

The Virgin Islands Consortium

St. Thomas-St. John Chamber Of Commerce Throws Weight Behind Bill To Hasten Redevelopment Of Caneel Bay Resort

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ST. JOHN -- Following an announcement by the USVI Hotel and Tourism Association favoring Bill H.R. 4731, sponsored by Delegate to Congress Stacey Plaskett, which aims to extend the Retained Use of Estate (RUE) for Caneel Bay Resort in the Virgin Islands National Park on St. John, the St. Thomas-St. John Chamber of Commerce has also thrown its support behind the measure, telling The Consortium that the resort's swift redevelopment and reopening is a key part of reviving the St. John economy.

"The hospitality industry is central to our economy and bringing back a major hotel as quickly as possible is critical. St. John's two largest resorts, The Westin a time-share resort and Caneel Bay were severely damaged by the hurricanes. We understand The Westin will not reopen until first quarter 2019, while Caneel Bay's opening date is uncertain, due largely to the process to extend the RUE," the chamber said in a letter addressed to The Consortium.

The chamber provided figures already made available through Ms. Plaskett and the USVI Hotel and Tourism Association, proving how indelible Caneel Bay's reopening is to St. John. Some of the figures include the resort's over 15,000 annual guests who spend more than \$75 million on the island.

"That accounts for 7 percent of total employment in the hotel and restaurant sector of the U.S. Virgin Islands," the chamber said. "Given the current state of our hospitality industry, reconstructing and reopening Caneel Bay would provide a critical boost to the economy. Prompt rebuilding would not only reestablish travel to St. John (and to St. Thomas with day visits from the resort) by that segment of consumers who represent the propensity to spend the most on luxury vacations, but it would also act as an impetus to other USVI properties to expedite their reopening. It would have the immediate benefit of creating a significant number of construction jobs, along with opportunities for ancillary trade and wholesale businesses.

"As the St. Thomas-St. John Chamber of Commerce, we seek the return to work of not only those hospitality employees affected by the closure of Caneel Bay Resort, but also the workforce employed in restaurants, bars, gift shops and other retail operations and recreational services."

As with the USVI Hotel and Tourism Association, the chamber also spoke favorably about CBI Acquisitions LLC (C.B.I.A.), which has been the guardian of the Caneel Bay property since 2003. The chamber said C.B.I.A. has respected the historic nature and unique natural reserve that Lawrence Rockefeller intended while operating a first class resort.

The firm has "demonstrated they are qualified stewards of this property and cognizant of its responsibilities. Moreover, the RUE contains specific provisions that require C.B.I.A. to preserve the general character of Caneel Bay Resort including protecting the natural, cultural, and historic features of the property in the best interests of St. John and the VI National Park," the chamber said. "Furthermore, we have witnessed first-hand C.B.I.A.'s involvement in and with the community on St. John in multiple ways; supporting charitable initiatives, annual traditions such as Carnival, local schools and services provided for our senior citizens."

In an Op-Ed [published on The Consortium on March 15](#), Ms. Plaskett voiced concerns about the snail-like manner in which NPS had been moving to extend an agreement with C.B.I.A.

"After agreeing with the ownership of Caneel Bay to an extension of the use of the Park, and commencement of the lease agreement process, NPS headquarters has, with no explanation, dragged its feet for over five years to negotiate terms and complete various assessments so the resort can continue operations," Ms. Plaskett wrote.

Ms. Plaskett said Congress allowed NPS to determine whether it was better to transition the operation to a concessions arrangement rather than a retained use estate agreement (RUE) in 2010. And in 2013 NPS issued a draft environmental assessment calling for such a transition.

“However, eight years later, that environmental assessment by NPS is still not final,” Ms. Plaskett said. “Now we – the residents of this territory and the hundreds of employees of Caneel Bay Resort – are faced with the reality of losing a significant part of our hotel and tourism product or, best case, losing that crucial economic benefit for a prolonged period.”

Ms. Plaskett has been accused of representing special interest ahead of the people in her efforts to move the project forward, an effort that would see the current company receiving a reasonable lease extension. And even with the projected minimum 2-year bidding process, some residents still called for the project to be placed to bid, the idea being that in the long run St. John and its residents would be the ultimate winners. Other residents wondered whether CBI Acquisition would be the benefactors of a sweetened lease deal not comparable to fair market rates.

However Ms. Plaskett, in her Op-Ed, refuted the claims of special interest. “To say that I am somehow beholden to interests other than those of the people of the Virgin Islands and to the interests of facilitating an environment conducive to capital investment and economic growth in our community is patently untrue,” she said.