

logo not found or type unknown

Charlotte Amalie Harbor Dredging Gets Funding Boost as St. Croix Cruise Traffic Set for Major Rise

Wharfage and port dues rise to cover dredging costs while cruise ship visits are expected to jump 18% across the USVI, with St. Croix seeing an 85% spike

Tourism / **Published On September 25, 2024 06:02 AM /**

Janeke Simon **September 25, 2024**

Image not found or type unknown



Cruise ship at the Ann E. Abramson Pier and Marine Facility in Frederiksted, St. Croix.
By. ERNICE GILBERT, V.I. CONSORTIUM

The V.I. Port Authority has approved fee increases to help fund the long-awaited dredging of Charlotte Amalie Harbor, a important project aimed at enhancing the territory's ability to accommodate larger cruise ships. The decision comes as the authority prepares for a significant increase in cruise ship visits, with St. Croix set to experience the largest surge in traffic

Last November, even as the V.I. Legislature approved the [appropriation of \\$17 million](#) for the essential dredging project, officials acknowledged that the costs would likely be more, leaving the Port Authority to figure out ways to fund the additional costs that would be needed.

At least some of those extra funds will be generated by an increase of 44 cents per passenger in current wharfage fees for cruise ships coming into St. Thomas. Another fee increase – \$3 in additional port dues per passenger – will provide additional revenue to the project. Tuesday's board action on port dues, according to the motion moved by Commissioner Derek Gabriel, will take effect no later than April 2025.?

Both motions were unanimously approved by the board, as was a motion to approve the agency's proposed operating and capital budget for 2025.

The board also approved a \$199 million budget for the upcoming fiscal year, set to begin on October 1, 2024. This marks a 19% decrease from last year's \$246 million operating and capital budget. The budget was approved during a special meeting held today in St. Thomas, where VIPA's Director of Financial Affairs, Ava Penn, provided an overview of the financial plan.

For Fiscal Year 2025, VIPA expects to generate \$77.5 million in revenue, supplemented by \$69.5 million in federal grants and \$5.4 million from Passenger Facility Charges. Total expenses, including depreciation, are projected at \$83.3 million. The \$77.5 million in anticipated revenue for FY25 is an increase from the \$73.6 million projected for FY24.

The authority expects an 18% rise in cruise ship visits, with 595 calls scheduled for FY25. This includes 178 visits to the West Indian Company Limited (WICO) dock, 194 to Crown Bay, 22 to St. John, and 101 to St. Croix. Overall, cruise passenger traffic is forecasted to grow by 11%, with St. Croix seeing the most significant increase of 85%, up from 67 ship calls in FY24 to 101 in FY25. Additionally, VIPA projects a 3% increase in air travel, with an estimated one million passengers arriving via air in the upcoming fiscal year.