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# EDA Extends Frenchman's Reef Employment Requirement Waiver As Resort Cites Worker Shortage, Other Concerns Ahead of Opening

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**The Westin Resort & Spa at Frenchman's Reef and the new Autograph Collection Resort located on the southern shore of St. Thomas.**

The owners of the Westin Resort & Spa at Frenchman's Reef Resort, and the Autograph Collection at Frenchman's Reef in St. Thomas were granted an extension of their full-time employment requirement waiver by the Economic Development Authority during a meeting last week.

The owners, CREF3 USVI obtained reprieve of their minimum employment requirement through August 30, 2019, following the storms of 2017. That waiver was extended through December 31,

2020, and more recently through December 31, 2022, as it undergoes reconstruction.

Though the resort has already started posting open positions, CREF3 USVI said it would be unable to meet the minimum employee requirement of 415 full-time employees by Jan 1, 2023, “or truly before operations at the resort stabilize,” according to attorney Renée André.

“One of the things to consider is that there has been as shortage of employment in territory and it's being experienced not just by hotels but other employers as well,” Ms. André said. “That will likely impact the resort's ability to fully ramp up employment in a short period of time.”

She added, “CREF3 anticipates there may be some fluctuation in employment as the resorts come online and work towards increased occupancy.”

The Frenchman’s Reef Resort is expected to have [a soft opening in December](#) and provide full services early 2023. Joe Gould, managing director of Fortress Investment Group speaking on behalf of CREF3, remarked, “We’re excited with the progress.”

However, he noted “even with the resort fully opened and operational, the number of guests at the resort will not instantly rebound...”

Previously, occupancy levels were around 80 percent, according to Mr. Gould. His expectation was that the resort's business levels would “naturally ramp up” as sales, marketing and advertising help generate interest.

Mr. Gould stated that in order to ensure the resort opened successfully and remained a financially viable business, it was “not economically feasible to open with a full staff of 415 individuals from day one.”

He indicated that 30 to 50 percent occupancy levels were anticipated at the resort’s opening, with the figure increasing with time, specifically to 70 to 80 percent by the holiday season of 2023.

“As launching demand increases at the resort over the next year, we expect to increase our employment level accordingly,” he said. “Based on our current occupancy projections, we expect to employ 150-200 individuals by the end of the first quarter of 2023, 200-250 by the end of Q2, 2023, ramping up to 275-325 by the end of Q3, 2023, and 415 by the end of Q4 2023.”

The board found that it was “not practical at this time for CREF3 to effectively maintain the full time employment requirement set forth in its certificate...” As such, the EDA granted the extension of the temporary employment waiver as follows:

- A minimum of 150 full-time employees by March 31, 2023
- A minimum of 250 full-time employees by June 30, 2023
- A minimum of 300 full-time employees by September 30, 2023
- A minimum of 415 full-time employees by December 31, 2023.

CREF3 is required to adhere to all other standards and special provisions, conditions of its certificate of tax incentives.

