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## Water Island Residents Question \$300M-\$400M Hotel Plan, Citing Lack of Engagement and Infrastructure Concerns

The Water Island Civic Association says residents were surprised by the proposed 88-room resort, marina and 100 residential units, and is urging lawmakers to scrutinize the developer's record, financing, infrastructure demands and environmental impacts.

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A portion of Water Island. Residents are questioning a proposed \$300M-\$400M resort, marina and residential development, citing concerns over infrastructure, environmental protections and the island's character. By. ERNICE GILBERT, V.I. CONSORTIUM.

A group of Water Island residents is questioning a [proposed hotel, marina and residential development](#) planned for the island, saying the government's announcement earlier this month came as a surprise and left them with significant concerns about the project's scale, financing, infrastructure demands and potential impact on the island's character.

The Water Island Civic Association wrote to the Consortium expressing doubt about the projected benefits of the development, which Lieutenant Governor Tregenza Roach announced on June 1. The proposed \$300 million to \$400 million project is expected to include an 88-room resort, a marina and 100 residential units.

"We have more questions than answers," said Civic Association President Chuck Nestrud, who said Water Island residents have not been engaged on the proposal by the government or by developers "who we now understand have been secretly negotiating this deal for a year."

The Civic Association first raised concerns about what it described as the apparent lack of a solid track record for Bluewater Global Advisors, the project's developers.

"What due diligence was undertaken before settling on this plan and this development team," the association asked, noting that the last developer granted a lease on Water Island "spent 12 years promising that construction was 'just around the corner' before its lease was terminated for non-performance last year."

The group called on officials to ensure that the new developer "has a realistic plan, a proven track record, a sound feasibility analysis and independently confirmed financing." The association argued that there is enough time to conduct that vetting before granting generous tax incentives and another long-term lease.

Residents also questioned the proposed scope and size of the project. According to Mr. Nestrud, the former Water Island hotel was a boutique property that "successfully operated here for over 25 years prior to its destruction by Hurricane Hugo." He asked how the effort to replace that property, which occupied a "small footprint overlooking Flamingo Bay," became "a luxury development with components spread through the entire island?"

The association also urged lawmakers to consider the level of public resources that would be needed to support a development of that size.

"The developers have provided no budget or funding information to evaluate this fundamental issue," Mr. Nestrud wrote.

He questioned how "the infrastructure and services required to accommodate up to 1000 new workers, their families, and residents" would be funded and allocated. He also noted that "Water Island's population of 200-300 is already struggling to provide volunteer fire and emergency medical services, keep up with general island cleanup and maintenance, and patch our roads with minimal support from the VI Government."

The association said residents are also concerned about the potential long-term effect on their way of life. The Civic Association cited possible impacts to heritage sites, including Fort Segarra, and potential disturbance to ecologically sensitive mangroves around Flamingo Bay.

The group also warned that the lease terms currently under consideration "explicitly state the intention to obtain the elimination of important cultural and environmental protections" that were included in the 2005 deed transferring 200 acres on Water Island to the U.S. Virgin Islands.

Residents are urging lawmakers to take time to carefully review the proposed long-term lease and development plan. The Civic Association said any development planned for Water Island should be consistent with “the size and character of the island and the limited infrastructure available.”

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