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## Water Island Residents Demand Answers, Lease Corrections Before Development Advances

At a virtual hearing on the amended lease, WICA said unanswered questions, disputed provisions and the loss of a promised in-person town hall made the process premature, while DPP defended a restructured deal and future public reviews.

Development / **Published On July 09, 2026 06:22 AM /**

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Water Island residents and Department of Property and Procurement representative Vincent Richards participate in Wednesday's virtual public hearing on the amended lease for the proposed island development. By. V.I. CONSORTIUM.

A virtual public hearing on an amended lease agreement for a proposed hotel and residential development on Water Island drew firm opposition from residents, with the Water Island Civic

Association arguing that the meeting was premature, improperly noticed, and held before key questions and lease concerns had been addressed.

At the start of Wednesday's meeting, Chuck Nestrud, president of the Water Island Civic Association, read a statement on behalf of the association's membership. WICA objected to what it described as late notice from the V.I. Department of Property and Procurement, as well as the decision to hold the meeting online rather than as the in-person town hall that DPP Assistant Commissioner Vincent Richards had referenced during Senate testimony in late June.

Mr. Nestrud said several WICA members could not attend the 10 a.m. virtual meeting because they were taking part in a previously scheduled tour of the island with senators.

He also accused the Water Island Development Company of failing to adequately respond to most of the more than 40 questions he had submitted in writing. The email he received in return, he said, "included responses to only nine of those questions, 22 questions were not answered at all, [while] four others were non-responsive."

Of the answers provided, Mr. Nestrud claimed that several "were in conflict with Senate testimony that was provided," while others were "qualified as the developer's goal or his aspiration rather than a definitive answer."

Mr. Nestrud further argued that the June 26 Senate hearing on the lease had identified "a number of errors" in the draft agreement that had not yet been addressed and recirculated. He said the Legislature's general counsel had identified "a number of objectionable lease provisions...that must be corrected before the amended lease can be considered further."

For that reason, he said Wednesday's hearing should not have proceeded because the "lease attached to the notice of this hearing still includes these objectionable provisions."

After being interrupted by the meeting's three-minute limit per questioner to allow others to speak, Mr. Nestrud later returned to finish his prepared statement. He called for the promised town hall meeting to be held only "after the developer has provided thoughtful, substantive [responses] in writing to our follow-up questions," after "DPP and WIDC have executed a revised lease that addresses the errors and the issues raised by the Senate," and after "negotiations have taken place between WIDC and WICA, so that any compromises can be incorporated into the lease revisions."

"It's frustrating that community input seems to be nothing more than nuisance," Mr. Nestrud concluded.

One unresolved issue raised by Mr. Nestrud involved provisions for affordable housing. That concern was also raised by Rashida Francis, a St. Thomas resident, who said she understood the project would change Water Island from a "predominantly residential" island into one with a significant commercial operation.

"Is this something that we need to really be considering at this time, being that housing – or the lack thereof – throughout the territory is an issue?" Ms. Francis asked. "Was there any type of research done on just how much burden this type of project will place on our current fragile infrastructure, particularly when it relates to utilities or accessing hospitals?"

Mr. Richards responded by pointing to at least \$40 million the developer has committed to improving infrastructure on Water Island, including water treatment plants, solid waste plants, and roads.

“That will be to the benefit of residents and visitors alike to Water Island.,” he said. Mr. Richards also noted plans to establish space for medical services, fire and EMS, and VIPD, “which are all non-existent at this point on... Water Island.”

In response to another question from the public, Mr. Richards disclosed that no other bids or proposals had been considered for the potential development of the hotel property on Water Island. He said that because of the amount of work already done with the Water Island Development Company, when the government was approached by Blue Water Advisors and Innovative Architecture with a plan to acquire WIDC, “it would have taken any new person starting up...2,3,4 years to get up and running, and we just don’t have the time.”

“It was a decision to be made whether or not we were interested in moving forward or not, and we looked at starting over again versus moving forward with a restructured deal, and we made the decision to move forward with a restructured deal,” Mr. Richards explained.

Daniel Mita, an attorney with Duane Morris, LLP providing services to DPP on the matter, stressed that the current discussions were limited to the proposed amended lease. That issue, he said, “is separate and apart from all of the approvals and permitting and review that will occur in the ordinary course.”

“Just because this amendment is approved, that’s kind of the very start of the process, not the end of it, and there’s going to be a number of different opportunities for public participation and formal notice that is pertinent to those typical entitlement processes,” Mr. Mita said.

Josette Walker, assistant commissioner of the Department of Planning and Natural Resources, later echoed that point, noting that additional legislative reviews or public hearing processes would occur at several future stages.

Those assurances did little to ease the concerns of several residents, who continued to express frustration that they had been sidelined and that their concerns had been largely dismissed.

When the issue of the promised in-person town hall being replaced by the virtual meeting was raised again, Alex Moskowitz, the attorney representing the developers, criticized WICA representatives for opposing Wednesday’s meeting while insisting on an in-person session.

“I find it really interesting that you’re refusing to participate and ask questions in a forum where you could receive answers, [but] instead are interested in only obstructing the process instead of participating...that is not an appropriate way to object to the process,” he declared. “I find it really disingenuous, WICA, you would be objecting to the process while at the same time claiming that nobody is letting you participate.”

Some participants welcomed the project and the opportunity to take part in the hearing. John Norton described the proposed development as “an opportunity for a transformational project [that] will make Water Island something truly unique and special, while preserving the beauty of the island and the environment at the same time.”

Mr. Norton said he was “somewhat mystified...as to why there’s been such an onslaught of negative sentiment brought forth by certain people,” and complimented DPP for moving the process forward.

As the discussion continued, Mr. Richards acknowledged that Water Island residents may be experiencing “a tremendous amount of trauma ...in terms of promises made and promises that

were not kept.” He said government officials were proceeding carefully to ensure that the amended lease “takes into consideration the failures in the past.”

“We tried to address everything that was problematic, and to also envision potential hurdles moving forwards...we are trying to not replicate the errors that were made in the previous agreement,” he declared.

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