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U.S. Department of the Interior and EHI Acquisitions Agree to Re-enter Lease Negotiations for Caneel Bay Resort; Environmental Assessments to Continue

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Hurricane Maria destroyed the Caneel Bay Resort in St. John. An agreement between U.S. Department of the Interior and EHI Acquisitions is set to jumpstart construction after years of impasse. By. ANNE BEQUETTE FOR THE NEW YORK TIMES

The U.S. Department of the Interior and EHI Acquisitions, the current operator of Caneel Bay Resort, announced today via release that they have reached an understanding to move forward with negotiations toward a long-term lease for Caneel Bay Resort, and for the National Park Service (NPS) to begin the next phase of environmental site assessments at the property.

“Through our shared understanding, we can in good faith continue our work to rebuild Caneel Bay and re-enter negotiations toward a long-term lease of this treasured resort,” said Assistant Secretary for Fish and Wildlife and Parks Rob Wallace. “I am hopeful our recent discussions will provide a path to successfully negotiate a lease and support the rejuvenation of the island in a way that benefits the community and future visitors to Virgin Islands National Park.”

“We are gratified by this significant step and the positive progress toward rebuilding Caneel Bay, helping return St. John to a world-class destination, and the important economic engine this will provide to St. John,” said Gary Engle, president of EHI. “We share the National Park Service’s commitment to rebuilding Caneel Bay in a manner that protects and preserves the island’s natural and cultural resources.”

Caneel Bay Resort closed following Irma and Maria, the back-to-back Category 5 hurricanes that devastated the U.S. Virgin Islands in 2017.

This good faith understanding is an important next step for both parties toward a long-term lease for the future operation of the property and subsequently the future of tourism and prosperity in the local economy.

In addition to the recovery and reopening of the resort, addressing environmental stewardship remains a top priority. The parties will work cooperatively and in good faith to define and develop any necessary actions concerning environmental matters at Caneel Bay. Following Interior and EHI reaching this agreement, the NPS will now resume environmental site assessments at the property to evaluate appropriate next steps, including whether and to what extent cleanup and remediation may be necessary.

This work, while needed to meet environmental stewardship and safety responsibilities, is necessary to inform details of a future lease. As we continue this work, public information will be available on NPS.gov.

While details of a future lease remain open to discussion, Public Law 111–261, authorizes the NPS to enter into a non-competitive lease with EHI for the operation and management of Caneel Bay Resort. All terms and conditions would be consistent with applicable laws and policies governing leasing and commercial use in national parks.

Virgin Islands National Park was established in 1956 and encompasses about 60 percent of the island of St. John. Land for the park was gifted to the federal government by Laurance S. Rockefeller for the purpose of establishing a national park.