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PRESS RELEASE

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Her Majesty's Government of Gibraltar and Commercial Developments Investments Limited reach an agreement in respect of the Old Naval Grounds site

- Major Private Sector Investment in high-end residential development and offices
- Development area granted to CDI reduced in negotiation with Government but Premium paid retained intact
- Double the parking that was previously available at what is now Commonwealth Park to be provided in part of site
- Subject to the approval of the DPC, demolition of the existing structures will start after Gibraltar National Day this year with construction to follow immediately thereafter

After months of continued negotiations, the HM Government can now confirm that it has reached an agreement with Commercial Developments Investments Limited (“**CDI**”) in respect of the Old Naval Grounds site.

By way of background, CDI had been granted a development licence by the previous GSD administration to develop residential, office and commercial premises as well as a car parking facility in an area of over 11,300 square metres at the site of the Old Naval Grounds. When in Opposition, the Government was highly critical of this earlier agreement (and others) on the grounds that they unreservedly sold Crown lands for well below what was considered to be their true market value. In-line with its wider policy of revisiting, and where possible and in the interests of the taxpayer, re-negotiating, agreements reached by the previous administration, the Government has in this case as in others sought to procure a better value-for money development for the taxpayer, particularly as this area is such a prime location.

Under the terms of the agreement, the Government has secured the return by CDI to the Government of approximately 3000 square metres of the land to which it had been entitled to develop under the previous licence. This is approximately one third of the whole development area.

The Government has also now procured that as part of its obligations under the development agreement, CDI will construct a multi-storey car park to accommodate large coaches, mini-coasters, taxis and provide for a further 1000 car parking spaces for the general public. A limited amount of parking spaces will be available for sale, and information on this will shortly be made public.

Subject to this development receiving the approval of the Development and Planning Commission, the new agreement means that CDI will be able to deliver a sustainable and environmentally-conscious development comprising of residential, office and commercial premises. In addition to comprising a multi-million pound investment, this project will deliver a comprehensive car parking solution for the city centre in a suitably sited location and – in keeping with the Government’s manifesto commitment – will provide double the number of parking spaces that were previously available at what is now the magnificent Commonwealth Park.

The southernmost end of the development will provide a dedicated green area at this superb location at the heart of our city which in effect links to Commonwealth Park via King’s Bastion Leisure Centre and will be a continuation of the style of Commonwealth Park.

The Chief Minister Fabian Picardo commented:

“The Government is pleased to have successfully concluded its re-negotiations with CDI and extract and deliver better value to the taxpayer, whilst at the same time fulfilling another of its manifesto commitments. The Government is also encouraged by a further multi-million pound investment into Gibraltar which demonstrates our careful steering and management of the Gibraltar economy is attracting investment, as well as the large increases in Gibraltar’s GDP we have predicted and delivered on. We are providing double the amount of car parking spaces that were previously available at the now magnificent Commonwealth Park as well as an additional green area that will link up to Commonwealth Park via the King’s Bastion Leisure Centre. We have driven a hard bargain on behalf of the taxpayer and got back a lot of land whilst retaining intact the premium paid to the previous administration. Driving a hard bargain in the interests of our Community is the right thing to do. A better GSLP/Liberal deal for Gibraltar! ”

Commenting on this matter, a spokesman for CDI said that:

“It gives us great pleasure to have been able to reach an agreement with the Government that the Chief Minister and his Ministerial team believe to be in the best interests of our Community. CDI can now focus on its Development and Planning Commission Application and aim to deliver a world class development in a prime location in Gibraltar. This project will link the old town with all the new developments at Westside and Queensway, creating a focal point for the Community. CDI brings a wealth of experience and expertise to the table, and is accordingly well placed to deliver a first class construction project which will benefit from all the latest relevant technology and environmentally friendly measures, in line with Gibraltar’s needs and, as in the past, provide excellent value to its clients. Subject to receiving the approval of the Development and Planning Commission which CDI is hopeful of, the demolition and dismantling of the existing structures will start after Gibraltar National Day this year with construction to follow immediately thereafter.”