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Water Island Resort Proposal Heads to Legislature With \$300M to \$400M Investment, Marina, Residences and Public Beach Protections

Lieutenant Governor Tregenza Roach says Bluewater Global Advisors' proposed Water Island resort, marina and residential project would bring \$300M to \$400M in investment, 500 jobs, new revenue, infrastructure upgrades and public beach protections.

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Aerial view of Water Island, where a proposed \$300M to \$400M resort, marina and residential development is headed to the Legislature for review, with officials citing jobs, revenue and beach access protections. By. ERNICE GILBERT, V.I. CONSORTIUM.

Lieutenant Governor Tregenza Roach announced Monday that the Legislature of the Virgin Islands is being asked to review a major Water Island hotel development proposal that could bring a branded luxury resort, marina, private residences, infrastructure upgrades, employee housing and community investment to the island.

“The project would transform a significant Water Island property into a branded luxury resort, marina, and residential destination,” Mr. Roach said.

According to the lieutenant governor, the proposed development would include at least 88 hotel rooms and up to 100 private residences, along with marina facilities, a spa and several restaurants. He described the project in its totality as “a development that combines tourism, infrastructure, employee housing ,and much needed community investment.”

Mr. Roach said the expected investment for the project is between \$300 million and \$400 million. As currently conceptualized, he said, the development would create “about 200 construction jobs and approximately 300 permanent jobs.”

Beyond the employment impact, the lieutenant governor pointed to the project’s expected effect on government revenue. Estimates include \$5 million in annual occupancy tax revenue from the hotel portion of the development. Private residence sales could generate approximately \$18 million in commissions to the government, \$9 million in stamp taxes, and more than \$2 million in property taxes each year. The marina connected to the project is expected to bring in approximately \$220,000 annually in fuel tax revenue, Mr. Roach said.

“That means new revenue, new jobs, new infrastructure, and new economic activity without placing a new tax burden on Virgin Islanders,” he said.

Mr. Roach also said the project would bring major improvements to Water Island, “including roads, drainage, utilities, and marine facilities.” One of the most significant changes would be the removal of Honeymoon Beach from the current lease, a move he said would protect “traditional public access to one of the territory’s most popular beaches.”

The project is now pending review by lawmakers. Mr. Roach said he hopes the Legislature will conduct its due diligence and protect the public interest, while also recognizing what he described as the importance of the opportunity before the territory.

“Projects of this scale do not come around every day,” Mr. Roach said. “If we want a stronger economy, a broader tax base, better infrastructure, and more large-scale private investment in the Virgin Islands, we must be prepared to move forward serious opportunities with care, with urgency, and with confidence.”

The lieutenant governor disclosed that the project is being spearheaded by Bluewater Global Advisors, a Florida-based limited liability company.

The announcement comes as the territory continues to contend with what Water and Power Authority CEO Karl Knight called a major “power crisis,” following multi-day blackouts over the weekend on St. Thomas and St. John. Against that backdrop, Mr. Roach said the proposed Water Island development is expected to be “100% self-sustaining.”

During Monday’s press briefing, Mr. Roach also confirmed last week’s reporting by the Consortium that United Airlines will begin flights to St. Croix starting October 31.

“These two announcements, new airlift for Saint Croix and major private investment on Water Island, are part of the same larger story, and they're about making sure the Virgin Islands continues moving forward with Saint Croix, Saint Thomas, Saint John, and Water Island all sharing in the opportunities ahead,” Mr. Roach said.

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