



Statement by Mr. D. Allen O'Neal
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Wednesday, 28 September 2005

With the passing of the Bill creating the Prospect Reef Resort Management Company Limited (PRRMC), the Government of the BVI made a clear and ambiguous statement of its intention to support the further growth and development of the tourism industry in our Territory and to promoting the advancement of locals in the industry.

PRRMC hit the ground running attacking the many challenges ahead. Over the past months PRRMC has begun to formulate plans for

1. The creation of the territory's first hospitality training centre
2. Renovating, revitalizing and upgrading a run-down hotel facility
3. Advance plans for a state-of-the-art conference and meeting facility
4. Containing and rebuilding the sullied image and reputation of Prospect Reef as well as addressing the concerns of the Vacation Club.

The rationale for this Government's decision to acquire Prospect Reef Resort is engrained in the very essence of the country's commitment to Tourism in general. Many have paid lip service to the idea of sustainable tourism growth, and throughout most of the Caribbean their governments make lofty platitudes regarding tourism-but few do anything to prepare their people to excel and lead as professionals in this industry.

By raising the bar and establishing a training facility to insist on high standards within BVI tourism this government is truly proving its commitment to tourism. After a year of the operation of this hospitality training facility, hotels, restaurants and other tourism enterprises will be able to draw from a ready pool of trained and skilled individuals in hospitality and the culinary arts. These graduates of the training centre will enter the work force ready to compete with any in the world and prepared to assume positions of responsibility and leadership in the industry.

No private individual or enterprise could or would be willing to undertake these endeavors, only a governmental body such as PRRMC could be resolved to reach this stated goal for the benefit of the entire BVI tourism industry and the entire BVI society.

On May 25th, 2005 the Board of PRRMC decided to hire a CEO to focus directly and solely on this multi-task project. Four months later we are happy to report that the groundwork has been laid, and we are well on our way toward achieving the goals set before us. A skeleton staff of eight loyal and dedicated individuals remained with the

Resort during the transition period from a private operator to a governmental body. Even though the staff is still owed final compensation from the previous administration, they are enthused to continue working at Prospect Reef for a better cause.

The CEO's first order of business was to establish PRRMC as a business able to conduct its own affairs independent of other governmental entities and the loan of the personal resources of the Board members. Existing sources of income inclusive of tenancies in the Marina and shore based commercial spaces is being managed on a continuous basis by the CEO, and maintenance and upkeep provided by the staff. Calabash gym continues to operate and Dolphin Discovery never ceased their operation for one day. The amenities of the resort such as the swimming pool had to be repaired and maintained to a higher standard than we met it necessitating substantial outlays of capital that had to be monitored by the CEO.

Early in June we were confronted with our first fallout of the Prospect Vacation Club when an irate VC member arrived on island with a letter from the previous operator specifying that alternate arrangements had been made for him at Lambert Beach Resort. This couple coming all the way from the UK had to pay for their two week vacation at Lambert even though their annual maintenance fee had been collected in January of 2005. Other VC members followed to meet a similar predicament.

As was stated at the time, it is the clear position of the Government of the BVI that it purchased the Prospect Reef property free from any legal liability, and that the Government does not have a legal obligation to the VC members as they did not enter into any contract with Government or any Governmental entity. However, recognizing the need to protect the good name of the BVI as a respected destination, as well as the fact that several dozen BVI Islanders are members of this Vacation Club, the Government has made every effort to use its good offices to help facilitate an amicable resolution to this dispute.

The sole principle upon which the Government has been and continues to be adamant is that taxpayers money cannot and must not be used to settle debts incurred by any private business person in their past dealings. In order to protect the legitimate interests of BVI taxpayers, the Board of PRRMC decided to enlist one of the best legal counsel in the territory by retaining the services of Gerard St. C. Farara, Q.C.

In July, the Board also selected the firm of VOA and Associates to provide Architectural/Engineering services for the renovation and construction of the new Prospect Reef Resort. VOA is a firm out of Orlando, Florida with extensive experience in developing and renovating resort facilities in many Caribbean islands. Prospect Reef is their first BVI project and they have already partnered with a local project management firm to bring a fresh and innovative architectural approach to Prospect Reef. VOA has already completed and submitted to the Board their conceptual plans for the renovation of Prospect Reef Resort, location of a new Conference Centre which will be able to seat 500 persons in its main salon. The single level structure will also house smaller meeting rooms and classrooms for the training school.

When this construction project is complete, no longer will the BVI have to export conferences to other Caribbean Islands, for this facility will be able to match the executive hotels of other Caribbean destinations. The layout of the complex of buildings will separate the resort guest area from the commercial side of conference center, shopping arcade, and restaurants. Therefore, all patrons can be accommodated in the one compound. Additional and adequate parking will be created, esthetics will be enhanced and additional pools and amenities will be added.

Through reconfiguration and extension of some existing room blocks the hotel's capacity will increase to over 160 from the present 134 hotel rooms. The redevelopment and renovation project at Prospect Reef will be done in a phased approach. The first phase will focus on the buildings and restaurants in and around the Marina so that the Resort can be reopened at about half its capacity in the middle of 2006. Government is pursuing funding from the European Development Fund to develop the restaurant facility for the Culinary Training School, and this facility will be the first to reopen in time for next season. Other development funds will most likely be financed from commercial lending sources. The second phase will concentrate on the new Conference centre and shopping arcade whereby interested local entrepreneurs will have the opportunity to conduct their own businesses.

It is therefore clear to see that this project is at full throttle in a forward direction. All goals are being dealt with in a clear and determined manner. We are of the belief that with the enhancements of a modern Conference Centre and the provision of added amenities the occupancy of Prospect Reef can definitely be improved from the average 60% of the past. Indications give us hope that the Vacation Club members would welcome modifications to their contracts as long as the program continues. We are mindful of developing the new Prospect Reef in an ecologically sound manner, and above all to meet the needs of BVI tourism.

Many persons may not be aware of the fact that Prospect Reef was built on crown lease property. By Government acquiring this resort now, the government has in effect bought back the people's land. And so it is more than fitting that with the opening of the hotel and the establishment of the training center we will be putting this property to work on behalf of the people of the BVI.