

# Temporary schools still awaiting finishing touches

By SUZANNE CARLSON  
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Students at Arthur A. Richards Junior High School on St. Croix are expected to move into their temporary campus some time in late February or early March, according to V.I. Education Department spokeswoman Keva Muller.

"The cause in the delay is the classrooms are pretty much ready,

but they're waiting for the kitchen to be outfitted with all of the equipment and we can't move the school in unless we can feed them," Muller said Friday.

The department is utilizing temporary shelter facilities manufactured by the Sprung company, but "pretty much for most of the Sprungs that are not in use right now, they're also waiting for the air conditioning units in those Sprungs.

Those were considered long-lead items because they had to be made specifically for the dimensions of those Sprungs," Muller said. "So, it's just the air conditioning and the kitchens that we're waiting for in those Sprungs."

Once the Richards' campus Sprung shelter is complete, students will be able to relocate, Muller said.

St. Croix Central High School's gymnasium is going to be housed

in a Sprung shelter, "so they're waiting on the air conditioning for that facility," which should also be ready by late February or early March, Muller said.

On St. Thomas, Addelita Cancryn Junior High School and Lockhart Elementary School's campuses are also still awaiting finishing work on the campus kitchen facilities, Muller said.

The lack of air conditioning units

has been an issue for months, and it remains unclear exactly when the units will be finished and installed. Former Education Commissioner Sharon McCollum submitted written testimony to the Legislature in October indicating that the Cancryn campus is "98 percent complete," but the lack of specialized air conditioning units was delaying use of the Sprung shelters there and at other school campuses.

# Fate of Yacht Haven hotel project uncertain

By A.J. RAO  
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ST. THOMAS — Negotiations to place a new, internationally branded hotel at Yacht Haven Grande on St. Thomas have effectively stalled, leaving millions of dollars in investment — and a potential economic boost to the island — in limbo.

On Friday, Thomas Mukamal, CEO of Island Global Yachting, the parent company of Yacht Haven, said the V.I. government has all but "abandoned" the project, with the 32nd Legislature failing to bring it to a vote and an incoming administration that has yet to contact him.

"There's nothing we can do," Mukamal said. "We don't have a negotiating partner anymore and there's no one for us to talk to."

Indeed, Mukamal said he wished the 32nd Legislature would have at least voted one way or the other on the project.

A down vote, he said, would have still been an "acceptable outcome" since the democratic process would have run its course.

"But when you engage in a multi-year negotiation with someone and then you just leave them hanging and don't vote at all — how do you think the person feels with whom you were negotiating with?" he asked. "It doesn't show well to the investment community and it [creates] a lack of confidence in whether the government can function or not."

The 110-room hotel project, estimated to cost \$38 million, was proposed as a joint venture between the V.I. government, Yacht Haven and Polcum Group, a Polish manufacturing company that specializes in modular construction.

Polcum and Yacht Haven were slated to provide \$20 million and \$8 million, respectively, while the V.I. government would put up the remaining \$10 million, using cash from the \$70 million closing payment made with the Lime-tree Bay Terminals on St. Croix.

In September, public and private advocates for the project — including Mukamal — testified before the Legislature on St. Thomas to describe the



Daily News photo by A.J. RAO

A proposed hotel project at Yacht Haven Grande on St. Thomas has stalled after the V.I. Legislature failed to put to a vote government backing for the project, according to Island Global Yachting CEO Thomas Mukamal.

project's benefits.

Then-V.I. Finance Commissioner Valdamier Collens said 100-150 indirect jobs would be created during the one-year construction and development phase, while another 30 permanent jobs would be created after opening and an additional 15-20 seasonal jobs.

"Hotel traffic will also indirectly create another 30-50 jobs in the retail and services sector," he said.

Collens said the V.I. government would also receive \$3.6 million in interest payments in the long term, as well as more than \$8 million in new hotel tax revenues over the first 10 years of operations. Additional revenues would also come via income and gross receipt taxes.

Then-V.I. Tourism Commissioner Beverly Nicholson-Doty described how the territory's fledgling post-storm tourism sector needed a spike in accommodation in order to keep pace with other economies in the region.

"The total traditional hotel units currently operating in the territory is less



A rendering of the proposed hotel project at Yacht Haven Grande.

than 2,000 rooms, this is approximately half of the pre-storm room count," she said. "The territory is desperately in need of accommodations. With increased accommodations, we can only expect increased airlift to our territory."

While many senators embraced the hotel project and hailed the \$10 million as a worthy investment, others questioned why the government

should provide a substantial loan to a private company in the midst of other unfinished projects and debt obligations.

During the session, then-Sen. Jannette Millin Young referred to the project as a "pie in the sky," insisting the speakers failed to provide enough detail on the profitability of the project.

"You throw numbers around but

there's really nothing here that gives me comfort on what the numbers are," she said. "To me, this turnaround of 12 months doesn't seem like it's feasible and this whole modular business is not cute for that area."

A bill to authorize the \$10 million payment for the project was ultimately tabled in October.

Mukamal, on Friday, told The Daily News that he was disappointed that no action was taken in light of the time, effort and resources already spent.

"It's 90 percent designed," he said. "We've permitted it. We financed most of it. We came up with an idea for the government to finance the rest of it. We put it in a package with a nice pretty bow. There really is nothing else we can do. The project seems to make sense to everybody in private, but not everybody in public."

Mukamal added that businesses at Yacht Haven Grande would have enjoyed the economic activity, but with legislative inaction, "everybody in the neighborhood loses, including us."

Naser Salem, owner of Perfume World and Men's Corner at Yacht Haven, described a prospective hotel as the "most beneficial thing that could happen to the Yacht Haven Grande property."

"As a local business owner, I would love to see anything that would contribute toward the island," he said. "There is so much potential here. There's a lot of enthusiasm and traffic here and we would definitely like to see something that would bring additional life to the property."

Other businesses like Fat Turtle have recently completed renovations and also indicated that a new hotel in the hotel would be a boon to the area.

For Mukamal, however, the future remains uncertain.

"Hopefully, someone will call us in the next couple of weeks or months and we'll pick up negotiations again," Mukamal said. "But we haven't heard from anybody yet, certainly not in any formal way. Hopefully, the voices that are favorable to the project can help resurrect it, but we don't feel from where we sit that there's anything else we can do."