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Magens Bay Authority Collects Millions in Annual Revenue, But Large Portion is Used to Support Struggling Smith Bay, Authority Says

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Smith Bay Park, St. Thomas

The Magens Bay Authority has told lawmakers of its challenges to operate and develop Smith Bay Park – a 21-acre beachfront property that it has managed since 2006. The authority manages both Smith Bay Park and Magens Bay.

But even with substantial investment in the infrastructure at Smiths Bay, Hubert Brumant, general manager of the authority said the park is unable to generate enough revenue from gate receipts to support its operations. Magens Bay Park has rental income from The Yak Shak, AAA Taxi Stand, and both parks rely on entrance fees to generate funds. However, according to Mr. Brumant,

Smith Park is yet to reach a level of financial independence since gate receipts are unable to fully support the costs of operating that facility.

“Despite assurances of support when the authority was asked to accept and operate Smith Bay Park, the necessary support to keep the property open and operating has primarily come from the operational income of Magens Bay Park,” he said.

“The Board of Directors has loaned Smith Bay Park a total of \$610,916 since accepting its acquisition from the government. Without these aggregate loans, the operations at Smith Bay Park would have been curtailed or may have ceased altogether,” he noted.

For the period ending July 30th, 2022, Magens Bay Park collected approximately \$1.52 million in gate receipts unlike Smith Bay Park which accumulated approximately \$225,381 in revenue.

Mr. Brumant believes that unless there is a dramatic upturn in park admissions and weddings, it will require continued economic support from Magens Bay to remain operational for the foreseeable future. But this assistance is at the cost of limiting available funding for the authority to deal with timely maintenance, introduction of additional amenities for the public, and its ability to take advantage of acquisition opportunities.

Magens Bay Authority is projecting combined operating expenses of \$2,391,493 for the Fiscal Year 2023, about 78 percent of which is attributable to payroll.

Meanwhile, Barbara Petersen, chairperson of the Board of Directors for Magens Bay Authority acknowledged that not enough had been done to market the parks in the past. She insisted, however, that there is a plan to increase those efforts.

“We have not done a good job at marketing,” she remarked, adding that “it’s a beautiful beach, but it does lack the infrastructure, so there’s no funding coming in except the gate fees.”

Plan to boost revenue include hosting a food truck competition in January 2023, where concessions will be awarded to the winner of that challenge to operate at Smith Bay as a way of generating more funds.

“Now, we do have a great beach with restrooms but that’s all that’s offered. We have no watersports, nor do we have food or beverage. I think that would provide for an opportunity for more people to visit and it would be more attractive for visitors to go there — coming off the ship if we had those things in place,” she continued.

In an effort to attract more visitors in the next fiscal year, Business Manager Memorie Anne Brown said they have increased the marketing budget to promote both parks.

“We do want to make Megans Bay Authority, Megans Bay beaches worldwide and we want to push that marketing out. We had a quick conversation with Tourism for them to use Megans Bay Beach as the front of the ads that they’re doing elsewhere. So that conversation is in the works,” she explained.

In addition, repairs to nature trails that lead into the Nature Conservancy property is expected to begin at end of this fiscal year in September.

Ms. Peterson said however that the authority is still in the process of ironing out some legal matters regarding insurance and user safety. “We are in constant negotiations to develop the trails

and have a better guest experience for the people who want to utilize them," she said.

"We're just trying to work out the legalese relative to safety issues," Ms. Peterson added, explaining that their current insurance does not cover the nature trail since it is on land that the authority does not own.

"Our insurance does not cross over into their land and that's why we're working to combine – make sure their insurance and liability will cover," she explained.

The authority is also in talks about the possibility of harnessing renewable solar energy to power the beaches in the future, while Senator Kenneth Gittens suggested that they should charge more for the anchoring fee for vessels, up from \$5 to increase revenue.

Smith Bay Park contains delicate coastal and marine ecosystems which serve as home to a wide assortment of plants, animals and marine life and these same anchors are compromising the quality of the beaches' eco system. To reduce those effects, the authority said it is working with the Department of Natural Resources to install moorings.