

The Virgin Islands Consortium

Mapp Approves \$1 Million Appropriation For St. Croix Hotel Project

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ST. CROIX -- Governor Mapp approved Bill No. 31-0375, repealing Act No. 7730 relating to the appropriation of \$1 million in connection with the litigation between the Government of the Virgin Islands and the former owners of HOVENSA, and re-appropriating the \$1 million to the Virgin Islands Public Finance Authority (P.F.A.) for professional services, studies, project development and expenses related to the St. Croix Brand Hotel Project.

According to a press release Government House issued late Monday, the measure will provide the resources for the Virgin Islands to realistically pursue a new hotel rooms on St. Croix and grow the island's economy.

Governor Kenneth Mapp earlier this year announced his plans for a branded hotel on the Big Island, and also [revealed in February](#) a transition team to help achieve that goal.

The transaction team members will include 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 Ms. Elizabeth Armstrong.

Government House says St. Croix remains without the infrastructure of larger resort hotels necessary to provide sufficient rooms to support strong airlift to the island for an appropriate base of tourism visitation. Moreover, there continues to be no significant meeting capability on St. Croix to meet the demands of conference business travelers, according to the release.

Some lawmakers, during a Finance Committee Hearing at the Earl B. Ottley Legislative Hall late June, 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 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 completion," Mr. Roach said.

"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," he said.

The release says while there has been a notable and growing increase in hotel occupancy on the island, there has been no tangible plans for a concomitant increase in upscale hotel lodging facilities. In 2003, the Destination Study ordered by the PFA advised the government that, "change is critically needed in order to save what is left of St. Croix's tourism industry and begin a trend towards recovery rather than decline".

In thirteen years nothing has been done to address this reality. St. Croix is now at a point where the lack of first class upscale hotel resorts to boost the St. Croix tourism economy must be addressed to take advantage of the expanding and growing US economy. It is clear that the vacationing American traveller is preferring to vacation closer to and within the United States, Government House argues.

"It is the intent of my administration to pursue arrangements with one of the top nationally recognized names in the hotel industry to develop, build and operate a first class, full service luxury resort with a minimum of 250 rooms. This upscale lodging facility will include appropriate ancillary facilities with food and beverage outlets, meeting rooms and recreational amenities," Mr. Mapp said in his original request to re-appropriate the funds.

During his recent China Trade Mission, the governor and his team worked to develop relationships that will potentially open new markets for the Virgin Islands and particularly St. Croix. The St. Croix Hotel Brand Project would facilitate the growth of upscale international business and leisure travelers, according to Government House.