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In Deal Expected to Cost \$150-\$200 Million, Port Authority and Royal Caribbean Unveil Development Plans for Crown Bay, Frederiksted Pier

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V.I. Port Authority and Royal Caribbean executives sign memorandum of understanding at Seatrade Global in Miami, Florida on Wed. Sept. 29, 2021. By. ERNICE GILBERT/VI CONSORTIUM

MIAMI, FLORIDA, SEATRADE — This year's Seatrade Global cruise industry conference here at the Miami Convention Center this week has arguably been one of the more scaled back events thanks to Covid-19, but that did not stop the V.I. Port Authority and Royal Caribbean from unveiling what was deemed the biggest announcement of this year's event: a multi-year port development deal that the Consortium has learned will cost between \$150 -\$200 million for enhancements at the Austin Monsanto Marine Facility in Crown Bay, St. Thomas and the Ann E.

Abramson Marine Facility in Frederiksted, St. Croix.

V.I.P.A. Executive Director Carlton Dowe, who spearheaded the deal with his Royal Caribbean counterparts, opened with remarks that lauded the agreement — whose current phase is a memorandum of understanding (MOU) — as a major victory for the territory's cruise tourism sector. "We're here this afternoon to bring some sort of history back to this territory when we get back home," Mr. Dowe said, excitement exuding his countenance.

Royal Caribbean CEO Michael Bayley spoke of his long ties to the territory, spanning 40 years in September — the same length of time that he's been at Royal Caribbean. Royal Caribbean itself, he said, has been berthing in the USVI for 50 years, bringing tens of millions of guests over that period, with an annual estimate of 750,000 visitors.

"One of the first ports I sailed into 40 years ago, Sept. 1981 was of course St. Thomas, and to this very day I remember the unbelievable experience that I had sailing into the Virgin Islands," he said. "It's one of the most beautiful islands in the Caribbean. I've sailed to ports all over the world and still in my mind and heart I think of the Virgin Islands."

For the Port Authority, the MOU bolsters the USVI's tourism product, specifically the cruise sector component, in a hyper-competitive environment. For Royal Caribbean, the agreement extends a 10-year deal inked in 2016 with VIPA and gives the cruise line preferential berthing at the authority's marine facilities in Crown Bay and Frederiksted.

"The Royal Caribbean Group wants to expand its presence in the U.S. Virgin Islands in St. Croix and St. Thomas, so that's one element you will see," said Joshua Carroll, vice president of destination development at Royal Caribbean. He said traditionally the agreement between VIPA and Royal Caribbean tracked visitor volume to the USVI as a territory, however, "we're now actually going to break that out and have specific targets in both St. Croix and St. Thomas as a symbol of our commitment to the growth of St. Croix," he said.

The agreement will focus on community integration, "ensuring that we have local businesses that are really able to prosper and grow as a result of our guest traffic there; it's going to focus on upland development to make sure that our guests have an amazing time, and then sustainable development to ensure that everything we build minimizes any impact on the environment and is able to really add value to the overall ecosystem," Mr. Carroll said.

As part of the agreement that gives Royal Caribbean preferential berthing at the marine facilities, Crown Bay will be expanded to allow berthing that includes Icon and Quantum-class ships, along with the development of a third berth. On St. Croix, Royal Caribbean will work with the government to expand and develop visitor experiences to bolster the island's struggling cruise tourism sector. There will also be enhancements at the Frederiksted Pier to facilitate Royal Caribbean's larger vessels, said Jayne Halcomb, director of development at Royal Caribbean. She said visitor volume can be increased without these developments, so a more prudent approach would be to first focus on the enhancements of what's already in place. "That is already an opportunity for us," she said. Mr. Dowe said enhancements to the Frederiksted Pier will include deep dredging.

Governor Albert Bryan, who joined the event virtually via Zoom, spoke to extensive work taking place in Frederiksted — including the Paul E. Joseph Stadium whose development Mr. Bryan said will soon resume — as part of the enhancement efforts. "We're making our push to make Frederiksted more amenable to tourism period, but cruise traffic and overnight traffic

specifically," he said. The governor said that just before the Covid-19 pandemic began in March 2020, the V.I. Dept. of Tourism and the administration were planning to revive the Sunset Jazz experience in Frederiksted. The event would take place once monthly and include major artists, Mr. Bryan said, a plan that is still on the table.

Neither Mr. Dowe nor Royal Caribbean gave a hard figure relative to cost, stating that negotiations were ongoing. However, Mr. Dowe said, "In terms of what we're discussing now, the upland development, the pier, we're not talking about no small deal... It's a big deal."

Relative to a timeline for these developments, while some of these projects will come online over time, certain aspects are expected to commence immediately, said Mr. Dowe. "For me, it's now, Dowe now, not tomorrow," he said, referring to the term used to describe the VIPA executive director, widely known for his knack to get things done.

"In terms of timeline, I could tell you that by February-March the Port Authority will demolish all those old warehouses in Gallows Bay so that all that traffic with the inter-island cargo will now move to the Container Port, thus freeing up that area for smaller cruise vessels and the like. The low hanging fruits will start immediately," he said.