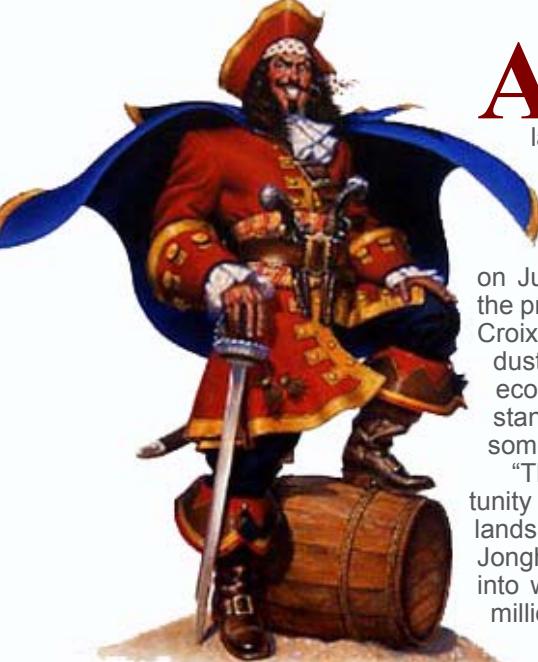


# St. Croix Real Estate reviews

Featuring real estate market updates and local news of St. Croix, USVI

July, 2008

## CAPTAIN MORGAN LANDING



A landmark 30-year agreement between the V.I. government and U.K.-based Diageo PLC -- the world's largest beer, wine and spirits company with brands such as Guinness, Jose Cuervo, Johnnie Walker, Baileys and Tanqueray -- was announced by Governor John P. deJongh, Jr. on June 23. The agreement, which brings the production of Captain Morgan rum to St. Croix, will create a \$100 million-a-year industry spurring new construction, jobs and economic development, along with a constant revenue stream that could alleviate some of the Territory's long-term debts,

"This was a once-in-a-generation opportunity to once again establish the Virgin Islands as a major rum producing locale," deJongh said. "The agreement that I entered into will bring to the Virgin Islands a \$165 million manufacturing facility on St. Croix, that, when it's completed in about three years, will produce on St. Croix

all the rum used in Captain Morgan brand products."

The new "environmentally sound" distillery -- which the government will help finance -- will be able to produce 20 million proof gallons of rum every year, making it one of the largest facilities in the Caribbean.

Rum production in the Virgin Islands is the primary competitive tool given to USVI by the U.S. Congress that can foster economic growth. With the addition of the Captain Morgan brand to our existing Cruzan Rum brand, the USVI will have 30% market share of rum distribution worldwide.

The agreement with Diageo will generate a whole new set of rum revenues, which among other things will help reduce the unfunded liability plaguing the Government Employees' Retirement System, build a new school on St. John and a new junior high school on St. Thomas, establish "new, modern" elderly-living facilities and repair local roads.

Also included in the agreement with Diageo is the creation of a Community Facilities Trust Fund, which will receive an allocation from the company for community and sports facilities, the governor said. The agreement was approved by the VI Legislature with a vote of 10-5 after two full days of hearings.

## NEW ENERGY SOURCES

Hugo Hodge Jr., CPQ, Executive Director of the Virgin Islands Water and Power Authority (WAPA), has announced that final review and ultimate negotiations with six companies to enter into a 20-year Power Purchase Agreement (PPA) has begun. WAPA hopes to have a firm commitment from several of these companies in the next three to five months to produce and sell a guaranteed monthly supply of energy at a cost that is lower than WAPA's projected energy costs.

The selected proposals for St. Thomas include waste-to-energy facilities proposed by Alpine Energy Group of Englewood, Colorado and BioEnergy, Inc. of Cherry Hill, New Jersey. The selected proposals for St. Croix include a coal facility proposed by St. Croix Renaissance Group of the Virgin Islands, an ocean thermal energy conversion (OTEC) facility proposed by Sea Solar Power International of Washington, DC., a geothermal solution proposed by West Indies Power Holdings, B.V. of Charlestown, Nevis and a combined wind and solar facility proposed by BlueWave Capital, LLC of Boston, Massachusetts in cooperation with St. Croix Renaissance Group. WAPA is also considering the costs to interconnect St. Croix and St. Thomas, in which case St. Croix Renaissance Group and West Indies Power B.V. could be considered as a solution for St. Thomas.

WAPA is seeking to diversify its generation portfolio away from fuel oil and replace up to 26 megawatts (MW) of energy on St. Croix and up to 30 megawatts (MW) of energy on St. Thomas with these alternative and renewable energy solutions. This goal, if realized, is approximately 40% of WAPA's territory-wide normal daily peak power. Currently, Virgin Islanders face electricity costs of 40 cents per kilowatt-hour. Although relief from this will not be immediate, it will occur sooner rather than later.

Our community has been a live with hot discussions and lots of opinions about the pros and cons of the proposed Diageo PLC contract. (Please see the lead Captain Morgan story). These are exciting and energetic times in St. Croix. The air is full of "electricity". The radio talk shows, the newspapers and online news have been jammed with information and opinions about the contract. Talk shows in the Virgin Islands are a huge source of information and help form public opinion and even influence our leaders. The local Senate approved the Diageo PLC contract with a vote of 10 to 5 at 9:30pm on July 9, after two very long days of intense questioning and presentations. The 5 negative votes were all from St. Croix Senators who evidently had reservations about the contract and its timing. Most residents are very optimistic about the benefits to the territory of this very significant growth opportunity. The Governor labeled this contract as the most significant development for the VI since the original Hess contract 50 years ago.

The income projections include adding \$100 million per year to our VI Treasury for the next 30 years. This money will be from the rum tax rebate, sometimes called the cover over, that the VI Government receives from the Federal Government based on every proof gallon of rum manufactured in the VI and subsequently exported to the US market.

During the construction of the \$165 million manufacturing facility approximately 100 new construction jobs will be created. The permanent job count will be approximately 40 new positions. Economically, this will have a huge impact of our local economy.

**ST. CROIX AVIS EDITORIAL ANNOUNCES "CHANGE OF HEART"**  
The "nasty grams" that many of you received from the VI Tax Assessors office have been rescinded. That's right, the delinquent tax notices that you may have received have now been recalled, so to speak. The Tax Assessor, Roy Martin acknowledged that the wide spread scope of possible errors were so large and affected so many tax payers that the delinquency notices should be recalled. The amnesty period for interest and penalties is still in effect for the next two months, so pay the taxes you do owe, but no longer fret about the ones you are sure you paid. The Recorders of Deeds office has been very helpful in supplying free of charge a recorded tax clearance letter. Since 2001, tax clearance letters have been required to be recorded with your deed, so if you purchased real estate from 2001 until the present, the Recorders of Deeds office will have it on file. Please call or email with any questions or clarification.

There is so much good news in the wind, please stay tuned to the next newsletter for the official announcements. Good news on the horizon for the William and Punch development on the west end, as I understand they have submitted all their permit applications and also there may be some very positive developments for our airlift capacity and increased cruise ship arrivals.

Our summer in St. Croix has been remarkably comfortable, especially the evenings. Wishing you and yours a fabulous summer. It's not too late to make a quick trip here.

Lorine R. Williams, GRI, CRS  
2006 REALTOR of the YEAR  
Coldwell Banker Land-de Wilde Realty

## FEATURE HOME OF THE MONTH



Attention vacation villa buyers. BRAND NEW, romantic and private, adorable home with views to die for. Unique construction, 'American Ingenuity Dome' home, with lifetime hurricane /earthquake guarantee. Many 'green' features including extra insulation, water saver sink, solar exhaust fan. Upgraded stainless gas range/refrigerator, split A/C in Master Bedroom. Don't miss this one.

MLS: 08-831

Price: \$449,000

Call Lorine Williams at  
340-778-7000 or

email: [lorine@lorinewilliams.com](mailto:lorine@lorinewilliams.com)

## MANGO MELEE

Festival held at St. George Village Botanical Gardens was larger than ever, attracting more than 4,000 people.

The most crowd-pleasing competitions were the mango-eating contests- one for children under 12 and another for adults. The crowd was so large that late arrivals could barely find a spot to see the action.

The activity that attracted the most participants was the mango and local fruit juice tasting. One visitor from the states was heard to observe. "Boy, this stuff tastes good even without the rum."

But every activity attracted its own special crowd such as the cooking enthusiasts who participated in the "Mango 'Dis, Mango 'Dat" food competition. There were all categories of mango culinary delights being judged. As an added bonus, all types of locally grown mangos were available for sampling at no cost.

In addition to the competitions, the guests could shop the several dozen local vendors offering juices, foods, crafts, paintings, and more.

## V.I. FIRST LADY AND FIRST DAUGHTER RWANDA BOUND

A group of Virgin Islanders -- 11 students and five adults -- including First Lady Cecile deJongh and first daughter, Rene, will travel to Rwanda on July 18 in a hands-on effort to help some of the youngsters orphaned by HIV/AIDS.

The first lady actually became part of the project herself after she was approached to help with the fundraising effort. The Community Foundation of the Virgin Islands stepped forward to fund the trip.

"I discovered a shared interest," deJongh says. "I've always wanted to see Africa, and to see it through a child's eyes, to be able help these people who are so desperately in need."

She hopes the trip will help bridge the Atlantic and establish a connection between the Virgin Islands and Rwanda. "This is a group of fabulous kids, and they are curious," deJongh says. "They want to learn about this other culture. That's what this is all about: taking what talents and blessings we have and sharing them with others."

**W**hen you mix mangos with meleé you get one of the biggest tropical celebrations in the Virgin Islands. The 12th Annual Mango Melee

## ST. CROIX PICTURE OF CARIBBEAN PARADISE

The latest edition of *Islands* magazine featured St. Croix as among the best islands to live on. The publishers didn't have to puzzle too hard in choosing St. Croix. As they noted, St. Croix is a U.S. territory (hence no immigration, work permit or property rights worries), it's English-speaking, it's affordable, and it's a nonstop flight from the U.S. It also looks like that picture of Caribbean paradise -- swaying palm trees, a pale slice of beach, a blue wash of sea -- that decorates computer screensavers and cubicle walls nationwide. Compared to its sister Virgin Islands, the magazine reported St. Croix is less touristy than St. Thomas and more populated than St. John.

In its profile, the magazine said St. Croix has a tropical climate with an average temperature of 86 degrees. Its population is 53,234 with a stateside transplant population of about 15 percent. There are two main towns, Christiansted and Frederiksted: populations 2,637 and 732. Nonstop flights are available or connections through Miami, Puerto Rico or St. Thomas make easy accessibility from the U.S. The language of the island is English with a second language of Spanish. Immigration is easy. Juan F. Luis General Hospital is located mid island. Rum and ale are affordable.

According to the magazine, homeownership is simple and prices vary. A three-bedroom, two-bath Caribbean house with new ceramic-tile floors and front porch is priced at \$165,000. A three-bedroom, 2,700-square-foot estate with exposed-beam ceilings and covered patio is \$398,500. A five-bedroom, new hilltop home with the use of a golf course and yacht club, cathedral ceilings, two-person spa bathtub and serene swimming pool is \$1.2 million.



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## ST. CROIX REAL ESTATE MARKET WATCH

### CLOSED SALES COMPARISON - 6/30/06-6/30/07 VERSUS 6/30/07-6/30/08

	2006-2007 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE	2007-2008 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE
Home Sales*	174	291	386,698	147	261	417,362
Condo Sales*	116	158	219,287	87	192	238,359
Land under \$39,999	141	656	26,822	82	311	28,674
Land over \$40,000	188	409	162,744	150	311	218,231
Commercial properties*	28	475	573,535	19	366	1,136,026

Information from the St. Croix Multiple Listing Service

\*The average sales price could be skewed greatly by only one sale because of the small number of annual sales.