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Owners of The Market St. Croix Looking to Revive Hibiscus Beach Hotel 'to its Glory Days' With 80 Rooms, Restaurant, Spa and More

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The Hibiscus Beach Hotel before it was destroyed by Hurricane Maria in 2017 By. TRAVEL WEEKLY.

The now-defunct Hibiscus Hotel in La Grande Princesse was once a popular spot on St. Croix, with its restaurant drawing large crowds on the weekends while its enticing beach landscape kept visitors coming back for more.

On Thursday, the owners of The Market St. Croix (formerly Plaza West), and Plaza and Moe's Fresh Market in St. Thomas, made their intention to rebuild the hotel public during an Economic Development Authority board meeting.

The EDA heard public testimony from Hibiscus Beach, LLC doing business as Hibiscus Beach Hotel, a U.S. Virgin Islands limited liability company. The owners were seeking Economic Development Commission tax incentives for the ownership, construction and development of a boutique hotel and amenities normally associated with a hotel.

Three of the four brothers who own the property attended the hearing. Waleed Hamed, president of Hibiscus Beach, LLC, was the main speaker. Mr. Hamed is also the co-owner of the Market St. Croix (formerly Plaza West), and several supermarkets in St. Thomas.

Mr. Hamed noted that he grew up in St. Croix and would “love to see the whole Hibiscus Beach return to its glory days.”

The Hibiscus Beach Hotel is located 10 minutes from downtown Christiansted and around 20 minutes from the airport. With 500 feet of sandy beach just steps from the hotel, Mr. Hamed remarked that the property location was “convenient to locals and visitors alike.”



The H2O Restaurant at the Hibiscus Beach Hotel before it was destroyed by Hurricane Maria in 2017. (Credit: Travel Weekly)

“The location of the property is excellent for the uses we have envisioned,” he said. “We did our due diligence by hiring a local consulting firm and engineers to assist with the design and layout.”

According to attorney Renée Marie André, the property was in foreclosure at the time of purchase by the Hamed family.

"The property has been unused and derelict since the 2017 storms," she said. "The Hamed family has acquired the property and is endeavoring to bring the hotel back into operation, which will add much needed rooms to the territory's hotel inventory and solidify St. Croix's strategic position within the tourism market."

Mr. Hamed said cleanup efforts have been ongoing, including last year's activities which involved clearing some of the rooms and removing vegetation. The owner stated that the team's efforts were limited because they were unable to touch the structures without permits. He mentioned that obtaining the permits had taken longer than expected, about 11 months in total.

"Everything that did not require a permit, we did that clean up," he said. "There was a lot of junk and even a lot of vehicles people just dropped off in the parking lot that we had to take care of."

During Thursday's hearing, the property owners said the revamped Hibiscus Beach Hotel would have 80 rooms, a swimming pool, convenient parking, a gift shop, a meeting center, a fitness center, a spa, restaurant, and other recreational facilities. Mr. Hamed noted that the rebuilding process of the hotel would take place in three phases, the first of which potentially getting off the ground in 2023.

In addition to a minimum capital investment of \$4.5 million, Hibiscus Beach representatives said the hotel would utilize local services and vendors to the "greatest extent possible." This would include transportation services, local entertainment, local artists, and locally grown food products.

To date, Mr. Hamed said approximately \$200,000 has been spent on property design and early development stages. He noted that Economic Development Commission benefits and financing programs would "help the business remain viable as we begin phase two, three, and beyond."

Board members had questions about the minimum number of employees (10) included in the application and the extensive timeframe for completion which the owners stated could be as long as five years.

In response to the employee aspect, Mr. Hamed noted that after phase three, more workers would be needed.

"The location of the facility, because it's six different buildings, it's going to require a lot more employees to really service these buildings and we understand that," he said. "As things open, we will hire more people."

In terms of the timeline for completion, Mr. Hamed said phase one (demolition) should be completed in six weeks, "providing that we can start."

"We're really hoping we can start in the first quarter of 2023," he added.

Detailing some of the work that will be done in the first phase of the project, Mr. Hamed noted that the wooden structures which had been destroyed by Hurricane Maria would need to be removed. During phase two, 46 new rooms would be constructed. Phase two is expected to take 54 weeks, potentially starting mid 2023. That phase will include the redesign and expansion of some of the existing rooms, from 310 sq. ft. to 320-325 sq. ft. within the same footprint. The balconies in some areas will be refurbished as part of the expansion to generate extra inside space.

Phase three would commence in the fourth year of operation “to give the resort an opportunity to stabilize and then they’d commence with the construction,” according to company's attorney. The remaining 34 rooms are included in phase three.

The main Hibiscus Beach restaurant, known as H2O, as part of the current plans is not slated to open until year five, which board members questioned. In response, Mr. Hamed spoke about their plans to have food trucks available on property until that time.

In terms of their five year plan, EDA board member Phil Payne stated, “It's the only thing I'm not fond of. I'd like to see you do it in a year. Get that place back open so... go as quick as you can.”

The board announced at the conclusion of the hearing that the owners would hear back regarding their application in the “near future.”

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