The Virgin Islands Consortium

HOVENSA Has Found A Buyer, Mapp Proposes Docks Be Used For Department of Defense

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Governor Kenneth Mapp, speaking at the St. Croix Chamber of Commerce's annual meeting Thursday at the Palms at Pelican Cove, told an audience of business persons that HOVENSA officials have informed him they have found a buyer for the shuttered refinery.

Mapp, however, said he had other plans, indicating that while he would accept any decision HOVENSA's owners made in selling the refinery, he would like to see the facility, specifically its docking and storage capabilities, be used for economic stimulation and security for the territory.

"The short reality on this matter is we continue to extend our cooperation on HOVENSA's issue with a sale -- some of you may be aware that folks are continuing to fly into the territory [to] look at the facility. Mr. Timothy Goodell, the senior vice president at HESS Oil, had advised me that they believe they have a buyer," Mapp said, adding, "and that there may be some closing of a sale, but obviously could not warrant that."

He added: "And for all intents and purposes, while I would like HOVENSA to sell the property, and pay the government what it is owed, I am not stuck in that situation."

Mapp, who recently visited Washington, DC to attend the 2015 National Governor's Association Winter Meeting, said his team had prepared a presentation in advance of the trip to present the Obama administration with the possibility of using the shuttered refinery for Department of Defense purposes.

"While I will not be able to speak this morning in great detail, I would like to alert the people of the Virgin Islands that in my meetings with President Obama and the governors, and we set this information up prior to our arrival to make sure that this conversation could take place, we believe that the HOVENSA property, particularly its docking and storage facilities, which sit on land that are leased by the Government of the Virgin Islands to HESS Oil, have significant Department of Defense value, and we made a presentation to the Obama administration on how this value can be used in the territory," Mapp explained.

The governor said the Obama administration took interest in the presentation and officials invited him back to the White House to further discuss the plans.

"The president did acknowledge our invitation and asked me to standby after our meeting with the governor's office -- they wanted to have a conversation with me, [so] I was brought back to the White House the following day at noon to meet with two of the president's senior advisors, and participated in a conference call with members of the Department of Defense," Mapp said.

He continued: "And I will say to you that I can't make any assurances to the people of the Virgin Islands what the tenor and the depth of those conversations were, but I can say to you that in about fifteen days there will be a full assessment team from the Department of Defense on St. Croix, doing a complete assessment of the property."

Mapp said his goal is to revitalize the territory's economy and boost its security.

"My objective is economic activity, jobs and security," he said. "And to the extent that HOVIC and HOVENSA does what it needs to do in the transference and sale of its property, that's fine; we will accept whatever monies is due and owed to us.

"We are in a foreclosure arrangement, but this administration is focused on what value activity can take place at that site, jobs that can be created by use of the docking facilities, networking of our assets of the V.I. National Guard, and some participation in the nation's policy for Homeland Security issues and defense," the governor said.

Mapp did not disclose the refinery's buyer; however, it does not appear to be Monarch Energy Partners, a company that has expressed strong interest in purchasing HOVENSA.

VI Consortium reached out to Monarch for comment after Mapp's announcement this morning.

"It's impossible to have a legitimate sales process for this refinery at this point and Monarch Energy is not involved," said Darryl Hardy, a Monarch Energy executive.