

The Virgin Islands Daily News

A Pulitzer Prize-winning newspaper

St. Thomas

St. Croix

St. John

Tortola, BVI

Full Story

[CLOSE WINDOW]

\$500 million development proposal heralds 'renaissance' for St. Croix New owner of Annaly Bay property showcases vast plans for hotels, homes and tourist attractions on north side of island

By CHRISTINE LETT

Wednesday, December 14th 2005



Daily News Photo by CRISTIAN SIMESCU The Throgmartin Company has announced its purchase and development plans for 2,550 acres west of Carambola Beach Resort on St. Croix.

ST. CROIX - A Florida-based developer has unveiled plans for a \$500 million resort and residential community project on the northwest part of the island that would double the number of existing hotel rooms and create hundreds of permanent jobs.

At a Government House press conference, Adam Holwerda, a partner in the Throgmartin Co., said the developer plans to build on 2,550 acres in Annaly Bay purchased from local developer Jake Jacobus, owned the property for more than 20 years and developed the Carambola Beach Resort, east of Annaly Bay.

Throgmartin, the lead developer, is based in Fort Myers, Fla., and specializes in residential and commercial development. Completed developments in Fort Myers include a 320-unit condominium, a 56-unit luxury condominium community, and a 27-story riverfront high-rise.

The Annaly Bay project includes two additional companies:

- ESDA, a planning and landscape architectural firm based in Fort Lauderdale, Fla., that developed the conceptual master land plan.
- Applied Technology and Management Inc. of Gainesville, Fla., a marine, coastal, environmental and water resources engineering firm.

The project, which comprises three distinctly different hotels, will be completed in three phases over a span of 12 to 15 years, Holwerda said.

The development includes:

- A 500-unit hotel-casino.
- A 350-room to 400-room bungalow hotel and beach club.
- A boutique hotel or eco-lodge.

Holwerda said that each of the three hotels will be affiliated with a major-name hotel company. He said negotiations are ongoing with international and U.S.-based hotel management chains.

The development will include a nature preserve, a nine-hole par-3 golf course, European-style hilltop residential villages, estate homes, villa residences and a multifamily housing area that will be marketed to local residents, Holwerda said.

The company has not yet determined the costs of the homes, he said.

The developers also listed in their conceptual master plan an equestrian center, a golf academy and a commercial area containing shops, dining, entertainment and a variety of services.

Once completed, the project will generate 1,500 to 2,000 permanent jobs on St. Croix, according to Throgmartin.

Holwerda said the company would not seek outside funding to finance the \$500 million project. "Our company is financially capable of financing this project on our own," he said.

Property plans

Holwerda said that Throgmartin finalized the purchase of the property on Nov. 15, but neither he nor Jacobus would reveal the sale price. The Annaly Bay property is often referred to as Carambola, but the sale does not include the existing Carambola Beach Resort or the existing golf course.

A Carambola property website listed 2,800 acres of Carambola - which included the resort, golf course and the 2,550 acres purchased by Throgmartin - at \$30 million.

Throgmartin's plans are to develop only 1,327 acres of the 2,550 acres it purchased. Seventy percent of the developed 1,327 acres will remain "green space," natural open space dedicated to nature trails and horseback riding, Holwerda said.

The property has been zoned for commercial and residential development for more than 20 years, and part of the zoning requirements limit development to 50 percent density.

The development will "keep the look as it is now," Holwerda said. "We want to build this environmentally intact and environmentally approachable."

Infrastructure needs

Much of the schedule for the project is undecided, Holwerda said, but developers expect construction to begin by mid-2007.

The development hinges on the V.I. government's pledge to pave and improve Scenic Drive, a dirt road that stretches 12 miles from Salt River to Hamm's Bluff.

"We couldn't get in there to start construction. It's not accessible," Holwerda said.

Lt. Gov. Vargrave Richards, who is credited with drawing the developer's interest to St. Croix, said the roads are the government's responsibility. "These roads are ours. They're not looking to dig into the coffers of the government of the Virgin Islands.

"We thought that what we would do is set aside \$7 million to \$10 million. That is where we claim it is a public-private partnership," Richards said.

Acting Public Works Commissioner George Phillips said after the press conference that he expects the road project - which will require a design concept, public hearings, paving and construction of a bike path and lookout points - will take 18 to 24 months.

Throgmartin will be responsible for extending utilities to the development.

Both Richards and Gov. Charles Turnbull, who also spoke Tuesday, said they would work on the road project's funding avenues, including the V.I. Public Finance Authority.

Throgmartin has agreed to maintain the road once construction is complete.

Financial expectations

Improvements to the road are the extent of the government's assistance in the development project, Richards said.

Holwerda said the government has given no guarantees of loans or other funding.

Throgmartin will seek local tax breaks through the V.I. Economic Development Commission, Holwerda said.

In exchange for agreeing to hire a certain number of local workers, purchasing locally when practicable and agreeing to invest in the community, the EDC program can offer:

- Up to 90 percent reduction in income taxes.
- Exemption from property and gross receipts taxes.
- Exemption from excise taxes on some materials.
- Reduction in customs duties on raw materials and components from outside the United States.
- Reduction to as low as 2 percent of the withholding taxes on company dividends.
- Exemption from the withholding tax on interest.

Selling St. Croix

Holwerda said Throgmartin looked at all three islands and fell in love with St. Croix, but it was Richards who convinced the company to do business there.

Richards said he spent part of the year courting the company and working to dispel a perception that the St. Croix community is against development.

"I can say unequivocally that if it were not for the lieutenant governor, we would not be having this meeting and this sale would not have come about," Jacobus said.

"If we fail to support projects of this sort, we are forever going to be behind the eight ball," Richards said. He thanked former V.I. Port Authority executive director Gordon Finch, who is working for Throgmartin as a consultant on the project, for guiding him through the process.

Richards requested that Throgmartin help prepare the island's youth for the permanent jobs that will be created by the development and that the company hire local workers and patronize local businesses.

Turnbull called the proposal a "tremendous opportunity for St. Croix."

"St. Croix is on the verge of an economic renaissance," he said. "This is a win-win situation - not only for St. Croix but for the entire Virgin Islands."

Jacobus purchased the property from developer and philanthropist Laurance Rockefeller in 1984, when the area was more commonly known as Fountain Valley. He said that since then, the effects of Hurricane Hugo in 1989, Hurricane Marilyn in 1995 and the Sept. 11, 2001, terrorist attacks in the United States severely damaged hotel business on the island.

- Contact Christine Lett at 774-8772 ext. 456 or e-mail clett@dailynews.vi.

Annaly Bay developers

Three companies will collaborate to design and develop the resorts:

The Throgmartin Co.

Location: Fort Myers, Fla.

Founded: 1987

Leadership: Don and Ron Throgmartin, co-founders.

Scope of business: Throgmartin specializes in residential and commercial development. It handles multiple aspects of development, from architectural and interior design to engineering, development and sales.

Previous projects: The Gardens at Beachwalk, a 320-unit condominium community in Fort Myers; Blue Water, a 56-unit luxury condominium community accessible by boat in Cape Coral, Fla.; The Vue, a 27-story riverfront high-rise in Fort Myers.

EDSA

Location: Fort Lauderdale, Fla.

Founded: 1960

Leadership: Edward

Stone Jr., chairman and founder; Joseph Lalli, president and managing principal.

Scope of business: A planning and landscape architectural firm, EDSA is developing the master land plan and site plans for the Annaly Bay project.

Previous projects: Frederiksted Waterfront Revitalization project, Coakley Bay, Diamond Keturah and King's Alley, Palm Shores and Spring Garden Estate Estate, all on St. Croix. EDSA also worked on other territorial resorts, including Marriott's Frenchman's Reef Beach Resort on St. Thomas and Caneel Bay on St. John. It worked on Atlantis Hotel and Casino in the Bahamas.

Applied Technology and Management Inc.

Location: Gainesville, Fla.

Founded: 1984

Leadership: Edward Modzelewski, chairman; Thomas Schanze, president and CEO

Scope of business: ATM focuses, among other things, on marine and coastal development, environmental and water resources engineering, beach restoration and stormwater management.

Previous projects: ATM has worked on Sanctuary Cove, Mahogany Run, Yacht Haven and Thatch Cay on St. Thomas and the Gallows Bay marina on St. Croix.

Annaly Bay team

Adam Holwerda, Throgmartin Co.

Barry Jones, Throgmartin Co.

EDSA

Applied Technology and Management Inc.

V.I. Lt. Gov. Vargrave Richards

Consultants"

Gordon Finch, former V.I. Port Authority executive director

Attorney Miles Plaskett of Duane Morris LLP, Miami

Hans Lawaetz, St. Croix

Justin Berkeley, Antillean Engineers, St. Croix

David Pearson, David Pearson Associates, Miami

Amy Dempsey, Bio-Impact, St. Croix

Leon Teske, Sugar Island Associates

[\[CLOSE WINDOW\]](#)