The Virgin Islands Consortium

Senators Question Mapp's $1 Million Request For St. Croix Hotel Development

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ST. THOMAS -- The Mapp administration will get its request of $1 million -- initially set aside for HOVENSA litigation — to be used for what Governor Mapp said was to "develop, identify a brand and identify financing to build a full service luxury resort on St. Croix."

But some senators, during a Finance Committee Hearing at the Earl B. Ottley Legislative Hall here on Tuesday, said they had difficulty getting administration officials to explain what exactly the monies would be use for. Senator Tregenza Roach -- who pointed to the Mapp administration's changing stance on the use of the $1 million -- reminded that a feasibility study for hotel development on St. Croix was already performed by the Public

Finance Authority (P.F.A.), and simply needed some updating.

"At first when this bill [31-0375] was discussed, the conversation was about a study for a hotel on St. Croix, and after we discovered that the study had been done by the P.F.A. and needed just a minor amount of funding to be updated, then the purposes of the million dollars shifted and they became related expenses to bring this project to


Senator Tregenza Roach (Credit: VI Legislature)

"At least three times that I recall during that hearing, the question was raised by members of the committee about whether there had been any budget or any projections as to what budgetary amounts would be attributed to each phase, and in each instance the response was that there was no budget prepared setting out how this million dollars would be spent, and that it would actually achieve the objectives of bringing such a project to fruition," he added. Mr. Roach contended that amendments added to the bill calling for expenditure reports within 60 days after the transaction team had expended $400,000, $300,000 and the last $300,000, were not adequate.

"The amendments do no say that if the reports are not satisfactory, then they're not entitled to draw down any other amounts of money remaining. And so I believe that at this point, I cannot support this project as stated, because anybody following the vetting of that [bill] would not have had questions answered about what is the specifics spending plan outlined for this million dollars, because we already have a feasibility study that simply needs updating."

Yet the measure passed, with a majority of the lawmakers finding the amendments to be adequate. Senator Clifford Graham said P.F.A. officials had explained that the funds were to finance "soft cost and other auxiliary costs to help get the hotel project on the way to construction."

And Senator Sammuel Sanes said he was "fully satisfied" that the amendments would "take care of some of the concerns," and suggested that the Senate could simply call a session to limit or halt the spending if senators suspected that the funds were'n't being used for intended purposes.

"This body do have the authority that if they're not satisfied with the report, we could always call a session and put a stop to it," Mr. Sanes said.

But Senator Positive Nelson disagreed and contended that, "Once we get the report, they can say the rest of the money is already obligated."

Voting in favor of the measure yesterday were Senators Graham, Sanes, Myron Jackson and Marvin Blyden. Roach and Nelson voted against and Kurt Vialet was absent.

The governor in early May explained why the $1 million funding was needed.

“Those resources are needed so that the transaction team can begin its work to structure a project, develop a brand partner, develop initial schematics and locations for the island of St. Croix, and to go out to the market to bid for a brand partner — meaning a Hyatt, a Hilton, a Starwood, a Marriott — whoever the transaction team determines would be the best player for this project, and to begin the process to determine the source of the financing, that then allows me to submit to the Legislature for their consideration a completed package that can begin the construction and development,” Mr. Mapp said.

The governor announced the four-star hotel project for St. Croix during his 2016 State of the Territory Address. In February, he revealed what he dubbed a “transaction team” whose job is to identify partners to bring the governor’s vision to fruition. Mr. Mapp said experts had concluded that a first class resort affiliated with an internationally known brand, is what’s needed to attract the flights and commerce necessary to truly develop the big island’s tourism industry.

The team includes Dept. of Tourism Commissioner Beverly Nicholson-Doty, Attorney Joel Holt, Government House Chief Counsel Emile Henderson, Finance Commissioner Valdemier Collens, Chief Economist Dr. Simon Jones-Hendrickson and St. Croix hoteliers Mr. Jack Pickle and Elizabeth Armstrong, the latter being an owner of the upscale Buccaneer Hotel here.