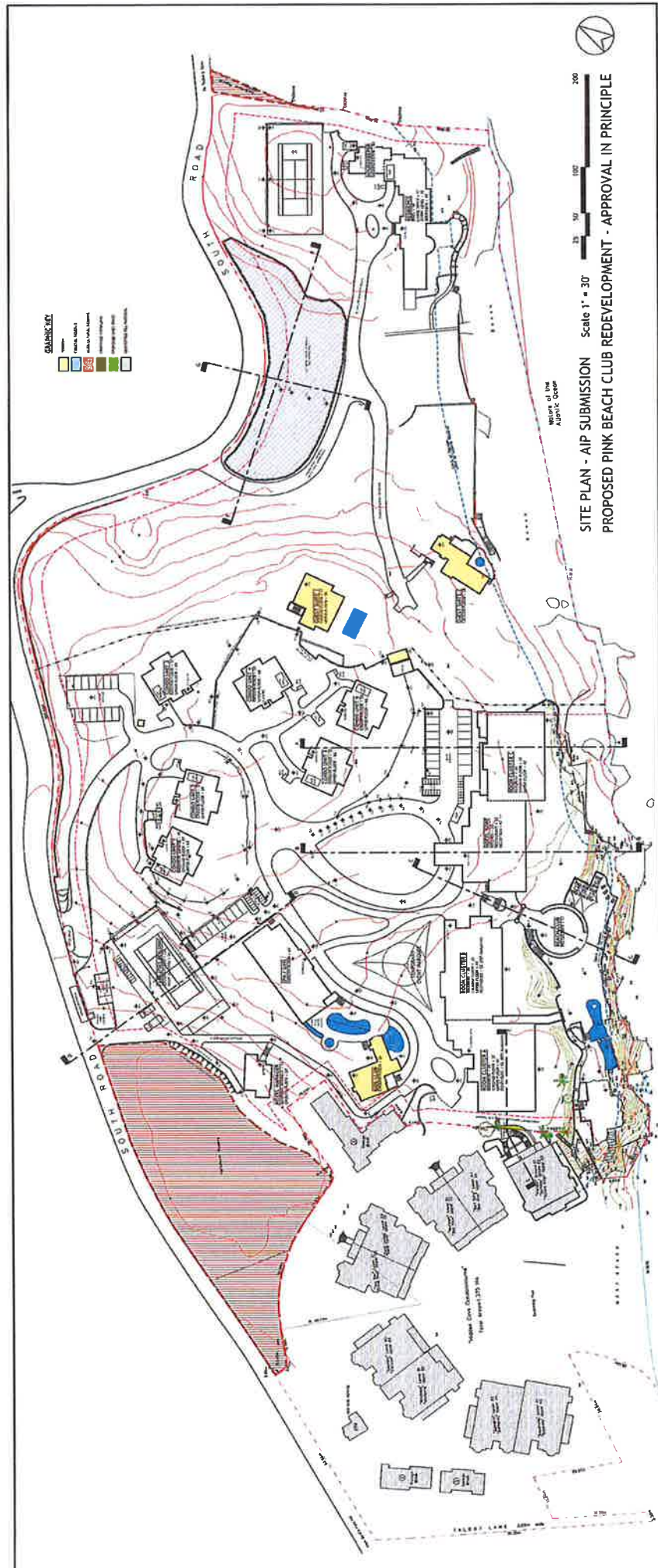
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Qualifications

Peter Adwick B.A. M.A. M.R.T.P.I.

Peter Adwick is the principal of Adwick Planning, a planning consultancy in Bermuda. Peter Adwick has a bachelor's degree in Urban and Regional Planning and a masters degree in Environmental Conservation Policy. He has over 30 years experience in environmental planning and has undergone training in environmental impact assessment in the UK and at the World Bank in the USA.

APPENDIX I



APPENDIX II

PINK BEACH - LIST OF ENDEMICIS FOUND ON SITE 12/3/14

BOTANICAL NAME	LOCATION	QNTY	APPROX HT
1 JUNIPERUS BERMUDIANA	HILLTOP COTTAGE	1	5'
2 JUNIPERUS BERMUDIANA	HILLTOP COTTAGE - DEAD	1	9'
3 JUNIPERUS BERMUDIANA	HILLTOP COTTAGE	1	5'
4 JUNIPERUS BERMUDIANA	HILLTOP COTTAGE	1	7'
5 JUNIPERUS BERMUDIANA	NEAR ENTRANCE	1	15'
6 JUNIPERUS BERMUDIANA	NEAR ENTRANCE	1	18'
7 SABAL BERMUDANA	GATE COTTAGE	1	8'
8 JUNIPERUS BERMUDIANA	GATE COTTAGE	1	6'
9 JUNIPERUS BERMUDIANA	GATE COTTAGE	1	5'
10 SABAL BERMUDANA	GROVE COTTAGE	1	11'
11 SABAL BERMUDANA	GROVE COTTAGE	1	14'
12 JUNIPERUS BERMUDIANA	WEST OF GROVE COTTAGE	1	5'
13 SABAL BERMUDANA	EAST OF SLAT HOUSE	1	28'
14 SABAL BERMUDANA	NEAR TRANSFORMER	1	12'
15 SABAL BERMUDANA	ON WESTERN BOUNDARY	1	15'
16 SABAL BERMUDANA	ENTRANCE PATH TO CANTON BAY COTTAGE	1	6'
17 JUNIPERUS BERMUDIANA	EAST OF TENNIS COURTS	1	8'
18 JUNIPERUS BERMUDIANA	EAST OF TENNIS COURTS	1	8'
19 SABAL BERMUDANA	HIBISCUS COTTAGE	1	12'
20 SABAL BERMUDANA	HIBISCUS COTTAGE	1	12'
21 SABAL BERMUDANA	NEAR R.O PLANT	1	12'
22 CASSINE LANEANUM	NEAR LP TANKS	1	10'
23 SABAL BERMUDANA	CAR PARK EAST OF DRIVEWAY	1	12'
24 SABAL BERMUDANA	WEST OF DRIVEWAY	1	4'
25 CASSINE LANEANUM	EAST CIRCLE	1	10'
26 JUNIPERUS BERMUDIANA	EAST CIRCLE	1	14'
27 JUNIPERUS BERMUDIANA	EAST CIRCLE	1	6'
28 JUNIPERUS BERMUDIANA	EAST CIRCLE NORTH	1	6'
29 JUNIPERUS BERMUDIANA	EAST CIRCLE NORTH	1	4'
30 SABAL BERMUDANA	EAST CIRCLE NORTH	1	9'
31 JUNIPERUS BERMUDIANA	WEST CIRCLE DEAD	1	
32 JUNIPERUS BERMUDIANA	WEST CIRCLE	1	6'

33	JUNIPERUS BERMUDIANA	WEST CIRCLE	1	7'
34	JUNIPERUS BERMUDIANA	FRONT ENTRANCE EAST	1	11'
35	CHIOCOCCA BERMUDIANA	EAST BANK WILD AREA	1	4

N.B. HEIGHT OF SABAL BERMUDANA SHOWN AS APPROX HEIGHT FROM GROUND LEVEL TO TOP OF LEAF

JUNIPERUS BERMUDANA	17
SABAL BERMUDANA	13
CASSINE LANEANUM	2
CHIOCOCCA BERMUDIANA	1
DEAD JUNIPERUS	2

Endocrine Panel

[illegible]

Located & Identified by: Malcolm D. Griffiths F.Engt. MscI
Drawn by: Bormuda Caribbean Engineering Consultants Limited

APPENDIX III

BY HAND

25 March 2014

Director of Planning
The Department of Planning
5th Floor, Dame Lois Evans Building
58 Court Street
Hamilton HM 12

c/o : Peter Adwick (Planning Consultant)

Dear Sirs

Pink Beach Club Redevelopment ('the application site')
Legal opinion in respect of rights and easements

We act for Sardis Developments Ltd. the current owner of the application site. We have reviewed the title deeds to both the Pink Beach Club and the condominium complex now known as Hidden Cove which sits to the west of the application site. The title deeds date back to the 1920s and would appear to be complete.

1. Easements

1.1 The absence of easements favouring Hidden Cove

The lands now known as Hidden Cove ('Hidden Cove') were originally owned by our client's predecessor in title, Pink Beach Limited. Pink Beach Limited created a wholly owned subsidiary known as Hidden Cove Limited and transferred Hidden Cove to it (by way of inter-company gift). Hidden Cove Limited then created 19 long leases of the individual units, granting the buyers of those units ownership of an internal shell in their unit and rights to use the surrounding common land, technically vested in Hidden Cove Limited. On the sale of the last condominium unit, the shares in Hidden Cove Limited were transferred to the 19 buyers. Those long leases were created subject to various subsections and in particular to the encumbrances contained in Hidden Cove Limited's own freehold title.

Prior to the construction of the Hidden Cove condominiums, the area now known as Hidden Cove was used as part of the Pink Beach cottage colony. Several of the existing roads and accesses to those old hotel units were retained. This was not of itself indicative of any intent to create an easement over the same.

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For any right akin to an easement (i.e. which was to last for a period of over 21 years) to be created a formal easement must be identified on the registered plan of subdivision (it was not). Such planning approval would then need to be implemented by the express grant of an easement by Pink Beach Limited to Hidden Cove Limited. The title deeds show that this did not occur.

The preservation of the roads/paths can be explained in several ways: it allowed the developer save costs by re-using existing infrastructure, it enabled construction traffic to enter and complete work and it enabled the hotel could provide services to the condominium units. Originally the units were sold on the basis that they could be leased back to the hotel and the income derived from renting the condominium units to tourists then shared between the parties. So far as we are aware the lease back scheme did not prove popular with purchasers but the hotel did provide certain ad hoc services to Hidden Cove such as beach cleaning, housekeeping, food services, etc. These were contractual matters between the parties.

There is a road which is identified on the registered plan of subdivision as 'roadway 3.66m wide' and sits partially on Pink Beach land and partially on Hidden Cove land. There are no deeded easements however over this roadway in favour of Hidden Cove to access any part of Pink Beach.

All easements are fully documented in a deed of voluntary conveyance ('the Voluntary Conveyance') dated 30th day of April 1999, a copy of which is attached. The rights granted to Hidden Cove are fully set out in the third schedule. The rights are in turn:

- Paragraph (a) - a right to continue to have the use of services through any existing shared conduit.
- Paragraph (b) - a right on notice to enter the Pink Beach property to the extent necessary to inspect, repair, alter, improve, clean or rebuild any part of Hidden Cove where such matters cannot be addressed from within Hidden Cove itself.
- There no further express easements.

Clause 5 of the Voluntary Conveyance includes an express agreement and declaration that Hidden Cove should not acquire (by implication, prescription or otherwise) any express or implied easement or right whether of light or air or any other easement or right which would restrict or interfere with the free use of the Pink Beach property for building or any other purpose.

This covenant directly binds Hidden Cove Limited. It is a subjection imposed on all the Hidden Cove owners' via their leases.

The Hidden Cove residents enjoyed a familiar relationship with the previous owners of their land, being frequent visitors to the hotel, restaurant and other amenities. They are therefore in the habit of using Pink Beach as their private club and using the estate roads as loading areas should they prove to be a more convenient point of access to their dwellings at Hidden Cove. This user is however permissive and may be terminated at will.

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Having examined the express terms of the title deeds, we have also examined whether it is legally possible for Hidden Cove to have gained any easements by way of implication. For the reasons set out below, this is not possible.

Where a piece of land (here Hidden Cove) is subdivided from a greater piece (Pink Beach), easements of necessity can be created where the land in question would otherwise be landlocked. This is clearly not the case here.

It is possible for property to accrue rights by long usage under the presumption of lost modern grant. However in order for the presumption to arise those rights must be enjoyed as of right for a continuous period in excess of 20 years. As Hidden Cove was owned by Pink Beach until April 1999 there has not been the requisite 20 year period of separate ownership. Pink Beach cannot have created adverse rights against itself whilst it owned Hidden Cove (easements require a separate dominant and servient owner - i.e. 2 distinct owners). Even had such rights been enjoyed for a period in excess of 20 years they would not give rise to an easement if the 'presumption' could be rebutted by means of an express declaration that such rights should not accrue (as is set out in Clause 5 of the Voluntary Conveyance).

It would appear that insufficient thought was given to the way in which building E at Hidden Cove would be accessed when it was separated from Pink Beach. The applicant is prepared to grant an easement on foot only for the Hidden Cove residents to have access to the ocean side of building E without rebuilding or reconfiguring their own staircases. From here those residents may utilize the Hidden Cove steps in order to gain access to the parking areas via Hidden Cove's own common land. The area of this easement is shown on the application for the new plan of subdivision – shown coloured green.

In addition, as it may be difficult for fire trucks to reach the entirety of building E with a standard length hose from Hidden Cove's parking area, the applicant has designed one of the estate roads to make it easier for the Bermuda Fire Service to adequately extinguish a fire within building E from the Pink Beach property. The applicant will give the Bermuda Fire Service authorisation to use the fire corridor created on the Pink Beach land for this purpose. There is no intent to create any easements in favour of Hidden Cove over these roadways. The Hidden Cove residents were fully aware of the extent of their own boundaries when they acquired and can very easily gain access to building E by walking across Hidden Cove's grounds. There is no such thing as an easement to trespass on a neighbour's land simply because it may be convenient to do so.

It should be noted that the applicant's plans include a pathway down the side of the hotel building closest to Hidden Cove, which would allow the fire services to enter Hidden Cove rapidly should the need arise. This pathway may also be used by Hidden Cove residents (with permission) when entering the hotel's land as guests on hotel business. There is no intent to create any easement over Pink Beach and access would continue to be permissive only.

1.2 Easements favouring others

The deeds do not show any easements or quasi easements favouring any other parties. The Voluntary Conveyance shows that the Hidden Cove parcel includes Talbot Lane and is subject to a right of way to the Talbot Lane residents.

2 Beach Usage

2.1 The West Beach

The Voluntary Conveyance also documents the rights of Pink Beach to utilise and enjoy the West Beach (which forms part of the Hidden Cove condominium parcel). The rights retained in favour of Pink Beach Limited (and its' successors) are set out in the fourth schedule to the Voluntary Conveyance. These rights are stated (at the commencement of the fourth schedule) to be granted in favour of "the Grantor" (i.e. Pink Beach), its "successors in title" (i.e. the applicant) "and the owners and occupiers for the time being of the Pink Beach property or any part or parts capable of being benefited and or persons authorised by it or them".

These rights include the right to pass and re-pass on foot only over and along footpaths and walkways within Hidden Cove leading in a Southwesterly direction from the Southwestern corner of Hidden Cove to West Beach and the waters of the Atlantic Ocean for the purposes of boating, bathing and landing and mooring boats of all descriptions and other lawful recreations - paragraph (d). They also include the right to provide on West Beach or such other part or parts of Hidden Cove as Pink Beach shall determine such equipment, facilities and services as Pink Beach shall deem requisite for the benefit of guests of Pink Beach hotel (whether or not such guests are staying at the Pink Beach property or alternatively staying in any condominium development at the property) including the right to provide a food and/or beverage service or concession on West Beach – paragraph (g).

These rights are not limited to only a portion of the Pink Beach guests. Furthermore they are not limited to guests per se but may be extended by persons authorised by Pink Beach, including users of further (contemplated but at that point unbuilt) condominiums. It is therefore perfectly lawful for all or any number of Pink Beach guests/residents to utilise West Beach at any time and in any intensity.

2.2 East Beach

The more transient East Beach will be used by owner of the residence and persons renting the residence and guest units within the phase 2 development only.

2.3 "Intensification" of use of West Beach.

The hotel portion of the application will not reserve an easement over new lot which is to house the residence. This does not of itself mean that there will be any intensification in the use of West Beach. The number of hotel rooms is reducing from 94 to 34. Secondly the new hotel will have an entirely new feature in the form of the oceanfront beach club, which will offer its own saltwater bathing option. The applicant believes that the vast majority of its guests will utilise the beach club rather than West Beach and families will be inclined to use the new kids club.

However even if every single hotel guest chose to use West Beach instead of the other facilities this would still be entirely within the rights granted by Hidden Cove at the date the condominium company took separate title, which rights were confirmed by the individual buyers when they accepted their long leases. It is quite clear from the documents that West Beach was intended to be used as a hotel beach shared with Hidden Cove and that the hotel could provide the same level of staffing and equipment as if the beach were its own property.

2.4 "Privatisation" of West Beach.

It has also been suggested that the subdivision of the site into 2 lots will in some way interfere with the rights of Talbot Road residents to use West Beach. West Beach is owned by Hidden Cove and only Hidden Cove may take issue with any user by the residents. The applicant is a mere licensee.

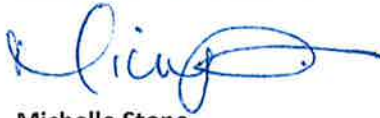
2.5 "Privatisation" of East beach

East Beach has always been a private beach, being completely surrounded by Pink Beach land and thus only accessible below the high water mark from the sea itself. No other party has rights to use East Beach above the high water mark (deeded or by implication) including without limitation the owners at Hidden Cove. Accordingly East Beach will continue to be a beach in private use and is not changing its status.

Only the guests to the East Beach residence and cottages will enjoy the use of the East beach. This will create a private enclave which will allow the hotel to sell a class of accommodation that is not available elsewhere in Bermuda with associated hotel comforts. These units will provide essential income to the hotel and increase the profile of the hotel especially whilst the new development is becoming established.

Yours Faithfully,

WAKEFIELD QUIN LIMITED



Michelle Stone
Senior Counsel – Property

Encl.