The Virgin Islands Consortium

New St. Thomas Hotel To Bring 700 Permanent Jobs

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After more than 20 years of not seeing a single hotel built on St. Thomas, Gov. John de Jongh, Jr. and the principals of Mandahl Bay Holdings, Inc. have announced plans to construct a 300-room Hyatt Regency Hotel--making the agreement a direct investment of more than $487 million into St. Thomas' economy that would bring more than 300 construction jobs over the course of three years, as well as 700 permanent jobs to the island.

The agreement was signed on Thursday by Gov. de Jongh and the principals of Mandahl Bay Holdings at Government House in St. Thomas, where the Governor said the announcement is part of his Administration's commitment to the prosperity of the Virgin Islands.

 Governor John P. de Jongh and Mandahl

Resort Holdings, Inc. principals sign agreement.

"The proposed Port of Mandahl development represents the first new hotel to be built on this island in more than two decades, but continues the efforts of my administration to ensure the Territory remains attractive to guests, competitive with other locations, while ensuring jobs and business opportunities for our people," de Jongh said. "With the signing of today's agreement and the subsequent consideration of the nearly half-a-billion-dollar development by the Virgin Islands Legislature, this project stands to enhance the profile of the Virgin Islands globally."

George Dudley, counsel to Mandahl Bay Holdings, said at the signing that because the Territory's main product is tourism, it must be nurtured, and one of the fastest ways of doing so, he says, is "by developing a major new tourist destination that will generate near-term construction jobs and expenditures and at completion, an array of permanent jobs, expanded amenities that will we remain an attractive destination and have a competitive advantage."

In the project's first phase, which involves mainly construction work, Mandahl Bay Holdings will invest $209 million. An additional $262 million will be invested by the firm to complete phase two, which includes improvements to Mahogany Run Golf Course--a wor ld-class, 30,000-square-foot conference facility with a 10,000-square-foot ballroom for ma jor events, and a 5,000-square-foot junior ballroom, plus additional meeting rooms.

Port of Mandahl

Mandahl Bay Holdings is also making sure that it follows the necessary zoning protocols, and is taking extra precaution to protect the corals, as doing so will "allow for a spectacular natural attraction for locals and visitors alike," Tracy Roberts, a principal of Springline Architects said. The deal, if ratified by the Senate, will be subjected to the regulatory review process of the Department of Planning and Natural Resources and the Coastal Zone Management Commission.

April Newland of Newland Real Estate, LLC also lauded the deal, stating that, "This development will result in new construction of homes and units that will positively impact on real estate values for the entire north side of St. Thomas."

In closing, Governor de Jongh said it is paramount that the Virgin Islands take the necessary step to remain competitive and relevant as a tourism destination.


Port of Mandahl

"The tourism market is competitive and the Caribbean is attractive and it is important that we ensure our relevance and primacy as tourist destination," the Governor said. "Over the last twenty years we have witnessed a decline in the number of hotel rooms and accommodation units or a diversity of product, this is an opportunity to reverse this trend with a company willing to make the investment and a hotel brand willing to make the commitment. It is now up to our community to be objective and analytical."

Construction of the new project will begin in 2016 and the facility will become fully operational by 2019. The deal must also be ratified by the Senate before moving forward and the new agreements signed today will replace an existing lease agreement signed in 1964, which had 50 more years remaining and no specific time frame requiring development.