

# Water Island hotel plans gaining steam again

By ELLIOTT DAVIS  
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A Water Island hotel development could be moving closer to breaking ground, but developers are waiting on the passage of two bills in the VI. Legislature before moving forward.

An email exchange between Bob Jackson, a real estate developer with Jackson Development Company, and Joanne Bohr, the president of the Water Island Civic Association, was posted on the Civic Association website sharing an update about the project.

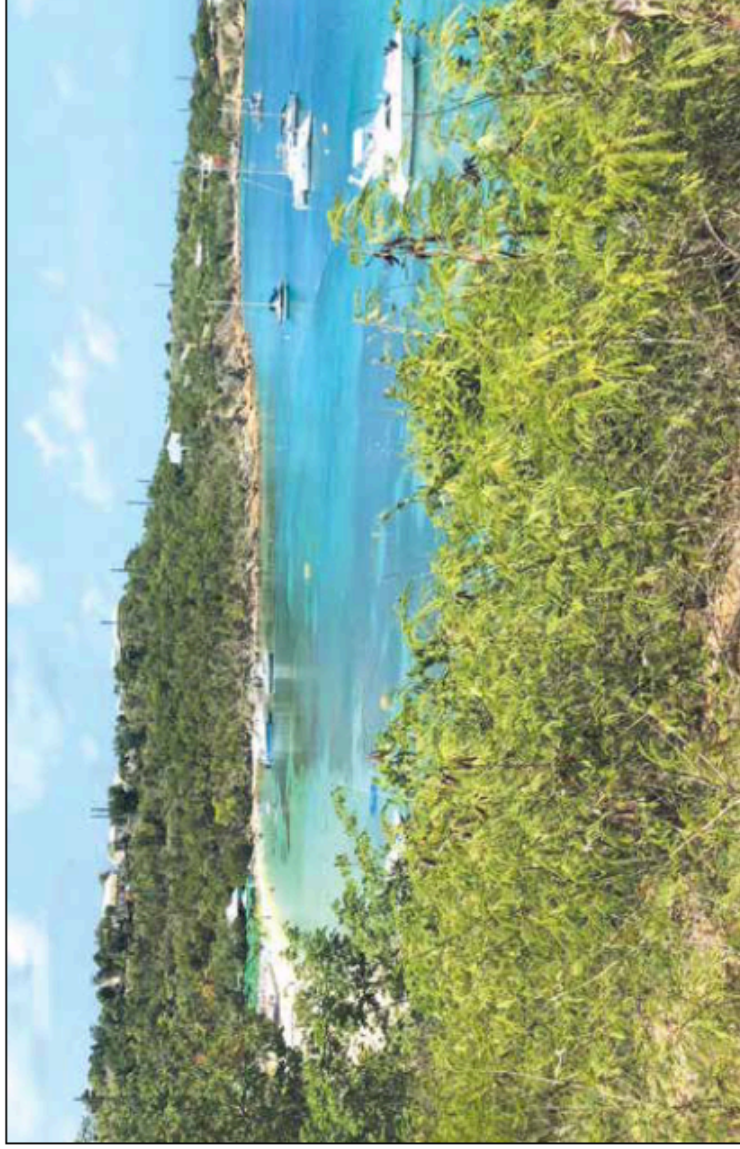
Jackson told Bohr that while the project was “put on hold” due to the lack of support from former Gov. Kenneth Mapp, Gov. Albert Bryan Jr. has “voiced interest in seeing the Water Island Hotel/Resort development move forward.”

“We are in the very early stages of meeting with key members of the new administration to determine if our plans and their vision for Water Island are in sync,” Jackson added in the email. “Once we have a better understanding of what they would like to see happen, we will determine if it fits our vision, how we might modify and if we wish to move forward.”

Jackson, one of the original lead developers on the project, told The Daily News on Thursday that his team is waiting on two key bills to pass the VI. Legislature and get signed by Bryan before proceeding.

The bills, which will amend the Hotel Development Act and the VI. Code related to tax reduction benefits, will be “useful for hotel development” in the territory upon passage, Jackson said.

“Plans haven’t changed,” Jackson added.



Honeymoon Beach on Water Island, where plans for a hotel development are once again being discussed. Daily News photo by ELLIOTT DAVIS

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— Joanne Bohr, president of the Water Island Civic Association

not an issue,” Bohr said. “But we would like to be part of the conversation.”

However, “overdevelopment is a major concern for Civic Association members,” Bohr said.

The idea of building a hotel on Water Island has been in the works for years. Most recently, in 2017, the plans included a 100-room hotel and 124 permanent residences in a combination of veteran and mixed-income housing. Plans also called for the construction of a marina, water treatment plant and other buildings on the island.

At the time, however, developers were also calling on the VI. government to help finance the project through amendments similar to those that Jackson said his team is currently waiting on.

George Dudley, an attorney representing Water Island Development LLC at the time, said during a 2017 hearing with the Committee on Economic Development and Agriculture that without the amendments, “the contemplated revenue bond financing for the development of Water Island would not be possible and the project would not get off the ground.”

had more information to provide.

Bryan spokesman Richard Motta Jr. did not respond by press time Monday.

Bohr said Thursday that she has not received any “concrete” information about the hotel project, which has been dormant for years.

Bohr added that while “no one knows” what the current plans are, she does support the idea of a small boutique hotel that has been discussed previously.

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The second bill, No. 33-0061, would change the VI. Code by requiring half of hotel room taxes to be deposited into the Hotel Development Trust Fund. It would also increase the room tax rate from 12.5% to 18.5% during the period when a hotel developer’s debt is outstanding.

Avery Lewis, the St. Thomas-Water Island administrator, told The Daily News on Thursday that he is not “privy” to any discussions about the project. He declined to comment further until he

Bill 33-0104 would amend the Hotel Development Act by “expanding its provisions to promote investment in the Virgin Islands and to enhance economic development throughout the territory,” according to its language. One of the amendments would be to allow hotel developers to use the Economic Recovery Fee — which encourages and promotes “the recovery and improvement, and expansion of the territory’s hotel sector,” according to the bill — to secure a hotel note or loan.