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Carambola Beach Resort Set to Become Club Med St. Croix Under \$75 Million Redevelopment Plan

The redevelopment would preserve the historic Rock House as a luxury wellness spa, add an open-air reception center, pool club and adult-only “zen oasis,” and position St. Croix as Club Med’s return to the U.S. market.

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Club Med

Carambola Beach Resort on St. Croix is poised to become the newest Club Med property under a \$75 million redevelopment proposal approved by the Economic Development Commission on Monday, a project developers say would return the international hospitality brand to the United States and expand St. Croix’s hotel inventory.

The proposal was presented during a public hearing before EDC commissioners, with attorney Erika Kellerhals representing the developers. She described the project as a significant opportunity for the island's tourism sector.

“This is a transformative opportunity, not just for St. Croix, but for the entire territory,” Ms. Kellerhals said. She said the redevelopment would bring a world-class international brand and global sales team capable of raising St. Croix's profile as a preferred tourism destination.

Under the structure presented to commissioners, VICI Properties, a publicly traded real estate investment trust valued at \$46 billion, will own the physical property through a local subsidiary. Club Med will be responsible for construction and hotel management under a long-term lease.

Developers currently anticipate a 12- to 15-month construction timeline after the property is transferred to its new owners. Representatives said a grand opening of Club Med St. Croix could occur as soon as the fourth quarter of 2027.

“Carambola, which will become Club Med St. Croix and part of our exclusive collection, is literally going to put Club Med back on the map in the United States,” said Eileen Kett, Club Med's general counsel and senior vice president of development.

Ms. Kett said the prospect was so exciting that she “gets goosebumps” discussing it. She told commissioners that Club Med's re-entry into the United States is expected to draw significant international press attention, which would also bring attention to St. Croix and the Virgin Islands. She said the company also plans to showcase the St. Croix property on in-room television screens at Club Med resorts around the world.

The planned redesign of Carambola includes an open-air reception center with direct views of the sea, a new pool club, and an adult-only “zen oasis” on the western edge of the resort. The historic “Rock House,” originally built by the Laurance Rockefeller family, will be preserved and converted into a luxury wellness spa.

Ms. Kett said construction and operations will follow high international sustainability standards, aligning with BREEAM hospitality guidelines for development and securing annual Green Globe certification.

She also rejected the idea that Club Med's all-inclusive model would isolate guests from the broader St. Croix economy. According to Ms. Kett, the resort intends to encourage visitors to explore the community through off-resort dining, purchases from local designers and excursions to Crucian attractions.

“While maybe about 30 years ago, all-inclusives were kind of compounds – for safety reasons a lot of times – today they are really your base camp for exploring new destinations,” Ms. Kett told commissioners.

Club Med also intends to coordinate with local farmers and businesses to establish local supply chains before the expected 2027 opening. Ms. Kett said procurement teams will be on St. Croix this summer to begin that process.

Once fully operational, Club Med St. Croix is expected to employ nearly twice the property's headcount before its recent closure. The resort is expected to have 200 employees, with at least 160 local St. Croix residents employed by 2031.

Other workers will be “international hospitality hosts” who live on site, share meals with guests and rotate to different Club Med resorts around the world every six months to a year. Ms. Kett said the program could also create opportunities for local hotel staff, giving Virgin Islanders a pathway to apply for seasonal transfers to other Club Med properties.

Club Med’s internal “University of Talent” has already begun discussions with the University of the Virgin Islands and local labor officials, Ms. Kett said, with the goal of developing apprenticeship pipelines that prepare local talent for leadership roles.

EDC commissioners were generally enthusiastic about the proposal to revitalize the Carambola property, but some concerns were raised before the decision.

EDC Chairman Kevin Rodriguez questioned the company’s proposed pay scale, noting that starting salaries for key positions were below the territory’s mean wage rates. Ms. Kellerhals said the salaries identified were entry-level figures and assured commissioners that the developers would meet with Department of Labor officials to refine pay scales before the application is finalized.

After an executive session closed to the public, commissioners returned for the EDC decision meeting and voted unanimously to accept the staff recommendation. CM Sun Operations Inc. and CM St. Croix PropCo LLP, the local entities behind the project, were granted 30 years of 100% tax exemptions.

Under the approved terms, residency requirements for hotel staff will begin at 65%, as requested by Club Med, and rise to 80% by the end of 2031. At least 20% of employees in management, supervisory and technical positions must be resident Virgin Islanders.

The entities will also be subject to the standard requirements for EDC beneficiaries, including charitable contribution obligations and payments to the Territorial Scholarship Fund.

Former Carambola Beach Resort employees will be notified of employment opportunities with the new resort within the first year of Club Med St. Croix’s opening.