

The Honorable President Novelle E. Francis, Jr.  
Members of the 33rd Legislature of the Virgin Islands  
Legislature of the Virgin Islands  
Capitol Building, Charlotte Amalie  
P.O. Box 1690, St Thomas, VI 00804

August 20, 2019

re: **Economic and Social Impacts of Coral Bay Marina – Summers End Group**

Dear President Francis,

Discussions about the proposed mega yacht marina in Coral Bay, St John, often devolve into a debate over what generational St Johnians want and need versus what newer residents want. This is understandable and needs to be brought out into the open. I believe when the conversation is held in a non-confrontational way we all come to pretty much the same conclusion.

A few years ago I asked Dr. Hadiya Sewer to offer her thoughts on the impacts of the Summers End project on St Johnians. The Sewer family has been in the Virgin Islands for over 300 years and Dr. Sewer is eminently qualified to speak on behalf of St Johnians. Dr. Sewer brings a wealth of knowledge of St John history, Virgin Islands culture, and the dynamics of power and racism to her work. Her analysis is attached to this letter, and I think you will find it very illuminating.

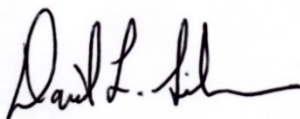
Last week I had the opportunity to listen to the Committee of the Whole hearing on several development and permitting matters. The hearing emphasized to me how extremely important economic growth is to the future of the Virgin Islands. I understand that we need to support projects which afford true growth to the economy and which help Virgin Islanders.

However after reviewing hundreds of pages of economic analysis and marketing studies, and reading through literally thousands of public comment letters, it has become fully apparent to me that the construction of a mega yacht marina in Coral Bay Harbor will not grow the economy of St John on a net basis after consideration of all of the interrelated issues.

The attached brief analysis lays out the economic impacts – both positive as well as negative – stemming from large scale marina construction in Coral Bay. I believe it is critically important that this information be understood by all of our decision makers.

In combination, the analysis of true economic impacts, together with the analysis of the social impacts on St Johnians, portrays a very different picture of the proposed Summers End project than the one often presented by the project proponents. I hope you will fully consider all points of view as you decide upon the next steps to take with this project.

Regards,



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Attachments: Part 1: Social Impact Analysis, Part 2: Economic Impact Analysis

## **Part 1: Social Impacts: Will the Summer's End Marina Benefit St Johnians?**

Much has been said about the impacts which Coral Bay marina development may have on local St Johnian families. The economic analysis in Part 2 indicates that there is unlikely to be any net economic benefit to the territory, to St John, or to local families. However a deeper analysis of the dynamics of development in the context of St John is needed in order to truly understand this project from the perspective of a St Johnian.

In 2015 I asked Dr. Hadiya Sewer to offer her thoughts on this subject. I think you will find it extremely worthwhile reading her analysis of the Summer's End marina project. Dr. Sewer's focus is on the range of potential impacts this project could have on St Johnians.

In the interest of full transparency I should mention that Mr. Lew Sewer, Dr. Sewer's father, is currently in the very early stages of developing plans for a small boat dock and retail complex in Coral Bay. Dr. Sewer requested that I make that information known prior to sharing her analysis.

## **LET'S STOP THE SUMMERS END GROUP MARINA AND BE DONE WITH IT**

**By Dr. Hadiya Sewer**

**August 4, 2015**

Conversations about development on St. John often leave me feeling caught between a rock and a hard place.

Neoliberalism, white supremacy, predatory capitalism, and overdevelopment are all too real and we feel them all too acutely on small islands like St. John. Unfortunately, our problems do not have easy solutions. Therefore, we often find ourselves feeling lost and a tad bit confused.

The Summers End Group wants to build a mega marina in little old Coral Bay. It appears to be a horrible idea.

Advocates for the marina often downplay the environmental impact and argue that the SEG marina will provide jobs for locals and, consequently, improve St. John's economy. However, many have already pointed out that a marina of this magnitude is likely to damage the mangroves and meadows that are teeming with sea life and home to endangered marine species.

There is also the question of the prospective human impact of this immense project. Can SEG's development project harm U.S. Virgin Islanders, namely locals? I am under the impression that it will....

If the plan to build the marina is allowed to proceed despite the overwhelming public outcry and the perceived weaknesses in the environmental assessment reports, application documents, and permits, local leaders might inadvertently intensify growing distrust between locals and government officials. At a time when many residents of the territory are accusing our political leaders of being greedy and corrupt, giving the go ahead to an ill-conceived marina might increase the belief that local representatives do and will continue to choose corporate interests over environmental sustainability and the people's interests.

Like many other locals and residents, I am not convinced that the aforementioned job opportunities will go to local people. More often than not, racist hiring practices reserve the jobs with the greatest possibilities for upward mobility for non-locals.

The marina might also work to increase land taxes that are already burdensome. On St. John, high land taxes fuel the displacement of local people. Locals are often forced to sell their land when land taxes become too burdensome. If the marina increases the land taxes and locals are unable to pay the astronomical prices, they are more likely to sell.

If the project is abandoned due to any unforeseen events, it will create an eyesore that could negatively impact land values and the territory's tourism industry.

St. John markets itself as a “sleepy” and “quaint” island destination. Overdevelopment is likely to change this perception and undermine our present tourism marketing strategy. The development might be perceived as an eyesore to those who prefer the pristine bay. If St. John is over developed it will be forced to compete with other Caribbean islands because we would have lost one of the key things that makes our island a unique destination. If the number of tourists visiting the island declines as a result of this, many will feel the economic downturn.

The marina may increase and deepen existing racial disparities. Tourism in the Caribbean is often predicated on racialized landscapes. Local people of color are often relegated to positions of servitude. A mega marina on such a small island is likely to highlight glaring wealth disparities that are inscribed along racial lines.

Yet, some of us support the development project. Why? The answer is quite simple. Our economy needs the money and we are annoyed by the exclusionary politics that underly mainstream ecological conservation projects.

Neoliberal humanitarians have this underlying assumption that if we save the natural landscape from predatory capitalism, it will be saved for everyone. However, many local people of color are painfully aware of the fact that this is not necessarily true. Too many St. Johnians have left the island because they cannot afford to live in a space with high land taxes, a disadvantaged education system, limited access to organic food, and few job opportunities. We know that racial and environmental systems of oppression are interlocking because they are rooted in similar logics of domination. However, our attempts to bring these connections to the surface are more often than not ignored and maligned by those who are uncomfortable with discussions on race and colonialism. Our efforts are thwarted by the assumption that we all have the same relationships to space and conservation. We don't.

Relationships with our environment are often shaped by identities, experiences, and power dynamics. In the past, conservation projects have attempted to maintain pristine landscapes by 1) disrupting local and indigenous ecologies and 2) displacing local and indigenous bodies. For example, the effort to establish the VI National Park called for the government to condemn the island and relocate local people. Perhaps, the rhetoric surrounding saving Coral Bay is a painful reminder of other forms of racism in environmental conservation projects. There are plenty of examples. Local St. Johnians are not legally permitted to hunt deer but the National Park can cull the herd that would have been managed by hunting. It almost appears as though local lives become the fault line in a battle between greedy capitalists and neoliberal humanitarianism. If predatory capitalism (corporate greed) threatens the natural landscape, we lose rights that previously allowed us to lead sustainable lives.

So, instead, some of us are clinging to the financial possibilities that the marina and other mega development projects might provide. Others become apathetic because our displacement and marginalization appears inevitable.

We have to fight overdevelopment anyway. Radical sustainable development is always a possible solution. It's not an easy one but it's the one that we need. In my humble opinion, our island cannot afford to have the SEG marina. It is likely to increase the speed at which our displacement and marginalization is occurring.

We have to stop the SEG marina because it gives us a fighting chance. The fight for self-determination will be harder with a mega marina in our backyard. The glaring wealth disparities on our island will be more pronounced. It will be harder to pay our land taxes. Finding affordable land for sustainable agriculture will be increasingly difficult. We will lose more space to landscapes that rely on colonial fantasies and Black and Brown servitude. Locals will continue to leave because making a life in our hometown will require resources that we are struggling to find and maintain. There will be more spaces on island where we are told in more ways than one that we aren't truly welcome.

We have to find models of sustainable development that allow us to lead fulfilling lives on this island that we call home. Let's stop the SEG marina and be done with it. I want to do more than just save Coral Bay from the grips of overzealous capitalists. I want us to stop SEG and use this form of activism as an opportunity to save ourselves from the processes of displacement and systems of oppression that have been normalized in our lives.

I was at my uncle's funeral and I noticed that there were a group of tourists leaning over the balcony of their resorts watching. They watched us for quite some time as if burying our loved one was merely just another spectacle. They watched as if they had gotten front row seats at a parade. The Summers End Group's proposed marina feels like another space where locals will be objectified and our lives will be transformed into spectacles for Western consumption. We need models of sustainable development that preserve our beautiful environment AND cater to the humanity of locals as more than just the one dimensional caricatures that colonial fantasies create. A mega marina is not it.

Dr. Hadiya Sewer

August 4, 2015

## **Part 2: Economic Impact Analysis – The Summer’s End Group Marina**

The need for economic growth in the territory is undeniable. It is easily understandable why this is a top priority and central to most discussions surrounding development across our islands.

However, based on rigorous and credible analysis from academics and economists and informed by local knowledge, we can readily conclude that the Summers End Marina in Coral Bay would never contribute to real economic growth in Coral Bay. In fact, just the opposite would occur. This project would lead to the slow demise of a sustainable economy based on eco-tourism and the gentle enjoyment of the history, culture and natural resources of St John. What little economic contribution marina development would offer would never compensate for what was lost.

This brief note summarizes the economic impacts – both positive as well as negative – of large scale marina development in Coral Bay, St John.

### **St John Economic Drivers**

First, we need to look at the drivers of the economy of Coral Bay, and in fact virtually all of St John. The top driver, by far, is visitation to the Virgin Islands National Park, and the Virgin Islands Coral Reef National Monument.

A May 2018 press release announced the headline figures on park economics. It stated: "A new National Park Service report shows that 304,408 visitors to Virgin Islands National Park in 2017 spent \$42,473,900 in communities near the park. That spending supported 563 jobs in the local area and had a cumulative benefit to the local economy of \$61,113,100."

The 2017 figures obviously lost the entire fourth quarter – some of the busiest times of the year – due to the impacts of the 2017 hurricanes. The last pre-hurricane year, 2016, had a cumulative benefit to the local economy from the park of \$80,376,000 and 779 jobs in the local labor market.

This economic contribution is driven almost entirely by tourism. Park tourism supports hotel and villa businesses, restaurants, food services, and hospitality jobs. The construction and maintenance of tourist accommodations support construction labor, building material sales, housekeeping and other ancillary services. Water sports, charters and sight-seeing on St John are all driven by park tourism.

### **Public Perception of Marina Development**

In January 2015 the United States Army Corps of Engineers opened a Public Comment period for the permit application of the Summers End Group. During this comment period a number of local and national groups reached out to their membership, and asked them how the construction of a mega yacht marina would impact their experience of St John.

Over 15,000 individuals responded to this outreach, virtually all of them highly critical of the project, with a significant portion of respondents stating that they would no longer visit St John or anywhere in the USVI if this project were to move forward. They said that they visit Coral Bay and St John for the enjoyment of the National Park and if they wanted to see mega yachts they would go elsewhere.

### **Economic Impacts of Marina Development – Positive and Negative**

The proponents of the Summers End Group marina project state that over a period of five years the marina will contribute around 28 jobs and add about \$9 million annually to the local economy. But this is decidedly not the whole picture. Among other things, it does not consider the adverse impacts on eco-tourism and park visitation.

The typical family visits St John for a one week holiday. If, conservatively, just 10% of respondents, or 1500 families decided not to visit St John due to the impacts of marina construction, that would be equivalent to about 37,000 park visits<sup>1</sup>. Translated into dollars this amounts to a loss of \$7,181,000 per year in National Park economic contribution.

And this is only one piece of the economic impact story. Yacht Haven Grande is the largest marina in St Thomas, and it is essentially empty for six months of the year. Yacht insurers dictate that vessels leave the territory during storm season, and the marina and related facilities are empty as a consequence. This means that marina employment is highly seasonal. It is reasonable to assume that the 28 jobs created by the Summers End Marina project would largely be seasonal work and would only pay a salary for six months a year.

Furthermore, the marina jobs are not net new jobs. Within the four commercial parcels that comprise the Summers End marina project there are currently over 30 full time employees of the various restaurants and stores in that area. All of these employees would be displaced in exchange for 28 seasonal workers.

And the same is true of the \$9 million that Summers End forecasts in marina economic impact. This positive impact is at least partially offset by the loss of revenues for the existing businesses in that district.

### **Net Economic Impact**

So what is the NET ECONOMIC IMPACT of this project? In terms of jobs it is a loss of over 30 full time jobs in exchange for 28 half year seasonal jobs. In terms of dollars it is a gain of \$9 million per year in marina impact, offset by a loss of \$7.2 million in park revenues, and around \$2 million in existing business revenues. The net result is something less than zero.

This is the reality of the Summers End Marina economics.

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<sup>1</sup> This figure is based on an average family size of 3.5 individuals, a 7 day stay, 1500 families, for a total of 37,000 visitor-days. The average economic contribution from park visitation is \$195 per visitor-day (NPS data).

This analysis hasn't even begun to discuss secondary and indirect impacts. One of the most pressing economic hardships on St Johnian families is the ever increasing property tax burden on their land holdings. The Summers End economic analysis states that marina construction will lead to an increase in property values. This is of little comfort to a local family who has no intention of selling their ancestral land, but must now struggle with an increased tax bill, courtesy of a marina project. Gentrification is no friend to local families.

### **Conclusions**

How does this project help St Johnians, many of whom have not shared in the past decades of economic growth? Quite simply, it doesn't. It doesn't create long term careers. It doesn't enhance the cultural, historic and natural values of Coral Bay. It builds a playground for wealthy off-island yacht owners on top of the trust lands of the people of the Virgin Islands.

And to whom does the economic benefit of this project flow? Possibly to the project proponents and the off-island investors. Certainly not the local landowners, some of whom are currently suing Summers End Group for non-performance of leases and contractual agreements. And not local St Johnians, who would suffer through increased taxation on their family land holdings. And certainly not wage-earners in local families seeking year-round employment.

At a time when we are all working our hardest for economic growth and revitalization, we can ill afford to do irreparable damage to our precious natural resources and our collective economic engine, in order to do a favor for a few.