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Surge In Tourism During Pandemic Leads Senators to Ask, How Do We Make These Tourists Return?

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The USVI is experiencing a surge in tourism as other Caribbean destinations remain shutdown due to the Covid-19 pandemic. However, lawmakers during a Wednesday hearing sought to learn from Lisa Hamilton, president of the Hotel and Tourism Association, how can it be ensured that these visitors return when competition from other Caribbean islands — still struggling with the pandemic — resumes.

Her answer, which the senators agreed with, was multiple-prong: keep the territory clean, reduce crime and work on the islands' infrastructure.

“As long as we can keep the planes full when the competition opens we can maintain our lift,” she said. “If we are not able to keep the planes full they will pull our lift. The key to that is a clean destination, a friendly destination, a crime-free destination, our infrastructure, everything has to be

on point and people will come back."

Ms. Hamilton said she has frequently heard from tourists about the trash around the islands, especially in the downtown areas. "We often get feedback from our customers that the island is riddled with trash, why do we not do more to pick up the trash," she said.

Senator Novelle Francis said the Legislature appropriated money to the Department of Public Works to hire twelve employees specifically to clean downtown Charlotte Amalie, Cruz Bay, Christiansted and Frederiksted. However, the Legislature has not seen the performance it expected and will question the commissioner on this topic.

Senator Dwayne DeGraff went as far as to call the islands a "dump," and said, "I am urging the public as a whole, let's beautify our islands and take back our island pride."

Senator Kenneth Gittens, chairman of the Committee on Economic Development & Agriculture in which the Wednesday hearing was held, said, "If we really want to boost our economic drive here in territory we must pay attention to our downtown areas." He noted that this has been an issue for while, as former Commissioner of Tourism, Pamela Richards, who served in that capacity from 1999-2007 in the Turnbull administration, brought up the issue of cleanliness of the islands "and took some blows for it." He added, "Here it is we are in 2021 and the discussion still remains. We have to do better as a people to keep our islands clean."

Senate President Donna-Frett Gregory spoke of future legislation, the VI Pride Act, that will seek to hold people accountable for the way they keep the surrounding area of their property. This could require residents through ordinances to make sure that their property is presentable and orderly.

The need to diversify excursions was raised as another area that needs improvement. Ms. Hamilton said the USVI has been seeing a younger demographic of travelers that are less interested in traditional attractions such as shopping and jewelry, but are looking for more thrilling activities such as boat charters, hiking and finding ways to organically experience the culture of the territory while on their vacations.

Senator Javan James and Ms. Hamilton engaged in a discussion on the issue of taxis accepting electronic payments to ease the burden on tourists and locals alike of having to carry cash to pay for transportation.

Mr. James said, "Individuals do not want to adapt, get up with times and something needs to be done." The senator said he planned legislation in the 33rd Legislature that would have allowed Virgin Islanders to utilize their vehicles as taxis similar to Uber and Lyft, but the legislation died following hard pushback.

Last year, Governor Albert Bryan vetoed Bill No. 33-0044, which would have required the Virgin Islands Taxicab Commission to establish an electronic monetary payment system. Mr. Bryan said he had an issue with the wording of that bill, "The Taxicab Commission may pass and enforce rules requiring the taxis to provide an electronic form of payment, but the Commission itself, as worded in the bill, cannot establish and operate an electronic monetary system, which requires direct interaction with banking or merchant services systems," the governor explained.

The commission also has vacant seats, which is hindering progress relative to establishing big changes such as electronic payment options. Ms. Frett-Gregory said she would alert the governor's chief of staff about the issue.

The Airbnb, VRBO factor

One thing that has helped the tourism industry thrive in lieu of major hotels being either booked or closed across the territory, was short-term rental platforms such as Airbnb and VRBO, among others.

Ms. Hamilton estimated that there were about 1,600 Airbnbs in the territory at last count. She explained the services' importance to the tourism economy. "If you asked me seven years ago when we would add 1,600 hotel rooms or accommodations to the territory, I would have probably said not in my lifetime. So they definitely add demand as it relates to lift into the islands. We still have three of the largest hotels closed on St. Thomas, but because we have the AirBNB availability we are able to secure all the flights we have been able to secure."

Senator Milton Potter said that short-term rentals are "an opportunity for more local Virgin Islanders to get engaged and involved in the tourism market."

An issue on this topic brought forward by Ms. Hamilton was that VRBO and HomeAway, both owned by Expedia, are not paying the taxes that Airbnb and hotels are paying when their rooms are occupied. "I commend Airbnb for their [strategic partnership with the U.S. Virgin Islands](#), ensuring that we receive every tax dollar, the 12.5 percent that comes, it would be nice if VRBO and HomeAway which are owned by Expedia, the 800-pound gorilla in the room, would be encouraged to have a similar type of agreement." She acknowledged that Expedia does not have this agreement with any other destination.

Senator Marvin Blyden said on the issue, "I am hoping that we can find a way to make them participate (in paying taxes) because we depend on those dollars to keep our territory afloat."

Hotel Updates

Senator Novelle Francis asked for updates regarding some of the Virgin Islands biggest hotels. Ms. Hamilton said that since the deal to bring other investors in on the Marriott at Frenchman's Bay redevelopment has been finalized, construction can begin. She expects the renovations to begin in either June or July and it's "about a 14-month turnaround." In regards to the Divi Carina Bay Hotel, she said the facility has twenty villas open across the street and its target date for a full reopening is November 2021.

The problems the pandemic has brought on for construction of these hotels include the availability of resources and workforce, which has resulted in some delays. A future challenge that may affect reopening timelines is the cost of construction materials, which Ms. Hamilton said has skyrocketed. An example she referenced was the cost of basic lumber, which has gone up 90 percent in the last few months. Mr. Francis said this is something the Senate will be looking into.

Ms. Hamilton was asked by Mr. James about plans for a hotel across the airport on St. Croix. The facility, once built, [would consist of 120 to 140 rooms and would be conveniently located](#) on a 10-acre lot across from the airport, said V.I. Port Authority Executive Director Carlton Dowe during an October 2020 interview with the Consortium. The lot is part of a VIPA-owned 400-acre property that has looked attractive to potential investors for decades, yet shunned because of its nearness to the Anguilla Landfill. Ms. Hamilton said she had little knowledge on the progress of development, but added that more rooms for St. Croix is positive news.

This prompted Mr. James to ask how many hotels would be needed on St. Croix to meet the demands of airlines. Ms. Hamilton's response was, "If we look at past history, if we can get over 2,000 rooms you're going to be in the arena where airlines are going to see the demand to add the

lift.”

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