

## MINISTRY PAPER NO. : -

### URBAN DEVELOPMENT & THE STATUS OF MAJOR PROJECTS

#### OBJECTIVE

The government has directed the Urban Development Corporation (UDC) to return to its core function in full recognition of the fact that while the UDC has been undertaking commendable work over the years, it has not accomplished its primary function which is to prepare and implement development plans within designated areas. To accomplish this, the Corporation has the responsibility to develop primary and secondary infrastructure in the designated areas. The UDC has not undertaken any large scale development project within a designated area for over twenty (20) years, however this will change going forward in keeping with the new direction of the organization. Significant work has already commenced on the redevelopment of Downtown Kingston and the UDC will also work on the following developments in the coming financial year:

- The development of the Caymanas Estate, St. Catherine
- New developments in the resort town of Ocho Rios, St. Ann, and
- New developments in Jamaica's second city of Montego Bay, St. James

The Corporation's Corporate Strategic Objectives for the period 2009/2010 to 2011/2012, indicates the new direction of the UDC. The main objectives are to:

1. Return the UDC to its core functions as defined by the UDC Act within three (3) years. In this regard the UDC will:
  - a. Identify non-core assets and prepare some for divestment
  - b. Prepare and implement development plans consistent with the mission of the UDC
2. Improve the financial sustainability of the UDC by ensuring that its cash flow is able to support its projects and operating expenditure
3. Redesign the organizational structure and staffing to ensure alignment with the mission and objectives of the UDC including providing excellent customer service.

Specific activities that have commenced to support this transformative process are:

1. A Management Audit by Price Waterhouse Coopers that will be completed in May 2009
2. An ongoing restructuring programme; and
3. Proposed amendments to the UDC Act to deal with:
  - a. The nature and objectives of creating UDC 'designated areas'
  - b. Additional powers of the UDC within 'designated areas' inclusive of the power to connect the master plan prepared for the 'designated' area to a programme of incentives.

Given the complexity of the organization, the ongoing Management Audit and restructuring programme, the challenges currently being experienced and the need for ongoing critical interface both internally and externally, there is a heightened awareness by the management team that the transition process must be accorded the utmost care to ensure its success.

## **ACHIEVEMENTS FOR FINANCIAL YEAR 2008/2009**

The following are projects that were done in the past financial year:

### **Housing Stock Improvement**

#### *Hellshire Designated Area – St. Catherine*

The UDC constructed 219 housing units and 8 lots in the Hellshire Glades Housing Development in St Catherine at a cost of \$717 million. These were developed in two phases over a three year period. Over 200 employment opportunities were created in the construction and allied industry.

### **Tourism Infrastructure Improvement – Attractions**

#### *St. Ann Designated Areas*

- **Green Grotto Caves and Attractions**  
Upgrading works continued at Green Grotto Caves and Attractions under a Phase 2 programme to provide improved administrative facilities. Green Grotto was the first cave worldwide to achieve Green Globe 21 certification in 2003 and has consistently maintained this achievement over the last five years. The team scored excellent marks in the areas of energy conservation, waste recycling, community contribution, effective vehicle management, and proper use of pesticide products.
- **Reach Falls**  
The UDC is implementing a J\$25 million contract for Phase I upgrading works at Reach Falls, an eco-tourism attraction in Portland. Through Portland General Contractors a two storey administrative building, ticket and security office, craft hut, food and beverage hut, nurse's station, souvenir shop, sanitary conveniences and a treatment and disposal system will be provided at the attraction.
- **Montego Bay Convention Centre**  
The UDC on February 14, 2009 broke ground for construction of the Montego Bay Convention Centre at Rose Hall in St James. This followed the signing of a contract with the China National Complete Plant Import Export Corporation (COMPLANT) in 2007 which was a pre-requisite to the signing of the Loan Agreement between the Government of Jamaica and the Exim Bank of China, for approximately 350M Reminbi (RMB) or (US\$45M) for this project.

The convention centre is being constructed on 9.3 hectares or 23 acres of land in Rose Hall, St. James, in proximity to several major hotels. Facilities will include 4, 860 sq m (52,213 sq ft) of exhibition space, 1,944 sq m (20,925 sq ft) banquet hall space and 1,053 sq m (11,334 sq ft) of meeting space. The UDC are project managers for the convention centre which is being constructed in response to the demand for a large convention facility that can accommodate upwards of 3000 persons. The centre will also enhance the convention segment of the tourism market.

## **Urban Primary Infrastructure Improvement**

### *Kingston Metropolitan Sewage Treatment Project*

Sited on approximately 400 acres (161 hectares) of lands in St. Catherine, the Kingston Metropolitan Sewage Treatment Project is a joint venture initiative involving the UDC, National Water Commission (NWC), National Housing Trust (NHT) and Ashtrom Building Systems aimed at centralizing the treatment of sewage. The equity partners have formed a new entity, the Central Wastewater Treatment Company (CWTC), which is now managing the operations of the Soapberry plant.

The UDC has contributed US\$4.8M as well as provided project management services. The NHT has also contributed US\$4.8M, with the NWC providing US\$1M. Ashtrom's investment amounts to US\$2M in the project, for which they are also serving as contractors under a design, build, own and operate arrangement. The remaining financing of US\$38M has been secured through a loan with the National Commercial Bank.

The Kingston Metropolitan Sewage Treatment Plant will result in the following:

1. improved sewage treatment capacity for the Kingston Metropolitan Area for the next thirty years
2. replacement of several smaller plant throughout Kingston
3. create opportunity for large scale development in areas hitherto rendered undevelopable
4. sewage disposal in the Kingston Harbour no longer obtains
5. the Kingston Harbour can now be used for safe recreational use, as it is now environmentally safe.

### *Port Maria Civic Centre*

The Corporation is spending approximately US\$2.5M to continue the restoration and refurbishing of the Port Maria Civic Centre in St. Mary. At the end of this phase, a mayor's office, council chambers, retail shops, restaurants, craft museum and commercial shops will be constructed. The project is being carried out with financing from the Bank of Economic and Social Development (BANDES) of Venezuela in partnership with the Government of Jamaica under the San Jose Accord

## **PROJECTIONS FOR FINANCIAL YEAR 2009/2010**

### ***Downtown Kingston Development Plan***

The UDC will advance its plans for the re-development of downtown Kingston during this financial year.

The proposal envisages the works being implemented over the period 2008-2018 in four phases. In phase 1, the UDC proposes to construct a multimodal transportation centre, upgrade the St. William Grant Park and improve the market district. Work on aspects of this is already in progress.

Plans for Phase 2 include the realization of a Festival Marketplace, upgrading of the Kingston Waterfront, renovation to the Oceana Hotel and improvements to the Jamaica Conference Centre while in Phase 3, the UDC intends to embark on the construction of the Kingston Harbour causeway bridge, creation of a Justice Square at the Supreme Court on King Street, and development of the Ward Theatre Cultural Square.

The final phase of the project will see the construction of a railway museum and establishment of a Trade Centre in line with plans to establish downtown Kingston as a viable financial district.

### ***Caymanas Development Plan***

The UDC will undertake development of the planned 450 acre town centre “the Village” comprising mixed uses of housing, retail commercial, institutional, recreational etc.

In addition, work will commence on phase one of the Caymanas industrial Park, comprising 70 acres to be divided in 2.5–5 acre lots with potential built out at 100,000-200,000 sq. ft. factory space, targeting local business needs.

### ***Hellshire Development Plan***

The Hellshire Development Plan has been in existence since the early 1970’s. The implementation of developments proposed in this plan would have brought to fruition Kingston’s twin city – Hellshire. Thirty years have elapsed and development has only occurred in the first phase of the 1970’s Plan. This has been a blessing in disguise as the passage of time has provided enough information to proceed along a more sustainable path of development today.

This ‘new’ development path has been significantly influenced by the Hellshire Environmental Management Plan (HEMP), our consultations with the National Environmental Agency (NEPA) and an understanding of current development trends. Arising from our analyses and consultations a revised Development Area (DA) for Hellshire has been demarcated.

This Development Plan Review provides a synopsis of the early 1970’s plan, an indication of the status of development to date, community and development needs, proposed land uses for the undeveloped properties and the way forward. The ‘way forward’ provides a synoptic outline of the services and/or facilities and projects that may be considered for short/medium/long term development.

The intention of the Hellshire Development Plan review is to:

- a) show the current pace of development in the area
- b) provide the link between the development and the Management Plan
- c) provide the realization of Hellshire Hills as a protected area indicating the presence of endangered and endemic species
- d) redefine the development area boundary and make it the focus of the document

### ***Spanish Town Redevelopment***

The UDC intends to play a critical role in the planning and development of cultural heritage tourism in Jamaica by:

- a) Assisting in the restoration plan and preservation of historical sites, monuments and buildings not only for their beauty and intrinsic value but also as a potential source of income, employment and new economic activities.
- b) Diversifying the tourism product through the exposure of Jamaica's rich culture and heritage resources.
- c) Establishing a national heritage trail, linking in practical segments of all major towns and villages of architectural, cultural and historic prominence.
  - i. Preservation of the Historic Zone
  - ii. The relocation of some government owned buildings
  - iii. Relocation of the market
  - iv. Re-routing of traffic
  - v. Upgrading of the infrastructure

### ***Ocho Rios Development Plan***

Ocho Rios is one of the island's three resort towns. The planning of this major resort town and the parish as a whole is the subject of a Development Order in 1998. Ten years have elapsed and many developments that have occurred since the passage of this Development Order have gone contrary to the land use zoning stipulated in the Order. Squatting, especially in environmentally sensitive areas have exacerbated, and incidents of flooding have become more frequent and severe. The proposed passage of Highway 2000 west of the town of Ocho Rios will no doubt significantly impact the future growth and development of Ocho Rios.

The Ocho Rios Redevelopment Plan is aimed at reshaping the urban area to address its pervasive infrastructural dilemma. The Ocho Rios Redevelopment Area is situated on the north coast of the parish of St. Ann. This redevelopment area lies between the parish capital St. Ann's Bay and the town of Tower Isle. Its boundary extends from the White River in the east, just west of the Davis Town to Greenwich Park Main Road (inclusive of the Phillip Brown Drive – at Shooters), its southern extent are Breezy Hill, Beecher Town, Cole Gate, Mile End and Lodge.

### ***Montego Bay Development Plan***

The UDC is presently in the process of reviewing its designated area boundary with a view to its expansion. The review will be looked at in the wider environs of the City of Montego Bay and will result in the preparation of a comprehensive document primarily to guide future development. The document will also inform the Development Order currently being prepared for the City of Montego Bay and six economically dependent Urban Districts by the National Environment and Planning Agency.

### ***Other Projects***

- *Agency and Government Projects*

The UDC also continues to be charged with the task of providing project management and technical management leadership in planning and executing projects on behalf of the Government of Jamaica, various ministries and agencies. Development work carried

out by the UDC on behalf of several agencies and ministries accumulated year to date expenditure at the ending of January 2009 of approximately \$1.1b and continued to create employment for workers over the last fiscal year. Approximately \$1.9B is budgeted for this fiscal year towards Agency Projects which include Montego Bay Convention Centre, Montego Bay Sports Complex, Simon Bolivar Cultural Centre, Port Maria Civic Centre Phase 2 and G.C. Foster Bleacher Seating.

- *Montego Bay Convention Centre*

Work on the construction of the Montego Bay Convention Centre - an 86, 000 square foot building being erected on lands at Rose Hall is under construction. The total project cost is estimated at \$4B and the Corporation has been authorized to spend \$1,259,181.00 during this fiscal year 2009/10.

- *Port Maria Civic Centre-Phase II*

This is Phase II of the Development which aimed at providing administrative offices, restaurant, court yard, craft outlet, council chamber, mayor's office, bathrooms, kitchen and storage area. The project is aimed at preserving and renovating the Old Court House structure to a modern habitable building as part of the Cultural Tourism Product. The project is 65% complete at March 2009.

- *Simon Bolivar Cultural Centre*

The Simon Bolivar project is geared towards the development of a Cultural Centre on lands formerly occupied by the Jamaica Agricultural Society at 10-12, 13 North Parade and 2-4 Love Lane in Downtown Kingston. Financing is being provided through a Grant of US\$2 million from Venezuela and GOJ local funding. The first drawdown of US\$1 million has already been received by the UDC.

- *Montego Bay Sports Complex*

This project has a contract sum of US\$11.5 million and is currently 71% complete. Cabinet approval is currently being awaited for additional funding to make the facility functional.

- *New Urban Transportation Centre*

Works will consist of rationalization of the Public Transportation System in Downtown Kingston. Physical works started in February 2008 and was scheduled for completion in January 2009. The original contract sum was \$161 million. Cabinet has approved an additional \$189m for variations to create an overall Transportation Hub. It is expected that by July 2009 the citizens of the KMR will be benefiting from the construction of this modern Transportation Centre located between Port Royal Street and Water Lane. This constitutes part of the UDC's overall re-development programme for downtown Kingston.

- *St. William Grant Park*

Significant refurbishing of the historic St. William Grant Park in downtown Kingston is scheduled to continue in this fiscal year. Original contract sum is \$90,320,827.80M. The project is approximately 70% complete.

The rehabilitation of the park involves the upgrading of 2.7 hectare of parkland and refurbishing of existing structures as well as demolition of outdated structures inclusive of necessary infrastructure works, soft and hard landscaping, irrigation, new boundary fence, park furniture and lighting. In carrying out these works, the UDC seeks once again to make the park more safe, user friendly and relevant to the area.

- *Research and Development*

The UDC has also earmarked in excess of \$184M to conduct Research and Development to support its overall development planning process in the following parishes:

- a) Portland
- b) Kingston
- c) St. James
- d) St. Ann
- e) St. Catherine
- f) Westmoreland
- g) Hanover

Other major projects to be undertaken by the UDC starting and continuing in 2009 are:

- **The New Parliament Building**

To be constructed on lands adjacent to the current location of Gordon House at Duke Street, this project will seek to fulfil current and future needs for improved functional and operational accommodation of parliamentary business. The scope of the project involves preparation of an architectural planning brief, the conducting of an architectural design competition, development of design and construction documents, establishment of construction contract and the construction and equipping of the new parliament. Total estimated cost is \$4 billion.

For this fiscal Year, \$50 million has been approved for the design competition which will facilitate the future construction of the new building.

- **The Tax Incentive Programme**

The Tax Incentive Programme for urban renewal is a Government Initiative to encourage and stimulate redevelopment of blighted urban areas. The aim is to attract private capital investment in order to drive urban renewal through the following incentives:

- a) Urban Renewal Bond
- b) Investment Tax Credit
- c) Tax Relief on Rental Income

The Programme has been implemented in downtown Kingston and Montego Bay and has been extended to Spanish Town.