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\$80M Hilton Hotel in St. Thomas to Add 300 Rooms, Hundreds of Jobs by 2026

DV USVI LLLP is transforming the derelict Sugar Bay site into a fully modern 300-room Hilton, with \$60 million in construction on top of the \$20 million purchase. The project aims to open in 2026 and generate over 220 direct and indirect jobs.

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The Economic Development Authority has heard an application for tax incentives for a new hotel being constructed on the site of the old Sugar Bay Resort.

DV USVI LLLP is transforming the 30-acre property into a 300-room Hilton hotel, said counsel Adriane Dudley of Dudley Rich. “Only the exterior of the original buildings stand,” she explained. “This will be an entirely new resort.”

An initial plan to open this year had to be delayed because of the extent of the needed rehabilitation. “We have had to construct from every exterior wall into the space,” Ms. Dudley noted. “Ceilings, floors, the works. We’ve also refurbished the exterior walls because they were likewise damaged,” she continued. Many of the rooms will be “ADA compliant and fully accessible,” she noted.

By the time the project is ready to welcome guests some time in the first half of 2026, the property's initial \$20 million purchase price would have been augmented by over \$60 million in construction costs, including equipment, furniture, and fixtures, Ms. Dudley disclosed. When it opens, the new Hilton will employ about 150 people, with approximately 25 more being onboarded in the first year of operation. Former Sugar Bay employees will be prioritized in the recruitment process, Ms. Dudley said.

Meanwhile, indirect employment — from water sports, food & beverage, and other concessionaires — is expected to reach upwards of 70 people, she estimated. “It is our plan to have several different retail offerings and we would like to have those be concessions,” Ms. Dudley noted. This is to allow “a good many local and off-island operators” the opportunity to “integrate with the hotel and make possible the widest available opportunity for our guests and the residents of the territory,” she said.

Local staffing and local concessionaires are important, said Amit Penn, chief executive officer of DV USVI. “I think [that] will help us keep the culture on the island instead of incorporating outside culture from the States; we don’t want to do that. We want to be able to present the local culture to whoever’s coming to the hotel.”

“This is a St. Thomas hotel,” Ms. Dudley added. “That means that events like Carnival and other holidays will be part of the culture of the property.”

In light of the territory's great and growing demand for accommodation, “adding 300 hotel rooms to the number we already have, we believe, will make a significant contribution to the economy,” Ms. Dudley said, noting that the new property intends to continue — and even improve upon — the former Sugar Bay's legacy when it comes to events.

EDA board members were pleased to hear that the property is already anticipating a close relationship with the University of the Virgin Islands. “First, the UVI hospitality program will help us establish the standards with Hilton by which our employees are trained,” said Ms. Dudley. The hotel also intends to seek the services of at least two apprentices or interns from the hospitality program, “depending upon their willingness and ability to join us.”

One of the owners of the corporate partnership already has other Hilton-branded properties in his portfolio. This opens up the possibility of cross-training between properties for employees of the soon-to-be-opened St. Thomas resort. “Generally included in brand negotiations are the extent to which employees may transfer to other properties once they've been trained and are fully experienced with the local property,” Ms. Dudley said in response to a question from the board. “We fully expect that this will be a part of our plan because that is generally a part of the hotel plan.”

EDA Managing Director Margarita Benjamin noted that the company will have to rework its retirement plan offering to ensure that they are making funding matches up to the appropriate level. Ms. Dudley promised to make the necessary adjustments and file the required amendments to the application.

A decision from the EDA is expected in the coming weeks.

