

The Virgin Islands Consortium

A Hopeful Future For St. Croix As Limetree Bay Promises Expansion At Ribbon-Cutting Event

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ST. CROIX -- Planned for outside, rain -- some would call it showers of blessings -- forced a group of dignitaries and media people to hurry inside the admin building of Limetree Bay Terminals, formerly HOVENSA, where a ribbon-cutting ceremony was to take place.

It was the culmination of three days of events, which began on Saturday with a private gathering, followed by a block party in Frederiksted, and ended today with a short ceremony, where officials of Sinopec, ArcLight and Freepoint Commodities -- all of whom have a stake in the success of Limetree Bay Terminals -- spoke about the importance of the deal, pledging expansion and thanking lawmakers here and the Mapp administration

for their cooperation in seeing the deal to fruition.

Governor Mapp and your entire administration, I've said it before and I will say it again, the Mapp administration is a tremendously professional and can-do organization, and really a model of how the public sector should work. - Jake Erhard, ArcLight Partner

"I won't soon forget the long days and nights we spent together vetting the operating agreement," said ArcLight partner Jake Erhard. "I sincerely hope that you see us delivering on the vision that we set forth back in December [2015], and also heeding the many important concerns and perspectives that you impressed upon us."

Mr. Erhard's shared a deep respect for the Mapp administration: "Governor Mapp and your entire administration, I've said it before and I will say it again, the Mapp administration is a tremendously professional and can-do organization, and real a model of how the public sector should work," Mr. Erhard said. "Today is the product of Governor Mapp's vision to put a history of empty promises behind us, and and to align the government with a viable plan to revitalize this facility -- fruits of which you are seeing today -- and you'll continue to see for a long time to come."

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"Governor, simply put, none of this would be possible without your leadership," Mr. Erhard concluded. Following the event, Mr. Mapp told The Consortium that Mr. Erhard's remarks were humbling, and he credited his team, whose hard work he said is to be commended for today's outcome.

Sheldon Pang, the vice chairman of Freepoint Commodities, recounted the recent China trip that took members of the Mapp administration to various Chinese cities, led by Sinopec officials, lauding the work ethic of the administration's delegation as tireless and focused.

One of the most powerful men in the room, Simon Chen, the president of Sinopec, saw the opportunity to invest in the Virgin Islands as a vital part of Sinopec's strategy, stating that the island -- the most easterly part of the U.S. -- was well positioned as a passage to connect the continents of Europe, Africa, the U.S. and Latin America relative to transshipment.

For Governor Mapp, today was justification that his administration's ardent efforts to see the ArcLight/GVI agreement be ratified was bearing fruit. The administration had [prepared itself](#) to fight HOVENSA in court, [retaining costly attorneys](#) in preparation for an overdrawn battle. In the end, however, ArcLight Partners, LLC -- the government's winning bidder to operate the oil storage terminal, agreed in a [landmark agreement](#) -- [ratified by the 31st Legislature](#) -- to pay the government \$220 million in cash at closing of the sale, up to \$9 million to settle a legal claim, and up to \$6 million for asphalt storage — bringing to a close a protracted battle that began with the refinery's closing in 2012, and a [failed attempt at acquisition](#) by Atlantic Basin Refining, Inc. in December 2014.

Even so, Mr. Mapp has promised not to relax as if to say his work of turning the territory around had concluded. He spoke of many other efforts that the government is either exploring or already involved in -- from agriculture to infrastructure development, and

even technology -- "all to drive jobs, to increase pay, improve the quality of life and make investing in the Virgin Islands a wonderful place to do business," Mr. Mapp said.

Before the remarks had completed, the sun was shining again -- if briefly -- affording just enough time for dignitaries to perform the ribbon-cutting, above, and pose for pictures sure to be burnished in the territory's history as an important, if not the culprit, of St. Croix's economic turnaround.

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